

# WPGRC 2019

1<sup>ST</sup> WELSH POSTGRADUATE RESEARCH CONFERENCE

IN BUSINESS/MANAGEMENT & ECONOMICS

CARDIFF, 19<sup>TH</sup> JUNE 2019



## - Programme and Abstracts -

The 1<sup>st</sup> Welsh Postgraduate Research Conference in Business/Management & Economics is hosted by Cardiff Business School, Cardiff University, UK

Organizing Committee: Luigi De Luca, Nicole Koenig-Lewis, Kate Daunt and Beverly Francis

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Cardiff Business School  
Ysgol Busnes Caerdydd

## 1<sup>st</sup> Welsh Postgraduate Research Conference in Business/Management & Economics

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### Programme

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Cardiff Business School, Postgraduate Teaching Centre

09:30	Registration + Coffee/Tea: PTC Building Foyer
10:00	Opening Session: Room 1.19 Welcome address – Prof. Rachel Ashworth, Dean and Head of Cardiff Business School
10:30-12:00	<b>Parallel Sessions 1</b>
10:30-12:00	<b>Parallel session 1A: Room 0.22</b> <b>Session Chairs/Discussant: Patrick Minford &amp; Onur Tosun</b> <ol style="list-style-type: none"><li>1. Capital structure and political connections: Evidence from GCC countries <i>Fatma Ahmed, Swansea University</i></li><li>2. Politics and the behaviour of the Regional Development Banks <i>Ridhotama Shanti Darsih Ottemusu, Bangor University</i></li><li>3. Testing a monetary model of the UK using the method of indirect inference <i>Juyi Lyu, Cardiff Business School</i></li><li>4. The effects of quantitative easing in UK: A study through financial accelerator with SOE-DSGE Model <i>Ziqing Wang, Cardiff Business School</i></li></ol>

10:30-12:00	<p><b>Parallel session 1B: Room 0.23</b></p> <p><b>Session Chairs/Discussant: Louise Hassan &amp; Anita Zhao</b></p> <ol style="list-style-type: none"> <li>1. Understanding Trust Building Process in Indonesian Islamic Banking Context <i>Savira Ansory, Cardiff Business School</i></li> <li>2. Exploring the action-inaction asymmetry in the theory of planned behaviour framework <i>Georgina Smith, Bangor University</i></li> <li>3. Exploring factors affecting mobile payment adoption in Indian context <i>Pushp Patil, Swansea University</i></li> <li>4. Consumer-object relationship: a study of psychological ownership in access-based fashion consumption <i>Bader Alkaffary, Cardiff Business School</i></li> </ol>
10:30-12:00	<p><b>Parallel session 1C: Room 0.24</b></p> <p><b>Session Chairs/Discussant: Calvin Jones &amp; David Blackaby</b></p> <ol style="list-style-type: none"> <li>1. The relationship between Welsh Government entrepreneurship policy and attitudes towards entrepreneurship among Welsh students <i>Daniel Roberts, Swansea University</i></li> <li>2. Managing agglomeration: city-region dynamics in Wales <i>Matt Lyons, Cardiff Business School</i></li> <li>3. 'Not just the usual suspects': a sociological study of developing a novel method for public involvement, including a study of the research process itself. <i>Anne Collis, Bangor University</i></li> <li>4. The Strengths of Weak Regulation: Investigating Private Voluntary Regulation in Stonewall and Business in the Community <i>Philippe Demougin, Cardiff Business School</i></li> </ol>
10:30-12:00	<p><b>Parallel session 1D: Room 0.25</b></p> <p><b>Session Chairs/Discussant: Anthony Beresford &amp; Anthony Flynn</b></p> <ol style="list-style-type: none"> <li>1. Operational Decision and Effects of Traceability System from the Perspective of Sustainable Supply Chain Governance (SSCG) <i>Xiongyong Zhou, Cardiff Business School</i></li> <li>2. Trade Wars and the Sustainability of Free Trade <i>Peiyong Tian, Cardiff Business School</i></li> <li>3. The Impact of Sustainable and Innovative Practices on Supply Chain Performances <i>Nadine Leder, Cardiff Business School</i></li> </ol>

	<p>4. Social-technical transitions theory applied into autonomous and connected vehicles <i>Liqiao Wang, Cardiff Business School</i></p>
10:30-12:00	<p><b>Parallel session 1E: Room 1.19</b> <b>Session Chairs/Discussant: Tim Edwards &amp; Luigi de Luca</b></p> <ol style="list-style-type: none"> <li>Sexual orientation and earnings; the role of industrial sorting and occupational attainment <i>Samuel Mann, Swansea University</i></li> <li>The Benefit of Tacit Knowledge in Organisations <i>Bukola Adetonwa, Bangor University</i></li> <li>Exploring idiosyncratic deals from multiple perspectives <i>Catherine Mackintosh, Cardiff Business School</i></li> <li>Leadership-As-Practice: an exploratory study in surgical teams <i>Tracey Rosell, Cardiff Business School</i></li> </ol>
12:00-13:00	Lunch & Networking: Julian Hodge Building
13:00-14:00	<b>Parallel Sessions 2</b>
13:00-14:00	<p><b>Parallel session 2A: Room 0.22</b> <b>Session Chairs/Discussant: Hossein Jahanshahloo &amp; Samuli Leppälä</b></p> <ol style="list-style-type: none"> <li>It's Monday Again: Seasonality in Stock Return Synchronicity <i>Arbab Cheema, Cardiff Business School</i></li> <li>Who predict stock returns better? <i>Gabriel Wong, Cardiff Business School</i></li> <li>Testing small open economy DSGE model with imperfect pass-through using Indirect Inference <i>Aigerim Rysbayeva, Cardiff Business School</i></li> </ol>
13:00-14:00	<p><b>Parallel session 2B: Room 0.23</b> <b>Session Chairs/Discussant: Asma Mobarek &amp; David Collie</b></p> <ol style="list-style-type: none"> <li>Credit Ratings in insurance industry, Rating transitions for insurance companies: A unique comparative analysis <i>Sandy Perez-Robles, Bangor University</i></li> <li>An Examination of the Informativeness of Income Tax Accruals to Explain Future Tax Cash Flows: Evidence from UK <i>Qian Song, Cardiff Business School</i></li> <li>The Effect of Changing Ownership on Corporate Tax Management Behaviors: Evidence from UK IPOs <i>Ning Han, Cardiff Business School</i></li> </ol>

13:00-14:00	<p><b>Parallel session 2C: Room 0.24</b></p> <p><b>Session Chairs/Discussant: Kate Daunt &amp; Cara Reed</b></p> <ol style="list-style-type: none"> <li>1. Conditions for knowledge transfer across open innovation ecosystems <i>Emily Bacon, Swansea University</i></li> <li>2. Labour Entry and Skill Formation in UK Television <i>James Davies, Cardiff Business School</i></li> <li>3. Lean entrepreneurship, Gender and Social Value Creation <i>Renuka Vyas, Cardiff Business School</i></li> </ol>
13:00-14:00	<p><b>Parallel session 2D: Room 0.25</b></p> <p><b>Session Chairs/Discussant: Carmela Bosangit &amp; Zoe Lee</b></p> <ol style="list-style-type: none"> <li>1. Why do Firms Do Good? A Customer-Demand Perspective <i>Soma Housein, Cardiff Business School</i></li> <li>2. The Value of Connection to Nature: Strategic Thinking in Environmental Organisations <i>Robert Gorzynski, Bangor University</i></li> <li>3. Stakeholder co-created value: Outcomes of corporate community initiatives a case study on Business Class programme in Wales <i>Ravindra Nyaupane, Swansea University</i></li> </ol>
14:00-15:30	<p><b>Poster Exhibition &amp; Networking Coffee Break</b></p> <p>PTC Building Foyer &amp; Room 0.04 (Full List on Page 8)</p>
15:30-16:30	<p><b>Parallel Sessions 3</b></p>
15:30-16:30	<p><b>Parallel session 3A: Room 0.22</b></p> <p><b>Session Chairs/Discussant: Andreas Tsopanakis &amp; Yue Xu</b></p> <ol style="list-style-type: none"> <li>1. Improving an agent-based model of electric vehicle adoption using machine learning technologies <i>Wen Xu, Cardiff Business School</i></li> <li>2. Essays on FinTech Lending <i>Haofeng Xu, Swansea University</i></li> <li>3. A Small Open Economy DSGE for Natural Constraint in Currency Board: Case of Hong Kong <i>Zhiqi Zhao, Cardiff Business School</i></li> </ol>
15:30-16:30	<p><b>Parallel session 3B: Room 0.23</b></p> <p><b>Session Chairs/Discussant: Ken Peattie &amp; Laura Reynolds</b></p> <ol style="list-style-type: none"> <li>1. The Dark Matter Between Bad Apples and Bad Barrels: The antecedents of financial misconduct <i>Ian Roberts, Bangor University</i></li> </ol>

	<p>2. Why do scientific 'facts' travel the way they do from the neuroscientific lab to organisational practice? <i>Virginia Brown, Cardiff Business School</i></p> <p>3. Employment Tribunal Claim Statistics: Solid Data or Ghostly Apparitions? <i>Jonathan Mace, Cardiff Business School</i></p>
15:30-16:30	<p><b>Parallel session 3C: Room 0.24</b> <b>Session Chairs/Discussant: Stephen Pettit &amp; Leanne Chung</b></p> <p>1. South African MNCs' HRM systems and practices at the subsidiary level: Insights from subsidiaries in Nigeria <i>Suwaiba Bako Sabiu, Swansea University</i></p> <p>2. Judgmental reconciliation of hierarchical forecasts <i>Violina Sarma, Cardiff Business School</i></p>
15:30-16:30	<p><b>Parallel session 3D: Room 0.25</b> <b>Session Chairs/Discussant: Lynn Hodgkinson &amp; Anna Kochanova</b></p> <p>1. Zoom in and Zoom out: Diversity, Composition and Appointment of Corporate Boards <i>Wei Kang, Bangor University</i></p> <p>2. Essays on Board Diversity: The Transition of IPO Firms <i>Ruth Sagay, Cardiff Business School</i></p> <p>3. Determinants of the U.S. SEC's review on S-1 filings <i>Vy Ngoc Khanh Tran, Bangor University</i></p>
16:45-18:00	<p><b>Plenary Session and Round Table Discussion: Room 1.19</b> <b>Beyond the Ivory Tower: Research Impact and University-Industry Partnerships</b></p> <p><i>Professor David Blackaby (Swansea University)</i> <i>Professor Rick Delbridge (Cardiff University)</i> <i>Belinda Finch (CIO Group Functions and Chief of Staff, Centrica)</i> <i>Peter Fullerton (Data Science Campus, ONS)</i> <i>Professor Louise Hassan (Bangor University)</i> <i>Professor David James (Cardiff University)</i></p>
18:00	<b>Conference Concludes</b>
19:00	Dinner at Jury's Inn, 1 Park Place, Cardiff City Centre, CF10 3UD

## List of Poster Presenters

No	Name	Surname	School	Poster Title
1	Mohammad	Alasadi	Cardiff	The Challenges and the Influences of Employees' Entrepreneurial Behaviour in Saudi Arabia
2	Muhao	Du	Cardiff	A Study of The Management of Expatriates in Chinese MNCs Operating Overseas
3	Yue	Jiang	Cardiff	How does cost structure affect innovation
4	Seungmin	Lee	Cardiff	Port cooperation and governance model in Korea
5	Yundong	Luo	Cardiff	What can reduce crime
6	Thu Thao	Nguyen	Cardiff	Understanding the "missing middle": A case study of Vietnamese small and medium enterprises
7	John	Poole	Cardiff	Exploring the impact of disability onset on individual wellbeing in the UK
8	Julie	Sharmin	Cardiff	Do we really care? Sustainability in garments supply chain.
9	Cunqiang	Shi	Cardiff	Freedom to fail? A contextual analysis of disability employment In China
10	Shuo	Sun	Cardiff	The determinants of fiscal transparency in Chinese city-level governments
11	Yang	Sun	Cardiff	Inequality, Institution and Immortality: Household longevity in the presence of heterogeneity and political institution
12	Renuka	Vyas	Cardiff	Lean entrepreneurship, gender and social value creation
13	Hannah	Williams	Cardiff	Innovation in Welsh health and social care: a co-production approach
14	Tiansheng	Yang	Cardiff	Understanding the transition towards sustainable product-service systems as providers of personal mobility in China
15	Lei	Yue	Cardiff	Income Inequality and Economic Growth: Putting the role of Financial Market in context



## Plenary Speaker Profiles

### Beyond the Ivory Tower: Research Impact and University-Industry Partnerships



**David Blackaby** is Professor of Economics at Swansea University. Main areas of research are labour markets, regional economics, public policy and the Welsh Economy. 1996 to 2005 he was Head of the Economics Department, 2005 to 2008 Deputy Head of the School of Business and Economics and 2012 to 2013 Director of Research College of Business, Economics and Law at Swansea University. He was a member of the Economics and Econometrics panel and the Business and Management Panel for the 2008 Research Assessment Exercise, and Econometrics and Business and Management sub-panels for the Research Excellence Framework (REF) 2014. In 1999, 2006 and 2014 he was a member of The Quality Assurance Agency for Higher Education Panel, responsible for writing the Benchmark statement for Economics. Between 2006 and 2010 member of the ESRC Research Resources Board, Senior Examiner (Economics) for ESRC PhD Competition 2003-2006, Chair of ESRC Postgraduate Training Recognition Panel for Economics 2007 and deputy chair 2005. He was a member of NHS Pay Review Body 2009-2015 and ABS Panel producing the Academic Journal Quality Guide 2008-2011. Was an Associate Director of Spatial Economics Research Centre (SERC) and currently a Co-Director of WISERD. Fellow of the Learned Society of Wales.



**Rick Delbridge** is Professor of Organizational Analysis at Cardiff Business School and Dean of Research, Innovation & Enterprise at Cardiff University where he has led the development of SPARK, the world's first social science park. His research interests include the organization and management of innovation, and he has published widely on these and related topics. He is a member of the REF Interdisciplinary Advisory Panel (IDAP) and the Strength in Places Fund Assessment Panel. He is a Fellow of the Academy of Social Sciences and a Board Member of the Campaign for Social Science. He is also a Fellow of the British Academy of Management and the Learned Society of Wales.



**Belinda Finch** is Group Chief Information Officer and Chief of Staff at Centrica. She has a vast experience in senior manager roles in the high-tech industry. Prior to joining Centrica in 2018, she has worked for Vodafone (Head of Digital Transformation and Online), Accenture and KPMG. Belinda's skills include Business Process Design, Business Case, IT Strategy, Business Transformation, and Senior Stakeholder Management. She has a BSc (Econ) from Cardiff Business School.





**Peter Fullerton** was one of the original start-up team of two, helping to establish the ONS's new Data Science Campus at pace in 2016 and ensure its rapid expansion. He is now the Deputy Director, responsible for planning and resources at the Campus. In his previous post, Peter led ONS's bid for resources in the UK Government's comprehensive spending review. In his 16 years at ONS, he has held a numerous senior roles in business delivery and led several development programmes. He was previously the

Director of Data Collection, responsible for over 1,800 people, and led a major programme to introduce online surveys across ONS. Prior to joining ONS, Peter was at the devolved Welsh Government, where he worked for 20 years in a range of statistical and public policy leadership roles, including the head of profession for statistics. Peter is a Fellow of the Royal Statistical Society.



**Louise Hassan** is a Professor of Consumer Psychology at Bangor Business School. Her research focuses on consumer protection issues mostly in terms of understanding risky consumption. Her research focuses on understanding attitudes and motivations as well as information processing. She also has an interest is cross-cultural consumer behaviour and has conducted many studies across a large number of countries. She has over 15 years

of experience in researching in the field of consumer behaviour and has published over 30 journal articles in marketing and public health fields.



**David James** is Professor of Sociology of Education in the School of Social Sciences, Cardiff University. Following his recent appointment to chair a sub-panel in UK REF 2021, he is just coming to the end of a period of 7.5 years as Director of the ESRC Wales Doctoral Training Partnership. He is Editor of the internationally-renowned British Journal of Sociology of Education. Research interests include: teaching, learning and assessment in schools, colleges and universities; school choice; governance in FE; the relationship between education and inequality; doctoral education.

Responsible for many research projects and evaluations, he co-designed and co-directed the only major ESRC-funded project to date on teaching and learning in FE in the UK. He currently co-directs a UK-wide ESRC research project on FE Governance. He has published extensively for different audiences including researchers, policymakers and practitioners, and is currently finalising a paper (with David Mills, Oxford) which presents a challenging analysis of Doctoral collaboration with private, public and third sector organisations.

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- Presentation Abstracts -

## Parallel Sessions 1

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### Parallel Session 1A: Room 0.22

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#### 1. Capital structure and political connections: Evidence from GCC countries

*Fatma Ahmed, Swansea University, Email: 968524@swansea.ac.uk*

##### Abstract

This paper examines the relationship between capital structure and political connection in the Gulf Cooperation Countries banks. Beginning from Myers' (1984) unanswered question about how to choose the capital structure and the assumptions of capital structure theories that are usually violated, there is a heated debate on what determines the capital structure. While there is a growing literature on the determinants of capital structure in the developed countries, the literature on the effect of the political connections on capital structure is scant.

