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INFORMATION SHARING, CONTRACT FORM AND EMPLOYABILITY STATUS: EXPLANATIONS FOR INFORMATIONAL ASYMMETRIES BETWEEN HEADHUNTER AND CANDIDATE

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ABSTRACT

The relationship Candidates and Headhunters in the executive search process traditionally has been studied using coordination or career development theories as frameworks. Complementing previous work, we use Agency Theory in this paper to examine this relationship from the candidates' perspective. Building upon Agency's assumptions, we reviewed the information asymmetries perceived by candidates depending on their employment status, the type of relationship developed with the headhunter considering the dimensions commonly used in the Psychological Contract literature, and the Candidate's efforts expended during the process of looking for a job. These process-oriented variables are used to explain the outcomes achieved by the candidates. Results from 202 candidates who engaged in recruitment processes using headhunters support some of our hypotheses.

INTRODUCTION

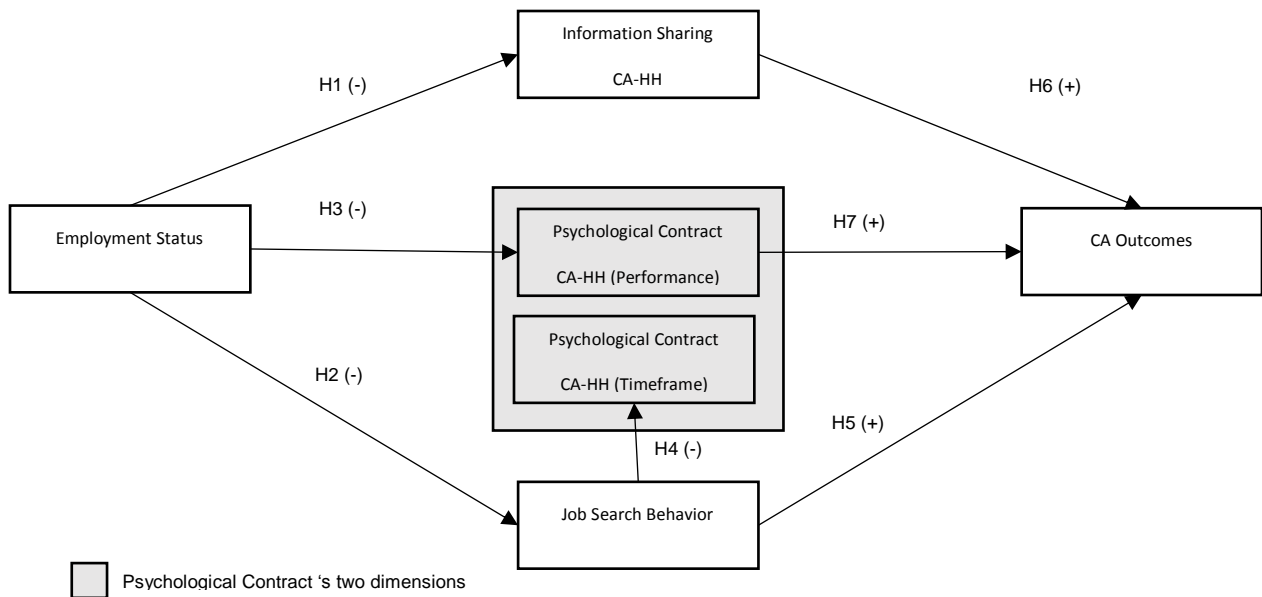
Executive recruiters (also known as Headhunters or Executives Search firms) are intermediaries hired by Client Firms to perform search, selection and placement (Beaverstock, Faulconbridge, & Hall, 2012) of upper-echelon positions in organizations. The relationship between such Executive Recruiters and Candidates to the positions has been researched considering "common goals" (Britton, Wright, & Ball, 2000) a central factor to achieve positive outcomes. Headhunters are intermediaries between buyers (Organizations) and sellers (Candidates) of talent. Authors like Sengupta (2004) recognize that executive recruiters are able to assess candidates "reasonably well" but are unable to match their clients and jobs needs. As Sengupta (2004) acknowledged, because an executive search is an externalization of a recruitment process (a third party is used), information asymmetries are usually present. They can be defined as the differences in information between two parties regarding qualities or attributes in a product or service. Existence of these differences may change the behavior and decision of the parties involved (Akerlof, 1970).

This paper focuses on the question presented by Sengupta (2004) about why executive recruiters are able to identify good candidates, but client firms are often less than satisfied. We postulate that this relationship has been studied using theoretical frameworks that do not necessarily take into account information asymmetries and the transient nature of the psychological contract between the parties, in particular the candidates' perspective. We believe that an important moderator is the candidate's employment status (employed or not), which strongly influences his or her efforts in looking for employment. These constraints may be related to the information asymmetries during the process; to how the relationship will be framed in the short and medium terms, and to the outcomes of these interactions. This relationship is similar to the Psychological Contract (PC;

(Rousseau, 1989), used within the organizational context. We argue that the same concept can be used in this extra-organizational context.

In our model, depicted in Figure 1, employment status relates to the quantity of information shared, the type of PC between headhunter and candidate, and the search efforts performed by the candidate. The last three in turn are related to the outcome.

FIGURE 1 CONCEPTUAL



LITERATURE REVIEW

Agency theory has been defined as the “relationship [that] has arisen between two (or more) parties when one, designated as the agent, acts for, on behalf of, or as a representative for the other, designated as the principal, in a particular domain of decision problems” (Ross, 1973). It may seem as if a principal-agency relationship occurs when an organization (Principal) hires a headhunter (Agent) to find a candidate for a particular position. However, this relation involves a third party (the Candidate) who will have, at some point, another Principal role in the relationship. At this point, the intermediary becomes a dual agent. This has been defined as the situation when an agent has two sets of control or Principals (Child & Rodrigues, 2003), a situation that compromises the level of loyalty to each of them. The link between Agency Theory and the PC is based on the contractual form used in the organizational assumptions behind AT. The PC can be defined as “The perceptions of both parties to the employment relationship, organization and individual, of the obligations implied in the relationship. Psychological contracting is the process whereby these perceptions are arrived at” (Herriot & Pemberton, 1995). There is not a written or legal contract between these parties because the ties that bind the relationship are based on trust and reciprocity. Thus, as more time passes or positive interactions occur, this implicit contract becomes stronger.

Other elements considered in our research include the candidates' willingness to change; in other words, how likely it is that a candidate will engage in a search process with a headhunter and consider a job offer from the client. In the case of executive search processes, headhunters tend to give priority to employed candidates (Hamori, 2010). However, there are documented cases that some candidates may be unemployed or even retired before they engage in a new position (Sonnenfeld & Ward, 2008). It may be argued that candidates that are employed may be risk averse to engage with the headhunter, because their potential losses may be higher. For instance, engaging with a headhunter might send negative signals to his or her actual employer; the latter may question the level of loyalty and commitment. Therefore, employment status is an antecedent variable in the model.

The conditions mentioned above, and the candidates' bounded rationality also relate to the information shared among the parties, which generates asymmetries. The process of information exchange and disclosure reduces such asymmetries during the executive recruitment process, clarifying gradually to both parties until they reach equilibrium. However, based upon their employment status, some individuals will be willing to provide more information. Our first hypothesis then is:

Hypothesis 1: Employment status is negatively related to information sharing between the candidate and the headhunter.

Capelli (2001) has considered two main candidate groups: Active and Passive. These classifications relate to the Job Search Behavior (JSB) or the effort-intensity, content-direction and temporal-persistence with which people search for a job (Van Hove, 2013). For instance, candidates who are unemployed will expend more effort in their job searches. In the contrary, employed candidates will generally be less cooperative when engaged by a Headhunter.

Hypothesis 2: Employment status is negatively related to job search behavior exhibited by the candidate.

As mentioned above, a relationship between headhunter and candidate will be regulated by a form of PC in its two elements. These elements are performance and term or time (Rousseau, 1995). Performance relates to the perception of duties and responsibility's specificity among the parties (candidate and headhunter) to achieve a goal. Thus, depending upon the candidate's employment status and risk aversion, there may be differences in the performance dimension of the PC.

Hypothesis 3: Employment status is negatively related to PC dimensions between the candidate and the headhunter, especially regarding the performance dimension.

The PC timeframe of the relationship may be limited in time (short term), and open (long term). Previous research done by Kanfer, Wanberg, & Kantrowitz (2001) shows that job search behaviors (JSB) are related to a shorter unemployment term. For instance, candidates depending on their efforts will expect short-term outcomes from this relationship. We suggest a candidate with high JSB understands that his or her efforts will affect the timeframe in which an outcome will materialize, compared to another candidate with less intensity in JSB.

Hypothesis 4: JSB are negatively related to the PC duration between candidate and headhunter.

Based on the literature review, we identified a group of potential outcomes recognized by the candidates. Outcomes in recruitment have been researched previously (Chapman, Uggerslev, Carroll, Piasentin, & Jones, 2005). These outcomes are what the parties expect to reach based on their behavior during the process. Consequently, the JSB is related to the outcomes expected.

Hypothesis 5: JSB is positively related to the outcomes obtained by the candidate.

As this is a relationship with outcomes based on a contingency (the Client firm's decision), higher levels of information about the candidates are highly valuable for the Client. They provide signals to potential employers (Spence, 1973). On the other hand, the information received by the candidate about the client firm and the position also provide a job preview for the former.

Hypothesis 6: Information sharing between the candidate and the headhunter is positively related to the outcomes obtained by the candidate.

As mentioned in the PC performance dimension, this relationship between candidate and headhunter with well-defined responsibilities and expectations tend to have less information asymmetries. Consequently, we expect better outcomes for the candidate.

Hypothesis 7: Psychological contracts with defined responsibilities and expectations perceived by the candidate with the headhunter are positively related to the outcomes obtained by the candidate.

METHODS

Data was collected from a survey sent to a former headhunter's contacts database (1777 contacts) hosted on a professional-social network (Klehe & de Goede, 2012). The selection of this sample is aligned to the characteristics of Targeted Sampling (Watters & Biernacki, 1989). Using this type of sampling is possible to reach hidden populations. There were 357 respondents for the survey, and 265 indicated that have been contacted by headhunters. However, only 202 completed the whole survey. The measurements used included *Employment status* (employed or not; (Hamori, 2010; Sonnenfeld & Ward, 2008), *Information sharing*, an adaptation of the 7 items considered previously used by Britton, Wright, & Ball (2000), *Psychological contract*, adapting 4 items used by Wade-Benzoni, Rousseau, & Li (2006) to identify the type of psychological contract perceived by the candidate. For *JSB* we adopted the scale developed by Saks, Zikic, & Koen (2015), 10 items related to JSSE-B. Finally, for the outcomes, we used the scale developed by Saks, Zikic, & Koen (2015); 10 items related to JSSE-O. We adapted this scale to this context, including some other items (outcomes) perceived by the candidates mentioned on previous research and practitioner's publications (Finlay & Coverdill, 2002; Garrison, 2005; Jones, 1989; Luci, 2012).

RESULTS

The results of this model test produced a Yuan-Bentler goodness of fit chi-square test $T2 = 213.56573$ and $p T2 = 0.06046131$ (Yuan & Bentler, 1997) $df = 183$. We decided to use this indicator due the sample size ($N \leq 250$; (Bentler & Yuan, 1999) and to the estimations using generalized structural equation modeling (GSEM). Structural equation modeling affords the ability

to simultaneously estimate multiple interrelationships and regressions, as well as estimating latent factors. As the response variables are non-continuous, ordinal and binomial, GSEM is utilized over SEM as the latter is more appropriate for continuous data (Mehta & Neale, 2005; Skrondal & Rabe-Hesketh, 2004).

Hypotheses 1, 2, 3, and 6 did not receive statistical support. The claims that the individuals may be (H1) less collaborative in relation to the information shared with the headhunter, (H2) less inclined to exercise high efforts in looking for jobs (JSB) and (H3) less interested in developing relationship with defined or specified performance goals with the headhunter, are not supported. Neither did the relation with the outcomes (H6).

Hypothesis 4, relating high JSB and PC with low temporality perception, the inference received statistical support. There is a statistically significant coefficient ($\beta = 0.18$, $p < .01$) between these efforts and the temporal timeframe. In other words, individuals with high level of JSB develop short-term contracts.

Hypothesis 5 is accepted for all four outcomes. Thus, individuals with a high job search behavior tend to be more likely to: receive a job offer from a headhunter's client or be shortlisted ($\beta = 0.95$, $p < .01$), been considered for another search with the same headhunter ($\beta = 2.35$, $p < .05$), received another job offer from another client of the headhunter ($\beta = 4.8$, $p < .05$), hired the same headhunter to do a search for their employer ($\beta = 1.45$, $p < .05$). Therefore, hypothesis 5 is fully supported. Hypothesis 7 received only partial support. The outcome that reached statistical significance is the one linked to receiving a job offer from a headhunter's client or be shortlisted ($\beta = 0.98$, $p < .01$). Having a perception of a relationship based on performance specificity between the candidate and the headhunter just relays to the main search process, not to some other outcomes.

DISCUSSION AND CONCLUSION

Our survey analysis explains that those candidates that have high Job Search Behavior are active candidates (looking for a job), and therefore, are sending the right signals to potential recruiters and employers. Consequently, those individuals are more likely to receive job offers from employers. This finding is aligned with those presented by Saks, Zikic and Koen (2014). These individuals, considered active tend to take higher levels of risk in their efforts to find new job opportunities, regardless their employment status (employed or not) as the literature reviewed. Therefore, it is more consistent and rational that headhunters look for individuals who are actively seeking employment. Unfortunately for the headhunters, the fact a candidate may be employed or not is more related to the client's perception of the ideal candidate. This is somehow what is been argued about the filters set by the Human-Resource Unit or the Hiring Authority (Baldo, 2014). It seems that the contractual form presented between the candidate, and the headhunter is more aligned to the specificity of expectations, performance and short-term. The candidates who perceive clarity on what was expected from each of them during the engagement processes, tend to achieve higher outcomes. This specificity on performance can be the way that both parties use to control and close the potential gaps between their partial goals and risk preferences. This finds is aligned to the attraction developed by applicants when they perceive a positive behavior by the recruiter (Uggerslev, Fassina, & Kraichy, 2012) that are not accounted in the construct but may also be important. Ultimately, this contract form based on defined expectations, performance and

short timeframes, present fewer information asymmetries. Headhunters, may try to develop relationships with candidates characterized on the transactional psychological contract (Rousseau, 1989) (Short term and with a defined performance expectations). On the other side, contrary to what the theory review indicated, the employment status is not significant in this perception. We may argue that there could be some other factors like perceived motives, contact frequency and similarities (Wade-Benzoni, Rousseau, & Li, 2006) that are not accounted in the construct but may also be important.

The outcomes related to the relationship candidate-headhunter differ somehow by those pointed by Saks, Zikic and Koen (2014). The possibility of “piggy bag” or be hauling by the headhunter to another outcome is an interesting development in this research. This investigation considered those potential outcomes. Regardless that the statistical significance of those drops as we escalated on those other present outcomes, the reality is that candidates are in many cases considered for further searches with the same headhunter. In this point we see clear connection between Agency Theory and the context. Seems like the Job Search Behavior is connected to the self-interest assumption, thus is more valued in the long-term for the headhunter, being this a lasting element in the future relationship.

An interesting judgement derivable from this research is related to the information sharing. Not having statistical significance from the Employment Status and towards the outcomes is somehow confusing. However, we pose to see this as a situation related to the same confidentiality in the industry. For instance, candidates who engaged with headhunters may know more or less what information will be expected from them, and likewise, what they will receive from the headhunter. Considering the previous findings, we are inclined to think this research produces evidence testing how some of the Agency Theory human assumptions are present on the candidate-headhunter dyad. These results, along with all the preceding theoretical-contextual review, we posit that Agency Theory provides a better understanding to this relationship. Not only for those elements that we have tested here, but there are still many more agency parallelisms with the triad that may be tested.

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RACIAL/ETHNIC SELF-IDENTIFICATION AND THE BRAVE NEW WORLD OF TRANSRACIAL DISCRIMINATION

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ABSTRACT

With the passage of time, federal equal employment opportunity (EEO) laws have become increasingly more inclusive of the classes of employees/applicants who are protected under their collective **aegis**. In recent history, more emphasis has been placed on multiculturalism, inclusion and the politics of identity (Kivisto, 2015; Mundy, 2015; Parks & Askins, 2015). The result is that government policy makers are becoming seemingly reluctant to deny employment protection to any identity group claiming the right to such protection. This article proposes that the next likely candidate for a federally protected class status will be transracial identity. That is, individuals who are genetically not members of the ethnic or racial group with which they identify, but nonetheless claim affinity with the group.

Address of this issue, the authors develop an argument that this proposal may not be unrealistic given the analogy with the, in a strictly legal sense, concept of transgender identity. Despite denials of this analogy in some academic sectors, the authors believe the two concepts share some fundamentally striking isomorphic similarities. Two of the major contextual factors which currently exist and could make this possible are: (1) the Equal Employment Opportunity Commission (EEOC) has promulgated regulations which already encourage employee/applicant race/ethnicity self-identification (U.S. EEOC, 2005), and (2) acceptance of transgender workplace protections by some federal agencies indicates a willingness to accept self-identification as sufficient to be treated as a member of the class to which the individual wishes to belong (*Macy v. Dep't of Justice*, 2012; *Lusardi v. Dep't of the Army*, 2015).

The authors point out that self-identification may engender a contradiction between genetic reality of identity (biologic sex, race, ethnicity, e.g.) and socially constructed reality (professed sex, race, ethnicity, e.g.). At this juncture it should be noted that some sources may contend that race and ethnicity are socially constructed (Warnke, 2008; Morning, 2014), but such an argument is well beyond the scope of this article. We make no assertion, one way or the other, as to the veracity of transracial identity (in the context of this article) as being a social construction of reality. The authors instead focus their attention on scrutinizing the possibility of transracial identity receiving future legal recognition, and the potential disruptive effect that such recognition could pose for human resource management practices.

The authors restrict their examination the potential impact that regulatory recognition of transracial identity might have on HR practices such as affirmative action programs and the initiation of *actionable* Title VII complaints.

THE SEMANTICS OF TRANSRACIAL IDENTITY

Like many ambiguous terms used in current speech, *transracial identity*, did not always have the connotation by which it is used in this article. This introduces the issue of semantics, more accurately semantic change, and the effect that time has on changing the meanings of certain words. Take for example the word *gay*. At one time it was a word which meant lighthearted, joyful or happy (Webster's Dictionary, 1945). By 1955 it was used as a euphemism to mean a homosexual person (Wileblood, 1955), and eventually, by the 1960s and 1970s, gained general currency as a socially accepted descriptive term for such a person (Teal, 1995).

The term, *transracial*, as an adjective can broadly mean, "involving or between two or more racial groups." For example, *transracial* adoptions. It may also, denote or relate to a person whose racial identity does not correspond to the visible markers of that person's racial group by birth. It may also note or relate to a person of mixed racial heritage who alters his or her presentation of self, as in appearance, speech, or affiliation, to embrace or promote a particular racial identity.

Again, the authors realize that in psychological and sociological circles there is much academic debate as whether transgenderism is a result of biological factors, including hormones or genes, or due to social/environmental factors such as societal gender roles. These arguments are well beyond the scope of this article and our expertise. Suffice it to say that these arguments are important in our examination only to the point where they are adopted by regulatory or judicial entities and result in compliance obligations. Again, transgenderism is only being used to demonstrate how such concepts can eventually result in regulatory protection in the workplace. In an attempt to avoid future confusion, the authors will use the term biological *sex* to refer to the individual's physical assigned sex at birth.

Transgender, as a word, became part of the general lexicon only in very recent times. It is an outgrowth of the differentiation between concepts of sex and gender which occurred in sociological circles in the 1960s. Under this model, sex refers to a biological or genetic phenomenon, while gender refers to the social and psychological comment of one's sexuality. Gender thus treated as a social construction. This view was later expanded to refer to "attitudes, feelings, and behaviors that a given culture associates with a person's biological sex" (American Psychological Association, 2012). This eventually evolved into gender identity which is one's sense of being male, female or transgender.

Additionally, the term *transracial identity* is one of those words which is currently undergoing a metamorphosis and evolving from one meaning into a completely different one. Originally the word, *transracial*, specifically applied to individuals who had crossed racial boundaries, usually as the offspring of interracial marriages (McRoy & Freeman, 1986). Later, the term was applied to mean interracial arrangements in which children of one race were adopted by foster parents of another (Schetky, 2006). In very recent times, the term has come to mean a qualifier for a person who is born of one race, makes the decision to become or represent themselves as another race (Rothe, 2016). This last change in the meaning of the term started to escalate in the public domain when, in June 2015, Rachael Dolezal, President of the Spokane, Washington NAACP chapter was outed as being white after she had previously claimed to be of African-American ancestry. Her explanation was that she was *transracial* (Brubaker, 2016). In essence, she claims she is black because she identifies as being black. What followed was an intensified interest in the question of what *transracial identity* actually means. Again, a term which had one meaning in one sphere, now has been appropriated to meet the needs of another sphere.

Due to the striking similarity between *transgenderism* and *transracialism*, a brief discussion of the rise of transgenderism's evolution to legally protected status follows.

A BRIEF HISTORY OF HOW TRANSGENDERISM RECEIVED TITLE VII PROTECTION

Title VII of the Civil Rights Act of 1964, is the foundation of most of the laws and regulations affecting equal employment opportunity in the workplace. Specifically, it forbids any employer to use an applicant's race, color, religion, sex, or national origin in making any employment-related decision (Robinson & Franklin, 2014). However, it protects only those five classes (race, color, religion, sex, or ethnicity).

Transgenderism rode the coattails of the lesbian, bisexual and gay (LGB) movement on its journey to achieve, at least *de facto*, Title VII protection. Initially, attempts to gain workplace protection for gay rights through judicial recognition met with failure (*Holloway v. Arthur Andersen*, 1977; *De Santis v. Pacific Telephone & Telegraph Co.*, 1979; *Dillon v. Frank*, 1992). Federal courts accepted the premise that the prohibition on discrimination because of *sex* in Title VII was predicated on what Congress understood *sex* to mean in 1964, a biological condition (*Ulane v. Eastern Airlines*, 1984).

