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AN ASSESSMENT OF THE IMPACT OF A VOLUNTARY SMOKING BAN ON CASINO VISITATION

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ABSTRACT

The positive impact of revenues associated with casino gaming has proven beneficial at both the municipal and state levels by providing a source of funding for infrastructure projects and community development. Moreover, the industry provides a significant number of jobs. In an era marked by widespread economic recession, these sources of revenue and employment have become progressively more important. As such, the purpose of this paper is to explore the potential threats that increasingly popular smoking bans impose upon the casino gaming industry. Moreover, we introduce the findings of a large-scale research project in which the outcomes suggest a market approach to the regulation of smoking in gaming venues may provide an economically feasible strategy with mutually beneficial outcomes to governmental entities, casino operators, and customers. Due to the paucity of gaming customer research, especially relative to smoking attitudes, we posit that a critical factor in this inquiry is the uniqueness of the dataset.

INTRODUCTION

The present study focuses on anticipated behavioral changes in visitation induced by a voluntary smoking ban in a casino resort. From the perspective of casino industry executives, the economics associated with smoking presents a two-sided coin. The implementation of smoking bans is considered a major threat to the economic well-being of the industry because it is believed that such bans have the potential to reduce the participation rate of gamblers either because customers choose not to gamble if they cannot smoke, or because they choose to migrate to a casino where smoking is permitted (Steyer, 2009). Alternatively, casinos that fail to implement smoke-free regulations increasingly face a threat from employee lawsuits due to illness related to long-term exposure to secondhand smoke in the workplace.

LITERATURE REVIEW

The earliest smoking bans impacting hospitality enterprises were enacted as city ordinances affecting restaurants as early as 1974. (Eriksen & Chaloupka, 2007). They were highly controversial and generated a wealth of research examining the economic impact of smoking bans on revenues in restaurants and bars (Bartoosch & Pope, 2002; Clower & Weinstein, 2004; Cremieux & Ouellette, 2001; Glantz & Smith, 1997; 1994; Hyland, Puli,

Cummings, & Sciandra, 2003; Scollo, Lal, Hyland, & Glantz, 2003). Results of the research were mixed indicating there was no simple conclusion regarding the economic impact of smoking bans on the hospitality sector. According to the aforementioned research, there are clearly winners and losers. If one takes an aggregate, social welfare perspective, and gains in some establishments are equal to the losses in some others, the conclusion of no harm is substantiated. If bars, taverns and only some classes of restaurants are negatively impacted, it is clear that a sector-specific analysis supports the conclusion of economic injury. Thus, smoking bans clearly exert differential effects upon some hospitality businesses relative to others, and businesses with a greater proportion of smoking customers can expect that bans will impart a negative economic impact (Craven & Marlow, 2008). In general, it has been found that gamblers have a higher propensity to smoke than non-gamblers (Petry & Oncken, 2002; McGrath & Barrett, 2009). As such, the concern of casino executives appears well founded in this regard.

A number of studies have examined the economic consequences of smoking bans on casino operations. Among these inquiries, Harper (2003) found that smokers wagered almost twice as much as non-smokers and that a smoking ban in the Victoria, Australia casinos was associated with losses of up to 30% in the short term and 14% over a seven-year period (Lal & Siahpush, 2008). In the United States smoking bans have been estimated to account for statewide losses in Delaware of approximately $94 million per year (Pakko, 2008), and a 16% decline in Delaware casino revenue (Thalheimer & Ali, 2008). Most recently, Garrett and Pakko (2009) compared gaming revenues in Illinois after the implementation of a smoking ban that took effect at the beginning of 2008. Their study used revenue in adjacent states to determine if Illinois casinos were adversely impacted relative to those that had not implemented smoking bans. Prior to 2008, gaming revenue in all four states, i.e., Illinois, Indiana, Iowa, and Missouri, grew at annual rates ranging from 4% to 6%. After the smoking bans were implemented, gaming revenues continued to grow in the other states but plummeted 20% in Illinois. In the aggregate, this revenue decline equated to a reduction in customer admissions of 10%, a loss of $400 million in gaming revenue, and tax losses of over $200 million. In summary, the research findings support the differential impact of smoking bans on certain classes of hospitality providers, specifically those that are more likely to attract smoking populations. Historically smoking has been associated with drinking, specifically, and socializing, in general (Craven & Marlow, 2008). Thus, it is no surprise that gaming markets have been adversely impacted by restrictions on smoking activities.

Economists argue that a market driven approach to the smoking controversy may offer the most efficient solution. In this respect, a voluntary restriction on smoking may serve to effectively segment smokers and non-smokers in a manner that optimizes economic benefit. This would effectively provide a laissez-faire approach by allowing the owner of an establishment to institute the proper allocation of air rights within his or her space (Lambert, 2007). The findings from previous research indicate that, while a smoking ban is likely to reduce the participation of smokers, it is simultaneously likely to increase participation rates by non-smokers (Roseman, 2005). Lambert posited that, under the laissez-faire approach, a private business owner seeking to maximize his or her profits would make the smoking decision based on the stakeholders who most value their favored policy, combined with the stakeholders with the higher economic worth.

Of course, any private business owner that wishes to maximize profitability should investigate the potential economic consequences of a voluntary ban on smoking based on customer characteristics relative to the subject business. This would encompass personal smoking activity as well as smoking behaviors attributed to a spouse or significant other (Homisch & Leonard, 2005; Vink, Willemsma & Boomsma, 2003).

HYPOTHESES

The present study was conducted to assess the feasibility of implementing a voluntary smoking ban at a major casino resort in an established regional gaming market in the southeastern United States. The primary objectives were to assess smoking rates among gamblers within the prescribed population, and, subsequently, to determine how the hypothetical implementation of a smoking ban would affect the attitudes and behaviors of gamblers, their casino choice and visitation frequency. Based upon the foregoing literature review, the following hypotheses, presented in discursive form, were formulated to guide the research objectives:

H_1 *The smoking rate for gamblers will be higher than the smoking rate of the relevant general population.*

H_2 *If a smoking ban is implemented in a smoking gambler's preferred casino, the smoking gambler will indicate the intent to migrate to an alternative casino venue that allows smoking.*

H_3 *If a smoking ban is implemented in a casino external to their visit portfolio, non-smoking gamblers will indicate the intent to migrate to that casino venue.*

H_4 *Non-smoking gamblers will indicate the intent to visit the non-smoking casino more often than their current favorite casino.*

H_5 *Overall indoor air quality at casinos will be more important to non-smokers than to smokers.*

H_6 *The presence of a smoking spouse will influence the behavioral intentions of the non-smoking gambler regarding their intentions to patronize the non-smoking casino.*

METHOD

Adults age 21 and over who indicated they gambled in the market area were eligible to participate in the study. Data were collected in January 2011 using a stratified random sample via telephone. Of the 500 participants, 69.6% were female and 30.4% were male. The median estimated gaming budget per visit was between $50 and $99 per visit, and the median range for the number of trips to their favorite casino in the past six months was 1 to 5 times. The mean age was 58.1 years with an age range of 21 to 97.

