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**Abstracts  
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Business, Economics and  
Management Disciplines 2006**

## **Regional Convergence – The Impact of Factory Automation on Location Decision**

***Michael Plattner***

*Osaka City University, Japan*

This paper explains the impact of factory automation on location decisions in already existing industry-clusters in Germany and Japan. The Nuremberg-Erlangen area (headquarters for Siemens A&D) in Germany and the Higashi-Osaka area (headquarters for Matsushita/Panasonic Automation) in Japan were examined in order to analyze location decisions and network advantages through user-producer relations in a global production system. They are tied together in a global business network as multinational enterprises with small and medium-sized suppliers and an industry-wide variety of customers. In the course of globalization, firms must choose the best way to maintain a good position in the market, and thus, a firm's location can frequently determine its success or failure. An industry-specific cluster might be a decisive factor for location decisions.

## **Implications of Chinese Experiences on the Internationalization of Small Business in Developing Countries**

***Jia Zhenquan, Anthony Mumba, and Gao Junshan***

*University of Science and Technology Beijing, China*

This paper provides suggestions for adopting Chinese aspects of small and medium sized enterprises (SME's) in developing countries. The paper analyzes current internationalization and constraints faced by Zambian SME's as they seek to internationalize their business activities and contrasts it with the successful experiences of Chinese SME's.

## **The Internationalization of Chinese Firms: Going Global or Going Regional?**

***Yong Zhen***

*Cambridge University,, U.K.*

Scholars within and outside of China agree that increasing numbers of Chinese firms are likely to go global in the coming years. While some attention has

been paid to studying the internationalization of Chinese firms, these studies mostly focus on the motives and forms of Chinese firms' internationalization, or on the process of Chinese firm internationalization. Yet few studies examine the important questions of where and why Chinese firms go global. This paper uses resourced-based theory and institutional theory to answer these questions.

## **A Case of Sino-U.S.A. Trade Dispute and Lessons Learned**

***Yuxiang Jiang*** and ***Xiaohui Li***

*University of Science and Technology Beijing, China*

***Yuan Li***

*Masteel International Trade & Economic Corp., China*

Solving trade disputes appropriately and effectively is very important to Chinese enterprises facing new rules upon entry to the World Trade Organization. This paper reviews the response process of Ma'anshan Iron & Steel Company Limited to antidumping charges by the U.S.A. The lessons learned from the experience may be valuable to other Chinese enterprises facing similar situations.

## **A Study of EU Antidumping Policies and Firms' Strategic Behavior Based on a Two-Period Duopoly Model**

***Chang Ming*** and ***He Haiyan***

*Beijing Institute of Technology, China*

In this paper, A two-period duopoly competition model was developed to analyze the behavior and motivation for both domestic and European firms under European Union (EU) antidumping policies. Based on the analysis, suggestions for ways that Chinese firms can cope with EU antidumping were made. The following conclusions were reached: when Chinese firms anticipate antidumping measures from the EU, they should reduce export in the investigation period (since EU firms will change their output based on the profit maximization principle to influence the antidumping duty), and Chinese firms should focus on the strategic behavior of EU firms to react to EU antidumping.

## **China's Emergence and Future U.S.-China Economic Relationship**

***Weiping Liu***

*Eastern Connecticut State University, U.S.A.*

The rapid growth of China's economy in the last two decades has caught the attention of the world, particularly among American companies. While development of the Chinese economy - and an associated increase in the standard of living for Chinese people - has provided business opportunities for American companies, the huge trade deficit with China and high US unemployment rate yielded public criticism. Also, of concern, is the fact that China was pegging its currency to the US dollar so that Chinese products had an advantage over US producers, and the possibility that China may unload its US dollar denominated assets and cause financial upheaval. The increasing importance of China's economy makes it important to address these frictions and establish a peaceful and mutually beneficial relationship between the two nations.

## **China-ASEAN Free Trade Area: Implications for Chinese Exports**

***Xiaoxia Huang and Wenting Xia***

*University of Science and Technology Beijing, China*

In 2002, China and the Association of Southeast Asian Nations (ASEAN) signed a framework agreement on full-scale economic cooperation to complete the Free Trade Area (China-ASEAN FTA) by 2010. According to the agreement, China and ASEAN countries will gradually reduce or eliminate tariffs on 7,000 products. This paper analyzes China's foreign trade opportunities, and its policy implications, in light of the new agreement, thus helping to prepare Chinese enterprises to expand exports to ASEAN countries.

## **Analysis of Chinese Foreign Trade Dependence**

***Li Qi***

*Capital University of Business and Economics, China*

As Chinese markets have opened to the outside world, the country's economy has quickly become more dependent upon its degree of foreign trade. Many problems have resulted from the influence of the world's economy on China's economy. This paper analyzes the trend of China's dependency upon foreign trade based on a comprehensive consideration of the country's situation, and offers a useful reference for macro-decision.

## **Applicability and Assessment of Widely-employed Frameworks in Cross-cultural Research**

***Hamid Yeganeh, Zhan Su, and Laurent Bourdeau***  
*Laval University, Canada*

This study aims to assess the applicability of widely-employed frameworks in cross-cultural management research. Nine frameworks are examined and their relevance assessed, with respect to criteria such as theoretical and empirical bases, level of analysis, measurement tools, data, validity, research design, comprehensiveness, exclusiveness, and structure of values. Findings and discussion might be useful not only in applying cultural typologies, but also in improving existing frameworks.

## **American Trade Deficits: A Study on the Perspectives of Globalization**

***Zhang Heng***  
*Capital University of Economics and Business, China*

America's remarkably high trade deficits (1980-2005) are the result of globalization, and are an industry adjustment problem. Large trade deficits have already become important "weapons" for America to acquire the benefits from, and promote the process of economic globalization. However, a large trade deficit increases the risk of globalization. It is therefore important for other countries to pay more attention to the aforementioned risks - especially developing countries - by avoiding over-dependence on exports, particularly exports to the U.S.

## **A No-delay Algorithm for the Steelmaking Process Scheduling**

***Ling Sun and Tieke Li***  
*University of Science and Technology, Beijing, P.R.C.*

This paper investigates the steelmaking process scheduling problem in no-wait production environment. The objective is to minimize the cast breaks. We show that the problem of cast break is equivalent to F3/no wait/Cmax. We then propose a heuristic algorithm based upon the relation between the process time and the start time on the first stage of adjacent charges. A numerical experiment demonstrates that the algorithm generates high quality schedule in a timely fashion.

## **4PL Modeling Based on Core Competency Chain under GERAM**

***Yang Jian-hua and Zhang Qun***

*University of Science & Technology Beijing, China*

4PL Supply Chain Collaboration is the actual integration of partners in value creation chains. It is accomplished with a composition of many core competencies contributed by participants in the supply chain. This paper illustrates a recursive core competency chain for the 4PL based on Generalized Enterprise Reference Architecture and Methodology (GERAM), and proposes a model driven 4PL system structure centered on a core competency chain model based on case-studies.

## **Impact of Cooperative Relationship and Influence Strategy on Channel Performance**

***Karl Peng***

*China University of Technology, Taiwan*

Due to rapid technological and environmental change, channel members of the Chinese auto industry tend to jointly determine marketing strategy under the context of an interaction relationship. In this paper, agents of major auto manufacturers participated in a questionnaire survey to reveal the partially significant relationships that influence strategy, cooperative relationships, and channel performance. Specifically, cooperative relationships are definitely consolidated once the factors that influence strategy become stronger.

## **A Study of Inter-organizational Strategic Cost Managementbased on Supply Chain**

***Bao Xinzhong and Zhang Zhang***

*University of Science and Technology Beijing , China*

Continued deflationary trends in many markets around the world have created greater pressure for cost reductions in order to maintain margins. There is growing recognition that supply chain alignment can reduce the total cost of finished product in the final marketplace. In this paper, a framework for interorganizational strategic cost management is suggested, which will help optimize the cost situation among firms in the whole supply chain. The integrated utilization of interorganizational cost management methods is introduced, including methods of cost disciplining mechanisms and cooperative mechanisms in the whole product life cycle.

## **Computer-Based Planning and Visualization of Warehouses**

***Lothar Schulze and Alexander Wüllner***

*University of Hannover, Germany*

It is important to consider a range of alternatives when it comes to dimensioning and calculating warehouses. Important variables include maximum dimensions of the building, desired throughput, labor, and investment costs. At the same time, the time between ordering and operating a warehouse should be shortened. Since the period of realization offers minimal temporal saving possibilities, the planning time must therefore be shortened. To balance the competing interests of accuracy and time, computer-based planning tools can be used to find the most cost efficient alternative and to visualize the warehouse layout. The Department of Planning and Controlling of Warehouse and Transport Systems has developed a computer based tool for such tasks. It consists of the modules REPLAS, which generates a favorable warehouse-alternative, and an AutoCAD-Add-On for the visualization of outcomes. The planning period can be significantly shortened while, the planning quality - especially during the period of rough planning - increases.