GCC countries present an interesting and important area to study the relationship between political connections and the capital structure. Normally when any firm makes a capital structure decision, the trade-off between the cost of debt and tax advantages. In the GCC context, the taxes are trivial so capital structure in the area is different. Identifying the drivers of the capital structure away from taxes could offer additional information to the other countries that depend on taxes. Additionally, royal families play a role in controlling the economies of these countries in direct and indirect ways. To the best of our knowledge, the study is the first to reveal the relationship between the political connection and capital structure in this region. According to the pecking order theory, the leverage ratio depends on the historical financing decisions which are triggered by the minimization of adverse selection costs where firms adjust towards a target leverage ratio. The time to reach this target referred to as the speed of adjustment. The study employs System GMM to estimate the partial adjustment model and control for endogeneity, which could accompany dynamic capital structure models. Additionally, we exploit the DID to estimate the effect of the political connection on the banks' leverage in the crisis times. Results show that the speed of adjustment in the politically connected banks are higher relative to the non-politically connected banks. The GMM results show a significant positive effect of the size on the banks' leverage while the growth has a negative effect on the banks' leverage consistent with the trade-off theory. The profitability association with the leverage is negative and significant as well as the coverage ratio, and this is in the same line with the pecking-order theory. Regarding the relationship between the political connection and the capital structure we run DID for each country and found that the results reject the claim that the politically connected banks hold more debt compared to the non-politically banks (except for Qatar). The results of Saudi Arabia and UAE consist of the claim that the exogenous shocks limit government ability to provide privilege and subsidies. The results show exactly the opposite in the case of Qatar.

#### 2. Politics and the behaviour of the Regional Development Banks

*Ridhotama Shanti Darsih Ottemusu, Bangor University,  
Email: shanti.otte@gmail.com*

##### Abstract

This paper studies the role of public banks operating at a regional level, namely regional development banks (RDBs) in addressing the market failure due to the preferential lending in the banking sector. This paper investigates the political motives behind the

loans distributed by regional government banks in Indonesia. This paper enriches literature by presenting unique data, some of which are collected by hand at the regional level. Connecting with the social and development mandates that the government banks carry, this paper examines whether there is any influence from political factors in shifting the banks' focus. This study observes the implications of having regional direct elections for RDBs' lending. By observing three different periods (a year before the election, the election year, and a year after the election end), we found that near to the election years, allied RDBs seem to attract more voters from low-income societies by distributing more loans to MSMEs, as we see a significant increase in the number of loans given to this particular sector, while aggregately non-allied RDBs are more superior in providing loans run up to the election years and therefore need to adjust their investment proportion to finance their activities. Interestingly, we detect clientelism in allied RDBs once the election ends which leads to have a negative spread. This means they might use RDBs to return favours in exchange for the services or support that they have had during election years. Political lending can also be seen when RDBs have more politicians sitting in as commissioners; volume of loans increased but was not followed by the growth of the interest gained. But, unclear findings were found when we examined an elected governor who will run for a second time. Moreover, we have little evidence that the National Government is involved in directing the political loans in RDBs during election years.

### **3. Testing a Monetary Model of the UK using the Method of Indirect Inference**

*Juyi Lyu, Cardiff Business School, Email: LyuJ1@cardiff.ac.uk*

#### **Abstract**

The acute financial turmoil raging in the global financial markets since 2008 has not only plunged the United States into the deepest recession for decades, but contributed to a sharp drop in the UK economic activities. Against this backdrop, the UK government intervened in the financial markets by directly injecting money into the banking system through quantitative easing. Furthermore, tougher regulation with higher capital and liquidity ratios has been enforced within the Basel III framework (issued December 2010). Monetary policy committee (MPC) has drastically cut the official bank rate to 0.5% in March 2009 and to keep it on hold until 2013. However, nominal interest rates were effectively bounded by zero (ZLB), which would greatly limit central banks' capacity to stimulate the growth. Overall, the above key developments since the financial crisis has fuelled interest in the analysis of the monetary scene, making it more pressing to develop a new tool to cope with each of these new features.

Throughout this paper, my aim is to construct a "Neo-Monetarist" DSGE model, in which we assume imperfect substitutions between bonds and credit, and cash has an extra role in influencing risk premium equation (credit spread) via Open Market Operations. In doing so, I combine available models of economy, banking, and collateral, to create out of them an augmented monetary model that better replicates the observed features of the UK data. Our starting point is the Smets Wouters (2007) model (hereafter, SW), which has been among the most cited papers in both the EU and the US economic fields. I first incorporates unemployment along the lines of the model by Casares, Morento, and Vazquez (2012) (hereafter, CMV), before extending it with the financial frictions as modelled in Bernanke, Gertler, and Gilchrist(1999) (hereafter, BGG), and the idea of using cash as the cheapest collateral as introduced by Le, et al (2016).

To test the model as a whole as opposed to the widely-used Bayesian approaches in most DSGE literature nowadays, the present paper follows the seminal work of Le, et al. (2012), which has employed the Indirect Inference method in the estimation of the U.S. Smets-Wouters model. The Indirect inference (II), first proposed by Minford et al (2012),

is a simulation-based methodology for evaluating the performance of the model. Unlike other simulation-based approaches, II method chooses an auxiliary model as the window whereby to compare the observed data and the simulated data among key dimensions. In other words, the choice of the auxiliary model (key variables involved) determines the aspects of the data upon which to emphasize. If the model is correct, then it should generate sensible simulation results that are not significantly different from the actual data through lens of the auxiliary model of our choice. Simulated Annealing algorithm was then applied to find the optimal set of coefficients that produce the minimised Wald-statistic. The estimation results have proved to be asymptotically normal and consistent.

Furthermore, the paper shows that by varying the supply of M0 in QE, monetary policy could have a role beyond merely setting the interest rate according to Taylor rule. This augmentation, however, would greatly improve the welfare of the system. Our historical shock decomposition results indicate the net worth shock actually accounts for the bulk of the fluctuations in the UK output during the post-2008 era. Regulatory shocks (loosening and tightening of the policy) had also played a role in generating output variations. By contrast, the nominal interest rates were dominated by the Taylor rule shocks and general business cycles in the run-up to the global recession.

#### **4. The effects of quantitative easing in UK: A study through financial accelerator with SOE-DSGE Model**

*Ziqing Wang, Cardiff Business School, Email: WangZ53@cardiff.ac.uk*

##### **Abstract**

After 2008 financial crisis, the world economy came into a recession. Most of central bank firstly chose to stimulate the economy by lowering the interest rate. While after a period, the interest rate drop into the situation of Zero Lower Bound (ZLB), which challenged the conventional monetary policy. To boost the economy activity, central banks started to adopt unconventional monetary policy of Quantitative Easing (QE). In UK, Bank of England (BOE) injected £200 billion, £375 billion and £435 billion into market with bond purchase in 2009, 2012 and 2016 separately. To verify the effectiveness of QE, many studying have been done, but most are focusing on large or closed economies like Japan and US.

In this paper, I examine the role of QE with the channel of financial accelerator by borrowing the idea from Lee et.al. (2014), they treat money as a cheap type of collateral in financial market. Based on the idea of financial accelerator proposed by Bernanke.et.al (2009), financial intermediaries require finance premium while lending . Combine with the idea of collateral, Central bank can stimulate the economy by supplying more money to increase bank lending. If entrepreneur holds more collateral in their balance, then the required finance premium will be lower with less default risk. Consequently, the whole economy activity will be activated and boosted. Since UK is an economic entity which highly relying on foreign market, I extended the work to a small open economy (SOE) mechanism. Household can choose to consume both domestic or foreign goods, referring to Armington (1969) two countries model. The imperfect substitution of domestic and foreign bond would lead to derivation of uncovered interest rate parity (UIRP). To conduct the study, I set up a switching DSGE model to capture the dynamic characteristics of economy with and without zero lower bound crisis. When interest rate hit the ZLB, we suspend the Taylor rule and fix it with an exogenous lower bound until the model get out of ZLB scenario itself. The model is highly nonlinear due to the switch between ZLB and non-ZLB.

We then estimate it by indirect inference method with minor bias and substantial power. The overall performance of model significantly fit the data and empirical result also illustrate the effectiveness of QE. It shows that apart from the traditional monetary policy of Taylor rule, monetary policy can also affect the economy by varying the money supply, particularly when the ZLB is bounded. Combine the inflation and GDP targeted interest rate with this can stabilize the economy better. Indirect inference test result shows the performance of main model elements are very closer to the UK macroeconomic data including the foreign sector factors. The calibrated and estimated results are also generally

**1. Understanding Trust Building Process in Indonesian Islamic Banking Context**

*Savira Ansory, Cardiff Business School, Email: AnsorySM@Cardiff.ac.uk*

**Abstract**

Islamic banking is a worldwide phenomenon gaining growth in both Islamic (e.g., Indonesia, Turkey, UAE, Saudi Arabia and Pakistan) and non-Islamic countries (e.g., UK, South Africa, Hong Kong). While Islamic *sharia* (law) specifies specific rules for financial consumption such as not paying or receiving interest, a significant majority of Muslims continue to bank with conventional banks. Accordingly, those who bank with both Islamic and non-Islamic banks are likely to compare and contrast the service quality experiences involving each type of bank which in turn can generate different expectations. Subsequently, Islamic banks (IB) are faced with a challenge of satisfying enhanced levels of customer expectations in order to benefit from consumer trust and commitment. Prior research finds trust and commitment as essential drivers of relationship marketing constructs such as service quality, corporate image, satisfaction, and loyalty (Hoq et al 2010; Hassan and Anwar 2012; Butt and Aftab 2013; Amin et al 2013). The knowledge of trust in IB becomes more important since IB customers have different expectations and trust definitions from that of a conventional banking (Hoq et al 2010; Amin et al 2013).

Sumaedi et al (2015) examine the relationships of trust, commitment, ego involvement and word of mouth. Nuralam (2016) investigates the relationships of SERVQUAL, satisfaction and loyalty. Wahyuni and Fitriani (2017) examine the relationships of brand personality, brand religiosity aura, emotional attachment and brand loyalty. However, none of existing studies examine the mechanism of both extrinsic and intrinsic factors in affecting trust and commitment in Islamic banking sector.

This paper is based on a research (in progress) that aims to fill the gap by examining both extrinsic and intrinsic factors affecting consumers' trust and commitment toward IB in Indonesia. The study carried out a substantial literature review and developed a discussion guide with the aim of exploring the social and psychological mechanisms that underpin trust when consumers bank with both Islamic and non-Islamic banks. The study recently conducted in-depth interviews with 25 IB users in Indonesia. Each interview lasted between 60 and 90 minutes and was tape recorded and transcribed. This ongoing research aims to present key emerging from the dynamic of customer-bank interactions, self-brand connections, brand attachment and shared values within the context of Islamic banking. The paper discusses important implications for theory and for practice.

**2. Exploring the action-inaction asymmetry in the theory of planned behaviour framework**

*Georgina Smith, Bangor University, Email: Abpee1@bangor.ac.uk*

**Abstract**

Behavioural choice may always be reduced to the decision to perform or not perform a target behaviour. Theory of planned behaviour (TPB) studies are often conducted with the view that action and inaction are psychologically inverse concepts. This assumption has led many researchers to make inferences about the determinants of inaction based on identified determinants of action. However, people may perform and not perform a



given behaviour for different reasons, and intention and behaviour in regard to action and inaction may be influenced by different determinants within the TPB. Furthermore, recent research suggests anticipated regret may influence intention to perform and not perform target behaviours differently. This research challenges the notion that action and inaction are conceptually mirrored by evaluating the extent to which action and inaction are distinct concepts within the TPB framework across 3 behavioural contexts. The degree to which salient beliefs people hold about action and inaction are distinct is assessed; beliefs that significantly inform action and inaction are compared; and the importance of distinct beliefs in the prediction of intention to act and not act is identified. Determinants of action and inaction are compared across direct measure models which incorporate a measure of anticipated regret to identify whether action and inaction are motivated by different factors. The structural equivalence of the relationships across action and inaction models is also tested.

Three studies were undertaken into blood donation (study 1), sunscreen use (study 2), and high calorie snack consumption (study 3). All data were collected using cross-sectional surveys and utilised student (study 1) and Amazon's Mechanical Turk (studies 2 and 3) samples. Each study was comprised of a belief elicitation study and main TPB study. Belief elicitation studies captured behavioural, normative, and control beliefs in regard to performing and not performing the target behaviour. Main TPB surveys captured the standard TPB constructs in addition to measure(s) of anticipated regret. Studies 2 and 3 included measures of actual behavioural control and a prospective measure of behaviour. Studies 2 and 3 also captured belief-based measures relating to both action and inaction. Separate analyses were employed for the belief-based and direct measures. All three belief elicitation studies show modal salient belief sets for action and inaction are comprised of distinct beliefs to at least a moderate degree. Belief-based models identify that the salient beliefs which significantly influence action and inaction mostly differ. Regression analyses evidence that distinct beliefs significantly add to the prediction of intention to perform and not perform the target behaviour, over and above that explained by beliefs mirrored between action and inaction. SEM analyses for the direct measure models indicates that the determinants of intention and behaviour can differ for action and inaction, as can the relative influence of common determinants across action and inaction models. Anticipated regret consistently exerts a differential influence on intention to perform and not perform the target behaviour. At least one structural relationship is non-equivalent across action and inaction models for each context investigated. The intention-anticipated regret relation is found to be non-equivalent in all 3 studies.

Strong support is identified for the psychological distinctness of action and inaction within the TPB framework. The findings highlight that inferences made about the determinants of inaction based on those about action may be invalid and lead to an inaccurate understanding of the motivating factors that influence inaction.

### **3. Exploring factors affecting mobile payment adoption in Indian context**

*Pushp Patil, Swansea University, Email: pushppatil@gmail.com*

#### **Abstract**

The convergence in the field of wireless communications and Internet in recent years has changed the way in which business is conducted. This emerging trend could be more powerful than anything Internet use to offer before with an increased reach offering consumers an anywhere and anytime paradigm (Barnes, 2002). In the history of humanity, no other innovation has influenced the lives of people in ways as Mobile devices (Jack and Suri, 2011). In the entire consumer, technology adoption history the

rate of adoption of Mobile phone was the fastest and to the deepest level (Thakur & Srivastava, 2014). The global spread and use of mobile devices provide prominent role to digital payments in the payment market. This wide penetration of mobile devices bring world of opportunities to transform the manner in which people manage and move money through secure mobile transactions (Augsburg & Hedman, 2014). Despite their popularity as an emerging service, mobile payments have not as widely adopted as expected in the developing countries (Augsburg & Hedman, 2014). Given the background, it is undoubted mobile payments have potential to bring financial inclusion especially in the emerging markets by offering financial services to the unbanked masses and improve their lives for better.

On 8 November 2016, the Government of India announced the demonetisation of all ₹500 (US\$7.80) and ₹1,000 (US\$16) banknotes (Forbes.com, 2017) and there have been huge drives to promote various digital payment systems including mobile payments by Government of India (GoI) for enhancing transparency in financial transactions, reducing tax evasion and improving public welfare and delivery systems. Despite the advantages of digital payment systems and widespread promotion there is reluctance among consumers to use various digital payment systems including mobile payment not only in India but also in other countries. A large number of Information technology (IT)/Information Systems (IS) projects and systems continue to fail leading to adverse impact of such investments on individuals, organisations and society (Dwivedi et al. 2015; Hughe et al. 2015; 2016). This provides reasonable impetus to researchers for repeatedly examining factor influencing adoption and use of new technologies and systems in the contexts of individual, organisation and society. The objective of this research is to examine consumer adoption of digital payment systems in India. There are different type of digital payment systems used in India such as Unified Payment Interface apps (UPI), Aadhaar Enabled Payment Service (AEPS), USSD banking, Cards, E- Wallets etc. This Research is focused with question to find out which factors affect the consumers to adopt these technologies

#### **4. Consumer-object relationship: a study of psychological ownership in access-based fashion consumption**

*Bader Alkaffary, Cardiff Business School, Email: Alkaffaryb@cardiff.ac.uk*

##### **Abstract**

The prominence of the psychological ownership construct in consumer research raises questions about how psychological ownership manifests itself within access-based consumption. Psychological ownership is increasingly recognised as a core feeling in the experience of consumption, and it has been used as a vital construct to predict individuals' motives, attitudes, and behaviours in relation to objects whether they lead to positive or negative outcomes. Psychological ownership exists when individuals experience a sense of psychological attachment to the target of ownership and consider it to be theirs. Within access-based consumption contexts, there is a wide range of moments to experience a feeling of ownership. Previous research on psychological ownership has tended to assume full ownership of objects, and thus ways to develop psychological ownership in the access-based contexts are not well understood.