No real progress was achieved until the Supreme Court decision, *Price Waterhouse v. Hopkins* (1989). In this case, the Supreme Court contended that Title VII encompassed both biological *sex*, but also *gender*, which encompassed the behaviors and attitudes that society created for men and women. The door was open. Lesbian, bisexual, or gay individuals did not conform to societal stereotypes of proper male and female behavior. If this nonconformance resulted in the denial of tangible job benefits, then the *Price Waterhouse* standard (sex-stereotyping) could be possibly invoked.

It did not take long for this approach to sex-stereotyping to happen in application. In 2004, the Sixth Circuit Court of Appeals concluded that a firefighter who openly discussed his gender-identity problem with his immediate supervisor had been discriminated against because of sex-stereotyping (*Smith v. City of Salem*, 2004). Sex stereotyping based on a person's gender nonconforming behavior (gender identity problems) is impermissible discrimination irrespective of the cause of that behavior. The following year, 2005, the Second Circuit Court of Appeals concurred by stating that an individual may have a Title VII claim in those instances where the employer acted out of hostility toward an employee behaving in a manner considered to be stereotypically inappropriate for his or her gender (*Dawson v. Bumble & Bumble*, 2005).

By 2012, the Equal Employment Opportunity Commission (EEOC) ruled that "discrimination based on gender identity, change of sex, and/or transgender status" constituted a violation of Title VII (*Macy v. Holder*, 2012). LGBT discrimination would now be treated as sex discrimination. This was followed shortly by another EEOC decision which held that the U.S. Postal Service intentional and repeated misuse of a transgender employee's name and pronoun was enough to establish a claim of a sex based hostile work environment (*Jameson v. U.S. Postal Service*, 2013). The next year, 2014, The Department of Veteran's Affairs was in violation when it refused to change a transgender employee's records to reflect his new name and gender for over a year, coupled with an Information Security Officer's hostility towards him because of the change in his

gender identity from female to male, was severe or pervasive enough to constitute a claim of sex based harassment (*Complainant v. Department of Veterans Affairs*, 2014).

According to the current EEOC declaration on its website that complaints of discrimination on the basis of sexual orientation should be processed under Title VII of the Civil Rights Act of 1964 as claims of sex discrimination (U.S. EEOC, 2016). In June 2015 Jenny Yang, Chair of the EEOC, declared the month of June as Lesbian, Gay, Bisexual, and Transgender Pride Month (U.S. EEOC, 2015). As an example of how accepted the protection of LBGT is, in FY 2013, the EEOC began keeping statistics on Sex-Gender Identity/Transgender and Sex-Sexual Orientation Discrimination--on its own authority.

Metamorphosis from Mental Disorder to Norm

In order to understand how transracial identity may become a likely candidate for Title VII protection, it is necessary to follow the analogous process by which a related concept, *transgender identity*, has evolved from having been a social pariah to becoming accepted behavior. Like transracial identity, transgender identity is predicated on the conceptualization that though an individual is biologically identifiable as a member of a specific category (in this case, sex), that individual, none the less, self-identifies a member of another. The bluntest way of explaining this is that “[t]ransgender individuals are those who identify with a gender that differs from their sex assigned at birth” (Boston University Medical Center, 2015).

How the concept of transracial identity is likely to become an advocacy issue for legitimization can be explained by the manner in which transgender identity eventually achieved legal legitimacy. The authors posit that transracial identity might very well follow the same political process for recognition, and is likely to also become actionable under federal equal employment opportunity laws. The two concepts both bear a striking analogous similarity in that they are the products of self-identification.

Transgenderism has gained so much acceptance (at least in academic and government sectors) that the latest version of the Diagnostic and Statistical Manual of Mental Disorders (DSM-5) will no longer include the term, *gender identity disorder*, which mental health professionals have historically used to diagnose transgender and gender-variant individuals. *Gender identity disorder* was changed to *gender dysphoria* (Moran, 2013).

In the DSM-5, a dysphoria is distinguished from a mental disorder by being defined as a state of unease or general dissatisfaction with one’s life. This change in classification in DSM-5 was initiated specifically to remove the stigma of it being a mental disorder. At least one organization, the National Association of Social Workers (NASW) National Committee on Lesbian, Gay, Bisexual, and Transgender Issues (NCLGBTI) holds a position that gender identity disorder, gender incongruence, transvestic disorder, transvestic fetishism and even gender dysphoria should not be considered as a mental health diagnosis and be completely eliminated from the Diagnostic Statistical Manual (DSM) (National Association of Social Workers, 2015).

The authors contend that the same is likely to occur for racial identity disorder (RID) (Brockyard, 2015). As it becomes more politically acceptable, or receives sufficient advocacy, one can expect it to follow the same course.

POTENTIAL PROBLEMS FOR HR PRACTICE

This issue now brings the dilemma raised by transracial identity. If an employee/applicant identifies as an underutilized minority, can he/she be eligible for preferential treatment under a permissible affirmative action plan? In other words, if a white or Asian self-identifies as being African-American (assuming that African-Americans are underutilized), can the transracial individuals be legally recognized as African-American. Should transracial identity be granted legal recognition, then there is no reason to assume that they would not. If the parallel holds that transsexual individuals are entitled to be treated as members of the sex with which they identify, then transracial individuals should be entitled to be treated as members of the race to which they identify.

Another problem is that transgendered individuals are not necessarily transsexual individuals. Take for example, the case of Katherine V. "Kate" Bornstein, noted American author, playwright, performance artist, and gender theorist, was designated male at birth. However, after receiving sex reassignment surgery and hormone therapy in 1986, she became a transsexual. Most transgender individuals do not undergo medical procedures such as hormone therapy and surgery. The latter poses the greatest problem for managers in general because in self-identification you have only the individual's word that they are what they say they are. There is no means available to ensure that the individual employee is not passing for a particular class in order to reap some perceived employment benefit.

Another concern is the application of transgender harassment as a form of sex discrimination, which is actionable under Title VII. In fact, the EEOC has declared that it will initiate a transgender claim of sexual harassment (*EEOC v. Bojangles Restaurants*, 2016). It is plausible that transracial individuals could claim racial harassment based on their perceived race, or for not conforming to behavior expected of their biological race.

Now here is an incident that makes an argument that self-identification could be a viable alternative for unscrupulous individuals seeking to fast track their careers. In 1988, brothers, Philip and Paul Malone claimed that they were black in order to gain eligibility for preferential hiring in the Boston Fire Department and were initially successful in their efforts (Diesenhouse, 1998). Both, however, were later fired for falsifying their race on their applications, an offense which is generally justified even under Title VII (*Miller v. Alldata Corp.*, 2001). But that was in 1988; the unanswered question posed today is, how would self-identification now be treated if they contended that they were truly transracial individuals?

Transracial self-identification could also be an issue in making disparate determinations. Assume that a white applicant has indeed declared him/herself an African-American and is hired. If that individual is counted as an African-American, then the proportion of African-Americans in the hiring process will be inflated, while the portion of whites will be diluted. If there is a small applicant pool or several transracial hires, the result could be a conclusion of no disparate impact, when it actually occurred. The opposite could occur if transracial claims occurred among the candidates who were not hired.

There exists a defense against such claims. Though some scholars contend that biological concepts of race are harmful (Yudell et al., 2016), racial/ethnic identity can be easily verified by a simple DNA test (Foster and Sharp, 2002). But there is a fly in the ointment. The Genetic Information Nondiscrimination Act of 2008 makes it unlawful for any employer to use genetic information in

decisions about hiring, firing, job assignments, or promotions. (29 U.S.C. §1635.4). This puts the employer in a conundrum. If the employer suspects that an individual claiming to be a member of a race which he/she shows no physical characteristics, the employer is prohibited by law from using a reliable method of disproving, or confirming, the individual's racial identity. However, this is precisely what GINA prohibits. If the employer cannot use genetic testing, then the employee's self-identification will be recorded in the race which he/she chooses. Will the employer be held culpable for reporting racial ethnic data on the EEO-1 report which may be inaccurate? The authors frankly do not know.

CONCLUSION

The parallels between the development of transracial identity and transsexual identity are uncanny. Both can be dispelled by biological testing, but are simultaneously promoted on the grounds that individuals have a right to self-identification. Currently the law favors the latter.

The authors speculate that it is only a matter of time before the courts and the regulatory agencies have to address the issue of transracial-identity, and will do so in much the same matter as they did for gender-identity. It is inconceivable that the judiciary and executive branch can rule against transracial identity without undermining transgender-identity. One way or the other, such rulings will profoundly affect employee relations in the workplace.

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MANAGERIAL PERSPECTIVS OF THE INTEGRATED CAPABILITY MATURITY MODEL AMONG LAW ENFORCEMENT PERSONNEL

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ABSTRACT

This research examines the potential of adapting the integrated Capability Maturity Model (CMMi) as a process improvement framework among justice domain organizations. An ANOVA approach was used to examine management versus non-management personnel perceptions regarding organizational process improvement characteristics among justice system organizations in Mississippi and Alabama. The presences of separate levels of the maturity framework were not perceived among respondent work settings. Statistical significance was exhibited regarding scaled survey questions representing the overall maturity model framework. Specifically, three statistically significant outcomes were observed regarding levels one, four, and five of the maturity model framework.

Keywords: management, maturity model, organizational behavior, process improvement, process maturity

INTRODUCTION

Justice domain and public service organizations are managed service entities that exhibit an array of administrative functions and processes. Examples are given as follows:

1. A variety of internal and external communications processes (Doss, et. al., 2015).
2. Organizational scanning to identify process problems (McElreath, et al, 2013).
3. Court system processes to facilitate legal proceedings (McElreath, et al, 2013).
4. Decision processes that impact short-term and long-term courses of actions (Doss, et al, 2016).
5. Processes for dispute resolution, for ordering materials and supplies, and for hiring and terminating personnel (Doss, Guo, & Lee, 2011).
6. Planning processes to support the long-term, strategic activities of the law enforcement organization (Cronkhite, 2013; McElreath, et al., 2014).
7. Processes for evaluation and appraisal (Doss, Sumrall, & Jones, 2012; Doss, Sumrall, McElreath, & Jones, 2013).

When organizational characteristics change, such as the electing of a new sheriff or the implementing of a new public safety policy, processes may also be affected either positively or negatively. As a result, depending upon the scope and magnitude of change, processes may

become inefficient or ineffective, or may become completely irrelevant (Doss, 2014). Therefore, process improvement is a valid concern among justice domain organizations (Doss, 2014).

Justice domain organizations have a vested interest in continuous improvement across their respective enterprises (Allen & Sawhney, 2015). Generally, continuous improvement initiatives are implemented among law enforcement organizations through a variety of means, including Total Quality Management, business process improvement, business process reengineering, Six Sigma, and various forms of benchmarking (Allen & Sawhney, 2015; Doss, et al., 2016; Gaines & Worrall, 2012; Salg, 2012; Reinkensmeyer, 2011; Davis, 2012; Winsor, 2012). Although these traditional methods may effectively improve organizational quality cumulatively, their foundational premises are unconcerned with the improving of organizational processes via a progressive, maturity framework. Given this notion, this research investigates a sequential process improvement maturity framework within the context of the justice domain.

Within the project management domain, the CMMi is a five-stage, progressive maturity model framework through which organizational process improvement occurs sequentially with respect to process maturity (Schwalbe, 2007). Categorically, the respective levels of process maturity within the CMMi framework are delineated as follows:

- Level 1 – Initial - Processes are unpredictable and random; poor process definition; processes are reactive; processes may be sporadic, spontaneous, and ad hoc (Doss, 2014).
- Level 2 – Managed - Processes are repeatable and are reactive (Doss, 2014).
- Level 3 – Defined - Processes are defined and expressed; processes are proactive (Doss, 2014).
- Level 4 - Processes are measured, controlled, and analyzed (Doss, 2014).
- Level 5 - Optimized processes exist (Doss, 2014).

Variants of the basic CMMi framework exist among a variety of settings and domains. Examples of domain-specific versions of the basic CMMi include contexts of organizational security, data quality, human resources, and industrial management (Vacca, 2013; Loshin, 2011; Cheese, Thomas, & Craig, 2008; Doss, 2004). These examples show that the CMMi framework has the potential of adaptability among different settings and domains that are unrelated to project management. Given these notions, this research examines the CMMi within the context of justice domain organizations.

PROCESS MATURITY MODELS

Public service entities necessitate sound management philosophies to produce effective, efficient work environments and processes for servicing their respective communities and stakeholders (Henry, 2002; McElreath, et. al, 2014). Although existing approaches range from using the Compstat paradigm as a management and statistical resource to using Total Quality Management, none of them addresses organizational process improvement from the perspective of progressively improving process maturity. However, the integrated Capability Maturity Model (CMMi) is a process improvement framework that matures processes through time. Generally, it consists of five progressive stages: 1) ad hoc, random process, 2) reactive and managed process, 3) understandable/expressed process, 4) quantitatively managed process, and 5) optimized process (Kishore, Swinarski, Jackson, & Rao, 2012). This research investigates the potential of adapting the CMMi within the justice domain. The CMMi facilitates improving organizational process

practices and process maturity. Derivatives of process maturity models exist. Examples include financial management, education and learning, open governance within social media, project management, electronic governance involving public entities, software engineering, and software development (Kerzner, 2005; Lee & Kwak, 2012; Marshall, 2005; Valdes et. al., 2011; Wendler, 2012). Additional areas include industrial management, quality management, information security, contract management, human resources; and management control systems (Doss, 2004; Doss & Kamery, 2005; Doss & Kamery, 2006a; Doss & Kamery, 2006b; Doss & Kamery, 2006c; Doss & Kamery, 2006d; Doss & Kamery, 2006e; Guangshe et al., 2011; Marx, Wortmann, & Mayer, 2012; Pasalados & Domingo, 2011; Pikka, Iskanius, & Page, 2011; Saleh, 2011). Despite the widespread adaptability of maturity modeling among numerous domains, a derivative application emphasizing the justice domain is absent within the literature.

PURPOSE AND RESEARCH QUESTION

A specific CMMi framework variant, crafted for justice domain entities, was not discovered within the reviewed literature despite an array of variations among process environments that were unrelated to the justice domain. Therefore, from the perspective of the CMMi, this research explores management versus non-management employee perceptions of organizational process maturity and process improvement among justice domain organizations. Through such inquiry, this research addresses the shortcomings of the literature regarding a CMMi variant within the justice domain. Thus, the primary research question is: Can the basic framework of the CMMi be adapted to define a managerial process improvement maturity framework within the justice domain?

DESIGN AND METHODOLOGY

This research incorporated a cross-sectional design involving the use of a five-point Likert-scale survey (5 = “strongly agree,” 4 = “agree,” 3 = “no judgment,” 2 = “disagree,” and 1 = “strongly disagree.”). The survey consisted of 33 questions that explored personnel perceptions regarding the maturity model framework, work environment, and organizational demographics. Questions sets regarding each of the respective maturity framework levels were scaled for hypothesis testing. Stratification of groups consisted of personnel representing managers versus non-managers from justice system entities in Mississippi and Alabama. Hypothesis testing consisted of a two-tailed ANOVA test with a 0.05 significance level. Effect size was examined through the Omega-Squared method. Determination of potential bias was performed through a Chi-Square test with respect to the distribution of the disseminated surveys versus the distribution observed from the returned surveys. Reliability was examined through the Cronbach method.

An analysis of the means occurred regarding the directionality of the mean responses to each of the Likert-scale question items. The constraints of this mean analysis are as follows: 1) disagreement if the mean value was less than the value of 2.5, 2) neutrality if the mean value ranged between the values of 2.5 and 3.5, and 3) agreement if the mean value exceeded the value of 3.5.

The population and sample represented justice domain personnel within the states of Mississippi and Alabama. Potential Mississippi respondents were obtained from organizational listings contained within the *Official and Statistical Register of the State of Mississippi*. Potential Alabama respondents were obtained from organizational listings within the *Alabama Criminal Justice Directory*. Justice system entities received multiple copies of the survey sent to position titles in

the organization. For instance, a sheriff's department would receive surveys addressed to the sheriff, chief deputy, jailer, shift commander, and patrol officers. Cumulatively, these potential respondents comprised a population of 1,415 possible respondent entities. Using a confidence interval of 5 points and a confidence level of 95%, the minimum acceptable sample size was determined to be 303 entities. Using skip intervals of every third entity, a set of 472 possible sample respondents was identified from the overall population. This array of potential respondents (472) exceeded the minimum sample size (303) necessary for the sample to be representative of the population.

HYPOTHESES

The basic form of the hypothesis statement used to investigate the cumulative maturity model framework and its components is stated as follows:

- H₀ There is no difference between management versus non-management personnel in the perception of "organizational evidence of the process maturity model framework exists."

Additionally, five primary hypothesis statements were related directly to each of the five CMMi process maturity levels. Hypothesis statements for the first phase of the CMMi are given as follows:

- H₁ There is no difference between management versus non-management personnel in the perception of "organizational evidence of the process maturity model framework exists."
- H₂ There is no difference between management versus non-management personnel in the perception of "evidence of the second level of the process maturity framework exists."
- H₃ There is no difference between management versus non-management personnel in the perception of "evidence of the third level of the process maturity framework exists."
- H₄ There is no difference between management versus non-management personnel in the perception of "evidence of the fourth level of the process maturity framework exists."
- H₅ There is no difference between management versus non-management personnel in the perception of "evidence of the fifth level of the process maturity framework exists."

Within the survey, scaled questions 1 through 5 examined the cumulative maturity framework. The first maturity level scale consisted of questions 6 through 8. The second maturity level scale consisted of questions 9 through 11. The third maturity level scale consisted of questions 12

through 14. The fourth maturity level scale consisted of questions 15 through 17. The fifth maturity level scale consisted of questions 18 through 20. Survey questions are presented within the following table.

TABLE 1

Framework Statements

Question	Statement	Maturity Level
1	Agency processes are ad hoc, chaotic, or random.	Cumulative
2	Agency processes are managed.	Cumulative
3	Agency processes are defined/specific.	Cumulative
4	Agency processes are quantitatively managed.	Cumulative
5	Agency processes are optimized.	Cumulative
6	Agency processes are unpredictable.	1
7	Agency processes are reactive.	1
8	Agency processes are uncoordinated.	1
9	Agency processes are planned.	2
10	Agency processes are managed.	2
11	Agency processes are controlled.	2
12	Agency processes are well-defined.	3
13	Agency processes are consistent.	3
14	Agency processes are followed.	3
15	Agency processes involve quantitative objectives.	4
16	Agency processes involve metrics analysis.	4
17	Agency processes involve statistical analysis.	4
18	Agency processes are improved incrementally.	5
19	Agency processes are efficient.	5
20	Agency processes are effective.	5

BIAS, SCOPE, AND LIMITATIONS

The outcome of the χ^2 test of independence suggested that no relationship existed between response proportion and geographic location, $\chi^2 (1, N = 472) = 1.22, p = 0.270$. This research was constrained to the regions of Mississippi and Alabama thereby representing a state perspective instead of a federal perspective. Therefore, the scope of this study is limited to state justice domain perspectives, and cannot be generalized throughout the entirety of the federal justice domain.

FINDINGS

Approximately 39.71% of the respondents indicated a geographic location of Mississippi whereas approximately 58.82% of the respondents indicated a geographic location of Alabama. Approximately 1.47% of the respondents failed to provide their geographic location. Approximately 71.08% of the respondents were managerial personnel whereas approximately

27.45% of the respondents were non-managerial personnel. Approximately 1.47% of the respondents failed to reveal their employment category.

Cronbach’s alpha measured internal consistency for each of the subscales. The Cronbach values ranged from 0.59 to 0.92 with an overall value of 0.81. Regarding Cronbach values for subscales, the cumulative maturity framework scale value was 0.81, the first maturity level scale value was 0.59, the second maturity level scale value was 0.83, the third maturity level scale value was 0.83, the fourth maturity level scale value was 0.92, and the fifth maturity level scale value was 0.77. Using a significance level of 0.05, four statistically significant differences resulted from the ANOVA hypothesis testing of the scaled items representing the individual maturity levels. These statistically significant outcomes are presented within the following table.

TABLE 2

Hypothesis Testing

Scaled Questions	Managers Mean	Managers Std. Dev.	Non-Mgt Mean	Non-Mgt Std. Dev.	p-value	ω^2 Size	Effect
1-5	3.30	1.02	3.04	1.06	0.0000	0.012	
9-11	2.80	1.08	3.11	1.03	0.0019	0.014	
15-17	3.38	1.03	2.38	1.11	0.0000	0.154	
18-20	3.69	0.73	3.36	0.89	0.0000	0.033	

Level of significance = 0.05

Scaled questions 1 through 5 represented the notion “organizational evidence of the process maturity model framework exists.” The mean responses of both groups exhibited direction toward neither agreeing nor disagreeing with this notion. Scaled questions 9 through 11 represented the second maturity level and the notion “evidence of the second level of the process maturity framework exists.” The mean responses of both groups exhibited direction toward neither agreeing nor disagreeing with this notion. Scaled questions 15 through 17 represented the fourth maturity level and the notion “evidence of the fourth level of the process maturity framework exists.” The mean analysis showed that management personnel exhibited perceptions of neutrality whereas non-management personnel exhibited perceptions of disagreement. Scaled questions 18 through 20 represented the fifth maturity level and the notion “evidence of the fifth level of the process maturity framework exists.” The mean analysis showed that management personnel tended toward agreement whereas non-management personnel exhibited perceptions of neutrality.

CONCLUSIONS AND RECOMMENDATIONS

A statistically significant difference existed between the perceptions of respondents regarding the notion that organizational evidence of the process maturity model framework exists. The mean analysis showed that both groups exhibited perceptions of neutrality. Few characteristics, if any, of the overall framework are perceived among the polled environments. A statistically significant difference existed between the perceptions of management versus non-management personnel

regarding the notion that evidence of the second level of the process maturity framework exists. The mean analysis showed that both groups exhibited perceptions of neutrality. It is concluded that few characteristics of the second level, if any, are perceived among respondents. A statistically significant difference existed between the perceptions of management versus non-management personnel regarding the notion that evidence of the fourth level of the process maturity framework exists. The mean analysis showed that management personnel exhibited perceptions of neutrality whereas non-management personnel exhibited perceptions of disagreement. Few, if any, characteristics of the fourth level are perceived among the polled environments. A statistically significant difference existed between the perceptions of Alabama versus Mississippi personnel regarding the notion that evidence of the fifth level of the process maturity framework exists. The mean analysis showed that management personnel tended toward agreement whereas non-management personnel exhibited perceptions of neutrality. Few characteristics of the fifth level are perceived among the polled environments.

