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DETERMINANTS OF INTERNET CORPORATE SOCIAL RESPONSIBILITY COMMUNICATION

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ABSTRACT

The goal of this research is to identify determinants of internet Corporate Social Responsibility communication of 41 Belgian companies. Using a content analysis and scoring technique, this paper estimates the degree of website information disclosure of companies' involvement with corporate social responsibility. This score is then regressed via Ordinary Least Square (OLS) on variables presented in the literature as determinants of firm internet communication and led to the formulation of our research hypotheses. The results indicate that the firm size and listed status are positively related to the level of Corporate Social Responsibility communication trough the web. In contrast, profitability age of the firm and sector are not significant.

JEL : C31, M14, M15, M31, O32

KEYWORDS: Communication, Internet, Corporate Social Responsibility, Web

INTRODUCTION

In times of a socioeconomic environment in perpetual movement, companies are increasingly aware of the impact of their activities on sustainable development which allows for meeting the needs of the present without compromising the capacities of future generations (Brundtland, 1987). In line with sustainable development is the corporate social responsibility of companies.

To facilitate dialogue and meet the expectations of stakeholders, companies are also brought to communicate more about their implemented sustainable practices. Among the communications used by these companies, the Internet has become a major tool. According to Wanderley et al. (2008), currently the Internet is one of the main channels of communication used by companies for disclosures regarding responsibility practices. It offers numerous advantages such as the disclosure of more information at a lower cost and in a reduced time, a larger public audience, etc. (Branco and Rodrigues, 2006; Jahdi and Acikdilli, 2009).

Recently, numerous researchers (Pollach, 2003; Welcomer et al ., 2003; Branco and Rodriguez, 2006; Laville, 2009) have examined the Internet as a Corporate Social Responsibility (CSR) communications tool. Little is known about the way companies use this communication channel, in particular within European countries. By focusing on Belgian market active companies, the current research research fills this gap by analyzing the way companies communicate their CSR) practices through their Web site. Our study aims at classifying member companies of the Association Business and Society Belgium. This is done by establishing a scoring of CSR communication. Next, we highlight the main determiners of CSR communication on the Web.

In the first section, we provide a literature review. Next we formulate our research hypotheses concerning the determinants of Corporate Social Responsibility (CSR) communication over the web. In the following section, we will present our methodology. The findings are discussed in the third section. We first present

INTERNATIONALIZATION IN TAIWANESE FAMILY FIRMS

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ABSTRACT

This paper studies the corporate internationalization decision of family firms and the effect of family ownership on internationalization. Using a panel data set of manufacturing firms listed on the Taiwan Stock Exchange during 2000–2007, the empirical results indicate that internationalization is positively and significantly related to family firms and family ownership. The findings suggest that, compared with non-family firms, family firms are more likely to internationalize. Additionally, compared with firms with lower family ownership, firms with higher family ownership are more likely to go international. The evidence is consistent with the argument that family firms may confer some unique features, and these features enable them to undertake risky, but profitable, internationalization.

JEL: F23; G32; G34

KEYWORDS: Family firms, family ownership, family board of directors, internationalization.

INTRODUCTION

The decline in barriers to trade and investment and the use of efficient communication technology and transportation have greatly improved opportunities for a company to do business anywhere and with anyone. Although internationalization is associated with a set of benefits, it also comes with many challenges and threats. Therefore, firms frequently face a dilemma regarding whether or not to internationalize. Accordingly, it is worthwhile to identify factors that influence a firm's decision to internationalize.

Family firms have been recognized as an important organizational structure in both developed and developing economies (Chu, 2009). In particular, family influence is substantial in Asian countries. Nevertheless, the corporate internationalization decision of family firms in Asian countries has not been explored in depth. This paper is particularly interested in investigating the internationalization decision of family firms and the effect of family ownership on internationalization in Asian countries.

Among the extant research, some scholars have suggested that family firms possess a set of unique features, including natural alignment of interests between family managers and the firm (Tsai, Hung, Kuo, and Kuo, 2006), intensive communication and enduring information sharing among family members (McCollom, 1988; Zahra, 2003), the capability to respond to rapid changes and challenges in international marketplaces (Fernandez and Nieto, 2006), and the ability to access important resources (Miller and Le Breton-Miller, 2006). These unique features may reduce the probability of failure during the internationalization process. Therefore, the willingness of family members to internationalize may be increased, which may enhance the firm's competitiveness and achieve long-run profitability. On the other hand, some scholars have argued that family firms tend to be risk-averse and have limited resources, and therefore may not attempt to undertake risky and costly internationalization (e.g., Fernandez and Nieto, 2005; Sapienza, Autio, George and Zahra, 2006). As the results of the extant studies are inconclusive, this paper aims to clarify this issue by examining the internationalization decision of family firms and the effect of family ownership on internationalization.