This research aims to contribute to the theoretical domain of access-based consumption by adopting psychological ownership as a lens to understand the consumer-object relationship. It will be useful because the mechanisms leading to feelings of ownership can be used to improve predictions of motives, antecedents and outcomes in access-based fashion consumption, that is, how psychological ownership

might be largely formed through distinct effects in different access contexts. This will be explored by observing the routes travelled to feelings of ownership of Rent the Runway community, as it is a prominent example of access-based consumption in the fashion retail industry.

The access-based fashion market has gained attention from both business practices and academic research – one of the world’s largest polluters –, most of the relevant studies focus on sustainability and consumer acceptance in some access-based consumption contexts, such as accommodation and individual transportation, however access-based fashion remains understudied in particular psychological aspects that influence consumer acceptance of such consumption style. Thus, a deeper understanding of antecedents and evolving processes of psychological aspects can help capture the complexity consumer-object relationship and provide a lens by which to understand how these changes might affect consumer behaviour. This research seeks to address the following research questions: to what extent do consumers experience feelings of ownership towards accessed fashion objects, and how does it shape consumer-object relationship?

The preliminary empirical material for this research has been collected using a qualitative approach based on various netnographic techniques. The data analysis took an abductive theorising approach using an iterative process of interpreting, finding new questions and revising emerging themes that help to explore the motives and routes of developing a feeling of ownership and its outcomes for accessed objects. The initial netnographic observations confirm, extend, and challenge previous research on psychological ownership in access-based consumption research and reveal critical themes in the process of psychological ownership. The experience of psychological ownership might be higher in the fashion context than that of a different access context because of rituals surrounding access-based fashion consumption, given fashion’s close links to identity and its hedonic associations. The preliminary findings confirm that consumer feeling of ownership increases if a product fulfils intangible needs such as pride and temporally extended self along with fashionability needs that link to uniqueness and self-transformation. However, online interviews will be further conducted with users of Rent the Runway to elaborate on current findings.

The result will add to the rapidly expanding field of sharing economy and can be used to think about new ways to understand the psychological element of access-based consumption and its impact on consumer well-being. Besides providing empirical insights into and offer suggestions for how psychological ownership constructs can help to improve the development of future sustainability policies and communication strategies to enhance the diffusion of access-based consumption in the consumer market.

**1. The relationship between Welsh Government entrepreneurship policy and attitudes towards entrepreneurship among Welsh students**

*Daniel Roberts, Swansea University, Email:927368@swansea.ac.uk*

**Abstract**

My research explores the relationship between the entrepreneurship policy developed by the Welsh Government from 1999 to 2016 and attitudes towards entrepreneurship held by Welsh students; a key demographic identified both by the relevant literature and the Welsh Government itself (Hannon, 2005).

I will conduct a review of the entrepreneurship policy developed by the Welsh Government, examining the interpretations of entrepreneurship that have underlined policy in this area. An evaluation of the considerable literature on entrepreneurship across different academic fields, including economics, sociology, psychology and public policy, shows that there remains considerable disagreement among scholars, politicians and practitioners on the definition of entrepreneurship and its role in economic and regional development (Kirzner & Sautet, 2006). This study will aim to define the policy and interpretations held and developed by the Welsh Government from 1999-2016 through a triangulation of different sources; firstly a documentary analysis of key policy and strategy documents released by the Welsh Government and Welsh political parties during the period and secondly interviews with key political, government and third party figures during the period. The Welsh Government's entrepreneurship policy can be analysed and evaluated through the model developed by Huggins & Williams (2009) in their analysis of the entrepreneurship policy developed by the Labour Party in government at the UK level from 1997-2010.

Following this, I will assess attitudes and intentions towards entrepreneurship among the general public in Wales. There is evidence to suggest that Wales is "less entrepreneurial" than other parts of the United Kingdom (General Entrepreneurship Monitor, 2014). Specifically, the study will conduct interviews with Welsh students at universities inside and outside of Wales to gain an understanding of the factors that influence their intentions to engage in entrepreneurship and their attitudes towards it. These interviews will take place with students both with and without intentions to engage in entrepreneurship - according to Krueger and Carsrud (1993), "we too often ignore those who do not intend to start a business, despite the oft-cited interest in differentiating entrepreneurs from non-entrepreneurs". These semi-structured, in-depth interviews will give an opportunity to explore some of the issues explored in the existing literature. This research hopes to make a positive contribution to the development of effective entrepreneurship policy in Wales, and contribute to the ever-growing academic and political interest in the role of entrepreneurship in regional development and the factors that influence an individual's decision to engage in it. The impact of devolution on the economic policy and economic performance allows us to investigate entrepreneurship through the lens of a variety of different disciplines, and this research is an exploration of some of the principle themes coming from the study of entrepreneurship and entrepreneurs in economics, sociology, psychology and public policy.

## 2. Managing agglomeration: city-region dynamics in Wales

*Matt Lyons, Cardiff Business School, Email: LyonsM1@cardiff.ac.uk*

### Abstract

Economic policy is often very top down with governments putting out a policy then the end users trying to make sense of it to help benefit them and their business. The city-region approach is the new vogue for regional economic policymaking and the Cardiff capital region is like many others putting out its own development policy.

How well does this traditional top-down economic approach fit with the on the ground reality for creative industries workers that have to be corralled into such a shape to get money and support from these policies? Can public economic policy of spatial areas fit with quirky sectors, particularly in culturally interesting places like Wales?

This research aims to mediate between these two universes by building an input-output table of the Cardiff capital region, which will describe the links between different industrial sectors, productivity, employment and the other desires of the big public players and the reality of what happens to the creative workers on the ground.

## 3. 'Not just the usual suspects': a sociological study of developing a novel method for public involvement, including a study of the research process itself.

*Anne Collis, Bangor University, Email: sop448@bangor.ac.uk*

### Abstract

The research is a partnership of Bangor University, Barod Community Interest Company and myself, funded through the European Knowledge Economy Skills Scholarship scheme. I am a founder member of Barod, and was seconded by the cooperative to carry out this doctoral research.

**The challenge:** A small cohort of members of the public who are regularly involved in Welsh Government policy consultations are often termed 'the usual suspects'. The Welsh Government's stated aim is to engage with a breadth of members of the public and 'not just the usual suspects'. Despite Welsh Government's best efforts, over 98% of people living in Wales remain uninvolved in policy consultations that have direct relevance to their lives.

**My aims:** My initial aims were to understand why this is so, and to design a method and an approach to address this problem. In carrying out the research, a number of overlapping issues emerged between public involvement in policy consultations and public involvement in academic research. As a consequence, my thesis has two distinct but inter-twined strands: public involvement in policy making, and doing research.

**Research approach:** My research approach could be described as post-qualitative and methods included collaborative and solo autoethnography, qualitative interviews, creative group methods and documentary analysis.

Both strands of the thesis are approached using a synthesis of sociological and institutional theories, with a particular emphasis on the work of Goffman, discourse theory, epistemic (in)justice and the varied conceptions of 'doing research as people inside and outside the Academy'.

**This presentation:** I used a combination of sociological theory and collaborative autoethnography to co-design the prototype of the method currently known as 'coffee shop conversations'. The prototype was developed into its current form through iterative design cycles that involved 'real life' testing by Barod. The feedback from 'real life' testing became the driver for further exploration of sociological and institutional theories to identify academic thinking that might improve the next iteration of the method.

My presentation will focus on the current iteration of the method. I will:

- discuss the construction and use of a 'diversity grid' to identify who is likely to have different perspectives and insights on a given topic, and how to turn the grid into a recruitment strategy.
- explain how the person directly recruited is trained in how to arrange, conduct and report on a 'conversation with a purpose', along with key features that make the conversation as close to what Goffman would describe as 'back stage' as possible.
- describe the significance of the method of reporting the conversation in terms of data analysis.
- talk about the process of data analysis once reports have been received, and styles of reporting the findings to the commissioning client.
- conclude with an example of using this approach for a 'live' public consultation to illustrate the broad diversity of those who took part and the quality of the data compared to the standard public consultation methods used.

#### **4. The strengths of weak regulation: Investigating private voluntary regulation in stonewall and business in the community**

*Philippe Demougin, Cardiff Business School,  
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##### **Abstract**

This research project is focused on the topic area of regulating labour standards, which is considered central to the field of industrial relations. In this work, I draw attention to an relatively new and experimental method of employment regulation, namely: private voluntary regulation (PVR). While, PVR appears in many forms, I focus on collectivist organisations that are increasingly involved in PVR and who aim to influence a wide reach of employers across the UK. They use an array of tools and measures, to induce them to voluntarily change their workplace policies and practices. However, PVR remains both under-researched and widely criticised of being weak, ineffective (e.g. see Kuruvilla and Verma 2006). In contrast, my argument is that when private actors utilise their agency in meaningful ways, then PVR has the potential to have a positive regulatory impact on British labour standards.

I carefully selected and researched case studies on two levels of investigation: (1) two collectivist membership organisations involved in PVR: BITC and Stonewall; and (2) nine of their member firms. I used multi-method data collection, whereby three qualitative and one quantitative method were triangulated to obtain more reliable empirical findings. First, through a relational content analysis I gathered and analysed press releases, websites, documents and articles. Second, I participated in 31 events to observe my research field and become aware of the research context. Third, I conducted 91 semi-structured interviews with a range of respondents from BITC and Stonewall themselves, as well as from their members, and other expert informants. Last, I designed and administered two small-scale online surveys with BITC and Stonewall member respondents.

Through an iterative process of dialectic shuttling between the gathered empirical data and existing theory, I develop a theoretical framework to explain the potential success or failure of PVR in impacting British labour standards. Three agential independent variables are identified on two levels of private actor agency: (1) the motivational framing of PVR (see Benford and Snow 2000); (2) the type of interactions between firms including inter-firm cooperation (see Albareda 2008) and inter-firm competition (Bagnoli

and Watts 2003); and (3) the governance of PVR within firms (see Potoski and Prakash 2005).

I argue that PVR tends to lead to some, albeit limited, engagement by firms, yet with highly successful improvements in labour standards, when organisations, such as Stonewall, frame PVR as an ethical issue and aim to create competition between their member firms. Profound advances in labour standards are further stimulated when, an individual agent or group of individuals actively take ownership of and govern their firm's PVR from the bottom-up. In contrast, I argue that PVR tends to be widely embraced by many firms, and yet often remains a meaningless statement of intent, without effective changes to labour standards, when organisations, such as BITC, frame PVR solely as a business-case issue, and merely promote cooperation between their member firms. Improvements in labour standards are further restricted, when, the governance of PVR remains on a structural, institutional plane without policies actively being translated into practices on the ground.

PVR should thus not simply be brushed aside as weak form of regulation. When private actors actively embrace their power and agency to successfully shape and influence labour standards through PVR, then the impact can in fact be very pronounced. The paradox is that precisely features of PVR which generally lead to it being considered a weak and ineffective form of employment regulation can through private actor agency lead to its greatest strengths. Thus, those very attributes of PVR which are allegedly considered fundamental weaknesses can in fact, under the right conditions, become considerable strengths.



## **1. Operational Decision and Effects of Traceability System from the Perspective of Sustainable Supply Chain Governance (SSCG)**

*Xiongyong Zhou, Cardiff Business School, Email: ZhouX27@cardiff.ac.uk*

### **Abstract**

Food safety is an important issue in consumers' decision to buy food products (Grunert, 2005). This concern has been particularly pronounced after the emergence of BSE in the late 1990s in Europe (Sans, De Fontguyon, & Giraud, 2008) and avian flu in Asia (Burgos & Burgos, 2007). Many food companies have been trying to reduce quality risks by improving production technology, increasing inspection equipment, and upgrading the cold storage facility and so on. However, more and more facts show that the guarantee of food quality not only lies in the improvement of production technology itself, the effective regulation and governance mechanism are also very crucial to control the food quality risk, and such governance should be the whole-process monitoring of the food supply chain, rather than focusing solely on the quality of a particular link like supply process or production process. In response, the traceability system (TS), which is an information technology that records and displays information for each piece of a product in every step of the supply chain (Hobbs, 2004) has been proposed and established in Europe, North America and subsequently also used in many other countries across the world (Myae & Goddard, 2012) including those in Asia (Gunnar & Fremme, 2007; Wu, Xu, & Gao, 2011). Good traceability systems help to minimize the production and distribution of unsafe or poor quality products, thereby minimizing the potential for bad publicity, liability, and recalls, which have been proved to be a concrete practice of sustainable supply chain management.

Since Hobbs J.E (1996) first discussed "food traceability" in academia, increasing scholars have begun to study this topic from various perspectives, and have produced lots of research results. However, previous literature mainly focused on pre-research of TS, such as the conceptual understanding of food traceability and consumers' preference for traceable products, but paid less attention to during- and post-research like how to effectively engage in TS and how to coordinate with other actors and manage the traceability in supply chain. To this end, this paper introduces a sustainable supply chain governance (SSCG) perspective to establish an analysis framework of food supply chain traceability (FSCT), which presents the operational decision and impact of TS at the supply chain level from the logic of "WHO will govern – HOW to govern – WHAT the governance effect is".

Specifically, this project firstly uses a multi-case research approach to analyze who should be the TS orchestrator (TSO) in the supply chain and answer which TSO model should be chosen for different product supply chains. Secondly, it examines the feasibility and effectiveness of enterprises implementing TS through production decision function and equilibrium model, and analyzes the coordination mechanism used to manage FSCT based on game theory. Lastly, it discusses the impact of TS implementation on upstream and downstream as well as the whole supply chain from two aspects of integration effect and sustainable effect, analyzes whether the improvement in traceability contributes to supply chain integration and sustainable performance and whether the institutional environment moderates the relationship among them. In general, this thesis attempts to further enrich the theoretical connotation of supply chain traceability and provide practical basis and reference model for practitioners to implement TS through the above three levels of research.

## 2. Trade Wars and the Sustainability of Free Trade

*Peiyong Tian, Cardiff Business School, Email: Tianp2@cardiff.ac.uk*

### **Abstract**

This paper analyses the sustainability of free trade under perfect competitive market where free trade is Pareto efficient. Starting with a static game, it is shown that both countries will be worse off in a trade war than under free trade when two countries are similar. International trade then ends up in “Prisoners’ Dilemma” where both countries lose, despite the fact that countries were able to win a tariff war if they were with larger market power. Other than the interior equilibrium, both countries minimaxing each other by imposing prohibitive tariffs can also be a Nash equilibrium in trade policies and leads to autarky outcome as in Dixit (1987). Free trade therefore cannot be achieved in a static game. However, the Folk theorem implies that co-operation can be sustained in repeated games when players are patient enough. As a result, free trade can be achieved in an infinitely-repeated game with sufficiently large discount factors. It is shown that when countries are not similar, asymmetries make it more difficult to sustain free trade no matter using Nash or minimax reversion. Infinite minimax reversion is a more severe threat than infinite Nash reversion as it is easier to sustain free trade with minimax reversion. Moreover, free trade can never be achieved with Nash reversion when punishment only last for one round whereas it is still possible under autarky punishment.

With two Nash equilibria, it is possible that free trade can also be sustained for a number of rounds in a finitely-repeated game. Countries co-operate by playing free trade for  $T-z$  rounds and use Nash tariffs for  $z$  rounds. Once any country deviates from free trade, both countries will reverse to minimax trade policy and receive autarky welfare for the rest rounds. Free trade can be sustained for  $T-z$  rounds if there is no incentive for both country to deviate at that round. In that case, one round of deviation welfare plus  $z$  rounds of autarky welfare should be smaller than one round of free trade welfare plus  $z$  rounds of Nash tariff welfare. It determines the critical value of discount factor needed to sustain free trade. discount factor is a decreasing function of  $z$ . To sustain free trade for more rounds, higher discount factor is required.

## 3. The Impact of Sustainable and Innovative Practices on Supply Chain Performances

*Nadine Leder, Cardiff Business School, Email: LederN@cardiff.ac.uk*

### **Abstract**

Organisations and society have realised: the earth’s resources are finite – living in an economy that purely strives for economic benefits means living on borrowed time. Our current problem however is: the economy is bound to a linear model, which often makes use of raw materials, or products, that are toxic and non-recyclable.

The acceleration of environmental burdens, when applying said linear model, has stimulated the search for new, sustainable and innovative business approaches. By now, economy finds itself in a major process of change. A change, aiming to create a restorative industrial system that has the ability of generating ‘zero waste’. This industrial system is called ‘Circular Economy’.

Fulfilling the transformation towards a Circular Economy is a long-term endeavour and relies on the scientific development of new circular business models. One of these emerging circular models is known as ‘Waste Valorisation’.

The idea of Waste Valorisation foregrounds the exchange of by-products, with the aim

of converting them into valuable materials and products. So far, research has focused on the general development of frameworks, taxonomies and archetype of said circular model, neglecting the practical side. Hence, criticism about convincing arguments, why industry should adopt the approach of circularity and waste valorisation, plus a lack of practical case studies, has been raised.

This research aims to support the transition process towards circularity in future empirical research. The problem of implementing circular activities in the supply chains is further explored. In doing so, the focus is specifically on the circular model of Waste Valorisation and its abilities to create circular value via collaboration. Considering that, society is approaching a new technological area, the contextual factor of 'technology' maintains an additional and essential role within this research project.