The CMMi is a framework model through which process maturity is improved progressively and incrementally through time. Before the fifth level of the model exists within any organization, each of the previous four maturity levels must have been sequentially experienced and satisfied before improving the process maturity sufficiently to generate a fifth maturity level (Doss, 2014). Approximately 0.49% of the respondents revealed that process maturity modeling was used as an improvement paradigm within their respective organizations. Given this observation, it is expected that perceptions of the fifth maturity level would be few, if any, among respondents.

This research was limited only to the states of Mississippi and Alabama. It is recommended that future studies examine different state stratifications to determine whether similar outcomes are exhibited. Therefore, it is recommended that this study be repeated using other state combinations (e.g., Louisiana vs. Arkansas, etc.). Both Mississippi and Alabama are adjacent, neighboring states. Therefore, they may exhibit similarities regarding organizational cultural influences, justice systems, organizational processes, and the types of criminality that exist within their respective societies that may affect organizational administrative processes. Given these notions, it is recommended that this study be repeated using state combinations that are not adjacent, and that represent different locations geographically (e.g., Arizona versus Connecticut).

Although the stratification of this research examined the Mississippi versus Alabama justice domains, a variety of other possible location combinations exist within the justice domain. Future studies may examine the CMMi as a justice domain framework using rural versus urban locations, similar rural locations, or cities of similar sizes. Certainly, from an international perspective, future studies may examine different justice domain stratifications that transcend national borders, such as the U.S. versus Canada.

Future studies may address organizational stratifications and perspectives. This research was constrained to managers versus non-managers among state organizations. Future studies may examine stratification combinations that represent different entities among federal, state, local, and tribal justice domains. Thus, future studies may examine federal versus state perspectives, local versus state perspectives, and so forth.

From a human resources perspective, this research examined only the perceptions of managers versus non-managers within the justice domain. However, ample combinations of additional perspectives may be considered among future studies. For instance, stratifications involving male versus female personnel, day versus night shift personnel, patrol officers versus detectives, and part-time versus full-time personnel may be examined among future studies.

Although this study failed to conclusively show the CMMi as a framework for instigating organizational process improvement among justice system entities, future studies using different populations and stratifications may reveal different outcomes. Despite the findings, outcomes, and conclusions expressed herein, one cannot discount the potential of CMMi adaptability within the justice domain. Future studies may reveal different findings that suggest efficacy of the CMMi within the context of justice domain organizations. In any case, this study represents an initial starting point from which other studies of justice system process improvement may be spawned.

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PROCESS IMPROVEMENT AND TOTAL QUALITY MANAGEMENT FOR JUSTICE SYSTEM ORGANIZATIONS

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ABSTRACT

Organizational quality is a salient consideration of organizations within the justice domain. Numerous instantiations are useful for improving both organizational quality and processes within the justice system. The TQM approach may be instantiated using a variety of philosophical approaches ranging from those advocated by Deming to the paradigm of Taylor, but these approaches do not incorporate process improvement as their foundational basis. Therefore, using the integrated Capability Maturity Model (CMM), this paper highlights a criminal justice maturity model (CJMM) for supplementing TQM endeavors in the justice system.

Keywords: continuous improvement, maturity model, process improvement, quality management, service quality

INTRODUCTION

Service quality is a central concern among organizations within the justice domain (Allen & Sawhney, 2015). For instance, quality must permeate assistance calls among responding entities that are directed to emergencies (McElreath, et. al., 2014a). In other cases, law enforcement organizations are expected to contribute to improving the quality of life among their respective communities. Examples include cracking down on graffiti and panhandling in order to facilitate environments that are clean and safe (McElreath, et. al., 2013). Humans who experience directly or indirectly various facets of the justice domain form unique perceptions regarding their respective experiences (Doss, Guo, & Lee, 2012).

All law enforcement organizations, their personnel, and the members of their served public have some interaction with the characteristics of quality each day (Doss, Guo, & Lee, 2012). The notion of quality is both a ubiquitous and subjective concept, and it is perceived differently from the unique perspectives of both individuals and organizations (Doss, et al., 2016). Perceptions of quality are ambiguous and are subject to the interpretations of the beholding entities that experience some perceived aspect of quality thereby contributing to the forming of individual opinions of a quality service or product. Quality involves the conforming of a service or product

to some common expectations that exist within the production or service domain or among the consumers of the products or services (Gitman & McDaniel, 2009).

Generating a product or service that conforms to such expectations of quality may be influenced by Total Quality Management (TQM) philosophies that permeate organizational components (Gitman & McDaniel, 2009). The basic notion of TQM involves the envisioning of a desired future state in which all personnel have some commitment to improvement and issues of quality (Hubbard, 2003). Rawlins (2008) indicates that TQM involves creating an unequivocal dedication to improvement within an organizational setting. Walesh (2000) defines TQM as the philosophical principles of an organizational setting that exhibits continuous improvement. Walesh (2000) expounds upon this notion by stating that TQM also combines managerial practices, improvement activities, organizational resources, and technologies to generate organizational improvement.

Many other definitions of TQM exist ranging from application domains in accounting settings to manufacturing environments (Maher, Stickney, & Weil, 2012). However, regardless of the definition or perspective, Kerzner (2009) observes that TQM is not explicitly defined. This notion is corroborated by notions indicating that no consensus exists with respect to a universal specification of TQM that encompasses all of its potential application domains (Padhi & Palo, 2005). Despite the numerous definitions and lack of consensus regarding a universal definition, TQM is a management philosophy that incorporates holistically an emphasis toward the bettering of goods and services as well as continuously improving the organizational setting (Padhi & Palo, 2005). This approach involves the involvement of all organizational personnel towards a goal of effectively and continuously satisfying the needs of consumers (Padhi & Palo, 2005).

Cumulatively, these literature references show that TQM is a philosophical approach to continuously improving all facets of an organization and its processes without any prescriptive methodologies that may be applied universally among organizations. However, because no universal definition of TQM exists, it may be perceived and implemented differently among organizations to satisfy their unique needs. Given this notion, the TQM approach that is suitable for one organization may be unnecessary for a different organization. Because TQM represents a philosophical approach to continuous quality improvement within an organizational setting, an expressed delineation of a solitary TQM implementation method does not exist. Therefore, organizations must determine their respective goals, objectives, approaches, plans, and activities that are necessary for implementing the TQM philosophy.

TOTAL QUALITY MANAGEMENT CONCEPT

The concept of TQM originated in the twentieth century among production and manufacturing environments. The origins of TQM are found within the applications of statistical analysis among product control environments (Mukherjee, 2006). It demonstrated significant development and refinement during the period following World War II, especially within the nation of Japan (Mukherjee, 2006). Although the primary concepts of TQM originated within the United States, they were not readily and immediately accepted and implemented among American industries

(Gergen, 2010). However, during the 1950s, it gained popularity and acceptable use among Japanese companies (Gergen, 2010). Within the nation of Japan, the application of TQM heralded significant product and service improvements that benefitted national competitiveness throughout much of the remainder of the twentieth century (Gergen, 2010). Various individuals contributed to the crafting of the foundational concepts of TQM. Examples of these contributors and their foundational concepts include the following TQM approaches:

Philip Crosby – This approach involves the quantifying and measuring of quality metrics, and incorporates the notion that quality is a duty of all organizational personnel (Morfaw, 2009). This approach also incorporates a sequential set of five stages in which organizations gain an awareness of new activities and their implementations across the enterprise (Curtis, Hefley, & Miller, 2010). These stages facilitated the adapting of new practices organizationally (Curtis, et al., 2010).

Edward Deming – This approach involves the improvement of the organizational management function. It incorporates the notion that problems of organizational quality result from managerial inefficiency (Morfaw, 2009).

Peter Drucker – This approach involves the controlling of quantitative and qualitative organizational characteristics as a measure of judging organizational performance through time (Cohen, 2010).

Armand Fiegenbaum – This approach involves the notion that organizational control of total quality is essential to acquire market share and organizational positioning. It incorporates the notion that the involvement of management, leadership, and personnel is essential to establish quality throughout the entirety of an organization (Besterfield, et. al., 2010).

Kaoru Ishikawa – This approach involves the use of quality circles in which work groups, including supervisors, are used to define and solve issues of quality among work settings (Besterfield, et al., 2010).

Joseph Juran – This approach involves the integrating of plans, controls, and improvements among all organizational levels to generate investment returns and quality outcomes (Besterfield, et al., 2010).

Genichi Taguchi – This approach involves the integrating of costs, targets, and variations to generate organizational quality improvements using experimental design (Besterfield, et al., 2010).

Frederick Taylor – This approach involves the application of scientific analysis to generate production improvements among human personnel (Mattison, 2005).

The modern instantiations of TQM amalgamate the contributions of such individuals thereby demonstrating a robust array of tenets and best practices that influence the generating of quality services and products among a variety of industries and service organizations (Weiers, 2011). There is no solitary application of TQM that encompasses all organizations; instead, it is a management philosophy that influences the management paradigms of individual organizations with respect to the uniqueness of circumstances and situations (Hackman & Wageman, 1995).

Given these concepts, TQM represents a strategic management philosophy that influences the long-term perceptions of organizational quality through time and that permeates all facets of an organization. Cumulatively, an examination of the preceding literature references shows that TQM exhibits the following philosophical characteristics:

- *Analytical* – TQM involves continuous improvements that may be measured quantitatively through time.
- *Process* – TQM involves continuous process improvement through time among all facets of an organization, but does not prescribe specific methods for improving processes.
- *Cultural* – Corporate culture must be indoctrinated with philosophies of continuous improvement throughout the entirety of an organization.
- *Customer* – TQM contributes toward the influencing of total customer satisfaction with respect to any interaction with organizational services or the experiencing of organizational products.
- *Management* – All TQM initiatives must be managed well to improve the chances of organizational successfulness through time.

The foundational concepts of TQM are representative of a dynamic philosophy that may be leveraged for strategic organizational benefit and improvement through time (Morfaw, 2009). Organizations may select the TQM paradigm (or combination of paradigms) that encompass quality improvement with respect to some strategic goal(s) and vision that are sought by the organization (Morfaw, 2009). Although TQM contributes to organizational improvement, its basic philosophical premise does not necessarily approach improving organizations incrementally from the perspectives of any evolutionary process maturity frameworks or architectures through time (Doss, 2004).

Despite this lack of an emphasis regarding the maturity of processes within its foundational philosophies, process improvement is a consideration of the TQM paradigm (McCollum, 2004). Further, the Crosby TQM philosophy contributed toward the crafting of process maturity modeling, within the software industry, from which the Capability Maturity Model (CMM) was derived (Laplante, 2007). Given these notions, the CMM represents the applied characteristics of TQM regarding the managing of processes (O'Regan, 2002).

TOTAL QUALITY MANAGEMENT AND THE CRIMINAL JUSTICE DOMAIN

Quality concepts are a concern for any policing organization with respect to its ability to function organizationally, render public service, and successfully pursue its strategic vision through time (Doss, Guo, & Lee, 2012). Within the justice system and among law enforcement organizations, the notion of quality permeates managerial, administrative, and field entities (Doss, Guo, & Lee, 2012). Considerations of quality also affect the financial resources and monetary decisions that exist with the justice domain, including capital investment decisions (Doss, Sumrall, & Jones, 2012).

The use of TQM represents a resourceful approach to improving organizational efficiency and effectiveness ranging from decisions and activities involving financial matters to those involving defect reductions among services (McKinney, 2004). Within policing, the use of TQM (and other quality paradigms) emphasizes the satisfying of public market demand, quality of service, motivating personnel, and solving problems (Carter, 2012). Further, among law enforcement organizations, the application of TQM philosophies serves as a medium through which community policing may be implemented, and facilitates attempts to improve the qualities of policing services (Gaines & Worrall, 2012). The application of TQM principles improves the ability of law enforcement organizations to analyze perceptions of the citizenry regarding whether law enforcement services are perceived as being adequate (Gaines & Worrall, 2012).

Such notions are observed among Floridian law enforcement entities and within the justice system of Florida. Murphey (2008) indicates that Floridian law enforcement entities that implement TQM exhibit higher ratings in categories of professional expertise, public interaction, internal stability, and citizen and officer empowerment. The specifying and implementing of TQM principles also serve as precursors for any Floridian initiatives involving community-oriented policing or problem-oriented policing (Murphey, 2008).

Similar TQM initiatives occurred among other law enforcement organizations within the United States. Dempsey & Forst (2012) describe a shared instantiation of TQM involving the leaders of the Broken Arrow, Oklahoma Police Department (BAPD). According to Dempsey & Forst (2012), this application of TQM incorporated personnel feedback within organizational decisions, and it resulted in productivity increases of arrests, citations for traffic violations, field reports, and rates of clearance for solving crimes.

These examples highlight an interesting characteristic of TQM with respect to its relevancy among organizational settings. Although TQM is a quality philosophy, it does not prescribe any certain method for implementation within organizational settings. Each separate organization may choose which TQM paradigm best suits its needs, and crafts its own approach for implementation. Therefore, the TQM instantiation that is appropriate and useful for one organization may be completely unacceptable for a different organization.

JUSTICE SYSTEM ORGANIZATIONS AND PROCESS IMPROVEMENT

Although the preceding implementations of the TQM philosophies were designed to improve law enforcement agencies and justice systems, the foundational concepts of TQM did not incorporate an approach involving the maturity of specific processes through time. However, they are indicative of process management initiatives with respect to improving the efficiency and effectiveness of their respective organizations. The TQM concept lacks specificity regarding the prescription of any formal methodology that organizations may incorporate to generate improvements of processes and process effects throughout the enterprise. Thus, it represents a philosophical approach to yielding process improvement through time without address any aspect of maturing and improving progressively organizational processes. Through the use of maturity modeling as an improvement initiative guided by TQM philosophies, law enforcement organizations and entities within the justice system gain an opportunity to facilitate process improvement paradigms that focus upon sequential, evolutionary process maturity through time.

Within the domains of software development and project management, the integrated Capability Maturity Model (CMMi) exists as a tool through which processes are improved incrementally and progressively through time via the use of a five-stage, sequential process maturity framework (Doss, 2014). The basic notions of the maturity framework are portable across multiple domains that are unrelated to software development and project management. These maturity model derivatives may be used in conjunction with TQM paradigms to generate organizational improvements for both quality and processes (Doss & Kamery, 2005). In such cases, organizations may experience heightened effectiveness regarding both their TQM and continuous process improvement initiatives (Doss & Kamery, 2005).

The CMMi facilitates improving organizational process practices and process maturity. A variety of maturity model derivatives exist thereby showing the portability of the basic maturity model framework across different disciplines and domains. Examples include industrial management, environmental management; quality management, information security, contract management, human resources; education; and management control systems (Doss, 2004; Doss & Kamery, 2006a; Doss & Kamery, 2006b; Doss & Kamery, 2006c; Doss & Kamery, 2006d; Doss & Kamery, 2006e; Guangshe et al., 2011; Marx, Wortmann, & Mayer, 2012; Pasalados & Domingo, 2011; Pikka, Iskanius, & Page, 2011; Saleh, 2011). An additional justice system process improvement framework may be outlined using the CMMi as its foundational basis (Doss, 2014). The following table delineates such a model.

TABLE 1
Proposed CJMM Framework

Maturity Level	Maturity Level Description
CJMM Level 1	Represents ad hoc, unstructured, and chaotic processes.
CJMM Level 2	Represents managed and reactive processes that exhibit some characteristics of planning, control, measurement, and performance.

CJMM Level 3	Represents processes that are understandable, repeatable, and that are expressed within organizational documents.
CJMM Level 4	Represents processes that are quantitatively measured, controlled, and managed.
CJMM Level 5	Represents processes that are refined, optimized, and that involve continuous improvement.

EXPLORATION OF THE PROPOSED MODEL

Some research exists regarding the potential of adapting the CMMi toward fashioning the proposed CJMM within the justice domain. Doss (2014) explores the efficacy of such adaptation via ANOVA using stratifications of managerial versus non-managerial personnel, urban versus rural justice system entities, and Alabama versus Mississippi justice system organizations. Regardless of the stratification (management versus non-management, urban versus rural entities, or Alabama versus Mississippi organizations), the findings did not show conclusively and definitively the complete adaptability of the CMMi with respect to the polled audience (Doss, 2014). However, because the population and sample were derived only from justice system entities in Alabama and Mississippi, the findings could not be generalized for the nation (Doss, 2014). Although the study examined the portability of the CMMi within a limited segment of the justice domain, it did not examine its applicability as a supplemental paradigm toward supporting TQM initiatives organizationally. Thus, opportunity exists for further exploration of the CJMM paradigm.

POTENTIAL APPLICATION AREAS OF THE PROPOSED MODEL

When coupled with TQM or used as a solitary resource, the proposed CJMM has a variety of potential application areas within the public service domain. Examples of processes include administrative processes among law enforcement organizations; communication processes; emergency dispatching of first-responders, and processes within the emergency management cycle (Carter, 2012; Doss, 2014; McElreath, et. al., 2014a). In some cases, poor processes may facilitate opportunities for corruption wherein individuals may compromise public good for personal benefit. In some cases, abuses of the justice system may exist toward ensuring convictions. In other cases, various processes are associated with reforming corrections aspects of the justice system (McElreath, et. al., 2014b). Since the CJMM framework represents a high-level perspective of process improvement for supplementing TQM initiatives, it may be applicable among such areas.

CONCLUSION

Quality and processes are ubiquitous in the justice system. Quality must permeate assistance calls among responding entities that are directed to emergencies (McElreath, et. al., 2014c). In other cases, law enforcement organizations are expected to contribute to improving the quality of life

among their communities. Examples include cracking down on graffiti and panhandling in order to facilitate environments that are clean and safe (McElreath, et. al., 2013). Many justice system organizations implement quality paradigms, such as TQM or Six Sigma, for improving their organizational quality (Doss, 2014). These traditional quality improvement paradigms do not address issues of process maturity as the basis of improvement. Thus, the CJMM represents a paradigm for generating organizational improvement from the perspective of improving the quality of processes incrementally through time.

Limited research exists regarding the proposed CJMM paradigm. Although Doss (2014) examined perceptions in the states of Alabama and Mississippi and was unable to show the adaptability of the CMMi toward fashioning the CJMM conclusively, the research should not be discounted. Although the study examined the adaptability of the model, it did not explore its potential as a supplementary paradigm for supporting TQM endeavors. Given this notion, opportunities exist for future research with respect to examining the feasibility of the CJMM as a TQM supplement.

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PROCESS IMPROVEMENT: URBAN VS. RURAL PERSONNEL PERSPECTIVES OF A DERIVATIVE CMMI PROCESS MATURITY FRAMEWORK

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ABSTRACT

Various quality management and improvement paradigms exist within the justice system (e.g., Compstat paradigm, Total Quality Management, etc.), such paradigms do not approach process improvement from the unique perspective of process maturity as a foundational basis. This paper investigates the adaptability of the integrated Capability Maturity Model as a resource through which process maturity is examined as a process improvement paradigm within the context of law enforcement management. This research uses ANOVA to examine the perceptions of law enforcement personnel regarding organizational aspects of process improvement. One statistically significant outcome was observed.

Keywords: maturity model, process improvement, process maturity, quality management

INTRODUCTION

Within the public sector, justice system entities necessitate sound management paradigms and practices to produce effective, efficient work environments and processes for servicing their respective communities and stakeholders (Doss, 2016; Doss, Guo, & Lee; 2012; Henry, 2002; McElreath, et. al, 2013; McElreath, et. al., 2014). Quality is an inescapable aspect of the justice domain. Both individuals and groups form some opinion about the quality of their experiences with the justice system. Examples are diverse. For instance, anyone who receives a speeding ticket or waits in a lengthy line forms some opinion of quality about their respective experience. Enhancing quality necessitates some consideration of process improvement among justice system organizations. Although existing justice system quality approaches range from using the Compstat paradigm as a management and statistical resource to using Total Quality Management, none of the existing paradigms addresses organizational process improvement from the perspective of progressively improving process maturity. However, the integrated Capability Maturity Model (CMMi) is a process improvement framework that matures processes through time. Generally, it consists of five progressive stages: 1) ad hoc, random process, 2) reactive and managed process, 3) understandable/expressed process, 4) quantitatively managed process, and 5) optimized process (Kishore, Swinarski, Jackson, & Rao, 2012). This research investigates the potential of adapting the CMMi within the justice domain.

The CMMi facilitates improving organizational process practices and process maturity. Derivatives of process maturity models exist. Examples include education and learning, open governance within social media, project management, electronic governance involving public entities, software engineering, and software development (Kerzner, 2005; Lee & Kwak, 2012; Marshall, 2005; Valdes et. al., 2011; Wendler, 2012). Additional areas include industrial management, quality management, information security, contract management, human resources; and management control systems (Doss, 2014; Doss, 2004; Doss & Kamery, 2005; Doss & Kamery, 2006a; Doss & Kamery, 2006b; Doss & Kamery, 2006c; Doss & Kamery, 2006d; Doss & Kamery, 2006e; Guangshe et al., 2011; Marx, Wortmann, & Mayer, 2012; Pasalados & Domingo, 2011; Pikka, Iskanius, & Page, 2011; Saleh, 2011). Despite the widespread adaptability of maturity modeling among numerous domains, a derivative application emphasizing administrative processes within the justice domain is absent within the literature.

The examined criminal justice literature did not reveal the crafting and implementing of a specific maturity model framework within the context of criminal justice entities. Therefore, it is the expected purpose of this research to investigate the employee perceptions of organizational processes, process maturity, and process improvement initiatives of criminal justice organizations. Through such inquiry, this research addresses the shortcomings of the literature regarding the existence and use of a maturity-based, evolutionary approach to process improvement among criminal justice organizations. Therefore, the goal of this research was to investigate the perceptions of Alabama versus Mississippi personnel regarding each separate phase of the maturity model. Specifically, the primary research question was offered as: Can the basic framework of the maturity model be adapted to define a managerial process improvement maturity framework within the criminal justice domain?

