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MANAGING UNIVERSITY/STUDENT CONFLICT BY IMPLEMENTING MANDATORY ARBITRATION AS A CONDITION OF ENROLLMENT: PRESERVING INSTITUTIONAL COST AND REPUTATION

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ABSTRACT

The purpose of this paper is to introduce a framework to examine the viability of requiring mandatory arbitration as a condition of enrollment to resolve student-based grievances, complaints and disputes at institutes of higher education in the United States. Mandatory arbitration has increasingly been adopted by businesses to resolve consumer and non-consumer complaints and disputes, largely due to its advantages in permitting such businesses to avoid litigation, protect reputation and maintain confidentiality. Despite its increasing use by many U.S. businesses, research indicates that few, if any, U.S. universities or colleges have instituted mandatory arbitration processes to address student-based disputes.

The research will provide data to explore the feasibility of utilizing mandatory arbitration to resolve student complaints on U.S. university and college campuses and from which specific recommendations for formal, informal, and rational approach(es) to resolve such disputes may be drawn. One hundred (100) U.S. university and college administrators will be asked to participate in a quantitative research project. In addition, ten (10) focus group interviews will be used to verify and validate the research outcomes. By applying the knowledge provided through the study, universities will be able determine if mandatory arbitration is a viable option for resolving student-based complaints and disputes on campus.

Keywords: arbitration, mediation, mandatory, compulsory, forced, university, college, student, complaint, dispute, resolution

1. INTRODUCTION

Arbitration, an alternative dispute resolution process designed to privately settle disputes, as an alternative to litigation, has increasingly become the go-to method for resolving grievances, complaints, and disputes in the business world (Colvin, 2017).

Mandatory arbitration agreements, wherein the parties agree that certain (or all) disputes between the parties *must* be submitted to final and binding arbitration, may be found throughout the business world, including in the areas of employment, consumer and non-consumer relations, health care, banking and financial services, international tax enforcement, trust disputes, and wills/testamentary instruments.

Further, although mandatory arbitration has drawn both criticism and praise, courts throughout the U.S. have consistently upheld mandatory arbitration as a legitimate, enforceable means of privately resolving business disputes.

U.S. universities and colleges, as businesses, are exposed to a variety of disputes. One unique, but prevalent type of dispute which U.S. universities and colleges face is the student-based complaint. Whether it be student versus student, student versus faculty or student versus the university/college itself, the university's interests in resolving such disputes are substantial. Mandatory arbitration is one means of resolving such disputes, yet little evidence exists to show that universities and colleges in the U.S. currently use or have explored the possibilities of implementing a mandatory arbitration procedure designed to address student complaints, grievances and/or disputes. While the universities' administrators are considered the leaders of alternative dispute resolution, little is known about those leaders' opinions and experience in recommending mandatory arbitration as a condition of enrollment in their universities. The proposed research will address this important gap in the literature.

2. LITERATURE REVIEW

The Historic and Legal Landscape of Mandatory Arbitration

Mandatory arbitration has become a popular method of resolving disputes in the business world (Colvin, 2017; Aschen, 2016; Lampley, 2015; Koenig & Rustad, 2014; Rutledge & Drahozal, 2013; Rustad, Buckingham, D'Angelo & Durlacher, 2012). In the United States, predispute mandatory arbitration has become the most accepted and favored method of resolving disputes (Koenig, p. 410, citation omitted). As reported by the Consumer Financial Protection Board, in its 2015 Arbitration Study: Report to Congress, pursuant to Dodd-Frank Wall Street Reform and Consumer Protection Act § 1028(a), (herein, the CFPB Study), arbitration provisions can be found in a variety of consumer based financial products, including, in 53% of the credit card market, 44% of the checking account market, 82.9% of the prepaid card market; 98.5% of the storefront payday loan market and 99.95% of the mobile wireless third party billing market.

Despite its current popularity, mandatory arbitration has not always been a favored means of resolving business disputes. In fact, courts historically were reluctant to enforce private arbitration provisions. With the enactment of the Federal Arbitration Act ("FAA"), this anti-arbitration animus began to fade, allowing the current popularity for arbitration among the business world to emerge. As the U.S. Supreme Court noted in *Allied-Bruce Terminix Cos. v. Dobson*, 513 US 265, 272 (1995), the 1925 enactment of the FAA "was passed to overcome the traditional hostility to mandatory arbitration provisions evidenced by the statutory and common law of many states."

Since the enactment of the FAA, the U.S. Supreme Court has repeatedly held that mandatory arbitration provisions are legally enforceable (Aschen, 2016). For instance, in *Gilmer v. Interstate/Johnson Lane Corp.*, 500 U.S. 20 (1991), the court held that an individual employment claim, based on a federal statute (the Age Discrimination in Employment Act), may be subject to mandatory arbitration pursuant to a compulsory arbitration agreement found in a securities registration application. In *AT&T Mobility, LLC v. Concepcion*, 563 U.S. 333 (2011), the Court enforced an arbitration provision in a consumer contract that barred class actions claims, despite a state law which provided that class action waivers in consumer contracts were unconscionable and as such, unenforceable. Likewise, in *Am. Express Co. v. Italian Colors Rest.*, 570 U.S. 228 (2013), the court enforced a mandatory consumer arbitration provision prohibiting class action claims, despite the fact that an individual claim would be cost prohibitive (i.e., the cost to bring an individual claim would exceed any potential recovery). Moreover, earlier this year, in *Epic Sys. Corp. v. Lewis*, 138 S. Ct. 1612 (2018), the U.S. Supreme Court held that mandatory arbitration provisions may also prohibit class action claims in employment disputes, despite the collective bargaining rights provided to employees by the National Labor Relations Act.

With the Supreme Court's continuing support of mandatory arbitration, its use by businesses in numerous fields has flourished (Lampley, 2015; Bucilla, 2014). As Lampley articulates, "the Supreme Court has signaled that arbitration in the consumer, employment, and even healthcare areas is here to stay, unless eroded by legislative amendment or regulatory action" (p. 1727).

Mandatory arbitration is used in a variety of business spheres

Mandatory arbitration has long been a mainstay in employment, both in the collective bargaining arena (Colvin, 2017; Marrow & Penn, 2013) and as a function of individual employment contracts (Colvin, 2017). Based on a study of 627 private sector employers of non-union employees, Colvin found that 50.4% required its employees to sign an agreement or provision for mandatory arbitration of legal disputes with the employer. An additional 3.5% of those surveyed incorporated mandatory arbitration in the company's employment policies (Colvin, 2017, p. 4). Likewise, businesses providing consumer services have for many years relied on mandatory arbitration provisions in its contracts with their customers, clients and consumers (Aschen, 2016; CFPB Study, 2015, Eisenberg, Miller & Sherwin, 2008).

Industries which have used mandatory arbitration include health care and nursing home care (Alper, 2016; Lampley, 2015); banking and financial services (Bales & Eviston, 2010; CFPB Study, 2015); international tax enforcement (Sharon, 2012); trust disputes (Strong, 2012); wills and testamentary instruments (Rutledge, 2015) and social media (Rustad, et al., 2012).

Although popular with the business world and strongly supported by U.S. Supreme Court precedents, mandatory arbitration is not without its critics

Traditionally, supporters of mandatory arbitration have espoused its use on the basis of three primary attributes: 1) it avoids litigation, 2) it is less expensive and faster than litigation, and 3) it is private and confidential (thus providing an effective means of controlling any negative publicity which may be attached to public litigation, thereby protecting reputation.) As stated by Burke and Green (2011, p. 71):

Initially, arbitration was touted as a cheaper and more efficient alternative to litigation. Additionally, advantages to arbitration over the primary alternative (civil litigation) presumably include control, confidentiality, cost and time savings, finality, and more predictability for managing risk than litigation (citation omitted).

It is generally acknowledged by researchers that the U.S. Supreme Court has signaled its on-going support for the viability and enforcement of mandatory arbitration pursuant to the FAA (Ware, 2017; Aschen, 2016; Burke & Green, 2011). Absent some legislative amendment of the FAA or some regulatory action, "arbitration in the consumer, employment, and even health care areas is here to stay" (Lampley, 2015, p. 1729).

Despite its many proponents, mandatory arbitration has its detractors. Healthy debate regarding the underlying "fairness" of mandatory arbitration abounds. Notably, one of the primary benefits to mandatory arbitration, the ability to avoid litigation, has also been proffered by Aschen (2016) as a prime critique of mandatory arbitration. Aschen notes that many consumer contracts are adhesion contracts, i.e., contracts which large businesses offer to their consumers on a take it or leave basis. To partake of the company's services (or in the case of employment, to dispute an employment decision), the individual must agree to the terms of the agreement the business sets forth.

By combining both mandatory arbitration and waivers of class action claims in their contracts the company deprives its consumers of the ability to join with other similarly situated consumers to assert claims which might otherwise be cost prohibitive for an individual claimant; a "powerful tool" to be wielded by any business (Aschen, 2016, p. 62).

As alluded to by Aschen and others, the prevalence of mandatory arbitration clauses contained in consumer and employment contracts raises an essential question of fairness (Aschen, 2016; Colvin, 2017; Colvin & Gough, 2014; Ware, 2017; Alper, 2016; Lampley, 2015; Bucilla, 2014). Numerous researchers have cited the disparity of bargaining power as a primary objection to mandatory arbitration (Ware, 2017; Colvin, 2017; Alper, 2016; Lampley, 2015; Bucilla, 2014; Koenig & Rustad 2014). Koenig & Rustad, (2014, p.347-348), examining the terms of use agreements used by 329 of the largest social media providers worldwide, conclude that the use of one sided "boilerplate" agreements, containing "forced" arbitration provisions is typical for these social media providers, and label such contracts fundamentally unfair:

Forced arbitration, critics contend, disadvantages consumers by creating a repeat player bias, capping award size, allowing evidence to be concealed, employing clandestine proceedings, suppressing claims and prohibiting an appellate court review to reverse or modify an arbitrator's erroneous decision.

Referencing their use of mandatory arbitration clauses, Koenig & Rustad, (2014, p. 410), conclude that social networking sites: fail nearly every test of consumer due process fundamental fairness by creating a one-sided legal universe where users have no meaningful rights because they lack any practical way of obtaining a remedy. Arbitration clauses are the classic illustration of a private justice system where SNS can sidestep the possibility of punitive damages, jury verdicts, class actions, and consequential damages. Tort law is being subsumed by this radical extension of contract law.

Other authors similarly criticize mandatory arbitration on the grounds of repeat player bias, urging that in cases where businesses maintain mandatory arbitration with their employees or consumers through the use of adhesion contracts, the businesses gain advantages in that not only does the company set the

terms of the agreement, it also often provides, as a term of the mandatory arbitration, the right to select the arbitrator. This right to select the arbitrator gifts the business with the further advantage of having an on-going relationship with such arbitrator that motivates bias or partiality on the part of the arbitrator (Aschen, 2016; Lampley, 2015; Hushka, 2013). Researchers also criticize the confidential nature of mandatory arbitration as secretive (Aschen, 2016; Lampley, 2015; Koenig & Rustad, 2014). Further, several authors have noted that in many mandatory arbitration agreements, class action claims are barred, resulting in significant disadvantage to the individual claimant, who may find that the cost of bringing an individual claim outweighs the benefits of bringing the claim, a disadvantage which could be overcome through the use of a class action claim (Colvin, 2017; Aschen, 2016; Lampley, 2015).

Several authors have suggested that the FAA needs to be amended or regulation enacted to insure individual stakeholders are not disadvantaged because of less money, power and/or choice in selecting the arbitrator (Ware, 2017; Lampley, 2015; Burke & Green, 2011; Bales & Eviston, 2010).

Despite debate, a strong argument exists that mandatory arbitration is a benefit because it allows the parties to avoid costly and time-consuming litigation, while preserving confidentiality and reputation.

Little evidence exists that mandatory arbitration has been used to resolve university and college student complaints

Notwithstanding the critics of mandatory arbitration, from a business perspective, the advantages of mandatory arbitration remain. To begin, it is supported by U.S. Supreme Court precedents. Its ability to reduce costs, by reducing litigation, while also limiting negative publicity, has appeal for many businesses. Moreover, it does not appear that the legality of mandatory arbitration will be disappearing anytime soon. Any change in the enforceability of mandatory arbitration agreements will need to come either by changing the law or by enacting new rules or regulations for enforcing the law. As noted by Ware (2017, p. 33), in July, 2017, the CFPB, pursuant to the Dodd-Frank Act, promulgated a rule limiting banks and credit card companies from including mandatory arbitration clauses which ban class action claims in their consumer service agreements. The rule did not last long: in July 2017 the House passed a resolution to repeal the rule, which the Senate then passed in October, 2017 and was then signed by President Trump on November 1, 2017 (Lane, 2017; Ware, 2017).

Despite its increasing use in a broad array of industries, U.S. universities and colleges have not incorporated the use of mandatory arbitration for student grievances, complaints and disputes, with the noted exception of proprietary (private, for-profit) institutions of higher education. Significantly, even for proprietary schools, most mandatory arbitration provisions are linked to the issue of student financial aid.

In a recent survey of public, private non-profit, and private for-profit institutions of higher education, Habash and Shireman (2016, p. 271) investigated the use of restrictive clauses in the enrollment contracts used by these institutions. None of the public colleges or universities used forced arbitration clauses in their enrollment contracts. As to private non-profit institutions, only one of the thirty-four surveyed used a mandatory arbitration provision in its enrollment documents. Contrast these figures with the numbers for the private for-profit (proprietary) institutions surveyed, where 93 of the 158 institutions polled used forced arbitration provisions in enrollment. Each of these institutions relied on federally funded student loans for its students. As to the 49 private for-profit schools that did not rely on federal financial aid, only one of those schools included a forced arbitration clause in its enrollment documents (Habash & Shireman, 2016).

Similarly, in one of the rare scholarly articles discussing the use of mandatory arbitration in enrollment to resolve university and college student-based grievances, claims or disputes, Pollack notes that unlike public and non-profit private schools, proprietary schools of higher education often use mandatory arbitration in their enrollment documents to address student claims regarding federal financial aid (Pollack, 2011). Pollack, in examining a legal dispute between the Eighth and Ninth Circuit Courts of Appeal, regarding the standard of proof required to establish a fraud case against a proprietary school in connection with federally funded student loans, suggests the use of mandatory arbitration by proprietary schools to address the dispute. As to the legal conflict, Pollack argues that the Ninth Circuit Court of Appeals standard should prevail. He also notes that although the U.S. Supreme Court's decision in AT&T

Mobility, LLC v. Concepcion did not directly target proprietary schools, the decision nevertheless has broad implications for proprietary schools (p. 151). He endorses the adoption of mandatory arbitration provisions in proprietary school enrollment agreements in general. He further recommends the U.S. Department of Education promulgate a rule requiring notice to its enrolling students of the mandatory arbitration provision (p. 157).

Given the ever-increasing litigiousness of U.S. society as a whole it is in the interest of universities to investigate the viability of mandatory arbitration in enrollment for student-based grievances, claims and disputes

Conflict is inevitable. Unfortunately, in the U.S., conflict is increasingly addressed through litigation (Bienstock, 2017). Universities and colleges are no less susceptible to litigation than any other business. Universities and colleges, like other businesses, have an interest in managing costs, reducing litigation, maintaining confidentiality, and preserving reputation. Mandatory arbitration as a condition of enrollment can help achieve these goals. Yet, unlike many other businesses in the U.S., public and private nonprofit private universities and colleges have not availed themselves of mandatory arbitration to address a critical component of the conflict its businesses regularly address: the grievances, claim and disputes of its primary consumer, the student.

The causes of student conflict are numerous. Further, the conflicts themselves need not be directed at the university or college itself for the school's interests to arise. Universities and colleges are often called upon to oversee conflicts between its students and any number of other stakeholders: fellow students; faculty; staff; and members of the community at large.

Student conflict varies widely and arbitration may not be suitable for all student complaints (Appendix A). For instance, if one of the parties to the dispute is accused of criminal or abusive conduct, the university or college may find it advisable to exclude such dispute from forced arbitration. However, the fact remains, any number of student-based claims might be resolved with the use of mandatory arbitration in enrollment.

Little guidance exists regarding the viability of requiring mandatory arbitration as a condition of enrollment to resolve student-based grievances, complaints and disputes at institutes of higher education in the United States.

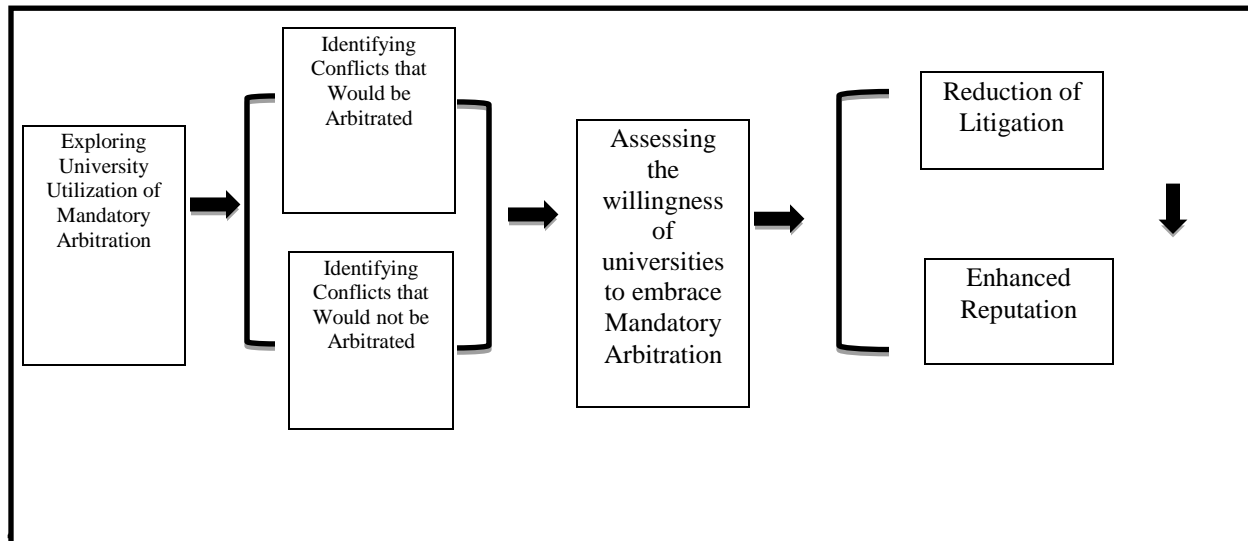
Mandatory arbitration, despite its critics, has been beneficial to many businesses in the U.S. It is designed to reduce litigation by prohibiting litigation of certain disputes. Those disputes are resolved privately, which permits the parties to control publicity, which in turn, allows the parties to protect their reputations. Overall, U.S. universities and colleges have not availed themselves of the benefits of mandatory arbitration to address student-based complaints. The time has come to explore whether mandatory arbitration in enrollment will afford universities and colleges a viable option to reduce litigation and preserve business reputation.

Other than the works of Habash & Shireman and Pollack discussed above, a paucity of research exists studying how U.S. universities and colleges view mandatory arbitration as a condition of student enrollment for student-based disputes. Research exploring the perspectives of U.S. universities and colleges regarding the use of mandatory arbitration to resolve student disputes, as a means of avoiding litigation, reducing costs, and protecting reputation is needed.

3. RESEARCH FRAMEWORK

This section will outline a study to be conducted to address the research gap which to date has failed to assess the viability of mandatory arbitration as a condition of enrollment in U.S. universities and colleges to resolve student-based grievances, complaints and disputes.

Figure 1. The Conceptual Model: Testing the viability of imposing mandatory arbitration of any disputes arising between students and the university as a precondition of entrance to the university.



Method: This research will consist of a quantitative research project wherein one hundred (100) U.S. university and college administrators will be asked to participate. The preferable response from participants to provide accurate and reliable results is seventy-five (75) completed surveys by university and college administrators. Each participant will be given an identification code and an online address through which they will complete the survey. This way, all responses will be confidential.

The participants will be asked to provide the number and types of lawsuits pending against the university or college, brought by current and former students within the past year. The participants will be asked to identify the costs attributed to the litigation, including monies expended, time spent on responding to the lawsuits and the perceived impact on the reputation to the university or college. For each lawsuit noted, the status of the lawsuit will be stated, whether on-going, or resolved. If resolved, the participants will be further asked to identify the means by which the resolution was achieved, i.e., court order or settlement. If by settlement, the participant will be asked to indicate the means by which the settlement was achieved, i.e., through negotiation or mediation. They will be asked to identify the types of disputes which the university or college was able to resolve through settlement and whether the university or college excluded any particular category of claim from the settlement process.

The next portion of the survey will concentrate on identifying whether the university or college currently has, or has ever had, a mandatory arbitration process in place. The participant will be asked to describe the arbitration process. What stakeholders are/were subject to the mandatory arbitration process? Does/did the process include students as stakeholders? Are/were any specific types of claims excluded? If yes, what types of claims are/were excluded? Why? As to student claims, what types of disputes are/were included? Was the process successful? If yes, in what way? Did it reduce costs? Did it expedite the resolution of the dispute? Did its use have a positive effect on publicity or reputation? If the university or college does not have a mandatory arbitration process, has it considered implementing a mandatory arbitration process? If yes, for what types of claims? Would the process include student claims? Would the process exclude any specific type of student claim? What type(s)? Why?

In addition, ten (10) focus group interviews will be used to verify and validate the research outcomes. All interviews will be recorded with the use of a digital voice recorder. The interviews will be transcribed. The digital recording and transcriptions will be identified by pseudonyms and numbers. Recruiting should begin in Spring, 2019. The interviews should be completed by the end of Summer, 2019. Interviews will be transcribed as they are completed so that by Fall, 2019 the focus group data collection and transcription will be complete.

By applying the knowledge provided through the study, universities will be able to determine if mandatory arbitration is a viable option for resolving student-based complaints and disputes on campus.

Analysis: The transcripts of the interviews will be reviewed, transcribed and entered, along with the survey results, into the NVIVO software program. The researchers will review the survey results and the interviews and agree on a coding system, from which the researchers will determine whether any patterns or themes emerge regarding the viability of U.S. universities and colleges integrating mandatory arbitration of student-based grievances, complaints and disputes into student enrollment.

Contribution: This research will provide data from which specific recommendations may be drawn advising universities and colleges of the use of mandatory arbitration in enrollment to address student-based grievances, complaints and disputes. Further, the research will provide recommendations as to types of grievances, complaints and disputes which it may be advisable to exclude from mandatory arbitration in enrollment. The research is expected to provoke the direction of future research on arbitration in US universities. We are hoping that future research will focus on the relationship between the leadership style of the universities' central administrators and the use arbitration. Moreover, we recommend future research to compare the use of arbitration in different cultural context.

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APPENDIX “A”

TYPE/CATEGORY OF STUDENT CLAIMS THAT MIGHT BE EXCLUDED FROM MANDATORY ARBITRATION IN ENROLLMENT	EXAMPLES
Criminal acts	Sexual assault, robbery
Intentional torts	Vandalism, battery, conversion
Instances where University policy must be protected or preserved	University policy prohibiting hate speech on campus
Multi-party disputes where not all parties are bound by the mandatory arbitration agreement	Claims against vendors or members of the community at large
Disputes by minors	Claims asserted by or against underage students
Community disputes	Rent and payment disputes with local landlords or merchants, damage, theft

APPENDIX "A"

TYPE/CATEGORY OF STUDENT CLAIMS THAT MIGHT BE INCLUDED IN MANDATORY ARBITRATION IN ENROLLMENT	EXAMPLES
Academics	Grades, plagiarism
Athletics	Discipline, scholarships, disputes with coach or teammates, academics, injuries
Accommodations	Physically and/or mentally challenged, K-9/service dogs
Class accommodations	Tests, blind students/physically disabled students, special education needs, other special needs and religion
Financial aid	Tuition, scholarships, grants, and loans
Accidents	Automobile, personal injury and property damage
Discrimination	Race, sex, national origin, age, religion, etc.
Drug and alcohol abuse	Use, possession and/or sale of drugs or alcohol
Employment	Student employees and interns
Freedom of expression	Student clubs, student newspapers, campus rallies, campus invited speaker
Disseminating material on campus	U.S. constitution, petitions, controversial material (i.e. white supremacy/racially hostile material)
Campus accommodation for student clubs/groups and miscellaneous campus protests	Sit-ins or rallies; use of campus property/space
Interpersonal disputes	Student v. student conflict, married students and their spouses, student v. faculty
Student Housing	Room assignments, roommate disputes
Post-graduation claims	Misrepresentation regarding employment statistics and/or employment opportunities

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USING THE PRINCIPLES OF FINANCE AND ECONOMICS TO ANALYZE AND EVALUATE DONALD TRUMP'S CAMPAIGN PROMISES, AND HOW WELL HE DELIVERED ON HIS CAMPAIGN PROMISES DURING HIS FIRST YEAR AS PRESIDENT OF THE UNITED STATES OF AMERICA

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ABSTRACT

The purpose of this research paper is to use some principles of finance and economics to objectively analyze and evaluate Donald Trump's campaign promises and how well he delivered or failed to deliver on his campaign promises, domestic and foreign, during his first year as President of the United States of America. Overall, he promised to "make America great again". The research method is primarily theoretical, but uses some empirical data. A variety of high-quality sources of information are used, including peer-reviewed journal articles, Trump's campaign website, U.S. Government websites, and headline news articles. This research paper also predicts whether or not President Trump will achieve his campaign promises in the rest of his first four-year term as President.

Keywords: *finance, Donald Trump's campaign, articles*

1. INTRODUCTION

Overall, in his Presidential campaign, Donald Trump promised to "make America great again" (Trump, n.d.). However, it's not clear when America was great in Trump's view. Nor is it clear why Trump believes that America is no longer great. It seems that he believes that America was great sometime during his own lifetime (since 1946) but before Obama's Presidency (before 2009), when good U.S. manufacturing jobs were booming, but before America starting losing these jobs to European and Asian countries, such as Germany and Japan (before 1975), before international terrorism from Iran, Saudi Arabia, Iraq, and other countries threatened the national security of the U.S. (before 1979), before U.S. international trade agreements, including NAFTA became law in 1994, before U.S. gun control regulation and environmental protection regulation (before 1970), before the U.S Supreme Court voted for pro-choice instead of pro-life (before the Roe v. Wade ruling in 1973) (Roe v. Wade, n.d.), and before the Affordable Care Act (i.e., Obamacare) became law in 2010. That criteria suggest, that President Trump believes America was great sometime in the 1946-1970 period. However, that suggests that America became less great under the last five conservative Republican Presidents. Richard Nixon was President (1969-1974), followed by Gerald Ford (1974-1977). President Ronald Reagan (1981-1989) was followed by George H. W. Bush (1989-1993), and George W. Bush (2001-2009). Nonetheless, like those Presidents, Donald Trump campaigned as a conservative Republican with a conservative Republican Party platform. In Trump's view, America also became less great under the post-1970 Democratic Presidents, Jimmy Carter (1977-1981), Bill Clinton (1993-2001), and Barack Obama (2009-2017) (List of the Presidents, n.d.). Many of President Trump's first-year policies have been attempts to undo much of what these previous Presidents accomplished, especially the accomplishments of President Obama – America's first African-American President.

Trump promised that if he were elected to be the next U.S. President, he would "make America great again" by getting rid of the things that robbed it of its greatness. He promised to repeal and replace Obamacare, greatly reduce government regulation, including financial regulation and environment regulation, defeat ISIS and other international terrorists that threaten the national security of the United States, reject the Trans-Pacific Partnership (TPP) trade agreement, renegotiate or repeal other U.S. international trade agreements, including NAFTA, and impose protectionist trade measures on other countries, including China, to prevent them from unfairly taking good manufacturing jobs from the United States and from creating large trade deficits for the United States. He also promised to nominate conservative Republican Supreme Court justices who would vote pro-life, for his "America First" trade protectionist policies, and for government deregulation, including deregulation of environmental protection

laws, deregulation of the financial sector, deregulation of gun controls, as well as deregulation of healthcare and health insurance protections.

Here's a list and brief description of ten of Donald Trump's financially and economically important campaign promises that he tried to achieve in his first year as President of the United States.

- 1) Erect protectionist trade barriers: especially against the biggest U.S. trading partners, including Mexico, Canada, the European Union, and China. Under President Trump, the U.S. would not join the Trans-Pacific Partnership (TPP), but would renegotiate or cancel NAFTA, and impose high tariffs on U.S. imports of Chinese products for its alleged unfair trading practices.
- 2) Renegotiate or cancel other U.S. international agreements: including the Paris Climate Agreement to reduce global warming, and national security agreements with NATO and the United Nations.
- 3) Increase U.S. military superiority and dominance globally: including a huge increase in U.S. Government spending on national defense to increase U.S. military superiority, globally, and win the war against international terrorists. Candidate Trump also promised to stop Iran and North Korea from developing nuclear weapons, and to stop China from building more military bases on islands in the South China Sea. He also promised to negotiate with Russia, Iran, and Syria to stop Syria's President's massive killing of his citizen-insurgents; the military conflict in Syria has also created a massive international refugee problem in Europe.
- 4) Cut and reform taxes: for all Americans and their businesses, but with the biggest tax cuts for the highest-income and wealthiest households and the most profitable U.S. corporations, including multinational corporations.
- 5) Deregulate: especially deregulation of health insurance and healthcare (e.g., repealing Obamacare), environmental protection (EPA) and the financial system (e.g., repealing the Dodd-Frank financial reform law).
- 6) Create a massive, nationwide infrastructure investment program: to make the U.S. economy more competitive internationally, reduce the U.S. unemployment rate, and increase the U.S. real economic growth rate.
- 7) Deport illegal immigrants, then reduce and reform legal immigration: to prohibit immigration of undesirables, become the "law and order President", and keep immigrants from taking jobs away from existing Americans. Candidate Trump promised to build a wall along the entire U.S. border with Mexico, and to make Mexico pay for it.
- 8) Appoint conservative Republican Supreme Court Justices: who are pro-life and for international trade protectionism, but against gun controls, and would support President Trump's other policies, including repeal of Obamacare and repeal of the Dodd-Frank Financial Reform Law.
- 9) Increase job growth and economic growth: Reduce the U.S. unemployment rate, and increase the U.S. real economic growth rate to over 4% and as much as 6% per year, partly by bringing back to America the good, high-paying manufacturing and mining jobs it used to have.
- 10) Protect the poor, disabled, and elderly, by not cutting government spending on Medicaid, Medicare, and Social Security.

However, three important weaknesses make it very difficult for Donald Trump to achieve his campaign promises as President of the United States. Prior to his election, he had no work experience in government, no network of allies in the U.S. Government, and no detailed strategic plan to accomplish his goals.

Prior to their election, most U.S. Presidential candidates had a lot of work experience in government; some were U.S. Congressional leaders and others were Governors of some state, but Donald Trump had never worked at any government job at any level – national, state, or local. He promoted himself as a successful businessman; a billionaire entrepreneur in the real estate industry. The Trump organization is headquartered in New York City, and has many affiliates throughout the United States and in some foreign countries. To get elected to become the top politician – President of the United States, Trump campaigned against all other politicians, which he claimed were untrustworthy and only cared about themselves. To succeed, with no prior work experience in government, he would have to quickly learn a lot about how to effectively lead and manage a huge public sector organization – the U.S. Government, which he knew little about before becoming its top executive leader.

Most successful politicians have a good network of allies in government who will follow their leader to achieve their common goals, using their leadership skills and other skills to negotiate and compromise with powerful opponents. However, as a Presidential candidate, Trump had no network of allies among the existing leaders in Washington, D.C., given that he campaigned as a complete outsider and anti-establishment candidate against the existing Democratic and Republican leaders, including previous Presidents of both parties. He promised to “drain the swamp” in Washington, D.C., if elected. His harsh campaign rhetoric also alienated the establishment providers of network and cable headline news; he calls their news “fake news”. The established mainstream media will not help him achieve his attempts to disrupt, shut down, or undo the government. However, President Trump craves favorable headline news stories and scorns unfavorable headline news stories critical of his policies, personality, or character. He presented himself as an expert negotiator and tough guy who always wins. He harshly criticized anyone who criticized him, including “crooked” Hillary Clinton, who he promised to “lock-up” for her crimes, if elected, even though she had not been charged or convicted of any crime. After his election, he dropped his allegations against her; so he did not deliver on his campaign promise to “lock her up”. He also didn’t “drain the swamp”, as shown partly by retaining ownership and control of his business, and using his Presidency to increase its profits; his conflicts of interest create a principal-agent problem; that’s a financial and ethical problem that could be costly to many Americans, if the President is not primarily working to do what is best for America.