The research project applies a case study approach, including a series of interviews with Environmental-, Operations-, and Sustainability Managers of case companies, as well as policymakers and Circular Economy experts from Non-profit Organisations. The research aims to make an impact by going beyond organisational boundaries and explore the value aspects, particularly in terms of value creation via collaborative business relationships and the use of technology within supply chains

#### **4. Social-technical transitions theory applied into autonomous and connected vehicles**

*Liqiao Wang, Cardiff Business School, Email: WangL45@cardiff.ac.uk*

##### **Abstract**

This research uses socio-technical transitions theory to illustrate how a cluster of new technological innovations – in autonomous and connected vehicles – is in the process of being transformed from a hypothetical idea to being gradually accepted as an attractive and realistic project. The emergent result is automobiles that are equipped with communications, sensors and actuators such that they are safer and easier to control. In the past few years, an increasing number of car manufacturers have been getting involved in this technological application and most of them would explore further: making autonomous and connected vehicles permeate into daily life to become a novel sort of mobility so that it could make additional practical benefits to society, economy and environment at the same time. Due to the fully autonomous and connected character of the vehicles they could compensate for human error during driving, which it is claimed will help reduce the rates of deaths and injuries caused by vehicle collisions. More profoundly, such vehicles may also enable shared use, with uncertain consequences for the future of the vehicle market and for mobility generally. The use of this cluster of technologies, therefore, has started to raise questions over existing business models and made vehicle manufacturers have to find more suitable and sustainable ways of creating and capturing value..

This research mainly focuses on manufacturers' business models change and strategic niche management (SNM) in autonomous and connected vehicles at the flowering stage. The contribution of businesses, and business model innovation, in terms of socio-technical transitions is an area of considerable research interest currently with e.g. the cfp from EGOS 2017 (EGOS, 2016). In a related manner, recent special issues have highlighted the significance of business model innovation for sustainability (see e.g. Organization and Environment, 29(1) 2016). From Google's announcement to create an entirely autonomous and connected vehicle (the Koala car), to the autonomous and connected taxis have been practically applied in Singapore taxi market, the world has seen an enormous variation in autonomous and connected vehicle technology. While

previous research attention has been concerned with business model innovation around electric vehicles (Abdelkafi, et al., 2013; Bergek et al., 2013; Weiller et al., 2015) , the contention here is that the confluence of electric traction with technologies for connected, autonomous and shared vehicles brings a far more radical shift to the existing automotive industry and established incumbents. Almost all major vehicle manufacturers have been involved in this competition, as has a wide range of new entrants and entrepreneurial initiatives, and all these participants have different ambitious. It appears therefore that this cluster of technologies constitutes a 'watershed' moment in the history of the automotive industry. For instance, the core traditional vehicle manufacturers such as Daimler, Volkswagen, GM and Ford, are devoting resources to making a brand new generation autonomous and connected cars and have started to apply these concepts in the market (see e.g. Daimler, 2016). Similarly, new entrants such as Google and Baidu have also cooperated with car companies to explore this virgin field, while also car-sharing companies such as Uber have announced plans to build their own autonomous and connected vehicles.

All these companies leave some space for autonomous and connective technology to gradually enmesh into their traditional business model, though it is not certain that this strategy will prevail. This paper therefore presents analysis of the ways in which technological and business model innovation with both new entrants and incumbents may act to accelerate the transition towards more sustainable mobility.

## **1. Sexual orientation and earnings; the role of industrial sorting and occupational attainment**

*Samuel Mann, Swansea University, Email: 885631@swansea.ac.uk*

### **Abstract**

This paper makes use of data from Understanding Society (The UK Household Longitudinal Study) to examine the effect of sexual identity on earnings in the UK, as well as shedding new light on the role that industry and occupation play. The paper makes use of a decomposition technique to examine the role of observables characteristics and the role of the returns to these characteristics, separately, at both the mean (Oaxaca) and across the distribution of wages (RIF). Results indicate that previously un-researched characteristics (Personality and Ability) have an impact on the size of earnings gaps between heterosexuals and sexual minorities. Additionally, the results show that even after controlling for personality and ability (as well as demographic and job characteristics) sexual minorities earn less, that the size of wage differentials differ across the distribution of wages, that the wage differential is not explainable by observable characteristics, and that the returns to characteristics are significantly lower for sexual minorities. I observe heterogeneity across sexual identity in terms of the size of the impact of sexual identity on earnings. The findings highlight that sexual identity impacts industrial choice, and that industrial choices differ between heterosexuals and sexual minorities as well as between sexual minorities. Further analysis demonstrates that sexual minorities sort into industries where there are smaller earnings gaps and they receive greater returns to their observables. Furthermore, for some sexual identities there is evidence that they sort into industries to gain higher levels of job satisfaction, and for others working in these industries is associated with greater levels of life satisfaction. Finally, analysis indicates that sexual minorities face barriers to advancement in senior positions, or a glass ceiling, but this is less pronounced in the industries that sexual minorities sort into.

## **2. The Benefit of Tacit Knowledge in Organisations**

*Bukola Adetonwa, Bangor University, Email: Abp4bd@bangor.ac.uk*

### **Abstract**

Organisational competitive edge usually arises from maximising efficiency ultimately increasing profitability. This paper emphasises employee tacit knowledge as an essential element for increasing competitive advantage and efficiency. Tacit knowledge is learned informally on the job, which is work-related and practical (Wagner and Sternberg, 1985 p. 436). Our fundamental focus is to show that knowledge conversion is essential for any organisation's innovation and performance. The conversion of tacit knowledge into explicit knowledge using the SECI Model illustrates the possibility of managing knowledge as a resource (Nonaka, Toyama and Konno 2000 p. 8-12).

### **Research questions:**

- What is the relevance of organisational tacit knowledge?
- What enables knowledge conversion in organisations?
- How does tacit knowledge affect organisational performance?

### **Research setting:**

This empirical study employed participative action research in a large, multinational healthcare organisation in the United Kingdom, gathering organisational documents and

interviewing employees. The qualitative data were collated, observed, documented, recorded, transcribed and analyzed thematically.

### **Research Finding**

The research illustrated that providing a conducive environment where employees with tacit organisational knowledge are able to convert it to explicit knowledge fosters an organisational learning environment thereby increasing overall organisational learning, innovation and performance. We discovered that having knowledge conversion facilitators such as, having effective and clear “communication structure”, “lesson learnt activities” “conducive environment” and “trust culture” enables effective knowledge conversion. The research also demonstrated that long-serving employees possess considerable undocumented tacit knowledge, and conversion of this also led to increased organization learning, innovation and performance. This implies knowledge to be the state of actuality of knowing, which is enacted by learning and experiences. We discuss how these conversion facilitators could be modified and used by any organisation to enhance employees’ knowledge capital.

## **3. Exploring idiosyncratic deals from multiple perspectives**

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### **Abstract**

**Background:** The research explores idiosyncratic deals (i-deals): personalised employment arrangements that employees make with their employer (Rousseau 2001). The emergence of research into i-deals since the early 2000’s reflects employers’ questioning as to whether standardisation of employment arrangements always lead to optimal organisational outcomes (Rosen et al. 2013), and seeking out new strategies for not only attracting and retaining employees, but also for the general management of their employment relationships.

**Aim and Research questions:** My research will explore i-deals from the perspectives of multiple stakeholders: employees in receipt of i-deals, co-workers and managers of those in receipt of i-deals, and HR representatives. By exploring these perspectives, the study aims to achieve the following: understanding why employees and employers use i-deals, determining long-term and any negative outcomes of i-deals (existing research predominantly explores short-term and positive outcomes), determining attitudes towards i-deals and their use, and determining how organisations can balance flexibility and fairness when using i-deals.

These aims will be achieved by addressing the following research questions:

1. Who gets and grants i-deals within organisations, and on what basis?
2. To what extent are different organisational stakeholders (HR, managers, employees and co-workers) aware of i-deals in the workplace?
3. How do these stakeholders perceive and respond to i-deals, and what factors affect this?

**Theoretical underpinnings:** My examination of the research questions above will be guided by organisational justice theory. Questioning focused on the perceived distributive, procedural and interactional justice of i-deals will allow for a greater understanding of how perceptions of fairness impact on the (dys)functionality of these arrangements, and under which circumstances different organisational members will accept them.

**Methods:** The vast majority of empirical research investigating i-deals has been based on quantitative research methods, and this homogeneous approach has impeded our understanding of how these arrangements function within organisations. Despite calls

for future studies to utilise qualitative data in order to enrich our understanding of i-deals (Hornung et al. 2009; Hornung et al 2011; Liao et al. 2016), quantitative explorations have dominated the literature since i-deals were first introduced by Rousseau in 2001. Consequently, the project will utilise qualitative data collection methods, specifically semi-structured interviews with individuals representing one of four groups of employees: employees in receipt of i-deals, co-workers and managers of those in receipt of i-deals, and HR representatives. Collecting data from each of these groups will allow for a comprehension of the arrangements from a variety of organisational stakeholder perspectives: understanding that is currently lacking within the i-deals literature. The study adopts a case study design focused on a large professional services organisation (>5000 employees), the nature and composition of which allows for, not only, a qualitative investigation of the professionals and managers previously examined by research into i-deals, but also an examination of workers overlooked by the extant literature, such as shift workers and those who would not be classified as knowledge workers.

**Implications:** As highlighted above, i-deals are of increasing interest to employers as a tool for introducing flexibility into their management practices. By gaining an in-depth understanding of why employees and employers use i-deals, through the lens of organisational justice theory, we can address existing inconsistencies within the literature and better comprehend the factors which may lead to the creation of functional arrangements which are accepted by peers and lead to positive organisational outcomes. Equally, we will be in a better position to understand and warn against the conditions which lead to dysfunctional i-deals which may be perceived as unfair and/or favouritism, or that lead to unintended consequences for the employee, employer or other stakeholders.

#### 4. Leadership-As-Practice: an exploratory study in surgical teams

*Tracey Rosell, Cardiff Business School*

##### **Abstract**

Healthcare professionals who work in surgical teams have traditionally used a hierarchical model of leadership. These were arranged in 'firms', a multidisciplinary team of surgeons, nurses and other healthcare staff. Usually, apart from certain local or specialism variations, they were led by a senior surgeon and had particular followership behaviours. These behaviours included junior doctors working very long hours whilst training to be surgeons. They did so under the 'protection' of the senior surgeon, who offered support for their professional development.

A number of official reports about surgical failures or errors have identified flaws in this hierarchical model. Additionally, legal restrictions imposed on the working hours of junior doctors, and changes in medical training arrangements, have also challenged this 'firm' arrangement. In other fields, such as education, a move towards more distributed models of leadership has been reported widely. However, what change may have occurred to the traditional 'firm' leadership model in surgical teams has received little consideration.

Leadership studies have tended to concentrate on individual leaders and top-down dynamics. In contrast, the emergent L-A-P perspective builds on ideas of relational leadership, to focus on the process of leadership as it emerges through everyday experiences. Comparing this approach to playing jazz, Harrison describes it as questioning what happens, "in the spaces between the notes" (2017: 87). To do this the researcher draws together the use of objects, space, technology, and socio-emotional aspects, in conjunction with how and what people do to create a leadership.



This paper outlines the study's conceptual framework, empirical context, method, and research themes. It adopts a Leadership-As-Practice (L-A-P) approach to embrace Parry's proposition to set aside the word *leader* to compel us to consider "what is causing and doing the leading and the leadership effect that follows" (Kempster and Parry, 2018: 65). In what is believed to be its first application in the context of National Health Service (NHS) surgical teams, the conceptual aim of the study is to elaborate the L-A-P approach in this environment. The main empirical goal is to ascertain and explain contemporary leadership practices in surgical terms, whether they continue according to the traditional hierarchical model, use non-hierarchical forms, or a combination of these. Given the exploratory nature of this first L-A-P investigation of surgical teams, it will adopt a qualitative approach, underpinned by a social constructionist epistemology, to enable close-engagement with what is studied, using "why" and "how" questions to develop theory. The research, based on the proposed conceptual framework, may enable the development of theory to inform future research into the practice of leadership in general. The conceptual and empirical contributions of this study are intended to support policy and training development.

## Parallel Sessions 2:

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### ***Parallel session 2A: Room 0.22***

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#### **1. It's Monday Again: Seasonality in Stock Return Synchronicity**

*Arbab Cheema, Cardiff Business School, Email: CheemaAK@cardiff.ac.uk*

#### **Abstract**

Stock returns co-move significantly more on Monday than other days. Such a Monday synchronicity effect is accompanied by higher Monday beta but not lower Monday idiosyncratic volatility. In the cross-section, Monday synchronicity is stronger among stocks with higher CAPM betas and higher turnover. The intra-week difference in synchronicity from Monday to other weekdays has a non-linear (U-shaped) relationship with idiosyncratic volatility. Moreover, this intra-week difference is more pronounced for firms that belong to industries that are small in terms of asset size but have larger number of firms. The ease of short selling due to less constraints, as demonstrated by the exogenous removal of the uptick rule during the SHO Pilot Programme, does not cause the Monday synchronicity effect.

This study contributes to literature by providing the first evidence of the existence of an intra-week seasonality in stock price synchronicity in US stocks over a large sample and a long time period.

Synchronicity is higher on days when macroeconomic news are announced. The correlation of stock returns with market returns is higher on such announcement days as compared to non-announcement days while the correlation with industry returns is comparatively lower. This suggests that investors pay more attention to macroeconomic news and thus comovement with the market increases while comovement with industry peers decreases. In contrast, synchronicity is less on earnings announcement days and the correlation of stock returns with market returns is lower while correlation with industry peers is higher. This suggests that investors pay more attention to firm news on such announcement days, which drives down the comovement with the market. Moreover, the higher correlation with the industry returns results from the spillover of firm news across the industry. Investors pay more attention to other firms in the same industry when earnings are announced for a firm belonging to that industry.

The decrease in synchronicity due to earnings announcements is a stronger effect than the increase in synchronicity due to announcement of macroeconomic news. On Monday, the reaction to earnings announcements is different from other weekdays. On earnings announcement days, correlation of stock returns with market returns decreases less on Monday as compared to other weekdays, while correlation of stock returns with industry returns increases less on Monday as compared to other weekdays. Since the frequency of earnings announcements is also less on Monday as compared to other weekdays, the decrease in synchronicity occurs less frequently on Monday. The combined effect of this different reaction to earnings announcements and its low occurrence on Monday results in higher comovement on Monday as compared to other days. Monday synchronicity remains higher despite the fact that macroeconomic announcements, that are also more frequent on other weekdays, slightly drive up synchronicity.

## 2. Who predict stock returns better?

*Gabriel Wong, Cardiff Business School, Email: wonggk@cardiff.ac.uk*

### **Abstract**

JMP: In this era every individual wish to be "Key Opinion Leader" (KOL). - The one who has expert knowledge that can influence their respective field. In financial world this would mean investor who provides the most accurate and timely information in predicting future stock return will be the KOL. Given this motive to become one, a genuine question arises given two types of investor: "Generalist" that follows large portfolio of stocks or "Specialist" who focus on a few. Which could provide more accurate sentiment in predicting future stock return?

We collected data from StockTwits – one of the largest finance-related social media platforms, a user can post "twits" up to 160 characters to convey their view about each stock either from fundamental point of view or technical side. Utilizing the latest natural language processing (machine learning) technique armed with classifying accuracy of 80%, we classify each "twits" into "Bullish", "Bearish", "Neutral". This is superior to prior studies which uses a list of dictionaries to identify the meaning of each "twits", for example "Gooooood" would not exist in a dictionary but our algorithm can identify right away this is "Good", synonyms words like "Not bad" into "Good". Furthermore, words like "EPS", "Dividend" would cluster together and identify as same meaning, we also enhance the classification with emoji as sentiment.

Next, we calculate sentiment by taking number of bull twits divided by total number of bull and bear twits at user-firm-month level. Calculating sentiment from user-firm-month level allow analysis on how user with their respective characteristics predicts future stock return. We take great caution in cleaning data and remove computer generated twits (bot) in our sample. After cleaning, our sample spans from year 2010 to 2017 which contains 40 million messages posted by 291,185 eligible users spanning 8774 firms.

Our main research question hypothesizes user with higher number of stocks or industry followed predicts lower future excess return. Intuitively users who follow large number of stocks (industry) have limited attention and resource in processing any stock-related information, in the end produce inaccurate sentiment on stock's future return. Second research question related to predicting earning surprise, we shed light where part of the standardize unexpected earnings (SUE) is attributed positively to user sentiment and negatively related to the number of stocks user followed.

Preliminary result suggests 1 standard deviation increase in monthly user sentiment alone could explain future monthly excess return by 0.708%. At first glance including the number of stocks covered by user is positively related to stock return. Surprisingly and consistent to our research question, when bull sentiment depends on number of stocks a user covered, it reduces our future return by -0.146% and is significant at 1% level. This effect is not driven by higher twits posted as one could imagine a user with higher stock followed will post more. We also ran a battery of robustness test and found this effect and industry followed to be significant.

This finding reveals "Generalist" who follow a wide range of stocks are subject to limited attention given limited resource, particularly taking shortcuts (Heuristics) to form their sentiment prediction which are all consistent with behavioural finance findings.