METHODOLOGY

This research incorporated a cross-sectional design involving the use of a five-point Likert-scale survey (5 = “strongly agree,” 4 = “agree,” 3 = “no judgment,” 2 = “disagree,” and 1 = “strongly disagree.”). The survey queried personnel perceptions regarding the maturity framework, the work environment, and demographics. The groups consisted of personnel representing personnel from justice system entities in Alabama and Mississippi. The method of stratification for hypothesis testing separated responses into categories of urban versus rural entities. A two-tailed ANOVA test, using p values, represented the primary hypothesis testing method. The level of significance was 0.05. The Chi-Squared method was used to determine whether bias influenced the study through examining the distribution of the disseminated survey notices versus the reported distribution observed from the returned surveys. The Cronbach method was used to examine the reliability of the research study. The Omega-squared method was used to examine the effect size. The population and sample represented criminal justice entities in the states of Alabama and Mississippi. The listing of Mississippi entities was obtained from data contained within the *Official and Statistical Register of the State of Mississippi*. The listing of Alabama entities was obtained from data contained within the *Alabama Criminal Justice Directory*. The Alabama and Mississippi entities comprised a population superset of 1,415 potential respondent entities. The minimum acceptable sample size was determined to be 303 entities, and this quantity involved a confidence interval of 5 points and a confidence level of 95%. Using skip intervals of every third entity, a set of a set of 472 possible respondents was identified. This array of potential respondents

exceeds the minimum sample size that was deemed necessary for the sample to be representative of the population.

HYPOTHESES

Hypothesis statements were directly related to each of the five CMMi maturity levels using the stratification of personnel between urban vs. rural justice system organizations. Hypothesis statements for the CMMi are given as follows:

- H₁ There is no difference between urban vs. rural personnel in the perception of “organizational evidence of the process maturity model framework exists.”
- H₂ There is no difference between urban vs. rural personnel in the perception of “evidence of the second level of the process maturity framework exists.”
- H₃ There is no difference between urban vs. rural personnel in the perception of “evidence of the third level of the process maturity framework exists.”
- H₄ There is no difference between urban vs. rural personnel in the perception of “evidence of the fourth level of the process maturity framework exists.”
- H₅ There is no difference between urban vs. rural personnel in the perception of “evidence of the fifth level of the process maturity framework exists.”

Within the survey, the preceding hypothesis statements were associated with various statements regarding the maturity model framework. These statements are presented within the following table.

TABLE 1

Question	Statement	CMMi Maturity Level
1	Agency processes are ad hoc, chaotic, or random.	1
2	Agency processes are managed.	2
3	Agency processes are defined/specific.	3
4	Agency processes are quantitatively managed.	4
5	Agency processes are optimized.	5
6	Agency processes are unpredictable.	1
7	Agency processes are reactive.	1
8	Agency processes are uncoordinated.	1
9	Agency processes are planned.	2
10	Agency processes are managed.	2
11	Agency processes are controlled.	2
12	Agency processes are well-defined.	3
13	Agency processes are consistent.	3
14	Agency processes are followed.	3
15	Agency processes involve quantitative objectives.	4
16	Agency processes involve metrics analysis.	4

17	Agency processes involve statistical analysis.	4
18	Agency processes are improved incrementally.	5
19	Agency processes are efficient.	5
20	Agency processes are effective.	5

FINDINGS

There were 268 survey questionnaires distributed in Alabama. An amount of approximately 55% did not return the survey questionnaires whereas an amount of approximately 45% returned the survey questionnaires. There were 204 survey questionnaires distributed in Mississippi. Among them, an amount of approximately 60% did not return the survey questionnaires whereas an amount of approximately 40% returned the survey questionnaires. The frequency counts, means, and modes of the responses are presented within the following table. Frequency count percentages are given in parenthesis.

TABLE 2

Question Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean(SD)	Mode
Q1	16(8)	116(60)	36(18)	30(15)	6(3)	2.48(0.94)	2
Q2	2(1)	28(14)	22(11)	140(69)	12(6)	3.65(0.83)	4
Q3	1(1)	17(8)	19(9)	155(76)	12(6)	3.78(0.70)	4
Q4	15(7)	61(30)	26(13)	97(48)	5(2)	3.08(1.08)	4
Q5	14(7)	49(24)	42(21)	95(47)	4(2)	3.13(1.02)	4
Q6	13(6)	124(61)	17(8)	49(24)	1(1)	2.51(0.94)	2
Q7	3(1)	46(23)	13(6)	124(61)	18(9)	3.53(0.99)	4
Q8	13(6)	112(55)	23(11)	53(26)	3(2)	2.61(0.99)	2
Q9	0	11(5)	16(8)	160(78)	17(8)	3.90(0.61)	4
Q10	1(1)	18(9)	18(9)	153(75)	14(7)	3.79(0.72)	4
Q11	1(1)	20(10)	18(9)	153(75)	12(6)	3.76(0.73)	4
Q12	3(1)	28(14)	17(8)	146(72)	10(5)	3.65(0.83)	4
Q13	1(1)	23(11)	18(9)	153(75)	9(4)	3.72(0.74)	4
Q14	1(1)	14(7)	18(9)	154(75)	17(8)	3.84(0.68)	4
Q15	19(9)	64(31)	20(10)	97(48)	4(2)	3.01(1.12)	4
Q16	20(10)	61(30)	21(10)	94(46)	8(4)	3.04(1.15)	4
Q17	18(9)	51(25)	17(8)	104(51)	14(7)	3.22(1.16)	4
Q18	4(2)	26(13)	37(18)	131(64)	6(3)	3.53(0.83)	4
Q19	4(2)	30(15)	44(22)	123(60)	3(1)	3.45(0.83)	4
Q20	0	14(7)	23(11)	152(75)	15(7)	3.82(0.66)	4

The results of the χ^2 test of independence suggested that there was no relationship between response proportion and geographic location, $\chi^2 (1, N = 472) = 1.22, p = 0.270$. The level of significance was 0.05. Thus, there was no potential bias for region. The internal consistency,

measured by Cronbach’s alpha, for each of the subscales, ranged from 0.59 to 0.92. The relevant attributes are presented within the following table.

TABLE 3

Survey Sub-Scale	Cronbach’s Alpha Value
Basic framework: Q1-Q5	0.81
First maturity level: Q6-Q8	0.59
Second maturity level: Q9-Q11	0.83
Third maturity level: Q12-Q14	0.83
Fourth maturity level: Q15-Q17	0.92
Fifth maturity level: Q18-Q20	0.77

A total of 58.82% of the respondents indicated that their geographic location was Alabama. A total of 39.71% of the respondents indicated that their geographic location was Mississippi. A total of 1.47% of the respondents failed to reveal their geographic location. The organizations were classified as either urban or rural entities. A total of 12.25% of the respondents indicated that their organization was an urban entity. A total of 87.25% of the respondents indicated that their organization was a rural entity. A total of 0.49% of the respondents failed to reveal whether their organization was classified as either an urban or rural entity. A total of 71.08% of the respondents indicated that their job responsibility was a managerial position whereas a total of 27.45% of the respondents indicated that their job responsibilities were non-managerial. A total of 1.47% of the respondents failed to reveal whether their employment classification was either managerial or non-managerial. Approximately 19.61% of the respondents indicated a commercial entity whereas approximately 80.39% of the respondents indicated a government entity.

The two-tailed, one-way ANOVA method was used to investigate the hypotheses using the 0.05 significance level. A total of one statistically significant difference resulted from the testing of the scaled questions. The statistically significant outcome is presented within the following table.

TABLE 4

Scaled Questions	Urban Mean	Urban Std. Dev.	Rural Mean	Rural Std. Dev.	<i>p</i> -value	ω^2 Size	Effect
15-17	2.83	1.13	3.13	1.14	0.0296	0.0061	

Scaled questions 15 through 17 represented the fifth scale set of questions and the fourth level of the maturity framework. Specifically, this scale addressed the notion whether “evidence of the fourth level of the process maturity framework exists.” The fourth maturity level represents quantitatively managed processes. The mean responses of both urban and rural personnel exhibited direction toward neither agreeing nor disagreeing with this notion. In other words, both urban and rural entities expressed neutrality regarding whether the fourth maturity level was perceived.

CONCLUSIONS AND RECOMMENDATIONS

Regarding scaled items 15 through 17 of the survey questionnaire, involving the fourth level of the maturity framework, it is concluded that a statistically significant difference exists between the perceptions of urban vs. rural personnel regarding the notion that evidence of the fourth level of the process maturity framework exists. Regarding the hypothesis statement, it appears that perceptions regarding evidence of the fourth level of the process maturity framework exists are different between urban versus rural personnel. The fourth maturity level represents quantitatively managed processes. Given the mean analysis, both groups exhibited perceptions of neutrality. Thus, it is concluded that few, if any, characteristics of the fourth level are perceived among the polled environments.

Law enforcement organizations use a variety of methods for managing processes quantitatively. Within American policing, one of the most used paradigms is Compstat (Willis, Mastrofski, Weisburd, & Greenspan, 2003). Among departments that have over 100 personnel, 32.6% of the law enforcement organizations implement Compstat. Among smaller organizations, below 100 personnel, approximately 11.0% of law enforcement organizations implement Compstat (Willis, Mastrofski, Weisburd, & Greenspan, 2003). Within this study, approximately 1.96% of the polled environments reported the use of Compstat. Thus, the conclusion is unsurprising given the low Compstat rates.

The use of maturity modeling to improve processes also involves quantitatively managed processes. However, the polled environments of this study indicated that only approximately 0.49% use maturity modeling as a process improvement paradigm. Therefore, given such a low percentage, the conclusion is unsurprising.

Both Alabama and Mississippi are neighboring, adjacent states. Therefore, they may share similarities regarding organizational influences, organizational processes, justice systems, and the types of crimes that exist within their societies that may impact their organizational administrative processes. Given these notions, it is recommended that this study be repeated using data from states that represent geographically different regions (e.g., Arizona versus Connecticut) within the United States whose law enforcement organizations experience differing scopes and magnitudes of activities and organizational attributes that may affect their organizational administrative processes.

This research endeavor was constrained geographically to the states of Alabama and Mississippi. It is recommended that other state comparisons occur to determine whether similar outcomes are manifested during future studies. Therefore, this study may be repeated involving different state combinations (e.g., Georgia versus Florida, etc.). These combinations of states may or may not involve adjacent states. Because the United States is comprised of 50 individual states, a plethora of state combinations could be studied and compared to the outcomes of this study.

Within the literature, there is an absence of writings that discuss process improvement maturity modeling within the context of the criminal justice domain. It is recommended that additional studies investigate the crafting of process maturity models among other justice system domains. For instance, future studies may address the potential of the maturity model within court systems, intelligence cycles, or among correctional environments.

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BUILDING INTERIORS (BI)

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ABSTRACT

Building Interiors (BI) with \$18 million annual sales has been acquired by Lone Star Supply, another building material distributor. Lone Star's strategy is to leave top management of the acquired firm in place with the expectation of achieving a certain financial performance. BI has failed to obtain Lone Star's financial expectation. One BI top manager has resigned and a replacement manager has been demoted. A Lone Star senior manager with a reputation of being a "turnaround specialist" has now been appointed BI's top manager. The case explores this new manager's approach for achieving BI's required profitability level.

INTRODUCTION

At 5:00 am, Marvin Wells parked his automobile in a small parking area located adjacent to Building Interiors' (BI) loading/unloading dock. Today is Wells' second day as BI's Branch Manager and he is interested in meeting with BI's truck drivers as they prepared to deliver customer shipments.

The first driver that Wells met was Rafael Campos. After introducing himself, Wells asked Campos "how things were going?" To which Campos replied:

Things are pretty screwed up around here. The drivers get lousy information about deliveries. Then we get chewed out by the customers because of mistakes. Last week a guy on a job site cussed me and told me he was going to kick my ass. I told him to come on; it's no closed season on my old ass.

Wells asked Campos for specifics and Campos responded:

I had to make a big delivery to a ten story office building that is being constructed next to the State Capitol. The ticket called for the material; ceiling tile, sheetrock, ceiling grids, drywall grids and adhesives; to be delivered at 7:00 am. The material was to be dropped off at the first floor. I arrived at the site at 6:45 am and was told that some of the material had to be delivered to the first floor, some to the fifth floor and some to the tenth floor. The guy that cussed me met me at the job site and asked where the hoists to move the material were. He said we were supposed to have the material in place on those three floors by 7:00 am. He said that his crews were coming on to the jobsite and they needed the material. I told the guy that I didn't know anything about what he was saying. My instructions were to drop off the material at the first floor. The guy told me that I had to get the material to the other floors by no later than 7:15 am. I told him I wasn't Superman and he had better figure a way to get the material to where he wanted it. That's when he cussed and threatened me. I thought we were going to fist city but

the guy left. I called the Dispatcher and he told me to follow the instructions on the delivery ticket—unload the material on the first floor. I did that and found somebody to sign the delivery ticket. The material was unloaded by 7:45 am. I never saw the guy again that cussed me. I don't have to take abuse from people, regardless whoever they are.

Wells then asked Campos if he remembered who the customer was and Campos stated:

It was the Henry Brothers Construction job on San Jacinto Drive. They buy a lot of stuff from us.

Wells then talked with the other drivers. During those conversations, Driver Bobby Fox related the following delivery problem to Wells:

Last week I delivered a load to a remodeling job at the Frost Bank on State Street. The material was loaded on one of our big trucks. When I got to the Bank's location on State Street, I couldn't get the big truck into the Bank's unloading area. I returned to our Branch and the material on the big truck was reloaded onto two smaller trucks. Earlier the next morning, John David and myself drove the two small trucks to the Bank's State Street unloading area. We got there at 7:00 am. However, they told us that we couldn't be unloaded until 10:00 am. We called Dispatch and were told to return to the Branch. We delivered the material at 10:00 am but it took a long time to get unloaded. Other trucks were being loaded and unloaded and that held us up. We finally completed unloading at 1:00 pm. We learned that all those delays had really screwed up BI's deliveries for that day and two big customers were really hacked off. I heard that BI paid some money to one of them for us being late.

Several other drivers also related problems they had experienced with delivering products to customers. Based on all the preceding comments, Wells concluded that BI's Dispatchers were not providing the truck drivers with sufficient information and decided he needed to meet with BI's Dispatcher.

THE BUILDING INTERIORS (BI) ACQUISITION

BI is a ceiling tile and sheetrock distributor located in Austin, Texas with annual sales of \$18 million. BI has one large warehouse located in Austin, Texas and was acquired eight months ago by Lone Star Supply Company (Lone Star), a diversified building materials distributor headquartered in Waco, Texas. Exhibit 1 describes the products offered by BI. Prior to BI's acquisition by Lone Star, BI was owned by a group of five Austin professional individuals.

Lone Star's strategy is to acquire distributors related to building materials. After an acquisition, the management of the acquired business is left in place. However, the acquired business is expected to earn a certain gross margin and a certain net income before interest, taxes and amortization expenses (EBITA). The performance of the acquired business is reviewed every three months and compared to the expected performance. If those expectations are not achieved within

a six months period, the top management of the acquired business is replaced. The top manager of the BI acquisition retained by Lone Star was Branch Manager Henry Barnes who had sales and profitability responsibilities under BI's previous owners.

Three months after the acquisition, BI had achieved its expected performance. However, BI's Branch Manager Barnes reported that Lone Star's expectations for BI could not be sustained and he resigned. Accordingly, BI's Sales Supervisor Horace Campbell was named as Temporary Branch Manager with profit responsibility. Further, Campbell was instructed to maintain his prior responsibility for Sales Supervision. However, margins began declining and Lone Star returned Campbell to his former position of Sales Supervisor and named Marvin Wells as the new permanent Branch Manager. Wells has worked for Lone Star for the past ten years and most recently was Branch Manager of Lone Star's branch in Temple, Texas which is a roofing and aluminum siding distributor. Wells has significantly improved the profitability of the Temple Branch and has a reputation as a "turnaround" specialist. Exhibit 2 describes a condensed version of BI's present organization chart.

MEETING WITH WAREHOUSE SUPERVISOR BILL DAVIS

Following his early morning meeting with BI's truck drivers, Branch Manager Wells paged Warehouse Supervisor Bill Davis with instructions to meet Wells at a certain location in the warehouse. Bill Davis greeted the approaching Marvin Wells by stating: "you are out in the warehouse pretty early, today. We don't get many early visits from the Big Boss. I understand you've been talking with my truck drivers. Anything I can help you with?" Wells asked Davis how things were going in the Warehouse and in Shipping to which Davis responded:

We do a pretty good job of filling orders and most of the time our deliveries are on time. However, we don't always get the correct delivery information from Inside Sales and that really causes us problems. When Henry Barnes was Branch Manager things ran a lot smoother. For some reason, we've had a lot of problems while Horace Campbell was Temporary Branch Manager.

Wells asked: "What kind of problems?" Davis replied:

Sometimes the correct delivery information isn't placed on the shipping papers and it costs us money and all kinds of problems with our customers. It's not the fault of Inside Sales that the right information isn't entered; it's those prima donnas Outside Sales guys who are to blame. Henry Barnes, who didn't come up through Sales, used to really chew those Outside Sales guys' asses when they made a delivery mistake. Horace Campbell doesn't do anything to have outside sales to provide the correct shipping information. Campbell sugar coats everything that involves a screw-up caused by the Outside Sales guys

MEETING WITH THE DISPATCHER

Wells asked Warehouse Supervisor Davis to walk with him [Wells] to the Dispatcher's office and to allow Wells to meet privately with the Dispatcher. At the beginning of the meeting in the Dispatcher's office, Wells asked "how are things going in Dispatch?" The Dispatcher informed Wells about several problems including the recent instances involving the Frost Bank on State Street and Henry Brothers Construction job on San Jacinto Drive. The Dispatcher also stated:

We are supposed to receive instructions from Inside Sales for anything out of the ordinary pertaining to deliveries. However, we don't always receive those instructions. It seems that the flow of information from the Inside Sales folks on anything out of the ordinary has really dried up.

A 7:45 AM CELL PHONE CALL

Following the early morning meeting with BI's Warehouse personnel, Wells received a 7:45 am cell phone call from his BI Secretary. Late yesterday, Wells had instructed his Secretary to telephone him the next day at 7:45 am. Wells wanted such a telephone call because the "work day" for employees in the Branch Office was supposed to begin at 7:30 am and Wells wanted to know what employees had so arrived. Wells did not inform his secretary as to why he wanted the 7:45 am telephone call. After receiving the required telephone call, Wells learned that all Branch office employees had arrived at their required time. However, Wells was informed that Sales Supervisor Horace Campbell was away from the BI Branch on sales calls. Also, Campbell would be away from the BI Branch for the entire day. When Wells questioned his Secretary (who also performed some secretarial tasks for Campbell) about Campbell's itinerary for the remainder of the day, she informed Wells that Campbell never provided such information. Wells then instructed his Secretary to schedule meetings beginning at 8:30 am on the present day with Human Resource Supervisor Michael Ross, an Inside Sales senior employee, Megan Rawlings, and Accounting Supervisor Peggy Watkins in that order. Each meeting was to last 30 minutes and would be held in Well's office.

MEETING WITH HUMMAN RESOURCE SUPERVISOR MICHAEL ROSS

Michael Ross appeared in at Well's office at 8:25 am and immediately asked Wells if anything was amiss. Wells mentioned that certain employees had mentioned incomplete information being provided to the Dispatcher and Truck Drivers. Wells then asked Ross if he had received any such information. Ross responded that Warehouse Supervisor Bill Davis had complained to Ross about incomplete shipping information being received from Inside Sales while Horace Campbell was the interim Branch Manager. Ross stated he had informed Davis to discuss those issues with Campbell. Wells then asked Ross for any comments about the performance of Inside Sales employees. Ross responded that Megan Rawlings was the senior employee in Inside Sales and had received outstanding evaluations from both Horace Campbell and Henry Barnes. Also, Megan was well respected by BI's customers and was the "go to person" when customers needed a critical service.

MEETING WITH MEGAN RAWLINGS (INSIDE SALES SENIOR EMPLOYEE)

Megan arrived at Well's office promptly at 9:00 am. Wells greeted her warmly saying: "I've heard a lot of good things about your performance with the Company. Please sit down." Megan responded: "Thank you very much, how are things going since you've joined our Branch?" Wells replied; "Very interesting. I've learned about the incomplete information that is being provided to our Dispatcher and Truck Drivers. Would you tell me what you know about this lack of information?" Megan responded:

The mistakes occur either on orders from major customers in which an Outside Salesman and Mr. Campbell are involved. Usually, there is considerable discussion about pricing and things get changed through the negotiation process. There is always a rush to enter the order and get it shipped. Many times the Outside Salesman is involved with an order, there is a delay about pricing or payment terms and then the Salesman begins working on other things. Suddenly, the former order becomes a reality and it must be delivered quickly. However, in many instances, pricing and payment terms are not entered for the particular order. Most of the mistakes are made by two Outside Salesmen, Jacob House and Larry King. Jacob is young and is under pressure to make his quotas. He gets in a hurry and makes mistakes. If Jacob would just slow down, his mistakes would stop. Mr. Campbell puts a lot of pressure on Jacob. On the other hand, Larry is really arrogant. He tells us that he doesn't have the time for routine "stuff" because he's focusing on the big picture. Larry and Mr. Campbell are very close.

Wells asked Megan about the number of mistakes made by Outside Sales individuals. Megan indicated:

By far, Jacob House and Larry King make the greatest number of mistakes; however, the other four outside sales people are beginning to make mistakes. They don't always follow the correct procedures.

Wells then asked Megan about mistakes made by Inside Sales personnel to which Megan responded:

Many orders don't contain complete shipping information. Most of the time, Inside Sales catches the mistakes and will ask Outside Sales for the correct information. Also Inside Sales will contact the customer about the correct information. Unfortunately, some mistakes don't get caught. These really cause a lot of problems with our customers and have resulted in significant increased costs for the BI Branch.

Finally, Wells questioned Megan about the performance of Warehouse employees supervised by Bill Davis. Megan replied:

Both the Dispatchers and Truck Drivers do a great job. Our truck drivers take a lot of heat from customers because of problems with shipping information. Fortunately, they just seem to roll with the punches. The performance of order pickers is beginning to decline. Incorrect material is pulled for orders and in many instances; orders are marked as being complete while they aren't. This really causes a lot of problems for our customers and our Inside Sales people. I believe that these mistakes have a significant impact on our increased costs. Recently, Bill Davis seems to have developed a "I don't give a damn about mistakes made by my people. Outside Sales makes mistakes and they aren't disciplined."