Most successful politicians, like most successful business leaders, achieve their important goals by developing and efficiently executing some detailed strategic plan that is well designed. However, Presidential candidate Trump has no significant detailed plans for how to strategically accomplish his political goals. His campaign promises were mostly slogans that sounded good as sound bites at campaign stops, on radio, on television news, and on Twitter. Trump’s campaign promises to “make America great again”, his extroverted personality, extreme statements, his colorful character, status as a billionaire businessman, and fame as the star of *The Apprentice* television series attracted large crowds at his many campaign stops across America. They excited his growing base of loyal supporters, but he had no good strategic plan to accomplish his campaign promises, once elected. Without a plan to achieve his campaign promises, he’s unlikely to fully accomplish most of them. Per the popular saying, those who fail to plan are planning to fail.

What follows is a Literature Review section, an Analysis, Evaluation, and Prediction section, a Conclusion, and Bibliography.

2. LITERATURE REVIEW

This Literature Review provides a brief review of some economic, finance, and international journal articles that help us better understand and evaluate President Trump’s campaign promises and first-year Presidential policies.

Erect protectionist trade barriers: An article in the *International Trade Journal* highlights that protectionist trade policies by the U.S. were an important cause of the 1929 stock market crash (Eckes, 1998). That severe financial crisis helped create the decade-long Great Depression of the 1930s. A journal article in the *Review of Business Research* explains that globalization is a creative destruction

process that helps some market participants in some ways and hurts them or others in different ways; so it's a process that creates winners and losers (Johnston, 2009). A journal article in the International Economy proposes an effective way to reduce the mass appeal of protectionist trade policies ("How to fight anti-trade populism", 2017). One trade protectionist practice that President Trump has recommended is for the U.S. to maintain an undervalued currency, which would make U.S. exports cheaper to foreigners and imports more expensive to Americans. An article in the Brown Journal of World Affairs explains that maintaining an undervalued U.S. dollar against foreign currencies would reduce the global importance of the U.S. dollar as a key currency (Helleiner, 2017).

Renegotiate or cancel other U.S. international agreements: According to a journal article published in World Economics, President Trump's "America First" nationalistic policies are hostile to international cooperation and coordination of policies globally, including the U.N., NATO, the WTO, NAFTA, TPP, and other organizations and agreements (Mackintosh, 2017). An article in the Brown Journal of World Affairs identifies and describes some of the biggest national security threats for the Trump Presidency Increase U.S. military superiority and dominance globally, including Russia, North Korea, China, Syria, ISIS, and others (Donilon, 2017).

Cut and reform taxes: An article in the Journal of Accountancy explains how Trump's tax cuts and tax reform, which became effective on January 1, 2018, will affect businesses and individuals (Nevius, 2018). The top marginal tax rate for corporate profits is reduced from 35% to 21%. The top marginal tax rate for individuals is reduced to 37%. A journal article published in the International Tax Review explains that President Trump's tax cuts and tax reforms are projected to substantially increase U.S. Government budget deficits and national debt; although they are also partly financed by government spending cuts on health and welfare programs (Global Tax, 2018).

Deregulate: An article in the Physician Leadership Journal reviews Trump's campaign promise and Republican Party efforts in the U.S. Congress to repeal and replace The Affordable Care Act, popularly known as Obamacare (Davis, 2017). An article in the North Carolina Journal of International Law & Commercial Regulation reviews the existing U.S. environmental agreements (Knox, 2015). A journal article in the Columbia Law Review explores Trump's deregulation of environment protection laws and efforts to reduce other government regulations, such as the Dodd-Frank financial reform law (Wiseman, 2017). An article in the journal Challenge critiques Trump's rejection of the Paris Climate Agreement to reduce global warming as a mistake, given the substantial scientific evidence confirming global warming (Sharpe, 2017). An article in the journal Regulation described how President Trump, in his first year, partly achieved deregulation by not proposing new regulations to replace those regulations that were eliminated or reduced (Batkins & Brannon, 2017).

Create a massive infrastructure investment program nationwide: An article in the Journal of International Finance Studies explains that Candidate Trump's Democratic opponent in the General Election, Hillary Clinton, also promised to create a nationwide infrastructure investment program, if elected President of the United States (Johnston, 2017).

Deport illegal immigrants and reduce legal immigration: An article in the Harvard Law Review explains how President Trump's Executive Orders immediately prohibiting the immigration of people from numerous majority-Muslim countries created havoc, especially for those on-route to the U.S. at that time, even though court injunctions against those Executive Orders provided some relief and remedy, short-term (Amdur & Hausman, 2017).

Appoint conservative Supreme Court justices: A journal article in Issues in Law & Medicine explores the expected effects of President Trump's appointment of Judge Gorsuch to the U.S. Supreme Court, with the expectation that his swing vote would cause the court to over-rule Roe v. Wade, thereby eliminating a woman's right to choose to have an abortion in the United States (Linton, 2017).

Increase job growth and economic growth: A journal article in the International Economy explains that a Trump Presidency could be very disruptive to the Federal Reserve's monetary policies and regulatory policies, given Trump's many campaign promises (Berry, 2017). An article in the Journal of International

Finance and Economics about the Presidential campaign promises of Bernie Sanders, explains that Bernie also promised to increase job growth, wage growth, and real economic growth in America, but his bigger government strategy and support for labor unions to achieve those goals were quite different from Donald Trump's (Johnston, 2016). A journal article in the New Labor Forum compares and contrasts Bernie's and Hillary's campaign promises; they both promised to create a lot of jobs and increase the U.S. economic growth rate (Lenchner, 2015).

Protect the poor, disabled, and elderly in America by not cutting government spending on Medicaid, Medicare, and Social Security: Medicaid is a U.S. Government program that provides health insurance to the poor. Medicare is a U.S. Government program that provides health insurance to the elderly. These government programs are needed to maintain public health throughout the United States. An article in the American Journal of Public Health predicts that public health could be endangered by a Trump Presidency and a Republican Party plan to repeal Obamacare and replace it with a plan with less government funding (Wilensky, 2017). Social Security is a U.S. Government program that provides disability income to people of all ages, and provides retirement income to the elderly. An article in the Journal of Finance Issues explores whether it would be financially and economically better to privatize Social Security, rather than reform it (Johnston, 2013, summer).

3. ANALYSIS, EVALUATION, AND PREDICTIONS

This research paper uses the principles of finance and economics to objectively analyze and evaluate Donald Trump's campaign promises, and how well he delivered or failed to deliver on his promises, domestic and foreign, during his first year as President of the USA. Did his campaign promises make sense financially and economically? Were his first-year Presidential policies an efficiency improvement for the United States and its foreign allies in our dynamic global market economy? For those campaign promises that he didn't achieve in his first year, is he likely to achieve them in the rest of his first 4-year term? If the 2018 mid-term elections give Democrats majority control of either the U.S. House of Representatives or Senate, many of President Trump's conservative Republican policies would most likely be blocked by Congress. A Democratic majority in Congress would also increase the risk that Trump could be impeached, if the Mueller investigation concludes that he colluded with the Russians to get elected or obstructed the investigation (Cox, 2017).

Erect protectionist trade barriers: In his first year as President of the United States, Donald Trump partially achieved his campaign promise to drop U.S. membership in the Trans-Pacific Partnership (TPP) Agreement, renegotiate or cancel the North American Free Trade (NAFTA) Agreement, and erect protectionist trade barriers against U.S. imports of products from our trading partners globally (Rogowsky, 2016; Mastel, 2016; Gillespie, 2016a; Gillespie, 2016b; Chandran, 2017; Wang, 2018). If not stopped by the U.S. Congress, it's likely that he will fully achieve his campaign promise by the end of his first term. His policies inefficiently violate current U.S. trade agreements, including the World Trade Organization (WTO), and are likely to create a trade war with U.S. trading partners throughout the world (Neely, 2016). Most economists favor a free trade policy for most products traded by most countries. In principle, protectionist trade policies, including tariffs, economically and financially hurt the country imposing the protectionist trade policies and hurt its trading partners. An open economy is better than a closed economy. If a trade war arises and persists, it is likely to reduce the U.S. economic growth rate, increase the U.S. unemployment rate, and could cause a recession (Eckes, 1998). That would prevent the President from achieving another campaign promise – his promise to substantially reduce the U.S. unemployment rate and to substantially increase the U.S. real economic growth rate. For the U.S. and most countries, international trade is an important engine promoting economic growth and economic development.

Renegotiate or cancel other U.S. international agreements: In his first year as President of the United States, Donald Trump partially achieved his campaign promise to cancel or renegotiate other U.S. international agreements, by cancelling U.S. membership in the Paris Climate Agreement, a multilateral environmental agreement to reduce global warming (The Paris Agreement, n.d.). He has continued to criticize NATO and the United Nations, but has maintained U.S. membership in those international

organizations. He has continued to threaten to cancel U.S. participation in the Iran nuclear non-proliferation agreement, but did not do it in his first year; he is likely to do it in his second year (DiChristopher, 2017; Harwood, 2018; DiChristopher, 2018). President Trump has formed an alliance with other countries, including China, to impose economic sanctions against North Korea until it gives up its plans to develop nuclear weapons that could attack the U.S. and/or its strategic allies, including South Korea and Japan. He has also repeatedly threatened to use nuclear weapons to destroy North Korea, in response to any nuclear bomb attack by it against the U.S. or its allies. Per President Trump, the U.S. doesn't need to rely on our international alliances to achieve its goals. His nationalistic policies are partly a backlash against the ongoing process of globalization that has gradually accelerated in recent decades. Globalization is the increasing integration of national market economies internationally throughout the world. Globalization increases the international interdependence of countries and reduces their national differences. Global warming is created by pollution, which creates a negative externality problem that governments have a responsibility to help solve. Global warming is an international environmental problem that can only be solved with international environmental agreements. Despite his dislike for globalization, President Trump continues to use some international cooperation with foreign allies to achieve some of his goals, including the national security of the U.S. and its allies. National security is a public good. In principle, without the long-term cooperation of foreign countries, through international agreements, the U.S., acting alone, cannot even protect its own natural environment, and cannot even maintain its own national security. It's best to work together cooperatively with other countries to solve our common economic and financial problems.

Increase U.S. military superiority and dominance globally: In his first year as President of the United States, Donald Trump partially achieved his campaign promise to substantially increase U.S. military spending, to increase U.S. Military superiority and dominance globally. President Trump usually favors a military strategy over a diplomatic strategy against ISIS, Iran, North Korea, and other U.S. enemies (Cullen, 2017). U.S. military aggression, rather than diplomacy, will more likely lead to a U.S. war against one or more U.S. enemies, including ISIS, North Korea, and Iran. The President's policies threaten to create a new nuclear arms race globally. Surprisingly, President Trump has stated that he would welcome a global nuclear arms race, because the U.S. would win it. A nuclear war between the U.S. and some foreign country or countries could be devastating for all the countries involved. Candidate Trump also promised to get the U.S. out of Afghanistan, but in his first year as President, he substantially increased the number of U.S. troops in Afghanistan and pledged to stay as long as needed to win the war in that country. The U.S. has already been fighting there since 9/11/01 – for seventeen years, partly achieved by many debt-financed increases in U.S. military spending. In Trump's first year, U.S. military forces have also fought in Iraq and Syria, and prepared to bomb North Korea. Russia also continues to be a national security threat to the United States and its allies, but President Trump has unexplainably failed to take any diplomatic or military action to defend the U.S. from Russian threats and hostile actions. Economically, every international conflict should be resolved diplomatically, rather than militarily, when feasible, because a military conflict has the greatest net economic and financial cost to the U.S. and its allies. According to the U.S. Defense Department, it has cost America \$250 million per day for the last 16 years to fight its war on international terrorism since 2001, for a total of \$1.46 trillion (Cassano, 2017).

Cut and reform taxes: In his first year as President of the United States, Donald Trump fully achieved his campaign promise to cut and reform U.S. taxes (Anderson, 2016). The tax changes included reductions in the corporate profits tax, tax on foreign profits, capital gains tax, estate tax, and individual U.S. income tax. Tax cuts are popular and are fiscally expansionary in the short-term (Taylor and Taylor, 2013/2014). However, there is a downside. We can use the economic principles of fairness and efficiency to evaluate his tax changes. Overall, his tax cuts and tax reforms are not fair, because they mostly benefit the richest individuals and the most profitable U.S. businesses, including U.S. multinational corporations (Sahadi, 2017; Harwood, 2017b). They will make the overall U.S. tax system less progressive, making it a less efficient use of the ability-to-pay principle of taxation. Another inefficiency with these tax cuts and reforms is that they are partly debt-financed and partly financed by reducing government spending on health insurance for the poor through the Medicaid program. The tax changes are also projected to substantially increase U.S. budget deficits and the national debt over the next ten years, which will increase U.S. market interest rates, everything else equal (Harwood, 2017a; "The Budget and Economic Outlook: 2018 to 2028", 2017; "Policy Basics: Deficits, Debt, and Interest", 2017; Franck, Melloy,, and Gibbs, 2018).

Debt-financing is usually less efficient than current tax financing of government. The U.S. government already has accumulated a massive national debt in excess of \$21 trillion, which will have to be serviced and eventually paid off (U.S. National Debt Clock, n.d.; “Can Donald Trump Pay Off the National Debt in 8 Years?”, 2016).

Deregulate: In his first year as President of the United States, Donald Trump partially achieved his campaign promise to deregulate the U.S. economy. The only way he was able to achieve some deregulation was by using Executive Orders to undermine the government’s enforcement of some regulations (Mangan, 2017; Egan, 2018a). He was not able to get Congress to repeal the Affordable Care Act (i.e., Obamacare) or repeal the Dodd-Frank Financial Reform Act or eliminate the Environmental Protection Administration (EPA), but may be able to achieve those goals by the end of his first 4-year term (Pramuk, 2018). Current government regulations were designed to improve market conditions in the U.S. economy, given the existence of substantial private sector failure, such as too much pollution, severe financial crises, and too many Americans without access to affordable health insurance (Fox, Galea, and Grogan, 2017; Luhby, 2017). It may be that some reduction in some types of government regulation would better maximize social welfare, but it would be best to use economic cost-benefit analysis of each type of government regulation to determine the socially optimal amount of regulation. That hasn’t been done by the government, and President Trump is not planning to do it. Regulation acts like a tax; whatever is taxed or regulated is discouraged by the government. Consequently, deregulation acts like a subsidy; whatever is subsidized or deregulated is encouraged by the government.

Create a massive U.S. infrastructure investment program nationwide: In his first year as President of the United States, Donald Trump failed to achieve his campaign promise to create a massive U.S. infrastructure investment program nationwide (Novak, 2018). It’s likely that he will partially achieve this goal in his first term, if Congress continues to permit his expansionary fiscal policies to substantially increase U.S. budget deficits and national debt and/or make substantial cuts in government spending on Medicaid, Medicare, and/or Social Security programs, to help finance Trump’s infrastructure investment program. A big infrastructure investment program could help the President achieve some of his other economic goals, including his goal to make the U.S. economy more competitive internationally, create more jobs, and increase the U.S. real economic growth rate. Some government funding of infrastructure investments is economically justified by the positive externalities they create for society. However, some infrastructure investment projects would be economically more efficient than others. For example, President Trump’s campaign promise to build a wall all along the U.S. border with Mexico would not be as good an infrastructure investment project as many other possible projects. In his campaign speeches, Trump promised that Mexico would pay for the wall, but since becoming President, he has asked the U.S. Government to pay for it (Pramuk, 2017; Reuters, 2018). The President of Mexico has refused to pay for Trump’s proposed border wall. How best to finance a big increase in U.S. infrastructure investments is an important issue; a poor financing-mix would reduce the net economic benefit of any investment program for America.

Deport illegal immigrants and reduce legal immigration: In his first year as President of the United States, Donald Trump partially achieved his campaign promise to deport illegal immigrants and reduce legal immigration (Grumblatt, 2017). Through a number of short-term Continuous Resolutions, Congress has budgeted a small percentage of the funding needed to build a wall along the entire U.S. and Mexican border, and budgeted additional money to improve border security for the U.S. in other ways. Using Executive Orders, President Trump has banned immigration to the U.S. by people from six Muslim-majority countries, to reduce the risk of international terrorists entering the United States. However, several courts temporarily blocked the implementation of most of the provisions of those bans, because they appear to illegally discriminate against Muslims (Reuters, 2017). President Trump also used an Executive Order to cancel the DACA program, to prevent the law-abiding minor children of illegal immigrants from having any opportunity to become U.S. citizens. The President has tried but not yet succeeded in also reducing the number of people permitted to legally migrate to the U.S. from many other countries, partly by reducing the number of U.S. visas available, ending chain-migration, and requiring more background checks. The President is also trying to replace the visa lottery system with a merit-based system; the President’s rhetoric suggests that would also be designed to favor Whites over minorities and favor people from rich countries over people from poor countries. Reducing legal

immigration will reduce foreign students in American universities, reduce foreign workers in American businesses, and have other negative effects on the U.S. economy (Ruthizer, Koestler, Dunn, and Barlekamp, 2017, Boland & Perez, 2018). However, it's likely that President Trump will fully achieve his anti-immigrant goals by the end of his first term, unless Congress or the courts block his plans. Economically, it would be better for the President and Congress to negotiate and pass a comprehensive immigration reform bill that would be fair and efficient for the U.S. and its foreign allies, but neither the President nor Congress has pursued that goal. One of the best ways to reduce illegal immigration would be to make it quicker, easier, and less costly for more foreigners to legally migrate to the United States and work through the legal process to become citizens. When a legal path to immigration is not available to some, they are more likely to consider an illegal one. Using the principle of cost-benefit analysis, illegal immigration could also be reduced by increasing the expected economic cost relative to the expected benefit. Compared to most countries, the U.S. is under-populated, and its low birth rate and aging population will increase its current labor shortage problems in the projected future; reducing legal immigration could substantially worsen that problem ("Are labor shortages", 2018). It would be more economically efficient to increase legal immigration into the U.S, rather than reduce it. Throughout most of U.S. history, America has had a relatively open immigration policy, and many immigrants have helped to make America one of the richest countries in the world, with a high standard of living – a high quality of life. Generations of immigrants from all over the world, living and working together cooperatively, have also created a rich, diverse American culture.

Appoint conservative Supreme Court justices: In his first year as President of the United States, Donald Trump fully achieved his campaign promise to nominate a conservative Republican judge to the U.S. Supreme Court, who favors President Trump's government policy preferences. His appointee, Judge Neil Gorsuch, was approved by the U.S. Senate and now provides an important swing vote for conservatives on a court that was evenly split between conservatives and liberals prior to his arrival (Gerstein, 2017). On the court, Judge Gorsuch will most likely vote pro-life, against gun controls, for trade protectionism, and for Trump's anti-immigration policies. Some of the government practices and private sector practices that U.S. Supreme Court Justices vote on are financially and economically important to many U.S. citizens, including rulings related to their property rights, human rights, and civil rights, including gender equality, racial equality, religious freedom, and freedom of the press (Stelter, 2017). Conservative Supreme Court rulings may not represent the political will of most American voters, as partly shown by the fact that Trump lost the popular vote to his liberal opponent, Hillary Clinton. On the pro-life vs. pro-choice issue, most Americans in 2017 supported a woman's right to choose; so they would not want the court to overturn the Roe v. Wade pro-choice decision ("Would you consider yourself pro-choice or pro-life?", n.d.).

Increase job growth and economic growth: In his first year as President of the United States, Donald Trump partially achieved his campaign promise to increase job growth and the real economic growth rate of the United States, even though the U.S. unemployment rate had achieved full-employment at the natural rate of unemployment before he took office. However, the U.S. real economic growth rate did not achieve his goal of 4% - 6% in his first year (Cox, 2016; Meyersohn, 2018). The U.S. economy continued to slowly improve since the end of the 2007-2009 Great Recession and financial crisis (Employment Situation Summary, 2016; "U. S. Economy at a Glance", 2016). Consequently, it's not clear that the marginal improvements in the performance of the U.S. economy were due to President Trump's first-year policies. Before the end of his first term, the U.S. economy could experience another recession; since the U.S. economy is cyclical (Egan, 2018b). The U.S. economy could also experience another financial crisis; since President Trump's deregulation attempts could result in the repeal of the Dodd-Frank financial reform law that was designed and implemented after the last financial crisis to prevent future financial crises (Johnston, 2013). U.S. manufacturing output has not declined in recent decades by nearly as much as Trump suggested in his campaign speeches (Isidore and Ostrower, 2016). It's also unlikely that President Trump will achieve his goal of bringing back to America the many high-paying manufacturing jobs it used to have, including jobs in big steel plants, supported by a resurgence of jobs in coal mining. In recent decades, technological progress has created better production methods that are less labor-intensive, including automation. Progress in developing alternative sources of energy has lowered the cost of cleaner sources of energy, including renewable sources, such as solar, wind, hydroelectric, and geothermal sources. The development and increased use of fracking has dramatically

increased the U.S. supply of oil and natural gas that can be profitably extracted, used domestically, and sold globally. The rapid economic development of many emerging market economies and increasing international trade opportunities have caused the comparative advantage of many U.S. jobs to change from heavy-industry manufacturing and mining jobs into services jobs. Economically, it's efficient for Americans and American businesses to specialize according to their comparative advantage, using the lowest-cost production methods, and to engage in free trade internationally and globally. The U.S. has an international trade surplus in services (Bureau of Economic Analysis, 2018). At the macroeconomic level, U.S. fiscal and monetary stabilization policies, based on the Keynesian model, did help the U.S. economy recover from the 2007-2009 Great Recession. However, President Trump was critical of U.S. monetary policies by the Federal Reserve under its Chairperson, Janet Yellen, and he was critical of U.S. fiscal policies under President Obama. Since becoming President, Trump has replaced Janet Yellen with Jerome Powell, to get the Federal Reserve to follow the President's monetary policy preferences (Bergstrand, 2017). However, that change undermines the political independence of the Federal Reserve, which is likely to reduce its credibility and ability to achieve its goals of reducing business cycle fluctuations while keeping the U.S. inflation rate low, consistent with a strong-dollar policy internationally. Also, President Trump's reliance on the Supply-Side model, and rejection of the Keynesian model, is also likely to worsen U.S. fiscal policy, and the performance of the U.S. economy during the rest of his first term (Morash and Harrington, 2016; Lovelace Jr., 2018).

Protect the poor, disabled, and elderly in America by not cutting government spending on Medicaid, Medicare, and Social Security: In his first year as President of the United States, Donald Trump failed to achieve his campaign promise to protect the poor, disabled, and elderly in America, by not cutting U.S. Government spending on Medicaid, Medicare, and Social Security. Through his tax cuts and efforts to repeal the Affordable Care Act (i.e., Obamacare), without replacing it with a better program, he cut government spending on Medicaid and the Social Security Disability Income program (Wilensky, 2017; Edwards & Wilson, 2017). Trump's tax cut law is also partly financed by projected spending cuts in Medicare (Jacobson, 2017). Economist Larry Summers predicted that 10,000 Americans per year will die because of the Trump's tax law's provision that eliminates the individual mandate in Obamacare to have or buy health insurance (Cox, 2017). As a Presidential candidate, Donald Trump also considered privatizing the Social Security program; so he might try to do that before the end of his first term (Kaczynski, 2016; Luhby, 2016). In principle, a perfectly competitive Capitalistic market economy with an economically efficient government limited to laissez-faire policies, in the absence of important market imperfections, would not have poverty-relief programs, and would not have government policies to reduce the inequalities of income and wealth among households. However, in practice, this complete set of ideal market conditions doesn't exist in the U.S. nor in other developed and developing market economies. Some important market imperfections create poverty and create an unfair concentration of income and wealth. This private sector failure economically justifies some government (i.e., public sector) programs, such as Medicaid, Medicare, and Social Security, to improve market conditions, to increase social welfare. The primary efficient economic goal of government policies is to maximize social welfare – to maximize the economic well-being of the American people. By cooperating internationally with other governments, the U.S. Government can better achieve its own economic and financial goals, while also helping the governments of other countries achieve their efficient goal of helping to improve the lives of their people, without reducing the international competitiveness of the United States.

4. CONCLUSION

This paper provides timely research on President Trump's 2016 Presidential campaign promises and his important policies as President of the United States throughout 2017 and January of 2018 -- his first year in office. This is interesting research, partly because the President of the United States is the single most important political leader in the United States and in the global economy, and partly because President Trump's particular policies, character, and personality have made him headline news practically every day of his campaign and Presidency. President Trump has already started his campaign to be re-elected in 2020 for a second term (Trump, n.d.).

The most important finding is that most of Donald Trump's Presidential campaign promises are not economically and financially efficient – not best for the U.S. economy and society. In his first year, he did not complete his campaign promises to “lock her up”, “drain the swamp”, or “build the wall”, but he did partially achieve some of his promises, and did fully achieve his promise to lower taxes on both businesses and individuals, and his promise to nominate a conservative Republican judge to serve on the Supreme Court of the United States. Some of his remaining campaign promises are likely to be fully achieved in the remainder of his first 4-year term, if they are not blocked by Congress or the courts, and not prevented by a U.S. recession or financial crisis.

This research paper primarily contributes to the literature by using the principles of finance and economics to objectively analyze and evaluate Donald Trump's 2016 campaign promises and Presidential policies during his first year in office. No similar paper about President Trump was found in my literature review. The author of this research paper has previously written two similar papers on the campaign promises of Bernie Sanders and Hillary Clinton; those papers have been published in peer-reviewed journals (Johnston, 2016; Johnston, 2017).

One limitation of this academic research paper is that some of Trump's campaign promises were not reviewed in this paper; this paper covers the ten promises that the author believes are the most important economically and financially (Berenson, 2018). Some principles of finance and economics were not used to analyze and evaluate his promises; this paper uses those principles that the author believes can be best used to objectively analyze and evaluate the campaign promises reviewed.

One recommended future research project would be to do a research paper similar to this one but over President Trump's second year in office. The author of this paper is already working on researching and writing that paper.

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THE INFLUENCE OF MANAGEMENT PRACTICES EFFECTIVENESS ON ORGANIZATIONAL PERFORMANCE

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ABSTRACT:

The global economy is entering a phase of profound transformation that will lead to major changes in business models. The global economy is moving apace toward digitization and the challenge that businesses need to answer is to be able to transform the current business model into a competitive one in the future. In this context, organizational performance is increasingly important, especially in a dynamic market characterized by intense competition. Ensuring performance or continuous improvement of it is one of the key objectives of management, both at the organization level and the individual and team as well. The results presented in this study are part of extensive research which was aimed at developing a model of organizational performance assessment and analysis to identify and implement best practices of management within a multinational company in Romania. Therefore, in this study we intend to present the impact, influence of management practices effectiveness expressed through strategies and policies, general management and operational management on organizational performance expressed by the following indicators: customer orientation, employee performance and organizational effectiveness. Therefore, we intend to present the analysis of the methods and the extent to which management practices provide improved customer focus, employee performance and organizational effectiveness as indicators of perceived performance of the company. Analyzed statistical population consists of members of a multinational company from Romania which offers IT services. Research sample consists of 148 employees from all departments of the company. The results obtained are based on quantitative research methods and for this purpose we employed the questionnaire as the investigative tool.

Keywords: *Management practices, strategies and policies, general management, operational management, customer orientation, employee performance, organizational effectiveness.*

1. INTRODUCTION

The success of management and globalization models have contributed to increasing interest in the concept of performance, namely its study and its links with the organization's strategies and policies.

Organization theory emphasizes the role of performance with organizational culture and believes that this refers to common values and meanings that create the reality of organizational life, determines the effectiveness and profitability in an increasingly dynamic and less predictable environment.

Organizational performance is increasingly important, especially in a dynamic market characterized by intense competition. Ensuring performance, respectively continuous improvement, is a key objective of the management on both the organization and the specific individual and team level (Meng & Minogue, 2011).

The management system of the company is defined as the information compendium and decision flows, being a rigorous and comprehensive management construction that is focused into well-defined rules, regulations and procedures and ensures the achievement of the strategic and operational goals and the organization's mission (Ilies et. al., 2005).

An effective management necessitates performances in all areas of the organization, which requires the integration of all management systems (performance, cost, quality, sales, human resources, finance, etc.), based on an organizational culture that ensures confidence, a strong and informed leadership,

appropriate and effective management practices in human resources and continuously improve the organization's performance (London & Mone, 2014).

Starting from the role and importance of management in an organization, P. Drucker (1998), defines management as a sum of principles, limited but important, that focus on people, is linked to culture and ensures that all members of their organization are committed to respect common values and achieve the objectives and performance to be evaluated and continuously improved, is an integral part of the organization (Drucker, 1998:30-43; Ilies et. al., 2005:10).

In the context of an increasingly dynamic and uncertain environment, the role of effectiveness and efficiency of the management system on the company performance and functionality are increasingly amplified.

An organization's management system analysis assumes that it largely determines the potential for continuous improvement of organizational performance.

At the same time, we find that the effectiveness of an organization's management system, as a prerequisite for obtaining high performance, is influenced by a number of factors among which strategies and policies has a very important role. Performance orientation refers to the responsibility of company members, managers and employees towards higher levels of performance and results (Jan van Ree, 2002).

Since there's no much research on management practices as a contextual factor of performance in order to continuously improve it, our study is aimed at determining the impact of management practices on the organizational performance expressed by indicators such as, customer orientation, employee performance and organizational effectiveness.

2. LITERATURE REVIEW

Performance is the result of appropriate and effective behavior, based on the use of general and specific knowledge and skills required. Performance, or how to get results, provide important information for analyzing and knowing what to do to improve it (Leung & Horwitz, 2010).

Performance is often defined in terms of output, measuring the achievement of objectives. But performance is not only a problem of results, of what people are achieving, but how they perform (Lee et. al., 2006).

Employee performance as a measure of organizational effectiveness is defined by many practitioners as the degree/extent to which employees meet the mission of the organization at workplace (Cascio, 2006).

The concept of performance refers to both behaviors and results. Behavior emanates from the performer and transforms the performance from an abstract concept into action (Robertson et. al, 2002).

Thus, to define performance there are two ways, namely the consideration of results and behaviors, both of which must be taken into account. One reason for this approach is because, there is often confusion about the relationship between behavior and results.

Typically, the behavior is considered to be a determinant of the results, and the latter is one of the means by which the effectiveness of the performance or behavior may be evaluated (Quinn & Rohrbaugh, 1983).

Organizational performance indicates the level of achievement of the specific objectives or mission at the workplace of an employee and is based on three dimensions of this concept, which provides a basis for a competitive advantage namely, the relationship with the customer, product and operational excellence (Al-Tit, 2017:2).

We believe that non-financial indicators used in this research are suitable for evaluating the relative performance because it provides information on key performance factors: customer orientation, employee performance and organizational effectiveness. An important argument for the use of non-financial indicators of organizational performance is that, in this way we can make some connections between company's strategies and policies, taking as a starting point the vision, mission and key success factors (Ittner et. al., 1997).

3. RESEARCH METHODOLOGY

This study aims to present a series of conclusions obtained after the completion of an extensive research that was aimed to develop a model for assessing and analyzing organizational performance to identify and implement best management practices in a multinational company from the IT&C industry in Romania. Therefore, in this study we intend to present the impact of management practices effectiveness expressed through strategies and policies, general management and operational management, on organizational performance expressed by the following indicators: customer orientation, employee performance and organizational effectiveness.

The research is based on the quantitative analysis of the data, so the instrument used to collect the data was the survey based on questionnaire through which we measured the respondents' perception toward the practices that ensure the effectiveness of the management system in the analyzed company and how they influence the organizational performance.

The statistic population analyzed is represented by the employees of an IT&C company in Romania. The research was based on a representative sample of the population under study, consisting of 148 employees.

The questionnaire used in the research includes a set of items that measure respondents' perception on issues, practices and factors that are important in assessing the management system effectiveness and how they influence organizational performance of the analyzed company. The items were measured on a Likert-type scale from 1 to 5 (1 - totally disagree, 2 - disagree; 3 - undecided; 4 - agree, 5 - completely agree).

Therefore, the results presented in this article are intended to illustrate the impact of management practices effectiveness, respectively the effectiveness of strategies and policies, general management practices and operational management on individual and team performance of the analyzed company.

To determine the impact of management practices effectiveness on performance, we have developed a model of analysis which primarily included the items represented by the primary variables, plus variables aggregated by type of practices (strategies and policies, general management practices and operational management practices) and at the level of the company's management system. Therefore, the construct is comprised of an aggregate variable that sums up the items/primary variables covering the main activity areas of the management system, as following:

- Strategies and Policies (SP).
- General Management (GM).
- Operational Management (OM).

To determine the impact of management practices effectiveness on organizational performance, we built three performance indicators, namely:

- Customer orientation (CUSTOMER).
- Employee performance (EP).
- Organizational effectiveness (Oef).

In order to achieve the goal of the present study, we tested the following statistical hypotheses:

- *H1*: There are positive and significant connections between strategy and policy, general management and operational management, as dimensions of the company's management system.
- *H2*: Strategies and policies, general management and operational management, as dimensions of the company's management system, have a positive and significant impact on customer orientation.
- *H3*: Strategies and policies, general management and operational management, as dimensions of the company's management system, have a positive and significant impact on employee performance.
- *H4*: Strategies and policies, general management and operational management, as dimensions of the company's management system, have a positive and significant impact on the organizational effectiveness.