This paper explores the corporate internationalization decision of family firms and the effect of family ownership on internationalization. Conducting a two-way fixed-effects approach to analyze a panel data

STRATEGIC INVESTMENT IN TAIWAN CHAIN AND FRANCHISE STORES: A REAL OPTIONS AND GAME-THEORETIC APPROACH

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ABSTRACT

The purpose of this study is to examine and demonstrate the strategic investment decisions faced by Taiwan's chain and franchise store enterprise. We show that incorporating an abandonment option to strategic timing in a game-theoretic real option approach makes the approach more complete and accurate. The results show that the chain and franchise store industry favors large companies, a finding consistent with economies of scale. The demonstration also provides practitioners a step-by-step guideline for analyzing dynamic investment strategy in the chain and franchise store industry.

JEL: G31

KEYWORDS: Abandonment option; Chain and franchise store; Game-theoretic real options.

INTRODUCTION

The chain and franchise store industry has grown rapidly in Taiwan. Based on statistics from Association of Chain and Franchise Promotion Taiwan (2009), there are 27,833 regular chain stores, and 79,422 franchise chain stores in 2008. There are over 300 member franchisers in more than 180 different trade lines, running 30,000 franchised stores with over 200,000 employees, generating up to NT$600 billion annually. Moreover, Taiwan's chain and franchise store companies are reorganized internationally. They build brands and compete with international brands. Therefore, to be an international enterprise, the most important problem faced by a chain and franchise store company is how to evaluate investment values under uncertain situations.

It is often stressed that real option theory is best used to analyze problem of strategic investments. However, traditional real options analysis only applies to proprietary investment projects. See, for example, Dixit and Pindyck (1994). This occurs because it ignores the interaction effects of competitor moves. Many academicians and practitioners integrated game theory into a real option approach, resulting in decision-making that involves not only nature but competitor actions. Among others, Smit and Ankum (1993) analyzed project timing in production facilities. Grenadier (1996) applied game-theoretic real options in real estate investment. Weeds (2002) studied strategic delay in a research and development competition context. Smit and Trigeorgis (2007) demonstrated strategic options and games in analyzing the option value of technology investments.

Each of these works improve the quality of project decision-making faced by managers. However, most studies do not consider abandonment options in dealing with investment timing. For example, the works of Smit and Ankum (1993) and Smit and Trigeorgis (2007) only explore decisions of waiting to invest. In their game-theoretic extensive form, the branch stops when both firms invest. For most investment opportunities, each firm can decide not only when to invest, but when to abandon if the investment is made. The investment value is underestimated without considering abandonment options in the game-theoretic real options approach. Therefore, this study examines not only investment timing decisions, but the abandonment timing decision.

The goal of this study is to examine and demonstrate the strategic investment decisions faced by the chain and franchise store companies, by incorporating abandonment options to strategic timing in a game-theoretic real option approach. The chain and franchise store industry in Taiwan is competitive. A manager must incorporate impacts of anticipated competitive erosion in investment decisions. Besides,

HOW CORRUPTION AFFECTS SOCIAL EXPENDITURES: EVIDENCE FROM RUSSIA

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ABSTRACT

This paper clarifies the main theoretical issues of corruption. An estimate and branch analysis of corruption in Russia is offered. The research concentrates on effects produced by corruption on social expenditures. The analysis demonstrates how corruption influences the poverty situation after social transfers and on the general efficiency of social payments. Using the European Commission method and a corrected method, indicators of efficiency of social spending are calculated for Russia. Also, the existence of correlation between efficiency of social spending and corruption perception index calculated by Transparency International Agency is estimated for European Union countries and Russia. A few policy recommendations aimed at controlling corruption in modern Russia and optimization of public expenditures are offered.

JEL: C12, C43, D73, G18, H5, I38, O57, P37

KEYWORDS: Corruption, public expenditures, quantity effect, allocation effect, Russia

INTRODUCTION

Corruption has been an issue for humanity since ancient times and became a global problem in the beginning of 20th century. Bribes were, are, and will be taken. Research conducted by the Institute of the World Bank show that around $1US trillion is annually paid all over the world. This figure is constantly increasing and demonstrates that corruption is widespread. This paper focuses on the effects of corruption on social expenditures. It is hypothesized that corruption decreases the efficiency of government social expenditures aimed at poverty reduction and results in general economic inefficiency.