MEETING WITH ACCOUNTING SUPERVISOR PEGGY WATKINS

Wells concluded his meeting with Megan at 9:25 am and observed Accounting Supervisor Peggy Watkins waiting outside his office for their meeting. Wells suggested that their meeting be conducted in Watkins' office and both walked to her office.

During his meeting with Peggy Watkins, Wells inquired about any financial contribution reports relating to orders delivered. Watkins informed Wells that such a report was available. That report, *The Sales Order Profit Contribution Report*, lists both a standard and actual profit contribution for each order. Wells asked for the *Sales Order Profit Contribution Report* for the Henry Brothers Construction job on San Jacinto Drive. Watkins produced such a report which indicated a standard profit contribution for the Henry Brothers Construction job on San Jacinto Drive of 42% and an actual profit contribution of 16%. Watkins reported that a "significant" expense was charged against the job for the rental of a hoist and operators to move material from the ground floor of the jobsite on San Jacinto Drive to the fifth floor and to the tenth floor. Wells then asked Watkins if any credit had been issued to a customer pertaining to the delay in deliveries to that customer due to a situation involving the Frost Bank job on State Street. Watkins advised that she remembered that such a credit had been issued and it was to compensate a customer for "lost time on the job due to scheduling problems." Watkins continued by stating that the credit "was for a large amount" and she would locate the exact credit and would advise Wells of the amount. Wells then returned to his office.

THE NEXT STEP

Wells was amazed that he had learned so much in such a short time during his second work day at the BI Branch. He was aware that the reason he had been assigned as the BI Branch manager was to improve the Branch's declining financial performance. Wells was pleased about the information he had obtained and began to develop an action plan in his mind regarding how to deal with the issues he had discovered.

QUESTIONS

Considering only the material presented in the preceding case, answer the following questions.

1. When should Marvin Wells meet with Horace Campbell? What should be Wells' agenda during that meeting? Explain.
2. Explain the comments of Warehouse Supervisor Bill Davis when he first met Marvin Wells in Metro's warehouse.
3. What is the most important issue facing Metro? The most urgent? Explain
4. What plan of action would you recommend to Marvin wells to solve the most important issue? The most urgent?

EXHIBIT 1

Building Interiors Distributors

Product Line

Ceiling Grid

Drywall Grid

Ceiling Tile

Sheetrock

Adhesives and Caulking

Steel Studs

Stucco Products

Gypsum Sheating

Suppliers

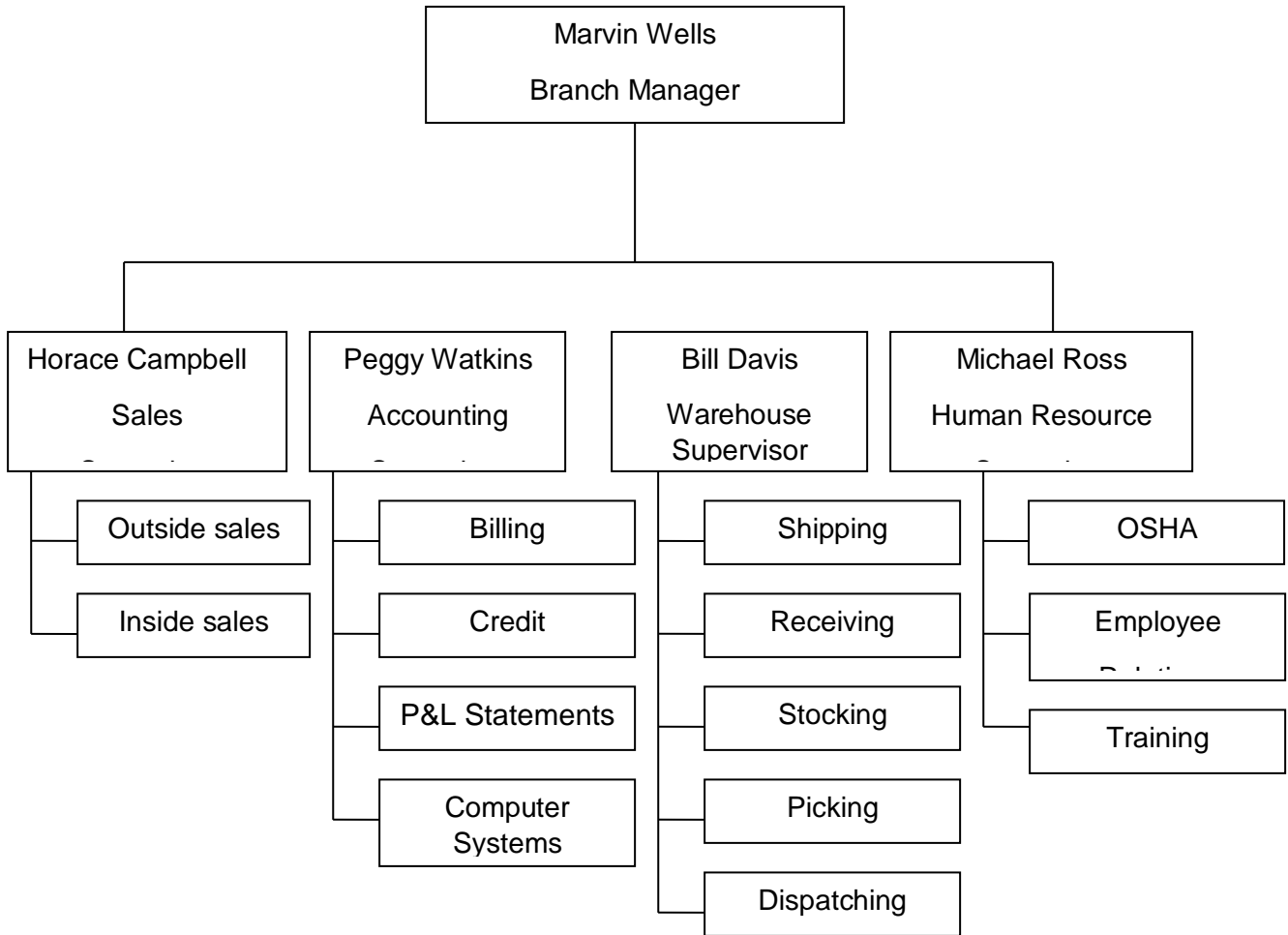
Armstrong

USG

Gold Bond

EXHIBIT 2

**Building Interiors Distributors
Present
Organization Chart**



THE ROLE OF KNOWLEDGE MANAGEMENT STRATEGIES IN THE RELATIONSHIP BETWEEN KNOWLEDGE ACQUISITION, IMITATION, AND INNOVATION RESULTS: AN EMPIRICAL STUDY OF VIETNAMESE FIRMS

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ABSTRACT

This paper presents the findings of a study, using quantitative methodology, on the moderating role of two key Knowledge Management (KM) strategies: codification and personalization in the relationship between knowledge acquisition, imitation and innovation results of firms. A survey questionnaire was used to collect quantitative data from 130 Vietnamese firms regarding knowledge acquisition practices, imitation business orientation, KM strategies and innovation results of firms. The results showed that knowledge acquisition and imitation have a significant and positive effect on innovation results and among the two KM strategies. In addition, personalization strategy has a more important role than codification strategy and only codification strategy interacts with knowledge acquisition and imitation to influence on innovation results of firms. Hence, in order to enhance innovation results, firm should not be overly dependent on the implementation of KM codification strategy without paying due attention to KM personalization strategy.

INTRODUCTION

There is a growing body of research in the current literature which examines the influence of knowledge management practices on innovation results of firms. Knowledge management, according to Demarest (1997) and Rowley (2001), is defined as a set of activities or efforts of organization to acquire, create, store, share, develop, diffuse and deploy knowledge by individuals or teams to enhance organizational performance. Knowledge acquisition is seen as a crucial process in the KM cycle as it helps an organization to continuously develop and expand its knowledge repository. Different studies, have also pointed out the contribution of knowledge acquisition to innovation, for example, Andreeva and Kianto (2011); Chen and Huang (2009); and Darroch (2005).

Most Vietnamese firms are known to be small and resource-constrained. They therefore tend to adopt an imitation strategy, i.e. copying the products, services or marketing practices of competitors instead of developing their own capability by investing in research and development activities. From a knowledge-based perspective, imitation can be considered a necessary learning process or a form of incremental innovation (Jenkins, 2013) before firms are able to implement radical innovation. Imitation can be seen as an appropriate business orientation for firms at their nascent stage of development or those operating in an emerging economy such as Vietnam.

A KM strategy serves as a roadmap to guide an organization towards more effective knowledge management by managing workgroup knowledge processes, extending knowledge capabilities and recommending solutions to KM problems (Bosua and Venkitachalam, 2013). By adopting the tacit-explicit typology of knowledge proposed by Polanyi (1966), scholars normally depict KM strategies to be either human-oriented (personalization) or system-oriented (codification).

According to Hansen *et al* (1997), a firm will follow a “codification strategy” if most of its knowledge can be codified and stored in repository so that it can be easily accessed and used by anyone in the firm. On the other hand, a firm will follow a “personalization strategy” when knowledge sharing inside the firm occurs mainly through internal social networks or direct person-to-person contacts.

The direct effects of KM strategies on organizational performance in general and on innovation in particular have been reported in some studies in the KM literature (Liao, 2007; Majchrzak *et al*, 2004; Rhodes *et al*, 2008). In this paper, we build on the previous studies related to the KM-innovation relationship and extend the above literature by (i) determining the extent to which knowledge acquisition and imitation directly enhance innovation result, (ii) examining the direct effects of KM strategies on innovation result and (iii) examining the moderating role of KM strategies in the relationship between knowledge acquisition, imitation and innovation result of Vietnamese firms.

LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

Knowledge acquisition and innovation. The knowledge-based view of firm (Kogut and Zander, 1992; Grant, 1996; Spender and Grant, 1996) recognizes knowledge as the most important strategic resources for ensuring an organisation’s long term competitive advantage and knowledge management as a key instrument for the improvement of organizational effectiveness and performance (Zack *et al*, 2009). Demarest (1997) and Rowley (2001) describe KM as a set of processes or activities aimed at improving organizational performance, namely acquiring, creating, storing, sharing, developing, diffusing and deploying knowledge. Although different terms can be used to describe the process of acquiring knowledge, such as acquire, seek, generate, capture, etc they all refer to the process of knowledge accumulation (Gold *et al*, 2001). This study focuses on one aspect of knowledge management, i.e. knowledge acquisition as the very first and key process in the KM cycle to examine the contribution of KM to innovation of firm.

Organisational innovation is normally conceptualized in the current literature as either process-oriented or outcome oriented (Quintane *et al*, 2011). From the process-oriented perspective, innovation is viewed as a process of producing a new viable idea and then implementing it in a way that produces value (Trott, 2005), or introducing and applying new ideas (West and Farr, 1990). From the outcome-oriented perspective, innovation simply implies something new in the environment into which it is introduced (Damanpour, 1991) or that new knowledge is applied for commercial ends (Song, 2015). Similarly, Plessis (2007) refers innovation to the creation of new knowledge and ideas to facilitate new business outcomes, aimed at improving internal business processes and structures and to create market driven products and services.

The relationship between knowledge acquisition and innovation has been widely examined in the current literature. Darroch (2005) conducted a survey of 443 organisations in New Zealand and proved that knowledge acquisition has a positive effect on innovation. Andreeva and Kianto (2011), based on a quantitative survey covering 221 firms in Finland, Russia and China, conclude that all the four KM processes: knowledge acquisition, knowledge storing, knowledge sharing and knowledge creation have positive effect on the innovation results of firms. Yli-Renko *et al* (2001) point out that knowledge acquisition mediates the relationship between social interaction and new product development. In a similar vein, Chen and Huang (2009) prove that knowledge acquisition contributes to both administrative and technical innovation of firm.

According to Galunic and Rodan (1998), innovation comes from the process of knowledge exchange and recombination. Based on this reasoning, we can interpret the different ways through which knowledge acquisition contributes to innovation. First, as Yli-Renko *et al* (2001) suggest, knowledge acquisition enhances the breadth and depth of external knowledge available to firm, thereby increasing the likelihood of combining external knowledge with internal knowledge, leading to innovation result for the firm. Second, the acquisition of external knowledge could accelerate new product development process as Zahra *et al* (2000) posit that knowledge diversity increases the speed of processing, thereby reducing product development cycles. In this study, knowledge acquisition involves not only the acquisition of knowledge outside of the firm, but also the accumulation of the firm's internal knowledge. Based on the above review and arguments, we propose that:

H1. Knowledge acquisition is positively related to innovation result of firm

Imitation and innovation. Asian firms used to imitate their counterparts from advanced economies in Europe and the United States (Hobday, 1995) and tried to quickly acquire critical knowledge and technologies through joint ventures, specific supply contract, etc. (Carney, 2003). Carney (2008) also highlights that innovation activities in family business groups in Asia seem to concentrate more on imitation than on the development of original proprietary technologies. Markides and Geroski (2005) posit that the 'fast second strategy' or imitation is the less expensive and safer approach to achieving competitive advantage by firms. Particularly, firms at the early stage of development or those in developing countries normally rely on imitation to learn and absorb ideas and technology from advanced countries as seen in the case of Japanese and South Korean firms several decades ago. As such, imitation can be regarded as a popular learning approach of firms in Asia as well as in other developing countries, and those from Vietnam are not an exception.

Motivation of firms to follow imitation orientation can be strong. Imitation not only helps firms to avoid heavy investment in R&D and marketing but also to shorten the time for new product development and for commercialisation of new products (Shenkar, 2010). Furthermore, by imitating the products or services already accepted by the market, firm can minimize the risks and costs associated with launching a product or service totally new to the market.

Moustaghfir and Schiuma (2013) posit that learning is the process through which new knowledge is generated and existing one is renovated. As such, knowledge acquisition and imitation are equally important for constituting the learning capability of firms since through these practices, firms are expected to gain new knowledge and renew its existing knowledge. The main difference between imitation and knowledge acquisition is that imitation deals with knowledge from competitors while knowledge acquisition involves a wide range of knowledge sources: customers, suppliers, competitors, past projects, etc.

By linking imitation to organizational learning, some scholars have pointed out that imitation could lead to innovation. Jenkins (2013) views imitation as a form of incremental innovation while Song (2015) suggests that imitation contributes to innovation of firm by means of acquiring new knowledge and capabilities from competitors. Empirical evidences about the effects of imitation on innovation can be found in the studies of Cho *et al* (1998), Dobson and Safarian (2008). We therefore hypothesize that:

H2. Imitation is positively related to innovation result of firm

KM strategy and innovation. Organisational knowledge exists either in tacit or explicit form (Polanyi, 1967). According to Nonaka *et al* (2008), explicit knowledge includes the type of knowledge which can be described to become information or data that individuals can easily collect, codify and store as knowledge for future utilization. Conversely, tacit knowledge is subjective, experience and skill based. According to Bollinger and Smith (2001), tacit knowledge consists of lessons learnt, know-how, assessment, estimation and intuition of individuals. A KM strategy is defined as a high level plan consisting of processes, tools, and technological infrastructure as well as necessary organisation to manage the deficiency or redundancy of knowledge in the organisation (Nouri *et al*, 2013). Based on the dichotomy between tacit and explicit forms of organisational knowledge, the current KM literature also provides a popular classification of KM strategy, initiated by Hansen *et al* (1999), according to which, every organisation will apply either codification or personalisation strategy.

Codification strategy relies on technology, system and procedures to describe, and codify the knowledge and experiences of organisation, thereby transforming organisational knowledge from tacit into explicit form. The purpose of this strategy is to establish a knowledge repository inside the organisation that all members can have easy access for searching knowledge needed for their work. Personalisation strategy, on the other hand, emphasizes the interaction and direct sharing among individuals in an organisation. This strategy is built on the establishment of social networks in teams (Swan *et al*, 2000) and is enabled through mentoring or apprenticeship processes. It focuses on the acquisition of internal knowledge and foster knowledge sharing mainly through informal channels (Jordan and Jones, 1997). Choi and Lee (2002) named codification strategy as system-oriented strategy and personalisation strategy as human-oriented strategy.

Starting from Galunic and Rodan (1998)'s view of knowledge resource recombination as the key mechanism for innovation, we can describe the different ways through which KM strategies contribute to innovation. For example, codification strategy can help to reduce the 'tacitness' of organisational knowledge, thus making it easier for different knowledge resources inside the organisation to be exchanged or combined. Personalisation strategy, on the other hand, encourages social interaction and knowledge sharing among individuals through informal channels, thus also fostering the exchange and recombination of knowledge resources throughout the firm.

There have been a limited number of empirical studies in the current literature examining the relationship between KM strategies and innovation of firms. Liao (2007) points out that although both KM strategies (codification and personalization) have positive effect on the innovation results of firm and that codification strategy plays a more important role in contributing to the innovation results of firms. Majchrzak *et al* (2004) conclude that explicit knowledge reuse, or codification strategy has a significant and positive relationship to radical innovation. Regarding personalization strategy, Rhodes *et al* (2008) prove that this strategy has a significant and positive association with product innovation and process innovation.

Based on the above findings and arguments provided by the current literature, we hypothesize:

H3. Codification strategy is positively related to innovation result of firm

H4. Personalisation strategy is positively related to innovation result of firm

Moderating effects of KM strategies. Besides addressing the direct effects of KM on innovation, different scholars also adopted the contingency approach to figure out different factors which may influence the relationship between KM practices and organizational performance. For example,

Donate and Guadamillas (2011) prove that organizational factors such as knowledge centered culture and knowledge oriented leadership style moderate the relationships between two KM practices: knowledge exploitation and knowledge exploration and innovation results. Andreeva and Kianto (2011) point out that the knowledge intensity of firm mediates the relationship between knowledge processes and innovation while according to Yli-Renko *et al* (2001), knowledge acquisition fully mediates the link between social interaction and new product development.

The moderating role of KM strategies however has not been addressed in previous research and this presents a research gap in the KM literature. In this study, we propose that both KM strategies: codification and personalization would moderate the influence of knowledge acquisition and imitation on the innovation results of firms. Our argument is based on the assumption that the two KM strategies utilize different tools or channels (human vs system) for knowledge dissemination and knowledge combination, and these channels may either enhance or lessen innovation result of a firm when combined with knowledge gained through acquisition and imitation. Normally, a KM strategy followed by a firm is oriented either to explicit or tacit knowledge. Imitation by nature occurs mainly through informal channels while knowledge acquisition may occur through both formal and informal channels. Combining KM strategy with knowledge acquisition or with imitation can therefore have joint effects on the innovation result of a firm. We therefore hypothesize:

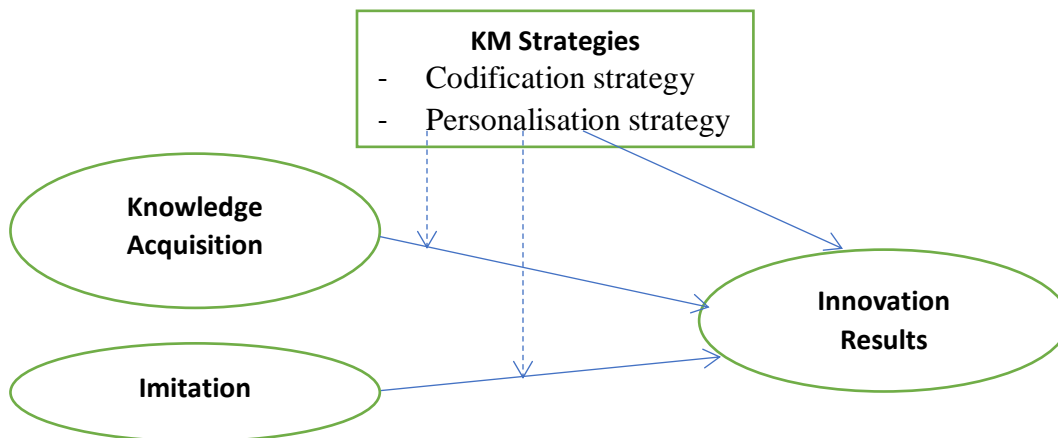
H5a. Codification strategy moderates the relationship between knowledge acquisition and innovation result.

H5b. Codification strategy moderates the relationship between imitation and innovation result.

H6a. Personalisation strategy moderates the relationship between knowledge acquisition and innovation result.

H6b. Personalisation strategy moderates the relationship between imitation and innovation result.

Figure 1. Research Model



RESEARCH METHODOLOGY

Sample and data collection

This study applied the quantitative methodology to test the eight research hypotheses stated above. Primary data was captured from survey questionnaires distributed to and completed by *one hundred thirty Vietnamese firms* located in Ha Noi and Ho Chi Minh City, two biggest cities in Vietnam. Firms participating in this study operate in a wide range of sectors, including manufacturing, high-tech, service, trading, etc. To be eligible, the firm has to satisfy some selection criteria, for example it must have at least fifty employees, with a minimum annual revenue of VND50 billions and has been operating for at least three years at the time of answering the questionnaire.

Previous studies on KM and innovation tended to use high-tech or innovative industries for empirical testing (Donate and Guadamillas, 2011; Liao, 2007) since firms in this sector are more likely to apply KM and see innovation as a source of competitive advantage. There are, however, an increasing number of studies using a more diverse sample with firms coming from different industries for empirical testing. Examples include Choi and Lee (2002) and Andreeva and Kianto (2011). In the case of Vietnam, due to the insignificant number of high-tech firms, the use of a multi-sector sample is more relevant. Also, more importantly, in the era of knowledge-based economy, KM is increasingly practiced by firms in almost all sectors and industries.

Firms involved in this study were randomly selected, based on a list provided by Statistics Offices in Hanoi and HCM City. High-tech, service and manufacturing firms account for 21%, 27.54% and 24.64% of the research sample respectively. Trading and other sectors account for the remaining 21% of the research sample. Data collection was undertaken via different channels such as: email, google doc, interview at firms, and with the help of staff from the Statistics Officials.

Measures

Knowledge acquisition. The measure for knowledge acquisition was adapted and slightly modified from the study of Gold *et al* (2001), taking into consideration the level of KM implementation by Vietnamese firms in general. To get data for empirical analysis, respondents were asked to rate on how their firm performs vis a vis each item, using a seven-point scale. The reliability test shows a high value for this measure ($\alpha = 0.89$).

