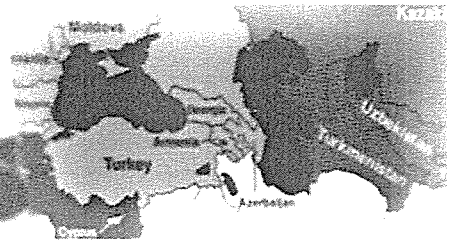
Eurasia Business and Economics Society

EBES



EBES 2010 CONFERENCE - ISTANBUL
PROGRAM AND ABSTRACT BOOK

MAY 26-28, 2010
ISTANBUL, TURKEY

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EBES
Eurasia Business and Economics Society

Eurasia Business and Economics Society (EBES) is a scholarly association for scholars involved in the practice and study of business and economics worldwide. EBES was founded for the purpose of not only promoting academic research in the field of business and economics but also encouraging the intellectual development of scholars.

EBES was founded in early 2008; however, the idea of creating such organization goes back to a couple of years earlier. In spite of the term "Eurasia", the scope should be understood in its broadest term having a global emphasis. Any scholar or professional interested in economics and business around the world is welcome to attend EBES conferences, which are being held in each year one in Istanbul and one in Europe or Asia.

EBES aims to improve its ability to bring together worldwide researchers and professionals through organizing conferences and publishing academic journals. EBES conferences and journals are open to all economics and business scholars and professionals around the world. EBES aims not only to get together worldwide researchers and professionals but also increase the economics and business knowledge through academic discussions. To reach this goal, starting from 2010, EBES will issue two academic journals. One of those journals will be in the industry and business fields (***Eurasian Business Review*** - ***EBR***), the other one in economics and finance fields (***Eurasian Economic Review*** - **EER**). There will be two issues (Spring and Fall) per year at this stage and we committed to make both journals to be included in SSCI in a very short time.

EBES advisory board includes well-known researchers from prestigious universities such as Michigan State University, Ohio State University, Indiana University, Tel Aviv University, and University of Georgia, among many others.

We sincerely thank you for your participation and look forward to seeing you in the future conferences.

Lastly, you are more than welcome to let us know your valuable feedback about how to improve our future conferences. Our improvement is only possible with your valuable support of our members.

I hope you would enjoy the conference and Istanbul!

With very best wishes,

Hakan Danis
President

EBES

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Relational Psychological Contract and Knowledge Sharing: The Mediating Role of Social Capital

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Abstract

The nature of employees' psychological contracts has gained relevance in the literature in the last decade. Researchers argue that employee's willingness to share knowledge may be contingent on their psychological contract. To add to the existing literature, the present study proposed a model linking psychological contract and knowledge sharing through the lens of social capital. Specifically, it examined the mediating role of social capital in the relationship between psychological contract and knowledge sharing. Data were collected from 145 academicians from public universities in Malaysia. The findings suggest that trust and collaboration fully mediate the relationship between relational psychological contract and knowledge sharing. The study supports the call for more empirical evidence concerning the role of social capital in understanding the relationship between psychological contract and knowledge sharing.

Keywords: Employees, Psychological Contract, Knowledge Sharing, Social Capital, Collaboration
JEL classification: M12

How Leadership Affect Justice Perceptions of Employees: The Impact of Paternalistic Culture and Paternalistic Leadership Styles

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Abstract

In recent years, increasing attention has been given to justice constructs and their consequences, resulting in a literature that is flourishing (Colquitt and Greenberg, 2003) and it is currently one of the most researched topics in organizational behavior and industrial organizational psychology with over 300 studies having been published in the last 25 years (Nowakowski and Conion, 2005). Research into organizational justice has involved both laboratory and fieldwork.

Organizational fairness is a topic of philosophical interest actually extends as far back as Plato and Socrates (Colquitt et al, 2001). Clearly, fairness is important to individuals in everyday life and, particularly, in the workplace (Ambrose, 2002). Researchers have examined organizational fairness in various contexts not only to explain workplace phenomena, but also to understand employees' perceptions and their reactions to workplace events.