4. DATA ANALYSIS AND PRESENTATION OF RESULTS

Analysis of the factors that determine the management system effectiveness was based on three dimensions translated into the following statistical variables: strategy and policy, general management and operational management.

Therefore the variable *Strategies and Policies*, coded *SP*, is the first dimension underlying the analysis of the management system effectiveness and investigating the respondents' perception regarding the concerns of the company's management to develop the strategic dimension, by identifying and implementing best practices in the implementation and monitoring of strategies and policies. *SP* variable consists of 14 items/primary variables and registers an average of 3.94 (table 1) which is a good average, indicating a positive perception of respondents regarding the existence of good practice in the implementation and monitoring of strategies and policies of the company.

General Management variable, coded *GM*, is the second dimension underlying the analysis of the management system effectiveness, consisting of 32 items/primary variables and refer to management/administration of the company and aims to investigate the respondents' perception regarding management practices used in the analyzed company. *GM* variable recorded an average of 4.06 which shows a good perception of respondents on management practices that occur in the company.

Operational Management variable, coded *OM*, is the third dimension underlying the analysis of the management system effectiveness, aiming to investigate the respondents' perception on the effectiveness of operational management practices existing in the company. *OM* variable includes 26 items/primary variables and has an average score of 3.94 indicating a positive perception of the respondents regarding the operational management practices applied in the analyzed company.

TABLE 1. DESCRIPTIVE STATISTICS: ANALYZED VARIABLES

Variable	Obs	Mean	Std. Dev.	Min	Max
SP	148	3.947321	.5447538	2.64	4.86
GM	148	4.063304	.4761792	2.94	4.94
OM	148	3.940893	.4865517	2.88	5
CUSTOMER	148	4.069286	.6243623	2.82	5
EP	148	4.018924	.4378676	2.948575	5
OEf	148	4.081396	.454259	3.001759	4.96

Source: Own research

Regarding performance indicators, *Customer Orientation* variable, coded *CUSTOMER*, totaling 22 items and recording an average score of 4.06 (table 1) indicates a good perception on how the relationship with

customers is managed. The analysis of the items that compose *CUSTOMER* variable, one can say that the success of the customer relationship competes with the processes/operations of the company, the competitiveness of the employees and the expectations of the customers, respectively the connection between them.

Employee Performance variable, coded *EP* consists of three aggregated variables investigating issues related to involvement, motivation and development of employees and recorded an average of 4.01, reflecting a good performance level of employees.

Organizational Effectiveness variable, coded *OEf* recorded the highest score of the investigated variables (4.08) and is a complex performance indicator, which includes items related to the management system effectiveness, leadership effectiveness, human resources management effectiveness and performance management effectiveness. Taking into consideration effectiveness as an indicator of organizational performance, which measures the extent to which organization reaches its objectives (Robertson, et. al., 2002), we can say that it reflects a high level of organizational performance existing in the analyzed company.

Judging from the results in Table 2, which includes statistical links between the model variables, respectively based on the analysis of correlation coefficients, we find the existence of strong connections between variables representing the management system dimensions. Thus, the strongest link is recorded between the variable that represents the general management practices and the variable strategies and policies ($r = 0.8499$), demonstrating that strategies and policies have a strong influence on general management practices and vice versa, general management practices influence company strategies and policies.

If we look at the correlations between variables representing effectiveness of management practices and variables that are performance indicators of the organization, we can identify extremely strong connections between the effectiveness of general management practices and employees' performance ($r = 0.9369$), respectively, between the effectiveness of general management practices and organizational effectiveness ($r = 0.9613$). Also the effectiveness of the operational management practices is strongly correlated with the employee performance ($r = 0.8639$) and organizational effectiveness ($r = 0.8886$).

Similarly, it can be seen that the variable representing the effectiveness of general management practices and the variable indicating the customer orientation are positively and significantly correlated ($r = 0.7825$). The same is true for the correlation between the variable representing the effectiveness of operational management practices and the variable which represents the customer orientation ($r = 0.6404$).

These results can contribute to raise awareness of the decision makers in the analyzed company regarding the importance of ensuring the effectiveness of the management system with its dimensions (strategies and policies, general management, operational management).

TABLE 2. CORRELATIONS

	SP	GM	OM	CUSTOMER	EP	OEf
SP	1.0000					
GM	0.8499	1.0000				
OM	0.7733	0.8498	1.0000			
CUSTOMER	0.5972	0.7825	0.6404	1.0000		
EP	0.8415	0.9369	0.8639	0.7134	1.0000	
OEf	0.8903	0.9613	0.8886	0.7588	0.9796	1.0000

Source: Own research

TABLE 3. IMPACT ANALYSIS

ANALYZED VARIABLES	N	F	Prob > F	R ²	Coef.	t	P> t
SP - CUSTOMER	148	57.80	0.0000	0.3566	.6844745	7.60	0.000
GM - CUSTOMER	148	287.51	0.0000	0.6123	1.02604	16.96	0.000
OM - CUSTOMER	148	83.61	0.0000	0.4101	.8218068	9.14	0.000
SP - EP	148	240.40	0.0000	0.7081	.6763991	15.50	0.000
GM - EP	148	804.81	0.0000	0.8777	.8614887	28.37	0.000
OM - EP	148	328.74	0.0000	0.7464	.7774826	18.13	0.000
SP - OEf	148	372.88	0.0000	0.7926	.7423684	19.31	0.000
GM - OEf	148	2586.09	0.0000	0.9241	.9170418	50.85	0.000
OM - OEf	148	586.41	0.0000	0.7895	.8295897	24.22	0.000

Source: Own research

The results of the correlation analysis indicates that management practices are important predictors for the three indicators that express the performance of the organization. In this regard, in Table 3 is where one can see the main information resulting from a series of econometric models developed to study the impact of management practices referred to as statistical variables *SP*, *GM* and *OM* on performance indicators of the organization represented by variables *CUSTOMER*, *EP* and *OEf*.

Therefore, can be seen that all three variables that represent the dimensions of the management system have a very strong and statistically significant impact upon the three indicators of the performance of the organization ($p < 0.05$).

Thus, general management practices have a measurable impact of 1.0260 on customer orientation, which is an extremely high impact.

Studying the impact of management practices on employee performance, can be seen a strong and statistically significant impact ($p < 0.05$). The strongest impact on employee performance it has the general management practices with a coefficient of 0.8614.

Referring to the analysis of the impact of variables that represent the dimensions of the management system on the variable that expresses the organizational effectiveness indicator, we can observe that all three variables have a positive and powerful impact on the organizational effectiveness ($p < 0.05$). The biggest impact on organizational effectiveness is recorded by the variable general management practices (0.9170).

We conclude that the effectiveness of management system analyzed through three dimensions (strategy and policy, general management and operational management) have a strong impact on the performance indicators analyzed, which means that the effectiveness of management practices expressed by those three dimensions are good predictors for the performance of the analyzed company expressed by the three non-financial indicators: customer orientation, employee performance and organizational effectiveness.

5. CONCLUSIONS

This study aims to present a series of conclusions obtained after the completion of an extensive research that was aimed to develop a model for assessing and analyzing organizational performance to identify and implement best management practices in a multinational company from the IT&C industry in Romania. Therefore the study of impact of the management practices effectiveness expressed through strategies and policies, general management and operational management, on organizational performance expressed by the following indicators: customer orientation, employee performance and

organizational effectiveness, allowed us to demonstrate the existence of a strong connection, i.e. the impact of the management practices effectiveness from the analyzed company on the organization performance.

As a general conclusion that emerges from verification of research hypotheses is that management practices have a direct impact on company performance, representing strong predictors for company's performance. The strongest predictors for performance indicators, according to the results of our study, are the general management practices, which means that decision-makers in the company analyzed, should pay attention to improving their practices in order to improve the company's performance.

The company also must ensure the effectiveness of strategic dimension and operational management practices that also have a strong influence on company's performance. Of course this means the development of appropriate and effective training programs not only for managers but also for other employees, which will constitute an important support for continuous performance improvement.

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PRODUCT REVIEW: POST PURCHASE DISSONANCE PERSPECTIVE

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ABSTRACT

The purchase decision and post-purchase product review of 435 customers were studied. Customers' reviews rating for their purchase were collected. Data collected shortly after the purchase decision was made, showed that the chosen products received high customer rating. Data collected for older reviews for the same products showed that the older the review the lower the customer rating. It was concluded that product choice behavior influences post-purchase attitudes about product attractiveness. The data provide a possibility of the existence of a post-decisional dissonance effect. The post-decision data suggest that individuals need to feel rational since they brought their perceptions into line with their behavior. If the post-purchase dissonance experienced by an individual is great enough, it could cause that individual to reduce dissonance by giving the product high reviews, if the review took place right after buying the product and before sufficiently trying the product and determining met or did not meet expectations.

Keywords: *post-purchase dissonance, product review*

1. INTRODUCTION

In today's online driven economic landscape, more and more companies and businesses are looking at the role of consumer experiences in buying patterns. Typically, these experiences can be related back to the company or retailer by the consumer in the form of a succinct, qualitative online review system. This allows not only the company to receive direct feedback regarding their products and services, it also allows other consumers to openly view the aggregated experiences of their fellow shoppers regarding said products and services.

This type of information can be invaluable for both the businesses and the consumers and it seems clear that the role of online reviews in our economy can have a significant impact on how consumers view and buy products. While acknowledging the importance of the online product/service review, one must determine the quality of the reviews themselves. Are they unbiased? Are they honest? What factors go into a consumer review that can be accounted for? What factors go into a review that exists outside the objective recounting of the consumer's experiences? One of these factors will be examined in this study.

Specifically, the objective is to examine the role of elapsed time after the purchase of a product as a variable in explaining the rating of the subsequent online product review. This research is looking to determine if, to reduce post-purchase dissonance, a consumer is more likely to provide a positive online review immediately following a purchase. Research shows that the more the time is elapsed from the occurrence of cognitive dissonance, the more likely the affected individual is to reconcile with a new cognition. It then stands to reason that the amount of time elapsed post-purchase before the online review has been submitted plays a role in the quality of the score in an online review.

2. THEORETICAL BASIS AND RESEARCH PROPOSITIONS

An Overview of Cognitive Dissonance Theory

In psychological research, Festinger described cognitive dissonance as the psychological or cognitive "discomfort" that results from holding two contradictory beliefs simultaneously (1962). Festinger theorized that individuals have an inner drive to hold all our attitudes and behavior in harmony and avoid

disharmony (or dissonance). This is known as the principle of cognitive consistency. When one has inconsistent beliefs, thought patterns, or values, dissonance can occur. This can lead to an individual to attempt to rebalance their psychological comfort by altering their cognitions. Cognitive dissonance refers to a situation involving conflicting attitudes, beliefs or behaviors. This produces a feeling of discomfort leading to an alteration in one of the attitudes, beliefs or behaviors to reduce the discomfort and restore a sense of psychological equilibrium. When there is an inconsistency between attitudes or behaviors, something must change to eliminate the dissonance (on an individual cognitive level). In terms of marketing, this can mean that consumer dissonance has implications relating both to cognitions and behaviors. Consumers may change the way they view a product in order to balance out any uncomfortable thoughts they might have (such as a steep price) regarding said product. The concept of dissonance can be important when conducting research related consumer behavior. There has been a great deal of research into cognitive dissonance, providing fascinating findings. It is a theory with very broad applications, demonstrating that we aim for consistency between attitudes and behaviors, and may not use very rational methods to achieve it. It has the advantage now of being testable by scientific means. There used to be an issue from a scientific point of view because we didn't believe that cognitive dissonance could be physically measured. Therefore, we did not believe that it could be objectively measured. However, we now know that there is neural evidence for the phenomenon we know as cognitive dissonance.

Dissonance has recently been studied from a neurological perspective. Van Veen and colleagues investigated the neural basis of cognitive dissonance and found that the dorsal anterior cingulate cortex and anterior insula regions of the brain were activated during experimentally induced dissonance in participants (2009). Magnetic resonance imaging (MRI) evidence has suggested that the greater the psychological conflict registered by the anterior cingulate cortex, the greater the magnitude of the cognitive dissonance experienced by the person. Considering the influential nature of cognitive dissonance in psychology, the discovery of the neural basis of dissonance has elevated the potential for research to beyond that of a purely conceptual model.

Consumer review from a Cognitive Dissonance Theory Perspective

When it comes to the post-purchase product review, existing research has largely ignored the consumer's psychological status. Mullikin discusses instances in which a consumer may attempt to reduce dissonance from an economic perspective (2003). The consumer may attempt to change their attitude regarding the price of a product, such as assuring themselves that a high price is positively correlated with high quality. Another dissonance reducing (or rationalizing) consumer strategy reported by Mullikin is known as minimization. If a consumer is determined to purchase a product, they are likely to minimize the importance of money to themselves regarding the transaction, thereby allowing themselves to feel more comfortable and confident in the prospective purchase. This study is important because it demonstrates the link between consumer dissonance and behavior.

Bose and Sarker were interested in what factors influence the cognitive dissonance experienced by consumers. They found that factors such as norms, religious values, cultures, and customs all contributed in their own ways to the development, maintenance, and resolution of dissonance in consumers (2012). These findings suggest that many factors could potentially affect consumer behavior in the form of product reviews. Some research focused on specifically investigating the contrast between American and Chinese consumers concerning post-purchase dissonance and found that culture can play a particularly significant role in the amount of dissonance experienced by the consumer (Tao and Jin 2017). American consumers are more likely to conduct independent research (such as reading online product reviews before making a purchase) and are prone to rationalizing their purchases based on said research. This behavior can lead to further post-purchase dissonance if the consumer's opinion regarding their purchased product is incongruent with the research they have conducted leading up to the decision to purchase. Dissonance Hasan and Nasreen were also concerned with the factors that influenced dissonance and its implications on consumer behavior. They found that if a consumer is more personally involved in making a purchasing decision – that is to say, it was a more individual decision than a decision influenced by third-parties – that individual is less likely to experience dissonance (2012).

Hasan and Nasreen also found that: "Income and the cost of the product are expected to have a direct relationship with the quantum of dissonance felt by the consumers after completing a purchase transaction. The higher price of the product always brings more dissonance to the consumers attached herewith." (2012). Simply put, price places an important role in the amount of dissonance that is potentially experienced by the consumer. There is also a tendency for this to be true when the expensive item in question is closer to an indulgence (such as a high-end appliance) than a necessity. The dissonance is believed to be lessened when an expensive purchase is essential for day to day survival.

Another important aspect of dissonance as it relates to consumer behavior is the cognitive reevaluation process. Cohen and Goldberg (1970) found that: "It would be useful to categorize at least two post-purchase stages in a consumer decision model in terms of the potential for learning at each stage. If there is a reasonable time interval between purchase and product use, the potential for outcome-based learning is likely to be initially low. The probability of consistency-based justification would be greatest in this interval. The extent of cognitive justification at this point, especially if accompanied by increasing commitment (e.g., telling others about the purchase), may interfere with more objective appraisal following product use." Individuals are likely to reevaluate purchase decisions positively if they are consistent with their initial appraisal of the purchase. However, if evidence were to disconfirm the usefulness (or perceived usefulness) of a product then the consumer would be likely to reevaluate the purchase decision negatively. People will tend to give a better review of a product before they have had time to get to know the flaws of said product. After they have reevaluated the product they are more likely to have an objective view that is less influenced (and potentially inflated) by the dissonance experienced immediately after the purchase. It is important that readers of online reviews are wary of individuals who may be attempting to justify purchases by inflating the perceived quality of products. This justification is the inherent nature of dissonance in the sense that these individuals are attempting to return to a state of cognitive equilibrium after experiencing a possibly psychologically uncomfortable decision.

Consumer Behavior in relation to Dissonance Theory

As Festinger first suggested, when there is an inconsistency between attitudes or behaviors (dissonance), something must change to eliminate the dissonance. Dissonance, as discussed so far, might motivate future compensatory responses. On the other hand, a longer, more extensive encounter may result in greater justification for one's future inclusion/exclusion decision. Put differently, following an irrevocable decision that might exclude an individual one has just met, one way of reducing the dissonance aroused by excluding another may be to strengthen one's certainty that committing the offense was justifiable. Thus, we may expect to see behavioral compensation occurring when an individual lacks the time and information to sufficiently justify an exclusion decision. People have several ways to reduce dissonance that is aroused by making a decision. One thing they can do is to change the behavior. This is often very difficult, so people frequently employ a variety of cognitive maneuvers to accomplish this.

A common way to reduce dissonance is to increase the attractiveness of the chosen alternative and to decrease the attractiveness of the rejected alternative. This is referred to as "spreading apart the alternatives." Sears and colleagues identified four factors that may induce dissonance-congruent behavior if felt acutely by an individual: irrevocable commitment, foreseeable/foreseen consequences, responsibility for consequences, and effort (1991). For example, one might experience dissonance if they were locked into a secure contract for supplies that later turned out to be insufficient for their purposes. Forced compliance occurs when an individual performs an action that is inconsistent with his or her beliefs. The behavior can't be changed, since it was already in the past, so dissonance will need to be reduced by re-evaluating their attitude to what they have done. If you were the manager in a factory and you gave permission to an employee to dump hazardous material into a river that resulted in the death of wildlife, the dissonance that might result is likely due to the fact that you were aware of what could or would happen.

Similarly, the degree of responsibility also makes a difference in the amount of dissonance experienced by an individual. The person who was ordered by their manager to dump waste in the river would likely experience less acute dissonance than the manager who ordered the act. This is due to the difference in perceived responsibility. The worker may feel less responsible because they were just following orders

and, therefore, feel less resulting dissonance. However, the manager who made the decision is likely vulnerable to higher levels of dissonance because it was they who gave the order, hence the increased feeling of responsibility. Finally, the more effort exerted in an act which might potentially have harmful consequences, the stronger the resulting dissonance. If a manager put money, time, and resources into a specific project, they are likely to experience a stronger urge to justify that project, even if it proves to be fruitless. It seems to be the case that we value most highly those goals or items which have required considerable effort to achieve.

This is probably because dissonance would be induced if we spent a great effort to achieve something and then evaluated it negatively. We could, of course, spend years of effort into achieving something which turns out to have little to no value and then, to avoid the dissonance that produces, try to convince ourselves that we didn't really spend years of effort, or that the effort was quite enjoyable, or that it wasn't really a lot of effort. In fact, though, it seems we find it easier to persuade ourselves that what we have achieved is worthwhile. Most people experiencing dissonance due to effort (or opportunity cost) will evaluate highly something whose achievement has cost them. This method of reducing dissonance is often known as effort justification. If someone puts effort into a task which they have chosen to carry out, and the task turns out poorly, they experience dissonance. To reduce the resulting dissonance, individuals are motivated to try to think that the task turned out better than it likely did.

Individuals experiencing dissonance are often driven to justify decisions that they have made that might not have proven to be the most worthwhile. They feel an urge to reduce their levels of cognitive inconsistency related to their decision. Gawronski wrote that: "inconsistency serves as an epistemic cue for errors in one's system of beliefs. Because inconsistency can often be resolved in multiple ways, motivated reasoning can bias processes of inconsistency resolution toward desired conclusions, although motivated distortions are constrained by the need for cognitive consistency." (2012). Simply put, justification for decisions perceived as "bad" after the fact is done so in an effort to reach a state of psychological consistency. Most often, the reasoning of those experiencing the dissonance is biased due to the pressure they feel to right their dissonant discomfort in a positive way.

This finding is also relevant from a purchasing standpoint. If a person were to buy a particularly expensive appliance that they didn't really need or couldn't necessarily afford, they will feel a psychological motivation to rationalize the decision to themselves. The form this rationalization may take can vary. One specific form that this study is interested in is the effect of this dissonance on consumer ratings in the post-purchase context. To justify that expensive purchase, might someone hastily remark on the positives of the product, before they have had time to critically analyze its usefulness? Might they mentally reduce the flaws in the product due to the price or the difficult decision to purchase? Based on previous research on Dissonance Theory, these results seem probable. This behavior can be observed in the subsequent online reviews of dissonant consumers. Consumers experiencing dissonance will go the great lengths to justify their purchasing decisions, especially if the dissonance is particularly salient. This study aims to demonstrate that reviewers are much more likely to leave a higher-rated review (chronologically near to the purchase decision) to ease dissonant thoughts related to the purchase.

Research Propositions

A reviewer is more likely to post a review that achieves an accord with the dissonant cognitions that they were experiencing during purchase. If the consumer is experiencing conflicting emotions or cognitions regarding a purchase, then a psychological effort may be made to assuage whatever resulting negative feelings the consumer may experience. This effort is an attempt to reach the psychological equilibrium that naturally exists when one does not hold conflicting thoughts simultaneously. Given the self-serving bias, the reviewer is likely to reduce post-purchase decision by adding, consciously or subconsciously, a supportive cognition through providing a positive online product review.

Proposition 1: A post-purchase dissonance is likely to result in a positive post-purchase product review. The action of leaving a positive review post-purchase eases the cognitive stress that may have been caused by the purchase. This is especially accurate when the decision to make the purchase was a difficult one or the price of the good or service was markedly significant to the consumer. Providing

positive reviews right after purchasing the product should increase consonance following the purchase of an important product (experience goods).

Proposition 2: Providing a positive post-purchase product review is likely to reduce the post-purchase decision dissonance. When a consumer is given time to objectively evaluate the product or service that they were initially experiencing dissonant cognitions regarding, they are more likely to give that good/service a more realistic and unbiased review. The dissonance has had time to dissipate from the cognition of the consumer and eventually they are more comfortable with their decision to purchase, thus negating the need to appraise the good/service in a strictly (comforting) positive estimation.

Proposition 3: The tendency of a dissonant reviewer to provide biased online review supportive of the old cognition decreases with the elapse of time from the time of occurrence of cognitive dissonance.

3. RESEARCH DESIGN

Research Sample

Data for this study was gathered from n=435 online product (appliances) reviews from the retailers Wal-Mart and Lowes. Data gathered during the final financial quarter of 2016. The reasoning behind utilizing these retailers for research purposes was that they request the time of the consumer purchase in the review process.

Measures

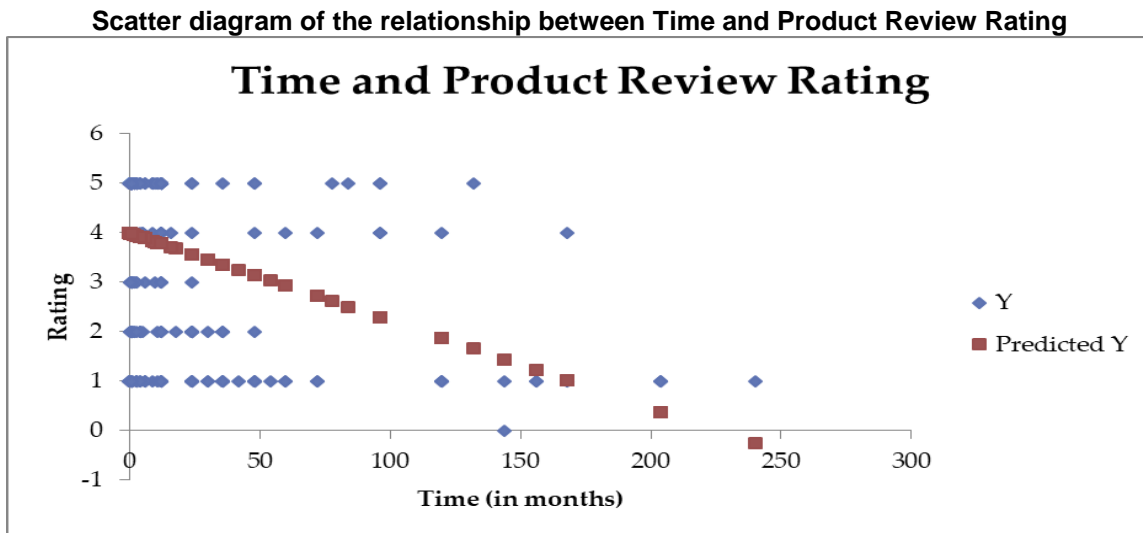
The product reviews themselves were measured on a Likert-type rating scales with scores ranging from 1 to 5. The amount of time before the review was measured on months.

4. RESULTS OF THE STUDY

Applying the correlation statistic method between review rating and time elapsed showed that there is a significant negative correlation between review rating and time elapsed, the correlation coefficient is -.433. Findings for this study are summarized in Table 1 below.

Table 1: the Correlation between Time and Product Review Rating

	Time	Product Review Rating
Time	1	-.433
Product Review Rating	-.433	1



5. DISCUSSION

The psychological discomfort, caused by post-purchase cognitive dissonance, triggers a mental recovery process in the affected individual, i.e., the reviewer, who can either resist the new cognition and actively look out for purchase supportive information or change the old cognition that led to the purchase decision. Research shows that the more the time is elapsed from the occurrence of cognitive dissonance, the more likely the affected individual is to reconcile with a new cognition.

In addition, time might calm down the intensity by which a dissonant individual looks out for purchase supportive information, which can be gained through posting a positive review. A practical implication of time elapsed, if proven to be true, is that the effectiveness of biased positive product review to reduce the concerns of dissonant individuals decreases with the passage of time. It can be observed that older reviews tend to lower scores associated with them.

Based on this research, the tendency of a reviewer to leave an objective review unbiased by dissonance will increase over time. There is also a tendency for a dissonant reviewer to leave a biased online review closer to the purchase time that is more in line with the dissonant cognitions that were likely experienced during purchase. A negative correlation that was found between the scales of rating and time within this study, demonstrates that elapsed time does seem to influence the ratings on purchases (in this case, relatively expensive appliances) that are likely to induce dissonance in consumers.

Contributions of this study

Using the findings and suggestions of this study, companies would be better suited to locate quality reviews amongst their review samples. It could also benefit consumers by assisting them in finding more credible reviews for online products they may be interested in. This research suggests that there is indeed a correlation between the ratings of online reviews and the amount of time that has elapsed post-purchase. Consumers should be able to view this study and then observe reviews displayed by online retailers and make a conscious discretionary choice about which reviews seem the most reliable. Likewise, online retailers could use this research to gauge the general credibility of their userbase and determine which products seem to accumulate the most dissonance among their clientele.

Limitations and future directions

There has yet to be an empirically supported consensus on the measurement of cognitive dissonance. Consequently, this study was unable to directly measure the level of dissonance displayed by consumers. However, there is progress on this front thanks to recent research. Sweeney and colleagues (2014) have developed a scale that could prove useful for future researchers to utilize in the pursuit of measuring cognitive dissonance. This scale appears to have approachable psychometric properties, including reliability and validity, as provided by their research. If an empirical consensus can be made regarding the viability of this scale, it may prove beneficial for future marketing research as well as psychological research.

Future research in this area should also focus on dissonance across price variances, developing scales to directly measure dissonance related to financial decisions, and a way to empirically utilize such scales into research designs.

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GLOBALLY MOBILE STUDENTS IN HIGHER EDUCATION INDUSTRY (HEI) WHAT DOES THE FUTURE HOLD FOR U.S. HIGHER EDUCATION INDUSTRY?

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ABSTRACT

From the earliest history of the civilized world, one the key engines for growth in an economy has been education of human beings. As the knowledge-based economies evolved, public policy officials around the world recognized a need to educate and train enormous number of students by offering the students opportunities to earn degrees offered by institutes of higher education. Welcome to the new world order, where nation states recognize institutes of higher education as a source of competitive advantage. Today, the phenomena of the internationalization of higher education, and student enrollment in study abroad programs to earn academic degrees, is receiving considerable attention from student, higher education administrators and policy makers alike. Taking a cue from public policies, institutes of higher education, including colleges and universities venture abroad to attract international students as well as send students abroad to prepare them for globally integrated workplace.

As institutes of higher education expand the geographic scope of their operations, students from other societies and languages, take advantage of studying abroad to enhance their cultural and personal experience, while improving their employability in the globalized sectors of the labor market. Recognizing the intensity of international student mobility flows globally, the author focuses on number of students entering the United States to pursue higher education. Additionally, the author discusses the impact of a broader political climate and impending immigration policy in the United States on globally mobile (international) students and the institutions of higher education.

Keywords: *internationalization, higher education, immigration, tourism, Travel ban*

1. INTRODUCTION

We live in a world, where money and trade as well as knowledge and skills are flowing seamlessly across many borders and from many sources. As per OECD (2016), the exploding demand for tertiary education worldwide and the perceived value of studying at prestigious post-secondary institutions abroad contribute to an increasing and diversified flow of international students. Approximately five million students were studying outside their home countries in 2014. This number is more than three times higher than in 1990. By most estimates, approximately 8 million people will become globally mobile by 2025. While a major decline in international student mobility is not anticipated, the rate of increase and the choice of destination country by such students may change (Altbach and de Wit 2017).

The increase in global demand for tertiary education, reduced transportation and communication costs, and the internationalization of labor markets for highly skilled people have given students stronger incentives to study abroad. The booming economies in countries like China and India and other emerging economies have created a new middle class that can afford international education. Additionally, many governments and supranational institutions have supported initiatives to promote academic, cultural, social and political ties among countries.

Global student mobility, however, stands at the crossroads due to disruptive forces in global political environment. By the end of 2016 the world witnessed a collapse of the Italian government after a failed referendum on constitutional reform and the new government of Poland implemented a series of antidemocratic moves, while xenophobic nationalist parties gained elsewhere in Europe. Additionally, during this year Britain voted to leave the European Union (Brexit) and the United States chose Donald Trump as the 45th president

For a long time, United States (US) and the United Kingdom (UK) dominated the international student market. Together these two countries hosted approximately 40 percent of globally mobile students. While these two countries are still at the top of the charts, their market share of total international students has been dropping over the years, down from 51% in 2000 to 29% in 2015 ([Open Doors Report](#), 2016). While the UK and the US have dominated influx of students for international study during the last decade, the climate of political uncertainty and anti-immigration sentiments is pushing students to explore other countries offering higher education opportunities. These two leading countries are creating more barriers to entry of young men and women to pursue higher education in their respective countries. Changes in the political climate, along with immigration complexities and post-study work restrictions in the US and the UK are pushing many aspiring international students to explore other, more favorable destinations.

2. GLOBALLY MOBILE STUDENTS AND THE UNITED STATES

American higher education is one of the greatest success stories of the 20th century—a success that expanded the economy and built the American middle class. By any real-world standard, the US led the world in higher education and both critics and advocates have acknowledged its leadership. Campuses across America have become international places, a reflection of the enduring strength of institutions of higher education and the attraction that going to school in America holds around the world. Since the mid-20th century, the United States has been the destination of choice for international students. Students from across the globe compete for spots in American universities. Some of the more than one million foreign students enrolled in US colleges and universities stay in the US after graduation, sometimes as employees under Optional Practical Training programs that allow some foreign graduates of US universities to stay up to 36 months (Martin, 2016).

When pursuing an education abroad, students frequently explore their enrollment options based on the quality of a target country's higher education system, its welcoming culture, reputation of its colleges and universities and the country's immigration policies conducive to transitioning into the labor market after graduation). Most of the international students pay for their American education with personal or family funds. About 20 percent receive funding from their respective American institutions while a smaller percentage receives funding from colleges or governments in their home countries (Zong and Batalova, 2016).

2.1 International Students in the United States

Among all **OECD** countries, the US hosts the largest number of international students at the master's and doctoral or equivalent level (26% of the total), followed by the UK (15%), France (10%), Germany (10%) and Australia (8%). Europe is the top destination for US students going abroad with the UK the most popular destination for U.S. students, followed by Italy, Spain, France, and China (Witherell, 2017).

As per the 2016, [Open Doors Report](#) (2016) released in November 2016, 1,043,839 international students came to study in the US in 2015-2016. They accounted for 5.2 percent of all students in the U.S. higher education system. International students contributed nearly \$36 billion to the U.S. economy that year. The report showed that over 313,000 students from US higher education institutions studied abroad in 2014-2016. Both study abroad participation and international student enrollments have more than doubled over the past 15 years as per the US Department of Commerce data.

2.2 Countries of Origin

According to a [UNESCO Institute for Statistics](#) analysis, U.S. is the primary destination for Chinese international students, followed by Australia, Japan, UK and Canada. With [over one million](#) international students, the US higher education sector has seen a consistent growth in the number of international students over the last decade was 10 percent and it decreased to 7 percent in 2016 (UNESCO, 2016). Top 10 countries sending college bound students to the United States are illustrated in Table One Below:

Top three countries of origin in 2015-16 are China, India, and Saudi Arabia, and they account for 53 percent of the total enrollment of international students in the United States. China has become the

largest single source of international students studying in the United States. The Chinese students make up approximately 31% of all international students).