## **Supplier Dynamic Categorization with Feature Weighting K-means Type Subspace Clustering Algorithm for Large Scale Enterprises**

***Yu Xin***

*Tsinghua University, China*

***Wang Daoping***

*University of Science and Technology Beijing, China*

Effective categorization of suppliers is an important step in Supplier Relationship Management (SRM). This paper analyzes the problems in the currently dynamic supplier categorization. It also presents a data-driven method to categorize suppliers based on their business behaviors. This method is derived from a large number of business transactions between suppliers and buyers. Supplier categorization based on business behaviors is a problem of clustering high dimensional, sparse data problems. K-means type subspace clustering is applied to solve a real data set from a food retail company so as to classify its transaction data. Our results have produced a better categorization of suppliers, thus enhancing the company's relationship with its suppliers.



## **Business Process Reengineering (BPR) based on the Analysis of Non-added-value Actions in Projects**

***Yang Qing***

*University of Science & Technology Beijing, China*

***Qiu Wan Hua***

*Beijing University of Aeronautics and Astronautics, China*

In this paper, non-added-value (waste) actions were studied for lean project development. The waste pyramid model was established. Based upon analysis of six passive elements, the waste cause and effect chain in the process of project development was set up, with the reasons and behaviors of ten kinds of wastes examined for the lean production model. For the problem of satellite product development in Business Process Reengineering (BPR), the relationship between various wastes using Interpretative Structural Modeling (ISM) was studied, and found this approach useful for studying BPR.

## **Modeling, Computational, and ERP Methods in Logistics and Supply Chain Systems**

***Sardar M. N. Islam***

*Victoria University, Australia*

The objective of this paper is to discuss existing economy-wide logistics, supply chain sector-wide models, and the Enterprise Resource Planning (ERP) computational packages that can be used for the formulation of logistics and supply chain systems, policies or project planning. The paper is organised as follows: Section 2 discusses the standard models applied to logistic and supply chain sector. Section 3 discusses project appraisal and planning models in the logistic and supply chain sector. Section 4 examines examples of real life logistics and supply chain models. The computational ERP software approach is discussed in section 5. The conclusions are provided in section 6, with an argument for combining optimization models with ERP comprehensive approaches.

## **Development Efficiency Analysis of China's Logistics Industry**

***Wentao Liu***

*Beijing Information Science & Technology University, China*

China's logistics industry has developed rapidly in recent years, and has promoted service quality in this and other industries. However, as better service de-

mands higher costs, China's logistics industry has had to face a cost hike. This paper discusses countermeasures for enhancing development efficiency of China's logistics industry on the basis of predictions about logistics market demand.

## **Evaluation of the Safety Degree of China's Telecom Industry**

***He Weida and Sun Ying***

*University of Science and Technology Beijing, China*

***Zhao Wei***

*Jiangxi University of Finance and Economics, China*

The telecom industry has become a leading and strategic industry for China's economy. China's re-entry into the World Trade Organization (WTO) means that it will face strong competition from transnational telecom corporations. Therefore, it is necessary to make an evaluation of the safety degree of this industry after re-entry into the WTO. This paper first analyzes the commitments the Chinese telecom industry made in order to re-enter the WTO, and compares the international telecom industry under the WTO framework. Next, it analyzes development of the telecom industry after joining the WTO via a linear regression forecasting model and grey prediction method. Finally, fuzzy comprehensive judgment and the DEA model are used to evaluate the safety degree of China's telecom industry after re-entering the WTO. The results suggest that re-entry does not have a great impact on the development of the telecom industry. However, if Chinese telecom's innovation ability and core competencies cannot be strengthened, this industry may encounter problems before the year 2010.

## **Chinese Underground Banks of the Republican Period, 1946-49: Historical Lessons**

***D. Han***

*University of Western Ontario, Canada*

With the Nationalist government being diverted to the civil war operation, indigenous banks or Qianzhuang's flourished during the period of 1946-49. They constituted agile agents of free enterprise in the financial market amid the vacuum of the government's control and regulation. There are three distinct features of their operations: First, indigenous banks offering fixed income financial-products thrived under raging hyperinflation caused by the deficit financing of the war by the Nationalist government, posing the question of what inflation hedges the banks offered to the depositors. Second, indigenous banks were extremely resilient to government crackdowns on illegal financial activities. The author has recently collected materials that indicate that many underground or non-licensed banks successfully lobbied the local regulator or fought successfully in court against closures

by the central government. Third, and as an extension of the second point, there may have been substantial differences in socio-political dynamics (e.g. the relationship between the banks and their local regulator, between the Shanghai banks and the banks in other areas such as Hankou). This paper examines these three points with historical materials that have been recently gathered from various archives in China.

## **Overview of Money Laundering in the Chinese Financial System**

*Xie Yuan and Jim Zhu Haixia*

*University of Science and Technology Beijing, China*

Money-laundering has become increasingly problematic in China. With the growing awareness of problems due to money-laundering, the Chinese government has attached more importance to fighting money-laundering, and has demonstrated that anti-laundering activities are important, urgent, complex, and require a long-term approach. Money-laundering and related crimes have both criminal and financial aspects that must be dealt by both law enforcement agencies and the financial sector. Anti-laundering plays a pivotal role in the protection of national security, anti-corruption, economic, and financial stability. According to the International Monetary Fund's estimate, the annual level of money laundering in China is as high as RMB 200 billion. Therefore, anti-laundering is a formidable problem for the Chinese economy and requires urgent action.

## **Calculation and Analysis of State-Owned Assets Outflow during the Reform of Dual-class Equity Structure**

*Liming Wang, De'en Zhu and Wenyi Ma*

*University of Science and Technology Beijing, China*

To analyze how much outflow the reform of dual-class equity structure brings to state-owned assets, the outflow from non-tradable shareholders of 350 listed companies that have completed their reform of dual-class equity structure was calculated and analyzed. It was concluded that the outflow of state-owned assets has two parts - market value outflow and net-asset outflow. Thus, the total outflow of China Share Markets during the Reform of Dual-class Equity Structure was possible to estimate.

## **Predicting Corporate Strategic Risk Based on Nonlinear Combination of Unascertained Measure and Neural Network**

***Liu Jian-guo, She Yuan-guan and Li Yan***

*University of Science and Technology Beijing , China*

This paper establishes a framework of nonlinear combination forecasts that predict corporate strategic risk based on the unascertained measure model and the neural network. First, a multidimensional indicator system is proposed for the prediction of corporate strategic risk. In this system, strategic risk levels are divided into strategic financial risks, competitive risks, and relative performance risks. Second, the unascertained measure model is proposed to assess strategic risk on the basis of a three-layer indicator system. Third, the multiple regression model and Logit model are introduced to assess financial risk. Finally, the combined forecasting model based on the neural network is presented to predict strategic risk. Computational experiment results show that the proposed method performs better than others in forecasting strategic risk for listed firms.

## **Exploring New Channels of Real Estate Financing in China Based on the United States REIT Experience**

***Zhu Haixia***

*University of Science and Technology Beijing , China*

As China's real estate market has continued to grow and housing prices have soared, the central government has taken a series of financial measures to limit credit. This has led to serious financing problems for real estate developers. On the basis of the United States REIT experience, this paper proposes that real estate investment trust funds are a viable new option for real estate financing. A number of potential enhancement strategies are proposed in order to make REITs more suitable for the Chinese market.

## **Perspectives on Housing Mortgage Loan Securitization in China**

***Song Xu Wen and Huang Yao Jie***

*University of Science and Technology, Beijing, China*

This paper introduces the mechanism of housing mortgage loan securitization in developed countries, and analyzes the importance of derivative securities for the development of the real estate industry and stability of macro finance in China. A number of institutional obstacles and disadvantages under the current circumstances are presented. The paper concludes with a series of policy recommendations for

the realization of housing mortgage loan securitization in China.

## **Research on a Financial Indices System to Analyze Higher Education in China**

***Wu Dekun and Zhao Hua***

*University of Science and Technology Beijing, China*

The continuous reform of the education system has created more sources of educational funds and more requirements for financial information. It is therefore important to establish a financial indices system based on the financial data of institutions of higher education. This paper discusses the design of a scientific and systematic financial analysis indices system, and examines how such a system of financial evaluation could be implemented in colleges and universities.