Previous studies in the area of organizational justice have suggested to be consistently related to employee work attitudes and behaviors (e.g., Alexander and Ruderman, 1987; Folger and Konovsky, 1989; Greenberg, 1990; Lam et al., 2002; Lind and Tyler, 1988; McFarlin and Sweeney, 1992; Sweeney and McFarlin, 1993).That is, if employees perceive the outcomes of their evaluations to be fair or perceive the process by which outcome allocation decisions are made to be fair, they will be likely to achieve higher performance, will display more extra role behaviors (i.e. organizational citizenship behavior), will be more committed to their organizations and their

supervisors, will have higher levels of trust and will display less counterproductive work behavior and harmful political behaviors.

In the research models, organizational justice and its sub-components have been used as both independent or moderating and mediating variables between various employee attitudes and behaviors. However the impact of leadership style on the employee's perceptions of justice is an issue further needed to be investigated. In previous research models the relationships between transformational and transactional leadership and leader-member exchange quality and organizational justice is questioned. But as the impact of culture as the most important contingent variable influencing organizational dynamics, the impact of paternalistic leadership style on employee perceptions of justice is still an important research question? In other words how paternalistic culture and paternalistic leadership style (consisting of 3 elements: authoritarian leadership, benevolent leadership and moral leadership) affect organizational justice perceptions of employees? So the main objective of this study is to investigate the relationship between leadership styles and employees justice perception from a cultural perspective namely paternalism.

Sampling and Procedure:
The sample of this study will include white color employees working full time in private organizations in wide range of industry sectors (manufacturing, education, including, computer services, accounting and, customer relations) in İstanbul, Turkey. So the sampling procedure of the article will be convenience sampling. All the participants for this will be asked to complete the study's instruments on a voluntary basis. Questionnaires are distributed to those volunteered to participate in this study by visiting the companies. The surveys were also accompanied by a letter explaining the focus of the study. It was reminded the participants that their responses were completely confidential.

Measures:
Organizational justice scale developed by Moorman (1992) was used. There are 6 items measuring distributive justice and 12 items measuring procedural justice (including interactional and informational justice).
Paternalist leadership scale developed by Cheng, Chou and Fang (2000) consisting of 34 item, including moral, authoritarian and benevolent components.

Keywords: Paternalistic Leadership Style, Distributive Justice, Procedural Justice, Interactional Justice

SESSION IV: 16:00 - 18:00

Fraud Detection: Do Red Flags Really Help External Auditors in Detecting Financial Statement Fraud?

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Abstract

The purpose of this paper is to help external auditors in detecting fraudulent financial reporting. This research study determines whether red flags for fraudulent financial reporting listed in SAS 99 and in other literature can help external auditors in detecting such fraud scheme. The research also determines whether external auditors experience and the type of audit office affect external auditors' ability to identify red flags for fraudulent financial reporting. The research findings were based on a questionnaire distributed to auditors with different levels of experience and working in different audit offices in Egypt. This research presented a list of red flags for fraudulent financial reporting ranked according to the likelihood of occurrence and arranged from the most likely to the least likely. Our research included a list of specific red flags that can be most likely associated with each type of fraudulent financial reporting and those red flags were highly accepted by the sample of external auditors in our study. These specific red flags can be used in conjunction with SAS 99 red flags to enhance external auditors' ability in detecting fraudulent financial reporting. In addition, our research didn't support the effect of external auditors' experience and type of audit office on auditors' ability to detect fraudulent financial reporting. This study is subject to several limitations, among them is that two external auditors from the big 4 international audit firms filled in the questionnaire and thus our results can't be generalized to all audit firms in Egypt and that there can be other red flags in the literature that aren't mentioned in the research study.

Keywords: fraud, fraud detection, fraudulent financial reporting, red flags for fraud, SAS 99.