RESULTS & CONCLUSIONS

The first hypothesis test (H_1), reported a smoking rate for gamblers that was actually lower (18.4%) than the smoking rate in the defined population (22.4%), $z = -2.15$, $p = .017$. In our second hypothesis test (H_2), we found that smokers expressed a strong likelihood of migrating to a smoking casino if their favorite casino were to institute a voluntary smoking ban, $t(91) = -3.90$, $p<.001$. The third hypothesis (H_3) was designed to measure the intent of non-smokers to migrate to a different casino if there was a voluntary smoking ban at a competitive property. This hypothesis was supported, $t(399) = 23.79$, $p<.001$. Stemming from the previous test, the fourth hypothesis (H_4) was designed to measure the intent of non-smokers to visit the non-smoking casino more often than their current favorite casino. It was supported that the non-smoking gambler indicated a strong likelihood to visit the non-smoking casino more often than their current favorite casino, $t(356) = 26.14$, $p<.001$. The fifth hypothesis (H_5) stated that overall indoor air quality at casinos would be more important to non-smokers than to smokers. This hypothesis was supported, $t(123) = -7.24$, $p<.001$. Lastly, it was hypothesized that the presence of a smoking spouse or significant other would influence the behavioral intent of the non-smoking gaming customer (H_6). Specifically, previous research has indicated that smoking partners have a significant influence on the behavior of their spouse or significant other. Our findings supported this effect, $t(47) = -2.90$, $p = .006$.

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ARE MEN ENTITLED TO TITLE VII PROTECTION FROM A SEXUALLY HOSTILE WORK ENVIRONMENT?

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ABSTRACT

Are men entitled to Title VII protection from a sexually hostile work environment? The short answer to this question is yes, certainly. While historically, the majority of complaints alleging sexual harassment in the workplace have been initiated by females, since 1992, the percentage of complaints filed by males alleging sexual harassment with the Equal Employment Opportunity Commission (EEOC) has increased from 9.1% to 16.4% in 2010 (EEOC, 2011). The number of complaints filed by males has been increasing over time at the same time as the actual number of complaints received by the EEOC alleging sexual harassment has been declining. The purpose of this paper is to examine the reasons for the increase in complaints by males, recent court cases where males have made allegations of being sexually harassed, and to present policy and practice suggestions that employers can utilize to minimize these types of complaints and reduce their exposure to this type of litigation.

INTRODUCTION

Are men entitled to Title VII protection from a sexually hostile work environment? The short answer to this question is yes, certainly. EEOC guidance on this issue is clear: "The victim as well as the harasser may be either a woman or a man. In addition, the victim does not have to be of the opposite sex" (EEOC-A, 2011). While historically, the majority of complaints alleging sexual harassment in the workplace have been initiated by females, since 1992, the percentage of complaints filed by males alleging sexual harassment with the Equal Employment Opportunity Commission (EEOC) has increased from 9.1% to 16.4% in 2010 (EEOC, 2011). The number of complaints filed by males has been increasing over time at the same time as the actual number of complaints received by the EEOC alleging sexual harassment has been declining. As shown in Table 1 since reaching a peak of 15,889 in 1997 the actual number of complaints received by the EEOC and state and local Fair employment Practices agencies around the country that have work sharing agreements with the EEOC alleging sexual harassment, has fallen to 11,717 in fiscal year 2010 (EEOC, 2011).

Table 1 Sexual Harassment Charges EEOC & FEPAs Combined FY 1997 - 2010														
	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Receipts	15,889	15,618	15,222	15,836	15,475	14,396	13,566	13,136	12,679	12,025	12,510	13,867	12,696	11,717
% of Charges Filed by Males	11.60%	12.9%	12.1%	13.6%	13.7%	14.9%	14.7%	15.1%	14.3%	15.4%	16.0%	15.9%	16.0%	16.4%

A number of reasons have been identified as causing the increase in the number of complaints and lawsuits by males alleging sexual harassment. The first court case alleging sexual harassment of a male dates only to 1995. In that case, the EEOC sued Domino's Pizza in Tampa Florida alleging that a female supervisor sexually harassed a male store manager. The male store manager alleged that the female supervisor would caress his shoulders and neck and pinch his buttocks. He was eventually fired and awarded $237,000 in damages (EEOC v. Domino's Pizza, 1998).

As more females have moved into positions of power in organizations, "unfortunately men don't have a corner on the rude-behavior market", these types of situations were bound to occur (Tahmincioglu, 2007). Additionally, often cited rationale for the increase in male complaints includes the fact that males are more informed with respect to their rights today because of organizational training efforts to combat harassment in the workplace and it has become "more socially acceptable today for a man to file sexual harassment charges" (Craver, 2010).

Others report that the recent economic downturn in which more men than women lost their jobs may be driving some of the increase. In the past, according to Greg Grant an attorney with Shulman Rogers in Washington, D.C., male victims of sexual harassment "might have voted with their feet" rather than utilizing the legal system (Mattioli, 2010). Today, though, with jobs harder to find, more males are willing to "risk the potential stigma of speaking out" and are utilizing the legal system (Mattioli, 2010).

Overcoming the common stereotype that "no real man rebuffs sexual attention" has also been cited as one of the reasons even more men have not come forward over the years (Voss, 2010). A Marie Clare article reports that only 5 to 15 percent of sexual harassment incidents get reported, a contention also made in the Mattioli article (Voss, 2010). EEOC spokesman David Grinberg asserts that many of the allegations made by males rarely get reported unless a lawsuit is filed (Voss, 2010). Celebrity lawyer Gloria Allred is also quoted in the Marie Clare article and believes that "most complaints are mediated and resolved, and you'll never hear about them" – "you won't even see a piece of paper" (Voss, 2011). Allred also represented James Stevens in a Simi Valley, California lawsuit against Vons in 2006. In that case, Stevens, a black male with 25 years experience with the supermarket, alleged that a female manager sexually harassed him on numerous occasions. His complaints to the company were not acted on and he was eventually fired. A jury award of $18.4 million in compensatory and punitive damages was initially

awarded to Stevens but was reduced by the trial judge to $2.4 million. The award was upheld through the California Supreme court (James Stevens vs. Vons, 2009).

The purpose of this paper is to examine the reasons for the increase in complaints by males, recent court cases where males have made allegations of being sexually harassed, and to present policy and practice suggestions that employers can utilize to minimize these types of complaints and reduce their exposure to this type of litigation.

