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From the Editor's Desk

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Barron H. Harvey
Founding Editor-in-Chief

OUT OF SIGHT, OUT OF MIND: THE EFFECT OF MEMBER PLACEMENT AND INTER-FIRM RELATIONSHIPS ON CONTRACTUAL PERFORMANCE

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ABSTRACT

This paper examines vendor team characteristics and its impact on contractual performance. Vendor team characteristics are examined in terms of supply chain tier or distance from the final buyer, and inter-firm relationships. The research methodology employed uses both qualitative and quantitative techniques for exploratory purposes. The exploratory findings suggest an increasing level of performance issues with members on the vendor team further away from the government buyer. On the other hand, stronger inter-firm relationships are found to be a buffer against performance issues. The study highlights potential areas for further consideration in contractual arrangements between the prime vendor and its subcontractors. These exploratory findings highlight the need for linking contract theory with other strategic management theories, and also make an empirical contribution by identifying additional drivers of contractual performance.

INTRODUCTION

This study looks at the complexity of the vendor team, and its impact on contractual performance. A typical contract is comprised of a government buyer, a prime contractor and zero, one, or many subcontractors and their subcontractors in a tiered structure, as participants on the contract. The government buyer contracts with the prime contractor for goods and services but has limited visibility into the contractual arrangements between the prime and its subcontractors. The prime contractor has flexibility to construct a team of supporting vendors, with terms and conditions that best fits the prime's contractual obligations and financial interests. In a supply chain context, subcontractors are a few tiers away from the buyer, which could lead to an out of sight, out of mind type syndrome adversely impacting contractual performance from any perceived unfair treatment.

"AMONG the primary motives for writing contracts identified in both the law and economics literatures is the desire to protect against the hazards inherent to exchange" - Crocker and Masten (1991). Furthermore, it is noted by the authors that contracts promote efficiency, by securing the distribution of rents ex ante to avoid ex post costs. In federal acquisition, the contract types fall under fixed-price category where the contractor has full responsibility of performance cost and resulting profit (loss), or cost-reimbursement where the contractor has minimal responsibility for the performance costs and is guaranteed a certain fee (FAR, 2005). As such, contract type selection is central to managing risks inherent in the procurement, or acquisition, of material and services. Despite the highly codified nature of federal contracting, several performance issues have been highlighted in the federal acquisition process (Gansler & Lucyshyn, 2005). Therefore, it is imperative to look at factors beyond the contracting mechanism to further our understanding of performance drivers.

This study looks at factors associated with vendor characteristics that potentially impact contractual performance. Propositions are developed to explore vendor characteristics in terms of supply chain tier or distance from the final buyer, and inter-firm relationships to assess their impact on contractual performance. The research focuses on the defense industry due to the scale of business conducted within this industry. The motivation for the selection of the sample is based on multiple reasons, including: (i) the need for academic research of contractual performance from a supply chain or operational point of view in the defense industry, (ii) the need for disaggregating the vendor

into prime and subcontractors for assessing performance issues, and (iii) the poor performance evidenced on defense programs as captured in several published reports (GAO-09-326SP, Aerospace Industries Association (AIA) Report 2008, Institute of Defense Analysis (IDA) Report 2009, Center for Strategic and International Studies (CSIS) Report 2010). In doing so, the paper answers the call by Gansler and Lucyshyn (2005) and others (Shaffer & Snider, 2014) for disciplined academic research in defense acquisition.

The rest of the paper is organized as follows. The next section reviews the published literature and develops a conceptual model for contractual performance applicable to the defense industry to establish context. Next, propositions are developed for the impact of vendor team characteristics on contractual performance. Subsequently, the methodology section discusses the data collection effort, and elaborates on the variables employed in this study. The following section on findings presents the associations captured from a limited data set to explore the aforementioned relationships. In terms of associations, the data is indicative of a positive impact from stronger inter-firm relationships, and highlights the negative impact of distance from final buyer on contractual performance. Finally, we discuss the implications of this study, present additional insights on vendor characteristics based on semi-structured interviews, and offer possible extensions.

LITERATURE REVIEW

Contractual performance issues have been researched in several disciplines to include operations management, marketing, economics, law and others. The following paragraphs summarize some of the studies in different disciplines to provide further context for the research undertaken in this study.

In the operations management literature, as it relates to supply chain management, there has been considerable research in the area of sourcing or procurement and the impact of various factors on performance including buyer lock-in, supply base complexity, inter-firm relationships, supply disruption risk, concentration, procedural and distributive justice, and governance (Griffith, Harvey, & Lusch, 2006; Narasimhan, Nair, Griffith, Arlbjørn, & Bendoly, 2009; Krause, 1999; Carr & Pearson, 1999; Ellis, Henry, & Schockley, 2010; Lanier, Wempe, & Zacharia, 2010; Mahapatra, Narasimhan, & Barbieri,

(2010). A large number of these studies have looked at supply chain factors using a transaction cost framework as advocated by Williamson (1979). Agency theory has been used to assess the alignment between members of the supply chain (Ketchen & Hult, 2007) by looking at reward structures including incentives and contract duration among others, within the framework of supply chain governance. Lumineau and Malhotra (2010) delve into this area by looking at contract structure and its impact on dispute resolution. A contract type establishes the link between transaction cost economics (TCE) theory and agency theory as it forms the bridge between the nature of the work to be performed (that can be assessed on the dimensions of TCE) and the alignment of supply chain members to successfully perform that work. Contract type and the associated reward structure can be viewed as the central mechanism for achieving optimal performance by attempting to align the objectives of the buyer and the seller.

Contract specificity, inter-firm relationships, relationship governance, inter-organizational governance and their impact on supply chain performance have been studied in the field of marketing as well (Mooi & Ghosh, 2010; Kalwani & Narayandas, 1995; Wathne & Heide, 2004; Heide, 1994). For instance, in the study by Wathne and Heide (2004), the authors conclude that upstream relationships impact downstream performance. In the study by Heide (1994), interorganizational governance is viewed from the theoretical lens of resource dependence theory as a strategic response to conditions of uncertainty and dependence. Although studies in marketing account for the entire channel, they typically do not assess the performance in the context of the vendor team structure by looking at the distinct impact from various tiers in a supply chain.

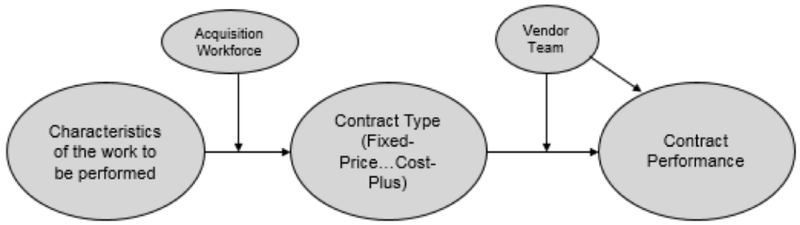
Compared to management and marketing, a more sizable body of work exists in the economics discipline dedicated to the study of contracts. Several papers have examined contract design under conditions of asset specificity, investment hold-up, buyer lock-in, and contract duration among others (Hwang, 2006; Joskow, 1987; Macleod & Malcomson, 1993; Crocker & Reynolds, 1993; Bolton, 1990; Bajari & Tadelis, 2001; Rogerson, 1993; Fehr, Klein, & Schmidt, 2007; Hart & Moore, 1988). These studies are primarily dedicated to the design of contract and dissipation of rents. Furthermore, these studies do not indulge in empirical examination of ex post contractual performance. Although the studies in the

economics discipline form the basis of the contracting process, the theoretical arguments lack empirical support especially when the concern is not just financial performance, but also operational performance, as is true in the defense industry.

The defense industry presents a unique set of problems, as is explained in detail by Rogerson (1993). The author has gone at length to explain the issues faced by the government in its dual role as buyer and regulator, and the associated complexities of procurement arising from buyer lock-in, regulatory lag, multi-year procurement, and innovation among others. The academic literature on defense procurement is sparse and is primarily grounded in the economics discipline (Hiller & Tollison, 1978; Crocker & Masten, 1993; Templin & Heberling, 1994). Furthermore, the studies in this domain do not typically examine the impact from an extended supply chain comprising of a prime and several tiers of subcontractors. This study attempts to plug this gap by examining the impact on contractual performance from a member's placement along the supply chain. In so doing, the study hopes to make an important contribution to the national discourse on defense procurement, and specifically on defense procurement policy making with a focus on overall performance.

DEFENSE PROCUREMENT

A conceptual model for defense contracting is presented in Figure 1. In defense procurement, contract type offers the most effective instrument to manage inherent risks, and thereby performance to obtain a best value for the government as the buyer.



Contract type and the built-in reward structure are used in an effort to align seller behavior with the buyer's needs and priorities. Furthermore, the capability of the seller to drive hard bargains with its suppliers, generally referred to as subcontractors, provides for additional

rent-seeking opportunities and, often, opportunistic behavior. It has been noted that the alignment of objectives is imperative for successful performance of contracts (Ketchen & Hult, 2006). To achieve this alignment, the defense procurement process is strictly controlled by the federal acquisition regulations (FAR) and the Department of Defense (DoD) supplement, the defense federal acquisition regulations (DFARS). Even with this high-level of prescriptive mechanisms in place, several major defense procurement programs have faced significant performance issues (Joint Strike Fighter, Littoral Combat Ships, Future Combat Systems and several others). Gansler (1989) reports the average overrun on defense acquisition in the range of forty percent. In their assessment of selected weapons programs, the government accountability office (GAO-09-326SP) reports a forty-two percent increase in research and development cost for 2008 programs, with an associated delay of twenty-two months in delivering capabilities. The Center for Strategic and International Studies (CSIS) in their report (CSIS, 2010) note several factors such as contract type, and scope creep as possible drivers of failed objectives. Aerospace Industries Association (AIA) in their report on acquisition reform (AIA, 2008) advocates the need for workforce stability, better selection of contract type, expansion of multi-year procurement authority to improve contract performance. Gorden and Wormer (2006) note technological risk, education and training of the government program management workforce and the degree of buy-in by the prime contractor as possible drivers of overruns. While the various publications from think tanks and industry associations points to programmatic issues, it is important seek answers at the contractual level. A typical acquisition program by the Department of Defense is complex, comprised of several contracts, and performance issues at the contractual level would impact the overall program.

Brown, Potoski, and Van Slyke (2010) elaborate on the potential reasons for failure when contracting for "complex products." As opposed to a market for simple products, which has plenty of buyers and sellers, and clearly defined requirements, complex products have a lot of uncertainty in requirements. Furthermore, government is the sole buyer and

contracts with a single vendor for a complex product without an easy way to exit from the contract due to lack of ease in replacing the vendor. The authors note that the lack of options, ambiguity in requirements, and a single vendor creates a collective action problem. In such a scenario, buyers and sellers might have the incentive to exploit the ambiguities, risking an unsatisfactory outcome from the effort. We extend the arguments of ambiguity proffered by Brown et al. (2010) to include a lack of visibility into contracting terms offered by the government to all members of the vendor team. While the government does stipulate FAR flow down in subcontracting relationships, it does not necessarily lead to complete visibility into the contractual arrangements such as dissipation of rents, and other possible gains from the contractual relationship with the government. Based on the characteristics of the vendor team, we proposition that a lack of visibility would negatively impact contractual performance.

Vendor Team Characteristics

In terms of supply chain tiers, the downstream performance of the chain depends on upstream governance mechanisms (Wathne & Heide, 2004). As noted by Ketchen and Hult (2007), resource and firm dependencies should be used to create trust, and not for purposes of opportunistic behavior. In a study of the impact of supply chain concentration, Lanier, Wempe, and Zacharia (2010) noted that firms downstream primarily reap the benefits of higher profitability in the supply chain in the context of other factors, such as bargaining power. In federal contracting, the prime contractor is ultimately responsible for the delivery of supplies and services to the government. Often, such arrangements result in an increased supply chain concentration, with a majority of the business of subcontractors being sustained through contracts with the prime contractor. In addition, given that the DoD requirements result in a sole supplier through the contractual award process, the sole supplier could potential behave as a monopsony vis-à-vis subcontractors. Under such circumstances, one cannot eliminate the possibility of opportunistic behavior on the part of the prime contractor, which could be potentially detrimental to the functioning of the entire supply chain. This arrangement is likely to repeat upstream along the supply chain with the immediate downstream member in a

position to exploit. As such, we look at the impact of supply chain tier or distance from the final buyer on contractual performance.

We also look at inter-firm relationships and its impact on contractual performance. Firms realize the competitive advantage of developing long-term partnerships based on trust and co-operation (Langfield-Smith & Greenwood, 1998). The positive effects of long-term buyer-supplier relationships have been reported in several other studies as well (Ford, 1980; Kalwani & Narayandas, 1995; Hwang 2006). While strong inter-firm relationships should have a complementary effect on fixed-price contracts (work that is stable and mature, as in, specific), the effect of such relationships is less clear in the context of work that has a certain amount of uncertainty in the outcome as well as less specified, and therefore uncertain in term of the conduct.

In the context of the above literature reviewed, this paper explores the following questions in the defense acquisition environment: 1) How does distance from the final buyer impact contractual performance? 2) What is the impact of inter-firm relationships on contractual performance? In doing so, we are able to explore the potential effect of these performance drivers on the defense supply chain.

The principal contributions of the paper are to present testable propositions in the context of defense acquisition, identify important factors that expand the understanding of potential limitations in the acquisition process, and propose ways to improve the acquisition process. To do so, we examine the importance of distance from the final buyer, and inter-firm relationships in the acquisition process. By grounding the research in contracts, we enhance the practical implication of this work for procurement specialists and policy makers and make a case for incorporation of the research findings in the acquisition process.

PROPOSITIONS

Distance from Final Buyer

Several studies document the reduced bargaining power for upstream supply chain members (Lanier, Wempe, & Zacharia, 2010; Wathne & Heide, 2004). As noted by Lanier, Wempe, and Zacharia (2010), buying firms typically hold greater bargaining power than supplying firms that designate them as major customers. As noted by

Mookherjee (2006), the prime contractor could have monopsony power over the subcontractors that could cause distortion in production and payments. Due to the contracting environment in federal procurement, there is the possibility of opportunism on the part of the prime contractor as the sole buyer of certain goods and services to serve the unique contract with the government. In such scenarios, where the government provided cushions against risk to the prime contractor do not necessarily flow down to the suppliers thereby guaranteeing similar levels of contingency and profits as the prime, the motivation to perform on the part of the upstream members might not be as strong as the prime. We posit therefore that upstream tiers will record lower levels of contractual performance.

Proposition 1: The greater the distance from the buyer, the lower is the level of observed contractual performance.

Inter-firm Relationships

By design, the strength of inter-firm relationships offers a risk mitigation strategy to poorly designed contracts. Ford (1980) highlights several positives from the development of buyer supplier relationship, which can be seen as a process including: the increasing experience of the two companies; reduction in their uncertainty and the distance between them; growth of both actual and perceived commitment; formal and informal adaptation to each other and the investments and savings involved. As posited in the social network theory, a longer relationship helps build social controls and informal governance mechanisms like trust (Li, Xie, Teo, & Peng, 2010) which have a stronger impact on performance. The complimentary effect of relational governance and formal contracting has been supported by Poppo and Zenger (2002). A longer relationship also provides for better alignment between the buyer and the supplier (Ketchen & Hult, 2007) for improved performance. As noted by Ketchen and Hult (2007), the cultural alignment creates a predisposition on both parties to plug the gaps for the greater good. We posit that relationship commitment would impact contractual performance as follows:

Proposition 2: Higher inter-firm relationship commitment leads to better contractual performance.

EMPIRICAL MODEL & DATA

The propositions are validated with data collected via an online survey (Appendix A). Wherever possible, items and scales are reused from the literature on contracting and supply chain performance. In certain instances, new items and scales are developed that are unique to defense contracting. Visualization techniques employing histograms are used for exploring the various propositions.

Contractual Performance Measures

Contractual performance is measured in terms of *ex post* operational or supply chain costs, and *ex post* negotiation costs. *Ex post* operational cost is a multiple item construct adapted from the work of Mooi and Ghosh (2010). Items from the performance construct in Mooi and Ghosh (2010) are matched to supply chain performance metrics that are captured by various DoD contractor performance tracking databases (Straight, 1999) to enable ease of response. We take this approach since the sellers often track these performance measures to comply with DoD requirements and the possession of such data would thereby increase the accuracy of self-reporting. *Ex post* negotiation costs is a multi-item measure adapted from a set of measures listed by Artz and Norman (2002). These are subjective performance measures for the contract that align with supply chain performance measures. Such measures have been used in the extant literature in lieu of actual financial numbers. The items under these constructs look at contract performance in a comprehensive manner to capture schedule, scope, delivery, and other similar issues associated with supply chain or operational performance.

Exploratory Variables

The unit of analysis in our study is a contract, with inter-firm relationship and supply chain tier as exploratory variables. We also measure contract specificity, and contract type for validation of the data collected and as controls. Inter-firm *relationship commitment* is a multi-item construct adapted from Griffith (2006). *Tier* is an objective measure that allows us to measure the distance of a firm from the final buyer. *Specificity* is measured using a construct adapted from the work of Mooi and Ghosh (2010). The *specificity* construct is mainly

concerned with the details in the terms of the final contractual agreement. Contract type is a selection of the major contract types (Firm-Fixed-Price, Cost-Plus, and Time and Materials) published in the FAR.

METHODOLOGY

Survey Instrument Development

A multi-step process is employed for instrument development. As noted earlier, a majority of the subjective measures are harvested from literature. Additional unique measures were created by referencing the government acquisition regulations as needed. Objective measures are single item constructs requesting quantitative data. Step 1 included activities to compile items and scales from reasonable sources. Step 2 included coordination with the industry to assess the validity of the various items and the interpretability of the instrument as a whole. At this stage several refinements were made based on inputs from the industry. In Step 3, a pilot study was conducted with a select group of individuals who are program managers and were identified by our industry contact. For ease of response, all items were standardized to a five-point Likert scale.

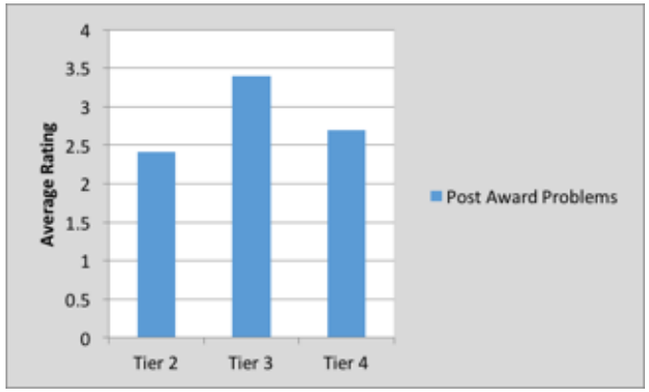
Sample Frame and Data Collection

Data is collected by administering a survey to members of the Aerospace Industries Association (AIA) and National Defense Industrial Association (NDIA). These organizations are trade associations comprised of major aerospace and defense contractors. In the final data collection step, an online link to the survey was included within the trade association's newsletter encouraging people to respond. Following the protocols used by two trade associations (AIA and NDIA), no additional follow-up requests were sent as reminders. Based on the tracking capabilities on the survey software, it was determined that 80 individuals started the survey with 27 completions.