## **A Study on the Solvency of China's Life Insurance Industry**

***Han Junxia and Li Hanguang***

*University of Science and Technology Beijing, China*

In this paper, an index system to examine the solvency of Chinese life insurance companies was developed. Factor analysis is applied to evaluate the performance of 17 life insurance companies. The results suggest that Chinese companies face a crisis of solvency. According to the analysis, operational capability, asset liquidity, profitability, and capital adequacy, are the key factors to improving the solvency of China's life insurance industry.

## **Are Real Options Perfect?**

***Dai Shufen***

*University of Science and Technology Beijing, China*

***Chen Xiang***

*China National Software and Service Co. Ltd., China*

The Real Options theory is the application of financial options pricing theory to investment decisions. Although recent research has led to breakthroughs in identifying and pricing a variety of real options embedded in project, the Real Options approach is far from perfect. Real Options value investment only from the financial perspective, which focuses on the value to shareholders, even if there is non-financial value embedded in a project (e.g. value delivered to employees and community). Therefore, the value based on Real Options undervalues a project. In addition, some implicit assumptions in Real Options models are not in agreement

with reality, and some important variables in these models cannot be measured easily. These problems all reduce the practicability of the Real Options approach.

## **Outside Board, Corporate Values, and Firm Size in Taiwan: Results from the Threshold Analysis**

***Chuang-Min Chao and Tsung-Han Wu***

*National Taipei University of Technology, Taiwan*

Using firm size as the threshold variable, this study examines whether the regression relationship between the proportion of outside board and corporate value varies with their corporate size. In a sample of 586 Taiwan public corporations observed between the years 2002-2004, two thresholds in the regression model were found. The threshold estimates are 3.19 billion and 12.7 billion respectively. The three classes of firms indicated by the threshold estimates are small, medium, and large firms. The proportion of outside board is positively related to Tobin's Q for small and large firms, but the large firms' coefficient is smaller than that of the small firms. For median-sized firms, the proportion of outside directors is significantly negatively related to Tobin's Q.

## **Organizational Value Measurement Impacted by Chinese Traditional Culture**

***Wei Jun***

*University of Science and Technology Beijing, China*

The organizational values in China differ from those of other countries. Chinese traditional culture affects organizational values deeply. This study explored the construct of Chinese organizational value (COV). The survey data was analyzed with exploratory factor analysis and confirmatory factor analysis. The results showed that COV was an eight-dimensional construct. The study also found that the COV questionnaire had suitable reliability and high validity.

## **Corporate Social Disclosure: Evidence from India**

***S. Raghu Raman***

*Institute for Financial Management and Research, India*

Corporate social responsibility (CSR) is becoming a major issue in the business world in the coming years. Increasing demands from key stakeholders are forcing many organizations to demonstrate their commitment to social causes.

Business practices are also widely disseminated to stakeholders using vehicles like separate social reports, annual reports, and press releases. Such documents have been used to study the extent and scope of CSR in developed countries. However, CSR remains an understudied area in countries like India. Through content analysis of annual reports, social reports, and website information, the current study aims to identify the means that the top 50 companies in corporate India have adopted disseminating information on CSR. The study will also identify and analyze the areas of social concern that Indian organizations have addressed, and will highlight the processes these organizations have adopted to unfold CSR.

## **The Rapid Rise of Chinese Transformational Entrepreneurs**

***Liana Sáenz***

*Argosy University, U.S.A.*

Chinese transformational entrepreneurs are evolving at the same pace as the Chinese economy. Therefore, the future of Chinese companies depends on the ability of their leaders to succeed. The present paper has examined Chinese entrepreneurs' tendency toward an in-group culture. Intolerance to diversity is one of the four tensions identified by the Global Leadership and Organizational Behavior Effectiveness study of 62 societies. This was considered as contributing to the transformation of Chinese entrepreneurs at the present time.

## **Business Failure Prediction Using Survival Analysis**

***Kuldeep Kumar and Adrian Gepp***

*Bond University, Australia*

Accurate business failure prediction models would be extremely valuable to many industry sectors, particularly in financial investment and lending. Recently there has been significant interest in business failure prediction from both industry and academia. Statistical business failure prediction models attempt to predict the failure or success of a business. Discriminant and logit analyses have been the most popular approaches, but there are also a number of alternative techniques. In this paper, a comparatively new technique known as survival analysis is used for business failure prediction. The overall results suggest that survival analysis techniques provide additional information that can be used to further our understanding of the business failure process.

## **On the Influence of Chinese Traditional Relational Networks on Exterior Networks**

***Lu Fucui and He Wei***

*Jiangxi University of Finance and Economics, China*

From the perspective of new economic sociology, the economic activities of exterior networks are embedded in, and restricted by, social relational networks. By combining the structure of traditional Chinese culture and psychology, this paper analyzes the influence of relational network between corporations and government, as well as among corporations in exterior networks. The paper proposes several suggestions for improving upon Chinese institutional trust mechanisms in order to make exterior networks with high efficiency and normative operation.

## **Victimization Related to Amounts of Money Sent and American Product Preferences in Families of Mexicans in the U.S.A. and Indian Emigrant Profile**

***Enrique Reig, Kristiano Raccanello and Carolyn Grebe***

*Universidad de las Americas /CECAVI, México*

***Jayant Anand***

*Texas A&M University, U.S.A.*

***Issac Jauli***

*Universidad Complutense, Spain*

***Cecilia Cervantes***

*Sherpa Consulting Group S.C., México*

***Ceferi Soler***

*ESADE, Spain*

This study explores the possibility of creating an Indian emigrant profile and comparing it to the Mexican emigrant profile. The research demonstrates a correlation between the degree of self-victimization of families and the amount of money sent by emigrants. A correlation is also shown between irrational fears and thoughts and emotional manipulation with American product preference by families of emigrants in Mexico. Principal component analysis and regression analysis were used to obtain these results. This study provides a partial explanation for the behavior of emigrants and their families using theories such as cognitive dissonance.



## **General Job Satisfaction of Higher Education Staff in Malaysia**

***Ju Soon Yew and Yew Soon Yu***

*MARA University of Technology, Malaysia*

***Mohd Salleh Hj. Din***

*Northern University of Malaysia, Malaysia*

This paper presents a case study conducted at the Kedah Branch of MARA University of Technology (UiTM) in February 2005, during which the general job satisfaction of the academic and non-academic staff was examined. The findings suggest that both academic and non-academic staff generally enjoyed high job satisfaction, with non-academic staff tending to be more satisfied than academic staff. Demographically, there was a significant difference between gender and job satisfaction for non-academic staff. This study provides meaningful information for top management for designing intervention programs to improve job satisfaction among its staff. However, since the above findings are from a case study, one must exercise caution in making generalizations to other higher educational intuitions.

## **User's Acceptance Behavior of ERP**

***Wang Hanxin, Ma Lan and Gao Junshan***

*University of Science and Technology Beijing, China*

Enterprise resource planning (ERP) implementation is costly and has a relatively low success rate. There are many factors leading to the failure of ERP implementation, with end-users satisfaction and use being key factors. This paper presents an extended model for user acceptance of an ERP system based on the technology acceptance model. For practical reasons, the extended model introduces user trust and three external variables (communication, involvement and training), and it indicates that managers can adopt appropriate strategies to improve success rates.

## **On the Development and Management of Manpower Resources in the Age of Network Economy**

***Xiaoqing Xu and Xiaowen Tong***

*University of Science and Technology Beijing, China*

In this paper, the macro and micro concepts of network economy are introduced and its characteristics are analyzed. The effects of development and management of manpower resources on an enterprise are explained. The authors conclude by suggesting measures for improving manpower resources in network economies

based upon an analysis of the existing problems of manpower resources in China.

## **The Formation Mechanism of Enterprise Knowledge**

***Cai Weimin and Gu Dongyuan***

*University of Science and Technology Beijing, China*

This paper mainly discusses the connotation and extension of Enterprise Knowledge, the conversion process of Enterprise Knowledge, and the function of knowledge dissemination in the process of conversion. It is stated that the process of the formation of Enterprise Knowledge is the process from Individual Knowledge to sharing. Individual Knowledge in the enterprise would be converted into collective knowledge or Enterprise Knowledge through the dialogue between Explicit Knowledge and tacit knowledge, and thereby the course of knowledge spiral. This paper also discusses the function of knowledge dissemination and draws the conclusion that it is embodied in the course of socialization and externalization of knowledge conversion.