RECENT COMPLAINTS BY MALES

A factor influencing more males to bring sexual harassment claims was the United States Supreme Court's decision in Oncale v. Sundowner Offshore Services, Inc. in 1998. Prior to that decision, a number of federal courts "held that a male couldn't file a sexual harassment claim against another male" (Ford & Harrison, 2010). In that decision, the court ruled that nothing in Title VII of the 1964 Civil Rights Act necessarily bars a claim of discrimination merely because all involved are of the same sex (Oncale v. Sundowner Offshore Services, Inc. 1998). While the EEOC does not track the sex of the alleged harasser, according to EEOC Senior Attorney Advisor Justine Lisser, the agency "has observed an increasing number of men alleging sexual harassment from other male co-workers – and not as many cases of men accusing female bosses or co-workers of sexual harassment" (Mattioli, 2010). EEOC press releases dating back to 1999 highlight this type of allegation (See Table 2)

Table 2 EEOC Press Releases and Same-sex Sexual Harassment Settlements
1999 EEOC v. Long Prairie Packing Company, Inc. $1.9 Million Settlement of Sexual Harassment Allegations
2002 EEOC v. Ron Clark Ford, Inc $140,000 Settlement of Same-sex Harassment Allegations
2005 EEOC v. Carmike Cinemas $765,000 Settlement of Male-on-male Teen Sexual Harassment Case
2007 EEOC v. United HealthCare of Florida $1.8 Million Settlement for Same-sex Sexual Harassment/Retaliation
2009 EEOC v. Lowe's Home Improvement Warehouse $1.7 Million Settlement in Sexual Harassment Case
2009 EEOC v. Cheesecake Factory $345,000 Settlement in Same-sex Sexual Harassment Case

POLICY AND PRACTICE SUGGESTIONS

In virtually all of the settlements obtained by the EEOC described above, there are several common threads. First and foremost is what appears to be a lack of adequate training on the issue. In all of the consent decrees that settled complaints, the EEOC specifically calls for the organizations to specifically train their employees and managers about sexual harassment. In the Cheesecake settlement, the company was required to institute an ombudsman to field and address sexual harassment complaints by employees (EEOC-B, 2009). Court decisions and EEOC guidelines have been consistent over the years on how organizations can provide a work environment that is free of harassment and reduce their exposure to litigation. While no organization can eliminate all harassment from their workplace, organizations that model their efforts consistent with the Faragher defense (Faragher v. City of Boca Raton, 524 U.S. 775

(1998), are in a good starting position to reduce their exposure to litigation and minimize their liability. Under the Faragher defense, employers must take reasonable care to prevent and promptly correct the harassing behavior of the supervisor and the alleged victim must take advantage of the preventive or corrective opportunities provided by the employer (Johnson, 2010). EEOC enforcement guidance on preventive and remedial action is clear and provides more detail as to the affirmative defense cited in the Faragher decision.

The EEOC and the courts have made it clear that an employer will not tolerate harassment based on sex (with or without sexual conduct), race, color, and religion, national origin, age, disability, and protected activity (*i.e.*, opposition to prohibited discrimination or participation in the statutory complaint process). This prohibition should cover harassment by *anyone* in the workplace – supervisors, co-workers or non-employees. Management should convey the seriousness of the prohibition. One way to do that is for the mandate to "come from the top*," i.e.,* from upper management (EEOC-C, 2010). With respect to sexual harassment complaints from men, overcoming the stereotyped perceptions about men with respect sex will be a difficult challenge. Training must emphasize that all complaints of harassment regardless of the sex of the individual making the allegation must be taken seriously. Organizations where male locker room behavior has been encouraged and complaints about it ignored in the past, are setting themselves up to be added to the list of EEOC press releases or court dockets.

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MEANING OF WORKING VS VALUES STUDIES

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ABSTRACT

There have been two very popular and large studies done within recent ages on analyzing various "meanings of work" – one called the Schwartz Model, and the other MOW (1987).The Schwartz model is based on Rokeach (1973) and divides values into two types: instrumental and terminal. There are two classifications within the Schwartz Model, the first is openness to change versus conservation and the second is self-improvement versus self-transcendence. The Schwartz model is very appropriate for the issue of work values because of its structure. The other study is the MOW (Meaning of Working Study) Group (Cortes, 2009). In this study we compare and contrast the findings from these two large studies.

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ATTITUDES TOWARD TAX EVASION IN SWITZERLAND: A DEMOGRAPHIC STUDY

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ABSTRACT

A number of studies have examined the relationship between tax collection and various demographic variables. However, until recently most of those studies have involved a United States sample population. The Internal Revenue Service provides demographic data for researchers on a regular basis. The present study goes beyond those studies in several important ways. For one, it uses data on Switzerland taken from the World Values database. Not much work has been done on the Swiss tax or public finance system. Thus, the present study expands on the very limited research done on Swiss public finance.

The present study expands on existing literature in at least two other ways as well. For one, it examines how various demographics interact with attitudes toward tax evasion. Secondly, we examine several demographic variables that were not examined in prior studies.

One of the questions in the World Values database asked whether it would be justifiable to cheat on taxes if it were possible to do so. Respondents were asked to choose a number from 1 to 10 to indicate the extent of their support for tax evasion. This study examines those responses, both overall and through the prism of more than 20 demographic variables. A trend analysis is also done to determine whether Swiss attitudes regarding tax evasion have changed in recent years. A comparison is made with other ethical issues to determine the relative seriousness of tax evasion.

The study found that attitudes toward the justifiability of tax evasion often do differ by demographic variable. Tax evasion was found to be a less serious offense than claiming government benefits to which you are not entitled, taking a bribe, wife beating, and avoiding a fare on public transport and more serious than suicide, prostitution, abortion, euthanasia, divorce and homosexuality. The trend of opinion on the justifiability of tax evasion has been mixed since the first Swiss survey was taken in 1989. General attitudes because more acceptable toward tax evasion in the 1990s, then because far less acceptable toward the practice in the following decade.

Although the present study focuses on Switzerland, the methodology used in the present study could serve as a template for research on other countries or regions.

INTRODUCTION

Most prior studies on taxation have focused on public finance topics, such as how to collect taxes more efficiently, what kind of tax system a jurisdiction should have, what tax mix is

best for raising revenue with minimal distortion, neutral taxation, and even optimal tax evasion. David Ricardo (1817/1996) was one of the first to provide a thorough analysis of public finance. Several subsequent writers have expanded on his work (Hyman, 1999; Kaplow, 2008; Marlow, 1995; Rosen, 1999). Musgrave (1959, 1986) and his wife (Musgrave & Musgrave, 1976) have written important books in the field. Musgrave and Peacock (1958) also edited a book the reprinted some of the classic works in public finance theory.

Musgrave's position is considered mainstream by European standards. He begins with the premise that a democratically elected government can adopt any kind of tax system it wants because the people who make the rules are the servants of the people. He supports the ability to pay principle and the graduated income tax. Others have challenged both the ability to pay concept (McGee, 1998a, 1999b, 2004, 2012) and the graduated income tax (Blum & Kalven, 1953; McGee, 1998a, 2004, 2012).

James Buchanan takes another approach to public finance. He believes that governments are limited even in a constitutional democracy and that they cannot justify imposing any tax they want merely because the country has a functioning democratic process (Buchanan, 1967, Buchanan & Flowers, 1975). He takes what may be called a Public Choice position, a position that has influenced other scholars (Cullis & Jones, 1998). Buchanan and Musgrave (2001) engaged in a friendly debate and published the results.

The present study takes a different approach. Although it recognizes the approaches of both Musgrave and Buchanan, it focuses on ethical aspects of tax evasion and the reasons that have been given to justify tax evasion in the past. Until recently, not much has been written on ethical aspects of tax evasion, and what has been written has been mostly from a U.S. perspective, partly because more information is available on the U.S. demographics than for most other countries (Bloomquist, 2003a&b; Internal Revenue Service, 1978, 1983).