As social expenditures are aimed mainly at the poor, the question of how corruption affects the poor is of great interest. Corruption slows the rate of economic growth and increases the gap between the rich and poor. It also skews the incentive structure, with adverse consequences on the poor by depriving them of income-generation opportunities or favoring capital-intensive projects, as opposed to labor-intensive projects for which bribery is not so profitable. Finally, corruption can affect the targeting of social programs to the truly needy because funds are siphoned off from poverty programs by well-connected people in the public and private sectors.

With regard to social expenditures efficiency, research has shown that, for the same level of spending and for a given budgetary function, public spending is less efficient in countries with high levels of corruption: Corrupt public agents tend to favor investment projects that generate the highest bribes and not necessarily the most efficient (Shleifer & Vishny, 1993). Corruption diminishes the impact of public spending on social outcomes and alters the quality of public services.

The major impact of this paper is to expand knowledge about specific features of corruption in Russia. Even though reasons and consequences might appear similar to other countries, the scales and portions of corrupted spheres differ greatly. Previous analyses on this topic have identified that corruption introduces distortions into social expenditure levels and efficiency of measures aimed at poverty reduction. None of these previous studies, however, have taken Russia into consideration. Using research of Herrmann et. al. (2008), the recent Transparency International Agency's Report (2010), and Russian Federal Statistics Department data on national budgetary accounts, this article attempts to answer the following questions:

SHOULD LAST IN FIRST OUT INVENTORY VALUATION METHODS BE ELIMINATED?

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ABSTRACT

The Last in First out Method (LIFO) is presently under severe scrutiny from the financial community which may soon culminate in its repeal as an acceptable accounting method. There are pressures from the SEC in conjunction with the International Financial Accounting Standards Board to standardize accounting standards worldwide. In addition, there is political pressure imposed by the US Obama administration to raise additional revenues. Both groups strongly oppose LIFO, raising a strong possibility that's its complete elimination as an accounting method will occur by as early as 2014. Are these groups correct in their negative assessment of LIFO? This paper examines critically the many disadvantages of LIFO. Ultimately, the author theorizes that these negatives may collectively explain the observed research findings of the inverse relationship between LIFO adoption and firm value/stock price. The elimination of LIFO which seems imminent may result in a win-win situation for all; as the negative and added costs of LIFO may well exceed its tax advantage, resulting in greater cash flow for the firm, while allowing for the standardization of worldwide accounting standards and raising additional tax revenue for the US government.

JEL: M4, M40, M41, M48, M49.

KEYWORDS: GAAP, IFRS, LIFO, LIFO, LIFO Conformity LIFO Reserve, FIFO.

INTRODUCTION

The Last in First out (LIFO) method has been an acceptable, popular accounting method since its inception in 1939. Since then, many have and continue to argue against LIFO as a viable, economic, realistic accounting method. At present, LIFO faces a strong and real possibility of its elimination by the year 2014, as political forces coming from the International Financial Accounting Standards Board and the Obama administration strongly oppose this method. The International Financial Reporting Standards (IFRS) prohibit LIFO as an acceptable accounting method, and the Obama administration has proposed in its 2010 budget to repeal LIFO altogether in the future. Part 2 will present a literature review and empirical findings, Part 3 will address the issues associated with LIFO Valuation .An overview of the three accounting methods are presented ,followed by the current state of LIFO .The disadvantages of LIFO are then reviewed in detail ,in support of its eliminations, and include: the "tax loophole" only aspect of LIFO, lax LIFO conformity requirements, faulty inventory asset management decision making processes ,covenant agreement compromises ,possible income manipulation, added administration cost requirements, lack of internal uses of LIFO, balance sheet and income statement limitations along with fictitious inventory flow assumptions, political and international opposition, and finally, the reasons for the observed negative relationship between LIFO adoption and stock price behavior. Part 4 will review the future of LIFO and with recommended tax strategies, and Part 5, the conclusion section will also address the limitations of this paper and recommended areas for future research.