## **Management of Holistic Complex Business Problem Solving**

***Bojan Rosi, Matja Mulej and Vojko Poto an***

*University of Maribor, Celje and Krsko, Slovenia*

In recent decades, changes have occurred that have radically changed the social and economic system, requiring us to think holistically about potential problems. This kind of thinking depends on the capacity and will to attain a high quality in defining the starting points (both subjective and objective ones) to deal with processes of mastering or solving current complex problems. This thinking enables us to more easily discover and understand - in the course of the complexities of life - the interdependences, complexities of situations and processes, their network and networking chance, chances of synergetic completing up, adaptation needs, and so forth. This makes it possible to co-operate creatively and innovatively. This effort can receive support from Rosi's new systems theory called Dialectical Network Thinking.

## **Critical Success Factors in SAP Implementation Projects**

***Simona Sternad, Samo Bobek and Zdenko Dezelak***

*University of Maribor, Slovenia*

Enterprise Resource Planning (ERP) solutions introduced in the early 1990s allowed organizations to replace their existing information systems with a single

integrated system. However, since ERP solutions are implemented according to methodologies prepared by vendors, implementing an ERP solution is a demanding task. Thus, a considerable number of projects are not finished as planned. In the paper, critical success factors (CSF) reported for ERP implementation projects were analyzed and research on the major reported CSF importance for SAP implementation projects was conducted according to ASAP methodology. For SAP R/3 and mySAP ERP solutions, which have been implemented by ASAP methodology, the current research ranked CSFs as follows: (1) clear goals, objectives, scope and planning, (2) top management support and involvement, (3) project team, (4) project champion, (5) communication between project team and organization, (6) user involvement, (7) consultants, (8) communication inside project team, (9) business process reengineering, (10) user training and education, (11) minimal customization, (12) project management, (13) data analysis and conversion, (14) change management, (15) architecture choice.

## **Thoughts on Cost Management Attitudes in Modern Times**

***Li Xiaojing and Hu Zhiying***

*University of Science and Technology Beijing, China*

Cost control is the most important and basic management activity in firms according to the strategic management and value chain theory. Using the cost management perspective, this paper presents three cost attitudes - strategy-orientation attitude, driver-based control attitude, and process-based control attitude. It then discusses how to establish a cost management model based on the modern cost attitudes. The model includes cost category, cost calculation, and cost control. This paper then proposes implications of the model of cost attitudes to theorists and enterprises.

## **Factors Affecting the Development of Family Firms in the Chinese Ceramic Manufacturing Industry**

***Wen Bo Tan and Jian Hong Shao***

*University of Science and Technology Beijing, China*

According to preliminary statistics from Chinese Customs, the exportation of building ceramics rose sharply to 1.249 million square meters in the year 2003. China's long history of ceramic production gives it an advantage over other countries in the ceramics industry. This paper reviews the competitive advantage and industry cluster theory in order to determine how the external business environment effects development of Chinese ceramic manufacturing firms. Through the case study method, an understanding of the Foshan ceramic region in China could be gained, and can therefore explain how the cluster environment has affected en-

terprises in this region.

## **Research on Job Stress among Life-Insurance Agents**

***Pei Lifang and Zheng Dongge***

*University of Science and Technology Beijing, China*

This study analyzes sources of job stress through interviews with the frontline agents of the Pacific Insurance Company. This study also offers suggestions on the management system of agents of this company, which may provide guidance for the development of an effective management model of life-insurance agents in insurance companies.

## **System Approach Enables more Holistic Information Management Needed for Quality Decision Making**

***Toma Kramberger, Bojan Rosi, Andrej Lisec and Uroš Kramar***

*University of Maribor, Celje and Krsko, Slovenia*

Modern complexity of management is associated with difficult decision making and the confrontation of a great number of useless information. Selection of information--the choice of only quality ones, for instance, essential ones--is a big problem in management decision-making. Implementation of systemic approach, for example, dialectical- network thinking (DNT) can help dealing with it. It is known that decision-making based only on intuition is insufficient, especially nowadays, in the time of global business. Therefore, managers have to operate with adequate knowledge capital. DNT enables managers to be creative, co-operative, and interdisciplinary. It opens possibilities for combination of theory and practice in the decision making processes. It can be proved by a practical example of decision making about preventive measures in the winter time (roads gritting and ploughing). Great importance of quality, in time and enough holistic information, is presented with the model of Short Term Road Ice Prediction, which gives us information for quality decision making.

## **The Persistence of Firms' Innovation Behavior: Do Technological Opportunities Matter?**

✉

**Chih-Hai Yang**

*Tamkang University, Taiwan*

**Chia-Hui Huang**

*National Central University, Taiwan*

This study examines whether firms' innovation behavior is persistent, and investigates its determinants, especially focusing on the impact of technological opportunity on the persistence of firms' innovation behavior. Based on a panel dataset of 224 Taiwan's manufacturing firms over the period of 1990-2003, patent and R&D were both used as proxy variables of innovation, in addition to employing a new estimation method of the dynamic random effect probit model, proposed by Wooldridge (2005), to estimate the dynamic process of innovation. The empirical results find a strong effect of state dependence after controlling for the firm heterogeneity, supporting the hypothesis of persistent innovation. The finding is also supported for subgroups of scientific and non-scientific industries, implying that the causal effect from past innovation to current innovation exists across industries.

## **Pay Attention to These Points to Set Up a Famous Brand**

**Zhiyong He**

*University of Science and Technology Beijing, China*

This paper reveals the phases and periodicity required to set up a famous brand, including brand denomination and design; quality, innovation and talent; Corporate Identity; and popularization and propagation. Research also shows four essential techniques used by successful brands: good products advertise themselves; be near customers; gain profit from soft activities; and make sufficient use of the media.

## **An Empirical Study of Debt Restructuring as a Tool of Earnings Management: Evidence from A-Share Loss Listed Firms in China**

**Zhiying Hu, Yingwen Liu, Zhenqin Wang and Jingming Bai**

*University of Science and Technology Beijing, China*

This paper uses loss firms who restructured debt between the periods of 1997 to 1999 as a sample to investigate avoiding trading restrictions. It was found that firms who restructured debt, with a lower income before debt restructuring, tend to create more income from this restructuring. That is, if the income before debt

restructuring is lesser than zero, the firm tends to gain income and make-up for the loss. On the other hand, if the income before debt restructuring of a firm is already above zero, the income gained from restructuring tends to be very little. It is concluded that loss firms between the periods of 1997 to 1999 used debt restructuring as a tool to manage earnings.

## **Integration of Mongolia into the Asian Economic Community**

***Ulziibayar Vangansuren***

*Academy of Management, Mongolia*

Japan, South Korea, China, India, and the like are major economic players that have led to the rise of Asia as an economic power. However, Asia contains a number of countries like Mongolia, Bhutan, and East Timor, which have comparatively small economies. How well will the small nations of Asia succeed in their attempts to join the regional economy? This issue will be explored in the case of Mongolia, a small landlocked country in North-East Asia that has been undergoing economic transition since 1990.

## **Monetary Integration in East Asia: Evidence from Real Effective Exchange Rates**

***Wei Sun***

*Grand Valley State University, U.S.A.*

East Asian countries are thought to have followed exchange rate policies where the bilateral exchange rate against the US dollar was kept within a narrow band through heavy intervention. On the other hand, recent empirical studies suggest that East Asia is not an optimum currency area because it is subject to asymmetric shocks. New information about conflicting evaluations on the exchange rate policy in East Asia is provided using co-integration and Granger causality analyses. East Asia, incorporating all countries, was found to be not an optimum currency area. Neither the yen nor the dollar has a dominant influence in the region. However, it was found that an NIE bloc including Japan, Hong Kong, Singapore, and Taiwan is forming an ASEAN bloc including five ASEAN countries. In addition, it was found that East Asian countries pay more attention to each other than to the yen or the dollar in their exchange rate policy making.

## **Emerging Asia - Upsurging India**

***Saroj N. Gupta***

*ICFAI Business School, India*

This paper attempts to show that sources of comparative cost advantages change with every level of growth. Shift takes place in activities in the economy, as well as in region centric focus. Therefore, the global shift keeps occurring. In 1987, 75% of world trade and 70% of world GDP was concentrated in commonwealth countries, the United States, and Japan. The power balance tilted to another triad (three blocks): NAFTA (North America), Japan (ASEAN), and the EU (EFTA). However, new alignments are taking place and shifting towards Asia. Goldman Sach's report on BRIC predicts India and China as new economic growth engines of the world economy. This paper proposes to outline India's contribution to this new emerging Asia in global economy.

## **Study of East Asian Economic Integration**

***Xiaobin Pan and Sumeng Jia***

*University of Science and Technology Beijing, China*

An important issue for the East Asian economy is how to establish an effective East Asian Free Trade Area and gradually impel the development of regional economic cooperation to a higher level. This paper will examine the development of East Asian economic integration, discuss the probability of setting up an East Asian Free Trade Area based on a "10+1" pattern, and carry out specific analysis towards a typical country and region.