Majority of students from India enter the United States to pursue graduate level education. Graduate level enrollment from India and Vietnam has significantly increased during past two years. It has declined during the same period for South Korea, Canada, Taiwan and Japan.

Country of Origin	Total international students		Field of Study as % of total – 2015-2016)		
	2014-2015	2015-2016	Business Management	Engineering	Math /Computer science
China	304,040	328,547	24.3	18.6	14.1
India	132,888	165,918	10.3	26.0	34.9
Saudi Arabia	59,945	61,287	17.2	25.7	8.2
South Korea	63710	61,007	16.8	12.6	6.7
Canada	27,340	26,973	16.2	8.1	3.4
Vietnam	18,722	21,403	29.8	9.6	7.7
Taiwan	20,998	21,127	19.8	15.9	8.1
Brazil	23,675	19,370	16.1	19.0	4.2
Japan	19,064	19,060	19.1	4.4	2.0
Mexico	17,052	17,733	18.8	14.1	4.5

Source: IIE Open Doors Report, 2016

2.3 Students on Optional Practical Training (OPT)

A growing number of high-skilled foreign workers find jobs in the United States under a program known as [Optional Practical Training](#) (OPT), which allows foreign graduates from U.S. universities to work in the country on a temporary basis. The federal government approved nearly 700,000 OPT applications in fiscal years 2008 through 2014, according to a Pew Research Center analysis of U.S. Immigration and Customs Enforcement data received through a Freedom of Information Act request. Currently there are over 147,000 international students in the U.S. on Optional Practical Training (OPT) (Ruiz 2017).

Country of Origin Top 10	Region	2014/15	2015/16	% Change
1. China	East Asia	43,114	52,195	21.1
2. India	South and Central Asia	29,388	42,328	44.0
3. Saudi Arabia	Middle East	1,178	1,495	26.9
4. South Korea	East Asia	6,635	7,039	6.1
5. Canada	North America	2,683	2,897	8.0
6. Vietnam	South-east Asia	1,578	1,670	5.8
7. Taiwan	East Asia	3,622	4,017	10.9
8. Brazil	South America	1,110	1,321	19.0
9. Japan	East Asia	1,285	1,416	10.2
10. Mexico	Mexico & Central America	1,298	1,519	17.0
	World total	120,287	147,498	22.6

Source: IIE Open Doors Report, 2016

Foreign students from India (72,151) and China (68,847) accounted for more than half (57%) of all those who were approved for OPT and found jobs from 2012 to 2015. Other top countries included South Korea (14,242), Taiwan (7,032) and Nepal (5,309) (Ruiz 2017). Data suggest that the total number of foreign

graduates using OPT may continue to increase in subsequent years. As of SY 2014-15, undergraduate international students outnumbered graduate students, and students enrolled in a degree program greatly outweighed non-degree students and those engaged in OPT. As per ITA Education Top Market Report (2015), number of students enrolled in the institutions of higher education in the U.S will continue to grow for next four years. If the United States maintains its welcoming policies during the next four years, approximately 1,185, 800 students will enter the U.S to pursue higher education. Top ten countries of origin for international students are as follows:

Place of origin	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
World total	1,033,400	1,064,400	1,096,400	1,140,200	1,185,800
China	317,300	345,800	374,400	402,900	431,500
India	121,300	125,200	129,100	132,900	136,800
South Korea	65,000	66,300	67,600	68,300	69,000
Saudi Arabia	56,900	54,100	51,400	49,900	48,400
Canada	27,200	27,000	26,900	26,700	26,600
Brazil	17,500	15,800	12,600	11,300	10,200
Taiwan	19,700	18,600	17,600	16,600	15,600
Japan	18,500	18,100	17,800	17,400	17,200
Vietnam	21,000	22,500	24,000	25,500	27,000
Mexico	15,400	15,600	15,800	15,900	16,100

Source: 2016 International Trade Administration (ITA) Top Markets Report, Travel and Tourism 2015,

United States expects to host international students from around the world, with projected growth rate 9.4% over five-year period. China and India will continue to be the leading countries of origin. It is projected that Saudi Arabia, Canada, Brazil, Taiwan and Japan will send fewer students to the United States for further studies.

3. CLIMATE CHANGE AND HIGHER EDUCATION INDUSTRY

As a Presidential candidate, Donald Trump promised to bring about change the political climate in the country for better. He frequently proposed tougher immigration policies, including the construction of a border wall between the United States and Mexico. Other promises made by the presidential candidate affecting higher education industry include but are not limited to:

- a. Develop a registry of all Muslims living in the United States
- b. Ban all Muslims from entering the United States until the United States authorities can figure out what is going on
- c. Deport undocumented immigrants residing in the United States
- d. Get rid of Optional Practical Training (OPT) option for international students
- e. Renegotiate North American Free Trade Agreement (NAFTA).
- f. Restrict approval of the H-1B (visa) for international students
- g. Institute a "buy American, Hire American" policy.

Now the 45th president of the United States is literally delivering on promises made during 2016 presidential campaign. Rest of this report will focus on the new political climate that will have immediate and long term implications for the United States' higher education industry.

3.1 Travel Ban Executive Order

As president, he has introduced two travel bans, which have both become ensnarled by legal challenges. A week after taking an oath the new administration took steps to pursue deliver on one of the promises that will affect the higher education industry. On January 27, 2017, President Trump issued an executive

order banning the citizens of seven countries from entering the U.S. for 90 days. The countries affected include **Iran, Iraq, Libya, Somalia, Sudan, Syria, and Yemen** (TeamCollege Factual, 2017). He signed a second a second executive order to suspend immigration from six predominately-Muslim countries, this time excluding Iraq from the list. Courts quickly blocked the bans but the logistical chaos and angry debate that ensued after the travel ban initiatives, created unease among globally mobile students and other travelers worldwide.

3.2 Effect of Travel Ban

Based on 2015 data collected by College Factual from the Department of Homeland Security, approximately **23,763 international students** studying in the US originated from the seven countries listed in the travel ban. As the current administration struggles to determine the viability of the second executive order banning immigration from six majority-Muslim countries, the future of international students from those countries and the institutions that were planning to welcome them hangs in the balance.

Country of origin /year	Iran	Libya	Yemen	Syria	Iraq	Sudan	Somalia	Total
2010	6,123	3,435	527	735	568	327	21	11,730
2011	7,965	3,270	658	780	794	339	34	13,780
2012	10,067	2,823	956	956	856	356	37	16,051
2013	12,115	3,149	1,245	1,396	1,033	374	51	19,363
2014	13,757	3,604	1,804	1,576	1,124	414	52	22,331
2015	14,981	3,772	2,053	1,334	1,075	481	67	23,763
Growth rate	19.60%	1.89%	31.25%	12.60%	13.61%	8.02%	26.12%	15.15 %

Source: College Factual www.collegefactual.com January 31, 2017

As is evident from Table one, approximately 47% of the total students studying in the United States come from Iran. Their number has grown by 19.6% over past five years. Students from Yemen and Somalia have grown by 31.2% and 26.1% respectively. President Trump's executive orders have complicated the enrollment situation, causing a shift in student visas and immigration policies while creating additional obstacles for international students interested in coming into the country (Skrentny, 2017).

A survey by Institute of International Education (IIE) highlights a 40% decline in international student applications. Nearly 40 percent of responding U.S. institutions is reporting a drop in international student applications, particularly from students in the Middle East, according to initial findings from a survey of 250 schools. The most significant decline in applicants came from the Middle East, with universities reporting a 39 percent decrease in Middle Eastern undergraduate applications and a 31 percent decrease in graduate applications from the region (Saul, 2017).

3.3 States Affected by Travel Ban

The states who currently see the financial gains from international students from the seven banned countries are California, Massachusetts, and Texas. These states could also stand to see the biggest loss if the ban were to be made permanent. These calculations are based on the amount of money paid by international students for full undergraduate tuition and fees, room and board, books and other typical charges at the 596 different colleges they attend (<https://inside.collegefactual.com/blog/how-trumps-travel-ban-affects-thousands-of-international-students?>).

Colleges and universities that hosted the students from the targeted countries estimate that the financial losses will be enormous if the student cannot enter the United States or choose not to enter due to changing political climate. Top three states stand to lose more than \$172 million as they stand to lose at least 3618 students due to travel ban. Average loss to states, thus, amounts to \$19,900 per student. The report released by the American Association of Collegiate Registrars and Admission Officers ((Ferrete, 2017), showed prospective students from regions and countries showing most concerns was as follows:

State	Number of Colleges	Number of Students	Potential Impact of travel ban
1. California	47	1,476	\$77,231,980
2. Massachusetts	35	849	\$47,625,108
3. Texas	32	1,293	\$47,323,044
4. New York	38	764	\$43,683,352
5. Florida	21	916	\$37,906,165
6. Miami	23	813	\$36,839,133
7. Illinois	27	695	\$33,990,327
8. Pennsylvania	29	626	\$33,403,146
9. Ohio	26	827	\$33,367,522
10. Virginia	17	465	\$20,878,390

Source: IIE 2016 Open Door Report

Students from the Middle East reported the highest increase in anxiety about enrolling in US universities. Citizens of other Muslim-majority nations such as Turkey, Jordan or Tunisia who are temporarily studying, teaching or researching in the United States as well as Muslim-Americans who live here permanently are equally shaken by the executive orders. Given the anti-Muslim climate currently brewing in the United States, students from these countries are exploring other country options including, Canada and Australia.

2.2 Impact on Students from Muslim Majority Countries

“As of 2010, there were an estimated 1.6 billion Muslims around the world, making Islam the world’s second-largest religious tradition after Christianity. Although Islam is often associated with countries in the Middle East or North Africa, nearly two-thirds (62%) of Muslims live in the Asia-Pacific region, according to the Pew Research Center analysis. Muslims make up a majority of the population in 49 countries around the world. The country with the largest number (about 209 million) is Indonesia, where 87.2% of the population identifies as Muslim. India has the world’s second-largest Muslim population in raw numbers (roughly 176 million), though Muslims make up just 14.4% of India’s total population” (Desilver, et. Al. 2017).

Fewer international students enrolling at American universities will mean that fewer domestic students may receive the tuition discount they need to pursue their degrees or to conduct research. This is just one of the consequences of restricting the travel of international students. If the immigration policies made it harder for student to pursue education in the United States, they will explore competitive options. Canada and Australia are revisiting their own immigration policies to reduce international students’ barriers to securing entry visa and permanent residency in their respective countries.

4. CLIMATE CHANGES BEYOND TRAVEL BAN

Both study abroad participation and international student enrollments have more than doubled over the past 15 years in the United States. *“Even though the United States retains the largest global market share of international students, [that market share has been declining gradually](#). In 2000, about one quarter of all international students globally came to the US. Within a decade that number shrank to 19 percent, and by 2012, the number had decreased further to 16 percent”* (Martin, 2015).

As the political climate changed after 2016 presidential election, aspiring international students faced increase in access barriers in the form of visa restrictions, extreme vetting, and lack of opportunities to stay in the United States after graduation and personal safety concerns motivated these students to explore other country options to pursue higher education. Higher education industry is further constrained due to proposed budget cuts for higher education, making it harder for low-income families to send their children for college education. A brief discussion of these political climate changes is next.

Rising institutional costs and declining government support have resulted in increased tuition and fees in the United States. As college costs have skyrocketed in recent years, foreign students *“have become an increasingly important group on American campuses. International students contribute significantly to the revenues at educational institutions; as such, they help subsidize other students who are unable to cover the cost of college, including those from the United States”* (Marber, 2017).

4.1 Higher Education Budget Appropriations

Presidential candidate Donald Trump promised to reduce the country's deficit. To fulfill this promise Higher Education Industry was one of the industries placed on the chopping block. President Trump's America First budget blueprint for 2018 calls for a \$1.3 billion reduction in the Pell Grant Program, significant cuts to the Federal Work-Study Program, and total elimination of the Federal Supplemental Educational Opportunity Grant Program, which assists students who have the greatest financial need. The budget also proposes eliminating subsidized Stafford loans, ending the public-service loan-forgiveness program, limiting income-based repayment options, cuts in career and technical education. The proposed changes to higher education funding raise concerns from critics that college could become less affordable to those who most need assistance (Mann, 2017).

4.2 Access Barriers

Access to the colleges and universities of the United States will definitely be more difficult for international students as it tightens border controls, instituting 'extreme vetting' for visa applicants. Throughout his run for the Presidency, Mr. Trump made it clear that he will make all Muslims go through what he called “extreme vetting” a thorough background check of students applying for visa to enter the United States. As it currently stands, international students have an opportunity to stay in the US to work for a year or more after graduation. Since Presidential Candidate Trump promised to get rid of the OPT option for international students, these students will be further dissuaded from entering the US as international students (Allen, 2017).

Visa restrictions (H-1B) will tighten making it difficult for international students graduating from US colleges and universities to stay and work following degree completion. The current administration's executive order representing “Buy American, Hire American” further slams the doors on prospective international students who aspire to stay in the US for education, training and work opportunities. This policy also deters a significant number of students from coming to the United States. A disruption in the flow of international students could be particularly worrisome for universities that balance their books with income from international students who generally pay higher tuition.

4.3 Shift in Destination Countries

Increasingly students of different ethnic backgrounds, including international students across the US campuses have faced discrimination, disdain and physical and verbal abuse. Students from the Middle East, Asia and Latin America are growing more fearful of attending college in the US. These security concerns and the immigration policies of current administration will motivate globally mobile students to identify other destination countries that offer quality education while making it easier for students to get the student visas. Australia, Canada, Ireland and New Zealand are already gearing up to cater to this student population by adopting immigration policies that reduce access barriers and offer opportunities to international students who wish to become permanent residents in the host countries. .

5. PUBLIC POLICY RECOMMENDATIONS

Higher education is one of America's great treasures, but it is facing multiple structural challenges. The demand for educated workers in the United States is accelerating as America's baby-boom generation, is on the verge of retirement. As America's baby-boom generation retires, the economic prosperity of the US will depend on the education level attained by the young college educated workforce including those who enter the country as students. At the same time, most colleges and universities are contending with a teenage American applicant pool that is expected to contract by 15% over the next two decades.

In a globalized world, no country can develop without talented individual's internationalist world outlook. Future managers and leaders trained by institutes of higher education must be able to understand and adapt to international cultural differences and associate freely with international colleagues. The IIE believes that the presence of international students in American schools provides U.S. residents with exposure to different cultures and ideas enlivening classroom discussion with their perspectives and experiences (McKenna).

5.1 Develop Effective Immigration Policies

There is no denying that protecting the nation is one of the most important roles of the federal government. Hence, it is important for the United States to be thoughtful about how to establish effective immigration policies. The country must also develop appropriate immigration policies to attract high quality, students for their undergraduate and graduate level education programs. To fulfill its public trust, American higher education must both be accessible to all citizens seeking postsecondary education, and be equipped to advance the nation through innovation and discovery. Creating a welcoming global society and economy in which nations and communities compete to develop human talent, primarily by educating more people are equally important (Westervelt, 2017).

5.2 Keep the Universities and Colleges Financially Viable

International students make up 5 percent of total student population but they contribute 10% of all paid tuition, according to Moody estimate. These students are, thus, major contributors to finances of colleges and universities they attend as well as the economies of cities where the colleges are located. In other words, State universities and colleges are able to make up for budget shortfalls by recruiting international students who usually pay full tuition (Skrentny, 2017). As costs at colleges have far outpaced the vast majority of families in the US are finding it difficult to pay full price for an education. Consequently, students in the US have amassed huge amount of debt. Parents and families are now backing away from enrolling in schools that do not offer significant breaks on tuition in the form of need-based aid or tuition discounts. Most colleges and universities have thus turned to international students to keep the discount rates needed to retain students who are unable to attend college without financial help (Kopf, 2016).

5.3 Support Higher Education Industry

Higher education institutions in the United States will generate more than \$550 billion in revenues in 2017, growing to \$700 billion by 2024. Approximately [4.1 million people](#) work at colleges and universities—from professors and scholars, to administrators, to food service professionals, to engineers and construction workers. Higher education industry's employment potential is thus comparable to those employed directly and indirectly in the United States' auto sector (Malber, 2017). Cutting higher education budget would have unintended consequences resulting in higher unemployment and skilled labor shortage. Presidential candidate Donald Trump built his campaign around the promise of putting America back to work and to regenerate the economy of the United States. It needs no reminding that higher education industry is not only creating and sustaining employment it is also one industry which can proudly claim to have trade surplus. Higher education industry will continue to be involved in exports if international students are welcome here.

The Commerce Department's Bureau of Economics & Statistics counts travel to the United States as exports because foreign travelers bring foreign money into this country, reducing the trade deficit. As per Association of International Educators, international students contributed about \$36 billion to the American economy during 2015-2016. The influx of foreign students has, thus become a major export business in the United States. To keep this export business growing, it is important for the American immigration and customs bureaucracies to facilitate their travel and welcome their stay here ([Gross, 2017](#)).

6. FINAL WORDS

Freedom of movement and ease of international collaboration has enabled talented students and researchers from around the world to cross national borders. Globally, close to five million students study outside of their native countries and most estimates expect eight million by 2025. International student mobility will continue as projected even if the United States erects barriers to international student entry.

Current administration's security and immigration enforcement orders have raised alarm and concern among educators and students alike. Proposed budget cuts would further damage the higher education industry. American higher education has been the envy of the world for decades. It does not take a rocket scientist to realize that institutes of higher education in the United States and elsewhere produce people with knowledge, skills, and capabilities that boost the nation's productivity and prosperity.

The ability of the United States to attract undergraduates, graduate level students and faculty from all over the planet is crucial to the success of higher education industry in the country. It is imperative for the United States policy makers to create a welcoming environment for the young minds from around the world to take advantage of the opportunity to pursue higher education here. It is time to remember that immigration policies must keep in focus the fact that all knowledge is global. It is in the best interest for the United States to encourage ambitious bright young minds to enter colleges and universities irrespective of their country of origin.

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A MULTICRITERIA DECISION MAKING MODEL FOR THE EVALUATION OF A PUBLIC INVESTMENT PROJECT IN MEDELLÍN: A STAKEHOLDER PERSPECTIVE

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ABSTRACT

This paper presents a multicriteria model for a case study of public investment evaluation. This tool can be used for decision-making process to allocate the financial resources in environmental projects. Developed for Moravia's Hills in Medellín, Colombia, it permits to evaluate the different dimensions of sustainability. Results show that there is a 'very strong or demonstrated importance' of environmental dimension on financial dimension; financial dimension emphasizes durability; economic dimension prioritizes the generation of alternative business opportunities; for environmental dimension the priority are environmental risks; and in social contexts, culture and education prevail.

Keywords: public investment, evaluation, analytic hierarchy process, stakeholders, Medellín.

1. INTRODUCTION

Investment has been considered a classic area of research in decision-making theory. When establishing criteria for evaluating investment alternatives, generally technical and financial factors are considered, where the decision maker chooses the appropriate scale for each criterion and evaluates alternatives according to them. Although, in situations involving environmental decisions, the scenario of actors with different positions to support decision-making and whose opinion must be taken into account is broadened; hence, future measures imply a high degree of responsibility.

In words of Simões et al. (2008), however, investment decisions should not be based solely on the opinions of a group of actors, which tend to concentrate on economic factors, since all stakeholders are jointly responsible for finding the most appropriate ways of protecting the environment, where there are multiple related dimensions framed in sustainability that comprise, not only environmental, but also social, cultural and technical aspects. Hence, a reality faced by public planners around the world is defining sets of priorities in the allocation of the limited resources they have to make public investment. Then, executors of the expense are continually engaged in the hierarchical choice of project proposals and the achievement of their budget through alternative sources of financing. This challenge is particularly sensitive when environmental realities that compromise present and future generations are involved. In addition, there are financing deficits since they involve resource projection for the following decades.

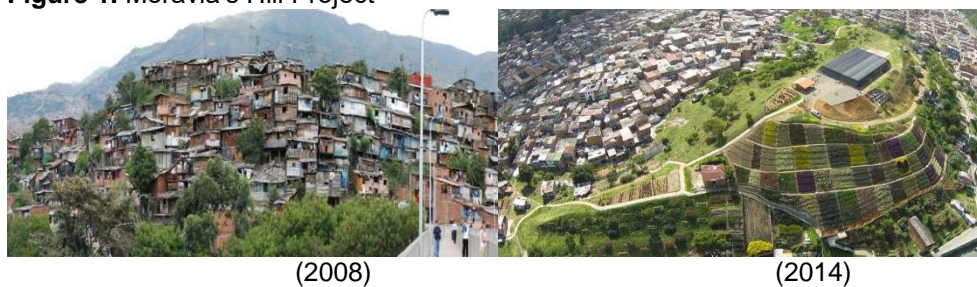
Then, each investment option must be evaluated and tested before investment decision is materialized. However, Baranauskiene & Alekneviene (2014) argue that the valuation of public projects is difficult due to the complexity of assessing the social benefits they represent for the population, given that the expected impact of public project must effectively meet the needs of the society to which it is addressed. Thus, the set of academic tools to support decision-making applied in these contexts presents a series of challenges in real practice given the specificity of each project and the various degrees of analytical and technical capacity, as well as the quality of existing data at governmental level. However, in public investment projects considering evaluation of environmental resources, several techniques stand out as valuation alternatives. Thus, it is possible to find traditional methods of revealed preferences that include versions of hedonic prices or travel costs (Munda, 1996, Poor et al., 2007, Chen & Jim, 2010); costing methods such as replacement costs or avoided costs (Honey-Rosés et al., 2013); cost-benefit analysis including contingent valuations and other support metrics (Cameron, 1997, Almansa & Calatrava, 2007, Martínez-Paz et al., 2014); evaluation of environmental impacts (Pope et al., 2004); similarly, multiple criteria techniques are used (Joubert et al., 1997, Prato, 1999, Simões et al., 2008, Cinelli et al., 2014, Ameyaw & Chan, 2015); and also techniques based on geographical information systems (Johnson et al.,

2011; Girard et al., 2012). In the same argumentative line, Simões et al. (2008) suggests that decision-making methods can be seen as a valuable tool in relation to the environment, although only a few of them are suitable for the selection of an optimal strategy, on occasions when decision-making shall respect problem restrictions; situation also highlighted by Baranauskiene & Alekneviene (2014).

The previous context poses a general scenario of public investment in environmental settings, mediated by existing valuation techniques. Thus, this work aims to exemplify this situation from the general to the specific in the case of a project carried out in Medellín, a city that has undergone an important transformation in various dimensions in the last two decades. Public administrations in charge of managing resources have implemented various projects in order to facilitate the development of the city and promotion of depressed and poor areas.

One of the projects launched was the transformation of degraded urban areas of Moravia's Hill, which included the participation of various national and international entities. The purpose of that project was to improve socio-economic and environmental conditions of the inhabitants of Moravia and their surroundings by supporting the initiative of government institutions for recovery and environmental restoration of degraded areas of Moravia's Hill; strengthening at the same time the urban transformation process through the use of sustainable technologies for decontamination and integral and sustainable management of water (see Figure 1).

Figure 1. Moravia's Hill Project



In this way, the general objective of this article is to evaluate the perception of a group of actors who participated in the design and execution of this project. Thus, it is possible to determine differences in perception among them, which allows us to consider these elements during the evaluation of public investment projects involving environmental settings for application in other planning scenarios at local, regional, and national levels. As a result, the perspective of a participatory planning approach could emerge in decision-making environment.

The management of natural resources, especially financing process, is essential to achieve the implementation of projects that generate sustainable development. In this sense, Costa & Menichini (2013) suggest that evaluating the perception of interest groups supposes a subjective point of view, related to the experience and opinion of people involved in the analysis, thus, to incorporate these value judgments is essential to ensure the success of formulation and execution of any public policy. Evaluation of financial resources investment is a sensitive issue since management of environmental problems is at stake at the same time with an inhabited area, generating conflicting views between residents and executors of the investment. Thus, this project involves various dimensions ranging from financial, economic, and environmental, until social. The main evaluated factors associated to these dimensions were selected and defined based on the theory of utility under multiple attributes, and numerical evaluation was carried out applying analytic hierarchy process (Saaty, 1990).

This work is divided into six sections including the introductory one. Section two exposes the main features of the study area. Third, bibliographic review is presented. Materials and methods contained in the identification of methodologies in the field studied are presented the fourth part. Discussion of results is developed as a fifth point, finally, conclusions are presented.

2. STUDY AREA

Moravia's Hill arises because of inadequate environmental practices in the old open-air garbage dump of Medellín, where all waste coming from the city from 1977-1984 was deposited without an adequate separation. In the area there are high pollutant loads, reported in different studies carried out by universities and local entities. In the year 2000 the Metropolitan Area of the Aburrá Valley indicated the presence of toxic gases and heavy metals; as well as the presence of high concentrations of Pb, Cr, Cd and Ni, in the artificial 'soil' formed by tons of waste deposited.

The high risk situation due to toxicity in the rubbish pit is largely due to the concentration of pollutants and inadequate treatment of waters that converge in the area, in this respect it is worth noting the infiltration of rainwater and surface runoff, which has an important role both in the formation of a leachate with high pollutant loads and destabilization of the slopes that make up the waste hillock. Environmental recovery strategy implemented by the sustainable water management group of UNESCO Sustainability Chair of Universitat Politècnica de Catalunya - BarcelonaTech, INTEGRA Research Group of Tecnológico de Antioquia - University Institution, and Metropolitan Area of the Aburrá Valley, is oriented towards the correct management of water in a degraded urban area. The aim is to use sustainable design approaches that implement appropriate technologies with low environmental impact. In the case of developing countries, these appropriate technologies have additional advantages, such as low construction cost, operation, and maintenance (Sawaittayothin & Polprasert, 2006).

The intervention was approached mainly from socio-environmental dimension. In social perspective, restoration and landscape intervention activities, urban transformation, participatory citizen awareness in each of the parties involved in the project (public administration, universities, research groups, and inhabitants of the hill) were developed.

3. STATE-OF-THE-ART IN THE EVALUATION OF PUBLIC INVESTMENT PROJECTS

Decision making related to public investment projects subject to modeling in academic settings is not always compatible with real practice. Empirical works typically focus on precise and sophisticated assumptions to adequately support decision analysis, converging in scenarios where availability of information is high and analytical resources have high degrees of freedom. However, in practice there are different degrees of analytical capacity and techniques based on data quality, as well as restrictions associated with the decision maker. Then, the challenge is to identify alternative tools to use in different contexts, in a more useful way for policymakers and governments to base their investment decisions.

3.1. Applied papers in the evaluation of public investment in Colombia

At the level of applied studies for the Colombian case there are diverse types of exercises around the valuation or evaluation of projects that combine, either investment of public resources or environmental projects. Works published in academic journals address various methodological positions. Thus, for example, Rosales et al. (2007) highlight that social and environmental components appear marginally in evaluations, and a large part of projects only include traditional financial evaluations with simple assembly indicators, flow of funds, analysis over time, net present value, internal rate of return, cost / benefit ratio, and sensitivity analysis.

On the other hand, Polanco (2009) combines principal component method and hierarchical classification into the analysis of resource allocation for the protection of forests. Meanwhile, Carvajal & Vélez (2014) propose an economic and social evaluation for analyzing non-viable projects cases from financial point in areas not interconnected to the electric power service. Chaves (2011) proposed the application of multicriteria techniques in environmental sustainability of agricultural systems. Another evaluative exercise was developed by Ospina (2012), where multiple criteria techniques and linear programming carry out an economic valuation of environmental assets. On the other hand, Hurtado (2014) carries out a pre-feasibility study through a cost-effectiveness analysis for the implementation of a wastewater treatment system. A final work evaluates productive systems using a sustainability approach based on

Delphi and multiple criteria techniques to get a sustainable management model of natural resources (Beltran, 2014).

3.2. Applied literature in the evaluation of public investment at international level

At global level, there are different types of methodologies applied to the evaluation of natural resources conservation projects. The proposal of Joubert et al. (1997) where they perform a comparative analysis between multiple criteria techniques (MCDM) and cost-benefit analysis (CBA) applied to aqueduct service supply. In Prato (1999), decision-making approach is used under multiple attributes in an evaluative framework for decision-making in problems associated with soil and water resources management systems. On the other hand, Nijkamp et al. (2002) use diffuse techniques by comparing qualitative features of various public-private partnerships (PPP) in projects of revitalization and urban transformation. Simões et al. (2008), use multiple criteria techniques in solid waste management.

In the work developed by Pannell et al. (2012) a valuation exercise that can be used for restoration of natural assets is proposed. Meanwhile, in the work of Martínez-Paz et al. (2014) a cost-benefit analysis (CBA) is used combined with probabilistic simulation methods to evaluate socioeconomic profitability of an environmental rehabilitation project. Ameyaw & Chan (2015), evaluate and prioritize various risk factors associated with management of water projects. Several works show methodological complementarities to multiple criteria analysis, CBA analysis and contingent valuations.

Thus, Anagnostopoulos & Petalas (2011) use CBA together with diffuse multiple criteria techniques to evaluate land irrigation projects. Similarly, Mosadeghi et al. (2015) make a comparison of this type of techniques, but combining them with geographic information systems in land use planning. Also, it is possible to find other works that have applied Analytic Hierarchy Process in scenarios for valuation of environmental projects. Vilas Boas (2010), applies this method in the choice of alternative policies, programs and projects related to management of water resources. Chowdary et al. (2013), show the application in basin prioritization process. Kurka (2013), assesses regional sustainability of bioenergy projects. Nazeri et al. (2014), does it in location of forest roads. Mosadeghi et al. (2015), defined the extension of land use zones in large-scale urban planning scenarios. Two more studies focused on hierarchizing public policies directed towards peasant families (Petrini et al., 2016); and selection of public investment projects at urban level (Pujadas et al., 2017).

4. MATERIALS AND METHODS

4.1. Assignment of weights and their normalization

Analytic Hierarchy Process (AHP) is a comprehensive methodology that incorporates both empirical data and subjective opinion of experts to support the decision-making process (Saaty, 1990). It also associates several substantial aspects as inconsistent to derive the mathematical reasons and synthesize the scale of priorities to make complex decisions. In this way, it is possible to identify and weigh selection criteria, analyze data collected and issue concepts based on the decision-making process.

Prioritization of factors within each level of hierarchy is accompanied by the evaluation of each set of elements as paired comparisons belonging to proposed categories. Each comparison allows forming a matrix system based on the fundamental scale, which ranges from 1 (equal importance) to 9 (absolute significance). Thus, in AHP model, each pair of factors in a particular category of elements is examined at the same time, considering their relative importance. Then, a matrix of comparisons is conformed mathematically by elements $a_{ii} = 1$ and $a_{ji} = 1 / a_{ij}$. Weights of superior criteria and decision sub-criteria are calculated using the maximum eigenvalue that solves the equation system, once all criteria have been normalized.

The AHP method was selected to structure decision rules to prioritize value judgments issued by the experts participating in the study. The weight assigned to each dimension assessed by each group of actors followed eigenvalues and eigenvectors method proposed by Saaty (1990), and its aggregation was made using geometric mean given the heterogeneity of participants.

The above is expressed by equations as follows:

$$\lambda_{max} = \frac{1}{n} \sum_{wi}^n \frac{(AW)^i}{wi} \tag{1}$$

$$AW = (a_{11} \dots a_{1n})x(w) \tag{2}$$

$$CI = \frac{\lambda_{max} - n}{n - 1} \tag{3}$$

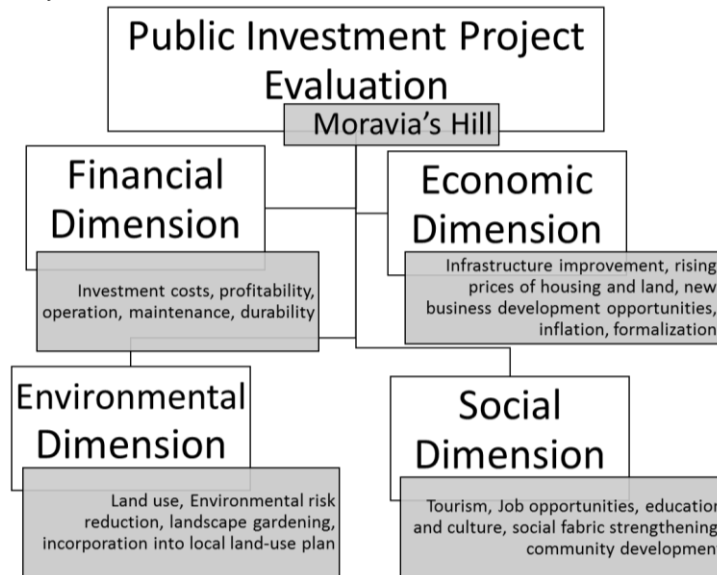
$$CR = \frac{CI}{RCI} \tag{4}$$

These equations mean that the eigenvalue must be computed using eigenvector technique, where W is the corresponding eigenvector λ_{max} and $w_i(i = 1, \dots, n)$ is the vector of weights reached. With this information, the consistency index (CI) of judgment matrix is estimated, where λ_{max} is its maximum or main eigenvalue and n the order of the matrix. Finally, the consistency rate (CR) of the equation system is calculated, a rate that must be less than or equal to 0.1 to represent an adequate solution; this results from dividing CI by a random consistency index (RCI). Matrices of paired comparisons were tabulated for each interest group, and global results of the model were grouped using geometric mean.