Out of the 27 survey completions, 23 were listed as cost-plus or fixed-price type contracts. We summarize the data based on these 23 completions to probe the different propositions.

The first proposition suggests that buyer proximity impacts the contractual performance of firms. So, one should expect that compared to the prime contractor, supply chain partners further away from the government buyer participating on the same contract will have greater issues with contractual performance. Figure 2 summarizes the post

award problems by prime contractor and firms participating in the contract who are not prime contractors (second tier suppliers, third tier suppliers, etc.).

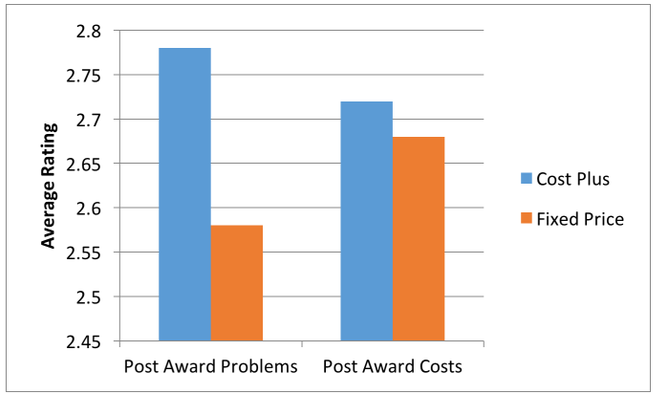


While nothing definitive can be stated from a rather small sample set, one does observe higher post award contractual performance problems as the distance from the final buyer increases.

The second proposition looks at the level of relationship commitment between supply chain partners and its impact on contractual performance between partners. The correlation between relationship commitment and post-award problems is -0.12. Similarly, the correlation between relationship commitment and post-award costs is -0.24. From an exploratory perspective, both these values suggest that a greater amount of relationship commitment leads to fewer post award problems, both in terms of deliverables and costs.

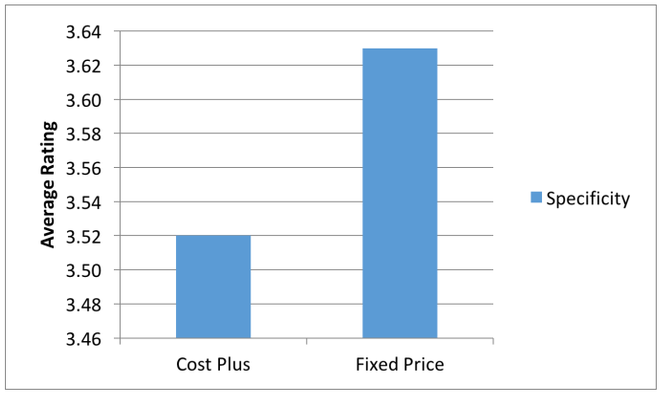
To increase the level of confidence in the limited amount of data collected through the survey, we also look at controls. Figure 3 summarizes the average specificity score by contract type. Based on the depiction in Figure 3, fixed price contracts on average do seem to have a little more specificity.

[1]In the survey instrument prime contractors were identified as prime vendors.



The behavior noted in the data of higher specificity with fixed-price contracts is as per expectations.

Next, we look at contractual performance by contract type. By definition cost-plus contracts would have more post award problems, given the lack of specificity and more uncertainty associated with these contracts. If so, one should expect a lower level of post-award problems associated with fixed-price contract type as compared to cost-plus contracts. Figure 4 depicts post-award problems by award type.



The data is indicative of a lesser amount of post-award problems associated with fixed-price (or higher specificity) contracts. As expected, cost-plus contracts are observed to have higher post-award problems as well as post-award costs relative to fixed-price contracts.

DISCUSSION

This study was designed as an exploratory study of policy and operational issues associated with defense contracting. Member placement along the supply chain and strength of inter-firm relationships on the prime vendor team is explored through this study. Though sample size limitations preclude statistical tests of significance, nevertheless some interesting issues surface through the observations made in this study. To further explore these issues in defense contracting, semi-structured interviews were conducted with experienced professionals in the industry. Following established formats (Harrell & Bradley, 2009), focused interviews were conducted using an open-ended questionnaire (Appendix B) while addressing various propositions to seek additional insights from the industry, both from a prime as well as a subcontractor viewpoint. The interviews were conducted in-person or on the phone and lasted on an average for an hour. All interviews were recorded and transcribed.

Three focused interviews were conducted that were representative of a small business (noted as Interview#1) with a significant portion of its business tied up as a subcontractor, as well as a large business (Interview#2 and Interview#3) that mainly serves as a prime contractor on defense contracts. Several key insights from the semi-structured interviews are noted in our discussions below to further qualify the observations from the survey. The discussions are captured in the context of the specific proposition.

Distance from the Final Buyer

Both from a policy and operation perspective, the observation around contractual performance based on distance from the final buyer is interesting. Defense contracts are designed with the prime in the driver's seat having immense flexibility in terms of structuring contracts with their upstream supply chain. The prime does not necessarily have to agree to similar financial and non-financial terms that it has agreed to with the government. Furthermore, the lack of transparency in the prime contract might create trust issues for upstream members who might perceive unfair treatment and unjust rewards. The observations of higher post-award issues associated with tier 3 and beyond seem indicative of such a possibility.

- *Additional Insights from Interview #1*

Related to the arguments about unreasonable expectations from a vendor team created from a lowest price to award mentality, the interview highlighted the development of a ripple effect in terms contractual performance extending away from the prime. As each member along the supply chain looks out to safeguard its interests in a resource constrained environment, the further out a firm is from the final buyer the greater it gets squeezed for resources.

- *Additional Insights from Interview#2*

The interview reflected the viewpoint of an employee with a large company serving in the capacity of a prime vendor. 1) The interview confirmed the practice of prime contractor structuring the contract in a manner best suited from its vantage point to meet the requirements of the final buyer. For example, time-based performance metrics might be established for subcontracting arrangements that would not necessarily be included in the prime vendor contract with the final buyer. 2) In a situation of variable workload, the subcontracts might be based on average fees per work order with a forecast of the estimated workload creating a level of financial uncertainty for the subcontractor. 3) When faced with the question of preference for a prime vendor versus subcontractor role, having experience serving in both capacities, a clear preference was indicated for the prime vendor role by the candidate. The reasons cited were greater control for the overall contract and the ability to interact with the government buyer. It was clarified that often times there is a possibility of no interaction with the government buyer as a subcontractor.

- *Additional Insights from Interview#3*

*T*he interview reflected the viewpoint of an employee with a large company serving in the capacity of a prime vendor. 1) The interview highlighted the importance of following process and protocols by subcontractors as key to the success of a contract. 2) The interview also noted the difficulty of having complete visibility into the various tiers of the supply chain. 3) A disparity in the level of sophistication of work performed by different members along the supply chain was brought up in the context of resource availability. While a larger prime vendor might have the resources to expend in adopting lean six-sigma practices, this might not be the case for a sub-tiered member contributing to variances in contractual performance. 4) When faced with prime versus sub role, having experiences in both capacities, a clear preference for the prime role was stated in this interview.

Besides control, a sense of pride was also cited as the attraction of a prime vendor role. A complete lack of opportunity to interact with the final buyer was also stated as a reason for not wanting to play a subcontractor role. Teaming agreement possibility (which allows opportunities to interface with the final buyer) rather than subcontracting arrangements was also mentioned when participating on a bid with several vendors.

Inter-firm Relationships

Defense contracts request information on past associations between partners when bidding as a team for a contract. The observation in this study reinforces the importance of this practice in bid evaluations. The observations suggest that relationship commitments between partners are important, and the lack of such could be harbingers of post-award issues. When bids have a team associated with a prime, information on performance through past associations needs to be verified and validated from a performance perspective.

- *Additional Insights from Interview #1*

1) The overall construct of the prime versus subcontractor role is appropriate with controls of driving a program in the hands of the prime vendor. 2) The interview highlighted the need for careful contractual language to prevent opportunistic behavior to safeguard the interests of the subcontractor.

- *Additional Insights from Interview#2*

1) Major subcontractors/suppliers are provided with a contractual duration that matches up with that of the prime vendor whereas sub tier suppliers of standard parts might be awarded shorter duration contracts. 2) It is important to provide your sub tier members with the big picture and show them how they are making a difference for the final buyer.

- *Additional Insights from Interview#3*

Communication and trust are essential amongst firms on the team for a successful program. Typically, a lot of time is spent on the root cause analysis of the final one percent that prevents a 100% success rate on the contract. It is important to continuously improve.

Managerial Implications

From a policy and managerial perspective, this study, though exploratory in nature does highlight several important issues affecting defense contracting. While the surveys provide indicators of the issues researched, the semi-structured interviews shed light on probable underlying causes.

On the vendor characteristics, several issues come to light through the survey and the semi-structured interviews. First, the practice of deriving performance metrics applicable to different tiers from the base performance metric agreed between the prime vendor and the final buyer could suffer from a "bullwhip" effect. In supply chain, a 'bullwhip" effect is an amplification of issues away from the customer, such as increased levels of inventory maintained by each member to prevent stock-outs. The possibility of each intermittent buyer including a performance buffer as a means of protection from performance issues of the next tier partner could lead to unreasonable expectations from members further away from the final buyer. Overall, this would be detrimental to the contract. Second, from a cohesiveness perspective, the emphasis on the interaction with the final buyer as a motivating factor for being a prime vendor on a contract rather than a subcontractor does lend some support to the out of sight, out of mind type environment. Finally, in terms of the importance of the contractual language to protect subcontractors, the onus of contractual scrutiny on a subcontractor might be unreasonable given the lack of resources with specialized skills for due diligence.

Theoretical Implications

From a theoretical perspective, several theories in strategic management such transaction costs economics (TCE), principal-agent theory, resource-based view, resource dependency theory tackle issues surrounding outsourcing, alignment of objectives, relative power in bargaining etc. Contracting in defense with information asymmetry adds a layer of complexity, which can benefit from the theoretical grounding provided in these theories but needs additional scrutiny and an overlay of arguments from contract theory. The issues surrounding defense contracting cannot be easily explained by work done in channel coordination, which assumes profits as the primary driver as that does not comply with defense contracting with the government playing the dual role of buyer and regulator and having a strong influence in a contractor's profit generation capability.

CONCLUSION

Given the limited sample size, this study does not attach any significance to the observations; but it does highlight important areas of research, both from an operation, as well as a policy perspective vis-à-vis government contracting. Given the need "to do more without more," the exploratory nature of this study assumes significance. A host of large dollar value programs are facing significant cost overruns and delivery issues. To avoid such problems, researchers need to dive deeper into the issues of government contracting and look at important drivers of performance. It is imperative for the government and industry to come together and align their expectations in a way that is mutually beneficial. Even in the highly codified environment of defense contracting, additional research is required in the vendor selection process. Additional research is also needed to understand the nature of inter-firm relationships vis-à-vis contractual arrangements to understand the impact of these issues on performance. For example, one could compare the performance across contracts where vendors are in a teaming agreement as compared to subcontracting arrangements.

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APPENDIX A: Relevant Survey Items

Proximity (distance from buyer): With reference to the classification below, please specify the supply chain tier to indicate your placement in the supply chain supporting the contract under consideration.

- ☐ Level1: Buyer (example Government Contracting Agency)
- ☐ Level2: Prime Vendor
- ☐ Level3: Supplier or Subcontractor to Prime Vendor (Tier 1 Supplier)
- ☐ Level4: Supplier or Subcontractor to Level3 Supplier/Subcontractor (Tier 2 Supplier), or further upstream (Level 5 etc.) in the supply chain

Contract Type: Please specify the contract type. For an Indefinite Delivery Indefinite Quantity (IDIQ) contract, please specify the contract type of the task order under that was most recently completed.

- ☐ Cost Reimbursable
- ☐ Fixed Price
- ☐ Time and Material
- ☐ Other (Please Specify):

_____

Contract Duration: Please specify the duration of the contract (also referred to as the period of performance) in years.

- ☐ Up to 1 year
- ☐ >1 year - 2 years
- ☐ >2 years - 3 years
- ☐ >3 years - 5 years
- ☐ >5 years

Contract specificity: Terms in the contractual agreement are sometimes very detailed and specific and at other times left open. On a five point scale, please assign a rating to measure specificity for the contract under consideration. How specific were the contractual features with respect to:

	Very Little	Little	Average	High	Very High
Implementation scope	☐	☐	☐	☐	☐
Financial and legal conditions	☐	☐	☐	☐	☐
Technical specifications	☐	☐	☐	☐	☐
Agreement as a whole	☐	☐	☐	☐	☐

Contract Investment: In number of working man-days, how much time did you and your colleagues spent on negotiating and drafting the agreement with this buyer? (Best Estimate)

- ☐ Up to 30 man-days
- ☐ >30 - 60 man-days
- ☐ >60 - 90 man-days
- ☐ >90 - 120 man-days
- ☐ >120 man-days

Contract Investment: As a percentage of the total contract value how much cost did the firm incur prior to award on this contract? (Best Estimate)

- ☐ 0 - 0.5%
- ☐ >0.5 - 1%
- ☐ >1 - 3%
- ☐ >3 - 5%
- ☐ >5%

Relationship Commitment: Please rate the following questions to assess the strength of your relationship with the firm (your buyer) prior to providing services or products for the focal contract.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
We have a long-term commitment to the relationship	☐	☐	☐	☐	☐
We view the relationship as a partnership	☐	☐	☐	☐	☐
Our senior management seeks to develop a positive relationship with the buyer and their management team	☐	☐	☐	☐	☐
Both risks and rewards are shared with our buyer	☐	☐	☐	☐	☐
We make investments that are unique to the relationship with our buyer	☐	☐	☐	☐	☐

Post Award Problems: Listed below are some potential problems that could arise regarding the product, its delivery, and its service. Please indicate your perception of the degree of severity for each of these items.

	Very Low	Low	Average	High	Very High
Went over delivery schedule	☐	☐	☐	☐	☐
Went over price/budget	☐	☐	☐	☐	☐
Product incomplete or defective	☐	☐	☐	☐	☐
Deviations from specifications made	☐	☐	☐	☐	☐
Incomplete/unclear documentation	☐	☐	☐	☐	☐

Post Award Negotiation Costs: For the items indicated below, please rate the magnitude of the effort required to align contractual objectives and resources after the contract was awarded.

	Very Low	Low	Average	High	Very High
Number of personnel involved in contract negotiations post award	☐	☐	☐	☐	☐
Number of hours spent in contract negotiation post award	☐	☐	☐	☐	☐
Number of bargaining sessions or contract modifications post award	☐	☐	☐	☐	☐
The amount of conflict post award	☐	☐	☐	☐	☐

APPENDIX B: Semi-structured Interview Questionnaire

1. What is the nature of your business? (software services provider, software vendor, hardware manufacturer etc.)
2. What is your firm size? (total revenues or number of employees)
3. What is roughly the mix of prime vs. subcontracting work that your firm is engaged in? (either as percent of your revenue or percent of total projects)
4. Do you have experience with management oversight on contracts where your firm has been or is a subcontractor?
5. Do you have experience with management oversight on contracts where your firm has been or is a prime contractor?
6. How would you describe the key differences in the overall experience of executing work as a prime versus a subcontractor?
7. What are the typical challenges faced in meeting contractual performance as a prime?
8. What are the typical challenges faced in meeting contractual performance as a subcontractor?
9. As a firm, does it matter whether the role is of a prime or a subcontractor? (If yes, why?)
10. Given a choice what would be your preference in terms of priming for a government contract or as a subcontractor? (Why?)
11. What are the important factors for a successful prime-subcontractor team performance?
12. Do you have any thoughts on how the contracting arrangements with subcontractors can be improved?

FIGURES

Figure 1: Theoretical framework of defense contracting.

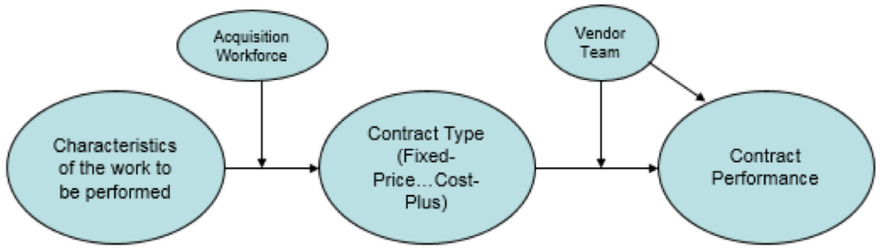


Figure 2: Post award problems by distance from buyer.

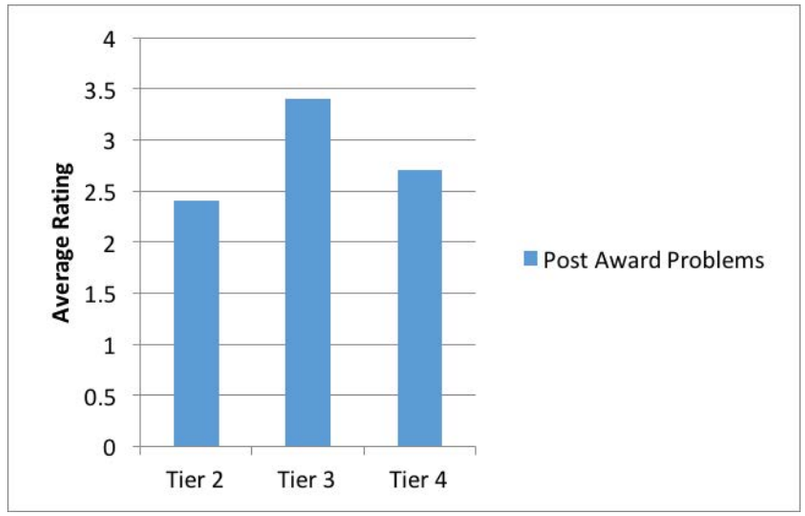


Figure 3: Contract specificity by contract type.