Imitation. Since no measures for imitation construct can be found in the current KM literature, we decided to create a three item measure for this construct in order to examine how imitation could contribute to the innovation results of firms. Respondents were asked to rate on a seven-point scale to what extent they agree or disagree that: i. *the majority of their firm's products and services are similar to those in the market*, ii. *their firm puts emphasis on observing and following competitor's products and services* and iii. *their firm puts emphasis on observing and following competitors' business and marketing strategies*. The Cronbach's alpha for this measure reaches an acceptable value ($\alpha = 0.77$).

Knowledge management strategies. Choi and Lee (2002) develop a four item measure for codification strategy and a four item measure for personalization strategy. To examine the effects of KM strategies on innovation result of firm, this study also builds on the study of Choi and Lee

(2002) to develop two separate measures for codification strategy and personalization strategy. Both these two measures yield a high cronbach's alpha value ($\alpha = 0.88$), showing strong internal reliability of these measures.

Innovation result. The measure for innovation result used in this study was adapted and slightly modified from the study of Donate and Guadamillas (2011). These authors create an eight item compound measure based on the work of Zahra and Das (1993) and Zahra and Bogner (1999), reflecting the capacity of firm in making new products/services and business processes or modifying current products/services and business processes. Respondents were asked to rate not only absolute subjective items (level of innovation results of firms) but also relative items (level of innovation results compared to those of competitors), using a 7 point scale ranging from 1 (very low) to 7 (very high). This measure also obtains a very high value of internal consistency reliability ($\alpha = 0.94$).

Control variables. Firm size and firm age serve as control variables in this study. These factors have been found to have effect on innovation result in the studies of Chen and Huang (2009), and Donate and Guadamillas (2011). To compensate for skewness, firm size is measured by the squared number of staff and firm age is obtained by calculating the natural log of number of years from the founding date.

RESULTS

Table 1. Exploratory Factor Analysis

	Component				
	1	2	3	4	5
Innovation results 1	.721				
Innovation results 2	.718				
Innovation results 3	.790				
Innovation results 4	.740				
Innovation results 5	.805				
Innovation results 6	.752				
Innovation results 7	.774				
Innovation results 8	.760				
Codification strategy 1			.766		
Codification strategy 2			.807		
Codification strategy 3			.599		
Codification strategy 4			.820		
Personalisation strategy 1				.567	
Personalisation strategy 2				.625	
Personalisation strategy 3				.707	
Personalisation strategy 4				.641	
Imitation 1					.701
Imitation 2					.791
Imitation 3					.848
Knowledge acquisition 1		.809			

Knowledge acquisition 2	.750
Knowledge acquisition 3	.740
Knowledge acquisition 4	.637
Knowledge acquisition 5	.654

Notes: Only loadings > 0.50 are shown. KMO = 0.929, Bartlett's Test of Sphericity = 2363.426, Significance = 0.000.

A principal component analysis with varimax rotation was conducted to test the discriminant validity of the variables. Results from exploratory factor analysis shows that five variables: knowledge acquisition, imitation, codification strategy, personalization strategy and innovation results are successfully loaded on five different components with the eigenvalue of each component > 1. Total variance explained by the five components is 72.85%. The KMO and Bartlett's test generates a satisfactory result with KMO=0.929 at the significance level $p < 0.05$.

Results of regression analysis

Multiple regression analysis was used to test the hypotheses. In total, four models were built to test the hypotheses. In the first model, only two control variables: firm age and firm size were entered. In the second model, both knowledge acquisition and imitation were added to measure their individual effects on the innovation results of firms. In the third model, codification strategy and personalization strategy variable were added and finally in the fourth model, the interactions between each of these strategies with the two independent variables: knowledge acquisition and imitation were added at the same time to capture the possible moderating effects of the two KM strategies.

Table 2. Means, standard deviations and correlations

	<i>Mean</i>	<i>SD</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
Knowledge acquisition	4.90	1.262	1					
Imitation	5.00	1.311	0.426**	1				
Codification strategy	5.06	1.311	0.596**	0.364**	1			
Personalisation strategy	5.26	1.311	0.649**	0.365**	0.689**	1		
Innovation Results	5.32	1.164	0.649**	0.437**	0.499**	0.640**	1	
Firm age	3.85	1.241	-0.074	0.067	0.027	-0.062	-0.218*	1
Firm size	2.84	1.051	-0.026	0.198*	0.093	0.011	0.011	0.463**

Notes: * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

All the four models are significant with Model 1 explaining 4.9% the variance of the dependent variable and model 2,3,4 explaining respectively 55.7%, 63% and 66.4% the variance of the dependent variable.

Results from Model 1 show that firm size or the number of staff is positively related to innovation results ($t = 1.756$ $p < 0.1$), that is, the greater the number of staff the higher innovation results of

firms. Conversely, firm age has a negative association with innovation result ($t = -2.715$, $p < 0.01$), suggesting that the older the firm, the lower its innovation result. One possible explanation is that gradually, inertia amongst individuals in the organization becomes greater, resulting in increased resistance to change and innovation inside the firm.

In Model 2, when the two independent variables: *knowledge acquisition* and *imitation* were added, the associations between the two control variables and innovation results remain statistically significant. Knowledge acquisition has a strong and positive effect on innovation results ($t = 7.574$, $p < 0.01$) and the effect of imitation on innovation results is also significant and positive ($t = 4.620$, $p < 0.01$).

Table 3. Multiple Regression analysis

	Model 1		Model 2	
	<i>st. coeff.</i>	<i>t-value</i>	<i>st. coeff.</i>	<i>t-value</i>
(Constant)		15.334		2.931
firm age	-.277	-2.715***	-.174	-2.445**
firm size	.179	1.756*	.150	2.102**
Knowledge acquisition			.523	7.574** *
Imitation			.324	4.620** *
F		3.882* *		36.513***
(%) R ²		6.50		57.30
(%) adjusted R ²		4.90		55.70
(%) change in R ²				50.70
F change				64.689***

Notes: Dependent variable: Innovation Results; * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

Table 4. Multiple Regression analysis

	Model 3		Model 4	
	<i>st. coeff.</i>	<i>t-value</i>	<i>st. coeff.</i>	<i>t-value</i>
(Constant)		1.845		-.492
firm age	-.168	-2.593**	-.159	-2.527
firm size	.129	1.976*	.105	1.642
Knowledge acquisition	.296	3.689***	.426	1.790
Imitation	.219	3.239***	.404	1.668
Codification strategy	.064	.728	1.828	3.702
Personalisation strategy	.350	3.749***	-.848	-2.030
<i>Codification x Knowledge acquisition</i>			-1.455	-2.157**

<i>Codification x Imitation</i>		-1.331	-2.067**
<i>Personalisation x Knowledge acquisition</i>		1.060	1.514
<i>Personalisation x Imitation</i>		.958	1.455
F	33.073***		23.287***
(%) R ²	65		69.30
(%) adjusted R ²	63		66.40
(%) change in R ²	7.70		4.40
F change	11.767***		3.665***

Notes: Dependent variable: Innovation Results; * p < 0.1; ** p < 0.05; *** p < 0.01

In Model 3, when codification strategy and personalization strategy were added as moderating variables, the effects of the two independent variables on innovation result are still positive and significant. Among the two KM strategies, only personalization strategy has a positive and significant relationship with innovation result of firm ($t = 1.756, p < 0.05$). Looking at the statistical values in Model 4, including the significance level of the interaction variables, and based on the change in R² value and F value as a result of the inclusion of the moderating variables in Model 3 and 4, it can be concluded that codification strategy interacts with both knowledge acquisition and imitation to negatively influence on the innovation results of firms.

There is however no empirical evidences to support the moderating role of personalization strategy in the relationship between knowledge acquisition and innovation result as well as between imitation and innovation result.

DISCUSSION AND CONCLUSIONS

Direct effects of KM practices, KM strategies and imitation on innovation results

Findings from this study were used to interpret the relationships among knowledge acquisition, imitation, KM strategies and innovation results of firms. Firstly, knowledge acquisition was found to exert a strong and positive effect on innovation result of firm, thus supporting findings from previous research, for example Andreeva and Kianto (2011), Yli-Renko *et al* (2001), Rhodes *et al* (2008). Hence, it's important for firms to develop processes to acquire knowledge from different stakeholders: customers, partners, competitors and from past projects in order to enhance the firms' innovation results. Secondly, the study provides new evidence about the positive effect of imitation on innovation result, confirming the findings of some authors, for example Cho *et al* (1998), Dobson and Safarian (2008), Song (2015) that imitation, as a popular business orientation of firms in developing countries, could be a source of innovation. Thirdly, this study also strengthens Woodman *et al* (1993)'s argument that imitation is part of the innovation process and that innovation "can also include the adaptation of preexisting products or processes, or those created outside of the organization". *H1 & H2 are therefore supported by the empirical results of this study.*

Galunic and Rodan (1998) and George *et al* (2008) refer to knowledge exchange and knowledge recombination as the dominant mechanism linking knowledge management and innovation. Knowledge acquisition and imitation contributes to innovation by providing necessary “ingredients” to make this mechanism functional. By acquiring knowledge from inside or from outside of the organization as well as by imitating products/services and business processes of competitors in the market, the existing knowledge of a firm can be exchanged and combined with the new knowledge that was acquired or imitated, thus resulting in the firm’s innovation results. Knowledge acquisition and imitation can also be associated with the concept of *open innovation* (Chesbrough, 2003), which encourages firms to acquire knowledge from both inside and outside of the organization, and achieving innovation results through the process of knowledge resources exchange and recombination.

Regarding the relationships between KM strategies and innovation results, this study provides evidence about the positive and direct effect of personalization strategy on innovation result, but can not find empirical evidence about the direct effect of codification strategy on innovation result. This finding is consistent with the study of Rhodes *et al* (2008) which suggests that personalization knowledge transfer demonstrates a higher impact on innovation capability than codification knowledge transfer. However, results from this study somehow contradicts Liao (2007) where codification strategy was found to contribute more to innovation than the personalization strategy. The reason behind for the contradiction between the two studies could be due to the industry type of firms included in the research samples. Choi and Jong (2010) argues that in some sectors, for example banking and finance, where work processes and norms are highly established and standardized, codification strategy seems to be more effective applied than personalization strategy. *H3 & H4 are also supported by the empirical results of this study.*

Moderating effects of KM strategies

Previous studies (e.g. Liao, 2007 and Kumar and Ganesh, 2011) only examined the direct effect of KM strategies on innovation and seemed to ignore the moderating role of KM strategies on innovation. In this study, both direct and moderating effects of KM strategies on innovation have been examined and empirical evidences have been found to support the moderating role of codification strategy on innovation. Personalisation strategy, despite its strong effect on innovation results, interacts with neither knowledge acquisition nor imitation in this study to influence on innovation results. *H6a & H6b are not supported by the empirical results of this study.*

By contrast, findings from this study reflect that codification strategy moderates the relationship between knowledge acquisition and innovation result as well as the relationship between imitation and innovation result of firm. *H5a and H5b are supported by the empirical result of this study.* It is suggested that when a firm directs its KM strategy towards codification, in other words, prioritizing the transformation of organizational knowledge from tacit into explicit form and promoting knowledge sharing in formal forms such as written reports, data, etc. knowledge acquisition loses its importance in terms of influence on innovation result. This could be because the new knowledge a firm obtains from its customers, suppliers and competitors through the knowledge acquisition process is primarily in the tacit form, and hence not easily compatible with the codification approach which favors the documentation and sharing of knowledge in explicit form.

Similarly, the contribution of imitation to innovation result is reduced as a result of a firm over-relying on codification strategy. This could imply that it's better to use and share the imitated knowledge through personalization/tacit approach than through codification/explicit approach. The regression analysis shows that the interaction between personalization strategy and imitation has a positive though not significant relationship to innovation result. There seems to be a fit between imitation with personalization strategy and not with codification strategy since in some firms, the word "imitation" is still considered a taboo by both executive and employees and is normally conducted tacitly without properly strategic management (Phuc, 2015).

Several studies in the extant literature have indicated that firms should use a biased approach in implementing KM strategies, that is to emphasize on one specific strategy while still deploying the other strategy in supportive role (Hansen *et al*, 1999; Kumar and Ganesh, 2011). The results from this study suggested that in order to enhance the influence of knowledge acquisition and imitation on innovation result, firms should not be overly dependent on codification strategy, or invest heavily in KM tools and infrastructure without allocating resources to fostering knowledge sharing through person-to-person interaction (personalization strategy). Conversely, it is suggested by this study that firms looking for higher innovation results are advised to choose the personalization strategy as their dominant KM strategy and giving a lesser role to the codification strategy.

Imitation can be a source of innovation, however, in the long run this business orientation can not ensure a sustainable competitive position for firms as it deals more with incremental innovation (Jenkins, 2013) and is primarily appropriate for firms at the nascent stage of development. As firms evolve, or when they are under strong pressures to gain competitive advantage by possessing proprietary technology and launching totally new products/services to the market, firms should be able to implement radical innovation and stop relying on imitation. There also exist different modes of imitation, for example: duplicative, creative, and innovative imitation (Kim, 1997). Future study may examine how each mode of imitation contributes to innovation or how each mode of imitation interacts with KM strategies to influence on innovation.

If imitation is more relevant for firms in developing countries or firms at the early stage of development, knowledge acquisition remains a key process and a continuous learning process for firms at any stages of development. In order to enhance innovation results, firms need to develop internal processes to acquire knowledge from different stakeholders and have teams designated to gather knowledge and best practices from past projects, from experts inside the organization, from the market, etc. Thus KM practice, when combined with personalization strategy, aiming at fostering social interaction among individuals and teams for knowledge sharing could help firms achieve higher innovation results.

This study presented some limitations. First, by using a relatively small and multi-sector sample (N = 130), it is not possible to analyse and draw sector specific conclusions as well as to generalize the findings from this study to the entire population of Vietnamese firms. Second, this study captured self-report data for innovation result of firm, thus common method variance can not be avoided. Third, the measure for imitation construct was self-developed by the authors and therefore need to be further validated by future research. Finally, as seen in many other empirical studies,

this study used a cross-sectional research design, thus the obtained results may be influenced by causality concerning the hypothesized relationships. Future research may consider using longitudinal design to discern the causal inferences among independent and dependent variables.

APPENDIX

Knowledge acquisition

My firm...

1. Has processes for acquiring knowledge about our customers
2. Has processes for acquiring knowledge about our suppliers, business partners and competitors
3. Has processes for acquiring knowledge about new products/services within our industry
4. Uses feedback from past projects to improve future projects
5. Has teams devoted to identifying best practices

Imitation orientation

My firm...

6. Has many products/services similar to those in the market (e.g., packaging, design, label, functions, etc).
7. Puts focus on following and observing competitors' products/services in order to launch similar products/services to the market.
8. Puts focus on following and observing competitors' business and marketing strategies in order to apply similar strategies.

Codification strategy

In my firm...

9. Knowledge (know-how, technical skill, or problem solving methods) is well codified.
10. Knowledge can be acquired easily through formal documents and manuals.
11. Results of projects and meetings should be documented.
12. Knowledge is shared in codified forms like manuals or documents.

Personalization strategy

In my firm...

13. My knowledge can be easily acquired from experts and co-workers.
14. It is easy to get face-to-face advice from experts.
15. Informal dialogues and meetings are used for knowledge sharing.
16. Knowledge is acquired by one-to-one mentoring.

Innovation

Please rate the innovation level of your firm during the last year for:

1. Developing new production and business processes/methods.
2. Improving current production and business processes/methods.
3. Applying new or improved production and business processes/methods, as compared to competitors.
4. Applying new or improved production and business processes/methods, as compared to the firm itself three years ago.
5. Designing and introducing new products/services.
6. Changing and improving existing products/services.
7. Launching more new or improved products/services than competitors.
8. Launching more new or improved products/services than the firm itself 3 years ago.

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Bio/photo



A DYNAMIC CAPABILITIES PERSPECTIVE ON AN MBA PROGRAM

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ABSTRACT

We examine growth and change in an MBA program through the lens of dynamic capabilities and managerial dynamic capabilities. This paper discusses the events that led to explosive growth in this MBA program with a particular focus on challenges and adjustments that were made in the process. We use this format to consider various perspectives on dynamic capabilities and managerial capabilities from a single case. We believe that this case has particular richness both with respect to dynamic capabilities and dynamic managerial capabilities. We see a clear link between dynamic managerial capabilities and entrepreneurial mindset.

INTRODUCTION

Dynamic capabilities research has been a popular topic since Teece, Pisano, and Shuen (1997) published their seminal article on dynamic capabilities. The roots of dynamic capabilities come from evolutionary economics as can be seen in the research of Zollo and Winter (2002). Work in this area has been conducted both theoretically and empirically (Helfat & Martin, 2014). Nevertheless, measuring dynamic capabilities can be tautological when they are measured by performance (Helfat & Martin, 2014).

A lightly investigated area for dynamic capabilities are universities. This is not surprising since the academic environment does not change as rapidly as the technological environment. Dynamic capabilities are often viewed as an entrepreneurial aspect of the university so it is not surprising that much of the research investigates the intersection of technology development and universities (Leih & Teece, 2016; Rothaermel, Ajung, & Jiang, 2007).

One advantage of empirical research, particularly qualitative, is the opportunity to make sense of the varying dynamic capabilities perspectives. For instance, Teece, Pisano, and Shuen (1997) view dynamic capabilities as the ability to transform and reconfigure competencies while Zollo and Winter (2002) see dynamic capabilities as the articulation and codification of routines. A third area that is complementary to these two views is dynamic managerial capabilities. These are capabilities held by organizational leaders in the areas of cognition, social capital, and human capital (Adner and Helfat, 2003).

In this paper, we will evaluate literature addressing dynamic managerial capabilities qualitatively through the examination of a successful MBA program. We believe that this study will help to open the black box of these capabilities (Lawrence, 1997). The information gathered for this paper comes from a series of interviews with the dean of the University of Houston Downtown, college of business, Michael Fields, and one of the co-authors.

METHODS AND DATA

This research is based on a series of interviews with the dean of the college of business in the University of Houston Downtown. Given the qualitative nature of our questions regarding the relationship among dynamic capabilities, dynamic managerial capabilities, and the context of our college, we believe that qualitative methods are called for (Glaser and Strauss, 1967; Miles and Huberman, 1994; Yin, 1984).

A particular challenge in organizational research is getting inside the black box of cognitions, particularly with top managers (Lawrence, 1997). In this paper, we do not rely on demographic variables but rather obtain the context of those variables. In other words, it is not enough to know that the dean has a PhD in marketing but also why he chose that path.

A second issue is the choice of articles. We are comparing the reality of the context of our MBA program and the dean's activity in that program with the theoretical and empirical perspectives on dynamic managerial capabilities. Articles included in this paper are drawn from the top tier of management journals since these papers must go through an extensive and critical review prior to acceptance.

The Setting

The University of Houston Downtown is a sister school in the University of Houston system located in downtown Houston. Until 2010, we had been an open enrollment university; we took everyone. In 2010 we established minimum acceptable entrance requirements. Additionally, the college of business required a 2.5 entering GPA for transfer students. The college of business is an AACSB accredited business program with all of the attendant requirements. The vast majority of entering students in the college of business are transfers from two major community colleges, Houston Community College and the Lone Star College system. Additionally, in 2012, we had been given permission to start an MBA program by the University of Houston system.

The previous dean, Don Bates had moved on in 2013 to become president of a university in the Middle East. The associate dean had been filling in nicely but it was time to make a permanent choice on who would be the next dean. The job was posted and many quality candidates applied. Eventually we chose three for campus visits and they presented their vision before the faculty of the college. The most complete application came from Michael Fields who was also the final candidate to visit. In his presentation he talked of transforming the college by developing industry partnerships. He expressed that we could expect a lot of work and change if he was hired. The decision was ours. The decision was nearly unanimous in favor of Michael Fields and he began working in March 2013.

The Problem

The new dean set out to learn all he could about our situation, good and bad. He saw great potential in the college of business. In his words:

When I got here, I didn't think the school realized how good it could be. There wasn't a roadblock in terms of faculty, just the opposite.

Dean Fields also saw a set of problems which caused him to lose sleep at night. In his words:

I got here in March of 2013. To give you a frame of reference, I looked at the MBA program, I looked at the downtown business community, the light rail stopping at the school, I saw that we had a small cohort, semester after semester. It was creating stress because we were teaching a lot of small classes because this was a 34 hour, effectively 17, 2 hour classes that were sequential. So, every time we started a new cohort, we started that sequence. So we didn't have the ability, in the way it was designed, to put students from multiple cohorts into the same class. They were all working on their own individual sequence and their own cohort. The situation was further challenging because the graduate courses counted 1.5 undergraduate courses on load. All of this created challenges for the college but the most significant barrier (was) that we were in the final phase of our accreditation. The visit (from AACSB) was in November of 2013. We had deployed our resources and from my perspective, the faculty resources were stretched as much as they could be stretched.

Issue number one was that our resources were stretched by teaching many small classes in the MBA program. We didn't have the faculty available to teach so many classes with some faculty teaching significant overloads. These presented problems on two fronts: faculty burnout and AACSB accreditation. Faculty were teaching as many as five courses per semester which took away their ability to engage in research. In the short term, this was manageable, however in the long term, meeting the research requirements to maintain our accreditation and keeping faculty happy would be a challenge.

However, these weren't the only problems. Dean Fields expressed additional areas of need:

We had a secondary problem. UHD is a significantly under resourced institution. Our faculty were in the 85th percentile of pay in AACSB institutions. The college had done a wonderful job attracting faculty but it seemed that historically, we often looked for trailing spouses, people that needed to move to Houston for parents, or something like that and would be willing to take a below market salary in order to do that. The problem with that is that you can't make strategic hires. Closely associated with that, we were significantly understaffed. We had somewhere in the area of 50-60% of the staff we should have. Historically, we had been an open enrollment institution, low tuition, and fairly small class sizes. When you take a small tuition and low class sizes, that doesn't generate a lot of revenue. That contributes to the university being under resourced. We were low in the pecking order of per dollar funding with the state.

Resources for the university had been steadily declining as the state contributed less to our institution each year. We were having to do more with less. We had managed to find faculty who published and taught well but it was not always easy to hold on to them. Additionally, we had to find people who had an incentive to teach at our college outside of monetary considerations limiting our potential labor pool. We were also low on staff, particularly advising with little prospect for improvement. We wanted to invest in a career center as well, but lacked the money to have our own, forcing us to rely on the university which was itself limited in resources.