4.2. Modeling structure

Dimensions and factors evaluated in this study reflect financial, economic, environmental and social component (see figure 2) present in any type of environmental project. These have been identified by reviewing advanced literature (Sólnes, 2003; Anagnostopoulos & Petalas, 2011; Baranauskiene & Alekneviene, 2014; Ameyaw & Chan; 2015; Gumus 2017), as well as with experts in the area, in order to contextualize them into reality of the evaluated project, 19 subfactors were considered within these four dimensions. In this way, a questionnaire was used to collect groups of interest perception; respondents were asked to make comparisons between and within each evaluated dimension. In this way, a questionnaire was used to collect groups of interest perception; respondents were asked to make comparisons between and within each evaluated dimension.

Figure 2. Factor Hierarchy



Source: own elaboration

4.3. Sample

The group of experts selected for the evaluation process consisted of 11 people who have evaluative experience in various environmental projects. There are academic actors, engineers, coordinators, project leaders and managers.

5. RESULTS AND DISCUSSION

Results of the AHP analysis (grouped assessments and weights expressed as percentages) derived from the applied instrument show the subjective importance of sustainability dimensions associated with a socio-environmental transformation project.

Table 2 summarizes standardized priority matrices for main dimensions of analysis. Rows and columns of the matrix register each comparison, where the upper diagonal reflects global aggregation of stakeholders' preferences. It is noteworthy that consistency indexes of matrices register tolerable limits, although they are not necessarily at individual level, that is, the existence of a perfect consistency that respects equation four conditions.

Values are read based on the fundamental scale. Thus, the highest average value was 7,783, column 1 and row 3 of the matrix, a result that compares environmental dimension with financial dimension; which means that there is a 'very strong or demonstrated importance' of the first over the second.

In general, it is highlighted that social (0.4621) and environmental (0.3953) aspects were the categories with greater weight; the first is within the framework of primary effects that a public administrator wants to show as investment management. Environmental category is mostly part of the perspective of experts in a specific area.

Table 2. Global matrix of comparisons for general dimensions

Dimension	F	E	A	S	Weights
Financial (F)	1,000	0,320	0,128	0,182	0,0538
Economics (E)	3,127	1,000	0,136	0,130	0,0888
Environmental (A)	7,783	7,378	1,000	0,644	0,3953
Social (S)	5,509	7,689	1,553	1,000	0,4621
CI: 0,105					

Source: own elaboration

However, in each sub factor associated with the dimensions evaluated (Table 3, column 5), those perceived as more relevant can be observed. Thus, it is observed that the issue of durability of project over time is highlighted in the financial dimension. On the other hand, in the economic aspect, generation of alternative business opportunities stands out, while for environmental dimension are the environmental risks; and in the social aspect, culture and education appear; although followed closely by job opportunities and generation of social fabric.

Table 3. Local and global weightings, determining factors in the evaluation of a public investment project

Dimension	Weights	Order	Sub-dimensions	Local weights	Total weights	Order
Financial	0,054	4	Investment costs	0,072	0,004	18
			Profitability	0,056	0,003	19
			Operation	0,165	0,009	15
			Maintenance	0,273	0,015	14
			Durability	0,434	0,023	9
Economics	0,089	3	Infrastructure improvement	0,243	0,022	12
			Rising prices of housing and land	0,073	0,006	16
			New business development opportunities	0,383	0,034	8
			Inflation	0,065	0,006	17
			Formalization	0,236	0,021	13
Environmental	0,395	2	Land use	0,058	0,023	11
			Environmental risk reduction	0,516	0,204	1
			Landscape gardening	0,121	0,048	7
			Incorporation into local land-use plan	0,305	0,121	4
Social	0,462	1	Tourism	0,050	0,023	10
			Job opportunities	0,267	0,123	3
			Education and culture	0,269	0,124	2
			Social fabric strengthening	0,258	0,119	5
			Community development	0,156	0,072	6

Source: own elaboration

Previous weights give rise to priority vectors, that is, based on these scores, local and global weights are reached (Table 3, last column). It can be seen that social dimension has the highest participation, followed by the environmental one. At sub factors level, environmental risks received the highest ratings, followed by culture and education, generation of job opportunities, incorporation of zones in the urban development plan, strengthening of social fabric, and landscaping matter. It is also observed that economic and financial components were weighted with lower relative values, hence, their sub factors are in last positions. It is noteworthy that the generation of alternative business opportunities and durability are those that figure in highest positions.

Based on the above, social dimension and its associated factors meet the highest standardized weights. This hierarchical order shows differences in perception among actors consulted. Thus, for professional level positions and project leaders, this dimension is considered the most relevant, while managerial or coordination positions consider the environmental as more preponderant. This may lead to the conclusion that greater contact with inhabitants of the area of influence of the project gives rise to established preferences.

An important point to note is that in almost all cases financial dimension was ordered in last place, where, additionally, actors' weights were quite close. In fact, durability factor presented higher average weights than other factors in other dimensions. Financial factors, and even the economic ones in the case of this socio-environmental project, apparently are accepted as given general conditions, and evaluators did not pay adequate attention to these characteristics in relation to their area of performance. However, coordinators and project managers must be more involved not only with design and with implementation, but also with derived impacts and associated costs.

6. CONCLUSIONS AND LIMITATIONS

Dimensions associated with environmental projects are relevant to study, and their appropriate choice presents great advantages with a view to an adequate implementation process, in order to make the project effective for the locality and improve their performance and conditions. However, selection, implementation and execution always bring complexities, and few practical applications in the country have been addressed to study this problem. This work presented a multiple criteria model to evaluate dimensions associated with Moravia's Hill Project in Medellin. It was proposed in particular a method of Analytic Hierarchy Process to obtain the most important dimensions and factors that the start-up of this

project brought about. This application has shown that different perspectives and criteria can be evaluated based on expert judgments. The proposed model can be useful for public planners in order to increase the efficiency in the allocation of public resources in socio-environmental transformation projects decision-making process.

The great variety of factors concurring in the evaluation of the investment in environmental projects shows the complexity of approaching this problem. Public participation in decision-making regarding management of financial resources destined to the environment is fundamental for planning and approaching sustainable development. Any type of projects involving the allocation of public financial resources, including environmental ones, involve multiple dimensions for their proper selection, with specific criteria that can be used in decision-making process. These criteria depend both on the nature of the problem under study, as well as on the information flows required. In this sense, in the analysis of public investment different criteria are used in order to determine their optimal allocation. More specifically, with respect to socio-environmental transformation projects, it is obvious that the cost and impact they would generate act in dominance to the selected evaluation criteria. In contrast, technical criteria that show the support process to decision-making are often not made explicit or are not considered in most studies. Consequently, for an optimal evaluation of the investment, cost and impact are considered fixed parameters in many of the cases reviewed.

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SELF-EFFICACY AND ENTREPRENEURIAL INTENTION: CASE STUDY IN AN INTERMEDIATE CITY OF COLOMBIA

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ABSTRACT

University entrepreneurship has developed worldwide attention due to its high potential to positively improve economic and social development, in this sense based on the Theory of Planned Behavior (TPB) this paper focuses on determining the degree of confidence of a group of university students in their skills, abilities and preparation to be entrepreneurs (self-efficacy) and the impact of this on their intention to create their own companies (entrepreneurial intention). The method is quantitative, descriptive and correlational, with a sample of 246 students of public accounting or business administration of the Universidad del Valle, North Cauca Headquarters in Colombia. The results show that in general students feel able to be entrepreneurs and that about 70% were interested for being; feeling more prepared for the employees incorporation, and less to convince consumers and determine the costs of the new business. It is concluded that a positive self-efficacy perception influences positively the desire of individuals to entrepreneurship, so universities should continue working to strengthen their self-assessment and preparation.

Keywords: *Theory of Planned Behavior; skills, abilities; preparation, university entrepreneurship; self-efficacy*

1. INTRODUCTION

Different studies have shown the relationship between the business start-up and social and economic progress, finding that the entrepreneurs are the main axis of this process regardless of the countries or regions development level (Varela, 2008), in which personality aspects intervene (Gaddefors & Anderson, 2017; Mora, 2011; Gatewood, Shaver & Gartner, 1995; Birley & Westhead, 1994), as well as others elements from the environment (Morian, Trejo & Palaci, 2001). Likewise that the academy has an important role to play in the entrepreneurial process, especially training people who must promote and execute it (Audretsch, Belitski & Desai, 2015).

For its part, the entrepreneurial intention understood as the degree of interest shown by a person at a particular time in their lives to create their own company (Zeffane, 2014; Rueda, Fernández & Herrero, 2012) has been addressed in recognized studies as the Global Entrepreneurship Monitor (GEM) and the Global University Entrepreneurial Spirit Students (GUESS) from the Theory of the Planned Behavior (TPB) of Ajzen (1991), that allows to know the factors that stimulate or discourage in the individuals the intention of taking some action. In this sense, it has served as a theoretical support to determine, understand and explain the entrepreneurial intention (Hernández et al., 2017).

On the other hand authors like Bae, Qian, Miao & Fiet (2014) and Izedonmi (2010) have found that students exposure to entrepreneurship education has a positive influence on their entrepreneurial intentions, in that way higher education institutions evolve in the desire to know and stimulate the entrepreneurial intention of their students and the academic community in general (Goyanes, 2015; Joensuu, Varamäki & Viljamaa, 2015), for this they use different strategies and tools in order to influence factors such as the personality and students skills (Valencia, Montoya & Montoya, 2016; Vargas & Bedoya, 2015).

In this context the Universidad del Valle in Colombia has a headquarters in the small municipality of Santander de Quilichao in the Cauca Department, which historically has been affected by problems such

as violence and unemployment associated with the phenomenon of the guerrillas and drug trafficking. In this sense through its academic programs offert, and other actions, the institution contributes to change this situation and to the peace building.

The present paper helps fill a gap of literature related to university entrepreneurship in non-main cities responding the next questions: what is the interest grade for creating own companies in the students of management and public accounting of the Universidad del Valle at its headquarters of North of The Cauca? and how their self perception of skills, abilities and preparation influence positively or negatively on it?

2. THEORETICAL FRAMEWORK

Entrepreneurship, entrepreneur and entrepreneurial intention

Entrepreneurship and entrepreneurs have been a broad object of study (Diez, 2016) due to their important role in the socioeconomic evolution of the regions, in that way Schumpeter (1950) refers to innovative entrepreneur as one that is able to break the inertia of markets to renew them permanently. For these reasons they have been studied from different approaches, among them the economic one, the socio-psychological and the behavioral (Gómez, 2010). Many authors refer to the topic as entrepreneurial activity or entrepreneurial spirit; however, there are three common keys factors: 1) the individual or group that exercise it, 2) the environment in which it is developed, and 3) the entrepreneurial action or activity as such.

Different studies suggests that individual and demographic factors play a relevant role in the entrepreneurial intention, including gender: (Brush, 1992; Minniti & Nardone, 2007); education: (Bae, et al., 2014; Izedonmi, 2010; Autio & Acs, 2010; Blanchflower & Oswald, 1998); cognition: (Baron, 2004); and beliefs that an entrepreneur career is feasible and desirable: (Fitzsimmons & Douglas, 2011; Krueger, 2000; De Clercq, Honig & Martin, 201; Shapero, 1984). On the other hand entrepreneurial intentions depend too on external factors such as the presence of an unfavorable economic environment or a lack of regular employment career options (Ghatak, Morelli & Sjoström 2007; Evans & Leighton, 1989; Shapero & Sokol, 1982), but everyone can develops different intentions in front of the same external circumstances

In the indicated frame, the theory of planned behavior has been used by authors such as Krueger (2000) and Liñán (2004) for the study of the entrepreneurial phenomenon, pointing out the importance of adding to the analysis other elements such as the intention that precedes the business creation.

The Theory of Planned Behavior (TPB)

The Theory of Planned Behavior proposed by the social psychologist Ajzen (1991), arises as a complement to the reasoned action theory (Ajzen & Fishbein, 1980) and aims to contribute to the framework of understanding the background of the individuals actions (Iakovleva Kolvereid & Stephan, 2011; Alam & Sayuti, 2011; Teo & Lee, 2010; Han & kim, 2010; Gupta & Ogden, 2009; Baker, Al-gahtani & Hubona, 2007).

The TPB postulates as predictors of an action three factors: 1) the attitude toward behavior, 2) the subjective norm, and 3) the perceived control or self-efficacy. These factors have been specified in the field of entrepreneurial intention through latent variables captured by questionnaires such as those used by Liñán, Moriano & Jaén (2016), or Kibler (2013) how analyzed the regional factors that influence it, since as pointed out by Rantanen & Toikko (2017) the relationship between cultural values and entrepreneurial intention has a big complexity.

The attitude toward behavior is materialized by those factors that encourage or discourage the performance of the same, ie the reasons and barriers perceived by people to perform a particular action. *The subjective norm* frames the perception of individues with respect to the social value of the behavior under analysis, where it is classified as positive and remarkable, or on the contrary, rejected and

condemned. Finally, the *perceived control or self-efficacy*, describes the perception or individual confidence degree in face to their ability and preparation to perform a certain activity

Wood & Bandura (1989) found that individuals with high *perceived control* tend to view setbacks as a learning experiences and thus persevere, and Krueger & Dickson (1994) proposed that is an required ability to make good decision choices; in this sense this paper focuses on determining the degree of self-efficacy of the students surveyed, and its impact on the entrepreneurial intention to create their own business.

Previous works in relation to the Theory of Planned Behavior (TPB), self-efficacy and entrepreneurial intention of students

The entrepreneurial intention of students has been analyzed with support on the TPB by different researchers and in multiple countries (Laguía, Moriano, Molero & Gámez, 2017; Valencia et al., 2016; Bouncken, Cesinger, & Kraus, 2014)); among them: Finland: Kautonen, Van Gelderen & Fink (2015); The Netherlands, Germany and Poland: Gorgievski, Stephan, Laguna & Moriano (2018); Mexico: González, Torres & Tinoco (2017); García, Mendoza & Romo (2017); Chan, Escalante & Robles (2015); Spain: Rosique, Madrid & García (2017); Hernández et al., (2017); Marín, Rubio & Sánchez (2015); Rueda et al., (2012); Puerto Rico: Chan et al., (2015); Colombia: Guañua (2015); Vargas & Bedoya (2015); China: Yang (2013).

The most important conclusions are summarized in that students of high socio-economic level have a better degree of self-efficacy and feel more capable of creating their own company; the positive assessment of skills and abilities drives the students entrepreneurial intention from small non-capital cities; the factors that most encourage desire to start-up business are well troubles management, creativity, safety and risk management. The factor that most positively influences the entrepreneurial intention of students is self-efficacy, and that the older they are, they feel more motivated to be entrepreneurs; students with a positive perception of their ability to create companies, will in the future generate an important option for personal and professional development in the creation of a company; The student's entrepreneurial intention is related to the individual skills and capacities to develop a business project.

Considering the objective raised, the theoretical-conceptual framework and the previous studies, the following research hypothesis is posed:

H: The greater is the students global self-efficacy, the greater their entrepreneurial intention.

3. RESEARCH METHODOLOGY

This is a cross section, descriptive-explicative and correlational study that observed and analyzed in the period February to June 2015 the factors that influence the entrepreneurial intention of students enrolled in professional careers of Business Administration and Public Accounting at the Universidad del Valle, Headquarters Norte del Cauca, Colombia.

The sample size was defined in 223 individuals, using the formula of Castro & Nichols, (2009) for a finite population of 533, with a confidence margin of 95%. The sampling was randomized and stratified with proportional allocation using as variables the academic program, the students gender, the academic schedule (day or night shift), the academic cycle (basic or professional) and the socioeconomic stratum.

The data collection was done through a structured survey used and validated internationally for the variables entrepreneurship intention and self-efficacy. The data was processed with descriptive and inferential statistical techniques and tools.

Table 1 shows the sample of 246 students: 73 men (30%) and 173 women (70%); 118 were in the professional cycle (48%) and 128 in the basic one (52%); 168 of the night shift (69%) and 78 of the day shift (31%); and finally 243 (99%) with socioeconomic stratum 1-3 and only 3 with strata 4-6 (1%).

TABLE 1. SAMPLE DESCRIPTION

Program	Total	Gender		Cicle		Academic Schedule		Stratum	
		F	M	Prof	Bas	Night	Day	4-6	1-3
Business Administration	140	97	43	51	89	85	55	3	137
Public Accounting	106	76	30	67	39	83	23	0	106
Totals	246	173	73	118	128	168	78	3	243

Source: own elaboration based on survey data.

Measurement of variables and validation of scales

Next, the observed variables and the measurement way are explained. All of the cases, Likert scales were used:

Entrepreneurial intention (Disposition to own business creation)

To measure this variable, the question was what was your current disposition to create your own company, with the following alternatives: 1. Nothing disposed; 2. Little disposed; 3. Moderately disposed; 4. Disposed 5. Fully disposed. When choosing option 1 (nothing disposed), it was asked not to answer the question about reasons to create the company, and to continue with the other questions.

Self-efficacy

Table 2 shows the question about the students self-perception over their ability and preparation to create their own business, the Cronbach Alpha statistic is observed with a value of 0.826 (close to 1), indicating that the scale is reliable and that adequately measures the revised variable.

TABLE 2. SELF-EFFICACY PERCEPTION

Indicate your degree of self-confidence regarding the following skills or abilities useful for the business start-up, according to the following scale: 1. Not able, 2. Little able, 3. More or less able, 4. able, 5. Fully able.	Alpha de Crombach.
Define properly the products or services to be introduced to the market.	0,826
Negotiate with suppliers better prices.	
Calculating Correctly the costs of a new business project.	
Identifying an opportunity's general potential for the new business creation.	
Recruiting relevant employees for a new company.	
Convincing a consumer to try a new product or service.	
Writting a business plan, clearly and completely.	
Working properly under pressure and make decisions in risk and uncertainty.	

Source: Adapted from Guañua (2015).

4. RESULTS AND DISCUSSION

Descriptive results

Table 3 shows the students degree of entrepreneurial intention, 69.92% are disposed or totally dispose to create their own company, 20.73% moderately disposed and only 9.35% have nothing or little disposition; At the same time, the entrepreneurial intention is higher in Public Accounting students (70.75%) than in Business Administration ones (69.29%).

These results coincide with the findings of Vargas & Bedoya (2015), where the greatest proportion of students were really interested in créate their own organisations, followed by the one that were moderately interested, and finally by a smaller proportion that had low interest; similarly in that the entrepreneurial intention were higher in students in accounting than in administrative áreas ones.

TABLE 3. DEGREE OF ENTREPRENEURIAL INTENTION

	Totals		1. Nothing disposed		2. Little disposed		3. Moderately disposed		4. Disposed		5. Fully disposed	
	Q	%	Q	%	Q	%	Q	%	Q	%	Q	%
Business Administration	140	57	4	2,86	8	5,71	31	22,14	54	38,57	43	30,72
Accounting	106	43	6	5,66	5	4,72	20	18,87	43	40,57	32	30,18
Total	246	100	10	4,07	13	5,28	51	20,73	97	39,43	75	30,49

Source: own elaboration based on survey data.

On the other hand, Table 4 shows that the average entrepreneurial intention is 3.87, which indicates that in general there is a willingness to create an own company. These results are similar to those of Hernández et al., (2017), Buelvas et al., 2016 and Vargas & Bedoya (2015).

TABLE 4. AVERAGE OF ENTREPRENEURIAL INTENTION

<i>Entrepreneurial intention</i>	
Observations	246
Standard deviation	1.04
Maximum	5,00
Minimum	1,00
Average	3.87

Source: own elaboration based on survey data.

Table 5 shows 3.82 as average of global self-perception of skills, abilities or preparation to create own business, indicating that it is high; the factors with best qualification are the preparation to recruit relevant employees (4.05) and preparation to negotiate with suppliers (3.96); those with less average are the ability to convince customers to try the products or services of the new company (3.65) and estimate the new company costs (3.68).

TABLE 5. AVERAGES OF THE SELF-EFFICACY FACTORS

<i>Skills, abilities or preparation</i>	Total Students
Identify the general potential of an opportunity	3,86
Recruit relevant employees	4,05
Define properly the products or services	3,77
Negotiate with suppliers	3,96
Calculate costs correctly	3,68
Write a business plan	3,87
Work properly under pressure	3,69
Convincing a consumer	3,65
Global self-efficacy	3,82

Source: own elaboration based on survey data.

When contrasting these findings with those of Vargas & Bedoya (2015) for students of technologies in the National Learning Service of Colombia (SENA), the average is slightly higher (3.95) for the last one, which can be explained because the SENA has an entrepreneurship program most consolidated. However, there is match that the costs determination is the factor of least preparation for both groups of

students; but the students of SENA are stronger for recognizing the potential of a business opportunity and convincing consumers (both with 4.08).

Correlation results

Analysis of differences of means

Table 6 shows that the global average of self-efficacy is higher in the students of business administration (3.87) than in those of public accounting (3.74), and that this difference is statistically significant. The same way, a statistically significant difference is inferred in the ability to identify the general potential of an opportunity and for the employees recruitment. In both cases higher for the business administration students; these findings could be explained in that students of business administration usually receive more subjects related to the indicated topics.

TABLE 6. SELF-EFFICACY AVERAGE FACTOR BY PROGRAM

Factors	P_value Average Comparing	Business Administration	Accounting
Identify the general potential of an opportunity	0,045**	3,95	3,74
Recruit relevant employees	0,011**	4,10	3,99
Define properly the products or services	0,878	3,77	3,76
Negotiate with suppliers	0,102	3,98	3,73
Calculate costs correctly	0,180	3,76	3,59
Write a business plan	0,421	4,00	3,92
Work properly under pressure	0,836	3,67	3,69
Convincing a consumer	0,297	3,73	3,55
Global self-efficacy	0,082*	3,87	3,74

Source: own elaboration based on survey data.

The results of the global or total effect of the self-efficacy factors on entrepreneurial intention are shown below:

Impact of the global self-efficacy perception on entrepreneurial intention

To test the hypothesis of this research a logistic regression model was used, where the categorical variable was the entrepreneurial intention and the independent self-perception of capacity and preparation to create own companies and reasons for entrepreneurship

$$EntrepIntention = \frac{1}{1 + e^{(\beta_0 + \beta_1 \text{GlobalSelEfficacy} + \beta_2 \text{Reasons})}}$$

Where:

EntrepIntention: Disposition to create an own business

β_0 : average estimate entrepreneurial intention.

GlobalSelfEfficacy: cumulative effect of the capacities, abilities and training factors to create a company.

Reasons: cumulative effect of the Reasons for entrepreneurship

β_1 & β_2 : Parameters estimator

ϵ : Random error.

By default, a cut-off point (0.5) of the Y probability has been used to classify individuals. This means that those subjects for whom the equation - with this one term - calculates a probability <0.5 are classified as

no disposition = 0 (They have no disposition), whereas if the resulting probability is ≥ 0.5 they are classified as with disposition = 1 (they have disposition). Table 7 shows that in this first step, the model correctly classified 99.4% of the cases with disposition, and 2% of 'no disposition' has been correctly classified. In the second step, the model correctly classified 97.7% of the cases with disposition, and 7.8% of 'no disposition' has been correctly classified. A global percentage (77, 1%), indicates that the 77,1% had been correctly classified.

TABLE 7. CLASSIFICATION TABLE^a

	Observed	Disposition to create an own Company	Predicted		Correct Percentage
			No disposition	With disposition	
Step 1	Disposition to create an own Company	No disposition	1	50	2,0
		With disposition	1	171	99,4
	Porcentaje global				
Step 2	Disposition to create an own Company	No disposition	4	47	7,8
		With disposition	4	168	97,7
	Global Percentage				

a. The cut-off point: 0,500

Source: own elaboration based on survey data.

Table 8 shows the tests of R-square of Cox and Snell, and R-square of Nagelkerke, it indicates the part of the variance of the dependent variable explained by the model.

There are two R-squares in the logistic regression, and both are valid. It is customary to say that the part of the dependent variable explained by the model oscillates between the R-square of Cox and Snell and the R-square of Nagelkerke.

The higher the R-squared the more explanatory is the model, that is, the independent variables explain the dependent variable.

TABLE 8. TEST OF COX AND SNELL, AND NAGELKERKE^a

Step	Logarithm of the likelihood -2	R-square of Cox and Snell	R-square of Nagelkerke
1	226,368 ^a	0,059	0,089
2	220,809 ^a	0,082	0,124

a. The estimate has ended in 5 iteration because the parameter estimates have changed by less than 001.

Source: own elaboration based on survey data.

The Hosmer-Lemeshow test study the goodness of fit of the regression model logistics that consists of comparing the expected values by the model with the values actually observed. Both distributions, expected and observed, are contrasted by a Chi square test.

The null hypothesis is that there are no differences between the observed values and the values predicted (rejection this test would indicate that the model is not well adjusted). Table 9 shows that in the second step the p-value is $0,209 > 0,05$, It means that the model is well adjusted.

TABLE 9. TEST OF HOSMER AND LEMESHOW

Step	Chi square	gl	Sig.
1	11,270	8	0,187
2	10,874	8	0,209

Source: own elaboration based on survey data.

The Wald test (also called the Wald Chi-Squared Test) is a way to find out if explanatory variables in a model are significant. It means that they add something to the model; If the the parameters for explanatory variables are zero, variables add nothing and can be deleted without affecting the model in any meaningful way. The test can be used for a several of different models including these with binary variables.

TABLE 10. WALD TEST

Variables in the equation		B	Error estándar	Wald	gl	Sig.	Exp(B)
Step 1 ^a	Skills / Abilities for entrepreneurship	1,134	0,331	11,707	1	0,001	3,108
	Constante	-3,024	1,229	6,057	1	0,014	0,049
Step 2 ^b	Reasons for entrepreneurship	0,648	0,280	5,362	1	0,021	1,913
	Skills / Abilities for entrepreneurship	0,967	0,337	8,217	1	0,004	2,630
	Constante	-5,235	1,570	11,118	1	0,001	0,005
a. Variables specified in step 1: Skills / Abilities for entrepreneurship.							
b. Variables specified in step 2: Reasons for entrepreneurship.							

Source: own elaboration based on survey data.

Table 10 shows that in this first step, in the regression equation, the estimated parameter $\beta_0 = -3,024$ and $\beta_1 = 1,134$; the standard error ET = 0.331 and 1,229 and the statistical significance with the Wald test, which is a statistic that follows a Chi-square law with 1 degree of freedom, and the estimation of OR = $e^{\beta_0} = e^{-3,024} = 0,049$. In the second step, in the regression equation, the estimated parameter $\beta_0 = -5,235$ and $\beta_1 = 0,967$; $\beta_2 = 0,648$ the standard error ET = 1,570; 0.337 and 0,280 and the statistical significance with the Wald test, which is a statistic that follows a Chi-square law with 1 degree of freedom, and the estimation of OR = $e^{\beta_1} = e^{0,967} = 2,630$ and $e^{\beta_2} = e^{0,648} = 1,913$.

$$\text{The adjusted Model is: } P(\text{Entrepreneurial Intention}) = \frac{1}{1 + e^{(5,235 - 0,967\beta_1 - 0,648\beta_2)}}$$

Based on all the tests carried out, it is possible to infer that when the overall score of self-efficacy (global self-efficacy) increases by one unit, the probability of classifying the students within those who are disposed to create their own companies, increases by 0.38 percentage point.

This result allows validating the present work hypothesis, and are in line with others like those of Marín et al., (2015), Vargas & Bedoya (2015) and Fernández (2017).

5. CONCLUSIONS

The following can be mentioned as main conclusions and implications of this research, developed with 246 students of the public accounting and business administration programs, residents of small non-capital Colombian municipalities:

That almost 70% of the students surveyed have expressed their willingness to create companies, it can be inferred that the entrepreneurial intention of young people is high in the geographical area where they

live, which is very positive because there are historically multiple social problems, so the creation of companies could bring relief and a positive effect for their economic and social development.

In this sense, the national, departmental and local governments should take care of generating a support environment for their potential entrepreneurs, which should include access to financing and promotion measures such as special tax discounts during the start of the companies.

It should be noted that consistent with most of the existing literature, the perception of global self-efficacy showed a positive effect on the university's entrepreneurial intention, for which the academia and the public and private sectors must through training programs continue to strengthen the different capacities of the future professionals, so that they can perform adequately as entrepreneurs.

Specifically, the managers of the indicated careers and the institutional program of entrepreneurship of the university addressed should focus on those factors in which the students expressed feeling less prepared, that is to say in getting the clients to be interested in their products and / or services and in determine the operational costs of the business (both basic processes in organizational management).

Izedonmi (2010), examining the impact of entrepreneurial education on students' entrepreneurial activities tends to raise or provide some useful insights into some theoretical issues on one hand. And on the other hand, it raises some practical implications for policy makers both in the government and universities, in this sense and coherence with most of the literature studied is highlighted.

The perception of self-efficacy showed a positive effect on the university's entrepreneurial intention, for which both the academy and the public and private sector must join forces to continue with training programs that strengthen the different capacities of future professionals so they can perform adequately as entrepreneurs as a Hovne, Hovne & Schøtt (2014), argue that entrepreneur innovation benefits from education, especially training during education and also training after graduation. Innovation is also promoted through the support of public policies for entrepreneurship.

Finding as greater weaknesses to create companies the factors: The capacity to do that consumers to be interested in their products and / or services and the ability to measurement the costs of the new business, basic processes in organizational management, becomes a clear competences indicators that should be included from the respective programs curricula.

In the development of this scientific research, its authors have also been able to verify that at a global and national level the topics addressed continue to be of great social interest, which is noted in indicators such as the increasing presence of compulsory and elective courses in many universities, the opening of private and public promotion programs and the large number of published books and articles.

As limitations of the work can be noted that addressed only two undergraduate courses, because having done it with other academic programs including graduate ones would have allowed to have a broader vision of the university entrepreneurial intention of the region where is located the institution in which the analysis was applied.

Among the future lines of research that could be derived from this can be mentioned: apply the survey in other careers and small cities in more regions of Colombia and / or other countries, in such a way to obtain stronger evidence of the characteristics of regional entrepreneurship; on the other hand, is desirable review how entrepreneurship training is influencing the entrepreneurial intention of students in the region studied and in the others that could be analyzed.

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FACTORS AFFECTING THE ECONOMIC GROWTH AND DEVELOPMENT OF ANGOLA

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ABSTRACT

The current paper analyses Angola's macroeconomics conditions and potentials for future economic growth and development. To find effect of the oil industry and foreign investors in Angola, the study relies on the theory of economic growth. The findings and conclusions of this study suggest a need for a better industrial diversification of this important economic player.

Keywords: Africa, Angola, Foreign Investment, Oil Industry, Economic Growth

1. INTRODUCTION TO ANGOLA

Angola is a sub-Saharan country located in Southwest Africa. Angola shares the border with Democratic Republic of Congo, the Republic of Congo, Zambia, and Namibia. The country is rich in natural resources with include the Zambezi, Cubango, and Zaire rivers, among others. Other natural resources include minerals such as diamonds, copper, ore, and others. Undoubtedly, the most important natural resource for Angola is its ample supply of oil.

Geographically, Angola is almost twice as big as the State of Texas, USA. With approximately 1,246,700 square kilometers and an estimate total population of 25.8 million people, Angola is full of potentials for economic development. Country's population is divided among several different ethnic groups: Ovimbundu (37 percent of Angola's population), Kimbundu (25 percent), Bakongo (13 percent), mixed European and native African (2 percent), European (1 percent), and "Other" (22 percent).

In addition to the ample of natural resources and a very diverse population, Angola has a unique history as well. There is no country in Africa that is similar to Angola. Today, the territory known as Angola, once in the past was a mass of land ruled by several different kingdoms. In seventeenth century, Portuguese arrived to this region and defeated the existing kingdoms. Portugal ruled all defeated kingdoms and established its growing empire. For several centuries, Angola was the supplier of slaves and natural resources to Portuguese and the rest of the world. Finally, the waves of independence movements of 1950s, raised the hopes for Angolan's independence. On November 11, 1975, Angola finally became independent and recognized by the United Nations. Unfortunately, what seemed to be a bright Angola's future during the 1970s, quickly faded into a nightmare as the devastating civil war tore the nation apart. Angola's civil war lasted from 1975 until 2002, leaving the country economically devastated and deeply underdeveloped.