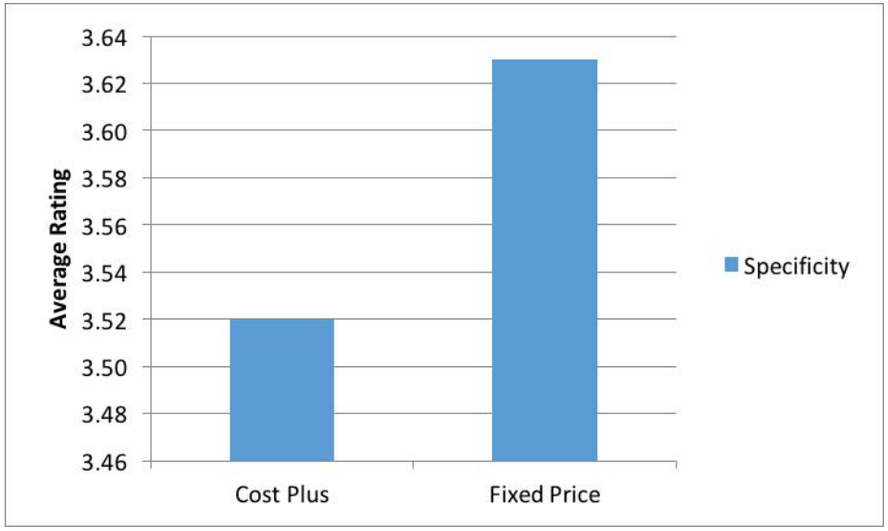
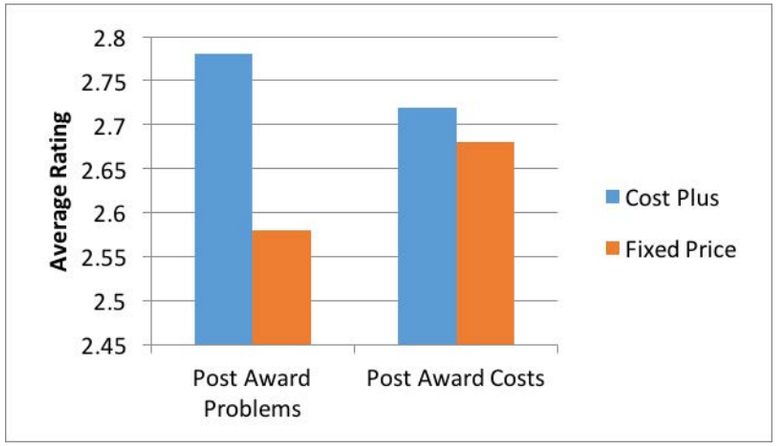


Figure 4: Post-award problems by contract type.



ARE HISTORICALLY BLACK COLLEGES AND UNIVERSITIES PREPARED FOR INTERNATIONAL FINANCIAL REPORTING STANDARDS?

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ABSTRACT

The timeline for U.S. convergence to the adoption of the International Financial Reporting Standards (IFRS) detailed by the Securities and Exchange Commission (SEC) has halted. However, the CPA exam has tested candidates' knowledge of the differences between IFRS and U.S. GAAP since 2011. Public accounting firms continue to anticipate that accounting graduates would have exposure to IFRS and possess the skills to assess the impact of both standards on the financial statements. Globalization and the increase in multinational enterprises require accounting students to understand standards beyond U.S. GAAP. Contemporaneously, African-American accounting students continue to lag in CPA licensure. Lack of exposure to the content on the CPA exam may be a barrier to African-American accounting students. This paper seeks to examine the preparedness of Historically Black College and Universities (HBCU) in including IFRS in the accounting curriculum.

INTRODUCTION

The 2015 – 2016 AICPA Supply and Demand Trends Report presents a grim picture for the supply of African-American (BA & MA) accounting students noting that African-Americans comprise 12% of BA enrollments and 9% BA & MA enrollments. In fact, there was no growth in the supply in African-American (BA & MA) graduates from the previous 2015 reporting period. HBCUs have played an integral role in the development of African-American accounting students and CPAs. For example, Theodora Rutherford, a Howard University alumna, became the first African-American CPA in West Virginia and Jesse B. Blayton, Sr, the first African-American CPA in the state of Georgia, a Morehouse College and Atlanta University professor, served as the "Dean of Negro Accountants" (Hammond, 2002).

While much literature (Brown & Tarca, 2012; Cherry & Schwartz, 2013; Kaya & Pillhofer, 2013) focuses on the debate of whether US GAAP, with its rules-based accounting or IFRS, with its principle-based accounting, is more appropriate for financial reporting, accounting programs are faced with the need to incorporate IFRS in the accounting curriculum. The SEC initially prepared a roadmap that established milestones which would have promoted the use of IFRS by U.S. issuers in 2014 and urged prompt adoption by 2011. Later, Mary Schapiro, serving as SEC chair from 2009 until 2012, commended the progress that was made but was not restrained by the milestones and timelines (Schapiro, 2010). Currently, the SEC has not decided on a timeframe to adopt IFRS (White, 2017). Regardless of the stall in the convergence to IFRS, there remains an urgency to prepare students for the transition in reporting standards. The Uniform CPA Examination Financial Accounting and Reporting (FAR) Blueprint, for example, test the International Accounting Standards Board (IASB) standards under a section labeled the "Differences between IFRS and U.S. GAAP." Likewise, there is an expectation from national public accounting firms that accounting graduates have a working knowledge of the differences in financial reporting utilizing IFRS and U.S. GAAP (Yoon, Vedd, & Jones, 2013). Furthermore, more than 120 countries around the world utilize IFRS suggesting U.S. students need the skills to be competitive in a global market (Larson & Brady, 2009; Yoon et al., 2013). Most professors from one study expect that a single set of global standards would improve access to world markets for

multinational enterprises; however, they expressed reluctance to the actuality of one set of global standards (Bandyopadhyay, J. and McGee, 2012).

Several studies (Bandyopadhyay, J. and McGee, 2012; Weiss, 2011; Yoon et al., 2013) found that more than half of the accounting professors surveyed presently covered or planned to cover both U.S. GAAP and IFRS in the Intermediate Accounting course. The Intermediate Accounting course seemed to house the greatest level of integration (Larson & Brady, 2009; Weiss, 2011; Yoon et al., 2013). Another compelling reason for integration of IFRS in the Intermediate Accounting course is the increased amount of coverage of the standards available in the course textbook (Yoon et al., 2013). Survey respondents also suggested the Advanced Accounting course as an appropriate course to include the standards (Weiss, 2011; Yoon et al., 2013). However, some argue (Clay, 2013) that the Advanced Accounting course should progress the IFRS learning and should not be the course for initial IFRS content. On the other hand, some respondents preferred a standalone course given the loaded assurance of learning requirements in both the Intermediate and Advanced courses (Clay, 2013). Students at some Universities are acquainted with the international standards in the Principles of Accounting course which serves as a compulsory introduction course for all business students (Bandyopadhyay, J. and McGee, 2012; Weiss, 2011). Others suggest that the introductory course should not include IFRS content (Clay, 2013) Study abroad has also been considered as a means for adding IFRS into the accounting curriculum (Clay, 2013).

The ability to integrate IFRS into the accounting curriculum is further thwarted by the level– undergraduate or graduate and the mandate – required or elective that is appropriate for the program (Weiss, 2011). The feasibility of the subject matter in the required Intermediate and Advanced accounting courses to include international standards is not available for graduate courses. Therefore, strategies are necessary for both undergraduate and graduate accounting programs. Deloitte, for instance, partnered with an Ohio University to provide a standalone IFRS elective graduate course (Kroll & Turner, 2009). Whether the IFRS material is covered in an undergraduate or graduate course or a required or elective course, there are proficiencies that employers expect. The proficiencies noted by one study focus on understanding, application, and analysis of the international standards and the practice of professional judgment (Yoon et al., 2013).

Means for team listening orientation and team coordination items are shown in Tables 4 and 5. On average, students reported good team listening environments and fairly good work coordination. The least supported work coordination item was *Everyone in my team understood what to do and how to do it*.

One dilemma for adding IFRS to the accounting curriculum centers on the lack of training of University Professors. Professors are relying on CPE courses, resources from national public accounting firms and current textbooks to assist with faculty development and pedagogical strategies for teaching the international standards (Bandyopadhyay, J. and McGee, 2012; Yoon et al., 2013). The premise for the international standards prompts a principles-based/ framework-based teaching method (Persons, 2014). Although the CPA exam tests the candidate's ability to understand and apply the differences between IFRS and U.S. GAAP on the financial statements, long-term learning may be more suited with an approach that facilitates "why" questions. International cases that allow students to analyze the international standards, as well as problem-solving, may prove beneficial to the instruction of accounting students and the development of professional judgment (Kroll & Turner, 2009; Larson & Brady, 2009). A study chronicles the transition from a teacher-centered approach to a student-centered approach in teaching IFRS in an introductory accounting course in South Africa, one of the early adopters of IFRS (Coetzee & Schmulian, 2012).

Both national and regional public accounting firms expect accounting graduates to be familiar with IFRS. The skill set for international standards is not only to service international clients but to also assist with training existing firm staff (Kroll & Turner, 2009). Practitioners who utilize IFRS suggest that much time is spent reading, understanding and interpreting the international standards and exercising professional judgment (Clay, 2013). Regardless of the uncertainty of IFRS adoption in the U.S., nearly all accounting practitioners surveyed expressed that IFRS knowledge is important enough to incorporate into the accounting curriculum (Yoon et al., 2013). However, the respondents believe that more attention should be given to U.S. GAAP than IFRS.

This research is necessary because African American accounting graduates are gravely behind in penetrating the accounting profession. The accounting curriculum plays a role in mastering the material covered on the CPA exam as well as the skill expectations from

employers. It is important to assess if HBCUs are prepared to equip African American accounting students with the IFRS skills required for the CPA exam and future employment opportunities. Moreover, previous studies examined accounting curriculum preparedness based on the anticipation of U.S. convergence to IFRS (Kang et al., 2016; Kroll & Turner, 2009) and did not consider the impact to African American students.

METHODOLOGY

This study follows a similar approach as Kang et al. (2016) with minor adjustments necessary for the study. HBCUs are defined by the amended Higher Education act of 1965 "… any historically black college or university that was established prior to 1964, whose principal mission was, and is, the education of black Americans, and that is accredited by a nationally recognized accrediting agency or association determined by the Secretary [of Education] to be a reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation". HBCUs with an accounting program/major were identified from the National Center for Educational Statistics (NCES). Because of the education requirements for the CPA exam, two-year institutions were removed from the list. University accreditation and ownership (private, nonprofit vs. public) was provided by NCES. The international accounting standards curriculum information was gathered from the website of each of the four-year HBCUs listed from NCES. Institutions listing business school accreditation from either the Association to Advance Collegiate Schools of Business (AACSB) or the Accreditation Council for Business Schools and Programs (ACBSP) were confirmed by the Agency's website. Data was collected on the following items:

1. Is an international accounting course offered for the undergraduate program?
2. Is an international accounting course offered for the graduate program?
3. Is the international accounting course offered required or an elective?
4. Does the course description explicitly state one or more of the following: IFRS, international standards, international reporting, harmonization, multinational standards?

5. The current business school accreditation status.

The sample includes 57 HBCUs in the U.S. including the District of Columbia and the U.S. Virgin Island. Tables 1 through 6 contain a recapitulation of the information collected from the HBCUs. The list of HBCUs that were examined is presented in Appendix 1 located at the end of the study.

RESULTS

Recorded in Table 1 are the states (including the District of Columbia and the U.S. Virgin Island) that the HBCUs under investigation are located. The majority (51%) of the HBCUs are in 5 states: Alabama (8.8%), Georgia (8.8%), Louisiana (7%), North Carolina (12.3%), Texas (7%) and Virginia (7%).

TABLE 1
DEMOGRAPHIC INFORMATION OF HBCUs

State	Number of HBCUs	Percentage of Total Sample
Alabama	5	8.8%
Arkansas	2	3.5%
Delaware	1	1.8%
District of Columbia	2	3.5%
Florida	3	5.3%
Georgia	5	8.8%
Louisiana	4	7.0%
Maryland	3	5.3%
Mississippi	3	5.3%
Missouri	2	3.5%
North Carolina	7	12.3%
Ohio	2	3.5%
Oklahoma	1	1.8%
Pennsylvania	1	1.8%
South Carolina	3	5.3%
Tennessee	2	3.5%
Texas	4	7.0%
Virgin Islands	1	1.8%
Virginia	4	7.0%
West Virginia	2	3.5%
Total	**57**	**100%**

While the education requirements to sit for the CPA exam are regulated by the individual state or the state's board of accountancy, all states allow candidates to sit for the CPA exam upon earning an accounting degree (AICPA, 2018). The 150-hour rule which requires credit hours beyond the undergraduate degree is typically necessary for CPA state licensing. Therefore, Table 2 lists the HBCUs under investigation that offers Masters in Accounting or MBAs. Masters of Accounting degrees or MBAs are offered at 27 (47%) of the 57 schools that offer an undergraduate accounting program/major. Tables 3 and 4 list the HBCUs that offer International Accounting courses in the graduate and undergraduate programs respectively.

The Tables also note whether the mandate for the course is elective or required. As seen in Table 3, North Carolina represents 19% of the graduate programs that offer an international accounting course. The adoption rate for each state was determined by taking the number of HBCU graduate programs that offer an international accounting course divided by the number of HBCUs offering a Masters of Accounting and MBAs degree by state. Generally, the results show that 11 (41%) of HBCU graduate programs of the 27 graduate programs offer a formal international accounting course. The higher percentage of HBCU graduate programs offering an international accounting course as an elective or requirement were in four states: Delaware (100%), Missouri (100%), Tennessee (100%) and Virgin Island (100%).

TABLE 2
HBCUs UG PROGRAMS/MAJORS OFFERING MASTERS IN ACCOUNTING OR MBAS

State	Number of HBCUs
Alabama	2
Delaware	1
District of Columbia	2
Florida	2
Georgia	3
Louisiana	1
Maryland	1
Mississippi	3
Missouri	1
North Carolina	4
Pennsylvania	1
South Carolina	1
Tennessee	1
Texas	2
Virgin Islands	1
Virginia	1
Total	27

On the other hand, Table 4 represents the undergraduate programs the offer international accounting courses. Two states, Alabama and Tennessee, represent 24% of the undergraduate programs offering an international accounting course. Although 51% of HBCUs with accounting programs/majors were represented by five states: Alabama, Georgia, Louisiana, North Carolina, Texas and Virginia, these same states (Alabama 11.85%, Georgia 0%, Louisiana 5.8%, North Carolina 5.8%, Texas 5.8% and Virginia 0%) only represent 29% of the undergraduate programs that offer international accounting courses. The adoption rate for each state was determined by taking the number of HBCU undergraduate programs that offer an international accounting course divided by the number of HBCUs offering an undergraduate accounting degree by state.

Overall, the results show that 17 (30%) of the HBCU undergraduate

programs of the 57 total programs offer an official international accounting course. Two undergraduate programs, one in the Virgin Islands and one in West Virginia, offer IFRS instruction in the intermediate accounting course. The following states, Delaware, Oklahoma, Pennsylvania, Tennessee and the Virgin Islands, have a 100% international course adoption rate. The information from tables 3 and 4 suggest that the graduate programs provide greater exposure to IFRS. It also may suggest that there is less room in the undergraduate curriculum to add a standalone international accounting course than in the graduate curriculum. Furthermore, it appears that HBCUs are not likely to add IRFS instruction in the Principles of Accounting, Intermediate Accounting, or Advanced Accounting courses. The adoption rate for both undergraduate (30%) and graduate programs (41%) are higher than the rate (21.6%) reported in a study by Kang, Liu and Hsiao (2016). However, HBCUs should continue to integrate IFRS instruction in the accounting curriculum.

TABLE 3
ANALYSIS OF INTERNATIONAL ACCOUNTING COURSE OFFERING GRADUATE

State	Elective	Required	Total	Percentage of Total Offerings	Adoption Rate by State*
Alabama	1	0	1	9%	50%
Delaware	1	0	1	9%	100%
District of Columbia	0	0	0	0%	0%
Florida	1	0	1	9%	50%
Georgia	0	1	1	9%	33%
Louisiana	0	0	0	0%	0%
Maryland	0	0	0	0%	0%
Mississippi	1	0	1	9%	33%
Missouri	1	0	1	9%	100%
North Carolina	1	1	2	19%	50%
Tennessee	0	1	1	9%	100%
Texas	1	0	1	9%	50%
Virgin Islands	1	0	1	9%	100%
Virginia	0	0	0	0%	0%
Total	8	3	11	100%	41%

*Adoption rate= the number of graduate programs offering international accounting course/the number of graduate programs in the sample

Table 5 provides an additional cross-tabulated analysis of HBCUs by type, accreditation and master's degree awarded and the offering of an international accounting course. Table 5 consists of three sections. The results from Section A reflect that 47.22% of public HBCUs and 19.04% of private, not-for-profit HBCUs offer an international accounting course. The results suggest that public HBCUs are better prepared to provide IFRS instruction than private, not-for-profit HBCUs. Section B represents the international accounting course offerings based on business school accreditation. The analysis considers business school accreditation earned from AACSB, ACBSP, IACBE, and no accreditation. The HBCUs included in the no accreditation category provided no evidence of business school accreditation on the Institution's website. Two of the HBCUs have earned a specialized AACSB accreditation in Accounting while one Institution included in the ACBSP total is a candidate for accreditation. Upon earning AACSB business accreditation, an institution may apply for the AACSB Accounting accreditation. This distinctive certification focuses on the institution's accounting program (AACSB, 2018). Business school accreditation accounts for 84.21% of the HBCU institutions. Given the rigor of business school accreditation, it could be expected that 90.47% of the HBCUs that offer an international accounting course have business school accreditation. AACSB accreditation represents 57.14% of the HBCU institutions providing IFRS instruction. HBCUs with business school accreditation, AACSB in particular, are better prepared than non-accredited HBCU business schools to incorporate IFRS instruction in the curriculum. The results from Section C show that HBCUs that grant business degrees at the Master level are better prepared for convergence to IFRS. This result suggest that accounting students have an opportunity to gain instruction on the IFRS section of the CPA exam and earn the additional credit hours (150-credit hour rule) required for CPA licensure.

TABLE 4
ANALYSIS OF INTERNATIONAL ACCOUNTING COURSE OFFERING – UNDERGRADUATE

State	Elective	Required	Total	Percentage of Total Offerings	Adoption Rate by State*
Alabama	1	1	2	11.85%	40%
Arkansas	0	0	0	0%	0%
Delaware	1	0	1	5.8%	100%
District of Columbia	1	0	1	5.8%	50%
Florida	1	0	1	5.8%	33%
Georgia	0	0	0	0%	0%
Louisiana	1	0	1	5.8%	25%
Maryland	1	0	1	5.8%	33%
Mississippi	1	0	1	5.8%	33%
Missouri	0	0	0	0%	0%
North Carolina	1	0	1	5.8%	14%
Ohio	0	0	0	0%	0%
Oklahoma	1	0	1	5.8%	100%
Pennsylvania	1	0	1	5.8%	100%
South Carolina	1	0	1	5.8%	33%
Tennessee	2	0	2	11.85%	100%
Texas	1	0	1	5.8%	25%
Virgin Islands +	0	1	1	5.8%	100%
Virginia	0	0	0	0%	0%
West Virginia +	0	1	1	5.8%	50%
Total	14	3	17	100%	30%

*Adoption rate= the number of undergraduate programs offering international accounting course/the number of undergraduate programs in the sample

+ IFRS is taught in the intermediate accounting course.

Table 6 depicts the analysis of a Chi-Square test result of HBCU international accounting course offering by institution type, accreditation, and master level business degree granted. The chi-square test is appropriate to assess the relationship between two categorical variables. The test provides insight into the strength of the relationship between offering an international accounting course and the institution's ownership type, the category of business school accreditation and the level of business degree that is awarded. For this test, the accreditation variable includes AACSB, ACBSP and Other. The Other component includes non AACSB or ACBSP accreditation and no business school accreditation.

As displayed in Table 6, the Chi-Square values are 4.525, 6.038 and 19.611respectively. The institution type and accreditation are statistically significant at the 5% level, and the degree-granting level is statistically significant at the 1% level. The strongest relationship resides with the HBCUs that grant Masters degrees in Business. This finding is impactful to undergraduate programs and the CPA state examination boards since candidates can take the CPA exam upon graduation with an undergraduate degree in accounting. Furthermore, employers may need to have different IFRS expectations for undergraduate and graduate accounting students.