We also suffered from a poor reputation. As dean Fields explained:

The college left open enrollment in 2010 but that fact was not widely known. We are maturing as an institution and have established admission standards but we were known as the open enrollment option in the UH system or in Houston. We were inward looking. Even though we were located in downtown Houston, we were not reaching out and touching industry to a large degree.

The dean's vision was to engage industry however we were not viewed as a serious university. The challenge we faced was engaging industry when they had little interest in us or belief in the quality of what we offered.

Choices

The university and the college of business were in bad shape. We were under resourced and underappreciated. We had too many classes generating too little income, our faculty were overworked and AACSB accreditation was no simple matter. We had some opportunities and strengths such as a willing hard working faculty and developing relationships with industry to change the college. However, the prospects looked bleak. One option was to retrench. Drop the MBA program and focus on the undergraduates exclusively. However, the university depended on the college for tuition revenues and this wouldn't have been acceptable. We could also focus on changing the undergraduate program which had more students and a larger curriculum but this would take time and we didn't believe we had that time. The final alternative was to improve the MBA program.

The MBA program had low enrollment from the start and that enrollment was declining. We were bringing in about twenty students per year into a seventeen course MBA. We had agreed to some restrictive requirements to avoid direct competition with the University of Houston main campus. In particular, we required three years working experience to enter the program. This effectively shut out our undergraduate students. Additionally, the program had been poorly executed. The vision for the MBA program was that students would work toward a unified project over the course of their MBA experience where every class would contribute something to that project. However, faculty did not always provide coursework to develop this grand project and by the time dean Fields arrived, it was clear that this concept had failed. Something had to be done. In the words of the dean:

Looking at the situation, I felt that if we were going to be successful with graduate education, we needed to be successful with working professionals. We weren't getting enough students who were graduating and then wanted to go into an MBA program to be able to do much with numbers and they would not have any experience when they graduated and would be of limited value to employers. We had to come up with a program that would be significant and important to students and employers. My feeling was that we had to do something wildly different and highly significant to each of those two markets in order to get their attention and change their perception of the college and of the program and to make it a viable program that would produce significant income that would flow back to the college that would correct the business model deficiency.

The Plan

We had to produce something wildly different that would change the perceptions of employers and students alike. The dean had a plan. We would build a program based on industry input by creating courses and programs and having faculty hang content on it. This was no simple matter as it required a willing faculty and willing industry partners.

You can find a large range of articles that talk about the disconnect between what companies want and what MBA programs are teaching. We decided to take this thing and turn it on its ear. I reached out to faculty, faculty rightly own the curriculum. The platform is on fire; we can't use the status quo. (I asked them) would you be willing to bring industry in and have them lay out for

us what they want in terms of outcome, the courses, the content, the outcomes, learning goals, competencies. Would you be willing to do that and based on that framework that they provide, would you be willing to then hang content and let that be our curriculum. Big ask but we were not in a situation where an incremental change would be able to handle our most significant problem of not having a viable business model. From my perspective, it called for a big change. If we simply went out and asked industry to define the course, would that alone be enough to attract students?

The dean framed the problems we faced and the faculty saw the wisdom in changing the MBA program. We invited industry leaders to talk to us about ways that we could educate prospective or current employees that would drive value to the business. The college decided to create MBA certificates in the areas of finance, investment management, supply chain, human resources, leadership, and sales management. We invited industry professionals in these areas to meet with us for half a day. The faculty came as observers only on the proceedings. Industry professionals were engaged and came up with a number of learning goals that would improve the value of our education. We spent the first 90 minutes gathering the ideas and then we asked the professionals to decide which learning goals fit best together. This created a framework for a course in that area. We did not come in with a preset idea of how many courses would fit into the concentrations, it would be decided by the industry professionals.

At a subsequent meeting, an industry liaison would meet with faculty to discuss the makeup of the courses and the order of presentation. Faculty then designed courses specifically to meet these learning goals. Afterward, we invited industry professionals back to see what our curriculum would look like. In the words of dean Fields:

Faculty from each concentration attended the meetings and each group of faculty saw how engaged industry was, how excited they were to have a voice. The professionals from each concentration got together with faculty in those concentrations, and those groups introduced the actual courses that had been approved. Each one of these groups saw the framework they had provided, the courses they had identified. They were astonished, just blown away. I had a number of 30 second discussions with the industry professionals. If I heard the word refreshing once, I heard it twenty times. This process is refreshing, what you're doing is refreshing, over and over and over, independent of one another. That told me we are on to something here. That was a huge differentiator for the college, for these folks who went back to their companies and this was about 65 people.

But the wheels of change turn slowly at universities. We had to submit twenty-six courses for approval to our college and university curriculum committee. Without their approval, the process would be stalled. In the words of the dean here is what happened next:

They got 22 courses and five new concentrations approved in two and a half months. They developed them, got them approved, and as soon as they were approved, we were able to promote them. When the courses were approved, we brought in all of these industry people from these five groups back in at one time and we gave them a report of what we had done.

We had built a program but would they come? As with any new venture, considerable uncertainty enveloped the outcome. We knew that the execution would be critical. Could we make the concentrations more attractive? We came up with two important additions to the concentrations. First, they could be taken prior to entering the MBA program. This would allow students the opportunity to increase their value to the company immediately rather than waiting until they

finished their MBA classes. Secondly, the classes would be taught with an industry leader and a faculty member allowing students to get an academic and an industry perspective. We offered a further bonus for students entering the concentrations. If they completed the concentration with “A”s and “B”s, we would waive the GMAT requirement to enter our MBA program. Here are the dean’s comments on these tactics:

To attract them, we had to do something wildly different that was going to be significant to them. We did three things: we already had our hybrid classes, once a week for eight weeks, we developed our MBA concentrations as three hour classes because that was a more common format in the student’s eyes. When we taught them, we decided to offer them as free standing graduate certificates so that they could focus on their area of need rather than go through the entire MBA program. These courses were typically of the greatest interest because they would allow the students to quickly drive value to their employer. Working professionals at the levels we were targeting typically hate the GMAT. They hate the thought of all the time they will need to prepare to take the GMAT. The second thing that we did was to offer them a soft start option. They could take the certificate courses without taking the GMAT, but the GMAT was retained for the MBA degree. However, if a student completed the certificate courses with an “A” or “B” in their courses, the college would waive the GMAT as an entrance requirement. It was an opportunity for them to demonstrate and to work their way through a waiver so that they could demonstrate they were worthy of having that requirement waived. The third wildly significant difference was that we pre-recorded our lecture material most often breaking it up into concept chunks of 3-7 minute videos. Then it was the student’s responsibility to complete assignments, read material, and watch the videos prior to class in order to make application the focus of the lecture. To make those 3 hours supremely worthwhile in the student’s eyes, we introduced team teaching with a college of business faculty member who had already flipped the class and provided the lecture and a seasoned corporate expert in that specific area. This corporate person was their all 3 hours all 8 weeks and the classes were team taught. I paid them (corporate expert) just like I paid an adjunct because I wanted those folks to have skin in the game. My concern was that they would not be motivated if they worked for free but by paying them, the expectation that they would be at every class was there and for the most part, that is what happened.

At an early faculty meeting in the process, the dean expressed the hope that we could add one hundred new students to the MBA program if our work was well executed. The reality was somewhat better as explained by the dean:

We had 49 students in fall 2013 and were ranking 13 out of 13 in the Houston Business Journal for MBA programs by size. Fall 2014 with these brand new programs, we spent an extra 50,000 dollars promoting our new program and we went from 49 to 381. The faculty had to prep and provide those 22 courses over that ten and a half to twelve-month period. They set it up so that the concentrations can be covered in twelve months, the MBA core can be covered twelve months, so it was a two-year program that could be mixed or matched. The students liked the flexibility.

We now have close to 1100 students in our MBA program moving our program from 13th out of 13 in size to 1st in the Houston area. However, we have accomplished much more than the development of MBA concentrations. We needed to show industry that we were serious about implementing their ideas. From the first semester until now, we have conducted course assessment on our learning goals. This requires considerable investment by faculty but also requires a full time assessment professional. The dean created an office of assessment within the college of business

to facilitate assessment of the MBA courses as well as help with undergraduate assessment. The dean also had a dedicated career center built for the college of business to provide resume help, interviewing skills, and to act as a way to bring jobs to our students.

DYNAMIC MANAGERIAL CAPABILITIES

Adner and Helfat (2003) developed the construct of dynamic managerial capabilities. These capabilities are divided into human capital, social capital, and cognition. Human capital refers to acquired skills gained from work experience as well as education. Dean Fields had an extensive marketing background as well as a PhD in marketing. In his words:

I worked through community college, I was a work study student at the University of Arkansas and completed my undergraduate degree with no debt. And then I worked with Goldsmith's for three and a half years, the Kroger Company for three and a half years, and three and a half years with Campbell Taggart the second largest bread bakery in the world at that time. I became a sales manager with them. When I worked with Campbell Taggart and worked through supervision and became a sales manager for the eastern half of Nebraska, my goal was to be a bakery president by the time I was 40 and I was ahead of the timetable but I thought that I needed to go back and get a master's degree to get where I wanted to go in my career. So I left Campbell Target and went back to the University of Arkansas to do an MBA in a year. I accomplished that and I worked at that time for the Department of Marketing office as a work study student. The department chair said, why don't you get a PhD, we'll admit you into the program. I took a look at it and decided to do that. Two years later, I finished my coursework and my dissertation and had completed by PhD in marketing.

However, the dean's experience did not end there. When he entered academia, he had the opportunity to understand marketing and entrepreneurship in academic settings. He says,

I spent sixteen and a half years at SW Missouri State, was director of the MBA program for 10 years, was associate dean for seven years, and went from associate to full professor. I was the only associate dean in a school of 4500 students. That gave me my first taste of administration. I continued to develop and decided that I wanted to explore being a dean. After 16 and a half years at SW Missouri State, I pursued and got the job as dean at Central Michigan University in the College of Business, a school of 4500-4600 students. I was there for three and a half years, had a lot of success in developing an online SAP program and developed that as an MBA concentration. This was a separate free standing program. After I left the school, that program was ranked as number six nationally for online specialty programs ahead of Carnegie Mellon. When I was at SW Missouri State, I developed a program with physicians. We developed a physician's MBA program that was first a physician's program that we developed for them through the Management Group Medical Association.

Social capital can refer to external or internal ties that give managers access to influence or needed resources (Adner & Helfat, 2003; Salancik & Pfeffer, 1978). These relationships were critical to the success of the MBA program. As mentioned before, faculty played a key role in developing course material and teaching new content. Industry professionals also played a critical role and helping us to create a curriculum that would fulfill their requirements. Further liaisons from the industry were important following the initial meetings with industry professionals. However, the most critical tie was our provost, Ed Hugetz. Ed had served in various administrative roles in the University of Houston system for many years. He was brought in to replace our previous provost

who had caused some discord with the faculty through what some considered an autocratic managerial approach. Ed Hugetz worked more smoothly with faculty and departments and under his leadership, old wounds were healed. When dean Fields came to our college, he needed help from the provost to make his vision a reality. In his words:

We had to make a number of changes at the same time to satisfy these two basic markets. One was the potential student market, one was the potential employer market. Without a sustainable business model, we had to make significant meaningful changes. It would never have been possible without a provost who was highly supportive. We could have had exactly the same strategy and had we not had a provost that was supportive of allowing us to take these steps, none of this would have happened. Most of my work was done with the provost but he brought the president in when he felt that he needed extra support. The provost was a highly critical support mechanism in allowing us to accomplish what we had.

When pressed for specifics, the dean added this:

He started out by allowing us to take a fifty seat classroom, when we were moving to larger class sizes, and turn it into a career development office. We became the first college to have their own career development office. He gave us the opportunity to hire people to staff the career development office and the graduate office. The customer service coordinators, the graduate advisors, the admin support people, these are all people that weren't there three years ago. Three years ago we had an associate dean in charge of the graduate programs and an assistant, those were the only people in the entire MBA program. We probably have ten additional people in the MBA program now. He allowed us to make 28 faculty hires in the last two years. Show me another college in the nation that has made 28 hires in the last two years that isn't filling vacancies.

The third element of dynamic managerial capabilities are cognitions. These cognitions are schemas, values, and beliefs about the world held by managers (Adner & Helfat, 2003). The dean's proactive approach to the issues facing the college of business and the entrepreneurial mindset provide examples of his cognitions. The problems that the college of business faced were important but not urgent. The undergraduate student base was growing at around three percent and the MBA program was reasonably stable. One possibility was to make cosmetic changes, add a few programs, or bring in an industry advisory council as a symbolic measure. However, the dean was looking several years into the future. As he states:

My concern was the reaccreditation visit in 2019 because it was my expectation that looking at the state of Texas, looking at the legislature, looking at the recent history of funding for higher education, looking at what I expected to happen between 2014 and 2019. My expectation is that we were going to have fewer dollars, fewer state dollars to operate in 2019 than we had in 2014. If we had our resources stretched as far as we could stretch them, how could we expect to maintain our accreditation in 2019? My biggest single concern in March of 2013 was that the college of business did not have a sustainable business model. That's the keep you up at night type of problem. That is a problem that we had to find a solution. My perspective was without things changing with what we expected to happen with funding, between 2014 and 2019, was that we would not be able to maintain our accreditation in 2019 just with the status quo.

These actions fit well with the perspective by Teece et al (1997) that managers actively scan the environment, they anticipate events so that they can act more quickly than competitors. A proactive approach also involves anticipating the needs of customers that are currently unidentified and

finding those customers (Daneels, 2002). This accurately describes the actions taken to find a new market, a group of people who are working professionals, need immediate help improving their skills, and would rather not take the GMAT. It is important to note here that the dean is interested in maintaining the quality of our graduates, however he believes that there is a market of hard working professionals in the first three levels of the organization that are hardworking and would welcome an opportunity to improve their careers. This was one of the markets that he sought. The other market was the industry professionals. Ultimately, we not only want their input for our curriculum but we want them to hire our graduates. The dean expresses this succinctly:

The endgame for this whole thing is one, getting people jobs, or two, being able to demonstrate to industry what one of their associates has learned in the program. So the company can have confidence about the knowledge the associate now has and how they can use them with this new enhanced knowledge base. It is all about driving value to the students and having industry know the value that was driven. That's the endgame. It was never about just trying to grow the MBA program. The endgame has always been as a college, we've got to recruit good students, we've got to do a wonderful job teaching them, and we've got to launch them into professional careers.

Entrepreneurs act to develop sound business models and to foster a climate of innovation (Leih & Teece, 2016). Further, these business innovators are adept at getting others to share their vision and to marshal the human resources to execute their strategy (Augier & Teece, 2009). Another aspect of entrepreneurs is that they may act in nonroutine ways (Teece, 2012). This is particularly relevant since an alternative view of dynamic capabilities is that they are embedded in routines (Zollo & Winter, 2002). In terms of the MBA program, the dean observed that we had an unsustainable business model and set out to create a new model. By focusing on the MBA program, he was able to generate revenue that would go specifically to the college of business. This allowed us to rebuild offices to house new staff, to hire twenty-eight faculty in two years, to increase staff in the career office, and in the MBA program. This also allowed him to hire an assessment specialist and pay numerous industry experts, which we call corporate fellows to co-teach our classes. The business model targeted an underserved population of business professionals offering a unique MBA experience and a low tuition simultaneously.

RESEARCH PERSPECTIVES

In this section, we will examine major articles written about dynamic managerial capabilities and dynamic capabilities. We will examine the views put forth in these articles and compare them to the reality of our MBA program. In particular, the goal is to determine if these views were realistic in the context of our business school.

In the previous discussion, the views of dynamic capabilities proposed by Teece are supported through the entrepreneurial actions of the dean, his scanning of the environment, and the development of a new business model. The view of Adner and Helfat (2003) that dynamic capabilities are embedded in management through human capital, social capital, and cognition is also supported through the actions and background of our dean.

Kor and Mesko (2012) examined dynamic managerial capabilities and their influence on managerial dominant logic. Dominant logic, a construct developed by Prahalad and Bettis (1986) refers to the worldview of managers which influence how they allocate resources and the strategic actions they take. Kor and Mesko (2012) develop a number of propositions, two of which shall be considered here. First they propose that all three elements of dynamic managerial capabilities,

human capital, social capital, and cognitions are linked and critical for the development dominant logic.

This proposition can be divided into two parts: the linkages among the components and their impact on the dominant logic. Linkages are viewed as impacting each other. For example, human capital impacts social capital and cognitions. Thus we would expect tight linkages among these three elements with the influence potentially going both ways. In the case of the dean, his background in developing specialized programs and his PhD in marketing (human capital) influence his thoughts about how to improve our MBA program (cognitions). Similarly, his thoughts about the problems we faced, low enrollment and a poor reputation, influenced his decisions to use his entrepreneurial experience to make dramatic changes. Similarly, his human capital (background and experience) increased his credibility and influence with the provost (social capital). In the context of the MBA program, Kor and Mesko's proposition accurately represents the dean's approach and success.

They further propose that these three factors: human capital, social capital, and cognitions determine the manager's dominant logic. The dean views himself as an academic entrepreneur therefore his dominant logic would be to search for entrepreneurial solutions such as new programs to solve problems. His background as an academic entrepreneur and in marketing support this logic. He created a number of programs, particularly at Southwest Missouri State and at Central Michigan. In his words:

I was there (Central Michigan) for three and a half years, had a lot of success in developing an online SAP program and developed that as an MBA concentration. This was a separate free standing program. After I left the school, that program was ranked as number six nationally for online specialty programs ahead of Carnegie Mellon. When I was at SW Missouri State, I developed a program with physicians. We developed a physician's MBA program that was first a physician's program that we developed for them through the Management Group Medical Association.

His success with these programs provided the foundation for his choosing and succeeding at redesigning our MBA program. He knew had to find a gap in academic products, to determine demand, how to build a program, and how to promote it. Thus it appears that his dominant logic was influenced by his human capital and influenced his cognitions.

Helfat and Martin (2014) offer a solution to the tautological problem of dynamic capabilities as performance. They propose that managerial dynamic capabilities should first be assessed and those should then be related to performance outcomes. Those capabilities are defined as human capital, social capital, and cognitions. The dean's capabilities in these areas have been discussed already but the outcomes are also relevant. Particularly, how performance should be defined. In this case, performance could be defined as revenue but that is really an outcome of the actual goals the dean had for the college. His primary goals were to develop a sustainable business model, to improve the college's reputation with business, and to find jobs for our MBA graduates.

The dean believes that we have succeeded in building a sustainable business model. We have hired twenty-eight faculty in the last two years to cover the increased demand for our programs. We have larger class sizes in the MBA program now so we are using the capacity of our labor and our facilities much more efficiently. We have built and staffed a career center, build and staffed an office of assessment, built new offices for the new hires, and hired industry professionals to co-

teach with faculty in the MBA program using money generated from the program. The result is that we are not only a larger program but also a better one.

Reputation is more difficult to determine, however considerable anecdotal evidence suggests that we have improved our standing with industry in Houston. First, the industry co-teachers saw the excitement in our classes and returned to their businesses to promote us. Further, most of our MBA students are working professionals and they also went back to their companies and promoted what we are doing. Further we assess the learning goals in all of our MBA concentrations and we have presented this evidence to industry about what the college is accomplishing. We still have room to grow in the city of Houston however. Ideally, as the buzz about the MBA program grows, we hope to expand our influence in the city and possibly beyond. For instance, we were chosen as one of the most innovative programs in the country by the MBA roundtable. We had many more applicants for the twenty-eight faculty positions than we had in the past and many candidates had heard of our program. The University of Houston main campus began advertising their MBA program on a billboard next to our school suggesting that they now consider us competitors although we believe we are actually targeting a different market.

The third area of outcomes is careers and we still have progress to make in this area. The dean's stretch goal is that all graduates will have a job either prior to graduation or immediately following graduation in their area. We are planning in this area currently and expect to begin using capability transcripts. These are transcripts included with the college transcript that assesses each of the capabilities a student as mastered during the degree program. For instance, SAP proficiency might be assessed as a competency. When companies look at a college transcript, the letter grade does not provide specific information because it addresses a general area but doesn't reveal which competencies were gained or improved upon. This will provide an added value to prospective employers and make our students more desirable to hiring managers.

The dean's human capital and cognitions were used to provide the framework for the new MBA program. His ability to acquire social capital with the provost, the faculty, and industry were critical in providing the support for his plan. Finally, the outcome of the growth in the MBA program has been increased revenue which has allowed further improvement to the program to be made leading to a virtuous cycle.

One common area among these success measures is the identification of a problem and a plan to solve it. This fits in with the dean's dominant logic as an entrepreneur (Helfat & Martin, 2014; Lecler & Kinghorn, 2014; Teece, 2012). Entrepreneurs are good at searching for and finding opportunities, starting businesses, and finding better ways to do things (Teece, 2012).

CONCLUSION

The purpose of this paper was to evaluate propositions and hypotheses about dynamic managerial capabilities using a specific case. We conducted several interviews with the dean of the college of business at the University of Houston Downtown. The goal was to focus on specific high profile papers that have addressed dynamic managerial capabilities. We found considerable merit in dynamic managerial capabilities, that they are particularly applicable to our MBA program and our dean. We recognize that this is a single case and that routines might be idiosyncratic to the dean (Eisenhardt & Martin, 2000; Kor & Mesko, 2013; Schreyogg & Kliesch-Eberl, 2007). We found support for the view that human capital, social capital, and cognitions impact each other and shape managerial dominant logic. We also found that dynamic capabilities involved sensing

opportunities, finding new markets, defining problems, and finding ways to rapidly execute solutions.

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COMPENSATION AND CULTURE: A CONFIGURATIONAL FIT BETWEEN PAY SYSTEMS AND CULTURE TYPES

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ABSTRACT

For most companies, compensation represents the largest single expenditure, and compensation is recognized as an important mechanism for organizational performance. Pay strategies also have the important role of underpinning and supporting organizational culture, and research suggests that failure to support organizational culture can precipitate a company's failure. Understanding the convergence of these two domains represents an important area of research. We propose that four different culture classifications might benefit from and be supported by unique combinations of either an egalitarian or hierarchical pay distribution, in combination with or without pay-for-performance compensation strategies.