2. COMPLEXITY AND POTENTIALS OF ANGOLA'S ECONOMY

From its independence from Portugal in 1975 to the present day, the country of Angola have registered an inconsistent economic growth. In the beginning, the main industries in Angola were: mining, manufacturing, construction, farming of coffee, cotton, maize, sugarcane, rice, and other crops, as well as of livestock. Today, over 80% of Angola's labor force is employed by agricultural sector. In addition, the vast amount of arable lands in Angola makes the country a potent source of agricultural products such as bananas, sugarcane, coffee, sisal, corn, cotton, cassava, tobacco, vegetable, and plantain. Another quite similar area is livestock, forest products, and fishery industries.

In the last few decades, Angola's economic growth is a direct result of trends and developments in its oil industry. Historically, oil and oil related products are traded with the Western countries, such as the

United States, Portugal, the United Kingdom, Holland, Germany, France, and Italy. The importance of the oil industry in Angola can be illustrated by the fact that in 2000, the agricultural and manufacturing industries accounted for less than 5% of Angola's gross domestic product (GDP), while, at the same time, oil production was financing approximately 87% of the countries fiscal revenue (Ferreira, 2006). Since 2008, Angola's economy experienced an impressive economic growth. This was mostly due to the increasing oil prices induced by the financial crisis of 2008. This was known as the golden period of Angola's economy. Despite of the extraordinary potentials for economic growth and prosperity, Angolans failed to achieve its economic potentials. This is primarily due to the fact that Angola has not diversified its economy and, unfortunately, managed to experience a great recession in 2015.

While oil is the country's major source of revenues, Angola is abundant of natural resources such as diamonds, iron ore, phosphates feldspar, bauxite, uranium, and gold. In addition, the country is a strong producer of cement and basic metal products. Furthermore, fish and food processing, brewing, tobacco products, sugar, textiles, and ship repair are other strong economic drivers. Due to the abundant of natural resources and the diversity of local industries, it should not come as a surprise that among some foreign investors, Angola is referred to as "Dubai" of Africa.

3. OVERVIEW OF THE ANGOLA'S ECONOMY

As stated earlier, Angola is a unique, complex country with immense wealth of natural resources and great economic potentials. According to the 2015 World Bank's *Trading Economics* Publication, Angola's unemployment and inflation rates showed a significant decrease between 2002 and 2015. These are the sign of an economic improvement that are welcomed by Angolans. Similarly, an impressive improvement in nominal GDP per capita has been recorded during this period of time. Due to the strong market conditions in the oil industry, the nominal GDP of Angola has improved dramatically. Table 1 illustrates the comparison of Angola's major economic indicators for 2002 and 2015.

	2002	2015	% Change
Inflation Rate	109%	10%	-91%
Nominal GDP per Capita (USD \$)	\$731	\$4,062	456%
Government Revenues (as % of country's GDP)	35%	27%	-23%
Government Total Expenditure (as % of country's GDP)	38%	31%	-18%
Government Gross Debt (as % of country's GDP)	71%	57%	-20%
Unemployment Rate	29%	26%	-10%

As Table 1 illustrates, the major macroeconomics indicators, unemployment and inflation rate, continue to improve in Angola. Furthermore, during 2002-2005, Angola's government spending has also decreased. A very important indicator of a country's economic wellbeing is its taxes system. A healthy tax system can give some indications about the "ease of doing business" in that country. According PKF International, Angola collects most of its tax revenue from the business and personal income taxes. Angola levies the business taxes on three distinct business groups: Group A, Group B, and Group C. Businesses that fall into Group A or Group C are taxed 35 percent tax rate, while the businesses that fall into the Group B category are taxed at 25 percent tax rate.

In addition to the above taxes, a special taxation and tax system exists for the companies in oil industry. This special taxation system separates business that operate in joint venture from the ones that do not. These companies are taxed at tax rates between 65 and 75 percent. Furthermore, there is a 50 percent for the cost of share agreement, with additional royalty fees, applicable to these companies. Companies operating in mining industry pay 40 percent tax from their income and additional royalty fees. Furthermore, personal income in Angola is taxed progressively between 5 and 17 percent. In addition, an incremental contribution fee applies to the personal income as well.

4. THE ROLE OF FOREIGN INVESTMENT AND OIL INDUSTRY IN ANGOLA'S ECONOMY

Diverse economic theories on economic growth and development point to a number of economic factors that can lead to country's economic growth. The other set of factors is responsible for causing economic stagnation and/or underdevelopment in a country. For the purpose of reviewing economic growth in Angola, we want to analyze how foreign investment in oil industry can affect this country's economic progress.

Different researchers took different approaches to studying economic growth and development in Africa. The approaches range from blaming Europeans for African underdevelopment (Walter, 1981), to focusing on absence of democratic values within the Continent (Mamdani, 2011). Naturally, the exploitation of labor, human capital, and natural resources can contribute to the economic stagnation. However, the complexity of the historic events, trends, and overall economic conditions in combination with the political (in)stability, regime changes, and corruption, provide serious obstacles to economic growth and thus Africa's full integration of into the global economy. Some argue that colonial legacy and the neocolonialist relationship between former colonies and their colonial powers, create further conflicts that further prevent economic growth of the entire Continent. Given that Angola is one of the nations in Africa, analyzing the economic conditions of this country cannot be completed without understanding the broader, regional factors that have an effect on Angola's economy.

According to the research published by the BMI Research in 2015, since the end of the civil war in Angola, country's oil production almost quadrupled to 1.7 million barrels per day. Currently, Angola is the second largest oil producer in Africa, and the fourteenth in the world. It is forecasted that by year 2020, Angola could be producing 2 million barrels per day. It is the authors' position that Angola's abundant oil resources, in addition to other natural resources that the country has, are important for the future economic growth and development. However, to prove this statement and to better understand the Angola's economic growth and the factors that influence it, this paper utilizes Robert Barro's neoclassical economic model ("*Determinants of Economic Growth: A Cross-Country Empirical Study*") that studies the forces of economic growth. To estimate economic growth, which is defined the growth rate per capita output, Barro uses the following equation:

- $Dy=f(y, y^*, y^{**})$, where,
- Dy represents the growth rate per capita output
- y is the current level of per capita output
- y^* is the long-run or steady-state level of per capita output.
- y^{**} is a set of economic determinants such as human capital, fertility rate, government consumption, rule of law, international trade, inflation rate, and foreign investment.

The current study tests Barro's neoclassical economic model for Angola by looking at the cross-sectional data for the following periods: 1985-1995, 1995-2005, and 2005-2015.

Human Capital

Traditionally, the economic growth studies utilize three proxies that can help us determine country's human capital:

1. average years of attainment for males aged twenty-five and over in secondary and higher schools at the start of each period,

2. the log of life expectancy at birth at the start of each period (an indicator of health status),
3. interaction between the log of initial GDP and the years of male secondary and higher schooling.

The current study utilizes the following two determinants of human capital: average years of attainment for Angolan male aged twenty-five and over in the secondary and higher schools and the life expectancy at birth.

Angola's average years of educational attainment in secondary and high school (male age 25 >) was 4.2 and 7.9 years respectively. Furthermore, according to the United Nations Development Program (UNDP), the expectancy life at birth for an Angolan was 40.8 years during 1985-1995, 42.1 years during 1995-2005, and 48.6 years during 2005-2015 (UNDP, 2013). The observed data implies a high mortality rate in the country.

Fertility Rate

Based on the Neoclassical economic theory, a decrease in child bearing can lead to increase in growth rate of a country. Another well documented indicator that accompanies lower fertility rate is an increase of female primary education.

According to Barro, a higher fertility rate has a negative effect on economic growth because the resources that could have been devoted to production, must now be directed to children rearing. According to the St Louis Federal Reserve, in 1975 there was 7.35 children per one woman in Angola. For the three time periods that are being studied in this paper (1985-1995, 1995-2005, and 2005-2015), on average, Angola registered 7.279, 7.083, and 6.716 fertility rates, respectively. In 2013, the fertility rate was around 6.16 children per woman.

Government Consumption

According to the Neoclassical economic theory, an excessive spending on education and defense can be detrimental to the economy. Barro argues that high degree of nonproductive government spending leads to a decrease in the growth rate of a country. In 2010, the World Politics Review reported a 39 percent increase in Angola's military spending. According to this research, Angolan government is planning to increase its military spending by 13 billion by year 2019. In 2014, the Angolan military spending was estimated to be 14.1% of the national budget. Other notable projects undertaken by Angola's government include construction of facilities that will support hosting the African soccer tournament as well as the Afro Basket competition. Economically, these projects can very well support Angola's tourism and entertainment industries. The critics of these projects argue that funds could be used better for more profitable and productive projects, such as education and infrastructure.

The Rule of Law Index

According to Barro, "quality of bureaucracy, political corruption, likelihood of government repudiation of contracts, risk of government expropriation, and overall maintenance of rule of law" are important determinants of a country's economic growth. If a country receives low score on the "rule of law index", the higher is the probability that the country will experience a slow economic progress. In Transparency International ranks Angola as 163rd (out of 168 nations) on the Corruption Index, Perception. Furthermore, in 2016, The Heritage Foundation published the Economic Index Freedom that suggests serious issues of government corruption and a very weak rule of law in Angola. Similarly, other agencies and their corresponding indices (e.g. the Global Economy and its Rule of Law Index, which measure countries rule of law by -2.5 being the weakest and 2.5 the strongest rule of law. According to this measure, Angola ranks the 171th position with -1.08 in the scale of -2.5 and 2.5. The data reported by the above agencies and research would suggest a weak rule of law in Angola. In the long-run, and if persistent, this could negatively affect Angola's economic growth and development, and, in particular, the country's attractiveness of foreign investment.

Terms of Trade

The United Nations defines the terms of trade as the ratio of the country's exports values to the percentage of its imports (The Global Trade, 2016). Naturally, based on the neoclassical theory of economic growth, a country's real domestic income and consumption will increase with an improvement in the terms of trade, however, this will not affect the country's real GDP. An increase in overall export

will stimulate an expansion of domestic output. The Terms of Trade indicator also gives an inside on country's ability to negotiate international trade with other countries. That being said, in applying this variable to Angola's data during the periods in consideration, the data reveals a significant increase in the country's terms of trade. For example, Angola's term of trade indicator has significantly improved for the past several decades, ranging from 80.77 in 1985 to 172.5 in 2015. This increase in the terms of trade reflects the increasing level of disposable income in the Angolan income.

Inflation Rate

Barro argues that both, enterprises and families, suffer when inflation is on a rise and, especially, when it is under control. This initial assumption makes it crucial to look at inflation rates in Angola. The World Bank data for the years 1996, 2005, and 2014, reports the following percentage change in the consumer price index (CPI): 4,145.1 percent, 23 percent, and 7.28 percent. A significant drop in the CPI from 1996 to 2014 resulted in major changes and events that took place in Angola.

Foreign Investment in Angola

Due to the limitations to find credit sources in regards to foreign direct investment (FDI) in Angola, this paper uses data from 1990 to 2015 on FDI against GDP trends in the same period. After the regression analysis, it was possible to observe that FDI had a significant correlation to GDP growth. About 81% of the movement in GDP could be attributed to FDI in Angola. Also, the p -value=.48 shows that the relationship between FDI and Angola's GDP was not random, contrary, it had a strong positive correlation. This important and significant finding of the current research, supports the need for further analysis of the key economic growth indicator in Angola, FDI

5. SUMMARY OF THE FINDINGS

In order to better understand the economy of Angola, we applied the neoclassical growth model by analyzing the seven major variables discussed earlier. As expected, the findings suggest that Angola's economic growth from 1985 to 2015 was influenced by the initial GDP, level of human capital, fertility rate, government consumption, rule of law, terms of trade, and inflation rate. For example, we found that Angola's economy will be prone to slow growth if the country experience a high fertility rate. Similarly, government's excessive spending can have a negative effect on a country's economic growth and development as well.

The finding of the current study are presented in Table 2. It can be concluded that the Angola's economy have experienced economic growth and thus progress toward global integration.

Despite Angola's weak rule of law, the country still continues to experience economic growth and to attract the foreign investors. From a negative initial GDP in 1975 to the fifth largest GDP in Africa, Angola has faced a tremendous economic progress.

Angolan government had managed to lead the country to a higher level of GDP and mostly by relaying on one industry and the revenue from that sector.

Needless to say, despite of the high price fluctuations, the oil industry and government's oil revenues are the major contributors to the country's economic growth and development. The end of civil war forced the government to rethink its military expenditure, which covered most of the government expense.

TABLE 2. REGRESSION RESULTS

GDP per Capita (Log)	0.00082 (0.8186)
Male Secondary and Higher Schooling	0.6858 (0.40004)
Life Expectancy (Log)	1.98048 (0.12108)
Fertility Rate (Log)	11.2135 (0.33169)
Government Consumption Ratio	-0.3044 (0.22495)
FDI	4012.159237 (0.4825345)
Inflation Rate	-0.001022 (0.60096)
Investment ratio	-0.0000000008636 (0.3895)
R-Squared	0.35

6. CONCLUSION AND POLICY RECOMMENDATIONS

Angola's economic story is full of challenges, but it is not different from any other African economies that predominately rely on one industry for its economic growth and development. Due to the heavy reliance on one industry for the growth of the Country's GDP as well as the government's tax revenue, the key findings support the well-established models of economic growth.

Critics of the current economic growth approach in Angola argue that despite of the Country's recent economic growth, most of Angolan's are not seeing the benefits of this economic boom. This is mostly due to the fact that the FDI inflows to Angola are concentrated in one industry – oil industry. The oil-fueled economic growth of Angola, as welcomed as it is, also raised the question of the country's industrial composition diversification. There is no doubt that the influence of the Western and Chinese investments have been influential on both, economic and political systems in Angola. In addition, since 2014, the Angolan Government has been seriously challenged with the financial crisis, strong oil price fluctuations, and SONANGOL's insolvency – Angola's Public Oil Company.

As many experts in the past have pointed, there is a clear danger if a country heavily depends on one industry for its sustainable growth and development. As long as Angola continues to be dependent on oil income and tax revenues, the country's economic growth will be constantly and significantly uncertain due to the fluctuations around commodities prices. The policy recommendations are for Angola to diversify its industrial composition. Angola must diversify its economy, preferably in the industries that the Country has comparative advantage in, in order to continue to experience sustainable economic growth and development. As with the most African countries, the government of Angola will continue to be challenged not only to solve the problem of the current economic crisis, but also the problem of poverty reduction.

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THE IMPACT OF US AND ASIAN IMPORTED GOODS ON PHILIPPINE PRODUCTS MARKET PERFORMANCE

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ABSTRACT

This study examined the buying preferences of Filipinos in 2016 and 2018, for products coming from ASEAN countries and the United States of America, Japan, South Korea and China. The influx of goods from these countries compete directly with Philippine made products in the local market. The subject of this research were 1,101 consumers (N = 1,101) from urban and rural communities in Metro Manila and nearby provinces.

The products and services were grouped into five categories (1) foods and beverages, (2) Clothes, shoes and accessories, (3) Cellular / smart phones, computers and electronic gadgets, (4) Films, videos, music, entertainment, and (5) Cars, motor vehicles. The respondents chose one or more of those products identified with the countries of origin. Each of these selection is considered in this study as an instance of buying preference. After thorough statistical tests of sample data gathered, the results of this study show the demographic data, people characteristics, consumer perception of affordability, quality, utility, availability and popularity that are related to or affected the instance of buying preference. The study also show time based patterns of buying preferences and causes of these, for each of the countries with respect to each of the five product categories. These may be key ingredient to new product designs or market strategies for Philippine businesses.

Keywords: consumer preference, marketing, ASEAN, product positioning.

1. BACKGROUND/OBJECTIVES AND GOALS

The Philippines is one of the most populous countries in Asia. In the ASEAN community, it is the second largest, next to Indonesia. It has a population of 104.25 million. It has a GDP of \$874.50 billion dollars and is one of the largest consumer market in South East Asia. It is basically a consumer oriented society that buys lots of consumer goods and services.

Consumer preference is important in the completion of any sales transaction, i.e., the actual exchange of cash for some goods or services rendered. Since preference is a mental activity that is related to buying decision, it is important to understand its role in the successful completion of a sales transaction. Knowing its various mechanisms, its causes and effects has clear implications in many product designs, marketing plans or strategic management.

Understanding buyers consumer preference is crucial because this gives Philippine products a chance against products coming from bigger and more established economies such as the US, Japan, Korea, China and the rest of the ASEAN countries such as Malaysia, Singapore, Indonesia, Brunei, Vietnam, Thailand, Cambodia, Laos and Myanmar.

As shown in the table below, the Philippines has one of the lowest per capita GDP in the ASEAN.

Table 1. Comparative Economies of the Philippines & US/Asian Countries

Country	Population (Millions)	Area (Sq. Kms.)	GDP (PPP) (Billion \$)	GDP (p.c.) (per capita \$)
Philippines	104.25	300,000	874.50	8,200
Malaysia	31.38	329,847	926.10	28,900
Singapore	5.88	719	513.70	90,500
Indonesia	260.58	1,904,569	3,243.00	12,400
Brunei	0.44	5,765	33.91	76,700
Vietnam	96.16	331,210	643.90	6,900
Thailand	68.41	513,120	1,299.00	17,800
Cambodia	16.20	181,035	64.21	4,000
Laos	7.13	236,800	49.21	7,400
Myanmar	55.12	676,578	330.90	6,300
United States	326.62	9,833,517	19,360.00	59,500
Japan	126.45	377,915	5,405.00	42,700
Korea (South)	51.18	99,720	2,027.00	39,400
China	1,379.30	9,596,960	23,120.00	16,600

The Philippine's per capita GDP may be linked to the competitive performance of its domestic products in the local market. This study focused on the "D" and "P" of the "GDP". It is the objective of this study to reveal what has happened in the last few years as Philippine domestic products compete with imported products for a larger share of the market.

2. METHODS

The subject of this study were consumers in Metro Manila and nearby provinces, N = 1,101. Data through surveys were collected from first batch of respondents in 2016 and the second batch were obtained in 2018. The two years difference allows a time based comparison of product performances. They were asked for their preferences on five categories products, (1) foods and beverages, (2) clothes and accessories, (3) computer and electronic gadgets, (4) films and entertainment, and (5) cars and motor vehicles.

Each of the respondents were asked to choose a product and country origin for each the categories. A respondent may choose one or more of the country of origin or the country where the products are manufactured. For example, in the food and beverage category, one respondent may answer Philippines, US and Japanese foods. Another respondent may choose, Japan and Korea. They were also asked for socio demographic data and their assessment of Philippine products in terms of quality, affordability, utility, availability and popularity. These data were kept in a computer database for further processing.

Market performance parameter of a category of products was measured in this study through the choices made by the respondents. What come to the respondents minds was treated in this study as an instance of choice. The consumer is allowed to make a singular or multiple choice of the country of origin for the products based on the assumption that this a natural behavior of humans to select a variety of products in a particular category. Another assumption of this study is that the instance of choice in the memory of the respondent is the precursor to the actual buying of the product.

This study further analyzed the positioning of the products in the minds of the respondent consumers based on the country of product origin or manufacture.

3. RESULTS

The results of this research shows that in the year 2016, Philippine made products comprised 30.28% of the total number of consumer choices. Imported or foreign manufactured products had a corresponding 69.62 % share of the total consumer choices.

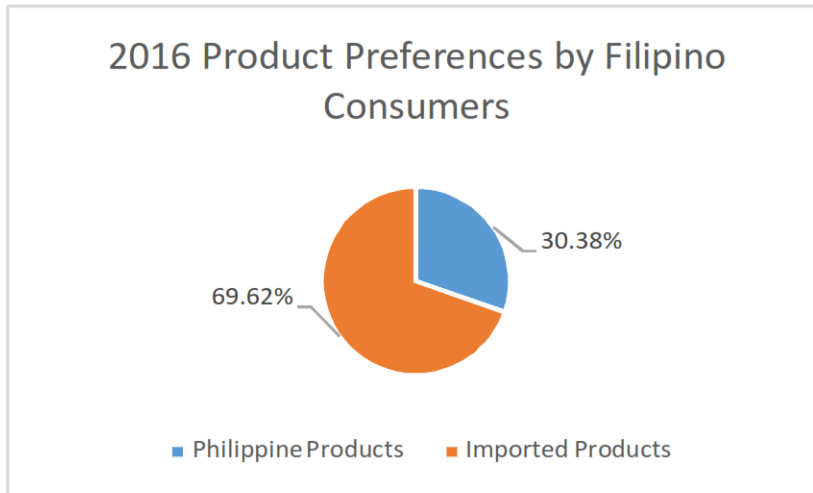


Figure 1. Product Preferences by Filipino Consumers 2016

After two years, in 2018 a similar survey was conducted in the area and the following data was obtained.

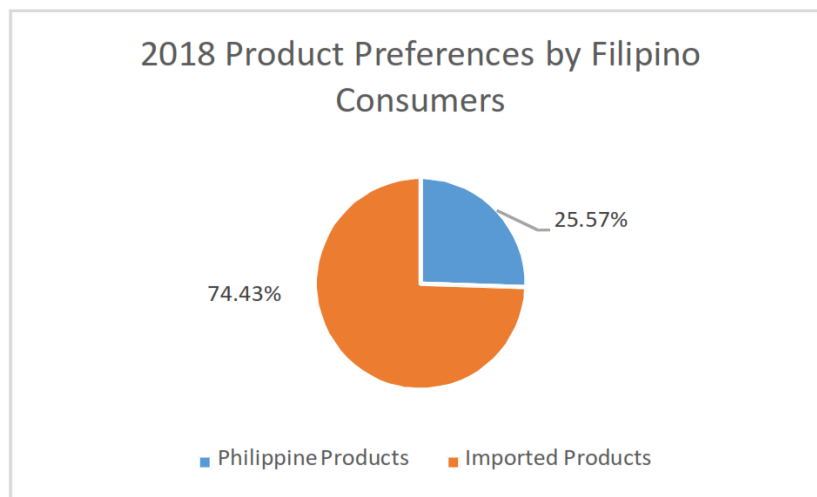


Figure 2. Product Preferences by Filipino Consumers 2018

This study has shown that the preference for Filipino products has changed from 30.38% to 25.57%, a decrease of 4.81%. The preference for imported or foreign made products changed from 69.62% to 74.43%, an increase of 4.81%. This is a cause of concern for Filipino businesses as there is a perceived change in the minds of Filipino consumers that is not favorable to locally manufactured products.

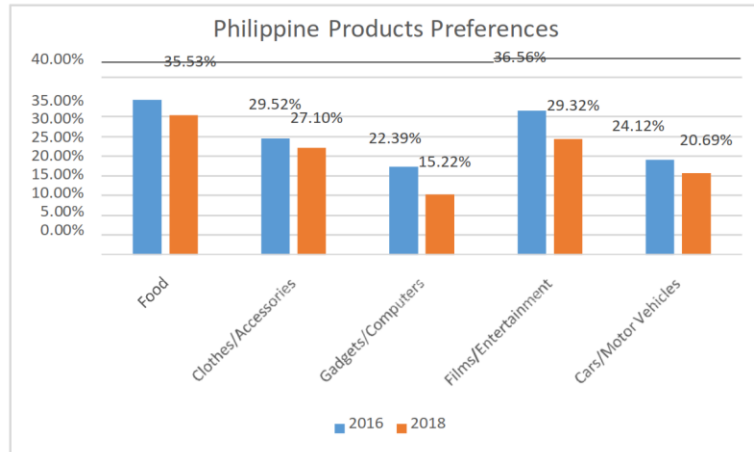


Figure 3. Comparative Preferences by Product Category (2016-2018)

3.1 Product Assessment

To further understand this phenomenon of decreasing preference for Filipino products, the study revealed the following data comparing the consumer assessment of Filipino products in general or as a whole. The scale used here is 5 = high satisfaction, 3 = moderate satisfaction and 1 = low satisfaction.

Table 2. Assessment of Filipino Products (2016-2018)

Product Assessment (Satisfaction)	2016 Mean	Rank	2018 Mean	Rank	% Change	Interpretation
1. Affordability	4.10	1	3.77	3	-8.05%	Decrease
2. Quality	3.73	4	3.50	4	-6.17%	Decrease
3. Utility	3.84	2	3.82	2	-0.52%	Decrease
4. Availability	3.83	3	3.87	1	1.04%	Increase
5. Popularity	3.58	5	3.42	5	-4.47%	Decrease
AVERAGE	3.82		3.68		-3.66%	Decrease

The average for all assessment areas in 2016 is 3.82 interpreted as moderate satisfaction. In 2018, the average is 3.68. This is a -3.66% change in the level of satisfaction. There are decreases in affordability, quality, utility and popularity. However, there was an increase in the availability of Philippine made products. There was a decrease in the average assessment of satisfaction on Filipino products being offered in the market place.

3.2 Needs Assessment

Another factor that was studied in this research was the needs of the Filipinos in the areas of food/beverage, clothes/accessory, cell phone/gadgets, films/entertainment and cars/vehicles.

Table 3. Needs Assessment of Respondents

Needs Assessment	2016 Mean	Rank	2018 Mean	Rank	% Change	Interpretation
1. Food	4.82	1	4.79	1	-0.62%	Decrease
2. Clothes	4.05	2	3.74	3	-7.65%	Decrease
3. Cell phone /Gadgets	3.86	3	3.65	4	-5.44%	Decrease
4. Films/Entertainment	3.44	5	3.28	5	-4.65%	Decrease
5. Rides (Cars/Vehicles)	3.80	4	3.86	2	1.58%	Increase
AVERAGE	3.99		3.86		-3.25%	Decrease

3.3 Socio Demographic Profile of the Respondents

The socio demographic profile of the respondents gives us the background information on the respondents. This may help understand and explain the prevailing trends in consumer preferences among Filipinos with regards to locally made and imported products.

Table 4. Socio Demographic Profile

	Description	Respondents	%
Age	19 below	410	37.24%
	20 - 29	535	48.59%
	30 - 39	81	7.36%
	40 - 49	48	4.36%
	50 & above	27	2.45%
	Total	1101	
F. Income	< 5,000 Ph P	88	7.99%
	5,000 – 10,000	234	21.25%
	10,001 – 20,000	270	24.52%
	20,001 – 30,000	192	17.44%
	30,001 – 50,000	214	19.44%
	>50,000	103	9.36%
Total	1101		
Civil Status	Single = 0	878	79.75%
	Married = 1	223	20.25%
	Total	1101	
Home	Rural	870	79.00%
	Urban	231	21.00%
Work/School	Rural	771	70.00%
	Urban	330	30.00%

The above data indicated that majority of the respondents were below 30 years old, 53.76% of respondents have family income less or equal to 30,000 pesos, 80% were not married and about 70 - 79% reside or work in the rural areas. These comprise 1,101 respondents considered in this study as consumers in the market of Philippine goods and services.

3.4 Food/Beverage Products

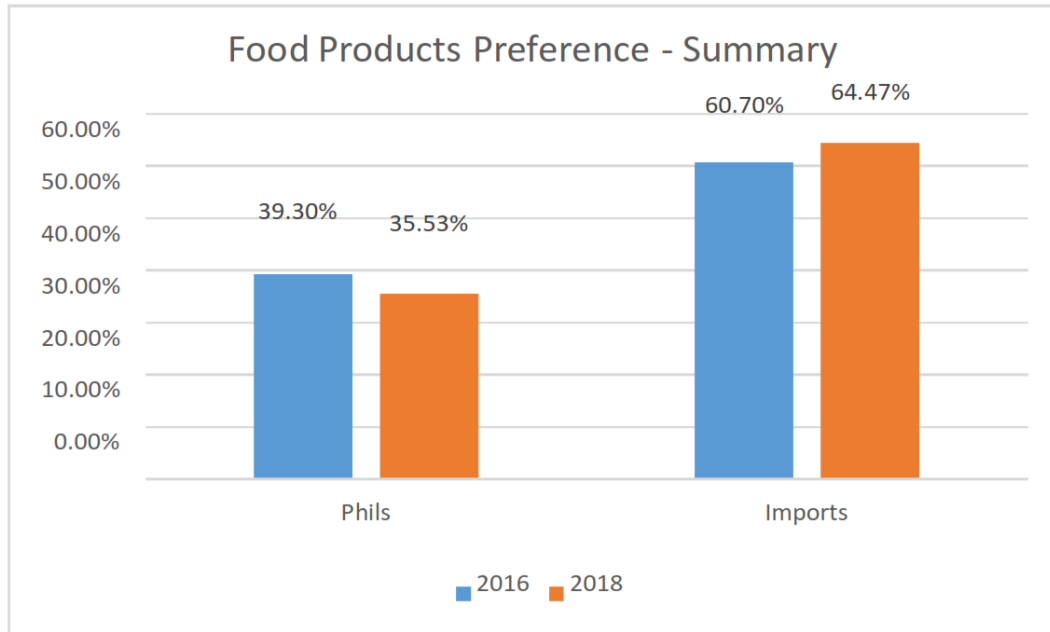


Figure 4. Food Beverage Product Preference

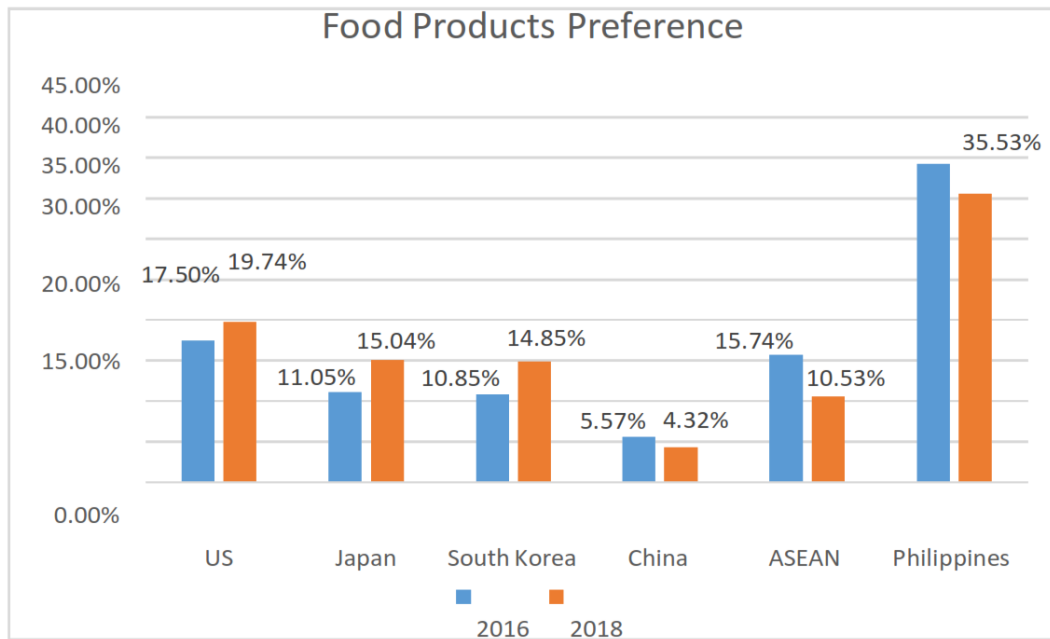


Figure 5. Food Products Preference by County of Origin/Manufacture

The above figures, 4 and 5, shows that there was a decrease in preference for Philippine made products from 39.30% to 35.53%. There were noticeable increases in Filipino food consumer preferences for the US, Japan and South Korea. There were decreases in preferences for China and ASEAN.

Table 5. Regression of the Preference for Philippine Food/Beverage Products

Regression Model	Adjusted R Square	0.092		
	ANOVA	df	3	
		Mean Sq.	3.003	
		F	20.704	
FOOD		Sig	0.000	
Predictors	Beta (std)	t	sig	
1. Need for Rides	-0.241	-6.033	0.000	**
2. Family Income	-0.132	-3.297	0.001	**
3. Need for Food	0.094	2.360	0.019	*
** sig @ p < .01 * sig @ p < .05				

Family income and the need for cars or motor vehicles have significant effects on food preferences. The figures indicated that an increase in family income statistically caused a decrease in preference for Filipino foods/beverages. An increase in the need for a car/motor vehicle was also indicated as causing a decrease in preference for Philippine foods/beverages. The need for food is positively correlated with an increase in the preference for Philippine foods/beverages. This means that the greater the perceived need for food, Filipinos would prefer locally produced products and vice versa.