TABLE 5
SUMMARY OF THE ANALYSIS OF HBCUs OFFERING AN INTERNATIONAL ACCOUNTING COURSE BY TYPE, ACCREDITATION, AND DEGREE GRANTING

Section A				
	International Accounting Course Offered			
		Yes	**No**	**Total**
Type	Public	17 (47.22%)	19 (52.78%)	36
	Private, not-for-profit	4 (19.04%)	17 (80.96%)	21
	Total	21 (36.84%)	36 (63.16%)	57
Section B				
	International Accounting Course Offered			
		Yes	**No**	**Total**
Accreditation	AACSB	12	9	21
	ACBSP	7	19	26
	IACBE	0	1	1
	No Accreditation	2	7	9
	Total	21	36	57
Section C				
	International Accounting Course Offered			
Master's Degree Offered		**Yes**	**No**	**Total**
	Yes	18 (66.67%)	9 (33.33%)	27
	No	3 (10.00%)	27 (90.00%)	30
	Total	21 (36.84%)	36 (63.16%)	57

*The school accreditations abbreviation are as follows:

AACSB: Association to Advance Collegiate Schools of Business

ACBSP: Accreditation Council for Business Schools and Programs

IACBE: International Assembly for Collegiate Business Education

** Two Institutions also have earned AACSB Accounting accreditation

TABLE 6
SUMMARY OF THE CHI-SQUARE ANALYSIS OF HBCUs OFFERING AN INTERNATIONAL ACCOUNTING COURSE BY TYPE, ACCREDITATION, AND DEGREE GRANTING

Variables	Type (Public/Private, Not-for-profit)	Accreditation (AACSB, ACBSP/ Other)	Program (Graduate/ Non-Graduate)
Chi-Square	4.525	6.038	19.611
D.f.	1	2	1
Sig.	0.033**	0.049**	0.000***

*** Indicates significant at the 1% level, and ** Indicates significant at the 5% level
Accreditation includes AACSB, ACBSP and other (non AACSB or ACBSP or no business accreditation

DISCUSSION AND LIMITATIONS

As previously stated, there are limited studies that examine the integration of IFRS in the accounting curriculum regarding African American students and HBCUs. In general, the previous studies tend to focus on which courses in the accounting curriculum to integrate and the IFRS skill set expected by CPA examiners and employers. These studies have found that the intermediate accounting course or a standalone international accounting course were the most appropriate places for IFRS integration (Kang & Liu Daniel Hsiao, 2016; Kroll & Turner, 2009; Larson & Brady, 2009; Weiss, 2011; Yoon et al., 2013). A University, therefore, that has integrated IFRS in the accounting curriculum is prepared for IFRS convergence (Kang & Liu Daniel Hsiao, 2016). Likewise, this study has determined that Universities that have integrated IFRS instruction in the accounting curriculum in an existing course or a standalone international accounting course is prepared for IFRS convergence. More specifically, this study examines HBCU progress in equipping African American students for IFRS convergence. African American students continue to be underrepresented in the accounting profession. The CPA exam started testing IFRS skills in 2011; consequently, HBCUs need to ensure that African American

accounting students receive the appropriate IFRS instructions for exam success. In this study, accredited HBCUs offering an accounting degree were examined from the accounting curriculum listed on the institution's website to assess IFRS instruction.

One limitation noted for this study is the dependency of current and accurate information on the institution's website to properly analyze data.

CONCLUSION

The results of this study show that the majority of HBCUs have not integrated IFRS in the accounting curriculum. Public HBCUs have progressed more than private, not-for-profit institutions in providing IFRS instruction in the accounting curriculum. Likewise, AACSB accredited business schools made more headway toward IFRS integration than other or no business accreditation. The greatest advancement in IFRS curriculum assimilation was shown in institutions that grant Master level business degrees. To ensure that African American accounting students have the IFRS skill set to take the CPA exam, secure employment with national public accounting firms, and engage multinational enterprise careers, the results suggest that HBCUs should be more aggressive in integrating IFRS in the accounting curriculum.

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APPENDIX 1
HBCU NAME AND STATE

Alabama A & M University	Alabama
Alabama State University	Alabama
Albany State University	Georgia
Alcorn State University	Mississippi
Arkansas Baptist College	Arkansas
Benedict College	South Carolina
Bethune-Cookman University	Florida
Bluefield State College	West Virginia
Central State University	Ohio
Clark Atlanta University	Georgia
Coppin State University	Maryland
Delaware State University	Delaware
Dillard University	Louisiana
Elizabeth City State University	North Carolina
Fayetteville State University	North Carolina
Florida Agricultural and Mechanical University	Florida
Florida Memorial University	Florida
Fort Valley State University	Georgia
Grambling State University	Louisiana
Hampton University	Virginia
Harris-Stowe State University	Missouri
Howard University	District of Columbia
Jackson State University	Mississippi
Langston University	Oklahoma
Le Moyne-Owen College	Tennessee
Lincoln University	Pennsylvania
Lincoln University	Missouri
Miles College	Alabama
Mississippi Valley State University	Mississippi
Morgan State University	Maryland
Norfolk State University	Virginia
North Carolina A & T State University	North Carolina
North Carolina Central University	North Carolina
Oakwood University	Alabama
Paine College	Georgia
Paul Quinn College	Texas

Prairie View A & M University	Texas
Saint Augustine's University	North Carolina
Savannah State University	Georgia
Shaw University	North Carolina
South Carolina State University	South Carolina
Southern University and A & M College	Louisiana
Tennessee State University	Tennessee
Texas Southern University	Texas
Tuskegee University	Alabama
University of Arkansas at Pine Bluff	Arkansas
University of Maryland Eastern Shore	Maryland
University of the District of Columbia	District of Columbia
University of the Virgin Islands	Virgin Islands
Virginia State University	Virginia
Virginia Union University	Virginia
Voorhees College	South Carolina
West Virginia State University	West Virginia
Wilberforce University	Ohio
Wiley College	Texas
Winston-Salem State University	North Carolina
Xavier University of Louisiana	Louisiana

https://nces.ed.gov/COLLEGENAVIGATOR/?s=all&sp=4&pg=1

INFORMATION PRIVACY RISK ANALYSIS OF DIGITAL TRANSACTIONS

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ABSTRACT

As digital transactions assume a greater influence in the day-to-day lives of people around the world, many people want ways to hold businesses accountable for information control. During the last five years, more than nine billion records have been stolen or compromised. Data breaches are linked to weak internal security procedures and practices, likely due to misconfigured databases. Transporting customer information online or in global networks to third parties means increased risk for outsiders to attain deep visibility into confidential information. Since it can be both legally and practically challenging to obtain relief through legislation, consumers are left to vote with their one potent weapon, their business. The fiduciary duty to protect consumers is dissolute and the secondary market of selling consumer information pulled from these open systems is more prevalent. Business must adopt critical risk perception measures to reduce the severity and vulnerability levels of information misuse.

Introduction

The accelerated use of information and communication technologies for e-commerce and m-commerce by digital buyers indicate that the majority of consumers have grown comfortable with online shopping. In this interconnected economy, electronic relationships exist between consumers and corporations. Businesses engage in e-commerce to offer products and services to a global audience, expand their market base, and strengthen their competitive position. Ingenious methods for investing trust in otherwise anonymous online transactions influence consumers in unprecedented ways to conduct business using digital devices. With minimal effort, these same technologies can shockingly provide the arsenal for an online identity thief to strike. Weak safeguards can cause emotional distress and monetary damage when personal information is lost or stolen. At issue is the risk involved when conducting digital transactions within the confines of the current liability efforts, or whether more effective federal liability standards are required to mitigate privacy harms.

Privacy & Security Policies

Privacy is an individual's interest in protecting his or her personal information and the corresponding obligation of entities accessing, using, or disclosing that information to respect those interests through fair information practices. Security means protecting information and an information system from unauthorized access, use, disclosure, disruption, modification, or destruction to guard against improper information modification or destruction and includes ensuring information nonrepudiation and authenticity. Confidentiality means authorizing restrictions on access and disclosure, including means for protecting personal privacy and proprietary information (Fox, 2009).

It is argued that because consumers are vulnerable in their dealings with corporations due to information and control deficits, businesses have a moral duty to take reasonable precautions with consumer data and to avoid harm in using this data (Culnan & Williams, 2009). Corporations sharing information on the Internet need to provide customers with risk factors and recovery efforts. Privacy policies speak to how information is shared or kept confidential but does not address mitigation of information abuse and unauthorized access. Critical risk perception measures determine the severity and

vulnerability levels of information misuse to project the amount of hardship a consumer would experience as a result of information leakage.

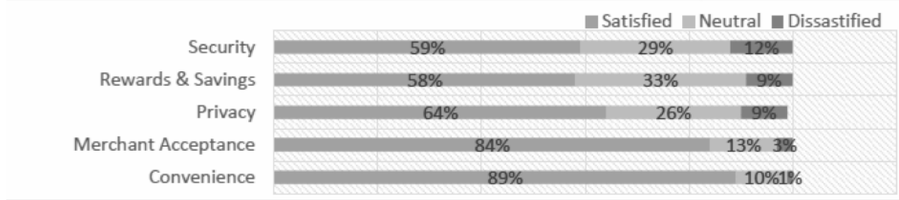
The sharing of proprietary information online requires a sophisticated expectation in business transactions (Moorning, 2013). Throughout the world, the prevalence of data breaches and identity theft has caused major concern about digital transactions. Customers should not only be able to trust that their money and data will be secure but know the degree proposed risk and efforts made at risk reduction to prevent harm.

Digital Transactions

Digital transactions are direct transfers of funds using electronic money in the form of stored values or on-demand payments. From the perspective of a consumer, a payment system provides convenient ways to transfer funds to a person or seller. Payment methods include debit, credit and prepaid cards as well as intermediates such as Apple Pay, Samsung Pay, PayPal, and Mobile Money or digital cash innovations such as Bitcoin and Blockchain. Digital assets include demographics (name, age, date of birth, address, phone, social security number, a photographic image), professional information (employer, salary, resume) and financial information (credit card number, debit card number, digital cash) and all personal information which must be safeguarded. From the perspective of the financial institution, a payment system is a set of procedures and devices that circulate of money.

Transfers can be initiated using computing devices, telephones or in stores. Digital payment media includes E-commerce, M-commerce, online banking, automatic teller machines, telephones, e-z pass tolls, and point of sale systems. Findings from a "2015 Consumer Payment" survey indicate that "overall customer satisfaction with digital payments is mixed." Customers "appreciate the fact that merchants accept multiple payment solutions," but see "considerable room for improvement in areas such as privacy, rewards and savings, and security" (Flamme & Greave, 2015).

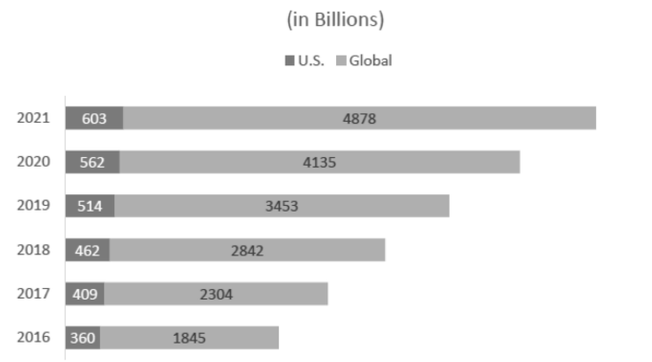
Chart 1 – Consumer Satisfaction with Online & Mobile Payment Solutions



Source: Strategy& - 2015 Consumer Payments Survey

At relatively low overhead, 21-40% of a business's contributions are a direct result of e-commerce transactions and is expected to grow rapidly over the coming years. In the United States alone, online sales of physical goods amounted to $360.3 billion and are projected to surpass $600 billion by 2021. Global retail e-commerce sales are expected to reach $4.8 trillion by 2021.

Chart 2 – Retail E-Commerce Sales from 2016-2021



Source: (Statistica, 2017)

Cashless Society

Although people use money on a daily basis for the purchase of goods and services, cash is used less often due to the acceleration of contactless cards and smartphone technology. With the proliferation of e-commerce, mobile devices, and security enhancements, digital payments are certain to increase and likely surpass traditional payment methods in the next few years (Whitehead, 2017). From an ethical standpoint, the argument in favor of e-commerce is straightforward: the public has a vital stake in the outcomes, and therefore it has a right to convenience in commerce. It is questionable whether a fully cashless

society would an advance the economy without addressing the privacy and security problems that plague digital transactions. The critical element of e-commerce as a 21st century transaction processing method lies in whether consumers can make meaningful choices about whom they do business with when they have complete information about privacy and controls (Leape, 2010).

Legislation in the United States of America

The Uniform Electronic Transactions Act (UETA) removes barriers to e-commerce by establishing that electronic records in digital transactions are legally equivalent to manually-signed paper documents. The Payment Card Industry Data Security Standard (PCI DSS) sets requirements for storing, processing and transmitting customer's credit card data. PCI compliance requires the use of the latest security and authentication techniques, a firewall between the business network and cardholder devices, and a network intrusion detection system. The Fair Isaac Corporation, popularly known as FICO, keeps close tabs on credit files and uses a secret formula to reduce that information to a number that can powerfully impact lives. The Federal Information Processing Standard 199 and the 2002 Federal Information Security Management Act sets levels of information security according to a range of risk levels. Government legislation is associated with consumer feelings of efficacy and empowerment (Parramore, 2011), but the lack of consensus about individual principles creates dissonance between the operationalization and implementation of fair information privacy practices.

Other regulations provided in the Computer Fraud and Abuse Act, Electronic Communications Protection Act, The Stored Communications Act, The Health Insurance Portability and Accountability Act set standards for compliance but not standards for ethics. PricewaterhouseCoopers developed an opacity index that measures the economic effects of risks associated with lack of trust and transparency. According to this model, countries where investors fear dishonesty, corruption, arbitrary administration of laws and policies, lack of standard accounting practices, and other uncertainties pay a measurable economic penalty that affects the ability of their markets to attract investment (Rasmus, 2006). It is important to note that the justification of compliance does not always necessarily have to be normative. Although there are laws and jurisprudence that manifestly establish a duty to protect consumer information, there are

also very basic and practical reasons to convince business leaders of the importance of promoting security, privacy and confidentiality.

FICO Scores

As digital transactions exploded, credit bureaus got quite savvy and efficient about rapidly electronically sending out information about consumers. FICO began selling its credit scoring system. The Fair Credit Reporting Act gave consumers the right to view and dispute reports, but not the right to restrict access to their information collected by companies. From an information technology perspective, business see investments in compliance as costs with few benefits and no return on investment. The lowest-cost solution is deployed to meets current legal requirements. Lenders want to know something about virtual clients besides their creditworthiness, giving rise to the collecting personal details about customers from other sources. The defense against identity theft and consumer information misuse places the victim at the helm. The credit-scoring business is rife with problems and abuses as millions of Americans watch their credit scores plummet since the financial crash.

Information Sharing & Misuse

Culnan & Williams (2009) indicates that while there is a consensus in principle that fair information practices constitute socially responsible information practices, there is no consensus about how the principles should be implemented. In the U.S. there are no comprehensive laws requiring all businesses to observe fair information practices. Both the operationalization and implementation of the fair information practices in the U.S. is uneven. Unfortunately, corporate reforms related to transparency and access to information, however, has received scant attention (Herrero & Lopez, 2010). Much research about information privacy focus on the need for transparency between businesses and stakeholders, and less about privatizing, securing and the confidentiality of consumer information.

Leakages have always been a concern for information systems, whether it is through internal espionage, employee sabotage, or plain old ignorance, it is a serious matter when confidential, sensitive, or customer information leaves the network (Rasmus, 2006). The digital paradigm requires a more secure infrastructure for the protection of consumer data and the implementation of policy reforms. Businesses

are only obligated to protect the information it generates during its daily operation and customers right to privacy.

Identity Theft

Identity theft, a major problem in the U.S., was the number one reported consumer complaint with the Federal Trade Commission (FTC) for 15 consecutive years in 2014. During 2015, it launched the IdentityTheft.gov website to help consumers get a personal recovery plan causing identify theft complaints to drop to number two. Table 1 lists the top ten countries for fraud complaints by country of origin.

Table 1 – Top Ten Countries for Fraud Complaints

Rank	Country	Complaints	Percentages
1	United States	1,108,331	96%
2	Canada	17,124	1%
3	United Kingdom	7,591	1%
4	Nigeria	7,501	1%
5	India	7,451	1%
6	Jamaica	6,546	1%
7	China	5,451	<1%
8	Mexico	4,299	<1%
9	Dominican Republic	3,444	<1%
10	Ghana	2,439	<1%

Percentages are based on the number of fraud complaints received by the FTC between January 1 and December 31, 2015

Several factors can undermine customers' and regulators' confidence in digital transactions. Criminals seek personal gain by attacking databases, and their insidious actions should motivate businesses to adopt strong information security approaches. The need for protection against cyber-crime, denial-of-service attacks, web hackers, data breaches, identity and credit card theft, and fraud was long identified (Smith, Winchester, Bunker, & Jamieson, 2010). A security breach can lead to loss of customer trust that might last years. The sharing of information on the Internet and in electronic processing systems has made it easier for a criminal to acquire customer

information fraudulently. In 2015, more than 707.5 million data records were compromised down from 1.02 billion records lost or stolen in 2014 (Enterprise Security, 2016).

Table 2 - Data Loss/Stolen by Industry (2015)

Percent	Industry	# of Records
43%	Government	307,122,342
19%	Healthcare	134,385,415
17%	Other	121,129,222
12%	Technology	84,394,833
6%	Retail	40,075,707
3%	Education	19,328,253
<1%	Financial Institution	1,074,043

Source: Enterprise Security

One year later, in 2016, the latest FTC annual list of top consumer complaints report shows that identity theft had dropped to third place, behind debt collection and impostor scams. Table 3 lists the identity theft victim information misuse by types of fraudulent transactions. For criminals who engage in identity theft, the most common type of misuse is to defraud the government (Federal Trade Commission, 2016).

Table 3 – Identity Theft Victim Information Misuse

_Type of fraud1	Percent
Government (Tax, Wage-Related, Driver's License & Benefits)	49.2
Other Identity Theft Purpose	16.0
Credit Card	15.8
Phone or Utilities	13.1
Phone & Utilities	9.9
Bank fraud	5.9
Attempted Identity Theft	3.7
Loan	3.5
Employment Related	3.3
Other	19.2

* Source: FTC - 2016 percentages exceed 100% due to multiple types of misuse.

Changes in retail practices escalate information privacy accountability and force greater responsibility for unexpected leakages. Conflicts with customer priorities or other information values will cause them to seek alternate means of redress increasingly. Transporting customer information online or in global networks to third parties means that outsiders have deep visibility into the private information collected by the organization. The power of technology is a double- edged sword. In some cases, sharing of information digitally is required because increases efficiency, but the haphazard way in which the information is reported and protected leads to increased information abuse. The secondary market of selling consumer information pulled from weak systems is prevalent (Moorning, 2012).