### 3. Testing small open economy DSGE model with imperfect pass-through using Indirect Inference

*Aigerim Rysbayeva, Cardiff Business School,  
Email: RysbayevaA@cardiff.ac.uk*

#### **Abstract**

The response of tradable and consumer prices to exchange rate fluctuations has been a major challenge for policy analysis. This paper develops a model of imperfect exchange rate pass-through within an open economy DSGE framework using quarterly UK data. Although prior literature on pass-through analysis estimated the degree of pass-through in general equilibrium, none of these papers actually evaluated the model to assess the empirical performance of the model. In this thesis, I am testing DSGE model where price rigidity is taken as a source of sluggish response of prices to exchange rate movements. The method of model testing is Indirect Inference, which was proven to be more powerful test than standard procedure of Likelihood Ratio test. Consistent with previous studies, the thesis also concludes that the impact on import and consumer prices depends on what caused the changes in exchange rate – the nature of macroeconomic shocks.

Exchange rate variability is one of the crucial aspects of international macroeconomics. The impact of exchange rate movements on prices- exchange rate pass-through- has important implications for the transmission of shocks and central bank targeting inflation rate. Although UK experienced large exchange rate fluctuations by a decision to leave EU and during recent financial crisis, the response of consumer price inflation rate has been muted. The same feature has been observed in US and EU. Empirical studies estimating exchange rate pass- through (ERPT) reported a weak response of prices to exchange rate fluctuations even in the long-run. This phenomenon entailed extensive research on the causes of imperfect pass- through. The reason behind this behaviour was attributed to price stickiness, the choice of currency pricing, variable markup and low inflation environment.

This paper first aims at quantifying the significance of nominal rigidities as a main source of subdued response of broad range of prices from import to consumer prices. The second purpose is to evaluate the performance of the model to assess the empirical fit. This stems from the fact that prior works on ERPT estimations have never evaluated the model itself despite the volume of work they have done on small open economy DSGE models. Finally, the paper validates that ERPT degree is shock-dependent, which might shed light why ERPT degree varies over time and has different sign on impulse responses.

## **1. Credit ratings in insurance industry, Rating transitions for insurance companies: A unique comparative analysis**

*Sandy Perez-Robles, Bangor University, Email: abp868@bangor.ac.uk*

### **Abstract**

During and after the financial turmoil of 2007-2009, default risk received intense attention due to the financial distress faced by banking and insurance institutions (Ciumaş et al., 2015). Particularly for insurers, the default of American International Group (AIG) triggered the need for updated regulatory oversight (OECD, 2010), and has highlighted the potential systemic risk carried by insurers (Bierth et al., 2015; Caporale et al., 2017). Meanwhile, the role of credit rating agencies in assessing default risk has been subject to increased scrutiny. Conflicts of interest have been claimed to be inherent in the credit rating industry (Bolton et al., 2012; Krugman, 2010; Opp et al., 2013), as well as a lax rating attitude towards some structured finance instruments (Becker and Milbourn, 2011; Mathis et al., 2009). Despite the criticism, credit ratings still exert a highly significant influence on economic activity (Cornaggia et al., 2017), by assisting debt issuers, investors and regulators to make better-informed decisions (Agarwal et al., 2016) and enabling firms' access to capital (Mählmann, 2011). Specific to the insurance industry, ratings are particularly important because of the reliance that policyholders place on insurers being solvent when a claim arises (Bierth et al., 2015) and that investors place when taking decisions about insurers' bonds and other debt (Miao et al., 2014).

Overall, this doctoral research aims to provide empirical contributions to the academic literature blending insurance and credit rating industries. This paper initiates that journey by presenting rating trends of US property-casualty insurers for the largest four rating agencies, namely S&P, Moodys, Fitch and, AM Best, during 2000-2017. Surprisingly, there is very little recent empirical literature on insurance companies' ratings published in academic journals, with a heavy focus instead on sovereigns and corporate ratings after the financial crisis. By employing rating transition matrices (RTM), the goal is to offer insights into the effects of the financial turmoil on financial performance. Moreover, it considers the role of AM Best as a much more specialized rating agency for the insurance market. Key insights of this element of my doctoral research revolve around the variability of rating activity across time and across rating agencies. A quite different picture emerges for the insurance industry compared to the banking industry. In addition, the lack of equivalence in the rating scales between AM Best and the other big three rating agencies brings new research questions to the fore. Ultimately, this study will provide additional policy insights. These concern the regulation of rating agencies, while bearing in mind the wider context of Solvency II regulations for the international insurance industry.

## **2. An Examination of the Informativeness of Income Tax Accruals to Explain Future Tax Cash Flows: Evidence from UK**

*Qian Song, Cardiff Business School, Email: SongQ@cardiff.ac.uk*

### **Abstract**

*As one part of the accrual accounting system, income tax accrual can be essential as it affects a material account that all firms are required to disclose, i.e., the income tax expense. Given the essentiality of income tax accruals, it is important to investigate the*

*informativeness of income tax accruals to explain future tax-related cash flows, in order to improve the evaluation of firms' future commitments for internal funds. Results of this study indicate that current income tax accruals are incrementally informative over current cash tax paid in explaining future tax cash flows in the UK setting.*

*Moreover, the incremental informativeness of income tax accruals is found to be significantly lower for firms that 1) engage in tax planning activities or; 2) exhibit strong incentives to avoid reporting an apparent decline in the post-tax profits. On the one hand, these results are consistent with the agency perspective of corporate tax planning that tax planning activities carried out with the intention to avoid detections from tax authorities could add opacity and obfuscation to financial statements, which reduces the quality of reported income tax information (Desai and Dharmapala 2009; Kim et al. 2011; Balakrishnan et al. 2018). On the other hand, the result that tax-management incentives to avoid reporting declined post-tax earnings lead to reduced informativeness of income tax accruals is consistent with previous evidence that the income tax accounts provide the last-chance for earnings management, when the pre-tax accruals fail to achieve the earnings target (Dhaliwal et al. 2004; Holland and Jackson 2004).*

*This study also finds that good corporate governance mechanism plays a significant role in attenuating the negative relationship between the informativeness of income tax accruals and the managements' incentives to avoid reporting an apparent decline in the post-tax profits. However, good corporate governance mechanism is not significantly important in attenuating the negative impact of corporate tax planning on the informativeness of income tax accruals. These results indicate that good corporate governance is effective in restricting opportunistic managerial behaviours by using income tax expense as a source of manufacturing earnings, but is ineffective in scrutinising financial reporting irregularities resulting from the engagements in tax planning activities, which may either due to that there is insufficient information about firms' tax planning strategies available for a potential governance mechanism; or that the governance mechanism is less capable of understanding and identifying firms' tax-planning-related affairs and issues.*

*Finally, this study provides evidence that the incremental informativeness of income tax accruals about future tax cash flows has deteriorated over time in the UK, implying that as compared to the partial provision methods of deferred taxes, the full provision method of deferred taxes which focuses on restricting managerial discretions leads to reduced ability of income tax accruals to explain future tax cash flows.*

### **3. The Effect of Changing Ownership on Corporate Tax Management Behaviors: Evidence from UK IPOs**

*Ning Han, Cardiff Business School, Email: HanN1@cardiff.ac.uk*

#### **Abstract**

The purpose of this research is to investigate how companies manage their taxes when they expect there will an IPO in the future.

Companies have different attitudes toward tax management. While some companies deliberately engage in tax management activities to avoid taxes, other companies do not take actions to reduce taxes, even though these actions are associated with low costs. The reasons behind the variation between corporate tax management behaviors have attracted wide interests from researchers. Previous research has proved that firm characteristics (e.g. firm size, leverage, capital intensity) are associated with the level of tax management. In recent years, researchers have found the association between corporate governance (board size, board independence, ownership structure) and corporate tax management behaviors. The relation between ownership structure and corporate tax management is an important but underdeveloped area. Hanlon and

Heitzman (2010) call for more serious investigation about the effect of ownership structure on tax management levels. Previous studies only investigate the impact of a single, or static, type of ownership structure (e.g. family ownership, private equity ownership, hedge fund ownership). This study will investigate companies' tax management behaviors under a changing ownership, i.e. initial public offering.

Initial public offering is an important event in a company's life. It is the first time a company sells a portion of its shares to the public. The ownership of companies experiencing IPOs will change from private to public. IPO companies have two main characteristics. Firstly, companies undertaking IPOs will be faced with greater market pressure and therefore have stronger incentives to increase earnings. Secondly, IPO companies will be subject to additional scrutiny from market regulators, outside investors and social media. The literature has found that companies will management their earnings, capital structure, governance schemes before they go public. However, there is little literature about companies' tax management behaviors prior to IPOs. This research will fill this tax gap.

This study will identify UK companies listed on London Stock Exchange to analyse the change of their tax management behaviors around IPOs. The hypotheses are non-directional. On the one hand, due to the increased market pressure, companies are hypothesised to have greater incentives to reduce tax expenses to increase after-tax profits. Therefore, they will engage in more tax management activities. On the other hand, the additional scrutiny will lead tax management activities to be associated with higher costs, such as penalty fees, reputation costs and agency costs. As a result, companies will reduce their tax management activities before they go public.



## **1. Conditions for knowledge transfer across open innovation ecosystems**

*Emily Bacon, Swansea University, Email: 950171@swansea.ac.uk*

### **Abstract**

Co-creation across open innovation ecosystems is supported by inter-organisational knowledge transfer. Despite the significance of this process, and over two decades of academic and professional engagement, open innovation research fails to examine the significance of the knowledge transfer process in the context of open innovation ecosystems. To address such an absence, this research identifies constituents of successful knowledge exchange between members of open innovation ecosystems. Conditions for knowledge transfer success were organised into three typologies: firm, relationship, and knowledge-related characteristics. Adopting a multi-method approach, the first phase employed self-administered surveys to experts of ecosystem engagement in order to ascertain the perceived importance of the conditions. This was achieved through Interpretive Structural Modelling, an approach which aims to impose a sense of structure upon a system of interrelated components. To further explore the nuances and interconnections between the conditions, semi-structured interviews were conducted with ecosystem partners located across Western Europe: participants were asked to provide their perceptions of each knowledge transfer condition and assess their presence within their existing ecosystem relationships. The second phase of data collection was analysed utilising fuzzy-set Qualitative Comparative Analysis (fsQCA), a technique that identifies how patterns of conditions combine in order to exhibit a given outcome. Results yield multiple configurations of conditions across the three categories present within ecosystem partnerships, and support many of the underlying tenets of fsQCA and complexity theory. Findings reinforce the notion of equifinality, whereby numerous causal paths can lead to the same outcome, whilst yielding significant insights in line with causal asymmetry, where conditions leading to the presence of the outcome differ from those contributing to its absence. Additionally, results from both phases of analysis indicate that no single condition retains sole responsibility for the occurrence of the outcome. Thus, it can be determined that conditions for knowledge transfer are co-dependent and interrelated, and combinations of firm, knowledge and relationship-related characteristics engender a successful knowledge transfer process.

## **2. Labour Entry and Skill Formation in UK Television**

*James Davies, Cardiff Business School, Email: DaviesJR16@cardiff.ac.uk*

### **Abstract**

The UK television has been the subject of a significant shift in the manner of production workflows, with numerous implications for skill acquisition, and entry ways into the labour market. Previously focused around traditional, vertically integrated, hierarchal bureaucratic organisations (primarily the BBC and ITV until the 1980s) a combination of legislation and technological advance has precipitated a shift to short-term, project-based working practices heavily reliant on freelance labour (Hodgson and Briand 2013). This freelance labour market predominantly organises itself via professional networks. These allow job roles to be filled quickly, and are better equipped to meet the flexible requirements of production work, but are also based on informal recruitment methods, and can be exclusionary to those without the right combination of social/human capital,

or personal connections, to enter these networks, and therefore access the vast majority of work in the sector (Lee, 2011).

In addition, a proliferation of low or unpaid apprenticeships and internships means those without the means to exist for extended periods with little or no income. The result is an industry that is 60% male, 92% white and 88% from higher socio-economic backgrounds (DCMS, 2016).

There are numerous implications for these changes. Younger workers are viewing unpaid work more favourable than their predecessors (Percival and Hesmondhalgh, 2014). Network culture has split newcomers from experienced professionals, severing the communities of practice that traditionally fostered the transfer of specialised skills (Grugulis and Stoyanova, 2011).

Changes and advances in technology have also influenced the nature of the skills required for new entrants. What skills are now required? The issue for the future of skills and training here lies in the nature of skills that are now required, and the degree to which new entrants have the resources and access to acquire them. What are the entry points, and who/what are the 'gatekeepers?'

Adopting an interpretivist ontology, and employing a qualitative methodology, this subject aims to gain insight into the authentic experiences of recent entrants to the television. Through a series of semi-structured interviews with those who have made their entry into the sector within the last 10 years, as well as with more experienced professionals, the projects looks to address the following research questions:

1. What are the gateways to UK television? How do new entrants negotiate these gateways?
2. What skills do new entrants possess at the point of entry to the UK television industry?
3. How do new entrants gain access to the skills required for work in UK television, in a neo-bureaucratic setting?

### **3. Lean entrepreneurship, gender and Social Value Creation**

*Renuka Vyas, Cardiff Business School, Email: VyasR2@cardiff.ac.uk*

#### **Abstract**

This inter-disciplinary research embraces the ideas from the fields of operations management and entrepreneurship. Entrepreneurship is widely acknowledged as a key influence in job creation, economic regeneration and economic growth. This field has recently undergone a paradigm shift from a focus on entrepreneurial personality to entrepreneurial process and it is now widely accepted that the process of creation of an organisation to pursue an opportunity is at the core of entrepreneurship.

This research fuses two recently postulated powerful theses, *effectuation and lean start-up* and explores their combined role in discovery, creation and evaluation of opportunities and formation of organisations to exploit them. The first of these, 'Effectuation', represents a major intellectual shift in our understanding of the entrepreneurial pursuit of opportunity. The second, 'Lean start-up' applies the principles and tools of lean manufacturing from operations management to the start-up process and is being increasingly adopted world-wide as a potential panacea to deal effectively with extreme uncertainties of the business start-up process.

Effectuation and Lean start-up, however, operate differently for several reasons. Effectuation is a conceptual and philosophical contribution to knowledge and claims not to improve the eventual outcomes of entrepreneurial pursuit of opportunity but to diminish its costs to the entrepreneur. Lean start-up, in contrast, makes a practical and material contribution to our understanding of the start-up process and claims both to

diminish its costs as well as to improve its subsequent outcome. They are therefore envisaged, in this research, as two constructs which are complementary and not competitive. Further, Effectuation explicates and elaborates the pre-start-up phase in significant detail that culminates in setting up of the enterprise, whereas Lean start-up is focussed in offering a range of detailed practical advice on the post-formation early days of an enterprise. In the chronology of pursuit of opportunity, they therefore are positioned consecutively and not concurrently. This has vital implications both for their complementarity as well as for their mutually reinforcing roles in lean entrepreneurship, a notion that is explored, expanded and validated in this research.

This is a woman-centric research and is grounded in two recently discovered premises. One, the seeming female entrepreneurial underperformance highlighted in extant literature is explained largely by the unwillingness of women to grow their businesses beyond a point rather than by their intrinsic inability to do so and two, women entrepreneurs are more likely than men to emphasize social value goals over economic value goals.

Through a number of qualitative, exploratory and interpretive studies of successful female social entrepreneurs, in UK, India and Ghana, this research attempts to investigate if successful female social entrepreneurs exhibit lean-effectual behaviours and if yes, how these behaviours differ in countries with varying levels of economic attainment. In alignment with Cardiff Business school's *public value* perspective, it seeks to promote economic and social improvement, through an inter-disciplinary research to address one of the grand challenges of our times, namely gender inequality, in entrepreneurship. It seeks to explore narratives of individuals akin to two of business school's current entrepreneurs in residence who are female entrepreneurs pursuing social goals. It is hoped that their experiences and insights, beyond the foresight and academic judgements of the supervisory team, should provide this exploratory study robust foundations and would generate insights of significant value for the women and the society.

## **1. Why do Firms Do Good? A Customer-Demand Perspective**

*Soma Housein, Cardiff Business School, Email: Houseins@cardiff.ac.uk*

### **Abstract**

Scholars have been interested in understanding why public listed firms overcome self-interest to undertake CSR-related activities. Particularly, since US firms do not engage in CSR activities merely to yield monetary benefits, as the findings in the literature are ambiguous on the economic implications of CSR (Choi et al. 2010). We investigate whether firms respond to customer demand for higher social capital and invest more in CSR activities. We investigate whether firms respond to customer demand for higher customer social capital and invest more in CSR activities. The legitimacy theory underlines that firms will aim to obtain legitimacy by meeting their customers demand. In line with the legitimacy theory it is argued that when customers perceive CSR more as a norm, firms will be punished for not complying with this norm. Using the offshore sales database compiled by Hoberg and Moon (2017), we trace the countries of firms' offshore customers and exploit the country-level variation in social capital to identify the relationship of question. Based on a sample of 2,454 distinct firms from 2000 to 2013, our results show that firms selling to consumers residing in countries with higher social capital invest more and perform better in CSR. Further tests show that this effect is more pronounced for firms whose customers are mostly businesses (as opposed to end consumers) and not in the high-polluting industries. Finally, we find that the firms CSR performance is not significant in determining customer social capital, suggesting that endogeneity issues such as reverse causality is unlikely to affect our results. Overall, our evidence is consistent with legitimacy theory for CSR.