3.6 Clothes and Accessories

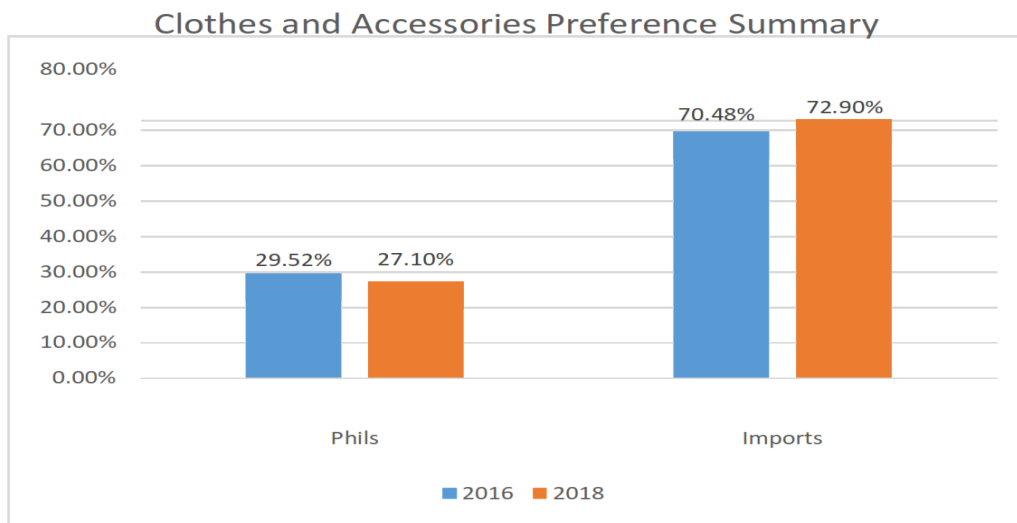


Figure 6. Clothes and Accessories Preference

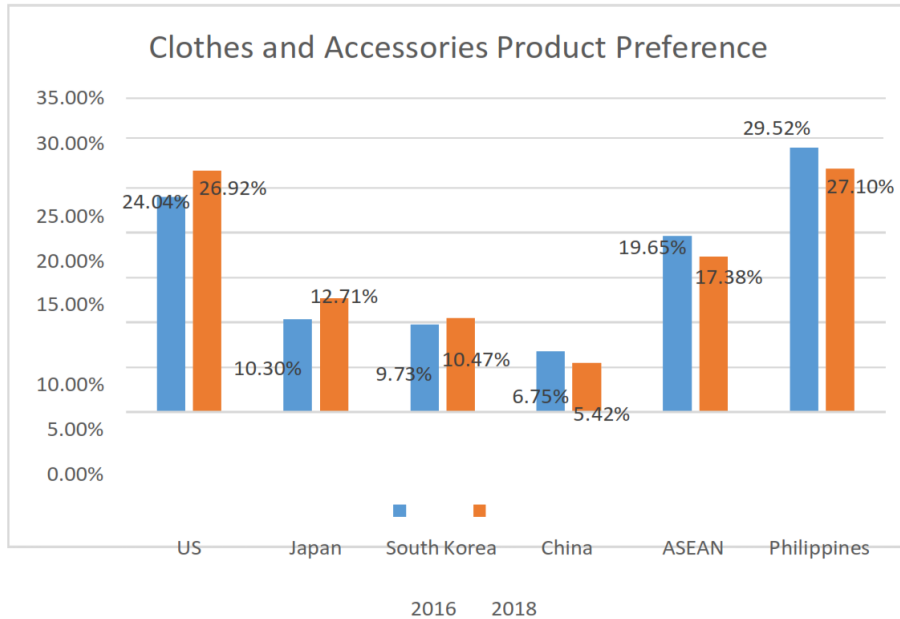


Figure 7. Clothes and Accessories Preference by Country of Origin/Manufacture

The above figures indicated a decrease in preference for Philippine made products, from 29.52% to 27.10% in the last two years. There were increases in the preferences for US, Japan and South Korean clothes / accessories. There were decreases in preference for China and ASEAN manufactured clothes and accessories.

Table 6. Regression of the Preference for Philippine Clothes and Accessories

Regression Model	Adjusted R Square	0.105		
	ANOVA	df	3	
		Mean Sq.	3.833	
		F	23.825	
CLOTHES		Sig	0.000	
Predictors	Beta (std)	t	sig	
1. Need for Rides	-0.212	-5.339	0.000	**
2. Family Income	-0.184	-4.651	0.000	**
3. POPULARITY	0.149	3.807	0.000	**
		** sig @ p < .01	* sig @ p < .05	

The preference for Philippine made clothes and accessories were influenced or affected by the need for cars/motor vehicles, family income and popularity of the product. There were inverse affect of the need for motor vehicles and family income on the preference, meaning that those who are increasing in income and can afford cars have lesser preference for Philippine made clothes. However, the increase in popularity of locally made clothes and accessories have a direct positive effect on the preference for Filipino made products.

3.7 Computer and Electronic Gadgets

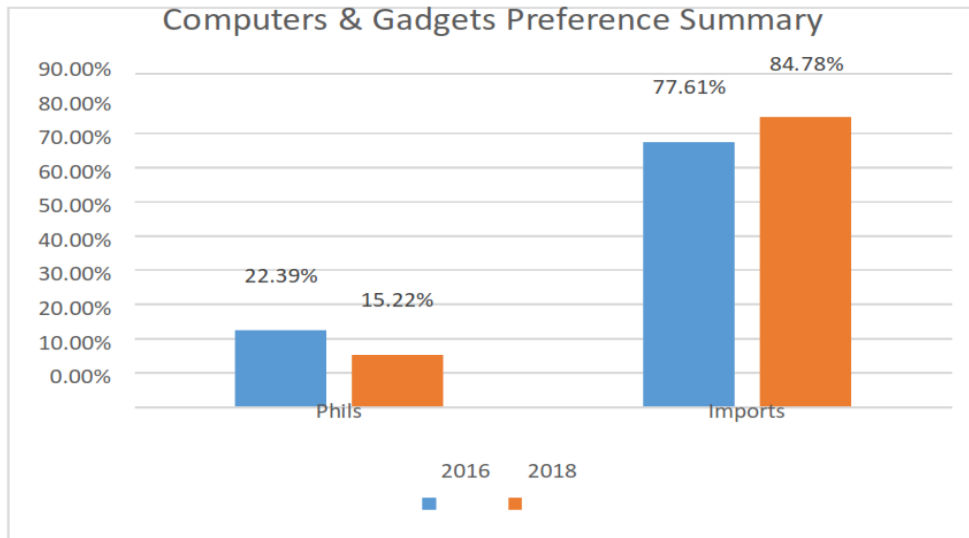


Figure 8. Computers and Gadgets Preference

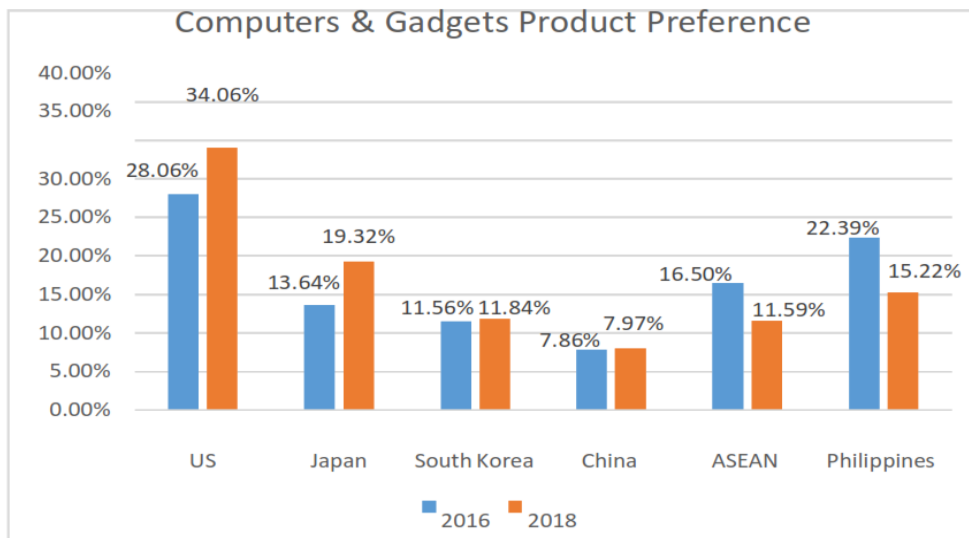


Figure 9. Computers and Gadgets Preference by Country of Origin/Manufacture

Research data showed that there was a decrease in preference for Philippine made products, from 22.39% to 15.22%. There were increases in the preference for products made in the US, Japan, South Korea and China. Preferences for Philippine and ASEAN made products showed a significant decrease in the last two years.

Table 6. Regression of the Preference for Philippine Computers and Gadgets

Regression Model		Adjusted R Square		0.063	
		ANOVA	df	2	
			Mean Sq.	3.145	
			F	20.598	
COMPTER_GADGT			Sig	0.000	
Predictors	Beta (std)	t	sig		
1. Family Income	-0.194	-4.842	0.000 **		
2. QUALITY	0.164	4.083	0.000 **		
** sig @ p < .01 * sig @ p < .05					

There were two predictors of the preference for Philippine made computers and gadgets. Family income which had a reverse statistical effect on Philippine made products. It was indicated that an increase in family income causes a decrease in preference for locally made products. Likewise, a decrease in family income causes an increase in the preference for Philippine made computer and electronic gadgets. Quality has a direct positive effect on the preference for locally produced products in this category. An increase in perceived product quality of Philippine made products causes a corresponding increase in preference for them.

3.8 Films and Entertainment Products

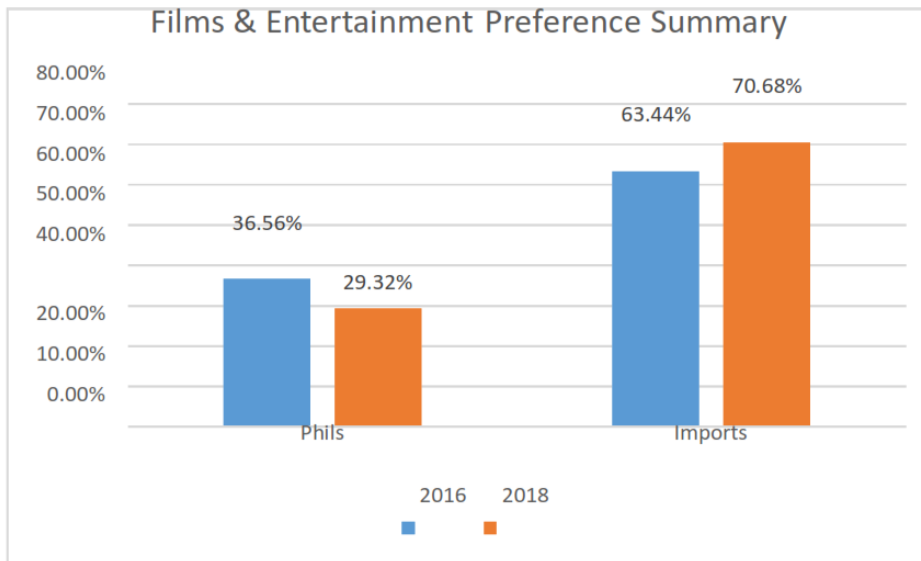


Figure 10. Films and Entertainment Products Preference

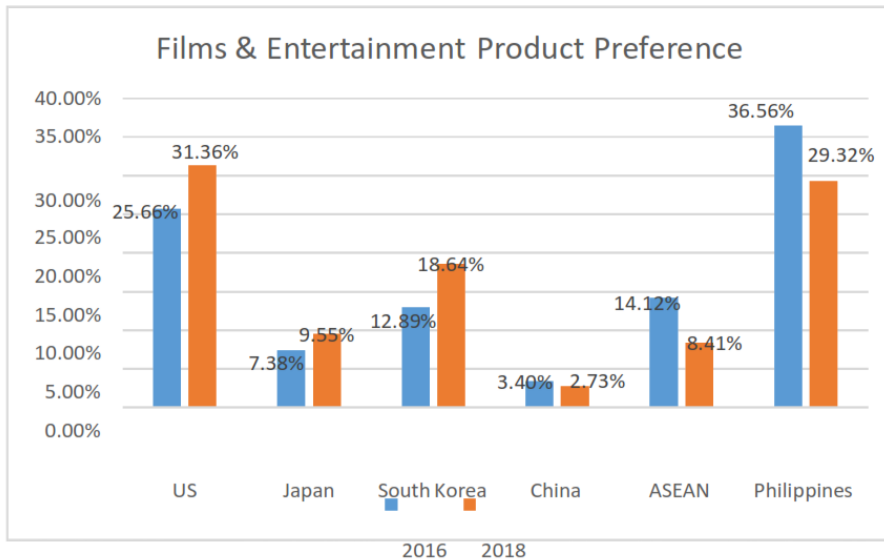


Figure 10. Films and Entertainment Products Preference by Country of Origin

Research data indicated that there was a decrease in the preference for Philippine made films and entertainment products, from 36.56% to 29.32%. There were also decreases for China and ASEAN made products in this category. However, it was shown that there were increases in the preference for US, Japan and South Korean made films and entertainment products.

Table 6. Regression of the Preference for Philippine Films and Entertainment

Regression Model	Adjusted R Square	0.056		
	ANOVA	df	6	
		Mean Sq.	1.057	
		F	6.788	
FILMS/ENTERTAIN.		Sig	0.000	
Predictors	Beta (std)	t	sig	
1. Family Income	-0.154	-3.744	0.000	**
2. Age	0.163	3.35	0.001	**
3. Civil Status	-0.122	-2.483	0.013	*
4. Need for Food	0.102	2.475	0.014	*
5. AVAILABILITY	-0.135	-2.901	0.004	**
6. POPULARITY	0.101	2.197	0.028	*
** sig @ p < .01 * sig @ p < .05				

The results of research showed that there are 6 predictors influencing the preference for Philippine made films and entertainment products. Four of the predictors were personal or family related factors. Family income has an inverse effect on preferences. Civil status also indicated an inverse cause and effect influence, meaning married Filipinos (civil status value = 1) has less preference for Philippine products. Single Filipinos (civil status value = 0), had the tendency to prefer Philippine films and entertainment products. Age has a positive correlational effect on product preference. As one gets older, the research indicated that there is lesser preference for Philippine made products.

Two predictors were related to product characteristics, availability and popularity. Availability of Philippine products has an inverse relationship with preference. Popularity has an inverse relationship with preference. This means that even if Philippine made products were made available to greater number of buyers if its popularity is low, Filipinos will not prefer Philippine made products. Conversely, even if the Philippine made products were not so available in the market, as long as it is popular, Filipinos will prefer and seek out products in this category.

3.9 Cars and Motor Vehicles

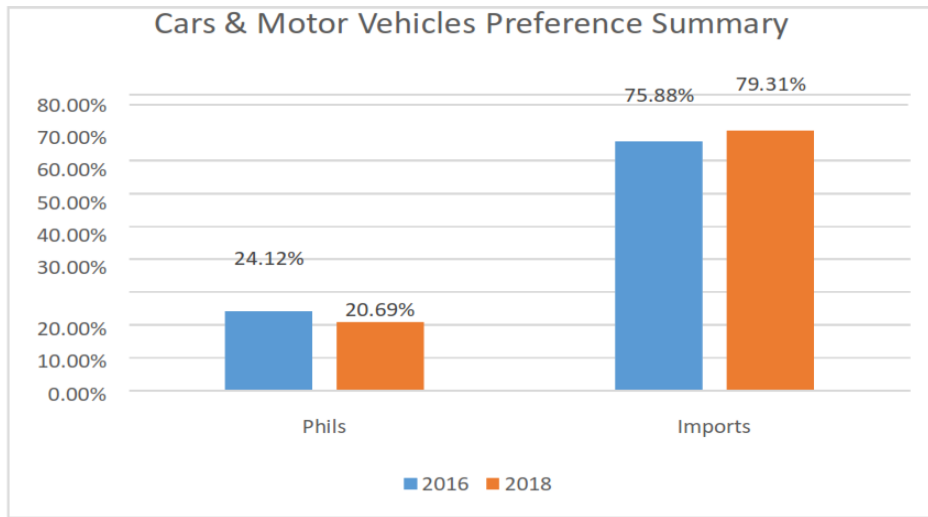


Figure 11. Cars and Motor Vehicles Preference

Research data shows that there was a decrease in the preference for Philippine made cars and motor vehicles, from 24.12% to 20.69%. This indicated a strong increase in the preference for foreign made cars and motor vehicles. Preference for imported cars and vehicles increased from 75.88% to 79.31%.

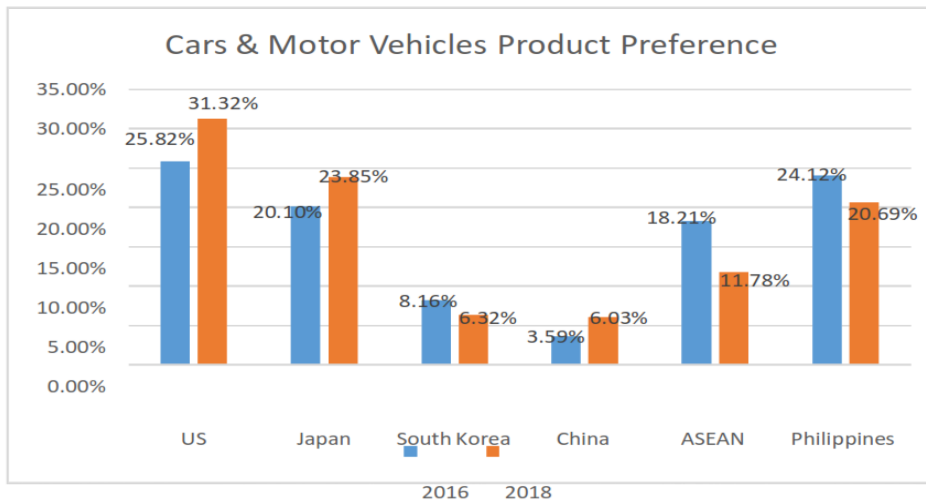


Figure 12. Cars and Motor Vehicles Preference by Country of Origin/Manufacture

The above data indicated that there were decreases in the preference for Philippine and ASEAN made cars and motor vehicles. There was also a decrease in preference for Korean made cars. However, there were noticeable increases in the preferences for US, Japan and China made cars and motor vehicles in the last two years, 2016-2018.

Table 7. Regression of the Preference for Philippine Made Cars and Vehicles

Regression Model	Adjusted R Square	0.079		
	ANOVA	df	3	
		Mean Sq.	3.301	
		F	17.774	
CARS/M. VEHICLE		Sig	0.000	
Predictors	Beta (std)	t	sig	
1. QUALITY	0.217	5.383	0.000	**
2. Family Income	-0.169	-4.196	0.000	**
3. Need for Rides	-0.090	-2.207	0.028	*
		** sig @ p < .01	* sig @ p < .05	

The predictors of the preference for Philippine made cars and vehicles were family income, need for rides. Both of these personal and family factors were inversely correlated with preference for Philippine made products.

This meant that as families who have greater income and perceived the need for a vehicle prefer imported or foreign made cars and vehicles.

People with lesser income prefer Philippine made cars. Research data also showed that there is positive effect of quality on the preference for locally made products. This means that as Philippine made products in this category is perceived to have higher quality it resulted to a higher preference for it, regardless of economic or financial status of the person or family.

4. SUMMARY OF RESULTS AND RECOMMENDATIONS

Philippine products have been losing their position in the minds of Filipinos in comparison to products made in other countries like the US, Japan, South Korea, China and the nations of the ASEAN.

PREDICTORS (Significant)	PRODUCT CATEGORY				
	Food/ Beverages	Clothes/ Accessories	Computers/ E. Gadgets	Films/ Entertain.	Cars/ Motor V.
Personal/Family					
1. Age				0.163 **	
2. Civil Status				-0.122 *	
3. Family Income	-0.132 **	-0.184 **	-0.194 **	-0.154 **	-0.169 **
4. Need for Food	-0.241 *			0.102 *	
5. Need for Rides	0.094 **	-0.212 **			-0.090 *
Product Assessment (Philippine Made)					
1. Quality			0.164 **		0.217 **
2. Popularity		0.149 **		0.101 *	
3. Availability				-0.135 **	
4. Utility					
5. Affordability					
Product Preferences					
1. United States	18.62%	25.48%	31.06%	28.51%	28.57%
2. Japan	13.04%	11.50%	16.48%	8.46%	21.97%
3. South Korea	12.85%	10.10%	11.70%	15.76%	7.24%
4. China	4.95%	6.09%	7.91%	3.06%	4.81%
5. ASEAN	13.13%	18.52%	14.05%	11.26%	15.00%
6. Philippines	37.41%	28.31%	18.80%	32.94%	22.40%
(2016-2018 Averages)	** Highly significant $p < .01$ * Significant $p < .05$				

It is highly recommended that the information presented here be considered in the manufacturing and marketing of products made in the Philippines to make them more competitive in the local market. These are worth considering in the long process of making Philippine products and the whole nation, to be more competitive in Asia and the rest of the world. It may be high time for the Philippines to recover lost grounds in the market place, as well as in the minds of millions of common Filipino consumers.

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**PERFORMANCE MANAGEMENT OF BUDDHIST SCHOOLS IN THAILAND:
AN EMPIRICAL STUDY USING STRUCTURAL EQUATION MODELING**

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ABSTRACT

Performance management is a key indicator of success or failure of international public and private organizations. The purpose of this research is to identify a causal relationship among change management, strategic planning, visionary leadership and performance management of a sect of Buddhist schools, called Pariyatti Dhamma, in the kingdom of Thailand. Structural equation modelling (SEM) was used to analyze data collected from 550 teachers and staff working in these schools. It was found that all the variables have both a direct and indirect causal relationship. It was also found that the structural equation model fits with the empirical data.

Keywords: *Performance management, Pariyatti Dhamma School, Thailand, Structural Equation Modeling*

1. INTRODUCTION

Buddhism as an Institution and Education in Thailand have had a strong relationship since the past until the present. In Thailand, Thai temple, as we called "Wat", is the educational centre for people at all levels for long time (Phrarajavaramini, 1978). Previously, monks ran schools as teachers. Prior to the King Chulalongkorn reign, all Buddhist monks and novices in all monasteries can study only the Pariyatti Dhamma.

In brief, Pariyatti Dhamma or sometimes called "Phrapariyattidhamma" both means Pali, Buddhist script, Buddhist subject or Buddhist script per se. The Pariyatti Dhamma Schools or Phrapariyattidhamma Schools can be defined as the high school for Buddhist monks and novices. The major problem in the past is if Buddhist monks and novices resigned from the monastic status. It is hard for them to find a job in labour market since the Pariyatti Dhamma is proper for monastic life and work.

"King Chulalongkorn the Great, the fifth king of the Chakri Dynasty, ruled Siam from 1868 to 1910. He recognized that human development was critical to a nation's economic success and prosperity; that education needed to have an important moral dimension; and finally that there was an important element of creativity and esthetics also as a key dimension in education" (Gerald W. Fry).

"Education was seen as important in training individuals to staff the various ministries associated with the creation of Siam's modern administrative system. Also, over 100 years ago, there was already awareness of Siam's central location in Asia and Southeast Asia, in terms of trade and commerce. Thus, there was the need to have individuals with skills in both commerce and English" (Gerald W. Fry) - <http://www.worldedreform.com/intercon2/fly.pdf>.

King Chulalongkorn realised this significant problem, however, problem still remained and cannot be solved since suddenly changing in Thailand is not easy task. After the King Chulalongkorn returned from the United Kingdom with the dual doctoral degree from the University of Oxford and the University of Cambridge, he changed his mind and step-by-step reformed educational system in all monasteries. He

ruled new monastic educational policy and allowed both Buddhist monks and novices to learn both Pariyatti Dhamma and various academic subjects such as mathematics, English, chemistry, arts, science, physics, astronomy and so forth simultaneously. Thereafter, the Pariyatti Dhamma Schools, as dramatic changed, now survived as the high school only for the Buddhist monks and novices. It also stands as part of the Sangha educational system. It is recognized by the Thai Sangha organization and is approved and accredited by Ministry of Education in Thailand (Janakoom and Meemak, 2011).

However, no empirical research in English has ever been initiated focusing on educational institution competency for the Pariyatti Dhamma School in Thailand yet. Therefore, this is pioneering research in this field. As we found in various local research studies, the study can be categorized into four major types: (a) change management; (b) strategic planning; (c) visionary leadership and (d) performance management.

Kam Ai and Asavisanu (2016) explained that the system of monastic education is usually limited to monks and novices because it is focused on the study of Buddhist scriptural text recorded in Pali language. Administration and management of the Pariyattidhamma schools is under the responsibility of the Sangha Educational Council which consists of the Supreme Patriarch (Sangharaja); President of the Board of Pali education (Mae Kong Pali); President of the Board of Dhamma education (Mae Kong Dham); President of the university council of the Mahachulalongkorn Rajavidyalaya University; President of the Mahamakut Rajavidyalaya University; and other senior monks appointed by the Supreme Patriarch. At most of the Pariyattidhamma schools, the administration is the sole authority of the abbot, who is the head of the Sangha within the individual monasteries. The schools usually select a learned monk as the head teacher to oversee the program.

In the past, Buddhist monastic education served two purposes: to educate and produce qualified Buddhist monks and novices to serve in Buddhist affairs; and as a path for upward mobility for the less fortunate. Nonetheless, according to Janakoom and Meemak (2011) several inherent problems plague the monastic education system in terms of management: educational inequality and inconsistency in teaching and learning and lack of funding. All these problems lead us to conduct structural equation modeling to investigate the causal relationship of performance management and other observed variables with empirical data.

2. LITERATURE REVIEW

The term "change" implies "disruption of the present conditions prevailing in the external and internal environment" (Alhazemi, Rees & Hossain, 2013). The change can be strategic and have high impact across the Pariyatti Dhamma Schools, or it can be operational with less impact. Several key aspects relevant to change management significantly affect the success or failure of an initiative: leadership, governance, management, organizational culture and the approach to learning and training relevant to the organisation (Andrade 2016; Blaschke, Frost & Hattke, 2014). Managing change as part of a deliberate process has its own set of challenges. It may involve directing, navigating, caretaking, coaching, interpreting and nurturing (Palmer & Dunford, 2002). A formal change-management framework may be useful as a reference point for organizations preparing to undergo change, whether major or minor (Hashim 2013; Heckmann, Steger & Dowling, 2016).

There are several studies conducted as regards change management. Some are theoretical studies on change management, change and leadership in educational institutions, management of organizational change, change in education systems, effective schools in the process of change, organizational culture in the process of change, roles of school administrators and teachers in change and innovation, and resistance to change in the process of change (Ada & Akan 2007; Beycioğlu & Aslan, 2010; Çalık, 2003; Çolakoğlu, 2005; Gizir, 2008; Güçlü & Şehitoğlu, 2006; Şahin, 2007; Tunçer, 2013). Besides, there are various quantitative studies on school administrators' competencies for managing change, role of leadership in change, administrators' readiness attitudes towards change, strategic planning and organizational change (Akkoç & Ergen, 2015; Argon & Özçelik, 2007; Kondakçı, Zayim & Çalışkan, 2010).

Many Pariyatti Dhamma schools have started searching for alternative ways of surviving. Fidler (1996) mentioned that:

- *one of the solutions successful organizations use to cope effectively with the challenge of our competitive world is "strategic planning". In the management literature this concept may also be found in terms of "business strategy process", "strategic management" or "corporate strategy". More or less all researchers mean the same thing. They simply "...describe the same process from different perspective and highlight different aspects". For the purpose of this research article, the term "strategic planning" will be used, incorporating ideas from other terms as well.*

A useful model as developed by Johnson and Scholes (1993) is used widely. It consists of three main elements, which are interlinked. These are: strategic analysis; strategic choice and strategy implementation.

"The past decade of leadership theory and research has provided considerable support for the effectiveness of transformational and charismatic leadership in organizations. The focus of such leadership models centers on the leader's creation, communication, and implementation of a vision, defined here as a highly desirable and vivid future organizational state that motivates followers" (Larwood and Falbe, 1995; Strange and Mumford, 2002). *"Indeed, most current leadership scholars argue that exemplary leaders are described by their followers as visionary and inspirational "* (Rafferty and Griffin, 2004; Bass and Avolio, 1994; Conger, 1999), while recent empirical studies and meta-analytic reviews demonstrate the powerful effects of visionary leadership at the individual-, group-, and organization-levels of analysis. *"For example, research has shown that visionary leadership positively affects net profit margin (Waldman et al., 2001), stock value (Agle, 1993), and follower perceptions of leadership effectiveness (Dumdum et al., 2002). Given convincing empirical support for the impact of visionary leadership on positive organizational outcomes, many scholars have turned their attention to the interpersonal skills and competencies that are necessary for demonstrating visionary leadership behaviors"*.

Overall, comprehensive meta-analyses by Lowe et al. (1996) and Dumdum et al. (2002) *"conclude that visionary leadership is strongly associated with follower job satisfaction and perceptions of leadership effectiveness"*. Phrakhrukittiyanavisit (2016) conducted research about the performance management of the Pariyatti Dhamma schools. It was found that there were five elements of the performance management of the Pariyatti Dhamma schools: (1) The competency of organization management: (2) The competency of personnel supported and Development: (3) The competency of Leadership Quality; (4) The competency of Operation according to Buddhism and (5) The competency of Buddhist management Knowledge. It also found related research that explored the performance management of school administrators and teachers in the Pariyatti Dhamma Schools (Apipanyo, 2017; Şanpa, 2017; Taweasuk, 2017).

According to Armstrong (2000), *"performance management is a means of getting better results from the whole organisation or teams or individuals within it, by understanding and managing performance within an agreed framework of planned goals, standards and competence requirements. Performance management could be validated and tested in an emerging country's context of growth and development in a developing country like Thailand"*. *"Performance management is about directing and supporting employees to work as effectively and efficiently as possible in line with the needs of the organization"* (Walters, 1995). This requires adoption of information and communication technology.

Wolf's (1999) *"study of the service sector in Uganda, Kenya and Tanzania found that higher levels of computerization, that is, the office, computing and accounting equipment made available to employees have led to lower productivity"*. *"This finding could be explained by the high reliance of the service sector on the quality of the labour input"* (Aickelin et al, 2008). For the Pariyatti Dhamma School in Thailand, attracting and retaining competent employees are a difficult and challenging task for schools leaders.

3. RESEARCH METHODOLOGY

Population and Sample Size

This study uses survey research. The target population is a group of both teachers and staff who work for the Pariyatti Dhamma School, division of general education, group 1, as it was located in Bangkok metropolitan area. Convenience sampling using 550 respondents was selected from this population.

Data Analysis

“The study was conducted based on structural equation modeling (SEM). The reason for the selection of SEM in the study is to pair the available data with the propositions of the conceptual world in the mind of the researchers and the determination of the extent to which they are compatible with each other. The purpose of SEM is to investigate the set of relations between one or more independent variables and one or more dependent variables. SEM is an extensive statistics approach utilized to test models, in which there are causal and correlational relations together between observable and latent variables” (Hoyle, 1995).

In this study, performance management, change management, strategic planning and visionary leadership were being investigated for the causal relationship among them for the purpose of determining core competency of the Pariyatti Dhamma Schools.

“In the process of estimating the parameters and determining the significance of the model under the scope of the study; (1) a model was developed theoretically in line with the conducted literature review, (2) the dimensions of suitable questions taken from the respondents questionnaire were determined, (3) the latent variables were assessed through the confirmatory factor analysis and (4) the fit indexes of the proposed model were assessed respectively. The principal components factor analysis was conducted in order to determine the dimensions of suitable questions taken from the questionnaire and factors were determined according to factor loads. The accuracy of the model constructed with the determined factors was checked with the SEM” - <http://ilkogretim-online.org.tr/index.php/io>.