LITERATURE REVIEW

The tax advantages associated with LIFO have been documented by tax laws, research, literature and Congress. Internal Revenue Code (IRC) 472 allows for the Last in First Out method of inventory since its inception date in 1939. Computationally, as the price of inventory increases, lower income will result

EPS DIFFERENCES USING DIFFERENT EARNINGS MEASUREMENT METHODS EVIDENCE FROM SPAIN

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ABSTRACT

This paper examines how EPS differs when calculated using two different measures of income: net income and comprehensive income. To examine how the measures differ in practice Spanish companies listed on the IBEX-35, during the period 2004-2008 are examined. This period covers a time of serious financial crisis. The Wilcoxon Signed-Rank Test was used to identify differences. The results show statistically significant differences in EPS depending upon calculation method for three of the years studied. Results in 2008 are specifically noteworthy. The evidence suggests a new dimension in fundamental analysis.

JEL: G00, G01, M41

KEYWORDS: Earnings per Share, comprehensive income, net income, international accounting, Spanish companies, IBEX-35

INTRODUCTION

The Financial Accounting Standards Board (FASB) was a pioneer in incorporating comprehensive income into its Conceptual Framework (Statement of Financial Accounting Concepts (SFAC 3, 1980; replaced by SFAC 6, 1985, par. 70). This concept of business performance (Feltham and Ohlson 1995, Brief y Peasnell 1996, Linsmeier *et al*. 1997, Mattessich 2002, Newberry 2003, Cauwenberge y Beelde 2007 and Sousa 2009a, among others), has been incorporated into the main accounting standard (Statement of Financial Accounting Standard (SFAS 130) of the FASB, International Accounting Standard (IAS 1) of the International Accounting Standards Board (IASB) and Australian Accounting Standards Board (AASB 101) of the AASB, among others).

In IAS 33 (2003) of the IASB, in addition to regulating the assessment and disclosure of traditional Basic Earnings per Share and Diluted Earnings per Share, the door was left open for companies to disclose in their financial statements the impact of other figures from their Statement of Comprehensive Income regarding the weighted average of ordinary shares outstanding.

Comprehensive income as described above, adding to net income items of expense and income which according to the corresponding standards should be recognised directly in equity. Said items include, among others, changes in fair value of financial instruments classified as available for sale, cash flow hedges, differences in foreign currency exchange and changes in fair value of tangible and intangible fixed assets, if the companies should opt for this evaluation criterion. Therefore we have a business performance which much better represents the reality of the market than traditional net income.

Within this framework of international financial information, our research aims to evaluate empirically the impact of comprehensive income on Earnings per Share (EPS) as opposed to the same ratio determined according to the more traditional net income. We analyze a select group of companies listed on the Madrid Stock Exchange of the IBEX-35 for the period 2004 through 2008, thus incorporating both economically booming and crises years. In addition to the analysis of descriptive statistics and the results obtained using box plots, we use the Wilcoxon Signed-Rank Test due to normality issues in the data.

STORYTELLING AND CAREER NARRATIVES IN ORGANIZATIONS

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ABSTRACT

Storytelling has a history as old as Aristotle and many cultures today have an oral tradition. Children grow up with stories, golfers entertain with accounts of wins and losses on the course, parents use them to regale "the good old days". The use of storytelling in organizations has experienced significant growth during the last decade assisting in change management, formulation of short and long term strategy formation, and rightsizing (to name a few functional areas). This paper presents a brief history of storytelling, the uses in organizations, as well as an explanation of career narratives and how they can be utilized by both individuals and organizations to "tell their story."

JEL: Z00

KEYWORDS: storytelling, career narratives, organizations, Native American

INTRODUCTION

The use of storytelling and career narratives in organizations are important skill sets for the 21st century. Storytelling is as old as time and we use it our everyday lives, but often the idea of telling stories is not a practice incorporated in organizations. According to many authors, it has a place and a part to play in organizations today. Parkin (2001) believes that "storytelling has always been an essential and universal human characteristic" (p. 7). Yolen (1979) a famous children's author, notes the stories that touch us the most come from dreams that are the larger dreams that belong to all mankind. Storytelling comes from the oral tradition. The folktales and fairytales, the myths and legends, the tall tales and fables that children love today are shaped from this oral tradition (Savage, 2000). All cultures and societies had or have an oral tradition where culture, traditions, and history were passed down from generation to generation by word of mouth.

The remainder of the paper is organized as follows. In section one, we discuss the relevant literature. Section two discusses the relevance and outlines the uses of storytelling in organizations. Section three presents the storied approach to career narratives. The paper closes with a discussion of some organizational implications of this work.