## **2. The Value of Connection to Nature: Strategic Thinking in Environmental Organisations**

*Robert Gorzynski, Bangor University, Email: abp746@bangor.ac.uk*

### **Abstract**

There is a clear evolution of strategic thinking from a concept predominantly based on analytical thinking, closely integrated with the strategic planning process, to a broader mindset that is critical for organisational survival. However, our concept of strategic thinking remains constricted by the strong dualistic paradigm that underlies our world, expressed as a belief in separation and scarcity. The strongly 'head based' approach underlying strategic thinking remains deeply rooted and little thought has been given to what we can learn about strategic thinking from our connection to the natural world itself. How can we move beyond this limitation? This research focuses on small and medium-sized environmental organisations, which operate within the natural world. By recognizing the value inherent in this connection with nature it investigates how this relationship influences and potentially enhances the ability of these organisations to think strategically by addressing three key research questions:

1. How and why does a sense of connection with the natural world impact the ability of small and medium-sized environmental organisations to think strategically?
2. How does this sense of connection contribute to the ability of these organisations to achieve key strategic and operational objectives with limited resources?
3. In what other ways does this sense of connection impact on the broader strategic decision-making process within these organisations?

The choice of research methodology is founded on the principle that we can best understand a more holistic dimension of strategic thinking by adopting a broader, holistic research framework. Given the complexity and inherent search for meaning underlying the strategic thinking process, the research methodology is based on an inductive, qualitative approach (principally ethnographic) using a triangulated multi-method approach within an embedded case study setting, comprising thirty-two individual interviews and three workshop events (England, Scotland and Wales) incorporating group interviews and participant observation.

The preliminary findings indicate that participating environmental organisations use both traditional cognitive thinking (particularly for funding, financial viability and sustainability and communication with the outside world) and a more corporeal, embodied dimension to strategic thinking (encompassing aspects of mind, body, heart and spirit), particularly internally and within their extended communities, including stakeholders. These very different ways of looking at the world create tensions that are resolved by a diverse and complex range of coordinating mechanisms.

Traditional cognitive thinking within participating organisations is primarily focused on demonstrating extrinsic value, whereas the more embodied forms of relationship with the natural world are expressed in terms of intrinsic value, providing the glue (an aligned sense of purpose and inner sense of knowing) that brings the organisation and its wider members, supporters and communities together. This is, perhaps, best expressed as the 'fundamentals' that guide the organisations over the long term and underpin the strategic thinking process. It is also this that plays such a crucial role in allowing these organisations to leverage limited resources successfully to meet their core purpose and strategic objectives.

### **3. Stakeholder co-created value: Outcomes of corporate community initiatives a case study on Business Class programme in Wales**

*Ravindra Nyaupane, Swansea University, Email: 746951@swansea.ac.uk*

#### **Abstract**

The prevalent narrative of business in the form of annual reports, press stories or benchmarking is solely shaped by the claims of companies. This company-centric perspective is challenged by my research that looks into how exactly value is created in activities at the intersection of business and society by listening to the voices of stakeholders, including businesses and communities who participate, contribute and draw value from such activities. Using case study method (Yin, 2009), I look into businesses contributing through employability, softer skills and other support to pupils in high school in Wales via Business Class programme using multiple sources of evidence such as interviews, observations, documents, video and photo. The analysis was carried out using coding and using principles of case study analysis namely convergence (ibid.) to establish fact (topical area) from multiple perspectives combining all sources of data.

The findings suggest a complex picture of value creation and measurement suggesting why the claims of businesses alone is insufficient to understand and measure value. This also questions the assumption of CSR as one-way gift from business to society instead of the reality of involvement from multiple stakeholders including firm and community in similar fashion, thus even the questioning of the term 'stakeholders'.

The research expands the stakeholder theory into the paradigm of value co-creation and co-valuation involving all stakeholders as well as provide a three-dimensional tool to measure value in this new paradigm multiple perspective on value. The future research that stem from this research are methodological, such as how and why the

assumptions of rating eg. DJSI, FTSE4Good should change to capture the voice of multiple stakeholders and not just the businesses. Furthermore, do the businesses in carrying out their commercial activity exhibit similar essence (value co-creation, co-valuation) as in the activity at the intersection of business and society such as CSR investigated by this research?

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### **Parallel session 3A: Room 0.22**

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#### **1. Improving an agent-based model of electric vehicle adoption using machine learning technologies**

*Wen Wu, Cardiff Business School, Email: XuW20@cardiff.ac.uk*

##### **Abstract**

Agent based modelling can model social interactions and capture consumer heterogeneity in decision making process and thus gains popularity in innovative adoption research. Evidences show that current agent based models failed to capture how electric vehicles (EVs) penetrated the vehicle market, and appear to have an overly optimistic view of adoption rates. This is due to that consumer adoption behaviours are oversimplified and the factors being integrated into the decision rule cannot capture consumer heterogeneity well, identified by a systematic literature review conducted by the author.

This work applies machine learning technologies to improve the limitations, through an analysis of the private adoption of EVs in the UK. Firstly, survey data on consumer priorities for vehicle purchase decisions and attitudes towards EVs are pre-processed. The process involves validity evaluation, reliability evaluation, selection of related variables, factor analysis, category combination, imputation of missing values and so on. Then four common machine learning algorithms are conducted to classify different consumer groups such as EV innovators and laggards, and classification accuracy is compared among these algorithms. The one with the highest classification accuracy is selected as the purchase decision rule in the proposed agent based model. Finally, an agent based model of EV adoption is built to model consumer decisions on whether and when to buy an EV and which vehicle model within a predefined choice set to buy, based on the purchase probability calculated by the selected machine learning algorithm and the impacts of social interactions. The predicted adoption rate is validated based on the real adoption rate of EVs in the UK market.

Results identify that machine learning technologies can be applied to capture consumer heterogeneity, through helping identify the import factors for purchase decision within different consumer groups, select the appropriate algorithm for decision rule, and justify the influencing degree of social interactions

#### **2. Essays on FinTech Lending**

*Haofeng Xu, Swansea University, Email: 922634@swansea.ac.uk*

##### **Abstract**

The first chapter investigates the role of verification in FinTech lending market, using data from a leading Chinese P2P lending platform from 2012 to 2015. I show that borrowers with more types of verification are more likely to obtain fund and receive higher loan amount, lower interest rates. Lack of verification leads to misreporting and raise the risk of delinquency. I find that the presence of income exaggeration results in higher default rates, but if borrowers concern about future access to credit in mitigating the effects of delinquency. Our further analysis suggests that wealth related verification is crucial for the stability of FinTech lending marketplace.

The second chapter examines whether country-differences in legal protection affect FinTech loans contracting and performance. Using a sample of 2 million FinTech loan transactions in 24 countries, I find that FinTech borrowers receive lower interest rates, higher loan sizes, longer maturities with stronger legal protection and more efficient enforcement through the court. The results show that borrowers in the country with poor enforceability are more likely to default on loans. While contract enforceability matters for loan structures of personal loans, they seem to only reduce loan interest rates of business loans. Overall, this study highlights the importance of strong enforceability for generating positive lending outcomes.

### **3. A Small Open Economy DSGE for Natural Constraint in Currency Board: Case of Hong Kong**

*Zhiqi Zhao, Cardiff Business School, Email: ZhaoZ13@cardiff.ac.uk*

#### **Abstract**

The Currency Board Arrangement and linked exchange rate regime have been examined and seen a success to overcome financial crisis. Although they were established as a temporary monetary arrangement at the beginning, they have been kept for decades as the most appropriate arrangement for Hong Kong. At least now, there is no reason for Hong Kong to deviate. But the specialty of the monetary condition, policy dependence with decision making and the relation to the international transaction have a lot of interest to discuss under the current arrangement.

The housing market has taken the research attention in recent years, not only because the complex of the price behaviour, but also the transmission mechanism from the policy and impact to other factors. This research topic can contribute to literature by taking the relation to linked exchange rate and balance of payment into consideration, it is because of the Currency Board arrangement that makes the economic activities in Hong Kong face another constraint, the same for the housing market. In other words, housing in Hong Kong would face not only the collateral constraint of high loan to value ratio from the authority, but also naturally face the constraint from the Currency Board of holding enough backing assets.

This research is trying to build a model which could display and explain the mechanism under the currency board or fixed exchange rate, where the whole economy has a natural constraint saying the balance of payment. The idea behind this is that: when the shock happens to increase the export, the foreign reserve goes up as a result from the balance of payment improved. Because the base money is one-to-one linked to the foreign reserve held in the monetary authority, money in the economy has to increase and then banks would have more to issue loans.



## **1. The Dark Matter Between Bad Apples and Bad Barrels: The antecedents of financial misconduct**

*Ian Roberts, Bangor University, Email: B1pa78@bangor.ac.uk*

### **Abstract**

Ten years after the Global Financial Crisis banks and financial service firms have yet to recapture public trust, misconduct such as mis-selling and market-rigging continue to generate scandals. This study aims to improve comprehension of financial misconduct behaviours by examining the classification, dissemination and impediment of these behaviours. The work will be undertaken in the context of the UK where there are well-developed financial markets, a history of extensive regulatory reporting and where concerns have arisen frequently in recent years. The scale of this activity in the UK is reflected by the high proportion of profits (61% - £38.7 billion) spent remediating misconduct issues between 2011 and 2014 (Michael et al, 2015).

Despite the long-standing concerns as to financial, public and economic costs of such corporate behaviours, comprehension of why this phenomenon occurs and how such corporate actions may be restrained remains unclear. Indeed, why financial firms mis-sell and how this can be checked has exercised researchers from numerous disciplines including criminology, finance, economics, management, sociology and law in multiple nations for well in excess of a century. In the UK context recent episodes of mis-selling have developed within multiple markets from endowment mortgage, pensions, an assortment of investment products and perhaps most notably payment protection insurance industries.

The financial regulator publishes a "Final Notice" detailing the outcome of investigations into each incidence of misconduct. These final notices are available for the past 17 years and detail 2,797 individual cases. This is a particularly rich repository of data and despite being the only public record of financial misconduct it has yet been largely overlooked by academia. This is perhaps because these documents contain a significant amount of technical terminology, thus require significant domain dependent knowledge to analyse. The first paper takes a quantitative text mining approach to these documents to analyse the content. Using code in 'R', techniques include web-scraping and pre-processing, n-gram searches are built both deductively and inductively through multiple iterations to refine the search. This automated approach provides a robust and reliable method and for the first time generates empirical data classifying and describing the financial misconduct phenomenon in the UK.

Later studies will extend on this foundation by comparing data from similar documents from other jurisdictions. Then to examine matched personal employment data to examine the social network connections between cases and regulated individuals.

As financial misconduct creates substantial consumer detriment, reduces financial stability and erodes trust in financial markets more generally detection and reducing financial mis-selling has become a pressing academic, policy, corporate and public concern.

## 2. Why do scientific 'facts' travel the way they do from the neuroscientific lab to organisational practice?

*Virginia Brown, Cardiff Business School, Email: brownvl@cardiff.ac.uk*

### **Abstract**

I am interested in how and why it is that scientific 'facts' travel into organisational practice, with neuroscience offering the specific context for my research.

My research will critique the 'naturalness' of translation, arguing that it is not driven by the inherent usefulness of the 'facts' to organizational practice but by other, political, factors. And that, as well, the integrity of the 'facts' can be contested in a way that is not explicit from practitioner material.

The research is informed by:

Philosophy of science (PoS) debates pertaining to facts and knowledge, and which highlight the political and vested interests involved in knowledge. This includes, but is not limited to:

- The work of Habermas, who emphasizes the ideological basis of science and the non-value free nature of knowledge
- Fleck, who set out not only the constructed nature of scientific knowledge, but also how 'facts' move from an esoteric core toward an exoteric circle, and the role of scientific literature in that journey
- Weber's notion of rationality, and in particular, formal-rationality, which may account in some way for the appeal of scientific 'facts', as well as possible dehumanizing effects
- Lyotard and the commoditization of knowledge

Theories of translation, within and beyond MOS, with multiple approaches and foci, within MOS and still gaps in the facilitation of our understanding of translation, which the addition of useful other perspectives may address. For instance, translation within medicine and other scientific disciplines. Extant literature on fads and fashions with MOS. Substantive examples from disciplines akin to neuroscience, which have travelled from their domestic settings to foreign fields, and which highlight the commercialization of science and other power issues raised by PoS,

Research Aim

- To theorise a process of the translation of scientific 'facts' into organization practice, contextualised by the case of neuroscience

Objectives

- To deconstruct the translation process by examining how 'facts' have travelled into practitioner literature
- To explore the perception of 'translators' as to how and why certain 'facts' are translated
- To identify/hypothesise drivers for translation
- To examine the outcomes or effects of translation, and to critically appraise if/how they correspond to the drivers of the translation

Methodologically I am employing a two-stage qualitative study comprising, firstly, a discourse analysis of practitioner materials concerned with neuroscience 'facts', and secondly, a series of semi-structured face-to-face interviews with 'translators'. This is informed by a critical approach, which emphasizes the role of language as a power resource.

Therefore, the discourse analysis will more specifically comprise a Critical Discourse Analysis and as such include an analysis of the rhetorical practices, textual acts, and reproduction (or resistance) of dominance and profit focus as well as connections to original science where possible. An initial intention had been to trace scientific 'facts'

back from practitioner material to journal science, enabling an examination of the process of translation, but this proved impossible as it quickly became apparent that there was rarely any connection between the two.

The interviews, with so-called 'translators' of neuroscience 'facts' into practitioner material will be guided by an interview schedule, shaped by findings from the critical discourse analysis. These translators have been selected as a result of their experience in bringing neuroscience 'facts' to organisational practitioners, and have roles in journalism, consulting, and academia for instance. The interviews will explore their interest, expertise and experiences in translating scientific 'facts' for practitioner consumption.

### 3. Employment Tribunal Claim Statistics: Solid Data or Ghostly Apparitions?

*Jonathan Mace, Cardiff Business School, Email: macejp@cf.ac.uk*

#### **Abstract**

The Conservative government of 1970-74 created statutory employment rights for protection against unfair dismissal and redundancy and gave the jurisdiction to what were then known as Industrial Tribunals. Since then further statutory employment rights such as protection from age discrimination have been created by subsequent governments and employment rights derived from European Union Directives have been given to the Employment Tribunals (ETs) as they became in 1998. By 2004 ETs were responsible for nearly 80 jurisdictions.

The annual number of claims accepted by the ETs is the figure generally quoted as a measure of the workload of the ETs. The number of claims accepted has risen from 14,857 in 1972 to 130,408 in 2000/01 and a high of 236,103 in 2009/10 before falling sharply in 2013/14 around the time Employment Tribunal Fees were introduced. The increase in ET claims has been a concern to all governments since 1972 with the increase in the 2000s portrayed as a "burden on business" and a cost to the taxpayer and used by politicians as justification for the introduction of Employment Tribunal Fees in 2013 to stem the tide of 'vexatious claims'.

My PhD research focuses on one aspect of the growth in ET Claims in the 2000s, Multiple Applicant Claims. This is where many employees of the same employer file an Employment Tribunal claim arising out of the same circumstances against that employer. There can be thousands of claims per multiple. Examples would be Equal Pay claims and Working Time Directive holiday pay related claims. Following extensive archival secondary analysis of the data and documents published by the Ministry of Justice my research would suggest that:

1. The number of claims filed and the number of people filing them are significantly different – there are 'ghost' claims in the system. This has not previously been adequately noted.
2. The sharp increase in ET Claims in the 2000s may be at least partially a technical quirk.
3. Because of this the MOJ statistics do not validate some of the academic, policy & political interpretations that have been based on them.
4. The fall in ET Claims following the introduction of Employment Tribunal Fees may have been partially coincidental as a result of the technical quirk unwinding itself.

My presentation will conclude with a brief exploration of what the annual ET Claims statistics represent in the light of these findings.