That U.S.-centric slant to the tax evasion literature is starting to change, partly because other governments have started to release more information about tax evasion in their own countries and partly because the *World Values* surveys have solicited the opinions of people in dozens of countries on the issue of tax evasion. The present study uses the information gathered on Switzerland and analyzes it using more than 20 demographic variables, including some variables that other studies have not used. Although the present study relates to Switzerland, the methodology used in this study can be adopted as a template to use for studies of other countries and regions.

METHODOLOGY

Groups of social scientists all over the world have been conducting coordinated surveys of the world's population since the 1980s. Some surveys have solicited the opinions of more than 200,000 people in more than 80 countries. The surveys included hundreds of questions on a wide range of subjects. One question in the most recent surveys addressed attitudes toward tax evasion:

Please tell me for each of the following statements whether you think it can always be justified, never be justified, or something in between: Cheating on taxes if you have a chance.

The range of responses used a 10-point Likert Scale where 1 = never justifiable and 10 = always justifiable. The surveys collected data on a number of demographic variables, including level of education, gender and age. The present study uses the data gathered in the most recent survey on Switzerland. The sample size was slightly more than 1,200.

More that 20 demographic variables are examined using t-tests and ANOVAs to determine whether any differences are significant at the 5 percent level. The ANOVA was used to analyze mean score differences between groups as a whole. The ANOVA scores are reported in the "b" tables. T-tests were sometimes made to compare the mean scores of two particular groups. Those scores, where made, are reported in the "a" tables.

CONCLUDING COMMENTS

This study found several interesting relationships between attitude toward tax evasion and more than 20 demographic variables. It is perhaps the most comprehensive demographic study of Swiss attitudes toward tax evasion done to date. The methodology used in this study can also serve as a template for studies of other countries and regions. Some of the demographic variables included in this study have not been used in prior studies, which break new ground and may serve as the basis for further research into these variables.

THE IMPACT OF THE CORPORATE CULTURE ON ORGANIZATIONAL COMMITMENT IN THE BANKING SECTOR IN KUWAIT

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ABSTRACT

In this paper, we investigated the impact of the corporate culture on the affective, continuance, and normative organizational commitment among employees in the banking sector in Kuwait. The study was conducted across permanent, full-time, and part-time employees (managers and non-managers) of five large private banks in Kuwait. Both Exploratory Factor Analysis (EFA) and hierarchical regression analyses were used to draw the relationship between these variables. The results showed that seventy five percent of the variables confirmed previous studies and the remaining twenty five percent did not support these studies due to factors such as culture and values. The results have a great implication for both the banking industry in Kuwait and international business.

ACTIVE ENGAGEMENT TO ACTIVE DISENGAGEMENT: A NEW MODEL

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ABSTRACT

This article explorers the nature of engagement in the workplace. In particular, we develop a conceptual framework and definition for active disengagement. Existing research defines disengagement in terms of withdrawal and defensiveness, an absence of engagement. We assert that the absence of engagement does not jibe with reported workplace behaviors we found in this research. Additionally, the existing definition was not adequate enough to fully capture the dynamic range of behavioral and psychological complexities encompassing disengagement. Based upon an exploration of existing literature, we propose and develop a model that expresses a continuum ranging from active engagement to active disengagement. We employed survey research utilizing open-ended questions to explore workplace behaviors and based upon that exploration proposed our new model of engagement. We found hat 4 distinct levels of engagement can be demonstrated: 1) Active Engagement, 2) Engagement, 3) Disengagement, and 4) Active Disengagement.

INTRODUCTION

Macey and Schneider (2001) emphasize that with the exception of Kahn's work in the early nineties (1990, 1992) serious treatment of the concept of *employee engagement* is a recent development in the academic literature, and similar to the discussions in the popular press of many early constructs, a lack of a clear definition of employee engagement has hindered its discussion. Kahn (1990) defined the concepts of *personal engagement* and *personal disengagement* to clarify the varying degrees to which people choose to present or absent themselves within the context of self-in-role activities.

Dvir, Eden, Avolio, and Shamir (2002: 737) defines *active engagement* as "the energy invested in the follower role as expressed by high levels of activity, initiative, and responsibility." This definition is derived from the leadership literature (e.g., Barnard; 1938), thus the emphasis on the observed task performance of those in follower roles as it highlights extended levels of activity and responsibility but still defines the follower in terms of *role* follower (Katz & Kahn, 1978). This notion resembles the construct of organizational citizenship behavior as described and developed in the early industrial and organizational psychology research by Smith, Organ and Near (1983) with one key difference, organizational citizenship behaviors focus on the exchanges occurring between the individual and the larger organization. Warren Bennis notes in the foreword of the reprint of *Eupsychian Management* (Maslow, 1998)

that Maslow's notion that synergy, in an organizational setting, was the resolution of the dichotomy between organizational interests and individual interests. It is another articulation of the idea that there exists a relationship between the individual and the organization.

Engaged employees make greater and more-positive contributions to the success of an organization; most recently, Rich, Lepine, and Crawford (2010). Employee engagement clearly now exists as a topic of study in the academic literature but employee disengagement appears to have received little attention beyond an overall general notion that it represents the absence and withdrawal of an individual from in-role activities, as well as the adaptation of a defensive or protective posture (Kahn, 1990, 1992; Gallup, 2001; Krueger & Killham, 2005, 2006; Maslach, Schaufeli & Leiter, 2001; Maslach, 2003; Pfeffer, 2007; Macey & Schneider, 2008; Rich, Lepine & Crawford, 2010). Essentially then, in the academic literature, disengagement is the absence of engagement. Building upon Kahn's (1990) definitions of personal engagement and personal disengagement, this paper argues that disengagement is a construct that consists of more than an absence of "self" during the performance of work related roles. Just as Dvir, Eden, Avolio, and Shamir (2002) noted that active engagement is a form of highly-invested personal energy that allows a worker to perform at higher-than-normal levels of activity and responsibility, this paper proposes that there also exists an equally opposing psychological state of disengagement – *active disengagement*. Additionally, and further expanding upon Kahn's (1990) definition of personal disengagement, active disengagement will be extended to include not only the absence and defense of an individual's preferred self in terms of the execution of work-related roles, but also the reinvestment of energies into role-avoidance behaviors, as well as the adoption of negative in-role and negative extra-role behaviors that may result in harmful consequences for both the employee and the organization. Given these elements, active disengagement can be defined as a psychological state---including varying degrees of physical, cognitive, and psychological engagement---in which an individual actively and selectively invests time and energy in activities that extend beyond the simple withdrawal of self that has been previously described in the literature, but also includes the willing avoidance of expected in-role behaviors with the potential for extended participation in negative extra-role behaviors that might lead to harmful results for an organization. Unnecessary performance of in-role tasks may also be another manifestation of active disengagement. Active as a modifier to engagement implies extra-role performance behavior. We extend that logic to disengagement and define active disengagement as the performance of extra role tasks but with negative consequences for the organization. Passive engagement and disengagement would then be limited to in-role task performance. We have now modified the notion that all in-role and extra-role task performance is good for the organization; given an actively disengaged employee, any form of task performance, be it in-role or extra-role, could have negative outcomes for the organization. We assert that given an actively disengaged employee, there is a dark side to the theory of roles.