## **A Demand-oriented Analysis of China's Exports and Economic Growth**

***Kang Zengkui***

*Capital University of Economics and Business, China*

Previous studies underestimated China's export contribution to GDP growth due to their neglecting export's, indirect impacts on domestic consumption, investment, government expenditures, and imports. In this paper, it was found that with a new estimation method, a ten percent increase in exports resulted from a one percent increase in GDP during the last two decades when both direct and indirect effects are taken into consideration.

## **Population Aging and Economic Development in China**

***Liu Ming-Zhu***

*University of Science and Technology Beijing, China*

Population aging is a global phenomenon. The number of people above 60 years old has reached 143 million, accounting for 11 percent of the entire population. A leading U.S. research institute suggests that the global population will rise from 6 billion in 2002 to 9 billion in 2050, while the United Nations predicts that Asian Pacific countries will have almost two thirds of the world's aging population in 50 years. Meanwhile China has the largest number of senior citizens in the world. One should be aware of the profound impact of this societal aging on the economy. This article examines the relationship between economic development and population aging in China. The author offers countermeasures at the macro and micro level for dealing with these demographic changes.

## **Analysis of High-tech Exports' Comparative Advantages in China**

***Ying Sun and Yaqi Hao***

*University of Science and Technology Beijing, China*

The objective of this paper is to reveal key problems faced by present Chinese high-tech (HT) exports through investigation and analysis of the comparative advantages of HT exports in China. The total amount of Chinese HT exports is smaller than low-tech exports. A possible explanation of this phenomenon is offered, and several suggestions for the future development of the Chinese HT industry are put forward.

## **A Comparative Analysis of Foreign Trade between Beijing and Shanghai**

***Wang Jing***

*Capital University of Economics and Business, China*

The thesis examined the foreign trade situation between Beijing and Shanghai with respect to foreign trade volume, trade pattern, main trade partners, main trade commodities, and types of foreign trade companies. The paper also analyzed reasons for the differences between two cities' foreign trade, and proposed suggestions for further development of foreign trade.



## Testing for PPP with Unknown Cross-Sectional Dependence and Heteroskedasticity

*Hailong Qian and Jack Strauss*  
*Saint Louis University, U.S.A.*

This paper introduces a new methodology for preserving contemporaneous correlation by using residuals from other ADF regressions as covariates. This single equation approach allows for heterogeneity of the autoregressive coefficients, cross correlations, and heteroskedasticity of the error variances. It further accommodates for infrequent structural breaks in both the variance and correlation matrix. The paper applies our new unit root test approach to study whether real exchange rates follow a unit root process. Results show that real exchanges follow a heteroskedastic process subject to breaks in variance and contemporaneous correlations, both of which affect inference in PPP testing. We also apply our methodology to disaggregated data from Eurostat - this unbalanced panel dataset highlights the importance of our equation by equation testing approach since different speeds of adjustment, heteroskedasticity, and the mixing of stationary and nonstationary variables are relevant concerns. We support the results of Imbs et al. (2005), and demonstrate that the half-lives of PPP are considerably faster using disaggregated data.

## Study on Multilayered and Synthetic Estimation of Industry Security

*Li Dong-mei*  
*University of Science and Technology Beijing, China.*

After China's entry into the World Trade Organization, the nation's industries experienced both opportunity and challenge. Although many qualitative researches have been conducted in this realm, the most important task is to carry out research pertaining to quantitative estimation. In this context, the current paper takes industry security as the research object. A rational estimation index system of industry security is constructed, and a multilayered and synthetic estimation model is set up. Finally, the feasibility and practicability of this method is examined using the automobile industry as an example.

## **CTP Model and Algorithm for Iron and Steel Production Management**

***Yang Cai, Yu Wang, Yan Li and Tieke Li***

*University of Science and Technology Beijing, China*

Based on the actual operations of modern iron and steel producers, this paper aims to examine the issue of capacity match of order arrangement in the process of steel making. An order arrangement model that considered procedure constraint and capacity constraint was established through analyzing target, constraint, and feature of capacity match in the order production process. Also, a simulated annealing Algorithm and solution strategy for the model was developed.

## **Factors Affecting the Decision to Migrate Among Malaysian Women Using Logit Model**

***Zarinah Hamid***

*International Islamic University Malaysia, Malaysia*

This paper examines migration patterns among Malaysian women, and the application of an individual-level of the Logit model. Data were accessed from the second-wave of the Malaysian Family Life Survey new-sample file with 1,967 observations, of which 748 had either never migrated or had intra-district migration and 1,219 of which had migrated at least once in their lifetime. Available demographic and cultural variables include age, marital status, educational attainment, ethnicity, and rural/urban status of the respondents. Before estimating the relationship between explanatory variables and the decision to migrate, steps were taken to avoid sample selection bias by normalizing the non-migrants' age conditional on the migrants' last-move age. Analysis from the Logit model supports the universal view that demographic and cultural variables affect the decision to migrate.

## **Analysis of Leader Mentality**

***Fangwen Li and Wenyi Ma***

*University of Science and Technology Beijing, China*

Much research and scholarship has been conducted on the four representative theories of leadership. This paper examines existing theories on the attainment of leadership and its influence on employees. Attributes are divided into four types: learning-type, chief-type, snail-type, and obtrusion-type. While some attributes of leader mentality are innate, and others can be practiced after birth (for example, knowledge, experience, tolerance, ambition).

## **Basic Analysis and Preview of World Oil Industrial Development Trend**

***Kai Zhao and Daoping Wang***

*University of Science and Technology Beijing, China*

Global operations of the commercial-scale petroleum industry have increased during the 140 years. Petroleum has become the focus for all world governments, and the world oil business now resembles an oligarchy generally controlled by large-sized transnational petroleum producers and developing OPEC countries. A primary position for a unified world petroleum market has been outlined. Scientific-technical progress and use of skills largely reduce the cost of development in oil exploration, gaining positive reserves and supply volumes for global oil and gas. Therefore, new energy will gradually displace petroleum, natural gas, and other one-off energy sources.

## **Empirical Analysis of the Relation between State Ownership and Firm Performance in Natural Monopoly Enterprises: Evidence from Listed Companies in the Electric Power Industry**

***Cui Wenjuan***

*University of Science and Technology Beijing, China*

***Guo Jiahu***

*Central University of Finance and Economics, China*

Much empirical research has been conducted on the relationship between ownership structure and firm performance in China. However, conclusions about the relationships between state ownership and firm performance are different in different studies. As well, the influence of ownership structure on firm performance is likely state-dependant and decided partly by competitive degree. A natural monopoly industry is one where government shareholdings are a large percentage of the shareholdings structure and where enterprises in the industry have low competition. This paper empirically investigates the relationship between state-share proportion and firm performance, and draws the conclusion that in a low competition industry the relation between state-share proportion and firm performance is positive.

## **Application of the Entropy Method in Evaluation of the Investment Value of Listed Companies in the Steel Industry**

***Lu Wang and Sen Wu***

*University of Science and Technology Beijing, China*

Data from the 2003 annual reports of 29 listed steel companies on the Shanghai and Shenzhen Stock markets were analyzed to evaluate their investment values based on entropy measuring theory. The analysis created a rank of investment values. The authors also examined the weighted coefficients to confirm the effect of entropy evaluation.

## **International Economic Growth and Environmental Pollution**

***Alan K. Reichert***

*Cleveland State University, U.S.A.*

This paper estimates the relationship between the level of economic growth and the extent of environmental pollution for a wide range of industrialized and emerging countries. Using data from twentyeight countries over the period 1975-98, the paper finds support for an inverted U- shaped economic growth-pollution relationship. Using the aggregate level of CO<sub>2</sub> as the measure of pollution and real gross domestic product (GDP) per capita as the measure of economic growth, the following countries appear to be operating on the rising portion of the inverted U relationship: India, China, Nigeria, and Thailand. On the other hand, the following eight countries appear to lie on the declining portion of the inverted U relationship: Brazil, South Korea, Spain, United Kingdom, Canada, France, United States, and Japan. Furthermore, ten of the remaining fourteen countries with a per capita GDP below \$4,000 exhibited a positive regression coefficient, although none were statistically significant. The turning point appears to occur at a level of GDP per capita perhaps as low as \$3,000-4,000. Furthermore, the shift to a negative relationship is much more pervasive and consistent once a country reaches a minimum level of per capita GDP of approximately \$14,500.