LITERATURE REVIEW

Early studies related to organizational storytelling and narratives provided a social constructivist perspective in the research of Berger and Luckmann (1967), leading to integral concepts of the importance of the story in organizational culture. Wilkins and Martin (1979) identified specific functions that are integral for stories in organizations that includes making sense of the organization, control, and creating dedication being in the 1970s (Boyce, 1996). They contend that stories increase commitment, which in turn leads to a more trouble-free control function in the organization. Early research and papers related to storytelling set the stage for the future of storytelling as interest in the benefits to organizations increased and became stronger.

THE ROLE OF CORPORATE GOVERNANCE IN THE EVENTS LEADING UP TO THE GLOBAL FINANCIAL CRISIS: ANALYSIS OF AGGRESSIVE RISK-TAKING

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ABSTRACT

This paper seeks to explain how failures in corporate governance contributed to the global financial crisis. More precisely, it studies how the current corporate governance systems failed to safeguard against aggressive risk taking and to provide the control that companies need in order to promote sound business practices. This paper concludes that aggressive risk taking, a corporate governance aspect, was a major cause of the 2007-2008 financial crisis. Inadequate risk management by executives and boards of directors is to be blamed for the credit market collapse and resulting financial crisis. This paper identifies three elements- improper incentive system, rationalization and opportunity- that encouraged managers in financial institutions to engage in aggressive risk taking. This paper contributes directly to understanding what went wrong in the corporate governance system based on a review of the literature. It introduces recommendations to deal with aggressive risk taking behavior in order to avoid future crisis. The outcomes of the study are directly relevant to the corporate decision-makers where the recommendations are tangible and presented in ways that decision-makers could implement.

JEL: G01; G30; G32; G38

KEYWORDS: Financial crisis, corporate governance, risk management

INTRODUCTION

In 2008, the world experienced the biggest economic crisis since the Great Depression (Blundell-Wignall, Atkinson & Lee, 2008; Cheffins, 2009; Ely, 2009; Lang & Jagtiani, 2010). Stock prices dropped further than they had in a single year since the 1930s and major financial institutions were either bailed out or ended up bankrupt (Cheffins, 2009). Lewis, Kay, Kelso, & Larson (2010) argued that bad loans were made at the height of a real estate bubble in the United States. They added that aggressive lenders engaged in extremely high-risk subprime mortgages and most of them violated traditional underwriting standards for the industry. When the overheated real estate market began to cool, it produced a domino effect that caused the collapse of major players in the financial sector.

A remarkable aspect of the financial crisis of 2008, According to Cheffins (2009), is that it occurred despite the strengthening of U.S. corporate governance over the past few years. Corporate scandals at the beginning of the 2000s led to a prompt legislative response in the form of the Sarbanes-Oxley Act of 2002 and new exchange listing requirements at the NYSE and NASDAQ. Those new regulations served as models for governance reform around the world (Adams, 2009). However, many researchers (Cheffins, 2009; Grosse, 2010; Kirkpatrick, 2009) are convinced that the current financial crisis proved current corporate governance arrangements are not adequate to prevent future crisis. A 2009 *Steering Group on Corporate Governance* report, published by the Organization for Economic Cooperation and Development (OECD), concluded that the financial crisis could be attributed to failures and weaknesses in corporate governance system. Similarly, *the Shareholder Bill of Rights Act of 2009*, introduced by the U.S. Senate, found that failure of corporate governance was among the central causes of the financial and economic crises that hit the United States. More precisely, Kirkpatrick (2009) argued that current corporate governance systems fail to safeguard against excessive risk taking and to provide the control that companies need in order to promote sound business practices

THE IMPACT OF GENDER ON STRATEGIC TYPOLOGY IN THE HOTEL INDUSTRY IN CANADA

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ABSTRACT

This research explores the impact of gender on managerial styles, especially the strategic typology employed by hotel managers in Canada during economic stressful times. Miles and Snow's strategic typology framework of defender, prospector, analyzer and reactor was employed and explored by gender. Also, performance was examined by strategic typology to determine any relationships. Findings in this study were women hotel managers used the defender strategy and men used the analyzer strategy. There were no statistically significant findings on which strategy was best for performance. Implications of this study and further research are discussed.