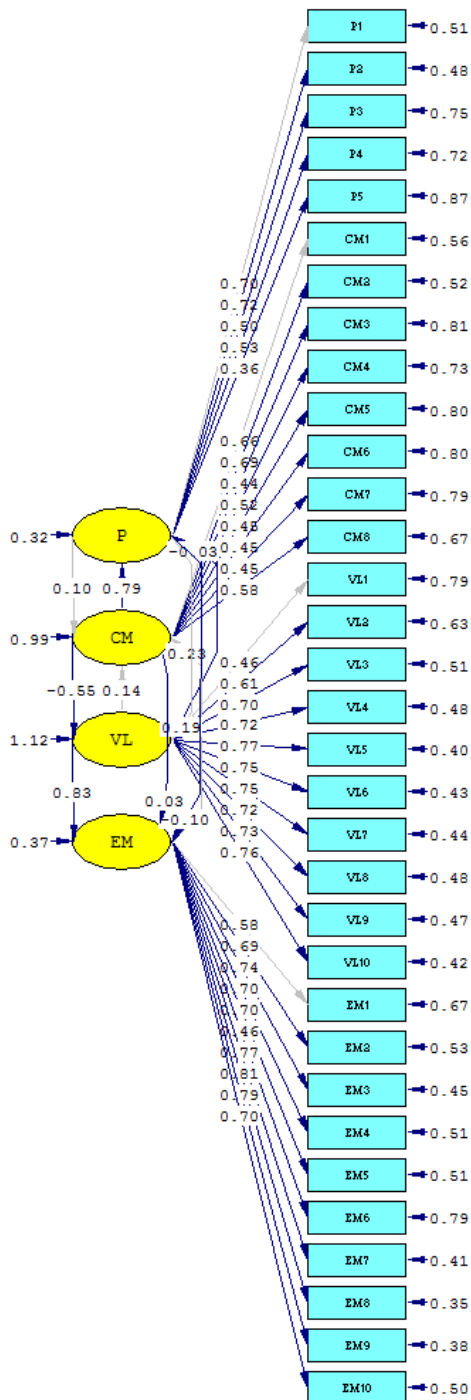
4. RESULTS & FINDINGS

Table 1. Fit Criteria before revised model

Fit Measures	Perfect Fit	Acceptable Fit	Result
χ^2/df (1,845.69/489)	< 2.00	3.77	rejected
CFI	≥ 0.95	0.95	accepted
GFI	≥ 0.95	0.83	rejected
AGFI	≥ 0.90	0.81	rejected
RMSEA	< 0.05	0.07	rejected
SRMR	< 0.05	0.05	accepted

As seen in Table 1, it was found that the structural equation modelling of the Pariyatti Dhamma Schools' performance management in Thailand did not fit with the empirical data: $\chi^2= 3.77$, CFI = 0.95, GFI = 0.83, AGFI = 0.81, RMSEA = 0.07 and SRMR= 0.05 since some empirical data were rejected (Hooper, Coughlan and Mullen, 2008; Joreskog and Sorbom, 1996). The result are provided in Figure 1 below.

Figure 1. Structural Equation Modeling of the Pariyatti Dhamma Schools' Performance Management in Thailand (before adjusted model)



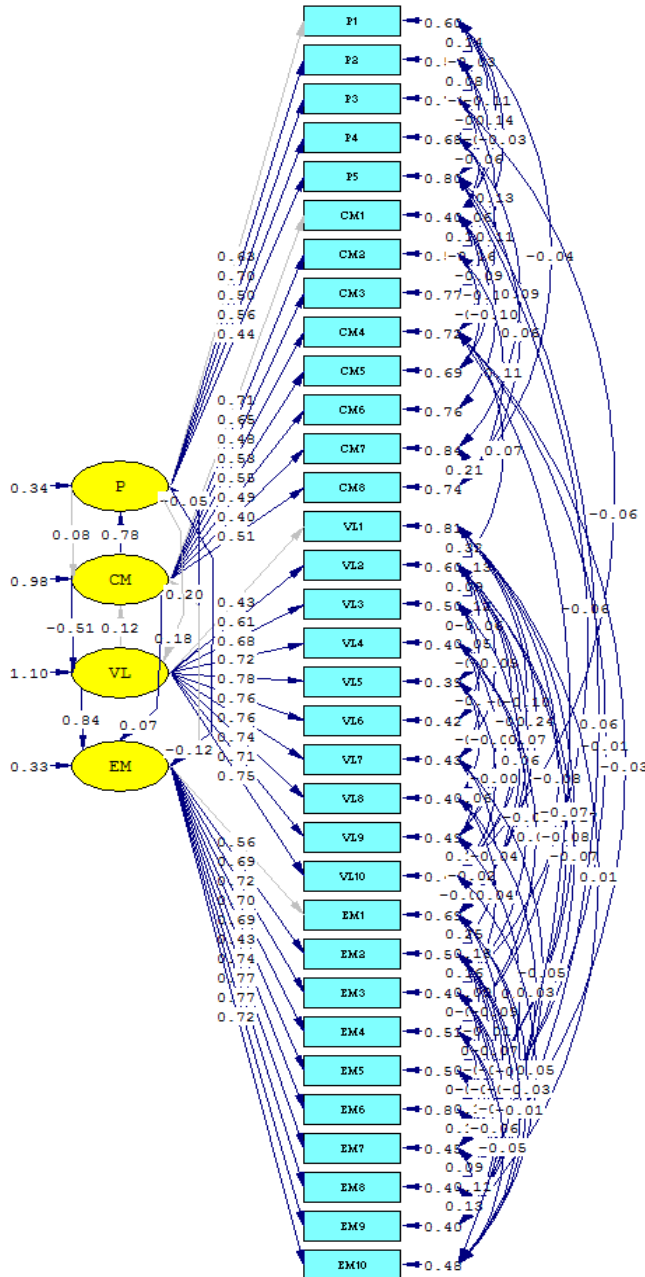
Chi-Square=1845.69, df=489, P-value=0.00000, RMSEA=0.071

As seen in Table 2, it was found that the structural equation modeling of the performance management of the Pariyatti Dhamma Schools' in Thailand did fit with the empirical data: $\chi^2/df= 1.02$, CFI = 1.0, GFI = 0.96, AGFI = 0.94, RMSEA = 0.01 and SRMR= 0.03. As a result, it was confirmed that the revised model fit with the empirical data (see Figure 2).

Table 2. Fit Criteria after revised model

Fit Measures	Perfect Fit	Acceptable Fit	Result
χ^2 / df (402.51/394)	< 2.00	1.02	pass
CFI	≥ 0.95	1.00	pass
GFI	≥ 0.95	0.96	pass
AGFI	≥ 0.90	0.94	pass
RMSEA	< 0.05	0.01	pass
SRMR	< 0.05	0.03	pass

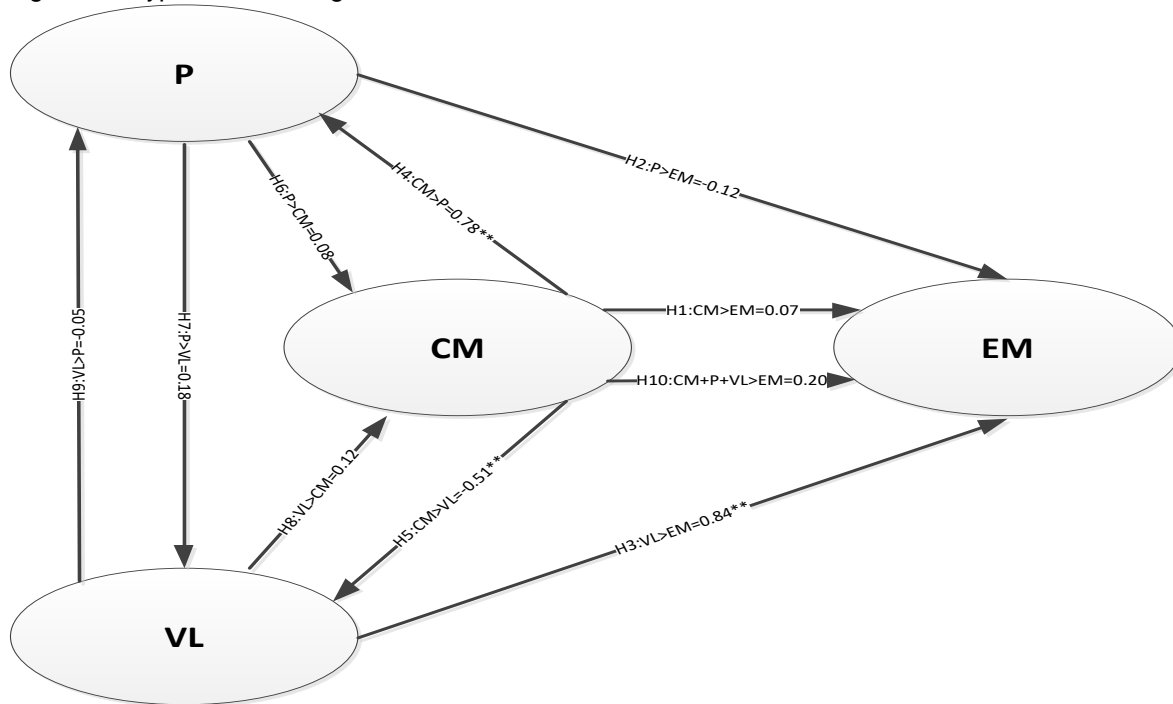
Figure 2. Structural Equation Modeling of the Pariyatti Dhamma Schools' Performance Management in Thailand (Post-adjusted model)



Chi-Square=402.51, df=394, P-value=0.37265, RMSEA=0.006

It was found that change management has no positive relationship with performance management ($\beta=0.07$, $SE=0.14$, $t=0.81$). Similarly, the results showed that strategic planning also did not have a positive relationship with performance management ($\beta=-0.12$, $SE=0.17$, $t=-1.39$). In contrast, only visionary leadership has positive relationship with the performance management of the Pariyatti Dhamma schools in Thailand ($\beta=0.84$, $SE=0.16$, $t=9.65$). The result are presented in Figure 3.

Figure 3. Hypothesis testing outcome



5. DISCUSSION and CONCLUSION

Change Management.

It was found that change management has no positive relationship with performance management. Nevertheless, there was significant positive effect on both strategic planning and visionary leadership. Evidence supported the previous studies.

As these studies stated that organizational culture in the process of change, roles of school administrators and teachers in change and innovation, and resistance to change frequently found in the process of change (Ada & Akan 2007; Beycioğlu & Aslan, 2010; Çalık, 2003; Çolakoğlu, 2005; Gizir, 2008; Güçlü & Şehitoğlu, 2006; Şahin, 2007; Tunçer, 2013).

Strategic Planning.

It was found that strategic planning has a negative impact on performance management. In contrast, it has a positive impact on change management and visionary leadership. The most difficult part of strategic planning is to change from vision to action. According to Johnson and Scholes (1993), they confirmed that school leaders should focus on the three main interlinked elements, which are: strategic analysis; strategic choice and strategy implementation.

Visionary Leadership.

It was confirmed with empirical data that visionary leaders have positive impact on performance management. It also has positive relationship with strategic planning. However, it has negative impact on change management. It can be implied that the resistance to change due to government staff are afraid of changing the secured job since they love security job and safety culture. This empirical data supported previous work of Tunçer (2013).

Performance Management.

It was found that change management, strategic planning, visionary leadership and performance management of the Pariyatti Dhamma schools in Thailand all have positive relationship among them ($\beta=0.20$, $SE=$ -, $t=$ -). It strongly supported the previous studied of Phrakhrukittiyavisit (2016).

As he found that the performance management should focus on competency of organization management, personnel support and Development, Visionary Leadership, Operation according to Buddhism and Buddhist management Knowledge. It also supported previous studies of key researchers (Apipanyo, 2017; Şanpa, 2017; Taweesuk, 2017).

6. IMPLICATIONS

As indicated by the literature, few models have been developed specifically for the Pariyatti Dhamma Schools in Thailand since Pali study and Nakdhamma study also have not developed yet. It is imperative for researchers and practitioners alike to have more understanding about performance management of Pariyatti Dhamma Schools systems in Thailand.

In order to implement excellent performance management, we offer the following suggestions: first, a visionary leader should be appointed as the director of the Pariyatti Dhamma schools, second, providing more innovation, faster management practice and better solution for schools administrators rather than focusing on the budget, and finally, schools administrators should pay more attention to globalization changes and advanced communication technologies otherwise the schools will fall behind the regular schools.

Think smarter, communicate easier and act faster are critical success factors for all Pariyatti Dhamma schools in Thailand. These factors are represented by the key performance management variables used in the structural equation model employed in this study.

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THE FACTORS AFFECTING ON ENTREPRENEURIAL INTENTION OF VIETNAMESE WOMEN

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ABSTRACT

Startup has been a prominent movement in Vietnam in recent years to build the ecosystem for startup businesses and commercial innovations, especially since the Government's launching of the startup nation definition with the issuance of several new policies and the implementation of different action programs in order to create the most favorable conditions.

The paper is based on the theory of Planned Behavior developed by Ajzen (1991) to analyze the factors influencing the entrepreneurial intention of Vietnamese women. Utilizing measures for three factors from Ajzen's model, which were widely used by previous studies, this study supplements and better explains factors such as: (1) attitude toward behavior (ATB); (2) subjective social norms (NS) and (3) perceived behavioral control (PBC); (4) perceived gender bias and (5) perceived environment conditions.

Keywords: *startup, entrepreneurial intention, innovation, Vietnam*

1. INTRODUCTION

In Vietnam, in addition to general policies, the Government has also been focusing on promoting and supporting women's Ss. The new law on Support for Small and Medium Enterprises includes for the first time the concept of SMEs owned by women with two fundamental criteria, including the ownership of capital by women (51%) and at least one female executive on the board of management.

Support for SMEs owned by women is also prioritized as specified in Clause 5 of Article 5: In case different small and medium-sized enterprises meet the same conditions to receive support which has been provided for by this law, priority should be given to small and medium enterprises owned by women, small and medium enterprises which use more female workers.

The Prime Minister also promulgated Decision No. 939/QĐ-TTg on June 30, 2017 approving the Scheme on Support for Startup Women in the period of 2017-2025. In particular, the Scheme raised awareness amongst women and VWU staff about the startup, promoting the realization of creative business ideas. The most important and striking goal is to strive for 20,000 more women to start a business by 2025 and to have an additional 100,000 female-owned businesses.

This affirms that women play an increasingly important role in economic development as well as in other social sectors. However, many studies have shown that the percentage of women who are interested in starting a business in Vietnam is relatively low (VCCI, 2016, Tran Quang Tien, 2017).

The concept of "startup" in English is more comprehensive than the concept of "khởi nghiệp" in Vietnamese. "Startup" is a company that works to solve a problem where the solution to the problem is not clear and the success is not guaranteed (Alyson Shontell, 2014).

Eric Ries (2011) also provides the same concept: startup "is a human institution or organization designed to create new products and services under extremely uncertain conditions." From these concepts, it can be said that startup is about the human aspect, it might be a person, a group or a business.

Startup is not a specific product. If "khởi nghiệp" (starting a business) in Vietnamese is the concept of starting a personal job or a personal career, then "startup" is one of ways that people can choose to "start a business". Thus, while the function of "khởi nghiệp" is to talk about a very wide range of activities,

without strict requirements and criteria, "startup" is a concept that refers to a person or organization performing activities meeting specific evaluation criteria.

2. THE FACTORS AFFECTING ON WOMEN'S ENTREPRENEURIAL INTENTION

Many studies on psychological and behavioral economics argue that intention plays an important role in the formation of human decisions or behaviors. The importance of this cognitive variable for human behaviors has been mentioned in several studies (Ajzen, 1991; Baron, 2004; Shaver & Scott, 1991). Kruger & Associates (2000) emphasized that planned variables have been shown to be the best predictors of behavioral intent, especially in cases where behavior is rare, difficult to observe, or uncertain to occur.

The act of starting a new business or establishing a new business is also defined as a predetermined act (Bird, 1988, Katz & Gartner, 1988). The intention to start a business in this study is defined as the self-guaranteed and self-awareness of an individual when he or she intends to establish a new business and actively undertake it in future. The literature review shows that the volume of research on the intention to start a business is quite large but they are mainly foreign studies.

The number of quantitative studies in Vietnam on intention to start a business is relatively small. Most of the domestic and foreign studies focus on subjects who are students. There is no any quantitative research in Vietnam which has specifically investigated women's intentions for startup. The results of the studies are quite different, so it is necessary to develop more appropriate models to clarify the relationship between the perception and the startup intention (Linan & Chen, 2009).

There are different views on intentions to start a business. Souitaris et al. (2007) suggested that entrepreneurship can be defined as the intent of an individual to start a business. Gupta & Bhawe (2007) argues that starting a business is a process that drives the planning and implementing of a business creation plan. According to Kuckertz & Wagner (2010), an entrepreneur's startup comes from realizing the opportunity, utilizing the resources available and supporting the environment to create his or her own business.

The literature review finds three main approaches to research on entrepreneurship intention (EI). The first approach focuses on analyzing the role, content and impact of education programs on the planned startup of student groups, children and people. The second approach explores environmental factors such as family impacts, entrepreneurial image, national culture, social capital and social factors on entrepreneurial behavior and action.

The third approach involves individuals and includes motivation, personality, thinking, attitudes, gender, etc. The first two approaches are inferred and explained by institutional theory and cultural theories, including theory of characteristics associated with motivational theory (demand). Value theory associated with planned behavior theory has been used to explain the third approach (Tien & Viet, 2016).

Concerning the third approach, most of the studies focused on comparisons, applying two models of project-based research related to the predictability of the intended startup: Ajzen's behavioral theory (TPB) and Shapero's Startup Event Research Model (SEE). Ajzen said that the intention in general depends on the perception of personal attraction, social norms and feasibility.

Shapero argues that business intentions depend on perceptions of individuality, feasibility, and probability of action (Kruger et al., 2000). Intention is the best predictor of any expected behavior, including startup. Understanding the variables of intention increases our understanding of expected behaviors. Attitudes affect behavior because of their impact on intentions. Intentions and attitudes depend on circumstances and people. Personal and situational variables often have indirect effects on entrepreneurship by influencing attitudes and motivations. The change and consistency of the intention models support the broader use of comprehensive, theoretical and proven models of startup.

This study applies Ajzen's (1991) theory of planned behavior (TPB) and tools and variables developed by Linan & Chen (2009) to analyze factors influencing the entrepreneurial intentions of women. The results of earlier studies have supported the application of TPB to the study of intention to start a business. The three key factors in changing the startup plan proposed by Ajzen (1991) include:

- 1) Attitude toward behavior - ATB: refers to the level of personal judgment that is positive or negative towards becoming an entrepreneur (Ajzen, 2002; Kolvereid, 1996). Some studies refer to a different term but have similar meanings, e.g. personal attraction (PA). ATB includes not only feelings ('I like starting a business, this is fascinating to me') but also evaluates the level of interest ('which is more profitable, more advantageous').
- 2) Subjective Social Norms - SN: measures the individual's perception of the social pressures in implementing or not implementing the startup action (Ajzen, 2001). Social norms often focus on the attitudes and influences of close people (family members, friends, communities) for their own startup actions.
- 3) Perceived Behavioral control - PBC: Actual behavior depends not only on motivation or intention, but also on the perception of the difficulties and advantages of the action. PBC refers to self-perception of comfort or difficulty in taking a behavior of interest (i.e. becoming an entrepreneur). Thus, this concept is quite similar to that of self-efficacy (SE) (Bandura, 1997) and is similar to the concept of feasibility (Shapero and Sokol, 1982). However, recent studies have highlighted the differences between PBC and self-confidence (Ajzen, 2002). PBC will include not only personal feelings but also perceptions of behavioral control.

According to Linan & Chen (2009), most previous studies of intention to start a business have used linear regression model, despite knowing that this approach carries the risk of bias. With regard to factors that influence the intention to start a business, many studies conclude that the role of social norms in the TPB is meaningless or unimportant (Autio et al., 2001; Krueger et al., 2000), so some subsequent studies ignored SN in the study models (Peterman & Kennedy, 2003, Veciana et al., 2005).

Linan & Chen (2009) found only 7 out of 16 studies analyzed the effect of SN on the models. This result can be explained by the interaction and indirect effects of SN on other groups of factors (personal attraction and confidence) in the TPB model.

In previous studies, there was evidence that women tend to perceive business environments more poorly than men (Langowitz and Minniti 2007). If women receive the attention of society by different ways, they will perceive the business opportunities more effectively and clearly. In addition to these findings, Menzies and Tatoff (2006) found that a higher percentage of male students choose business management courses and that male students concentrate more on business pursuits after graduation than female students.

Female students seem to think that entrepreneurial spirit does not fit their personality; hence, some authors concluded that the mentioned myths may affect the results of interviews with women about their intentions to start a business.

Some studies have found gender differences in intention to start a business (Langowitz and Minniti, 2007, Kourilsky and Walstad, 1998, Lu and Tao, 2010, Wilson et al., 2007, Zellweger et al., 2011, Zhao et al., 2005). For example, Fagenson and Marcus (1991) asserted that entrepreneurs are primarily involved in masculine activities. In addition, women are less likely to become self-employed due to awareness barriers of gender (Verheul et al., 2012).

In contrast, other studies have emphasized that gender parity is a greater factor than gender differences (Gupta et al., 2009; Kolvereid, 1996). Therefore, research on gender in business has not yet concluded clearly. Ajzen's (2005) analytical framework of the entrepreneurial mentality implies that gender differences in attitudes, subjective norms, and PBC show differences in intention to start a business; therefore, gender influences will be mediated by attitudes, subjective norms, and PBC.

Based on the theory of Planned Behavior (TPB) of Ajzen (1991), the research almost developed models related to factors affecting the startup intention of students. The study of Wu & Wu (2008) found that "attitude towards entrepreneurial behavior" and "perceived behavioral control" impacted positively on students' "entrepreneurial intention". However, there is no statistical evidence to prove "subjective social norms" affect "entrepreneurial intention" positively.

The similar results also were confirmed by the research of Boissin et al., 2009 in testing and comparing in both US and France. Yurtkoru et al., 2014 also provided the same results as the two previous studies. However, different from the previous research, the model of Yurtkoru et al., 2014 analyzed the effect of "subjective social norms" upon "attitude toward entrepreneurial behavior" and "perceived behavioral control".

The results showed that there is a positive relation between "subjective social norms" and "attitude toward entrepreneurial behavior" as well as "perceived behavioral control". Hence, it is necessary to study further the indirect relationship between SN and the other variables of TPB model besides studying the direct relationship between SN and EN.

In addition to the three key factors of the TPB model, several pieces of research found that the startup intention is also determined by other factors besides the factors in the two models of Ajzen and Krueger (Hisrich et al., 2007, Kuratko and Hodgetts, 2007, Nabi and Holden, 2008, Jones et al., 2008).

Tien and Viet (2016) proposed the theoretical framework including seven groups to analyze the factors influential to the startup intention, including the environment. Erich J. Schwarz et al., (2009) developed a model that combined personal factors and environmental factors together.

In detail, the model focus on three groups: the general attitude (about money, change and competition), the attitude towards startup, and awareness of the environment and the infrastructure of the entrepreneurial area.

In this research, three factors impacting on the startup intention of Ajzen (1991) still play a key role in the model; SN will be analyzed in terms of both the direct effect to EI and the indirect effect to EI by the effect of SN to ATB and PBC. In addition, the study also adds two valuable factors as following:

- Perceived environment condition (PEC): Ajzen (2005) found that environmental conditions have not a direct effect but an indirect effect upon behavior through attitude, subjective social norms and perceived behavioral control (Krueger and Carsrud, 1993).
- Perceived Gender Bias (PGB): The previous studies mainly focus on using "gender" as one dummy variable to analyze the differentiation in the startup intentions between women and men.

3. CONCLUSION

Just like men, women need the positive attitudes and develop the trust to promote their entrepreneurial actions. Meanwhile, the gender bias and perceived environment condition have the negative effect on the women's entrepreneurial intention. When women are more determined to start a business, it means that they are self-aware of the role and capacity of themselves in the family and in the business. In Vietnam, although the gender biases are less severe nowadays, they have not escaped the traditional conceptions.

Therefore, in addition to encouraging the women's trust and supporting their efforts and projects, the Vietnam Women's Union and the other concerned organizations need take detail actions to remove the gender bias in the process of implementing the gender equality. Women's entrepreneurship will be stronger when the society has the awareness, the attitude and the assessment equitably in the characteristics, positions, roles and capacities between men and women.

Simultaneously, the organizations also need support to further enhance women's perceptions of the business environment in the market economy, by which the women's business can be adaptable to conditions and circumstances at each period.

Business intentions need to be nourished and supported when women are physically active, passionate and enthusiastic.

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THE DETERMINANTS OF CORPORATE SOCIAL RESPONSIBILITY IN CONSUMPTION COMPANIES OF INDONESIA

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ABSTRACT

The research aimed to analyze the determinants of *Corporate Social Responsibility* in the *consumer goods* companies in Indonesia by analyzing the determinant variable, profitability, company value and sales growth. The model of data analysis used was multiple linier regressions with **Statistical Package for the Social Sciences (SPSS)** Version-20. The research result showed that partially the variable of profitability was significantly affected the *Corporate Social Responsibility* while the variable of company value and sales growth were not affected the *Corporate Social Responsibility* on the *consumer goods* company. Meanwhile, simultaneously the research result showed that the variable of profitability, company value, and sales growth were significantly affected to *Corporate Social Responsibility*. Adjusted R Square showed the number of 0.311 or 31.10%, it meant that the independent variables of profitability, company value and sales growth together affected the dependent variable of *Corporate Social Responsibility* of 31.1% while the rest of 68.9% was affected by other variables that not include into the present research.

Keywords: *profitability, company value, sales growth and Corporate Social Responsibility*

1. INTRODUCTION

According to Rudito and Famiola (2013), *Corporate Social Responsibility* means as the important process in managing the budget incurred and profit of business activity from the *stakeholders*, either internally or externally. According to Lindawati and Puspita (2015), the definition of *Corporate Social Responsibility* is more emphasized the understanding of commitment of a company to guarantee the sustainability of such company that not only oriented on the achievements from financial side but also maintain the harmonic and balance of relation with the value, norm, local culture and environment.

The *Corporate Social Responsibility* means that a company should responsible on every act that give impact to the people, community and environment. The negative impact from business activity that harms people and the environment should be admitted and disclosed in reporting the company. Company is required to balance its achievements in economical performance with the social and environmental performance if want to have sustainable business (James A. Post, et. all, 2009 in Lako, 2011). The corporation or company's sacrifices in having *Corporate Social Responsibility* program actually is not futile sacrifice.

The commitment and seriousness of corporation to internalize the values of *Corporate Social Responsibility* in strategy formulation, policy and business acts sustainably will be profitable the corporation in the future. Because, from the theory of investment, this decision is to get good image from the *stakeholder* and will put the corporation in stimulative business environment. Although initially the cost overruns and decreased profit occur, but for long period that decision will carry the sustainable profit for the corporations.

The market share become wider because the consumers are getting more and loyal to the company's products, the business continuity is getting comfortable and conducive because the public and other stakeholders have it together, the profit or profitability of company is increase, and the share value that continue to increase in capital market due to investors interest are the *intangibile asset* that will increase the profit and value of corporation or company in the future. According to Lako, 2011, some big corporation such as Unilever Indonesia, Indofood Sukses Makmur, HM Sampoerna, and many others,

provide the prove that support the hypothesis of that the companies are getting bigger because always care about *Corporate Social Responsibility*, so that the CEO of those companies provide the testimony that achievements are achieved because they always harmonize the earning performance (*profit*) with social performance (*people*) and environmental performance (*planet*).

A company will provide *Corporate Social Responsibility* if financially is able to cover its operational cost, therefore the profit of company give important influence to the company in taking decision for providing the *Corporate Social Responsibility* while the sales growth and company value are not affected because not efficient in financial management.

The present study is expected to help every company in consumption sector in providing *Corporate Social Responsibility* with carefulness in accordance with its financial ability because *Corporate Social Responsibility* means that a company should responsible to its act that give impact to the society, community, and environment.

The negative impact of business activity that may harm people an environment should be admitted and disclosed in reporting company. Company is required to balance the achievement of economical performance with the social and environmental performance if want to have sustainable business.

2. MATERIAL AND METHODE

The present study is conducted in the company of *Consumer Goods* with the criteria are publishing its annual financial report, disclosing the *Corporate Social Responsibility* and meet the criteria of *Global Reporting Initiative*. The aim of the study is to analyze if the profitability, company value, and sales growth affect the providing of *Corporate Social Responsibility*?

The main focus of this study is *consumer goods* Company that consist of five sectors including foods and beverages, cigarettes, pharmacies, cosmetics, and household goods.

The current study limits the sample of company into 17 companies in which the result will represent the entire *consumer goods* companies. The research method used in this study is descriptive and associative research and the relation emerged among the variables of this study is the causality relation.

Then, the model of data analysis used is multiple linier regressions with ***Statistical Package for the Social Sciences (SPSS) version 20***. To know that the independent variable have casual relation with dependent variable then in ***Statistical Package for the Social Sciences*** determine that if the level of significance is < 0.05 then there is influence between the independent variable with the dependent variable while if the significance is > 0.05 then there is no influence between the independent variable and dependent variable.

3. RESULTS

Analysis data model of multiple linier regressions in this study after conducting the management with ***Statistical Package for the Social Sciences (SPSS) Ver-20*** was as follows:

Table 1 Regression Result, Equation

$$\text{CSR} = 0,765 + 0,491\text{PR} + 2,258\text{PBV} - 0,028\text{GS}$$

CSR= Corporate Social Responsibility, PR = Profitability , PBV = Price to book value , GS = sales growth

In table 1 where: Constanta was 0.765 meant that if the variables of profitability, company value, and sales growth were deemed to be zero then the variable of *Corporate Social Responsibility* was only 0.765.

The coefficient of regression of profitability variable obtained was 0.491, meant that if the variable of profitability had increased while the variable of company value and sales growth were assumed as stable then *Corporate Social Responsibility* also would increase about 0.491.

The coefficient of regression of company value obtained was 0.00002258, meant that if the variable of company value had increased while the variables of profitability and sales growth were assumed as stable then *Corporate Social Responsibility* would also increase about 0.00002258.

The coefficient of regression of sales growth obtained was -0.028 meant that if the variable of sales growth had decreased while the variable of profitability and company value were assumed as stable then the *Corporate Social Responsibility* would also decrease about 0.028.

Table 2 Regression Result, T-TEST

Variable	Std.Error	t-statistic	Sig
Profitability	3,575	3,575	0,001
Price to book Value	0,001	0,003	0,986
Sales Growth	0,040	-0,065	0,486

In table 2 where: partially profitability gave positive and significant impact toward *Corporate Social Responsibility* in the company of *consumer goods* because the value of significance was under 0.05 and company value not give positive and significant impact toward *Corporate Social Responsibility* in the company of *consumer goods* because the value of significance was over 0.05.

Meanwhile, the sales growth not gives positive and significant impact toward *Corporate Social Responsibility* in the company of *consumer goods* because the value of significance was over 0.05.

Table 3 Regression Result, F-TEST

Model	Df	F-statistic	Sig
Regression	3	0,082	0,000b
Residual	81	0,007	
Total	84		

Table 3 above showed that the value of significance was 0.000b processed using **Statistical Package for the Social Sciences** (SPSS) showed that the independent variables that consist of profitability, company values, and sales growth were significantly affected the *Corporate Social Responsibility*.

Table 4 Regression Result, Determinants Coefficient

Model	R	R Square	Adjusted R Square	F Change	Sig.F Change
1	0,558	0.311	0.285	12.185	0.000

Table 4 above showed that the value of Adjusted R Square was 0.311 or 31.10%. It meant that independent variable were profitability, company value, and sales growth together affected the dependent variable of *Corporate Social Responsibility* about 31.1% while the rest was 68.9% affected by other variables that not include into the present study.

4. DISCUSSION AND CONCLUSION

Based on the research result has been conducted concerning the importance of *Corporate Social Responsibility* disclosure in such company, particularly about the influence of *Corporate Social Responsibility* disclosure in *consumer goods* companies in Indonesia, so that it is necessary to have a study with variables of profitability, company value, and sales growth, then at least the influence of *Corporate Social Responsibility* in the company of *consumer goods* start to be answered.

From the three independent variables used, there is one variable which significantly affect to the *Corporate Social Responsibility* in *consumer goods* Company, namely profitability.

Meanwhile, other independent variables namely company value and sales growth not give significant impact to the *Corporate Social Responsibility* in *Consumer Goods Company*. The variables of company value and sales growth not give impact toward *Corporate Social Responsibility* in *consumer goods* company because generally *Corporate Social Responsibility* not have relation with the company value and sales growth because the absence of the effects on the company profits due to the inefficiency of operational of company.

In the *consumer goods* company, *Corporate Social Responsibility* is more affected by the profitability, so that it becomes the dominant variable in determining the influence of *Corporate Social Responsibility* in such *consumer goods* company. It is strongly in accordance with the concept of 3P of *Corporate Social Responsibility* namely *Profit, People, and Planet*.

Therefore, can be concluded that profitability is strongly affected the company in its effort to build up the *Corporate Social Responsibility* that will be useful not only for the *stakeholder* and *shareholder*, but also very useful for the continuity of the environment of company.

If comparing to the various analysis that have been conducted by previous researchers, certainly it is strengthen those researches where profitability give significant influence to the *Corporate Social Responsibility* while company value and sales growth not give significant influence to the *Corporate Social Responsibility* in such company.

In addition, the equation of multiple linier regression produced shows that profitability variable is positive (+). It shows that if the profitability of company increase, the influence of *Corporate Social Responsibility* will be stronger, as well as the company value, although not give significant influence, but the value is positive (+). It indicates that company value is also affected the *Corporate Social Responsibility* of a company.

The sales growth has negative (-) value which means that sales growth is inversely proportional to *Corporate Social Responsibility*, in which it means that if the sales growth has increased, then the influence to the *Corporate Social Responsibility* will be more reduced. In vice versa, it is caused by the high sales growth not affect the company profit due to inefficiency of company management.

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