PROPOSED MODEL OF ENGAGEMENT

Figure 1. Engagement Continuum			
Active Engagement (AE)	Engagement (E)	Disengagement (DE)	Active Disengagement (ADE)
High pos. in-role	High pos in-role	Neg in-role,	Neg. in-role, or
High pos. extra-role			Neg. extra-role
High organizational commitment (OC)		Withdrawal	Low organizational commitment (OC)
High OCB May be in- or extra-role			High anti-organizational behavior (AOB) May be in-role or extra-role

Active Engagement

We define active engagement as a psychological state in which an individual exhibits all of the qualities of high positive in-role performance, as well as the qualities and behaviors typically associated with organizational citizenship behaviors and organizational commitment. Our review to the current literature yielded one definition by Dvir, Eden, Avolio, and Shamir (2002) where active engagement was described in terms of the energy invested and behaviors observed in relation to a particular situation and moment in time. This description of energy invested in a moment in time closely resembles Kahn's (1990) definition of personal engagement, but as also previously mentioned, goes on to include extended behaviors more closely associated with descriptions of organizational commitment behaviors and behaviors reflective of high levels of organizational commitment .

Engagement

Macey and Schneider (2008) suggested that references to employee engagement are a recent phenomenon in the literature and attempted to delineate a somewhat inclusive list of concepts encompassing engagement as a construct that can be defined in terms of psychological states, traits, or behaviors. Kahn (1990) defined personal engagement as "the simultaneous employment and expression of a person's 'preferred self' in task behaviors the promote connections to work and to others, personal presence (physical, cognitive, and emotional), and active full role performances" (p. 700). While this definition of engagement may include elements of higher than normal effort and involvement (e.g., Hackman & Oldham, 1980; Lawler & Hall, 1970), we therefore conclude that any extra- or extended-role activities would be indicative of behaviors more closely related to *active engagement*.

Disengagement

We define a disengaged employee as one who exhibits low in-role activities combined with a sense of withdrawal and/or a sense of "just getting by. Kahn (1990, p. 701) defined personal disengagement as the "simultaneous withdrawal and defense of a person's preferred self in behaviors that promote a lack of connections, physical, cognitive, and emotional absence, and passive, incomplete role performance." It is the description of disengagement as an "absence of self" that led to the initial questions being pursued in the current research.

Active Disengagement

Active disengagement a psychological state where employees actively choose to uncouple (using Kahn's 1990 terminology) their selves from their work roles in ways that, when unnoticed and unchecked, leads to destructive behaviors acted out against the organization. Just as organizational commitment behaviors involve the noticeable and concerted channeling of energies into behaviors that go well-beyond in-role task and job performance (Organ, 1988, 1990; Lee & Allen, 2000; Dalal, 2005), we argue that there is an equally opposite set of negative extra-role energies and behaviors that manifest themselves in the form of anti-organizational behaviors. It is the presence of anti-organizational behaviors that we define as the essential indicator of active disengagement.

STUDY RESULTS

. A total of 47 responses were collected from randomly selected participants. Respondents ranged in age from 18 to 64 and workplace experience ranged from 3 years to 46 years. Our open ended survey questions asked the respondents to address their own thinking, feeling, and actions in a variety of workplace contexts. The survey questions are in appendix A. We hope to identify attitudes that conform to the extant literature by verifying the existence of active engagement, engagement, and disengagement. Our principle research question is to verify or fail to verify that there is a form of disengagement that is beyond the passive absence of engagement as currently described in existing scholarly literature. In short we found attitudes and behaviors conforming to all four forms of engagement and disengagement in the proposed model.

Active Engagement

Many in-role and high in-role performance behaviors have been well documented in the literature (Katz & Kahn, 1978; Smith, Organ, & Near, 1983), and our model provided further evidence for these behaviors. High in-role response examples included: "helped other people do their job;" "would work harder for a longer period of time;" and "volunteered to work in other areas." These examples, while not extending beyond the normal role expectations do illustrate solid examples of high in-role performance behaviors (Katz & Kahn, 1978). High extra-role

performance examples included: "went out of my way to learn responsibilities of other employees and help them when I had available time;" "tried to do things that were not required of me;" and "went out of my way to learn responsibilities of other employees." Organizational citizenship behavior examples included: "staying late when everybody else had gone home;" "worked weekends/overtime" to complete extra work;" and "took on challenging assignments when others declined." Once again, as might be expected, these behaviors reflected organizational commitment and high organizational commitment behaviors.

Kahn's (1990) study of personal engagement noted that workers tend to consider three engagement-related questions when approaching work situations: 1) How meaningful is it for me to bring myself into this performance? 2) How safe is it? 3) How available am I to do so? (p. 703). Each of these questions approaches the psychological components of engagement, and like Kahn, we also asked participants to express what they were thinking and feeling while they were going above and beyond the minimum requirements of their normal duties. Examples of participants' thoughts included: "think of ways to help other employees;" "determined and focused;" and "wanted to excel and be more than I was." Kahn (1990) also emphasized the inclusion of the full emotional and psychological self as an important aspect in engagement. We noted that individuals who displayed the characteristics of active engagement also displayed feelings that included: "mostly self-fulfillment;" "hopeful and determined;" and "challenged."

ENGAGEMENT

Our definition of engagement included those behaviors that were considered high positive in-role behaviors but did not included the added characteristics of active engagement, such as high positive extra-role behaviors, organizational commitment and organizational citizenship behaviors. Examples of high in-role respondent behaviors included: "was extra thorough with my job duties;" "was very detailed and precise;" and "make out Excel spreadsheets to organize the tasks we needed to complete." These in-role behaviors demonstrate what might be referred to as higher than normal levels of performance, but they lack the extended time and effort typically associated with a worker who might be said to be actively engaged as defined under our proposed model.

DISENGAGEMENT

As mentioned earlier, our model expands the traditional definition of disengagement to include low-to-negative in-role performance along with a sense of withdrawal or detachment (Kahn, 1990; Macey & Schneider, 2008). Kahn (1990) particularly noted the uncoupling of the self from in-role activities as one of the key indicators for disengagement. We agree with Kahn's definition and include this along with low in-role performance, as well as the potential for in-role actives that lead to negative reactions on the part of an individual. As indicated below, these characteristics may overlap with those of active disengagement, but we consider the absence of negative action to be one of the distinguishing factors between disengagement and active disengagement. Example responses of negative things that respondents did when they were

dissatisfied at work included: "went back to being an average worker;" "haven't been motivated to do my work;" and "wouldn't work as hard." These behaviors fit well within the expectations of our model in that individuals show signs of withdrawing from some aspects of task performance while not entirely withdrawing from overall in-role performance. In other words, workers modified their in-role activities to fit associated perceptions of dissatisfaction.