JEL: J1; J16; M1; M12

KEYWORDS: gender, management, strategy, hotels, Canada

INTRODUCTION

The environment may account for a certain degree of poor performance; however, quality of performance is primarily due to the strategy employed by the general manager. "Research has shown that industry conditions account for approximately 19 % of a firm's performance, while developing a sound competitive strategy is responsible for 32% of performance results" (McGahan & Porter, 1997, p.16). The past years of economic uncertainty for the hospitality industry in Canada presented a unique opportunity to capture strategies used to maintain operational viability.

As of 2004, consultants for the Hotel Association of Canada reported that the Canadian hotel industry consisted of 6,434 properties and 363,628 rooms. The resulting revenues generated were in excess of CDN $11 billion, employment included over 238,000 people with total salaries and wages estimated at $4.6 billion. Revenues generated for the government were approximately $4.03 billion (HAC, 2004, The Hotel Industry Fact Sheet).

The skills required of a hotel general manager are demanding due to the unique characteristics of the industry. This is because, typically, hotels operate 24 hours per day, seven days per week, and 365 days per year; occupancy levels fluctuate significantly by season; there are high labor costs; and unique management skills are required to motivate a highly diverse staff. Compared to managers in other industries, these job characteristics may exert increased daily management pressures on hotel managers (Rutherford, 2002).

The environment in the hotel industry during 2000 to 2006 was turbulent due to terrorism, public health concerns such as Severe Acute Respiratory Syndrome (SARS), Bovine Spongiform Encephalopathy (BSE or Mad Cow), forest fires, wide spread power outages, and severe weather and snowstorms (Hotel Association of Canada Annual Report, 2004). The resulting revenue loss created a challenging environment which has continued with the financial slide that started in 2008.

This quantitative research was designed to identify the strategies used by general managers during the adverse economic conditions that prevailed in the Canadian lodging industry from 2001 to 2006 and if there were any differences according to gender. This exploration will uncover any lessons that can be

EMERGENT NEEDS OF DEPRESSION CARE FOR OLDER ADULTS: EVIDENCE FROM TAIWAN

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ABSTRACT

The over 65 age group continues to grow at an unprecedented rate. Few care delivery systems accommodate this expanding population through home and community-based services that enhance quality of life. With more and more aging people in the society, there are many issues that need to be addressed. Soaring competition among senior-care operators has led to escalating consumer demands on performances, driving the industry to become more customer-oriented. The purpose of this quantitative phenomenological study was to explore the lived experiences and generational-based perspectives of senior residents live in senior-care organizations in the southern Taiwan to examine current and future influences on senior care delivery systems. The authors examined the relationship based on Parasuraman, Zeithmal and Berry's SERVQUAL ten dimensions. Multiple regression was conducted to test the relationships. The statistical results showed that access, competence, courtesy, and responsiveness are significantly and positively related to customer satisfaction. This finding, among others, suggests that senior-care operators in the southern Taiwan might have overlooked the above mentioned four dimensions as factors leading to customer satisfaction and, ultimately, to a sustainable competitive edge.

JEL: M16; M5; I11

KEYWORDS: Elder care, satisfaction, assisted living facilities, emerging market

INTRODUCTION

Between 2011, when the first baby boomers turn 65, and 2030, when the entire cohort reaches that age, the population of the seniors in Taiwan is projected to increase dramatically (Ministry of Interior Taiwan Department of Social Affairs, 2007). Due to rapid progresses in health and technology, the life expectancy of Taiwan residents has extended. Council for Economic Development and Planning, a government agency affiliated to Administration Yuan estimates that the old-age population in Taiwan will continue to increase until 2020 (Chiu, 2002). As the older population becomes more diverse in ethnicity, dependence, health, economic status and education, services targeting older adults will need to be more flexible to meet their demands (Lee, 2002). There has been an apparent need for care, especially among the seniors living in rural southern Taiwan, where the young generations tend to leave homes (Ministry of Interior Taiwan Department of Social Affairs, 2007; Hung and Lee, 2004; Tsai, 2004).

Chiu (2002) finds that as the senior population in Taiwan grows, the demand of care for the healthy and independent seniors has increased. According to Huang's (2004) observation, the senior-care market has been on the rise in Taiwan. Many outsiders have been attracted into this market for profits. Insurance companies and private entrepreneurs are highly enthusiastic about getting into this field (Chiu, 2006; Lee, 2003). Currently, the Senior Care Organizations (SCOs) have been one of the best choices available to the elderly living in rural areas of Taiwan (Lee, 2007).

In a word, catching the senior customers' hearts is the key to winning the business in today's ever-competitive senior-care market. Senior-care organizations have to understand the level of customer

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