

FROM THE EDITOR'S DESK

The School of Management at California State University Dominguez Hills proudly presents the inaugural issue of the JOURNAL OF BUSINESS AND MANAGEMENT. Articles were submitted from throughout the country, as evidenced by the schools from which this issue's contributors hail: Boston University, California State University, Cornell University, the University of Hawaii, the University of Idaho, the University of Nevada, and the University of North Carolina. The topics and issues covered in their articles are similarly broad. They range from macroeconomic government policy which will affect the domestic and international business communities to firm-specific managerial assessments and strategies.

One of the remaining hot-button topics of the 1992 Presidential election is the proposed North American Free Trade Agreement with Mexico. Largely overlooked in the political rhetoric are highly significant trade rules which the two countries must negotiate as part of the agreement. JAMES WEEKLY examines one such group of trade rules, the rules of product origin. These will affect not only the treaty signatories, but any trading partners who illicitly try to avail themselves of the treaty's trade benefits. In this regard, Weekly notes, the United States and Mexico may have decidedly different agendas.

Two articles address the strategic relationship between business and its external constituencies. RANDALL CHAPMAN discusses the marketing appeal of frequent buyer programs. Now widely used by the travel industry, frequent buyer programs hold potential advantages for many other industries. Chapman outlines the specific business conditions which must obtain before a company can expect successful implementation of such a program.

LAURENCE BARTON explores the importance of a well-defined community relations strategy. He illustrates the need for one in an era

of increased "Not-In-My-Backyard" community resistance to business growth and development plans. As many businesses can attest, those ignoring the possibility of such reactions do so at their own risk. Barton analyzes the results of a national survey of 200 major corporations inquiring into their community relations strategies. He also recommends measures for developing an effective community relations program.

The remaining articles focus on internal management strategies and policies. **TERESA GORDON**, **MARIO REYES** and **JERRY WEGMAN** consider the accounting and economic implications of substituting low interest corporate debt with a smaller amount of high interest debt through a device known as in-substance debt defeasance (ISDD). Although this practice results in more attractive financial statements, its legitimacy has been controversial. Nevertheless, with interest rates apparently bottoming out, we may see increased use of ISDD. After reviewing the empirical lessons of ISDD, Gordon *et al.* present its pros and cons, including its potential for misuse.

Organizations commonly have stated objectives. But the means for their development are often time-consuming and oriented toward the past or present. Moreover, key ideas may be overlooked in the process; those adopted are rarely embraced in full by management. **CRAIG LUNDBERG** proposes a better method for formulating organizational objectives: targeting. It features an efficient, group consensus technique. Lundberg provides a step-by-step approach which reflects the needs of organizational stakeholders.

GEORGE MARCOULIDES and **RONALD HECK** create an intricate but interesting behavioral construct of the organization. They first develop a theoretical model of the organization's cultural components, and then estimate the impact of these components on organizational performance. The findings of an interview and questionnaire survey of organizations support their models and suggest avenues for improving organizational management.

Franklin Strier