Merchants, issuers, acquirers, processors and service providers have for years recognized the need to take a collaborative approach when tackling online fraud. Juniper's 2017 "Online Payment Fraud" report research provided "a comprehensive analysis of how the landscape is developing, both in terms of fraudster approaches as well as service provider strategies." They examined key industry sectors including: "digital banking, remote physical goods purchases, remote digital goods purchases, digital money transfer, and air ticketing." For these industries, the existing legislation seems to foster a 'pass-the-parcel' approach where one party legitimately passes liability to another. If the digital payment industry is to disrupt fraud seriously, then it is vital that each party take a committed shared approach to combating fraud (Sorrell, 2017).

Data Breaches

Hacking is unauthorized access to exploit a computer system or network and take control for some illicit purpose. Data breaches are the compromising of records and information via internal methods or employees. When breaches occur, they expose both the company and the consumer to a great deal of risk and damage. As more business is conducted digitally, and as criminals realize the value of the data being transmitted, society is seeing more big-name, high-profile breaches. Experian, one-third of the giant credit reporting trilogy explains that even though companies are better prepared to protect against a data breach, "attackers are finding more stealthy ways to get around security measures and seek the information they want." Experience of

the past decade has shown that even the mature capital markets are not immune from information breaches. Each case of corporate financial misfeasance, whether due to fraud or honest error, diminishes systemic trust, increases risk and creates a more urgent requirement to protect shareholders, the public and the integrity of the markets (Experian, 2017).

Notable data breaches like the Equifax loss of over 143 million records for account holders and Facebook sharing of 50 million Facebook users' private data with United Kingdom firm Cambridge Analytica without their knowledge are those discussed by the media because of the big name involved. However, more than forty data breaches went undisclosed by major corporations in the year 2017 alone. Only 4% of breaches were secure where encryption was used, and the stolen data was rendered useless. Data records are lost or stolen at the current rate of 5,083,804 every day, 211,825 every hour, 3,530 every minute, and 59 every second (Germalto, 2017) yet only 2% IT professionals feel third-party secure access is a top priority (Soha Systems, 2016). Table 4 lists the notable data breaches and the impact it had on up to billions of records (Larson, 2017). Data losses have a lasting impact for years to come and raise specific concerns about the amount of information data brokers collect on consumers.

Table 4 – Notable Data Breaches

Company	Impact (in millions)
Equifax	143
Adult Friend Finder	412.2
Blue Cross Blue Shield / Anthem	78.8
eBay	145
JP Morgan Chase	76
Home Depot	56
Yahoo	3,000
Target	110
Adobe	38

Source: CNN Tech

Risk Analysis

In the digital (technology) context, the negative impact caused by malicious information technology (IT) is associated with includes two dimensions: computer performance and information privacy which causes a negative stimulus to avoid the threats. Avoidance behavior can enlarge the discrepancy between the risk of breached data leading to a sense of urgency that motivates customers to take their own safeguarding measures (Liang & Xue, 2009). Risk reduction behaviors are necessary to protect consumers even in the absence of legislative mandates. All digital transactions carry some risk, but some are much riskier than others. Risk is the subjective judgment people make about the severity and probability of risk. It is the medium between the impossibility and the possibility of an occurrence of a specified event. Risk analysis is divided into two components: 1) risk assessment – identifying and evaluating the probability and severity of risks, and 2) risk management - deciding proper intervention behaviors to mitigate risks and what to do about when events occur.

Probability Risk Analysis

Risk analysis estimates risk based on the event and threats to that event (also called hazard). Estimates range from moderate, severe or catastrophic based on a calculated probability over the possible consequence. Also referred to as probabilistic risk analysis (PRA), this estimate seeks to describe the consequences in terms money, time, or data loss. PRA often seeks to determine 1) what can happen, 2) how likely it will happen, and 3) what are the consequences. In PRA, risk (R) is a set of triplets, R={<si,pi,ci>}, where "i" is an incident, "si" is scenario i, pi is the probability of scenario i, and ci are the consequences if scenario i occurs. N would represent the total number of scenarios. PRA is increasing in importance to analyze the risks of digital adversaries who seek to harm a system or people.

Factor Analysis of Information Risk

Another method for analyzing risk is "Factor Analysis of Information Risk" (FAIR) developed by developed by Jack A. Jones, which is devoted to the analysis of different factors influencing the information technology (IT) risk. A factor is anything that influences

the frequency or impact of a risk scenario. It can be a lost card by a client or an exploited company database. Risks reflect the causal factors of a scenario materializing based on expected or pre-disposed threats. Risk management evaluates threats in digital systems to determine whether they are faulty (bad design, accidental, ineffective execution) or malicious (inappropriate use, theft). The timing, detection, and reaction of the data loss are critical in estimating the loss magnitude and negative impacts. The scenario and the threat are two components of risk (R) that are used to determine potential loss (L), and probability (p) that the loss will occur. Acceptable risk is an understanding that some scenarios are tolerated because the cost or difficulty of implementing an effective countermeasure exceeds the expectation of loss (The Open Group, 2014).

Chart 2 - Factor Analysis of Information Risk

Source: FAIR Institute

Quantitative Risk Assessment (QRA)

Quantitative Risk Assessment (QRA) assigns a dollar value to risk for each single loss expectancy (SLE), then multiplies this value by the annual rate of occurrence (ARO). For example, if the value of the loss is $500 and the ARO is 10, then with SLE being $500 and ARO being 10, the event loss is $5,000. However, other costs such as those to control the event, protect the system from future events, train staff, and from unexpected client loss will also affect the dollar amount in the

total loss. This research proposes conducting risk analysis from a legislative perspective. It advances the principles of QRA, PRA, and FAIR to produces scores that assess the probability of risk for a given organization. FICO (Fair Isaac Corporation) created the score used to measure consumer credit risk in the U.S. by the three major credit reporting agencies Equifax, Experian, and Transunion. A similar risk algorithm can produce a credit risk score for organizations that engage customers in digital transaction or e-commerce.

Corporate Analysis of Risk Probability

Since breaches have varying degrees of fallout ranging from compromising entire global networks to others having little to no impact whatsoever, a breach level index (BLI) is used to track publicly disclosed breaches. Organizations are still required to do their own risk assessment based on a few simple inputs that will calculate their risk score, overall breach severity level, and summarize actions IT can take to reduce the risk score (Gemalto, 2017). A corporate analysis of risk probability (CARP) score would analyze the businesses' BLI, frequency of data breaches, amount of loss, risk management plan, length in time in business, and frequency of digital transaction to determine their public digital transaction risk for all companies regardless of whether they've experienced a data breach. A distinction is made between areas that impact weight. The history of data breaches would differ for a newly formed corporation, then for a corporation which has been in business for a lengthy period. In the same way, the number of digital transactions for a company without a data breach would positively increase the score. The size of the corporation is a mitigating factor because smaller companies will have less internal controls over their client data. The higher the CARP score, the less risky it is in conducting a digital transaction with the corporation. Table 5 compares the risk factors and weights for FICO scores to the proposed CARP score.

Table 5 – FICO vs CARP

COMPARISON OF FICO SCORE WITH CARP SCORE			
FICO Factor	**FICO Weight**	**Proposed CARP Factor**	**Propose CARP Weight**
Payment history: Account payment information, delinquencies and public records.	**35%**	**History of data breach** Measures the frequencies of data breach over time	**35%**
Amounts owed: How much is owed on accounts. The amount of available credit on revolving accounts.	**30%**	**Amount of loss from data breaches** Calculates the total loss to clients and to the business per event.	**30%**
Length of credit history: How long accounts is open and time since last account activity.	**15 %**	**Types of risk management plan** Measures the extent the business can compensate clients for their losses and recover.	**15%**
Types of credit used: The mix of accounts, such as revolving and installment.	**10%**	**Length of time in business** Measures the professional position	**10%**
New credit: Pursuit of new credit, credit inquiries and number of recently opened accounts.	**10%**	**Number of transactions** Measures customer loyalty and trust	**10%**

Conclusion

Consumers hold the greatest responsibility for protecting their digital assets, i.e., their personal information stored in digital form. These data points as collected on paper forms and computer-based forms creates a relationship between customer and the collection agency. Trusting an organization to capture any of this information is a privilege that businesses must hold sacred. Customers have the option of locking credit reports, government records, and requiring bank alerts when a digital transaction action occurs using their information. This reduces the response time in data breaches events.

Business policies and government e-commerce legislation establish acceptable levels of risk, but the level of risk is cloudy for consumers. Risk management plans ensure that when systems are set up to process digital transaction that required actions to manage the assessed risks are in place. These procedures should be made available to the public to provide feedback on the effectiveness of both the

planned procedures and decisions made in response to a data breach.

This approach to risk management will have implications for legislation across the digital transactions value chain. Each company should think through and understand its own risk and use that guidance for conducting businesses. Develop contingency plans and business continuity procedures to manage risk efficiently are some of the mitigation plans that build consumer trust, but they must also capital and liquidity reserves that match in the case of loss. These reserves should equal the amount of impact if all clients were affected. Legislators and regulators will need to assess whether deposit insurance makes digital accounts as safe as regular deposits. The transparency of data controls that protect consumer information mitigates the potential adverse consequences of each data breach.

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IMPACT OF COMMUNICATION APPREHENSION ON STUDENT ATTITUDES AND SELF-ASSESSMENT: EVALUATING ORAL PRESENTATION SKILLS IN BUSINESS AND STRATEGIC COMMUNICATION

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ABSTRACT

Communication competence represents one of the critical skills for achieving a competitive advantage in the 21st century workplaces. Oral presentations and written communication are essential exercises and assignments in business education for developing real-world strategic and managerial skills. These interdependent communication skills and competence present unique challenges for business communication students as they prepare to join the workforce. This paper examines students' writing effectiveness as well as explores their attitudes towards oral presentations in business and professional communication course. Using Personal Report of Communication Apprehension-24 (PRCA) and Situational Communication Apprehension Measure (SCAM), a survey was collected from approximately 400 students via pre-test and post-test in the spring and fall of 2017. Survey findings identified fundamental communication variables affecting oral presentations to groups as well as self-perceived competency in public presentation contexts. The study then concludes that consistency of rigorous oral presentation and writing assignments during class sessions would improve students' level of effectiveness and proficiency.

Key words: Communication apprehension, Stage-fright, Nervousness, Low self-esteem, Oral presentation

Introduction

Over the past two years, there has a need to improve students' writing skills and oral presentation competence in business communication at the undergraduate level in the School of Business at Howard University. This need arose from concerns expressed at faculty meetings in which the quality of students' writing and their standard of expressiveness were critically analyzed. Essentially, this requirement resulting from faculty expectation is consistent with Howard University's School of Business core competency of "written and oral communication skills," derived from the American Association of Collegiate Schools of Business (AACSB) learning standards. Consistently, Bovie and Thill (2014) reiterated that AACSB in conducting periodic curriculum reviews of business school's reaccreditation identified core competencies designed to promote and foster continuous quality improvement in business management education. Additionally, as a significant component of quality assurance, there is a constant emphasis on curriculum quality and consistency of rigorous teaching standards in order to maintain AACSB accreditation. Business schools across the United States desiring to maintain high academic standards are required to ensure learning experiences in critical areas, including communication skills, analytic skills, and reflective thinking, specifically to prepare business students for competitive advantage in the global workforce.

As the Business School at Howard University prepares for AACSB team visit, creative course redesign was embarked upon to meet the challenging reaccreditation standards. Therefore, business communication faculty members were charged with the responsibility to redesign, revamp, or restructure business communication course to improve students' communication skills in two distinct phases - writing effectiveness and oral presentation competence. Furthermore, the course is expected to introduce strategies and methods for enhancing students' current attitudes towards oral presentation assignments, increase the consistency of in-class written assignments, modify and expand grading standards, and increase the level of rigor in business communication assignments. Emphasizing the need for creative course design, Alford & Sweat (2018, P. 1) explained in the current edition of the Teaching Professor that "creativity in education doesn't mean coming up with a revolutionary new idea, complete reinvention of something, or a holistic development of a new program; creativity

means doing something original or unique" that meets a specific standard to accomplish set of objectives. The authors stressed that educational activities or programs, from time to time, requires repackaging, reemphasizing, or improving the process or sequence that some experts had already developed and used effectively over the years for quality assurance.

Presently, the business communication course in the School of Business indicates a significant improvement in students' ability to create effective sentences, develop coherent paragraphs, and adapt messages to appropriate audiences. As suggested by business communication scholars and consultants, (Bovee & Thill, 2015; Cardon, 2014; & Shown & Snyder, 2015), planning, framing, and writing professional messages should conform to the specific categories and allotments of 50% for planning, 25% for writing, and 25% for content editing/proofreading. Accordingly, to Alford & Sweat (2018, p.1), adding one's own style, format, and standard to an existing educational approach bothers on creativity or improvement that contributes to academic enterprise and experience. The authors added that "sometimes all that is required to take a course or lesson from sleepy to exciting is a small, but personal, creative adaptation." In the modern era of information technology, it is much easier to modify an existing program than to develop an entirely new one. Many programs, courses, and activities in higher education could be redesigned effectively and efficiently, adding a lot of learning experience in the system for students. Indeed, with excitement embedded in a program of study, students' participation or engagement would be encouraged, regardless of the level of rigor and challenge.

Significance of the Study:

An assessment of students written assignments in business and professional communication over the past three academic years clearly indicates competence in content objectivity, familiarity with message formatting and style, designing messages for readability, and appropriate use of tone to buttress writers' integrity. These criteria were based on Bovee and Thill (2015) and Shown & Snyder (2018) guidelines for framing professional and strategic business messages. In the process of course design in a learning environment, Alford & Sweat (2018) suggested collaboration among faculty members and team work in order to achieve a more coherent and comprehensive content standard. It was noted that a lack of creativity in the education

enterprise was as a result of much independent working and thinking by academic administrators, faculty, and scholars. Evidently, working in isolation stifles growth in program redesign and content modification. Authors Alford & Sweat encouraged team work because collaboration with colleagues fosters expansion, creativity, and scholarly replication.

The institutional climate for teaching and adopting change was explained in The Teaching Professor of April edition, 2018. Alford and Sweat (2018 p.7) noted the correlation between the climate for teaching at academic institutions and its impact on the learning environment. It was stressed that a university's culture should generally support and encourage teaching and learning with appropriate policies, framework, and attitude to motivate change initiation, implementation, and acceptance. Similarly, the academic environment should engender student-centered improvement and faculty-collaborated teaching style. Higley (2018) recommended the significance of encouraging classroom participation through in-class reviews, group discussions, and faculty guided presentations. The author further explained that in-class reviews work effectively because questions are clearly discussed, and the class timeframe allows students to prepare answers, engendering adequate confidence in students' ability to provide specific and correct answers with thoughtful elaborations.

Over the past two academic years, a few students were charged with either intentional or unintentional plagiarism in their final projects, written class assignments, or term papers. This writing deficiency which plagued the student body was effectively addressed as increased emphasis was placed on clarity of written materials, effective use of sources to substantiate ideas and concepts, especially in preparing complex assignments such as final projects, term papers, and case analyses. The overall content of students' work was evaluated through submission of multiple drafts for cross-checking sources used, and the correctness of citation methods for paraphrasing and quoting information. Additionally, students are required to elaborate on citations to demonstrate a sound understanding of their subject matter.

The challenging phase of a business communication course redesign and restructure is the inclusion of oral presentation and class participation, which required students' independent or collective presentation of written assignments. In addition, students'

participation in class discussions as well as in group/team projects is required in the oral presentation phase of course redesign and restructure.

The Need for Course Expansion (problem statements)

A majority of undergraduate students preparing to join the workforce after graduation indicate a troubling deficiency in communication competence, especially in critical skills of writing and oral presentation. The replacement of multiple choice questions with written assignment and presentation exercises in the course syllabus reveal a serious need to improve writing assignments as well as oral presentations. Students are not able to articulate coherently in their written essays and answers. As part of the ongoing effort to redesign and revamp business communication course in business communication, assignments requiring oral presentations, class participation, assignments requiring group-work were introduced to expose students to more rigorous writing assignments. These types of assignment were required on a weekly basis, making it possible for students to practice and improve their writing proficiency. As an incentive or motivation to generate students' interest in oral presentation, points were given for assignments involving class participation, discussions, and presentations. Some students frowned, complained, and demonstrated dissatisfaction with oral presentation being part of grading requirement for deter. Some of the students stayed away from classes on the days that oral presentation assignments were scheduled, and the "extremists" among them were consistently absent from class sessions; and when they attended classes, they were unwilling to engage in discussions. They described oral presentation assignments as inappropriate, time-wasting, and incompatible with their personality.

Review of the Literature

Business education, especially professional or strategic communication, continues to focus on preparing students to acquire critical skills and competencies needed for leadership careers in the workplaces of the 21st century. Past and present studies indicate that students' inability to participate in oral presentations were traced to a number of variables, such as low self-esteem, stage-fright, or

communication apprehension. Independent of each other, Rocca (2010) and Stewart (2013) explained that the phenomenon of communication apprehension originated from students' real or imaginary fear, anxiety, or discomfort with interactions with groups or (a formal or informal audience). These studies concluded that individuals' low-esteem, shyness, avoidance, and introversion were factors associated with communication apprehension. Therefore, students' inability or unwillingness to present or participate in oral presentations in class sessions or in other public contexts could be controlled in order to minimize its impact in adult age, in a professional setting. Emphasizing oral presentations as essential components of students' skills acquisition, Karim & Shah (2012) suggested the use of class presentation assignments designed to improve students' ability to demonstrate interpersonal effectiveness, self-confidence, and working in teams.

Stewart & Tassie (2013) and Rocca (2010) noted that organizations are placing increased emphasis on job applicants' ability to express themselves professionally in writing and verbally as a measure of communication competence, which is a required skill for administrative leadership. In order to prepare business communication students for competitive managerial positions, there is certainly a need to improve their oral presentations whether for special occasions or extemporaneously. Therefore, a significant portion of business communication class assignments should be designed to include individual discussions, group or independent presentations as well as report-writing.

Researchers (Neer, 1987; Robinson, 1997; and Rocca, 2010) identified presentations contexts and operationalized them as classrooms, group discussions and panels, team meetings, one-on-one conversations, and class interactions. Furthermore, communication scholars (Young, 1991; Weaver & Jiang, 2005) cautioned that a lack of comfort and confidence in self-expression, engaging effectively with people, or making a formal presentation to formal or informal group could largely inhibit students' professional success. Furthermore, in recent years employers have listed interpersonal competence, cross-cultural communication, interacting in teams, and effective organizational communication skills at the top of desired skill set for selecting job applicants for senior level positions. Other studies on the significance of oral presentations in the workplace (Holbrook, 1987; Fassinger, 1995; Frymier, 1993) concluded that communication

apprehension could potentially prevent highly capable students from reaching their desired goals as a result of demonstrated failure to articulate in public. Similarly, more than four decades ago McCroskey (1970) determined that undetected communication apprehension was the product of low self-esteem, self-doubt, timidity, and unnecessary aggression among students, and leading to confrontation in informal settings. Evidently, communication apprehension has been instrumental for employees who had served their organizations for a long time not been considered for a leadership position when he opportunity became available.