**1. South African MNCs' HRM systems and practices at the subsidiary level: Insights from subsidiaries in Nigeria**

*Suwaiba Bako Sabiu, Swansea University, Email: 689378 @swansea.ac.uk*

**Abstract**

Notwithstanding the rapid growth of EMNCs, there is a dearth of theoretical analyses of HRM in emergent multinational companies (EMNCs). Many scholars have focused their studies on Western-based HRM theories and practices (Meyer, 2018; Patel, Sinha, & Bhanugopan, 2018; Sablok, Stanton, Bartram, Burgess, & Boyle, 2017). This research is intending to fill this gap and enhance the understanding of this problem by empirically investigating the similarities and differences of South African MNCs' HRM systems and practices at both the parent company in SA and at their subsidiaries in Nigeria. This study will extend existing literature, and the explorative nature of the study, this thesis draws primarily on empirical data from the studies of South African MNCs, as well as secondary sources of information. This study will use a qualitative approach. The studies were case studies involving qualitative and multi-ethnic group interviews of HR managers and directors of the EMNCs operating in host countries. This method is appropriate because it enables the researchers to conduct group interviews (where possible) to be able to determine subsidiary-specific issues (Adams, Nyuur, Ellis, & Debrah, 2017). The informants will be identified through various approaches including direct approach, snowballing approach and networking. The qualitative approach is appropriate in investigative, revealing and enriching complex organisational issues and has been extensively used in similar studies on MNCs HR systems and practices (Adams et al., 2017; Horwitz, 2017; Patel & Bhanugopan, 2017). These approaches have been suggested to be useful in such weak and underdeveloped institutional environments (Ahlvik & Björkman, 2015; Chung, 2014; Cooke et al., 2015).

**2. Judgmental reconciliation of hierarchical forecasts**

*Violina Sarma, Cardiff Business School, Email: SarmaV2 @cardiff.ac.uk*

**Abstract**

In this increasingly complex world, business decision making is never devoid of management judgment. This is particularly true when it comes to (demand) forecasting in which case, managers routinely make judgmental adjustments to statistical forecasts. These individually adjusted forecasts are then readjusted through an interpersonal reconciliation process. As a result, the reconciled decisions are influenced by the role and personality of each individual manager in the organisation.

To explore this concept of collaborative demand forecasting in the after-sales business, a multiple case study research has been conducted. The case companies are spread across different geographies, private and public sectors, and various industries from airline to retail. In the first stage, exploratory interviews are conducted with forecasting managers from the various cases. These interviews help in understanding the demand forecasting process from an empirical perspective. The interviews are transcribed and analysed to find emerging factors using thematic analysis. A survey design forms the second stage of the research, where a wider set of data is collected from forecasting teams within the cases. The themes, generated from interview data, are tested via a questionnaire to find the most favourable and those that are less favoured using SWOT analysis. Different multiple attribute decision making (MADM) methods like Analytical

Hierarchical Process (AHP), ELECTRE, TOPSIS and PROMOTHE are used to analyse the questionnaire data. These methods help to identify what attributes (themes) of collaborative demand forecasting process are seen as more or less important by managers from different hierarchies within an organisation. This leads to a theoretical framework on collaborative decision making for after-sales business.

This research fills in an important gap in the judgmental forecasting literature and offers valuable organisational insights. By following a structured order, this study allows for a transparent and systematic review with less bias. It aims to advance the practice of judgmentally reconciling forecasts by suggesting a theoretical framework for consensus decision making when such exercises take place in a hierarchical context. It concludes with implications and suggestions for further research.

## **1. Zoom in and Zoom out: Diversity, Composition and Appointment of Corporate Boards**

*Wei Kang, Bangor University, Email: blp8c8@bangor.ac.uk*

### **Abstract**

Corporate governance is crucial to the achievement of a new frontier of competitive advantage and profitability. The first place that investors, regulators and analysts look is at the board and how they came to the decisions they made. Such scrutiny forces board directors to look at their composition from a diversity lens ensuring the board possesses the right skill set to perform their duties satisfactorily. To get a complete picture, this doctoral research looks at board composition, diversity and appointments from across-level perspectives, i.e. individual-, firm- and macro-level. Overall, this doctoral research aims to provide empirical contributions to the literature on corporate governance by exploring the role of board diversity, composition and appointments from three-level viewpoints. This research answers calls for a better understanding of how to manage director connectedness after changes to board composition ensuring diversity can convert into firm performance. Besides, having zoomed out on an international scale enables interested parties to look for possible patterns and causes to promote gender diversity on boards, they may fail to notice when the moment is right for action on one path. Meanwhile, having zoomed in to understand the specific needs of underrepresented social groups that aids in modifying and creating robust and healthy recruitment processes and frameworks. In sum, the point to this doctoral research is not to choose one over the other but to learn to move across a continuum of perspectives.

This paper provides a close-in perspective to bring details into sharp focus on individual director's network in relation to gender. Gender is a major board composition issue and gender differences in networks have long been argued as a reason for low level of gender diversity on boards, but which derives two distinct perspectives. This distinction touches on whether such differences are inherent in gender identities (the wrong network perspective). or due to structural constraints by males, who occupy relatively high socioeconomic status (the "old boy" network perspective), then ultimately lead to gender disparity on boards. We look into these new girls, who already attained a board or an executive position and examine the two perspectives by exploring whether their networks converge towards those of their male counterparts over corporate advancement. We investigate the variation in network differentials within the advancement path of 7,810 S&P1500 directors from senior managers to the board and to the executive posts. We find that gender differences in homophily and segregation, previously suggested inherent in gender identities, remain significant over corporate advancement, in supportive of the wrong network perspective. While gender differences in brokerage position, closeness and the old boy ties, providing direct benefits of career development are also reported significant but with a consistent path shown both before and after a given advancement between females and males. This consistency in favour of the old boy network perspective, implies that females mobilize social capital as their male counterparts do, but access to few benefits that aids in career development.

## 2. Essays on Board Diversity: The Transition of IPO Firms

*Ruth Sagay, Cardiff Business School, Email: sagayro@cardiff.ac.uk*

### **Abstract**

**Research Objectives:** This study explores the factors influencing diversity on the board of directors in US IPO firms. I used four measures of diversity such as age, gender, ethnicity and professional expertise. The key question to be answered is, how and why does diversity emerge in the boardroom? Accordingly, I track the evolution of diversity in the boardroom and analyze possible facilitators and inhibitors of diversity on the board of directors from the IPO to ten years after going public.

**Methodology:** The sample consists of 661 firms that went public in the US between 1/1/1997 to 31/12/2015. This sample represents a 25% random selection from the entire population of IPO firms during the respective period. This approach is in line with prior literature and it is driven by the time consuming nature of manual collection (see Chahine and Goergen 2011). Building on prior literature and corporate governance theories, I identify the two major factors influencing board diversity to be the power of directors in the boardroom and the advising capacity of board members. Directors are categorized in four ways: Chief Executive Officers (CEO), Executive Directors (ED), Non- Executive Directors (NED) and Venture Capitalists (VC). VC's are NED's however, they differ from our classification of NED's as VC represent a VC firm that has an investment stake in the IPO Firm. Accordingly, the possible inhibitors and facilitators of board diversity are CEO power, ED's power, NED's power, VC power and the advising capacity of directors on the board. The analysis will be conducted using the Ordinary Least Square (OLS) model with lagged dependent variables. I control for endogeneity which may arise in our study from reverse causality using lagged dependent variables. Additionally, I control for other variables that may influence diversity such as firm size, firm age, and firm performance.

**Contribution:** This study provides first evidence to the best of our knowledge on the determinants of board diversity. First, I identify how diversity changes post-IPO and explore the inhibitors and facilitators of diversity. Additionally, this study provides first evidence in the IPO literature on how boards are structured in terms of diversity, around the IPO.

**Practical Implications:** The results from this study will inform the ongoing debate on the relevance of diversity in the boardroom. The study improves managers understanding of the factors inhibiting and facilitating boardroom diversity. For regulators, if all firms evolve and boardrooms eventually become diverse, should policies on board diversity be firm specific?

## 3. Determinants of the U.S. SEC's review on S-1 filings

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### **Abstract**

To my knowledge, despite extant research on the effects of the U.S. SEC's review on the IPO information environment as well as information quality of initial S-1 filings, there are no studies which investigate the determinants of the U.S. SEC's regulatory oversight on initial S-1's information quality. Motivated by the gap in previous literature, my study aims to answer the key research question 'What are the determinants of the SEC's review on the S-1 filings?'. Particularly, in order to answer the key research question, I examine the hypothesized impact of (1) the IPO firm's characteristics, (2) the special

events, (3) the industry's characteristics and (4) the SEC reviewers' characteristics on the extent of the SEC's review. My sample focuses on 909 U.S. IPOs that launched on the U.S. stock exchanges for the period of 12 May 2015 to 31 December 2017. Regarding the U.S. SEC's review, my study employs four attributes including; the duration of SEC review process, the number of comment letters, the number of comments in initial comment letter and the number of issues in initial comment letter. As for the proxies of the IPO firms' characteristics, my study uses the firms' size, sale growth, leverage, book-to-market ratio, age, financial distress, net income, auditor, M&A activities, restructuring activities and external financing activities. Regarding the proxies of special events, my study employs the enactment of JOBS Act 2012, Dodd-Frank Wall Street Reform and Consumer Protection Act 2010 and the period of global financial crisis. Concerning the proxies of the industry's characteristics, my study uses regulated industry, technology industry, number of IPOs by industry and Herfindahl index. Regarding the SEC reviewers' characteristics, my study employs the reviewer's job position and job classification. Key databases employed in my study include EDGAR, Compustats North America, Thomson Reuters Eikon and Thomson Reuters Datastream. The findings of this study would be useful to issuers and investors in providing a better understanding of the oversight role of the SEC's review process in potentially improving the IPO information environment. Furthermore, this study would support the SEC in evaluating the effectiveness of their review activities in order to plan appropriate budgets, improve and develop the strategy of their review activities in the future.



# WPGRC 2019

1<sup>ST</sup> WELSH POSTGRADUATE RESEARCH CONFERENCE

IN BUSINESS/MANAGEMENT & ECONOMICS

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- Poster Abstracts -

# **1. The Challenges and the Influences of Employees' Entrepreneurial Behaviour in Saudi Arabia**

*Mohammad Alasadi, Cardiff Business School*

## **Abstract**

The concept of entrepreneurship has been studied by examining its adoption at the individual or firm level. Since the early 1970s, researchers have shown their interest in entrepreneurship research at the firm level, often referred to as corporate entrepreneurship (CE), as a fundamental element in organisational and economic development. Encompassing formal and informal firm-level activities that focus on exploring and exploiting new business opportunities, CE is a strategic choice that can enhance a firm's overall performance, competitiveness, and sustainability in turbulent environments in both large, established enterprises and small to medium-sized enterprises. As an ever-growing topic in business research over the last six decades, CE has seen a significant amount of research that emphasises its importance for firms' survival and success and examines such aspects of CE as its antecedents (e.g., top management teams, external environment, and firm-level factors), its domain (e.g., risk-taking, proactiveness, innovation, corporate venturing, and strategic renewal), and its outputs (i.e., the relationship between CE and firm performance).

Most CE scholars examined the firm entrepreneurial activities using top-down approaches, where the top management teams implement CE activities through their administrative role and the influence of the organisational level factors such as structure, culture, resources and capabilities on CE activities. While, few scholars have studied the implication of entrepreneurial activities at the firm level using a bottom-up approach which highlights the importance of employees' role in firm entrepreneurial activities yet, the research on the impact of employees-level factors in CE's literature remains limited and scarce (see Kuratko and Hoskinson 2018)

Regardless of the rarity of studies, the few existed studies have made an overall contribution to CE and the employee entrepreneurial behaviour research field yet, they have critical limitations and gaps in knowledge. Specifically, they primarily adopt quantitative approaches for examining the relationship between individual-level factors and employee entrepreneurial behaviour. Also, most of these studies were conducted in high development countries (e.g., US and EU) where the formal and informal institutions might encourage the employees' entrepreneurial behaviour.

Therefore, through the application of the mixed method approach and from the institutional theory perspective, this study first explores the impact of individual and country level factors on employees' entrepreneurial behaviour based on across-nations investigation. Then, it investigates the challenges and the influences of employees' entrepreneurial behaviour in Saudi Arabia a country that is renowned for being highly attached to ancient social norms and religious traditions.

# **2. A Study of the Management of Expatriates in Chinese MNCs Operating Overseas**

*Muhao Du, Cardiff Business School*

## **Abstract**

This research focuses on expatriate management in Chinese multinational corporations (MNCs). It will use comparative case studies of the experiences of Chinese expatriates in state owned and private sector MNCs to interrogate current notions of Chinese HRM which characterize employees as essentially 'compliant and malleable'. Although there is a growth in the literature focusing on Chinese MNCs motives for internationalisation

in pursuit of competitive advantages, little is known about how Chinese MNCs organise their work and manage their employees globally. This study will therefore investigate how Chinese expatriates experience the life-cycle of their expatriation, from recruitment and selection to repatriation, in order to deepen insights into contemporary Chinese HRM.

### **3. How does cost structure affect innovation**

*Yue Jiang, Cardiff Business School*

#### **Abstract**

Not available

### **4. Port cooperation and governance model in Korea**

*Seungmin Lee, Cardiff Business School*

#### **Abstract**

Many papers in port studies have paid attention to port governance and its performance. These researches got involved with the term of port competition and the choice of port. Port governance refers to corporate governance, e.g. the Port Authority (PA) and the governance area of the business cluster, i.e. port logistics chain (De Langen 2006; Geiger 2009). Baltazar and Brooks (2006) indicated there is two ways to evaluate port's performance: (1) single-port approach, measurement of port's performance time by time; (2) multi-port approach, comparison of performance between other ports.

Meanwhile, port competition involves diverse competitions in shipping lines, terminals, logistics companies, transporters and port policy makers (Notteboom and Yap 2012). As a result, the relationship between port governance and performance emerged as a hot topic with various research interest about reformed cluster. This is because, various factors are linked together and deepen understanding of complicated phenomena inspires a building of new models.

When it comes to the governance model, Baltazar and Brooks (2006) proposed the Matching framework model to explore the relationship between port governance and performance. Brooks and Cullinane (2006) and Brooks and Pallis (2008) developed this model like the Firm-government relationship model and the Model for implementing port reforms, respectively in order to discuss port performance indicators and firm levels. Furthermore, Verhoeven (2010) argued functions/roles of PA should properly respond to rapidly changing environmental challenges in the PA renaissance matrix. However, this conceptual model was not empirically adopted in any case studies, therefore, it has a room to develop. For example, Shinohara and Saika (2018) argued port reform showed its diversity across the world based on the fact different policies have applied to different countries. In addition, they also pointed out literatures regarding port governance have lack of consistency.

Korean port management system had centralised structure, therefore, the central government had all authorities for planning, financial resources, development, operation, management and evaluation. Although the Busan Port Authority (BPA) was constituted for the first time in 2005, the form of BPA is a public enterprise and it has limitative functions such as planning of port policy and supporting companies. Moreover, relevant Act restricts on participation of local government. Hence, development of a new governance which includes the characteristic of cooperation is urgent to deal with international competition in port.

In short, this study aims to explore the public value of PAs, remedy for cooperation with various stakeholders in Korea and build up a conceptual framework of governance based on this case study.

## **5. What can reduce crime**

*Yundong Luo, Cardiff Business School*

### **Abstract**

As crime is always a significant problem which decrease people's utility. My research will focus on what can contribute to reducing crime rates. The research will include both empirical and theoretical investigations. The three chapter would be: 1. Could the efficiency of law efficiency help to decrease crime rates; 2. Could increasing individual's happiness level help to reduce crime behaviours; 3. Could a dynamic punishment rule be helpful to reduce crime (theoretical).

For the first chapter, the efficiency means the time from the date when offenders are sentenced to the date when offenders are actually punished. Intuitively, this could decrease crime rates by increasing the deterrence on criminals. The data is going to be collected from USA, as the varies in justice system tend to help us to notice the influence of law efficiency on crime rates (e.g. difference-in-difference method).

For the second chapter, the happiness level is defined by the self-evaluation in British Household Panel Survey. I want to find out the relationship between it and criminal behaviours empirically.

In the third chapter, dynamic punishment means that the severity of punishment is changing along time. The longer the time from the date when criminal behaviours are reported to the date when the crime case is closed, the more sever the punishment would be. Based on a game theory model, it could increase the probability that offenders confess their crime by their own willing. It defines the delay confession as a crime, which could increase the deterrence power on potential criminals as they may suffer higher expected loss from criminal behaviours.

In the third chapter, a theory model based on Becker (1968) is about to be applied. Providing a rational expectation, the individuals' crime choice and social planner' policy choice is expected to be examined. Ideally, the equilibrium of crime rates should decrease, and the total social loss could drop as well.

## **6. In search of the "missing middle": The development of Small-and-medium enterprises in Vietnam**

*Thu Thao Nguyen, Cardiff Business School*

### **Abstract**

In the past 30 years, Vietnam's economy has grown dramatically and became an export hub in South East Asia. With the advantage of abundant low-skilled workforce, Vietnam has attracted a large number of Foreign Direct Investment (FDI), concentrating in labour-intensive manufacturing industries. However, this FDI sector is gradually dominating domestic firms in terms of its contribution in exports (70%), which is an important part of economic development in Vietnam. This is contradictory to the fact that there is a significant increase in the number of Vietnamese manufacturing firms. FDI firms claimed that very few Vietnamese firms were capable of being their strategic partners, and hence, FDI linkages and spill-overs into Vietnamese domestic firms are limited. This issue and the dominance of FDI in exports have partly generated the "missing middle" - the lack of medium-sized firms which have adequate capacity and resources to be a

backbone of the economy. As a consequence, despite the fact that the economy is growing constantly, it is largely contributed by FDI while the contribution of Vietnamese domestic firms is shrinking, even when the presence of domestic firms is evidently shown in numbers. This might harm Vietnam's sustainable development in the long term, which suggests a need to strengthen the Vietnamese private sector, particularly SMEs, to upgrade and become an important force for economic development in Vietnam.