Active Disengagement

The concept of active disengagement is one that has not been defined in the academic literature, and given the scope of our model, our initial research survey attempted to uncover evidence of cognitive, emotional, and behavioral elements of active disengagement, as well as evidence of negative in- and negative extra-role behaviors that might provide additional consideration for the presence of a state of active disengagement. Notable responses that reflected negative in-role performance included: "wasted time in one way or another;" "ignore mistakes I made in my work;" and "worked at a slower pace." Each of these responses reflects a performance context that is not in-role under existing models even though they actually did perform the task (Katz & Kahn, 1978). For example, an individual might be performing within the boundaries of an in-role task, but because of perception of dissatisfaction, the individual might extend deadlines or delay completion of a particular task, thus causing the task to ultimately result in a negative consequence for the organization. Additional evidence of the existence of negative in-role behaviors included: "would procrastinate in my work;" "would be lazy and less productive;" and "made no initiative to do more than my required duties."

A few examples of negative extra-role behaviors included: "pretended like I was working and doing what I was supposed to by bringing up different (web) pages;" "stayed away from my boss and covered my carelessness;" and "avoided seeing my manager/supervisor as much as possible." In this case, these behaviors became examples of negative extra-role behaviors in that individuals made an effort to conceal behaviors resulting from a sense of dissatisfaction. In this instance, example of anti-organizational behaviors included: "wasted time when I was running errands;" "work on personal interest/matters;" and "come late and leave early because I didn't want to be there." Additional anti-organizational behaviors were also noted, such as: "would not try to sell the customer the added products;" "looked for another job;" and "miss-prioritized work." All of these anti-organizational behaviors have the particular potential of losing money for the company.

<div align="center">

CONCLUSION

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Our current investigation began with the idea that existing scholarly research and models have failed to adequately capture the full spectrum and complexity of the continuum of behaviors that range from active engagement to active disengagement. At this stage in our research, we feel that we have been able to demonstrate that disengagement, while certainly including characteristics of withdrawal and defensiveness, is really a concept that can be divided into two concepts of varying intensity—namely disengagement and active disengagement. As reported,

we saw that disengaged employees showed both outward and inward signs of dissatisfaction, but that they did not necessarily act on this dissatisfaction in a way that was detrimental to the employer. However, once an employee acted upon his or her dissatisfaction (and thus demonstrated acts of anti-organizational behavior or even deviant behaviors), we were able to show that these individuals adopted signs of an even higher level of disengagement—active disengagement.

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EVALUATION OF HOUSING OPTION VALUE USING ZONING CHARACTERISTICS.

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ABSTRACT

The research explores the subject of zoning effect on price value of a house in a certain designated zone. Zoning is defined as a land under planned use. This results in price value of the land. As the area of the land decreases an increase in price occurs. This research does not specify the magnitude of a certain unit by which a housing price will increase or decrease but it estimates the housing option value. This research helps the policy makers to improve long term policy decisions. This research will showcase zoning effects on housing option value for the specific zones in the city of Normal. The observations are taken for different parcels of total neighborhoods in the city of Normal. This research will use hedonic model for conducting a regression analysis on the subject. The hypothesis taken into consideration before starting the research is to prove that more 50 percent variation in the housing price is affected by the zoning characteristics. This research will try to prove the hypothesis by comparing the assessed values with the predicted values from the model.

KEYWORDS

INTRODUCTION

Housing price depends upon multiple variables. These variables contain both zoning as well as physical variables and other factors.

Zoning variable are defined as

R1 A: Single family residence district.

R1 B: Single family residence district with multifamily dwellings.

R2 : Mixed residence district.

S2 : Public land and institutional districts.

Physical Variables are defined as

log(lotsqfeet), log(lotdimb), log(lotdima), lot(totbldgft), lot(bathrooms), Age, Age^2, Condition, Tax Rate

Zoning differentiates land as per its use. Different zoning areas have different conditions. Somebody planning to do alteration has to take permissions doing these alterations. Thus, zoning affects the value of prices. Zoning is done by Governments and in USA it is done by federal

agency. Zoning restricts the use of land in random way. E.g. the land available for building single family houses was 150 lots per parcel, after enacting zoning the land available would be 110 lots per parcel. This results in rise of prices in a certain zones. The change in property value due to zoning is known as option value. Zoning thus helps to use a certain value of land for its designated use. This research will use hedonic model to analyze how zoning will affect the housing value. The research will develop two models for developed and underdeveloped areas. The logarithmic value of house will be calculated using multiple variables. The most important part of the research would be the usage of different zone and different neighborhood areas of the city of Normal. The relationship between different types of zones and its effects on the price of the house has been studied often because of the increasing urban planning by many researches. In this research value has been considered as dependant variable. The zoning effect will result in change in option value/ price of the house. The research has been constricted to the zoning patterns of the city of Normal. The primary purpose of zoning is to segregate land as per the design usage. Different zones are created for urban planning. Local governments are responsible for zoning. In the city of Normal zoning is used in the criterion of R1 A, R1 B, R2 and S2 which are most probably zone as the city constitutes of residential area. This zoning is done by Normal township assessor. Also the price valuation of houses differs as per different location. The locations near the basic amenities are prone to higher prices as compared to the areas with fewer amenities.

LITERATURE REVIEW

Lawrence Lai Wai Chang (1994) defined zoning with respect to city of Liverpool, UK in his thesis "The economics of land use zoning". In his thesis, zoning was described both advantageous and disadvantageous. Disadvantages were found to be failure to increase the efficiency for a proportion of land to its use. In spite of the back drop, zoning has proved to its practicality in USA as land availability is greater as compared to that of UK. This proves that zoning is effective way of urban planning over a greater stretch of land. Glasear and Gyaurko estimated changes in housing price resulting in housing affordability which results due to zoning impact. They have argued in their research that housing prices differ in different area as per zoning pattern. The pattern change occurs for different region of different states. Due to this housing price in California is greater as compared to other states.

Zoning in USA is of 4 types:

Euclidian, Performance, Incentive, Design Based

1. Euclidean:

It is used mostly in small towns and large cities. Segregation of land is done on specified geographic district and dimensional standards stipulating limitations on development activity within each type of district.

2. Performance:

It is performance based or goal oriented criteria to establish review parameters for proposed development projects. This type of zoning is intended to provide flexibility, rationality, transparency and accountability avoiding arbitrariness of the Euclidian approach and better

accommodating market principles and private property rights with environmental protection.
  3. Incentive:
Implemented first in New York and Chicago, it is intended to provide a reward based system
to encourage development that meets established urban development goals. Incentive zoning
allows developers more density in exchange for community improvements. An increase in
density encourages high density development supportive of compact development. In
exchange, the developer would be encouraged to include some community improvements in
their projects. Community improvements may include additional open space, affordable
housing, special building features, or public art.
  4. Design based (Form based):
A form-based code (FBC) is a means of regulating development to achieve a specific urban
form. Form-based codes create a predictable public realm by controlling physical form
primarily, with a lesser focus on land use, through city or county regulations. Form-based
codes are a new response to the modern challenges of urban sprawl, deterioration of
historic neighborhoods, and neglect of pedestrian safety in new development. Tradition has
declined as a guide to development patterns, and the widespread adoption by cities of single-
use zoning regulations has discouraged compact, walkable urbanism. Form-based codes are a
tool to address these deficiencies, and to provide local governments the regulatory means to
achieve development objectives with greater certainty.