In their analysis of the impact of communication apprehension on student retention and success, McCroskey & Payne (1986) pointed out the need to monitor students' communication anxiety through consistent presentation assignments in order to encourage development of healthy oral presentation skills. In a recent study, Czekanski & Wolf (2013) concluded that most communication apprehensive students possess sub-standard communication skills, caused by undetected stages of stage-fright, nervous feelings, and presentation discomfort. Similarly, Frisby, et. al (2014) traced students' unwillingness to take on leadership or managerial opportunities to communication apprehension.

Daly & Miler (2014) determined that approximately 20% of 60,000 students' survey over the past ten years suffers from communication apprehension. McCroskey (2015) concurred that some students desire to communicate with classmates, but were impeded by low self-esteem engendered by internal fear or anxiety.

Methodology: A hybrid Approach - Explored Communication Anxiety:

- Modified the PRCA-24 (Personal Report of Communication Apprehension) survey for the classroom environment
- Explored three dimensions
- Impromptu comments and presentations in class
- Participating in group discussions
- Speeches and presentations

Participants:

- Approximately 400 students participated in the survey
- 140 students took pre-class surveys
- 130 students took post-class surveys

- 128 students took both pre-class and post-class surveys (basis for pre-classes and post-class comparisons)

In an attempt to improve students' oral presentation skills, a survey exploring communication anxiety was distributed based on three dimensions: Impromptu comments and presentations in class, participation in group discussions, and class speeches and oral presentations. Personal Report of Communication Apprehension-24 (McCroskey, 1982) and Situation Communication Apprehension Measure (Richmond, 1978), modified scales for communication apprehension was administered to students in business communication classes in spring and fall semesters 2017. Approximately, 400 students participated in the survey, 140 students took pre-class surveys, and 130 students participated in post-class surveys, and 128 students took both pre-class and post-class surveys in fall and spring semesters.

Faculty member's independent observation of students' presentations was conducted over a period of two semesters to validate students' self-reporting of their oral presentation skills and competences. Specific variables measured were students' impromptu comments during class sessions, participating in group discussions, oral presentations of cases and scenarios, ability to plan presentations, ability to deliver presentations, and ability to present confidently. This survey also attempted to identify oral presentation competence of female and male students in business communication classes. Additional variables for future study would include students' years in college (freshman, sophomore, junior, and senior) to assess whether or not students become self-confident and willing to participate in oral presentations based on the number of years and semesters they have been in college.

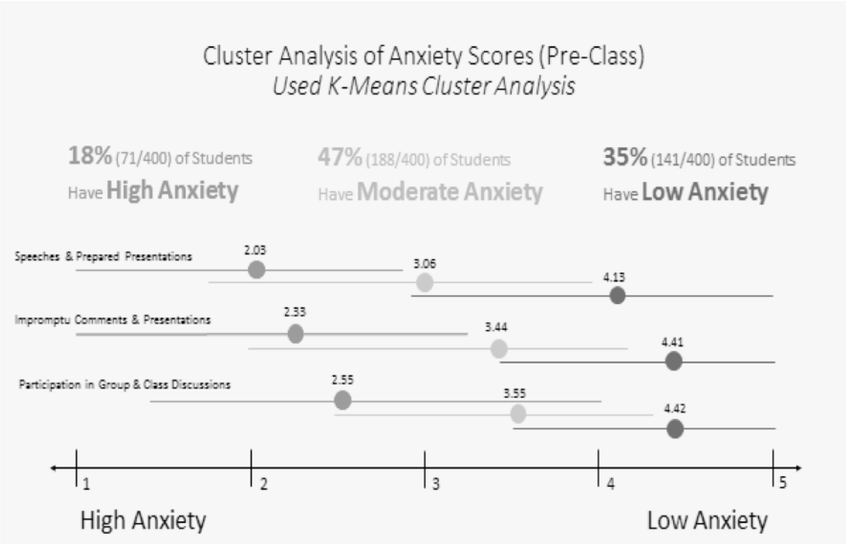
Concluding Comments and Recommendation

Based on Cluster Analysis of Anxiety scores (pre-class and post-class), this preliminary study determined that female students hold considerably more anxiety than their male counterparts in oral presentations and related assignments. Furthermore, it was noted that high-anxiety students are less likely to perceive that they improved their presentations abilities. Finally, students gain significantly more confidence (lower anxiety) after taking a

business communication course, especially high anxiety students. Some students tend to overcome the impact of communication apprehension (stage fright, low self-esteem, shyness, introversion, timidity, and presentation discomfort) after taking rigorous written and oral presentation class assignments. A study by Rocca (2010) entitled "Silence is not golden: reducing communication apprehension in the university classroom," it was suggested that students are more motivated, learn better, become better critical thinkers, when answering questions and contributing to class discussions. Further, Howard and Henry (1998) determined that 90% of course activities that involve class presentation are made by a few students. Essentially, one of the fundamental goals of business and strategic communication courses in preparing students for the workforce of the 21st century is encouraging and increasing participation in their classroom assignments by making a conscious effort to transform the classroom learning from an atmosphere of insecurity and anxiety to an environment that fosters and enhances natural communication competence and strengths of students (Neath, 2014). Indeed, recent and past studies indicate that failure or inability of some students to perform satisfactorily in oral presentations originated from a communication-related anxiety, which could be controlled.

The phenomenon of oral presentation anxiety has plagued students, interviewing candidates, and some job-seeking applicants for decades. Data collected from research conducted more than thirty years ago and reviewed for this paper demonstrated that oral communication apprehension or stage-fright is a troubling reality or response from individuals who have a need to make a public presentation in formal or informal occasions. Furthermore, a survey of 2,543 male and female adults conducted by Bruskin Associates (1973) concluded that making oral presentation before a group or an audience was a major fear among Americans and other nationals. McCroskey (1977) explained that data gathered over an eight-year period from nearly 20,000 students at Michigan State University, Illinois State University, and West Virginia University showed that between 15 and 20 percent of students struggled with oral communication apprehension encounters. Therefore, it is paramount that a business communication course or similar courses taught in the business schools should intensify oral presentation activities to cultivate and improve students' performance for various future leadership roles.

A recent Gallup poll showed that roughly 40 percent of adults/students admit a fear of public speaking (2017)



Female Students Hold More Anxiety than Male Students in Class Presentations

Students	High Anxiety	Moderate Anxiety	Low Anxiety
Female	20.1%	48.1%	31.8%
Male	13.2%	44.9%	41.9%

Students Gain Significantly More Confidence (Lower Anxiety) after a Business Communication Course, especially High-Anxiety Students. . .

	Pre-Class Anxiety			Post-Class Anxiety				
	N	*M*	*SD*	*M*	*SD*	*t*	*d* (Effect Size)	*p*
High anxiety								
Impromptu Comments in Class	26	2.35	0.55	2.85	0.70	-3.67	0.80	.00**
Participating in Group Discussions	26	2.61	0.43	3.04	0.62	-3.65	0.81	.00**
Speeches and Presentations	26	2.04	0.46	2.62	0.67	-4.97	1.02	.00**
Moderate anxiety								
Impromptu Comments in Class	67	3.42	0.32	3.68	0.56	-3.76	0.60	.00**
Participating in Group Discussions	66	3.52	0.45	3.67	0.56	-1.99	0.28	.05*
Speeches and Presentations	66	2.99	0.44	3.33	0.55	-5.07	0.68	.00**
Low anxiety								
Impromptu Comments in Class	41	4.45	0.41	4.40	0.54	0.54	-0.10	.59
Participating in Group Discussions	41	4.49	0.35	4.24	0.55	2.51	-0.54 (-)	.02*
Speeches and Presentations	41	4.13	0.55	4.05	0.70	0.93	-0.12	.36
All students								
Impromptu Comments in Class	134	3.52	0.84	3.74	0.79	-4.05	0.26	.00**
Participating in Group Discussions	134	3.64	0.78	3.72	0.70	-1.45	0.11	.15
Speeches and Presentations	134	3.16	0.88	3.41	0.80	-4.97	0.31	.00**

Note. Based on a 5-point scale: higher scores are associated with less anxiety. A t-test of significance compared pre-class and post-class anxiety. Cohen's *d* (effect size) suggests that .2 is a small effect size, .5 is a medium effect size, and .8 is a large effect size.

High-Anxiety Students are Less Likely to Perceive They Improved Their Presentation Abilities

	Low Anxiety			Moderate Anxiety			High Anxiety				
	N	*M*	*SD*	*N*	*M*	*SD*	*N*	*M*	*SD*	*F*	*p*
Perceived Improvement in Presentations											
Ability to plan presentations	41	**2.34**	0.86	65	**2.46**	0.66	26	**2.04**	0.72	3.05	.05*
Ability to deliver presentations	41	**2.41**	0.89	65	**2.42**	0.66	26	**2.23**	0.82	0.60	0.55
Ability to present confidently	41	**2.34**	0.88	64	**2.47**	0.71	26	**1.96**	0.82	3.81	.03*

Note. Scale of 1 = no improvement, 2 = a little improvement, 3 = a lot of improvement. Based on ANOVA test of significance.

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AN EMPIRICAL ANALYSIS OF DEMOGRAPHIC INVERSION IN WASHINGTON, DC

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ABSTRACT

An Empirical Analysis of Demographic Inversion in Washington, DC.

Demographic Inversion involves a socioeconomic reordering of the uses and occupants of properties inside the boundaries of major US cities. The concept is akin to gentrification, which has generally been defined by the outplacement of less affluent minority groups by more affluent residents but has a broader impact on both the people and types of property affected by the process. Employing 2000 and 2010 census data, we examined the demographic changes of residential patterns of Washington, DC. Analysis of these data revealed that although demographic inversion, as measured by a derived diversification index (D), cannot be seen to have occurred on the city-wide platform, the test for mean sales price of housing indicates that it had a dramatic influence on the ethnic residential location dynamic in the city.*

I. INTRODUCTION

Demographic Inversion involves a socioeconomic reordering of the uses and occupants of properties inside the boundaries of major US cities. The concept is akin to gentrification, which has generally been defined by the outplacement of less affluent minority groups by more affluent residents, but has a broader impact on both the people and types of property affected by the process.

In positing this concept of urban land use structural change, Alan Ehrenhalt (2012) recently observed that critical factors to the growth of American cities of all shapes and sizes at this point in history include immigration, transportation and surrounding metropolitan areas healthy enough to attract a steady supply of new comers. This is a limiting depiction of the Marshallian model of spatial concentration that emphasizes the 'skilled labor market' factor and subsumes the knowledge spillover and local market linkages to the background. To the extent that this demographic factor reflects what has been observed as a pervasive influence in many American cities, including Washington, DC metropolitan area (Gallagher, 2013; Ehrenhalt, 2012), it warrants much attention to measure its impact on urban growth, predicated largely on factors which constitute an alternative pattern of urban residential location. Two of Ehrenhalt's propositions that illustrate this are

- The emerging trend of 'Back to the City' (B-T-C) versus old order of suburbanization pattern. The latter urban growth phenomenon was characterized by the long journey to work and its high carbon footprint, expanded family size and lawn space for the children built on cheaper land in pursuit of the 'American Dream' by baby boomers. *In the new B-T-C mode*, boomers are observed to be returning empty-nested, and baby busters (so-called millenials) more eager to build their careers than families.
- White flight to the suburbs that intensified residential segregation is observed to be giving way to inner city revitalization with some integration of the rich and poor; and some displacement of the less affluent, perhaps to the 'inner suburbs' in some cases.

These contrasting phenomena are predicated on the notion of "emergence of new adult cohorts with different values, habits and living preferences." (Ehrenhalt 2012, page 12). By contrasting the rejuvenation of Clarendon, an inner suburb in Arlington Virginia with the stagnation of Cleveland Park in Cleveland, Ohio, Ehrenhalt further proposed that the key elements propelling the growth in these communities are economic opportunities, mobility and diversity. These are closely linked with the Marshallian agglomeration factors of linkages with local market, knowledge spillovers, and market for specialized skills.

This paper will attempt to explore empirically, the emerging pattern of residential location and its implication for the spatial realignment of ethnic groups, calibrated into a Diversity Index, in Washington DC.

The rest of the paper will proceed as follows. In the next section, we undertake a cursory review of urban growth literature to be followed by theoretical considerations in section III. Next, we discuss the data sources and framework in section IV followed by our empirical analysis in section V. In section VI we present salient conclusions.

II. LITERATURE

Studies in urban growth and development have traditionally sought to decipher the underlying physical pattern of urban land uses (form) and the impact of socio-economic variables (function) in determining the outcomes of the process. Rogers (1967) noted that earlier theorists, from Hurd (1903), Haig (1926), Burgess (1926), Burgess (1925), to Alonso (1964) and Muth (1961), "focus rather on space as a determinate influence on the distribution of human activities". Later work on urban economic analysis posited socio-economic variables as the driving force behind urban growth and development pattern. Recent examples of this approach include Rogers (1967), and Van Zandt and Wunneburger (2013). Rogers (1967) posited that the "theory of urban spatial structure is concerned with the disposition of human socioeconomic activities in urban areas...to discover, explain and ultimately predict the regularities that exist in man's adaptation to space." More recently, in an emerging paradigm, Stanilov and Batty (2011) posited that socio-economic forces only exert catalytic effects on the basic long-term spatial relationships that generate urban growth and land use pattern. Our approach is the traditional path that assigns

potency to socio-economic forces in generating urban growth and resulting land use patterns.

Earlier in the paper, we noted Alan Ehrenhalt's more recent attempt to explain a counter current in urban growth by his 'inversion' hypothesis. In her review of the Ehrenhalt's Urban Inversion along with Gallagher (2013), Amy Bernstein describes the pattern depicted by these authors as "Leigh Gallagher…. argues that the democratic trends, such as the decline of the nuclear family, are contributing to an urban renaissance, while…Alan Ehrenhalt's… traces the revitalization of specific city centers where the affluent are moving in and the poor and new comers are settling on the outskirts…" Further quoting the latter she noted, "Chicago is gradually coming to resemble the traditional European City in the 19th century", and concludes herself that changes in the city structure (urban growth) will be determined by "the people who still flock to them [cities] in search of one thing: the opportunities to create their own individual and collective futures." Joel Kotkin (2013) echoed this thought in noting that the fastest growing cities are those "affordable enough to offer opportunity and space". These reportedly include the likes of Atlanta, Houston and Dallas who attract younger, college-educated residents and immigrants in search of "employment opportunities for upward mobility and a better life."

III. A THEORY OF URBAN RESIDENTIAL LOCATION

Our goal is to attempt an explanation of the demographic realignments in Washington DC as a special case of the national trend in urban residential location decisions which has been variously characterized, the latest of which includes Alan Ehrenhalt's (2012) "Great Inversion". Specifically, we are looking at changes occurring incrementally and thus affecting segments of the city differentially. Critical questions emanating from this pursuit include:

- As the population grows, how are they reshuffled and what factors influence their locations or relocations? Embedded in the increments are inflows and outflows.
- For the net inflows, are they from the same neighborhood cluster (or census tract), a different cluster, or from elsewhere?
- Those from elsewhere could have come from the DC Metro area, outside the metro area, or through in-migration.
- For non-immigrants, from DC and DC Metro, are they from a

cluster with a different ethnic dominance than it is for their current location? If so, is it in their own ethnic domain, or other ethnic domain?

All of these influences are captured by various segregation indices which are beyond the scope of this study and our data essentially aggregates these distinctions. We illustrate this measure with one of such index, 'Racial Concentration Index,'(RCI) calibrated for segments of Washington, DC metropolitan area; and deploy the 'Diversity Index' (D*), a modified form of the 'Dissimilarity Index' to measure the Demographic Inversion effect empirically.

In essence, we study the reshuffling of socioeconomic groups in response to market forces. This dynamic is capable of producing longitudinal changes in the ethnic makeup of one or more clusters which would be reflected in the Diversity Index. Both RCI and D* are discussed below.

A. Alternative Measures of Residential Location Pattern

1. *Racial Concentration Index of Selected Washington DC Locations.* One measure of ethnic residential location is the Racial Concentration Index. This calibrates the extent of extreme unevenness in ethnic residential location pattern of the races/ethnic groups. The shift in this marker constitutes the metric for diversity.

A recent analysis employing such measure of geographic diversity in race and ethnicity in Washington, DC Metropolitan Area (Morello & Keating, 2011), found that the percentage of the neighborhoods in which 85% or more of the populations are of the same race or ethnicity, characterized as "racial/ethnic enclaves", declined significantly from 75% in 1990 to 14% in Loudoun County in 2010. It had reduced to 2% for Fairfax County and 5% for Northern Virginia as a whole by 2010. Declines in Maryland and Washington D.C., though significant, were less dramatic. This index provides a skewed measure of diversity by focusing on the polar dimensions. Relative to our primary measure below, it tracks residential location at the margin of the Diversity Index and is hence, less robust.

TABLE 1
RACIAL CONCENTRATION INDEX FOR THE WASHINGTON METROPOLITAN AREA

Geographical Area	Racial Concentration Index **		
	1990 Census	2000 Census	2010 Census
Northern Virginia			5%
Fairfax County			2%
Loudoun County	75%		14%
Maryland		33%	20%
Washington, DC		>50%	33%

Source: From "The New American Neighborhood", Washington Post, 10/30/11
NOTE: ** Represents single-race domination (racial enclave) of census tract by 85% or greater

2. *The Diversity Index.* Diversity Index (D*) defined as "an entropy index that measures the even-ness or uneven-ness of spatial distribution of population subgroups in tracts (clusters) within counties (Washington DC)…reflecting the extent of racial diversity in an area." (Simpson, 1949; Shannon; Hill, 1973). It is modified form of the basic Dissimilarity Index (D) that measures the same effect except that D* incorporates all racial/ethnic groups within each geographic unit while D spans group (black-white, white-Asian, etc.) pairs only. The possible range of values for both measures are 0 to 1 as follows:

- 0 = perfectly even : all neighborhoods/clusters have same composition as for DC
- 1 = perfectly uneven : each neighborhood/cluster has only 1 population group.

Index of Dissimilarity (D) is measured as

$$D = (1/2) \sum (b_i /B - w_i / W \ldots (1)$$

B = the total black population of the large geographic entity for which the ***index of dissimilarity*** is being calculated.

w_i= the white population of the ith areal unit (neighborhood/ cluster)

W = the total white population of the large geographic entity for which the ***index of dissimilarity*** is being calculated

b_i = the black population of the ith areal unit, (neighborhood / cluster)

Diversity index (D*) is measured as

$$D^* = -\sum (x_{ik} \log x_{ik}) \quad \ldots\ldots\ldots\ldots\ldots\ldots (2)$$

$k = 1,2,\ldots\ldots,z$ (z = # of ethnic groups

x_{ik} = proportion of the population in race category k in neighborhood i.

Where two races dominate, producing limited variation across the race spectrum, the index will more meaningfully collapse to the mix of the dominant groups, essentially a Dissimilarity index (D).