The study of the "missing middle" traditionally is done by quantitative methods using firm size distribution analyses. However, this approach does not seem to fully reveal the nature and dynamics of the "missing middle", which are influenced by multi-layered factors such as FDI in the case of Vietnam. Therefore, this research will investigate the dynamics of the "missing middle" through a case study of Vietnamese SMEs in manufacturing industries. This study explores how Vietnamese SMEs experience upgrading to become bigger players and the challenges they face during the upgrading process, using a bottom-up approach to enable the voice of SMEs, which tends to be silenced in quantitative studies.

This study will contribute empirically with concrete evidence on the experience of Vietnamese SMEs in upgrading in manufacturing industries. Theoretically, this research aims to conceptualise the dynamics of the "missing middle" from the experience of Vietnamese SMEs. And finally, implications for Vietnamese SMEs and policy-makers will be provided.

## **7. Exploring the impact of disability onset on individual wellbeing in the UK**

*John Poole, Cardiff Business School*

### **Abstract**

This is a project in partnership with a charity called Disability Rights UK, which aims to contribute up-to-date nationally representative evidence to directly inform policy in relation to the social and economic inclusion of disabled people, one of the most disadvantaged groups within society.

The focus will be on disability onset during working-age, which is experienced by more than 80% of all disabled people. The study will explore the impact on income, deprivation, consumption, financial situation and subjective wellbeing.

The research will largely examine the results of nationwide survey, *Understanding Society*, which contains a rich set of longitudinal data, and will explore whether/how the impact develops pre-onset, at onset and the extent to which it persists. It will also consider factors affecting this, such as the timing of onset, the role of disability benefit income and the impact of (on and) other household members. If possible, the study will also look at the extent to which government policies influence the impact of, and adaption to, disability onset.

The main research question will ask what impact the onset of disability has on an individual's outcomes such as the probability of employment, household income and wellbeing. But importantly, the paper will also ask to what extent does the impact of disability onset develop longitudinally? For example, does the impact persist over time or is there evidence of recovery? The paper will also extend these questions to examine the impact of disability onset upon other household members, such as the spouse of the disabled.

It will also focus on different groups of individuals within society. For example, we may wish to ask whether disability onset and recovery is experienced differently by men and women, older and younger individuals or those with differing initial levels of human

capital. We can also examine whether the severity of disability is a significant explanatory variable.

Moreover, we can examine how individuals adapt to disability onset through, for example, changes in industry, occupation or accumulation of new human capital. We can then ask whether some groups of individuals are more inclined to take responsibility for their own recovery more than others and consider what policy can be recommended to aid recovery.

Additionally, the research can examine the issue of hedonic adaptation, which examines to what extent subjective wellbeing improves over time since disability onset. It may be the case that some groups of individuals are more likely to recover than others. The paper would look into the underlying causes behind this such as changes in occupation, income or marital status. One useful measure would be to construct a measure which equates the disutility experienced as a result of disability onset in monetary terms.

Ultimately, the aim of the research is to provide policy recommendations which are designed to improve the labour market outcomes and general wellbeing of those who face different levels of disability onset, whichever form the disability takes.

## **8. Do we really care? Sustainability in garments supply chain**

*Julie Sharmin, Cardiff Business School*

### **Abstract**

Fashion is built on image of beauty, style and glamour. Creations that not only make you look good but also feel good are cloths without consent. The reality of fashion industry is far less glamour's, is known as the race to the bottom where the cheapest prices made, a race which created vast fashion. And that's why many of our cloths brought the label '**Made in Bangladesh**'.

My research is to focus on the employees' perception about this industry's supply chain management. More precisely, I research aim is to explore how sustainable supply chain management and its moderating forces help to generate sustainable development for the textile employees' of Bangladesh, what they actually think about it and how the inbound stakeholders influenced the key practices of SSCM in textile industry.

To do so, my primary research objectives will be -to measure the perception of employees' about sustainable green supply chain and identify inbound stakeholders who determine the key forces associated with the effectiveness criteria of SSCM. In addition, I want to establish suitable effectiveness criteria of SSCM antecedents from ethical and social context and side by side identify and show the impact on textile industry. And finally, identify the moderating forces of SSCM on financial and operational performance of employee's and confirm the impact on textile industry.

## **9. Freedom to fail? A contextual analysis of disability employment In China**

*Cunqiang Shi, Cardiff Business School*

### **Abstract**

The Chinese economy has continued to boom over the past few decades, which has brought a significant number of employment opportunities. However, during this transition to marketisation, urbanisation and industrialization, Chinese disabled people's employment rights have been relatively neglected. China is famous for its strong state presence in terms of public life, but how much the government has done to support disabled people during this critical transition to a market economy is still unclear. Being employed is considered to be a crucial factor for disabled people to be included in

mainstream society, yet the employment gap between disabled and non-disabled people in China is estimated to be 30%. Such a significant gap raises the questions of how the state promotes employment opportunities for disabled people, and what choices are available to disabled people in employment.

This paper will explore the four key means by which disabled people pursue access to employment, namely through social welfare enterprises, the quota system, self-employment and family/community work. By contrasting these different routes the aim is to identify how disabled people's employment experiences are affected by the interaction between the role of the state, family and labour market. Taking a materialist approach it will analyse how the concept of disability in Chinese society has evolved. Discussion is based on a literature review that will contribute to a PhD thesis, which will provide a contextual background to disability and employment in China.

## **10. The determinants of fiscal transparency in Chinese city-level governments**

*Shuo Sun, Cardiff Business School*

### **Abstract**

This empirical study is based on my Master Dissertation (MSc Social Science Research Methods). The transparency of the fiscal performance of governments has attracted attention from researchers, policy-makers and practitioners around the world. This study examines the determinants of fiscal transparency in the city-level governments of China, which has become a key issue in the drive to modernise the Chinese state. Employing cross-sectional data from the 2017 Statistical Yearbooks published by the official statistical institutions and the 2017 Fiscal transparency report of city-level governments edited by the Tsinghua University, this study finds that economic development, economic openness, and dependence on transfer payments are associated with weaker fiscal transparency. Large cities, those with high levels of internet usage and cities higher up within the Chinese administrative hierarchy are associated with stronger fiscal transparency. The theoretical and practical implications of these findings are discussed.

## **11. Inequality, Institution and Immortality: Household longevity in the presence of heterogeneity and political institution**

*Yang Sun, Cardiff Business School*

### **Abstract**

The researcher aims to construct a general equilibrium growth model that features heterogeneous agent through the means of innovation and entrepreneurship and grant such agent with the capability to exchange accumulated wealth for political power, in the form of property right enforcement and rent-seeking activities. Furthermore, agents are assumed to be finitely lived households of multiple individuals with endogenous longevities.

The hypothesis being proposed is that, a number of agents, through the accumulation of wealth via innovation and entrepreneurship, can establish political institution through the allocation of said wealth alongside with conventional agent choices such as consumption to effectively enhance their capability for further accumulation of wealth and political power, thus achieving immortality or considerable longevity, creating long lasting institution and economic inequality and become societal elites in the process. Note that immortality does not mean an infinitely lived individual but rather, a continuously existed household, a lineage or a dynasty, so to speak.

The researcher also hopes to see mechanisms connected to growth that are comparable to conventional beliefs to appear in the steady state solution. Typically, innovation and entrepreneurship are shown to be beneficial to economic growth, and on the political front, enforcement of property right can contribute to growth while rent-seeking assert adverse effect on growth. Similar channels are expected to be seen in the proposed mode.

At the time of writing the model proposed features an endogenously determined 'upper bound' for longevity, in continuous time. A different approach with endogenously probability for death at each consecutive period (similar to the Calvo probability in recent New Keynesian models), is also considered. The alternative approach would have the probability to be determined by the allocation of resource towards aforementioned political mechanism. The feasibility of either approach is currently being investigated, as to the best of knowledge the mechanism proposed is relatively uncommon.

The researcher will also endeavour to investigate the empirical evidence of the proposed mechanism. Admittedly progress regarding this front has yet to commence, but the concept is to analyse historical periods where an initial shock can be identified, such as discovery of previously unknown resource such as oil, metal or new land, or the importation of exogenous technologies. Then data on economic inequality, political institution and the establishment of elites and economic activities such as growth will be investigated for possible correlations.

The above description serves as a conceptual design for the direction of research, it does not necessarily represent the quality of the final thesis, nor its direction, method of approach or overall structure. Changes will likely occur in the research process to deviate from the above description, but an attempt will be made to stay true to the initial design.

## **12. Lean entrepreneurship, gender and social value creation**

*Renuka Vyas, Cardiff Business School*

### **Abstract**

This interdisciplinary research embraces the ideas from the fields of operations management and entrepreneurship. Entrepreneurship is widely acknowledged as a key influence in job creation, economic regeneration and economic growth. This field has recently undergone a paradigm shift from a focus on entrepreneurial personality to entrepreneurial process and it is now widely accepted that the process of creation of an organisation to pursue an opportunity is at the core of entrepreneurship.

This research fuses two recently postulated powerful theses, *effectuation and lean start-up* and explores their combined role in discovery, creation and evaluation of opportunities and formation of organisations to exploit them. The first of these, 'Effectuation', represents a major intellectual shift in our understanding of the entrepreneurial pursuit of opportunity. The second, 'Lean start-up' applies the principles and tools of lean manufacturing from operations management to the start-up process and is being increasingly adopted world-wide as a potential panacea to deal effectively with extreme uncertainties of the business start-up process.

Effectuation and Lean start-up, however, operate differently for several reasons. Effectuation is a conceptual and philosophical contribution to knowledge and claims not to improve the eventual outcomes of entrepreneurial pursuit of opportunity but to diminish its costs to the entrepreneur. Lean start-up, in contrast, makes a practical and material contribution to our understanding of the start-up process and claims both to diminish its costs as well as to improve its subsequent outcome. They are therefore envisaged, in this research, as two constructs which are complementary and not



competitive. Further, Effectuation explicates and elaborates the pre-start-up phase in significant detail that culminates in setting up of the enterprise, whereas Lean start-up is focussed in offering a range of detailed practical advice on the post-formation early days of an enterprise. In the chronology of pursuit of opportunity, they therefore are positioned consecutively and not concurrently. This has vital implications both for their complementarity as well as for their mutually reinforcing roles in lean entrepreneurship, a notion that is explored, expanded and validated in this research.

This is a woman-centric research and is grounded in two recently discovered premises. One, the seeming female entrepreneurial underperformance highlighted in extant literature is explained largely by the unwillingness of women to grow their businesses beyond a point rather than by their intrinsic inability to do so and two, women entrepreneurs are more likely than men to emphasize social value goals over economic value goals.

Through a number of qualitative, exploratory and interpretive studies of successful female social entrepreneurs, in UK, India and Ghana, this research attempts to investigate if successful female social entrepreneurs exhibit lean-effectual behaviours and if yes, how these behaviours differ in countries with varying levels of economic attainment. In alignment with Cardiff Business school's *public value* perspective, it seeks to promote economic and social improvement, through an inter-disciplinary research to address one of the grand challenges of our times, namely gender inequality, in entrepreneurship. It seeks to explore narratives of individuals akin to two of business school's current entrepreneurs in residence who are female entrepreneurs pursuing social goals. It is hoped that their experiences and insights, beyond the foresight and academic judgements of the supervisory team, should provide this exploratory study robust foundations and would generate insights of significant value for the women and the society.

### **13. Innovation in Welsh health and social care: a co-production approach**

*Hannah Williams, Cardiff Business School*

#### **Abstract**

There has recently been a resurgence of interest in citizens' involvement in the co-production of public services, especially within health and social care. Following the dominance of New Public Management and New Public Governance ideas, co-production is claimed to be a 'magic concept' offering opportunities for improvements in public service quality and efficiency. To date, however, limited empirical evidence exists to support these claims.

As varied co-production initiatives develop across Europe, a distinctively supportive policy environment has developed in Wales through the Social Services and Well-being (Wales) Act 2014, and the Well-being of Future Generations (Wales) Act 2015.

The purpose of this research is to explore cases of innovation in the organization and delivery of health and social care services in Wales, with a focus on co-production efforts.

Drawing on literature in the areas of co-production, service innovation, public management and network governance; this study will explore the nature of co-production, highlighting both the successes and potential limitations. The research will compare two case studies of good practice across Wales; one in North Wales and one in Southwest Wales. One organisation is a community-led charity, and the other is an integrated health and care team. Both organisations provide services for older people. Semi-structured interviews, meeting observations and a document analysis will provide

the data for these case studies. Alongside the two organizational case studies, policy scoping interviews will be conducted with key actors in Welsh Government.

The research is designed to contribute empirically to the limited body of evidence on the benefits of co-production for both service users and organizations. In doing so, the research will also examine whether there are any limitations to co-producing public services with service users. Furthermore, the geographical spread of the organizations may allow for findings related to the role location has in government support, including funding opportunities. Conceptually, the research will offer a new perspective, focusing on service innovation from an organizational studies perspective rather than examining co-production through a public management and administration lens.

#### **14. Understanding the transition towards sustainable product-service systems as providers of personal mobility in China**

*Tiansheng Yang, Cardiff Business School*

##### **Abstract**

The rapid growth rates of China have been diffusely admired. However, China is facing serious environmental problems such as high rates of PM 2.5 is one of the most serious issues that Chinese people are suffered from. Therefore, it is unsurprisingly that Chinese government adopt Circular Economy (CE) as its development model. Furthermore, China is the first country promote CE as an official development strategy as *Circular Economy Promotion Law* was adopted and discussed during 11<sup>th</sup> Chinese People's Congress in 2008. Thus, many companies adopt sustainable product-service system (SPSS) as a business model in order to contribute to environment, economy and society such as DID (similar service as Uber) and sharing bikes. Customers often purchase cars exceeds their needs because a car is only meet for daily use while extra usages have negative impacts on air quality, climate change, and energy security. Thus, car sharing service might be a good SPSS business model to release environment pollution.

This research is to focus on the barriers faced by Chinese customers adopt SPSS product. The main resistance for customers to use is the necessity for behaviour change because SPSS shift the nature of a product from ownership to product -service system. Moreover, previous studies also show that consumers worry about the safety issue of the sharing car because provider cannot always check the car if the car is always be using. The car insurance issues is also a big head between customers and providers because lacking tracking systems and relative documents. Another aim of this research is to build up a better environment for customers to adopt sharing cars by understanding what problems they are facing by.

To reach these aims, a qualitative approach will be adopted by interview people both used and have not used sharing cars. Interview question will be generated from PSS sustainability factors, a conceptual model identified key factors that make a PSS a sustainable business model.

#### **15. Income Inequality and Economic Growth: Putting the role of Financial Market in context**

*Lei Yue, Cardiff Business School*

##### **Abstract**

Most economies were expanding until the financial and economic crisis in 2008. However, not all people benefitted equally from the economic growth. Now, the income

distribution is becoming more unequal than it used to be. Rapidly developing financial markets appear to be an important source of income inequality in most countries.

Many theoretical frameworks have been constructed to research which can help the government implement proper policies to reduce inequality. One of them is from the perspective of credit-market imperfections. If there is limited access to credit, the individuals' levels of assets and incomes would be the exact thing which influences and determines the exploitation of investment opportunities. Specifically, poor households are more likely to borrow money at lower cost in the perfect credit market, which will help them get relative high rates of returns. In this case, a highly perfect financial market will lead to a reduction in inequality and a higher average productivity of investment that resulting in a higher economic growth rate. Therefore, the predicted magnitude of inequality should be lower for economies with perfect financial markets than for economics with imperfect ones.

On the other hand, some economists, influenced by Keynes's General Theory, believe individual's saving rate is positively related to the level of income. Redistributing resources from rich to poor is liable to lower the aggregate rate of saving in an economy. Through this channel, a rise in inequality tends to raise investment. Combining this with the theory of credit-market imperfections, it seems that government will face a dilemma: if it focuses on improve financial market, there will be a reduction in inequality; however, a reduction in inequality tends to lower the investment.

Furthermore, some economists argue that the deregulation in financial market was the cause of the 2008's crisis. Bank deregulation led not to more growth, but simply to more risk. All of these theories raise the questions: How does the government identify the strength of financial supervision and regulation? How does the government use financial markets and proper policies to balance the inequality and economic growth?

The interaction among economic growth, financial sector development and inequality should deserve attentions. The proposed research will focus on the following research problems: (1) Which factors should be taken as the quantifiable and manoeuvrable standard for the imperfection of financial market? (2) Can heterogeneous-agent model of growth and inequality contribute to build an appropriated model? (3) In theory, each of social group has various degree of participation in the financial market. Can this characteristic be incorporated into economic model to better simulate and explain the reality? (4) The redistribution system also plays an important role. How does the government choose a proper policy, such as tax rate, from aspects of inequality and economic growth? In addition, the research also will pay attention to the comparison of inequality between developed countries and developing countries from perspective of development economics.