## **Consumption, Financial Asset, Housing, and Risk Premium**

***Chen Ye and Xiao Ming***

*University of Science and Technology Beijing, China*

Based on the ideas of Ludvigson (2001), this paper studied the relationship between expected equity returns, risk premiums, and fluctuations of the log consumption-aggregate wealth ratio (where aggregate wealth is defined as the sum of

financial assets and housing wealth). Using aggregate data for China, we found that the residual from the cointegrating regression of log consumption on log saving and log housing wealth has modest forecasting power for expected equity returns and risk premiums at monthly horizons. We also provided direct empirical support for the minus estimated regression coefficient of the predictor. This work implies that the preference of Chinese investors over equity investment is very close to a gamble.

## **How Excessive are Current Account Deficits in Selected Transition Countries?**

*Aleksander Aristovnik and Boštjan Berić*  
*University of Ljubljana, Slovenia*

This article examines the current account balance in order to assess the potential excessiveness determinants of current account deficits in selected transition countries. For this purpose, dynamic panel-regression techniques are used to characterise the properties of current account variations across the transition regions. The results are chiefly consistent with theoretical and previous empirical analysis, indicating a moderate level of current account deficits persistency and negative effects of economic growth, real appreciation, and worsening of terms of trade on the external balances. Furthermore, the validity of the stages of development hypothesis and twin deficit hypothesis, as well as the significance of demographic factors, is confirmed in these regions. Finally, the results suggest that most transition countries are justified in running relatively high current account deficits.

## **Analysis of Consumer Credit Based on Game Theory**

*Wang Yue and Gu Lili*  
*University of Science and Technology Beijing, China*

In this paper, we present the fundamental game theory model of consumer credit, the improvement game theory model, and the repeated game model. Though analyses of these models we obtain the operating mechanism of consumer credit, and come to the conclusion that it is the technical support to develop consumer credit information in society that is the most crucial aspect.

## **Industry Clusters: The Demonstration Analysis of Beijing Manufacturing**

***Jiang Guorui and Yu Gaochao***

*Beijing Modern Manufacturing Development, China*

The development of Beijing manufacturing has played a very important role in the economic development of the city. From the point of view of demonstration research, we analyze the developing characters of Beijing manufacturing industry clusters. By using the spatial Gini coefficient, we measure the agglomeration degree in these clusters. The result indicates that the agglomeration degree of Beijing manufacturing is increasing and has a significant correlation with the production value of Beijing manufacturing. Furthermore, this article proposes measures aimed at solving the problems of Beijing manufacturing industry clusters.

## **Is Asian Per Capita GDP Panel Stationary?**

***Paresh Kumar Narayan***

*Griffith University, Australia*

The goal of this paper is to examine whether per capita gross domestic product (GDP) for 15 Asian countries is panel stationary. We apply a panel test for stationariness that allows for multiple structural breaks as developed by Carrion-i-Silvestre et al. (2005). Our main findings are: (1) when we apply conventional tests such as the ADF and KPSS univariate tests without structural breaks we find little evidence for stationariness; (2) when we apply the KPSS univariate test with multiple structural breaks we find evidence of stationariness for 10 out of 15 countries; and (3) when we apply the KPSS panel test with multiple structural breaks we find overwhelming evidence of panel stationariness of per capita real GDP for different panels of Asian countries, except for the panel of the four most advanced Asian countries.

## **Monetary Policy and Deposit Rates Rigidity in a Transitional Economy: The Case of China**

***Ming-Hua Liu, Dimitri Margaritis and Alireza Tourani-Rad***

*Auckland University of Technology, New Zealand*

This study examines the conduct of monetary policy and the setting of deposit rates in China. As China is still in the transitional stage from a centrally planned economy to a market economy, state-owned enterprises and banks are being re-structured and financial markets are being developed. Our findings show that there is a long-term relationship between deposit rates and inflation, but that the relation-

ship is weak. In the short-run, the central bank adjusts the deposit rates downward faster than they adjust them upwards. The weak long-term relationship reflects the fact that the monetary policy is ineffective, and the asymmetric adjustment speed shows that deposit rates are kept deliberately below the equilibrium level for the purpose of economic growth, job creation, and financial stability.

## **Micro-exploration on Price Failure of the Coal Market Based on Information Paradigm**

**Zhang Yuande and Wu Yuping**

*University of Science and Technology Beijing, China*

**Zhang Wenqing**

*The Artillery Conductor College, Beijing, China*

The formation and application of information paradigm both breaks through the boundary of neo-classical paradigm and contains some superior characteristics to the that paradigm. Following the two basic points of information paradigm research (i.e. Homo Economicus Incentive Hypothesis of Maximum Utility and Asymmetric-Information Hypothesis) this paper analyzes microcosmic reasons for market price failure and examines business behavior between market entities.

## **Applying a Real Option Approach to Vendor Selection Process in IT Outsourcing**

**Qing Cao and Karyl B. Leggio**

*University of Missouri at Kansas City, U.S.A.*

Information technology (IT) outsourcing is one of the major issues facing organizations in today's rapidly changing business environment. Due to the very nature of its uncertainty, it is critical for companies to manage and mitigate the high risks associated with IT outsourcing practices, including the task of vendor selection. In this study, we explore the two-stage vendor selection approach in IT outsourcing using real options analysis. In the first stage, the client engages a vendor for a pilot project and observes the outcome. Using this observation, the client decides either to continue the project to the second stage based upon prespecified terms, or to terminate the project. A case example of outsourcing the development of supply chain management information systems for a logistics firm is presented in the paper. Our findings suggest that real options analysis is a viable project valuation technique for IT outsourcing.

## **Threshold Analysis of the Relationship between Non-operating Earnings and Corporate Value: Evidence from Taiwan**

***Chuang-Min Chao and Cheng-Chieh Wang***  
*National Taipei University, Taiwan*

This study adopts Hansen's (1999) threshold regression model in order to determine the relationship between non-operating earnings and corporate value using the Taiwan Economic Journal (TEJ) database from 2003-2005. The results show that a single threshold effect decided by operating earnings exists (threshold variable). We discover that non-operating earnings have a significantly positive effect toward corporate values in the regime of companies with better operating performance. However, for poorly performing firms, there is no statistical relationship between the two variables. This outcome leads us to conclude that within well-operating companies, non-operating earnings do attract investors with optimistic anticipation.

## **Contract Selection and Capacity Planning for Risk Control**

***H. Steve Peng***  
*California State University, U.S.A.*

This paper proposes a model to help contract manufacturers identify the best mix from among competing contract opportunities, and the optimal allocation of resources that will balance profitability and risk exposure. Decisions are made to maximize the probability of meeting or exceeding a given profit target. Under the condition of constrained resources, the model highlights the role of risk control, and makes explicit the linkage between overall financial performance and the operational decisions of capacity planning, capital allocation, and contract selection. Comparisons of the effectiveness of controlling risk through operational decisions versus a financial approach using financial securities to form a portfolio that can compensate for financial uncertainty from operations were also carried out. The results show that when the unit return of the portfolio is significantly lower than that of investing in the production line, and when the portfolio cannot closely track the cash flow uncertainty from operations, it is more effective to enhance the probability of surpassing the target through operational decisions.



## **A New Efficient Algorithm about Attribute Reduction based on Rough Set**

***Ding Jun and Gao Xuedong***

*University of Science and Technology Beijing, China*

In the algorithm for attribute reduction based on discernibility matrix, the discernibility matrix must first be acquired. The space for storing the discernibility matrix is very high when the scale of the problem is large. In this paper, we provide a new algorithm for attribute reduction based on the idea of discernibility matrix, without requiring the discernibility matrix or unused elements in the attribution reduction progress. Therefore, the new algorithm's efficiency is remarkably improved, which we illustrate with an example.

## **An Application on Time Series Clustering Based on Wavelet Decomposition and Denoising**

***Gao Xuedong and Guo Hongwei***

*University of Science and Technology Beijing, China*

In general, the result of clustering cannot reflect the similarities of time-series properly because of noise and detail disturbance in the series. In this paper, we propose a new approach to this problem based on wavelet decomposition and denoising. The approach is tested and analyzed by Synthetic Control Chart Time Series from UCI KDD.

## **Comparative Study on the Evaluation of the Competitiveness of SMEs in Different Industries in China**

***Lin Hanchuan***

*University of Business and Economics, Beijing, China*

***Song Yi***

*University of International Business and Economics, China*

***Guan Hongxi***

*Zhongnan University of Economics and Law, China*

This paper focuses on the research of comparative evaluation method and indicator system of the competitiveness of SMEs (SMEs) in China. Based on first-hand data derived from survey questionnaires covering six provinces and one municipality, the paper deploys the AHP tool to make comparative analysis of SMEs in different industries.