B. Theoretical Construct

These trends underlie a process well-known in urban economic circles, that the form and function of a city emerges from the interaction of its economic base, socio-political institutions and physical attributes or design. These interactions occur on a day-to-day basis, on a micro level in segments of the city, described as 'situs'. Their long-term, city-wide ramifications reflects the spatial structure of the city (Andrews, 1971). Urban and regional planners describe the socio-political dimensions of the process; city planners and architects provide physical and design insights; and urban economists describe and model the economic base. Land economists juxtaposed the physical and economic dimensions. This dynamic, which we formulate as 'demographic inversion', precipitate changes reflected in our measure of diversity. Hence, the net effect of movements under the demographic inversion process is captured by the Diversity Index. We test the efficacy of this process with the following hypothesis.

Research Hypothesis

General Hypothesis: The change in the residential location pattern in Washington, DC between 2000 and 2010 represents a variation in the classical concept of gentrification, and models a pattern described by Ehrenhalt (2012) as "demographic inversion."

We noted under our theoretical construct above that market forces motivate this phenomenon. Hence, economic and demographic variables constitute the drivers of the relocation decisions. Traditionally, income, housing prices, education, household size and type have been considered most potent among these forces.

Specific Hypotheses (SH): Economic and demographic changes from 2000 to 2010 did not materially alter the residential location pattern of the District of Columbia. Hence the income and housing price distributions remain unaffected.

Testing Criterion for SH: Test of a Ratio of Two Variances and the Coefficient of Variation: Compare the distributions for the two periods as summed up by the means and standard deviations for two critical continuous variables among the attribute set and test for any significant difference.

IV. DATA

We assembled spatially-disaggregated data on socio-economic characteristics of the population along cluster division to capture the residential location dynamics implied by the 'demographic inversion process'. We then test for changes in the Diversity Index precipitated by the market forces that drive the demographic shift.

Sources of the Data

The Data employed for our study is based on the US census data for 2,000 and 2010 and calibrated at the cluster level by DC Department of Planning. The maps and cluster-level demographic data also derive from "Neighborhood Info DC prepared by The Urban Institute and Washington DC Local Initiative Support Corporation (LISC).

The spatial level of analysis is the 'Cluster', a subdivision of a 'Ward'. There are 8 Wards in Washington, DC. These are broken down further into a total of 39 Clusters. These are depicted in figure 1(City map with the legend) below.

FIGURE 1
PICTORIAL DEPICTION OF THE 39 CLUSTERS IN WASHINGTON DC

1: Kalorama Heights, Adams Morgan, Lanier Heights|2: Columbia Heights, Mt. Pleasant, Pleasant Plains, Park View|3: Howard University, Le Droit Park, Cardozo/Shaw|4: Georgetown, Burleith/Hillandale|5: West End, Foggy Bottom, GWU|6: Dupont Circle, Connecticut Avenue/K Street|7: Shaw, Logan Circle|8: Downtown, Chinatown, Penn Quarters, Mount Vernon Square, North Capitol Street|9: Southwest Employment Area, Southwest/Waterfront, Fort McNair, Buzzard Point|10: Hawthorne, Barnaby Woods, Chevy Chase|11: Friendship Heights, American University Park, Tenleytown|12: North Cleveland Park, Forest Hills, Van Ness|13: Spring Valley, Palisades, Wesley Heights, Foxhall Crescent, Foxhall Village, Georgetown Reservoir|14: Cathedral Heights, McLean Gardens, Glover Park|15: Cleveland Park, Woodley Park, Massachusetts Avenue Heights, Woodland-Normanstone Terrace|16: Colonial Village, Shepherd Park, North Portal Estates|17: Takoma, Brightwood, Manor Park|18: Brightwood Park, Crestwood, Petworth|19: Lamond Riggs, Queens Chapel, Fort Totten, Pleasant Hill|20: North Michigan Park, Michigan Park, University Heights| 21: Edgewood, Bloomingdale, Truxton Circle, Eckington|22: Brookland, Brentwood, Langdon|23: Ivy City, Arboretum, Trinidad, Carver Langston|24: Woodridge, Fort Lincoln, Gateway|25: NoMa, Union Station, Stanton Park, Kingman Park|26: Capitol Hill, Lincoln Park|27: Near Southeast, Navy Yard|28: Historic Anacostia|29: Eastland Gardens, Kenilworth|30: Mayfair, Hillbrook, Mahaning Heights|31: Deanwood, Burrville, Grant Park, Lincoln Heights, Fairmont Heights|32: River Terrace, Benning, Greenway, Fort Dupont|33: Capitol View, Marshall Heights, Benning Heights|34: Twining, Fairlawn, Randle Highlands, Penn Branch, Fort Davis Park, Dupont Park|35: Fairfax Village, Naylor Gardens, Hillcrest, Summit Park|36: Woodland/Fort Stanton, Garfield Heights, Knox Hill|37: Sheridan, Barry Farm, Buena Vista|38: Douglass, Shipley Terrace|39: Congress Heights, Bellevue, Washington Highlands Douglass, Shipley

The Variables and Summary Statistics

The variable names and their descriptions are presented in table 3. Summary Statistics for selected variables are depicted in table 4 below. The overall Diversity decreased (from .528179 to .643608 or a decline of 21.9%). The diversity declined at an even greater percentage in seven clusters. In these clusters, White population increased by 200% of the rate for the entire District (from 7% to 14%), and the Black population decreased by 200% of the rate for the entire District (from 20% to 10%). The Diversity for these clusters decreased by an average of 44.4%. This is because in 2010, Black population declined to 43.9% from 69% in 2000, while Whites increased to 39.4% from 16% respectively for these 7 clusters, resulting in a dramatic reordering of the ethnic residents between 2000 and 2010.

While median family income increased 14.1% city-wide, the increase for these clusters were much larger as follows: Navy Yard/ Near SE (106%), Penn Square/Downtown (151%), Shaw/Logan Circle (84%), Edgewood/Bloomingdale. (45%), HU/LaDroit (40%), etc. Median housing price increase for these clusters and for the city as a whole were similarly disparate, being 64.9% city-wide and 253% for Shaw/Logan Circle, 221% for Navy Yard/Near Southeast and 222% for HU/LaDroit clusters (for the 1999/2012 interval.)

GRAPH OF BLACK-WHITE POPULATION CHANGES IN SELECTED CLUSTERS: 2000 / 2010

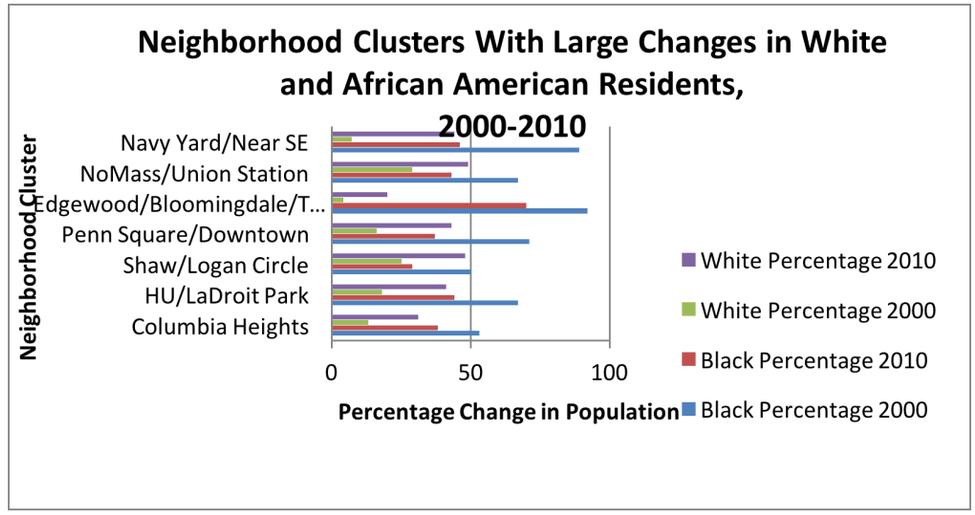

TABLE 3 VARIABLE NAMES AND DESCRIPTIONS

Variable Name	Variable Description
INC__1999	Average family income 1999
INC__07_11	Average family income 2007-11
INCGR	Growth in Average family income 2007-11
HSED2000	High School Education 2000
HSED2010	High School Education 2012
MSP2000	Median Selling Price 2000
MSP2012	Median Selling Price 2010
FRCL2000	Foreclosure rate 2000
FRCL2010	Foreclosure rate 2010
CHILD1	Presence of child under 18 in the home in 2000
CHILD10	Presence of child under 18 in the home in 2010
DIV1	Diversity Index in 2000
DIV10	Diversity Index in 2010

TABLE 4 SUMMARY STATISTICS

4A: SUMMARY STATISTICS FOR SELECTED VARIABLES (2000)

	DIV1	HSED2000	INC__1999	MSP2000
Mean	-0.528179	0.771821	108790.7	306344.8
Median	-0.595580	0.740000	77515.00	190000.0**
Observations	39	39	39	29
Std. Dev.	0.335489	0.132695	79716.10	221352.9

4B: SUMMARY STATISTICS FOR SELECTED VARIABLES (2010)

	DIV10	HSED2010	MSP2012	INCGR	INC__07_11	FRCL2010	CHILD10
Mean	-0.643608	0.867436	531689.7	0.145178	118220.7	35.79487	18.08974
Median	-0.716888	0.850000	460000.0**	0.034448	88437.00	15.00000	17.00000
Std. Dev.	0.361193	0.077793	315103.6	0.346806	78806.14	83.21095	8.981906
Observations	39	39	29	39	39	39	39

NOTE: ** The median house prices for all 39 clusters were $302,000 for 1999 and $498,000 for 2012

V. EMPIRICAL ANALYSIS

Occurrence of demographic inversion would lead to a shuffling of the demographic make-up of the city. The change in the demographic mix captured by the Diversity Index would result from residential relocations emanating from this shuffle. We postulate that a significant change would translate into a distortion of the preexisting pattern of incomes, prices, household education and other market forces constituting the predictors. We test the veracity of this with our specific hypothesis, SH.

Hypothesis Test

Specific Hypothesis (SH): Economic and demographic changes from 2000 to 2010 did not materially alter the residential location pattern of the District of Columbia. Hence the income and housing price distributions remain unaffected.

Testing Criterion for SH: Test of a Ratio of Two Variances (σ_1^2 / σ_2^2)

General Format:

Null Hypothesis H0: $\sigma_1^2 / \sigma_2^2 = 1$

Alternate Hypothesis Ha: $\sigma_1^2 / \sigma_2^2 \neq 1$

If the null hypothesis indicating the equality of the two variances holds, we will conclude that there is no significant difference between the two underlying distributions for 2000 and 2010. This would imply that the diversity index was unperturbed and hence, no indication of demographic inversion is reflected by this variable over the decade. Otherwise, the alternative hypothesis of inequality holds and the two distributions would be considered different, indicating a significant change in the diversity index and hence, a movement towards demographic inversion over the decade.

Testing Statistic for SH: F-distribution at a given significance level (α) for $n_1 - 1$ and $n_2 - 1$ degrees of freedom

Decision Rule for SH: At 10% significance level, the F-test statistics for the upper (F_u) and lower (F_L) bounds are:

$F_u (1- \alpha/2),\ n_1 - 1,\ n_2 - 1) = F_u (0.95,\ 28,\ 28) = 1.86$

$F_L (\alpha/2),\ n_1 - 1,\ n_2 - 1) = F_L (0.05,\ 28, 28) = 1/F_u = 0.54$

Decision: Accept the null hypothesis for test statistic values (F_k) in the above range: [i.e. $(0.54 \leq F_k \leq 1.86)$],

for k = Diversity Index, Income, Mean Selling Price.

A summary of the test results is set up in table 5.

TABLE 5
SUMMARY OF TEST RESULTS

Attribute	Variable **		
	Diversity Index (2000/2010)	Income ($) INC_1999 / INC_07_11	MSP2000/2012 ($)
	DIV1 DIV10	2000 2007-11	2000 2012
Standard Dev. (s^2)	0.335 0.361	97716 78806	221352 315104
Test Statistic Value (f_k) for each variable	s^2_{2000}/s^2_{2010} = 0.861	s^2_{2000}/s^2_{2010} = 1.537	s^2_{2000}/s^2_{2010} = 0.493
Decision at 10% significance level++ $0.54 \leq F_k \leq 1.86$	Do not Reject Null Hypothesis	Do not Reject Null Hypothesis	Reject Null Hypothesis

Source: Summary Statistics / Calculations

NOTE: ** Data for the two end points are slightly mismatched due to limitation of its availability from multiple sources.

++Decision Rule:

$F_u(1-\alpha/2),\ n_1-1,\ n_2-1) = F_u(0.95,\ 28,\ 28) = 1.86$

$F_L(\alpha/2),\ n_1-1,\ n_2-1) = F_L(0.05,\ 28, 28) = 1/F_u = 0.54$

The tests for income and diversity index led to the conclusion that we cannot reject the null hypothesis. Hence, demographic inversion cannot be seen to have occurred on the city-wide platform. The test for mean sales price indicates that it has a significant influence on the ethnic residential location dynamic.

VI. CONCLUSION

While about 20% of the clusters experienced very large changes in diversity, there was very little to no changes in 80% of the clusters, reflecting a lack of demographic inversion in the city as a whole over the decade considered here. The relatively undisturbed clusters are in the southeast/ east of the Anacostia River (including Kenilworth, Naylor Gardens, Woodland/Fort Stanton, Congress Heights, Barry Farms, etc.); and far northwest of the city (including Georgetown,

Chevy Chase, Friendship Heights, Foxhall Village, etc.) Dramatic changes occurred in the near northwest, north central and southwest (including Navy Yard, Edgewood/Bloomingdale, Penn Square/ downtown area, Columbia Heights, Howard University/LaDroit Park, etc.) Thus, based on our segmented analysis, the residential location pattern reflects some ethnic dynamic. Questions arising from the observed changes include what factors precipitated the changes, whether they would produce some trend and over what period? These are objectives for further studies.

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HISTORY OF THE NATIONAL HBCU BUSINESS DEANS ROUNDTABLE

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ABSTRACT

This paper chronicles the history of The HBCU Business Deans Roundtable. The Roundtable was initiated in 1997 to provide a forum for Deans of HBCU Business Schools to network, share experiences, develop partnerships and address challenges and opportunities to enhance their programs. It is the successor to previous attempts, International Association of Black Business Educators (IABBE)) and the Society of HBCU Fellows, to organize business educators at Historically Black Colleges and Universities. Mr. Earl Graves and Black Enterprise Magazine played a critical role in establishing the organization and supporting it through its early years. In 2003 The National HBCU Schools of Business Summit was held in St Louis hosted by Harris-Stowe State College and Enterprise Rent-A-car. Since then, the Summit has been held the first week in June in various cities in which HBCUs are located.

Introduction

The Institute for Colored Youth that later became Cheney University was the first Black College in the United States established in 1837. It was followed by Lincoln University of Pennsylvania in 1854 and Wilberforce University in Ohio in 1856. After the Civil War, the Second Morrill Act (1890) fostered the growth of a number of what are now called Historically Black Colleges and Universities (HBCUs). The Act provided for the establishment of Land Grant Institutions for Blacks in states that had Land Grant institutions for Whites that did not allow attendance by Blacks. The result was the creation of 16 public Black institutions, mostly in the south. These early institutions with the exception of Atlanta University (1865) focused on undergraduate training in agriculture, mechanical and industrial subjects.1 Today there are 107 HBCUs, 56 of which are private and 51 are public.

NAFEO

The National Association for Equal Opportunity in Higher Education (NAFEO) was founded in 1969 by Presidents and Chancellors of HBCUs to; provide an international voice for the nation's HBCUs to place and maintain the issue of equal opportunity in higher education on the national agenda, to advocate policies, programs and practices designed to preserve and enhance HBCUs and to increase the active participation of Blacks at every level in the formulation and implementation of policies and programs in American Higher Education. Its additional mission is to champion issues for HBCUs and Predominantly Black Institutions (PBIs), provide membership services, and build capacity of HBCUs. [2]

The National Association for Equal Opportunity in Higher

Education (NAFEO) was founded in 1969 by Presidents and Chancellors of HBCUs to; provide an international voice for the nation's HBCUs to place and maintain the issue of equal opportunity in higher education on the national agenda, to advocate policies, programs and practices designed to preserve and enhance HBCUs and to increase the active participation of Blacks at every level in the formulation and implementation of policies and programs in American Higher Education. Its additional mission is to champion issues for HBCUs and Predominantly Black Institutions (PBIs), provide membership services, and build capacity of HBCUs. 2

NAFEO flourished as an advocacy, networking and research group for Presidents throughout the 70s and 80s. However, fissures in the organization began to surface early in the 90s. A new group of Presidents began questioning the role being played by NAFEO. Some felt that the organization had devolved into a party group. Others felt that the dues were too high for the benefits received. In addition, other organizations such as UNCF, Thurgood Marshall Fund, and White House Initiative on HBCUs emerged to champion many of the issues that were the purview of NAFEO. Though the organization still survives, it does not enjoy the prominent role that it once played.

Early Attempts at Business Schools Organizations

There have been several attempts at organizational structures to foster the networking, sharing and education among Business School faculty and administrators. In the late 70s and throughout the 80s, the International Association of Black Business Educators provided a forum for faculty at HBCUs to learn and share successes and failures as a means to enhance the education of their students. The organization provided workshops and seminars on current trends in management education.

In the 90s, Nissan and ETS took on the challenge of faculty development at HBCUs. The Nissan Fellows program evolved into the Society of HBCU Fellows chaired by Dr. Lydia Floyd. Over a period of years, affinity groups by discipline allowed HBCU faculty to be exposed to leading edge research and knowledge in their respective fields. Originally the workshops were held on majority campuses (UCLA, Northwestern, etc.), later moving to HBCUs (Tennessee State, Tuskegee and FAMU). After seven years, Nissan and ETS

withdrew their sponsorship and the organization floundered. The Society ended in early 2000. Dean John Williams of Morehouse suggested that the Roundtable undertake the original mission of the Society, which was faculty development.

HBCU Deans Roundtable

In January 1997, Mr. Earl Graves and Black Enterprise magazine invited 12 Deans of Business from leading HBCUs to participate in the first business education roundtable at Black Enterprise Magazine's New York office. The discussion focused on the role of black business schools in preparing African-American students for the upcoming years in business, and the future of HBCU business school programs.

The participants included the Deans listed in the table below.

Table 1. Participating Deans

Name	College/University
Dr. Joseph Boyd	Norfolk State
Dr. Quiester Craig	North Carolina A&T State
Dr. Edward Davis	Clark Atlanta
Dr. Glenda Glover	Jackson State
Dr. Barron Harvey	Howard
Dr. Millicent Lowndes-Jackson	Tennessee State
Dr. George Neely	Tuskegee
Dr. James Parham	Hampton
Dr. Lucy Reuben	South Carolina State
Dr. Willis Sheftall	Morehouse
Dr. Pricilla Slade	Texas Southern
Dr. Otis Thomas	Morgan State

During the two-day visit, the deans were interviewed by Mr. Earl Graves and his staff on a number of topics that focused on recent activities and programs at their respective schools. These activities and programs were designed to prepare the next generation of African-Americans students. Each Dean took turns sharing information about their unique programs and activities and it soon became very clear that they were not fully aware of the events and programs at their fellow HBCU business programs. The interviews of the 12 business deans were the focus of an article that appeared in the February 1997 edition of the Black Enterprise magazine.