HEDONIC MODEL

In a hedonic regression, the economist attempts to consistently estimate the relationship
between prices and product attributes in a differentiated product market. The regression
coefficients are commonly referred to as implicit (or hedonic) prices, which can be interpreted as
the effect on the market price of increasing a particular product attribute while holding the other
attributes fixed. Given utility-maximizing behavior, the consumer's marginal willingness to pay
for a small change in a particular attribute can be inferred directly from an estimate of its implicit
price; moreover, these implicit prices can be used to recover marginal willingness to pay
functions for use in valuing larger changes in attributes (Rosen,1974).
   Hedonic regressions suffer from a number of well-known problems. Foremost among
them, the economist is unlikely to directly observe all product characteristics that are relevant to
consumers, and these omitted variables may lead to biased estimates of the implicit prices of the
observed attributes. For example, in a house-price hedonic regression, the economist may
observe the house's square-footage, lot size, and even the average education level in the
neighborhood. However, many product attributes such as curb appeal, the quality of the
landscaping and the crime rate may be unobserved by the econometrician. If these omitted
attributes are correlated with the observed attributes, ordinary least squares estimates of the
implicit prices will be biased.

THE WORKING MODEL

To evaluate the effect of zoning on residential property value, one must consider the effects of many different variables. Location characteristics are relevant in analyzing housing prices. Proximity to employment, recreation, roads, shopping centers, and many other agglomerations should increase the price of residential property as long as they do not produce negative externalities, in which case they should lower the value of the property. Public policy constraints and subsidies that include all types of land-use regulation and taxes will affect the value of one's property by increasing or decreasing the incentive to own it. One must also consider the influence of public good provision and the presence of amenities. They create desirability differences between pieces of property, thus creating differences in market value. The model that will be developed is applied to the city of Normal. Analysis will be conducted on a cross-sectional basis. The research considers a single model to study zoning with respect to developed residential property. For the model, the dependent variable is the natural log of total property value. Definitions for all variables are mentioned below

The residential property model is:

Log(Value) = f(R1 A, R1B, R2, S2, log(lotsqfeet), log(lotdimb), log(lotdima), lot(totbldgft), lot(bathrooms), Age, Age^2, Condition, Tax Rate)

All zoning variables (R1 A, R1B, R2, and S2) are expected to change the value of residential property relative to leaving it unzoned. An increase in either land area or building area should increase the value of residential property, but the effect will decrease as either variable grows larger. The same effect is expected for an increase in the number of bathrooms. Age is a special variable. As a building's age increases, the value of the property is expected to decrease to a certain point, after which age becomes a valued amenity to prospective buyers. Hence, a quadratic form of the age variable was used to simulate its effects on residential property value. An increase in tax rate should decrease the value of the property since a higher tax burden will be capitalized into a lower price of housing (i.e., potential buyers would be willing to pay less in the face of higher taxes, all else equal). An increase in distance should also decrease the value of residential property due to relatively greater demand for property nearer to the central city, all else equal.

DATA

Official data used by the Normal County Assessor's Office is obtained. The data set includes the entire population of residential and business property in Normal. Only residential property (Class II) is used in the analysis and any observation with missing data was eliminated. For the first model, the sample includes only those residential properties with a building (developed). For the model, the sample includes only those residential properties with a building (developed).

The data for the zoning variables was obtained from Ms. Mercy Davison, Town Planner, Department of Zoning, Town of Normal office (www.normal.org). The data consisted of 16 different zones which included the category of residential zones, mixed business and residential zones, business zones and special purpose zones. Out of these total zones 4 were selected as per their appropriate relevance to the model. Model designed only being for residential property value only requires the zones relevant to the residential property. The total data collected for the zoning characteristics was 12507 out of 12475 have been used for the model. The zone for particular house pin (property identification number) has been indicated by the numeric one while as for other zoned house it is indicated 0. In all these 4 zones constitute major residential property for the city of Normal. The non residential zones have been neglected to avoid numerous random error evolving out the model. The zoning pattern thus used indicates the nature of zone and its elasticity with respect to the housing price. Certain zones act in a positive manner giving rise to increase in price for accumulated residential property. Thus zoning has been found to have tremendous impact on the value of the house.

The data for the physical variable was obtained from Mr. Robert Cranston, Township assessor, Normal township office (www.normaltownship.org). The data consisted of 126 different variables out of which 9 variables were chosen for their appropriate relevancy with the model. These 9 variables have direct relationship with dependent variable price of the house. These variables either have a positive or negative linear relationship with the dependent variable where upon their t value indicates their nature. A data of 12507 was collected out of which 12475 was used for the model. The physical variable of tax rate, age and condition are subjected to change with time or sale of the house. Thus these physical variables have a tremendous impact on the value of the house.

RESULTS

Table 2 shows the regression results for the model on developed residential properties. All co efficient are significant at 10% significance level with the exception of total building feet and number of bathrooms which are not significant at 10% significance level. The R square is 0.89.

The R Square being the coefficient of determinant indicates that the 89 percent variation in the log(U1tfcash) which is the dependent variable (assessed house price) can be explained by the variation in the independent variables which are R1 A, R1 B, R2, S2, lotdima, lotdimb, lotsqfeet, Age, Age^2, totbldgft, bathrooms, condition and taxrate. The changes taking place in the value of this independent variable will have a direct impact with 89 percent variation taking place in the dependent variable. A slight variation by one percent in any one this variable will cause 89 percent variation in the dependent variable. The house price variation is therefore a direct result of the variations its constituent variable factor.

Since total building feet and number of bathroom change as per need their statistical insignificance is not surprising. R1 A zoning with the parameter estimate of 0.55 has a greater impact on housing value than other zoning types. Also being second highly used with a density of 4192 the zone of R1 A is can affect the housing in greater manner compared to other zones. A

55 percent increase in value occurs when a residential property is zoned R1 A. R1 B has the second highest effect on housing price with a parameter estimate of 0.46. 46 percent increase in total value occurs when developed property is zoned R1 B. R1 B being the highly used zone with a density of 5219 has a parameter estimate of 0.46. Being the most highly used and the most popular for single family residence district it has an impact of 46 percent increase on the housing price in the residential zone. R1 B is then followed by R2 with 0.39 parameter estimate which indicates 39 percent increase in housing price when a developed property is zoned R2. R2 being a mixed resident district is third highly used zone with a density of 628. It has a weak negative relationship with the housing value where if a house is zoned in R2 there will be a decrease in price. S2 is the least impact full zone being a public land and institution district it has a negative effect on housing value. Also lot depth, number of bathrooms and age has a negative parameter estimate indicating negative effect on the value. Increase in lot depth will result in 14 percent decrease in the value of the house and increase in number of bathrooms will result in 0.3 percent decrease in the value of the house. Age is inversely proportional to housing price as the house becomes older its value falls by 0.2 percent.