## **Investigation and Thought on Corporatization Management of Digital Libraries**

***Sun Jieli and Zhang Rongmei***

*Hebei University of Economics and Trades, China*

***Yan Jiaqing***

*Shijiazhuang School of Arts, China*

The current paper points out that the traditional management model does not suit the development of digital libraries in a market economy condition with Chinese characteristics, and that digital libraries need corporatization of management. Corporatization of management and operation can realize sustainable development of digital libraries: Corporatization of management will protect intellectual property while also boosting the share of information resources in order to raise operating efficiency. This paper mainly studies the necessity of corporatization of management of digital libraries, and introduces corporatization management models.

## **Identifying a like product in an Anti-dumping Investigation**

***Yang Yue and He Haiyan***

*Beijing Institute of Technology Beijing, China*

Identifying a like product in an anti-dumping investigation is difficult to operationalize, even though it is very important. At present, neither World Trade Organization members nor China have a scientific and operationally simple method for identifying like-products in anti-dumping legislation and practice. After analyzing the main impact factors, this paper proposes a qualitative and quantitative method based on the model of Euclid approach degree for identifying like products during an anti-dumping investigation.

## **Establishing a Green GDP Evaluating System**

***Xiaowen Tong and Xiaojing Xu***

*University of Science and Technology Beijing, China*

A traditional gross domestic product (GDP) accounting system is based on markets, neglecting the shortage of natural resources. As a result, rapid economic increase is pursued regardless of environmental destruction. Furthermore, some cost in sustaining environmental quality is calculated as the country's income, which leads to an unreal increase in GDP. In this paper, various kinds of problems associated with traditional GDP are compiled and analyzed, and an index system

of Green GDP is built and accounted. We conclude that there is a need for a Green GDP evaluation system in order to reveal real economic growth.

## **The Transformation of Education Conception under Quality Education**

***Yanfei Li***

*Hebei University, China*

Quality Education is a new educational concept and practice. In order to effectively carry out Quality Education, this new concept should be developed, and the relationship between inheritance and innovation should be treated appropriately. Therefore, modern views of teacher and student roles of teaching and learning, and of the teacher-student relationship, must be drastically changed.

## **Study of the Service Trade between Mainland China and Hong Kong under the CEPA**

***Li Gao***

*University of Science and Technology Beijing, China*

CEPA has seen great progress in mainland China the in two years of its implementation. However, problems still exist in the service trade due to discrepancies in the market, economic environment, legal systems, and economic development. This paper reviews the service sector in CEPA, analyzes the current service situation on the mainland and in Hong Kong, identifies problems, and suggests countermeasures.

## **Lean Value Management in Project Evaluation**

***Yang Qing and Qiao Lili***

*University of Science and Technology Beijing, China*

Large-scale engineering projects often involve many stakeholders, so effectively identifying, analyzing, and transferring their value is the key to their success. In this paper, we discuss the history of lean thinking and its development. We propose that the lean model should be realized throughout the entire progress of the project, instead of directly applying lean production onto a project (which generally turns out to be islands of success). A value generation process in project life-cycle and a framework of project value implementation should be developed. We discuss the main contents of the project value stream, and apply the lean model to a research & development project to promote the development of project management theory and practice.

## **Scenarios of Inter-organizational Information Systems: A Theoretical Analysis and Case Study**

***Ying Wang*** and ***Qian Zhang***

*University of Science and Technology Beining, China*

The number of enterprises that have developed interorganizational information systems (IOIS) have rapidly increased. However, there are still those who do not fully understand, or who misunderstand, the purpose of IOISs. In this article, the author defines and identifies some potential IOISs. The opportunities brought by IOISs are analyzed through a case study.

## **Study on the Development of Financial Leases in Mainland China**

***Wangweiqing*** and ***Liucheng***

*University of Science and Technology Beijing, China*

***Wangletian***

*China Orient Assent Management Corporation, China*

As an important source of financing, financial leases had a winding development for twenty years in mainland China. Due to constraints such as the policy environment, unreasonable developing model, and lack of financial sources, the scale of the financial lease industry is relatively small. However, with improvements in law and policy more financial institutions and manufacturers have entered this industry and due to expansion of capital resources, mainland China's financial lease industry has prospered.

## **Analysis of the Industrial Cluster Innovation System**

***An Bin***

*Beijing Institute of Technology, China*

***Zhao Chongbi***

*Government of Shi Pai Town, China*

Analyzing and appraising the industrial clusters innovation system has important theoretical and practical significance because it will improve the innovation level of industrial clusters in China. On the basis of analysis of the industrial clusters innovation system, this article has elaborated on the elements and mechanisms of the system. It also introduces the basic frame, estimation principles, and concrete content of the evaluation system.

## **The Butterfly Effect in Strategic Management**

***Weirong Zhang and Fangwen Li***

*University of Science and Technology Beijing, China*

Many things may depend on initial conditions whereby minimal deviation leads to a great difference in the results. Strategic management focuses on the long term, where the “butterfly effect” of “small incidents” cannot be underestimated. This paper uses chaos models to discuss strategic problems in management, with the hope that a suitable model will be proposed to solve the chaos problem.

## **The Information Quality and Assessment System for Listed Companies based on Investigation of the Chinese Capital Market**

***Yali Liu, Jie Hao and Ran Liu***

*University of Science and Technology Beijing, China*

Low information quality is a key factor hindering the fairness of the capital market. This paper investigates the situation of information disclosure and financial analysis systems in present day China's capital market. We point out that there are two kinds of information asymmetry in capital markets - one is the asymmetry of information disclosure, and the other is the asymmetry of information use. A serious problem in China's capital market is that while there is an information overload, the degree of information being used is low. This paper purports that a lack of independence and assessment methods significantly reduces the efficiency of the information being used. We suggest setting up an independent assessment organization to assess listed companies in order to improve the credibility and use efficiency of financial information in the capital market.

## **A Comprehensive Effects Analysis of Technical Barriers to Trade and the Evaluation by AHP**

***Jiang Guorui and Zhang Zhiqiang***

*Beijing University of Technology, China*

With the development of a global economy, technical barriers to trade (TBT) have seriously affected China. While there has been much research on TBT, much of it is qualitative and not general. In this paper, we designed a system that comprises the benefits, costs, opportunities, and risks of research on TBT. We analyzed TBT and other trade barriers by the analytic hierarchy process (AHP). The results indicate that TBT bring us costs and risks, but also opportunities and benefits.

## **Analysis of Chinese Low-tech Industries**

***Juan Yang***

*University of Science and Technology Beijing, China*

In years following China's entry to the World Trade Organization, the Chinese economy has experienced rapid growth, especially in the area of the manufacturing industry. Government support and policy has led to an increase in the amount of Chinese manufacturing exports and a change in the structure of export commodities. However, we should be aware that China as a whole is low in technical merit. Therefore, even while the government is striving to develop high-tech industries, we must not forget the importance of low-tech industries. This paper analyses the current situation and competitive strength of Chinese low-tech industries, and makes recommendations for the development of low-tech industries.

## **Approaches for Researching the Interested Party Requirement in Product/Service Green Design**

***Fengcai Ma and Qun Zhang***

*University of Science and Technology Beijing, China*

Product/service green design is becoming an important strategy of product/service development. The green degree of product/service is a new competitive edge following the cost, quality, and flexibility. The current paper provides several product/service green design approaches, such as Improved Quality Function Deployment which is used to research and identify the interested party (IP) requirement based on green design, process of deploying function requirement, and defining item requirement. Three methods of identifying IP requirement items are given. We also construct a requirement items tree and determine key requirement items using the Kano model. Usually, requirement items cannot be classified together since they do not belong to the same category. In order to solve this problem, we present the arithmetic to measure the importance of degree.

## **Comparing Perceived Service Quality Levels for Hospitals Using the SERVQUAL Method**

***Nevzat Deveci and Kamil Yagci***

*Dokuz Eylul University, Turkey*

This study aimed to measure perceived service quality levels of two Turkish hospitals' inpatient services; Dokuz Eylul University Hospital, a research and practice hospital, and Private Altinordu Hospital, a private health institution, using the SERVQUAL scale. The scores of the two hospitals were then compared against

perceived quality levels. Additional analysis concerning how demographic and socio-economic variables affect perceived quality levels were conducted. Service quality measurement, based on Expectations-Perceptions, showed that both hospitals could not satisfy their patients' expectations. In other words, both hospitals had negative SERVQUAL scores. The two hospitals, when compared with regards to their SERVQUAL score categories, had indifferent results other than the "reliability" dimension. The "reliability" aspect from the patient perspective is found to be the most important service quality dimension whereas "empathy" is found to be the least important.