After the visit to Black Enterprise magazine in New York, several

deans, initiated by Dr. Barron Harvey, held a conference call to discuss what had taken place and its implications going forward. It was felt that there was a significant need for an organization and a forum for HBCU business deans to share best practices and other information that would improve their respective schools and colleges. It was decided that Dean Barron Harvey would approach Mr. Earl Graves about the possibility of Black Enterprise magazine hosting an annual meeting for the HBCU business deans at the headquarters in New York. Mr. Graves agreed to make his conference room available for annual meetings.

The first meeting, called by Dean Harvey, was held in the fall of 1997 in New York at Black Enterprise magazine's headquarters. The objective of the initial meeting was to discuss what the importance of an HBCU Business Deans organization, its limits, goals and objectives would be. During the two-day meeting nine of the Deans in attendance had the opportunity to discuss several issues; not only among themselves, but with the Black enterprise staff. During the meeting, Dr. Harvey was elected founding Chair/President of the HBCU Business Deans Roundtable. At the conclusion of this initial meeting, Mr. Graves, the publisher of Black Enterprise magazine, suggested that the business school deans meet annually at Black Enterprise's annual entrepreneurship conference which was held each May. Therefore, it was agreed that the HBCU Business Deans Roundtable would have its annual meeting in May 1998 in Orlando as a part of Black Enterprises entrepreneurship conference. In addition, it was also decided that annual dues would be levied on member schools for an amount of $500 annually.

The HBCU Business Deans Roundtable met in May 1998, 1999, 2000 and 2001 in Orlando, FL at the annual Black Enterprise entrepreneurship conference. During those meetings, the Deans were also featured by the conference and given an opportunity to participate in the overall activities of the conference.

In the spring of 2001, an organizational meeting was held in New Orleans. The meeting was attended by Dr. Edward Davis, Dr. John Williams, Dr. Linda Glover, Dr. Barbara Jones, Dr. Frank Martin, Dr. Barron H. Harvey and Dr. George Neely. The objective of this meeting was to address specific issues, the mission, direction and membership of the Business Deans Roundtable. After a long discussion around who would be eligible for membership, it was finally concluded that any business program of a HBCU would be

eligible for membership and attendance. In its formative years the Roundtable struggled with its mission. At the November 10, 2000 meeting in New Orleans discussion centered on mission, governance and membership. Dr. John Williams and Dr. Barbara Jones presented a draft mission statement that was adopted unanimously. A spirited discussion ensued around governance and membership. One view was that membership be open to all HBCUs with business programs. A contrary view was that broad membership sometimes dilutes organizations from satisfying the desires of the members. After much discussion the motion below was adopted unanimously;

"Membership in the HBCU Deans Roundtable be open to HBCUs and other institutions with majority Black student populations that have programs leading to at least a bachelor's degree in business"

The next issue was the organizational structure and leadership. The following officers and Executive Committee was adopted:

Chair, Chair Elect, Secretary/Treasurer, Executive Committee

The Executive Committee is composed of the three officers and a maximum of four (4) other Roundtable members. Membership fee for the Roundtable was set at $ 500. Frank Martin (Southern New Orleans) volunteered to do the Articles of Incorporation. The Roundtable was incorporated in the State of Louisiana on February 5, 2001.

Article II of the Roundtable By-Laws established the purpose of the organization to:

"provide a forum for deans of HBCU business schools to address opportunities and challenges associated with enhancing business programs and initiatives. The organization also seeks to strengthen and develop strategic partnerships and alliances with corporations, government, and national organizations to provide the essential tools and resources for student success."

To fulfill its purpose, the Roundtable put forth the following six goals;

1. Design programs that promote the development of curricula that better prepare students for contributing to the present and future business environment.
2. Prepare students to effectively compete for business careers.
3. Promote, support and guide the constant development of leadership of schools of business.

4. Encourage and facilitate networking between HBCU business school leaders and corporate and government executives.
5. Develop partnerships with corporations and government agencies to enhance fundraising opportunities, increase accessibility to resources, and boost executive participation in HBCU business programs.
6. Provide support and counsel necessary to increase professional accreditations and degree offerings at HBCUs that are recognized nationally and internationally.

In 2002, The HBCU Business Deans Roundtable met again as a part of the Black Enterprise Entrepreneurship conference in Nashville Tennessee and Opryland. Additionally, The HBCU Deans Roundtable met in April 2002 in Chicago as a part of the AACSB annual meeting and conference. The meeting was hosted by Bank One at the offices of the chairman and CEO, Jamie Dimon. During this meeting, Mr. Dimon also addressed the roundtable about potential future partnership opportunities in the future.

Table 2. Summary of Early Roundtable Meetings

Date	Location	Host
May 1997	New York	Black Enterprise
November 1997	New York	Black Enterprise
May 1998	Orlando	Black Enterprise
May 1999	Orlando	Black Enterprise
February 3-4, 2000	New York	Black Enterprise
May 10-11, 2000	Orlando	Black Enterprise
November 10, 2000	New Orleans	AACSB
May 2001	Orlando	Black Enterprise
April 8, 2002	Chicago	AACSB/Bank One
May 17,2002	Nashville	Black Enterprise
February 9,2003	Ft Lauderdale	Black Enterprise
April 24-26, 2003	New Orleans	National Urban League/Black Collegian
November 21-22, 2003	Atlanta	Clark Atlanta University
September 12-14, 2004	Washington	Howard University

It is clear from the table above that Black Enterprise played an important role in launching the Roundtable and helping sustain the organization during the early stages of its formation. The Roundtable is indebted to Mr. Earl Graves and his staff for the support they provided.

In January 2003, the Roundtable was approached by the national HBCU Presidents Council and Enterprise Rent-A-Car about the possibility of hosting an annual HBCU School of Business Leadership Summit in St. Louis. An organizing meeting was held at Howard University's School of Business in Washington DC. To the meeting where Dr. Toy A. Caldwell Colbert, Provost, Howard University Dr. Henry Givens Jr., President, Harris Stowe State College, Dr. Barron H. H Harvey, chair, HBCU Business Deans Roundtable and Howard University, Dr. Quiester Craig, Dean, North Carolina A&T State University, Mr. Alonso Byrd, Executive, Enterprise Rent-A-Car Mr. Warren Manns, Account Executive, American Airlines, Mr. Bernie Milano, President , KPMG Foundation, Ms. Karen Johnson Street, US Small Business Administration, Ms. Deborah Hayes, US Department of Commerce, Ms. Gayle Galvan, National Credit Union Administration, Dr. Leonard Spearman, White House Initiatives for HBCUs and Ms. Tony Roy, White House Initiatives for HBCUs. The planning meeting concluded that a 4-day conference entitled "National HBCU Schools of Business Leadership Summit" would be held in St. Louis hosted by Harris Stowe State College and Enterprise Rent-A-Car.

The National HBCU Schools of Business Summit was held June 21- 24, 2003 hosted by Dr. James Bell, Chair of Business Administration at Harris- Stowe State College in St. Louis Missouri. The summit co-chairs were Deans Quiester Craig and Barron Harvey. There were more than 54 heads of business programs in attendance at the first annual summit. The summit also highlighted the inauguration of the Advisory Board and the presentation of the Deans Excellence Award to Dr. Sybil Mobley, Dean Emeritus, and Florida A & M University. The summit also unveiled the 20 founding Deans of the National HBCU Business Deans Roundtable. The founding deans include the following:

Table 3. Founding Roundtable Deans

Dr. Barbara Adams	South Carolina State
Dr. James Bell	Harris-Stowe State
Dr. Quiester Craig	North Carolina A&T
Dr. Sid Credle	Hampton
Dr. Edward Davis	Clark Atlanta
Dr. Lydia McKinley -Floyd	Chicago State
Dr. Glenda Glover	Jackson State
Dr. Sadie Gregory	Virginia State
Dr. Barron Harvey*	Howard
Dr. Andrew Honeycutt	Univ of Arkansas Pine Bluff
Dr. Millicent Lowndes-Jackson	Tennessee State
Dr. Barbara Jones	Alabama A&M
Dr. Arthur King	Winston-Salem State
Dr. Patrick Liverpool	Delaware State
Dr. George Neely	Xavier
Dr. Abiodum Ojemakinde	Albany State
Dr. Herb Quigley	Univ of the District of Columbia
Dr. Otis Thomas	Morgan State
Dr. Edgar Williams	Norfolk State
Dr. H James Williams	North Carolina Central

* Founding President

Dr. Harvey who steered the organization through its early years was elected as the founding President of the HBCU Deans Roundtable. It was established that the president would serve a term of one-year and chair the Board of Directors. The President-Elect and Immediate Past President also serve one-year terms and are members of the Executive Committee.

Table 4. is a list of the presidents of the Roundtable

Table 4. Roundtable Presidents

Date	Chair	School
1999	Barron Harvey	Howard
2000	Barron Harvey	Howard
2001	Barron Harvey	Howard
2002	Barron Harvey	Howard
2003	Barron Harvey	Howard
2004	Donald Andrews	Southern University Baton Rouge
2005	John Williams	Morehouse
2006	Jonathan Jefferson	Clark Atlanta
2007	Joseph Boyd	Texas Southern
2008	Otis Thomas	Morgan State
2009	Barron Harvey	Howard
2010	Barron Harvey *	Howard
2011	Anthony Nelson	Bowie State
2012	Jessica Bailey	Winston Salem State
2013	Shawnte Friday-Stroud	Florida A&M
2014	Igwe Udeh	Southern University of New Orleans
2015	Mo Sarhan	Savannah State
2016	Donald Andrews	Southern University Baton Rouge
2017	Alicia Jackson	Albany State
2018	Joe Ricks	Xavier
2019	Edward Davis	Clark Atlanta

**Dean Lydia Floyd, Clark Atlanta was elected President but retired from the university and Dean Harvey stepped in to fill the*

At the first summit, the Roundtable divided the country into five regions and selected regional chairs, Table 5.

Table 5. Roundtable Regions

Region	Area	Regional Chair
1	Delaware District of Columbia Maryland Pennsylvania Virginia West Virginia	Dr. Barron Harvey Howard University
2	North Carolina South Carolina	Dr. Quiester Craig North Carolina A&T State University
3	Alabama Florida Georgia	Dr. Edward Davis Clark Atlanta University
4	Arkansas Louisiana Mississippi Tennessee	Dr. Glenda Glover Jackson State University
5	Illinois Kentucky Missouri Oklahoma Texas	Dr. Lydia Floyd Chicago State University

The regional concept was established as a communication and information-sharing vehicle to ensure that Deans were informed of opportunities and issues throughout the year. The Regional chairs also had the responsibility of adding to the membership of the organization.

The Second Annual National HBCU Schools of Business Summit was hosted in Washington DC by Howard University's School of Business on September 12- 14, 2004. The National HBCU Business Deans Roundtable renamed the Deans Excellence to the Milton Wilson Award in honor of Dean. Milton Wilson. The award was presented posthumously to Dr. Milton Wilson and accepted by Mrs. Imelda Pradia-Wilson. At the Second Annual Summit, Dr. Donald

Andrews, Dean, Southern University, Baton Rouge was elected National Chair/President.

Table 6. summarizes the locations and hosts of the summits. Each summit was organized around a current theme. The summit also provided an opportunity to visit the host institution.

Table 6. Summit Locations & Hosts

Meeting Date	Location	Host
July 21-24, 2003	St. Louis	Enterprise Rental/ Harris Stowe University
Sept 12-14, 2004	Washington	Howard University
June 2005	New Orleans	Southern University Baton Rouge
June 2006	St. Thomas	University of the Virgin Islands
June 7-9, 2007	Savannah	Savannah State University
June 2008	Nashville	Tennessee State University
June 2009	Atlanta	Morehouse College
June 3-5, 2010	Houston	Texas Southern University
June 2-4 2011	Orlando	Florida A&M University
June 7-9, 2012	Washington	Howard University
June 6-8, 2013	Greensboro	North Carolina A&T State Univ
June 5-7, 2014	Hollywood, FL	Florida Memorial University
June 4-6, 2015	New Orleans	Xavier, Southern Baton Rouge, Southern New Orleans
June 2-4 2016	St. Louis	Harris-Stowe State University
June 1-3 2017	Atlanta	Clark Atlanta University
May31-June 2, 2018	New York	Medgar Evers University

Originally, the Roundtable met twice a year, once during the AACSB Annual meeting and the other at the Southern Business Administration Association Annual Meeting. Those early years were devoted to:

1. Share wisdom, experience and strategies related to problems and issues common to all Institutions, including:
   - Accreditation
   - Curricula
   - Orientation for new deans
   - Fundraising
   - Campus politics
   - External environments
   - Recruitment and retention of high quality students
   - Recruitment, development and maintenance of high quality faculty and staff
2. Enhance faculty research productivity and intellectual contribution
3. Develop collaborative programs that enhance HBCU business programs

Those early meetings were held in conjunction with other organizational meetings which limited the time the Roundtable could devote to its business. Following the 2003 National Summit the Roundtable moved to holding a two-and-a-half-day annual meeting the first week in June. As a part of the meeting current or former Deans were honored for their service to their institutions and the profession.

Milton Wilson Award

The Deans Excellence Award was established in 2003 and renamed the Milton Wilson award in 2004. The award recognizes Deans who have made significant contributions to their institutions, business education and the profession. The award is named for Dr. Milton Wilson who was among the nation's first 100 African American CPAs and was among the first seven African Americans to earn a doctoral degree in accounting. Dr. Wilson led the first HBCU (Texas Southern) to be accredited by AACSB-International and is the only African American dean to have led two institutions (TSU &Howard) to this accreditation. Dr. Wilson passed in 2003. He was the inaugural recipient of the award bearing his name in 2004. (see table)

Table 7. Deans Excellence/Milton Wilson Award Recipients

Year	Recipient	Institution
2003	Sybil Mobley	Florida A&M
2004	Milton Wilson	Texas Southern/Howard
2005	Quiester Craig	North Carolina A&T
2006	Percy Vaughn	Alabama State
2007	Lincoln Harrison	Southern
2008	Edward Irons	Clark Atlanta
2009	Willis Sheftall	Morehouse
2010	Otis Thomas	Morgan State
2011	Barron Harvey	Howard
2012	Tilden Curry	Tennessee State
2013	John Williams	Morehouse
2017	Ben Newhouse	Tuskegee/North Carolina Central

Partnerships and key Supporters

Over the years the Roundtable has established many partnerships and sponsors who support the Summit and provide opportunities for member institution students and programs. For the twenty- year history of the Roundtable the number of partners and supporters is too numerous to list them all. However, there are companies and organizations that have consistently stepped up to provide information and financial support. Among them are AACSB, ACBSP, ETS, GMAC, GRE, KPMG, PhD Project, and SFE&PD.

Roundtable Activities

Though the summit is the signature event, the Roundtable also provides support for the Washington Research held at Howard University in March and the Faculty Teaching Seminar how to held at Texas Southern University in the fall of each year.

The annual summit provides the opportunity for Deans to share and to engage with persons and organizations around current issues and trends in management education. Some Summit themes over the years are 2003 Diversity, 2010 Preparing for the Post –Recession World, 2012 Developing Future Job Creators, 2015 The role of Energy and

Human capital in Economic Development from a Global Perspective 2016 A dean's Guide to Success ,2017 Innovation & Entrepreneurship in HBCU Business Schools,2018 Diversity & Inclusion.

The 2018 summit saw a return to New York the city that hosted the early meetings to establish the Roundtable. As happened throughout the Roundtable history, corporate and organizations provided the support for the summit. As a result of the support provided by HP the summit was hosted by the New York Stock Exchange. Highlights of the day included a panel discussion on diversity and inclusion with three CEOs who are members of the CEO Action Network for Diversity. The day concluded with the Deans on the Executive Committee and the Vice President of HP ringing the closing bell.

The Roundtable moved to a different level with the addition of the first Executive Director, Mr. Fields Jackson. The Roundtable is poised to continue to provide a vehicle for the leaders of HBCU Business Schools to network and engage in best practices in management education.

Dr. Edward Davis is the current President of the Roundtable and the Christine McEachern Smith Chair at Clark Atlanta University.

Dr. Barron Harvey is the organizing President of the Roundtable and Dean of the School of Business at Howard University.

The WBRJ Style Guidelines

(For the Final Version of the Paper)

Required Word Processing Software & Font: Both the initial and final versions of the paper have to be in the latest version of Microsoft WORD that you have access to. The paper must utilize Times New Roman font for the entire paper.

The First Page: The title of the paper should be centered, typed in capital letters, and should not exceed three lines. Font size for the paper title should be 16-point (Times New Roman). The authors' names followed by affiliations (centered, single-spaced in 12-point font) should be typed beginning on the second line below the paper title.

Abstract: The abstract heading (centered and italicized in 12-point bold font) should appear one line below author names and affiliations. The text for the abstract (italicized and in 10-point font) should appear one-line below the abstract heading. The text for the abstract should be indented 0.5 inches from the left and right margins. The abstract length should not exceed 150 words.

Body of the Paper: Use the following parameters for the main body of the paper:

(1) The main body of the paper must be typed in 12-point font, single-spaced, on regular 8.5" x 11" paper, and fully justified.

(2) Margins should be set to 1-inch from top, bottom, left, and right. Page numbers should be centered at the bottom of each page.

(3) Indent all paragraphs 0.5 inches and do not skip lines between paragraphs.

(4) All major headings should be in 12-point bold font, centered, and capitalized. Headings should be preceded and followed by a blank line.

(5) All sub-headings should be in 12-point bold, left justified, and should utilize title case (first letter of each major word is capitalized). Leave one blank line above each sub-heading, but **not** below.

(6) All third-level headings (sub-sub-headings) should be italicized in 12-point bold, left justified, and should utilize title case (first letter of each major word is capitalized). Let the third-level headings run with the paragraph – begin the paragraph on the same line as this heading, after placing a period after the third-level heading.

(7) Do not use headers and footers.

(8) Use italics in place of underlines.

(9) Appendixes should be placed at the very end of the manuscript.

(10) Use ENDNOTES rather than FOOTNOTES, and keep endnotes to a minimum.

(11) The main body of the paper is followed by ENDNOTES, REFERENCES and APPENDIXES (in this order).

Mathematical Notations and Equations: Where possible, use common language rather than mathematical notations in the body of the text. All notations and symbols used in paragraphs or equations must be explained. All equations must be numbered. Equation numbers should be in parentheses and flush with the right margin.

Tables and Figures: All tables and figures should be incorporated into the body of the text and should not spill over to the margins. They should be placed as close as possible to the location in the text where they are first referenced. Number all tables and figures and use **BOLD** capital letters (e.g., **TABLE 3)**. Provide a name for each TABLE/FIGURE on the line under the TABLE/FIGURE number, utilizing bold title case. Center each table or figure number, and its title.

References: As pointed out earlier, main body of the paper is followed by ENDNOTES, REFERENCES and APPENDIXES. References should include only those studies that have actually been cited in the paper. The second and additional lines of each reference should have a 0.5-inch indentation. Do not leave blank lines between references. Titles of journals or books should be italicized rather than underlined. The references should follow the American Psychological Association (APA) references guidelines.

Author Responsibility: Authors alone are responsible for the content of their papers submitted for publication. They must proofread the manuscripts thoroughly and make sure that their papers are free from typographical and other errors.