Multivariate correlation matrix 1 for the independent variables of zoning indicate that the zone of R1 A and the zone R1 B are highly correlated with -0.45 as the value. A certain change in current norms of either in one of these zones will result in changing the estimates of the effects. The high collinearity showcases that R1 A tends to explain most of variance in the dependent leaving little variances to be explained by R1 B. Multivariate correlation matrix 2 for independent non physical variable indicates high correlation between condition and age with -0.34 as the value. As age and condition both reduce value of a house with time. It is of no surprise that their correlation is very high. Multivariate correlation matrix 3 for the independent physical variable indicates high correlation between lot square footage and lot width with 0.87 as the value. A increase or decrease in any of the variable of this two can result in changing the estimates of the effects.

CONCLUSION

According to the results and following from the hypothesis, zoning does affect residential property value. R1 A zoning, which is more restrictive than other types of zoning, tends to have the largest effect on residential property value. All significant zoning options affect the value of residential property positively raising their value except for S2. The effect of zoning on the value of residential property can be explained on the demand side by restriction of demand to a certain use, which could decrease the value. Zoning may be seen by residents as a protection of their rights while it decreases options for developers. On the supply side, zoning restricts the supply of residential property according to categories of use, which could raise value. Much consideration needs to be taken into account when public entities zone residential property; the effects could be helpful or disastrous in this research the zone of S2 has proven to be disastrous. In future studies, one needs to account more for the subjectivity of the assessed value of the properties. Each assessor gives his or her professional opinion on the value of the property, but it is only an opinion; a buyer may value the property more or less than the assessor. Moreover, since this study focuses only on property in the city of Normal, Illinois it may not be applicable to some

other areas of the world that are significantly different in their economic characteristics. For example, city of Normal is economically very different from Mumbai, Chicago, Melbourne, Moscow. Moreover, better measures need to be developed to accurately separate the effects of the differentiation of provision of public services within and outside a municipality. This research was conducted to help better know the effects of zoning when combined with other physical variables which would help future researchers to develop much better model for more simplified assessment.

TABLE 1. DEFINITION OF VARIABLES

Dependent Variable:

Log(U1tfcash)   The total dollar value of the property (building and land) as assessed
                     by Normal township assessor.

Independent Variable:
  Zoning Variables:
R1A   Equals 1 if zoned R1a, equals 0 otherwise. Primarily a single-family
                     property in older areas with lots which do not meet the R1 standards.
  R1 B   Equals 1 if zoned R1 B, equals 0 otherwise. Primarily a single-family
                     and two-family residence district. Multi-family dwellings are
                     permitted as conditional uses, and requirements for minimum lot size,
                     ground floor area of structures and maximum height of buildings are
                     somewhat less stringent than the requirements of the R1A zone.
  R2   Equals 1 if zoned R2, equals 0 otherwise. Permits all types of
                     residential use, Including those parts of the city which are most
                     densely built-up and contain a number of two- and multi-family
                     dwellings. The minimum lot size requirements for dwellings in this
                     district are lower to permit greater population densities close to the
                     business and industrial areas.
  S2   Equals 1 if zoned S2, equals 0 otherwise. Permits only for public land
                     and institutional district.
  Physical Variables:
Age   The age of any building included in the property.
Age^2   Square of the age.
Log(lotsqfeet)   Lot square footage measured in square feet.
Log(lotdimb)   Lot Depth measured in feet.
Log(lotdima)   Lot width/ Frontage measured in feet.
Log(totbldgft)   Total Building square feet.
Log(bathrooms)   Total number of bathrooms.
Condition   Equals 1 if rated as good condition (40% or higher), equals 0 if rated bad.
Tax Rate   The tax levy rate for the property (as a percentage of value).

Table 2. Parameter Estimates for developed Residential Property.			
Variable	Parameter Estimate	Standard Error	t- Value
R1 A	0.5592927	0.042187	13.26*
R1 B	0.4670651	0.03866	12.08*
R 2	0.3999119	0.041335	9.67*
S2	-10.68838	0.211277	-50.59*
Log(lotsqfeet)	0.1535171	0.044835	3.42*
Log(lotdimb)	-0.148944	0.062722	-2.37*
Log(lotdima)	0.2205652	0.043684	5.05*
Log(totbldgft)	0.0385547	0.035657	1.08
Log(bathrooms)	-0.00315	0.032486	-0.10
Age	-0.002379	0.000794	-3.00*
Age^2	1.25516	3.909098	3.21*
condition	0.1402772	0.046006	3.05*
taxrate	0.2144761	0.088847	2.41*
F- Value 402.3826 R- Square 0.8952 Adjusted R- Square 0.8930			
* Significant at ten percent level.			

Table 3. Multivariate Correlation Matrix.

Multivariate Correlation Matrix 1

	Log(u1tfcash)	R1 A	R1 B	R 2	S2
Log(u1tfcash)	1.0000	0.2002	0.1257	-0.0394	-0.4685
R1 A	0.2002	1.0000	-0.4512	-0.2225	-0.0496
R1 B	0.1257	-0.4512	1.0000	-0.2466	-0.0549
R 2	-0.0394	-0.2225	-0.2466	1.0000	-0.0271
S2	-0.4685	-0.0496	-0.0549	-0.0271	1.0000

Multivariate Correlation Matrix 2

	Log(u1tfcash)	taxrate	condition 2	Age	Age^2
Log(u1tfcash)	1.0000	0.0387	0.1825	-0.0714	-0.0694
taxrate	0.0387	1.0000	0.0964	-0.2808	-0.2700
condition 2	0.1825	0.0964	1.0000	-0.3422	-0.3257
Age	-0.0714	-0.2808	-0.3422	1.0000	0.9986
Age^2	-0.0694	-0.2700	-0.3257	0.9986	1.0000

Multivariate Correlation Matrix 3

	Log(u1tfcash)	Log(lotdima)	Log(lotdimb)	Log(lotsqfeet)	Log(totbldgft)
Log(u1tfcash)	1.0000	0.2950	0.0093	0.3477	0.0480
Log(lotdima)	0.2950	1.0000	0.3958	0.8706	0.0210
Log(lotdimb)	0.0093	0.3958	1.0000	0.7113	0.0631
Log(lotsqfeet)	0.3477	0.8706	0.7113	1.0000	0.0380
Log(totbldgft)	0.0480	0.0210	0.0631	0.0380	1.0000

Table 4. Descriptive Statistics for all Variables.				
Variable	Mean	Highest Value	Lowest Value	Value was yes
lotdima	68.05	2384	20	NA
lotdimb	120.48	2032.5	77	NA
lotsqfeet	6063	250000	666	NA
Age	-	-	-	NA
Age^2	-	-	-	NA
Totbldgft	2196.45	256609	645	NA
Bathrooms	3.57	336	1	NA
condition				NA
Taxrate	7.67	7.69	6.29	NA
R1 A	-	-	-	4192
R1 B	-	-	-	5219
R 2	-	-	-	628
S2	-	-	-	19

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