## **Index System and Synthetic Evaluation of the Regional Industrial Quality Of China**

***Wu Yuping, He Weida and Liu Chunbo***

*University of Science and Technology Beijing, China*

This paper discusses the evaluation system of the regional industrial quality of China and suggests that it can be quantified by the rationalization of regional industrial institution. Constructing the evaluation index system and the evaluation model based on mathematical statistic methods, this article analyzes China's industrial quality. The results show that China's industrial quality has the following three characteristics: low level, unbalanced distribution and no overall development.

## **Analysis of Attitudes Towards Change in ISO 9001 Quality Management Systems Certified Hospitals**

***Seyda Seren, Deniz Kucukusta, Ozkan Tutuncu and Kamil Yagci***

*Dokuz Eylul University, Turkey*

Organizations which are operating in a dynamic structure are subject to change that may originate from internal or external factors. Improvement efforts require changes, and improving quality in health care involves changes in the way that things are done, processes and in the behaviors and attitudes of health care professionals. A quality improvement effort may require the whole organization to undergo a "macro" change, or reorganizing a single clinic on a "micro" scale, the principles of either change stay the same. The health sector should be able to learn a great deal from other industries and sectors and from the general literature on the management of change and organizational development. Many factors, such as globalization, international competition, the rising importance of knowledge, developments in information technologies, customer awareness, total quality management, and the increasing value and importance given to people, require significant changes in organizational structure, operations and managerial processes. Change is likely to be successful if the change process involves those whose work is being

examined. This paper describes organizational change and explains the results of a research conducted among health care professionals.

## **Relationship between Job Satisfaction and Burnout: An Analysis in the Hospitality Industry**

***Ozkan Tutuncu*** and ***Deniz Kucukusta***

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***Erdogan Ekiz***

*Cyprus International University, Cyprus*

This study has been conducted in hotels in Cyprus. The positions of employees at the point of burnout and job satisfaction have been analyzed. Research was conducted through a survey instrument consisting of a Burnout Questionnaire (Maslach Burnout Inventory) with 3 factors, a Job Satisfaction Questionnaire (JDI-Job Descriptive Index) with 5 factors, and demographic factors. It was found that burnout was perceived as more important than job satisfaction among employees. Besides, variables of job satisfaction don't have a high correlation with burnout variables. There is a high positive correlation between personal accomplishment and the factors of job satisfaction. On the other hand, emotional exhaustion and depersonalization have high negative correlations with other variables. This study could help hospitality managers satisfy the needs of their employees and make them committed to improving productivity and creating happier guests.

## **The Architecture of Steel Product's Green Design Support System Based on the Web**

***Jikun Li***, ***Fengcai Ma*** and ***Qun Zhang***

*University of Science and Technology Beijing, China*

Green design is the key and core technology of the green manufacturing process. This paper first analyses the concept of green design of iron and steel products. Then, The functions of the support system for green design of iron and steel products are described. The structure of the support system for green design of iron and steel products referring to concurrent engineering is then designed. Finally, the feasibility of the structures is analyzed through the Java technology.



## **The Strategies for Promoting the Development of e-Commerce in Service SMEs in China Based on Australian Experiences**

***Ergun Gide and Mingxuan Wu***

*Central Queensland University, Australia*

***Qiudan Xing***

*Shannxi Normal University, China*

For the last ten years, electronic commerce (e-commerce) has tremendously changed the way that the firms do business all around the world. In today's dynamic global economy, e-commerce is no longer an option for companies who want to face the challenges of global economy. This paper describes the Australian service small and middle-sized enterprises (SMEs) and Australian information economy index in 2004, and believes that the e-commerce study focusing on service SMEs will not only promote the development of service industries in China, but also benefit China's economic development. Finally, the paper provides the four strategies for promoting the development of e-commerce in service SMEs in China.

## **Leveraging ICT for Education and Development**

***Eben Otuteye***

*University of New Brunswick, Canada*

One of the immediate and early potentials identified for the use of the Internet and, later on, the World Wide Web is how these technologies can enhance the use of ICT for education. As well, the United Nations identifies education as one of the eight Millennium Development Goals. Since that declaration, a lot of resources from both the public and private sectors have been put into developing technologies for education. Today e-learning is a huge industry. However, none of these efforts have yet to translate into universal accessibility to education. This paper critically examines some of the underlying causes of this problem. In particular, the paper examines the factors that have been identified as obstacles to integrating ICT in education. The issues are explored from technological, organizational and policy perspectives. It concludes by proposing a model towards the universal accessibility to education.

## **Management Issues in E-business Implementation: What Matters and When**

***Zdenko Dezelak, Samo Bobek and Simona Sternad***  
*University of Maribor, Slovenia*

The implementation projects of e-business systems are strategic and complex projects. They require substantial resources, and yet, the success is not guaranteed. Organizations must try to minimize risks by focusing on critical success factors (CSFs) of e-business implementation. We have researched different viewpoints of e-business implementation CSFs. The paper presents an overview of some of the existing e-business implementation models and analyses research about e-business implementation CSFs. We have identified fifteen CSFs: top management support and involvement, clear goals, objectives and scope, compatibility with existing infrastructure, market forces (competitors, partners, etc.), competencies of internal users, government support, strategy, business process reengineering (BPR), change management, consultants, excellent project management, firm size, project champion, effective communication, and minimal customization. Identified CSFs are discussed and linked to the e-business implementation process. We are persuaded that linking e-business implementation CSFs to an e-business implementation process is crucial to improve success of e-business projects and to enhance the knowledge of management issues in e-business implementations.

## **Using a 10-Point Scale for Measuring e-Commerce Satisfaction in Survey Research**

***Ergun Gide and Mingxuan Wu***  
*Central Queensland University, Australia*

With the second e-commerce wave, there are increasing demands for both quantitative and qualitative research in e-commerce research. The survey technique is becoming one of the most important research methods of measurement in e-commerce research. The scale measurement is widely used in survey research method. In literature review, most of survey researches use 5 or 7-point scales to measure e-commerce satisfaction. However, the issue of the optimal number of response categories in rating scales is still unresolved. This paper proposes that a 10-point scale has the obvious advantages to measure e-commerce satisfaction in survey research.

## **Globalization and Localization on the Web: Case Studies of American and Chinese Auction Websites**

***Miao Zhao and Donald Tarallo***

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The Internet allows companies to be easily involved in globalization. At the same time, companies localize their websites due to the cultural and environmental differences. Several cultural theories have addressed cultural differences across countries. In addition to culture, other environmental factors such as social, legal and technological factors impact localization. Therefore, we expect not only companies from different countries to adopt different website designs, they are also trying to localize their aesthetics to better satisfy the local customers when they expand to global markets. The research questions are 1) what are the differences regarding the website design and 2) how culture and other environmental factors influence such differences. This article analyzes and compares American and Chinese auction websites and tries to answer these research questions. Our analyses focus on interactive and aesthetic differences between the websites in terms of interactive attributes, color, animation, typography, interface structures and site architecture.

## **Web Personalization Based on Clustering And Contiguous Sequential Pattern Mining**

*Wu Sen and Cui Wei*

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Web usage mining has been used effectively as an underlying mechanism for Web personalization and recommender systems. A variety of recommendation frameworks have been proposed, including some based on non-sequential models, such as association rules, and some based on sequential models, such as sequential patterns. In this paper, we present a hybrid Web personalization system based on clustering and contiguous sequential pattern. Our system clusters the log files using SOM at first, which can determine the basic architecture of Web sites. For each cluster, we use contiguous sequential pattern mining to further optimize the topologies of Web sites. Finally, we propose two evaluating parameters to test the performance of our system.

## **Malaysian Small Business Management Commitment to Safety Practices: A Closer Look from the Employees' Perspectives**

*Kong Lai Kuan, Ju Soon Yew and Zaliha Hj Hussin*

*MARA University of Technology, Malaysia*

This paper reports one aspect of a large-scale study of occupational safety and health in 51 small food manufacturing factories in the State of Kedah, Malaysia. The findings presented in this paper concern the company management com-

mitment to safety practices at their workplace, which are assessed based on the perceptions of employees through self-administrated questionnaires during 2004. The results show that the employees have positive views towards their company management commitment to safety. Amongst the demographic variables, the employees' length of service show differences on their perceptions toward company management to safety practices. The implications and recommendations are presented to the various parties.

## **Growth and Persistence of Large Business Groups in India**

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*The University of Edinburgh Management School, UK*

The international business literature is belatedly recognizing the significance of large family-controlled business groups in emerging markets. Most research has focused on analyzing the impact of concentrations of private wealth on economic development in home countries using panel data. This paper examines the growth and persistence of business groups since 1951 in one country – India. Since Independence, the government has attempted to operate an economic policy framework that had, amongst its prime objectives, the curbing of the tendency of business groups to concentrate economic power. However, policy intervention appears to have been less effective in breaking up concentrations of economic power in India than economic liberalization and increased competition.

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