INTRODUCTION

Pay is essential to both individual employees and the organization, as it perhaps the most important reward employees receive and represents one of the biggest costs for an organization (Gupta & Jenkins, 1996). Research also suggests that failure to support organizational culture is a leading cause of organizational failure (Cameron & Quinn, 2006) The intersection of these two important areas of organizational concern is an interesting and worthy focus for research.

The purpose of this paper is to suggest an optimal relationship between organizational culture and compensation practices. The authors propose that specific organizational cultures are supported by appropriate compensation strategies such as a pay dispersion method or pay for performance (PFP) incentives. Lawler (1990) suggests that culture is supported and strengthened through the use of appropriate compensation strategies.

Most firms have developed an organizational culture that is clearly identifiable (Cameron & Quinn, 2006). Organizational culture is an important managerial mechanism that leads to increased employee commitment (Silverthorne, 2004), is a source of motivation (Maithel, Chaubey , & Gupta, 2012), enhances commitment and team work on the part of organizational members (Ghorbanhosseini, 2013), and has a positive relationship with organizational citizenship behavior (Mohanty & Rath, 2012). Therefore sustaining appropriate organizational culture is a critical aspect of organizational well being (Santos, Hayward, & Ramos, 2012).

ORGANIZATIONAL CULTURE

Organizational culture is defined as general behavior patterns, beliefs, and collected and shared values which are considered generally common in organizational members (Cameron & Quinn,

2006). Robbins defined organizational culture as specific ways of running affairs in the organization, or a shared perception of organizational values which is observed by organizational members and reflect common and permanent characteristics that distinguish the organization from other organizations (Robbins, 2010). The competing values framework (CVF) (Quinn & Rohrbaugh, 1981) is a tool for classifying different organization cultures based on the contrasting dimensions of flexibility and discretion, stability and control, internal focus and integration, and external focus and differentiation (Cameron & Quinn, 2006). This framework describes the cultural orientation and underlying values of four different culture classifications including Clan, Adhocracy, Hierarchy and Market (see figure 1).

FIGURE 1



Source:
And Changing

Culture, (Cameron & Quinn, 2006)

Diagnosing
Organizational

The CVF demonstrates congruence with accepted categorical schemes that organize the way people think, their values and assumptions, and the various ways they process information (Cameron, Quinn, Degraff & Thakor, 2006). The CVF categorizes organizational types in a 2 X 2 matrix that centers on the dimensions of flexibility versus control, and internal maintenance versus external positioning (Cameron, et al., 2006). Some organizations exist in stable environments while others must contend with high levels of dynamism. As a consequence, organizations in stable environments tend to be rigid, highly structured and mechanistic (Burns & Stalker, 1961; Zanzi, 1987), while those in dynamic environments must be less structured, nimbler, flexible and organic (Burns & Stalker, 1961; Courtright, Fairhurst & Rogers, 1989).

Moreover, some organizations tend to be internally focused while others are externally oriented to their environment. The opposing dimension of positioning draws attention to the tendency of an organization to be either centered on internal processes, such as collaboration between organizational members or exercising control over them, versus an external focus on striving to compete or to create products fit for market (Cameron, et al., 2006).

Figure 1 graphically represents the CVF, and each quarter in the CVF represents a type of culture. The four quadrants are clan, adhocracy, market and hierarchy. They were derived from the scholarly literature that explains how, over time, different organizational values have become associated with different forms of organization culture. (Cameron & Quinn, 2006). Specifically, each culture type is characterized by a particular set of shared beliefs, style of leadership, set of shared values that act as a bond or glue for members, and strategic emphases in pursuit of effectiveness. (Daulatram B., 2003)

Clan Culture

Clan culture, in the upper left quarter of the CVF, represents a culture that is congruent with an internal focus and a flexible, organic organization. Clan culture tends to be collaborative in nature, with a developmental value system. It is considered to be family oriented culture existing in an egalitarian organization. Upper management commonly assume the role of mentors and coaches. Loyalty and group work are important here. Employee collaboration is a key process and long term employee development is practiced. Generally, rewards are distributed on team, rather than individual basis, consistent with the collaborative spirit that prevails in the Clan culture. Often in a Clan culture employee own stock or options in their company, which supports the desire for employee loyalty and long term commitment (Cameron, et al., 2006).

Adhocracy Culture

Adhocracy in the upper right quarter of CVF and represents a culture that is congruent with an external focus, with a flexible, organic organization. Adhocracy culture emerges in companies facing dynamic environments. Employees in this culture commonly are risk takers and the leadership style is entrepreneurial. Adhocracy culture shares the collaborative nature of the Clan culture type, but differs in that the focus now becomes problem solving, creativity, and developing products that are fit for market. Often this means that new teams form and employees work together to accomplish short term goals. Once the goal is accomplished, the employees are assigned new teams for another task. The work environment can be very flexible, for example, it would not be uncommon for meetings between team members to be held informally in coffee shops. Adhocracy is also considered an egalitarian type of organization, though individual rewards may be bestowed based on employee creativity and innovation.

Market Culture

Market culture in the bottom right quarter of the CVF, represents a culture that is congruent with an external focus, yet operates in a stable environment. Market culture tends to be competitive and reactive in nature, thriving on rivalry within their industry. This manifests itself as the company forms exchange relationships with external clients. Organizational goals are short term and oriented toward financial performance, such as market share and profitability. Commonly employees are rewarded for individual performance. Rather than being collaborative, the

relationship between employees is generally tournament-based, promoting competition with one each other in order to reach aggressive financial performance goals (Cameron, et al., 2006).

Hierarchy Culture

Hierarchy culture in the bottom left quarter of the CVF, representing a culture that is congruent with an internal focus and tight control over employees. Hierarchy culture tends to be controlling in nature, here the organization tightly guards against process failure. It is considered to be a bureaucratically oriented culture, where rules and following formal procedure prevail. Management and leaders are coordinators, monitors, and organizers and enforcers. Stability, predictability, and efficiency are paramount values. Employees tend to be rewarded individually, however in contrast to a Market culture, rewards are commonly based on tenure and loyalty (Cameron, et al., 2006).

COMPENSATION STRATEGIES

Pay distribution is defined as an array of compensation levels paid for difference in pay grades, based on work responsibilities, human capital or individual performance within a single organization (Milkovich & Newman, 1996). Bloom (1999) suggest that the two prominent pay distribution types are *egalitarian* and *hierarchal* (see Table 1). The differences can be observed as the degree of change in pay rates of the various pay grades, or job levels, across the organization. This change can be represented graphically as the slope of pay rate as compared to pay grade.

TABLE 1

	Hierarchical	Egalitarian
Level	Many	Fewer
Pay Differential	Larger	Small
Supports:	Close fit	Loose fit
Work organization	Individual performers	Teams
Fairness	performance	Equal Treatment
Behaviors	Opportunities for promotion	Cooperation
	Individual Contributors	Share knowledge Freely
	Recognition of difference	Cross training in jobs

Table 1: Hierarchical pay structure and Egalitarian pay structure.

Hierarchical pay distributions have a relatively steep slope that would represent large incremental increases in pay for each advancement in pay grade. Hierarchical structure values the differences in work content, individual skills, and contributions to the organization. Hierarchical structure is divided into multiple levels that include detailed descriptions of work done at each level, and designates who is responsible for specific tasks, duties and responsibilities. Pay is more widely varied among pay grades and less equal across pay levels (Bloom, 1999). Hierarchical distributions attract talent and motivate individual performance (Milgrom & Roberts, 1992).

In contrast, egalitarian pay distributions have a shallow slope that would represent smaller pay differences between the various pay grades. Egalitarian structures have fewer levels and smaller differentials between adjacent levels and between the highest and lowest paid workers (Milgrom & Roberts, 1992).

In comparison to pay distribution, *compensation strategies* center on the basis by which rewards are allocated. A widely used compensation strategy of note is pay-for-performance (PFP). PFP is defined as a pay strategy where evaluations of individual and organizational performance have significant influence on the amount of pay increases or bonuses given to each employee (McPhie, 2006). Pay for performance is increasingly a topic of interest for Human Resource managers due to its wide acceptance by corporations (Gomez-Mejai, Welbourne, & Wiseman, 2000). A survey of 1,861 companies indicated that 61% had implemented variable compensation systems (Hein, 1996).

Configuration Fit Between Culture and Compensation Strategies

For the purposes of this paper, we would like to define the *pay system* as the combination of a pay distribution and compensation strategy that an organization might employ. Research suggests that the pay system represents a particularly effective means of influencing and supporting an organization's culture (Kerr & Slocum, 1987). Employees in specific cultures tend to have similar vision, goals and behaviors. Thus the pay system should reflect these behaviors and set the appropriate relationship among the employees and management. In (CVF) there are four dimensions that suggest the behavior and characteristics of each culture, which will lead to the optimal pay system for each culture.

The dimension of organizational flexibility versus stability suggests that Clan and Adhocracy cultures are more flexible, organic organizations. By their nature organic organizations require more internal collaboration among organizational members than mechanistic organizations, with generally higher levels of interdependence. This suggests use of egalitarian pay dispersion practices might be appropriate. Wide disparities of pay between individuals within a collaborative team might create jealousies that inhibit the willingness of team members to work together. As pay structures become too hierarchical, organizational performance may be adversely influenced because employees will become less cooperative and less inclined toward collaboration. (Brown, Sturman, & Simmering, 2003).

Equity theory (Adams, 1965) and justice theory (Cowherd, Douglas & Levine, 1992) predict that lower-paid employees compare themselves to higher-paid employees when considering whether their employment contract is fair. As both the Clan and Adhocracy depend, to a greater extent than Hierarchy or Market cultures, on talent development and creativity that thrive on collaboration, they are more sensitive to turnover relative to other culture types. Research also suggests that turnover rates are higher if employees sense inequity in pay among employee in the same organizational level (Pfeffer & Davis-Blake, 1992). Egalitarian pay structure seems to support the collaborative dynamic of clan and adhocracy culture.

Hierarchy and market culture are more oriented to individual performance rather than collaborative teamwork. This reduced need for collaboration between employees means that large promotion pay grade rewards for high performance (Market) or tenure and process adherence (Hierarchy) are

more acceptable. Thus hierarchical pay distribution practices seem more appropriate for Market and Hierarchy culture types.

Along the dimension of internal and external focus in the CVC, we suggest that the internally focused Clan culture and Hierarchy culture are best supported by limiting the compensation strategy of PFP. Hierarchy culture values consistency, efficiency and control (Cameron, et al., 2006), and success in a hierarchy culture has more to do with not failing control rather than high performance. Here failure is not an option, and risk taking is not encouraged. So for highly bureaucratic organizations such as government agencies or nuclear power plants, incentivizing performance seems out of place. For example, the implementation of PFP compensation strategy in the U.K public sector resulted in failure, with predictable negative reactions from employees (Kessler, Heron, & Gagnon, 2006)

Clan and Hierarchy cultures share the trait of avoiding risk (Cameron, et al., 2006). However the difference in the Clan culture is that employee development is more important than immediate performance. This suggests a longer term orientation than other cultures which does not lead itself well to rewards based on short term results. To a greater extent than other culture types, the Clan culture depends on members to be intrinsically motivated. Research suggests that PFP systems can have a destructive effect on intrinsic motivation and collaboration (Beer & Cannon, 2004).

However, we suggest that externally focused organizations, such as those using an Adhocracy or Market culture, might benefit from PFP. The nature of Market and Adhocracy culture share the aspects of short term perspective and being market responsive (Cameron, et al., 2006). In the Market culture, results and performance orientation seem to mesh well with the use of incentives for individuals to perform. "At risk" pay related to goal achievement, while employees compete among each other for rewards, seems a tailor made situation for PFP compensation strategies. Research suggests that rewards based on incentives increase short term performance (Beer & Cannon, 2004; Kerr & Slocum, 1987).

An Adhocracy culture shares a focus on external market and environmental dynamics, short term perspective, as well as a risk taking mentality with Market culture (Cameron, et al., 2006). In Adhocracy, however, collaboration, innovativeness and an entrepreneurial spirit are more central to the values of the organization. As innovation for the market is so important to the Adhocracy, the present authors turned to the literature on innovation. Edmonson and Mogelof (2006) discuss the important role of psychological safety within teams as a fundamental need for innovation and creativity. Psychological safety is a perceived norm within a team that members will respond positively when one team member takes a creative risk. These authors note that the creative process involves divergent thinking, which in itself is a risk. Incentivizing risk, both individually and in teams, would seem to be a supportive mechanism. Consequently, PFP compensation strategies, that focus on risk taking individuals or teams, might be an important underpinning to support innovation in the Adhocracy culture.

PROPOSITIONS

The present authors suggest that the relationship between the, dimensions of flexibility versus stability, and the dimension of external versus internal focus might be valuable in determining the

most suitable pay system for each of the four cultures in the CVC. For the risk averse, family orientated nature of clan cultures, we suggest that the best pay distribution practice will be the egalitarian structure. In an egalitarian structure the employees are relatively at the same level of compensation avoiding perceptions of injustice and inequity that might undermine collaboration. Moreover, PFP might *not* be appropriate for this culture as a compensation strategy because the long term perspective, interest in personnel development, and risk adversity of the Clan organization are incompatible with the short term, performance focus of a PFP incentive strategy.

Proposition 1: *Clan cultures are optimally supported with the use of egalitarian pay distribution and infrequent use of pay for performance compensation strategies.*

Adhocracy culture is an organic, flexible and risk taking culture (Cameron & Quinn, 2006). Employees are generally working in teams collaboratively often for creative and innovative purposes. The present authors suggest the optimal pay distribution for this culture might be egalitarian as it supports the culture's emphasis on collaborative activities. As in clan cultures, collaboration requires that employees perceive they are in a roughly equivalent stature with those they collaborate with, and employees should feel that they are of equal stature to their co-workers. As we have suggested, this will decrease the competitiveness among them and encourage cooperation. However, since the Adhocracy is also oriented to be innovative, rewarding individuals or teams for risk-taking in creativity encourages innovation that drives the success of the firm.

Proposition 2: *Adhocracy cultures are optimally supported with the use of egalitarian pay distribution and frequent use of pay for performance compensation strategies.*

Hierarchy culture is a rigidly controlled process-based culture (Cameron and Quinn, 2006). Employees succeed in this culture when they are fully aware with the company's policies and comply with them. In this type of culture there is a deemphasis for teamwork and collaboration. Here communication between employees and higher management follow guidelines, hierarchy, and administrative rule. We suggest that this cultural dynamic calls for a hierarchical pay system. This pay structure coincides well with rewarding those who follow administrative procedure. Moreover, with no great need for collaboration there is not a necessity for individuals to feel as though they are on an equal plain with coworkers. Due to the necessity to follow procedure in the hierarchy culture, risk taking is discouraged, thus we further suggest that this culture compliments pay systems that limit the use of PFP.

Proposition 3: *Hierarchy cultures are optimally supported with the use of hierarchical pay distribution and infrequent use of pay for performance compensation strategies*

A Market culture is a stable and externally oriented culture with a strong competitive bent (Cameron and Quinn, 2006). Within this culture there is generally minimal collaboration between the employees and communication is generally top down rather than lateral consistent with a more mechanistic organizational structure (Courtright et al., 1989). Consequently, much of superiors' interactions with subordinates consist of negotiating performance goal agreements and evaluating requests for resource allocation (Kerr & Slocum, 1987). We suggest hierarchy pay distribution system for this culture, which supports risk taking and individual effort over time. Additionally,

due to the short term performance orientation of the market culture, it is very likely that organizational members are focused tightly on performance objectives. We therefore propose that PFP compensation strategies might be suitable for Market cultures in order to incentivize and reward employees who reach performance objectives.

***Proposition 4:** Market cultures are optimally supported with the use of hierarchical pay distribution and frequent use of pay for performance compensation strategies.*

CONCLUSIONS AND IMPLICATIONS FOR PRACTITIONERS

Organizational culture is an important aspect that human resource managers should understand in their own organization in order to implement the right pay and reward systems. Knowing the nature of the organizational culture we suggest a manager can establish a complimentary compensation system that will support that culture.

The compensation system sends a “message” to employees as to what is “valued” in an organization (Lawler, 1990). For example, in a Market culture, independence and risk taking is valued, thus it seems reasonable to suggest that a pay system that rewards employees by promoting individuals to higher levels in the organization as well as performance-related incentives acknowledges and supports those values. To do otherwise sends a conflicting and contradictory message to employees, that organizations are not authentically embracing those underlying values that a culture contains. Aside from confusion, there is the potential for issues of procedural justice (Colquitt, Greenberg, Zapata-Phelan, 2005; Thibault and Walker, 1975), which strike a perception of fairness in the organization.

Equity theory (Colquitt et al., 2005; Adams, 1965) suggests that workers compare their efforts against company compensation they receive versus the efforts and compensation of like others. In clan and adhocracy cultures we value collaboration and parity between workers, thus there is more of a perception of equality between workers. In this situation if we have large differences in compensation between workers, the perception of inequity may be more common.

Procedural justice and equity are important factors for employee performance and commitment (Adams, 1965; Colquitt et al., 2005). Managers should therefore be aware as to how their compensation systems can best support the culture of the organization.

The present paper proposes best pay practice for each of four organizational cultures depicted in the Competing Values framework (Cameron, et al., 2006), which is an important and well recognized model for understanding organizational culture. By suggesting the appropriate pay system for each unique culture managers within that culture can better “walk the walk” that supports the underlying values they espouse.

Future studies might empirically test organizational performance of companies that have the suggested combination of pay structure and PFP against companies that do not. Additionally, developing accurate surveys that help the researchers determine the culture of each organization and of each company’s unique compensation systems would go a long way to advance our understanding of Human Resource practices in the area of compensation

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USING EXPERIENTIAL LEARNING CONCEPTS IN NEW COURSE DESIGNS: EXPERIENTIAL LEARNING IN “MANAGING EMPLOYEE WELLNESS AND MANAGERIAL LEADERSHIP”

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ABSTRACT

Today’s students demand innovative college teaching. The literature suggests that experiential learning provides student opportunities for learning theoretical concepts and applying those concepts concretely. By incorporating experiential learning, students become actively involved in course material and engage in the development of an impressive end-of-course assignment. With the growth of corporate employee wellness programs, students understand how wellness can impact a corporation’s benefit programs socially, legally, and financially. This workshop presentation outlines how a new course, *Managing Employee Wellness*, was designed to help students actively explore new career areas of HR as well as incorporate employer partners in the curriculum delivery.

USING EXPERIENTIAL LEARNING CONCEPTS IN NEW COURSE DESIGNS

This session is designed to provide an interactive overview of the process used to design an engaging new course that successfully achieved faculty learning objectives for students. The following areas will be discussed in the workshop:

- New course rationale with experiential learning
- Development of curriculum
- Employer and community partner contributions
- Student involvement and engagement through experiential learning
- Learning outcomes
- Team and Leadership Development
- Career Exploration

The presenters will deliver the workshop content in an interactive form, including introductory surveys to assess participant knowledge of the content area in HR, employee wellness. Kolb’s model (1984) will be reviewed as it relates to the theoretical base for the development of the experiential learning focus in the course. Syllabi and textbook selection will be reviewed as well as sample scholarly articles used in the course for student assignments.

During the workshop, the presenters will discuss how the community partners and employers actively contribute to the course. Evaluation of employer presentations will be highlighted as well as the relationships with ongoing employer supporters of the course. Through the development of the employer partners, the students not only hear the most recent industry applications in wellness, they also have the opportunity to network and learn more about wellness programming career

opportunities in the local market. Through the course, students are provided with invaluable experience as well as the opportunity to network with additional HR professionals.

Evaluations of the course will be presented by sharing instructor course assessments. Through the five consecutive semesters, the instructor and the course have received excellent evaluations ranging from 4.75-5.0 on a scale of 1-5 in standard university evaluations. Qualitative student comments will provide additional insight in the effectiveness of the course content and delivery in terms of student learning. The presenters will also share feedback from the wellness fair informal classroom evaluation conducted by the instructor.

The evolution of the experiential learning (EL) project process will be presented by sharing the development of the current EL project. Initially, the major class project consisted of a team competition, with teams conducting research and making informative presentations to the class on a selected wellness topic. While the team projects and presentations were effective, the instructor intuitively felt that there were additional features that could make the end-of-semester experience more informative and effective (Burke & Smith, 2008). For four semesters, the project has evolved into an actual employer-type project, an employee health fair. Using employers or non-profit partners to present actual health fair outcomes in their organizations, the students then model a health fair for the Fogelman College of Business and Economics. Outside judges (employers and non-profit partners as well as management faculty) visit and evaluate the student health fair booths and determine first, second, and third place competition winners.

Student learning outcomes included learning how to research a wellness topic in regard to application in an organizational setting (topics include heart health, stress management, mental health, domestic violence prevention, and smoking cessation), learning how to creatively develop a “booth” for employees that is informative, creative, and engaging for participant traffic, and understanding how to secure community vendors to assist in the planning development, and presentation of the content to employees (students). In addition, teamwork and leadership development skills are a key outcome due to the nature of the project and the synergy of the students during the planning, development, and presentation of the project to the college and industry partners who judge the competition. This type of synergistic team learning helps to develop the “whole student” as the students actively learn through the project process (Hoover, Giambatista, Sorenson, & Bommer, 2010).

The session will identify how wellness trends are increasing and becoming a clear HR programming component in most organizations today due to the implementation of the Affordable Healthcare Act as well as continued streamlining of healthcare benefits in most major insurance carriers (Bray, 2012). The AON 2013 Healthcare Survey presents that 72% of employers have a current focus on employee health while an additional 48% in 2015 will focus on employee health for increased productivity and reduced absenteeism (AON Hewitt Executive Survey, 2013). Participants will gain an understanding of how the faculty worked to incorporate key trends into the coursework with limited available text support by focusing on industry developments through major organizations in the Memphis, TN market such as International Paper, Cummins of the Mid-South, and Smith & Nephew, non-profit partners such as the Memphis Business Group on Health, Common Table Health Alliance, the American Cancer Association, the Church Health Center, and Methodist Hospitals.

The EL project, the health fair, will be a key component of the workshop. Akella (2010) indicated that experiential learning results are stronger when students collaborate on a common goal. The competition aspect of this project brings students together quickly in a common goal—a project that wins gets recognition as well as the ability to be exempt from the final exam in the course due to the workload associated with the project. Through synergistic learning, the students experience the learning in more of a holistic process (Kolb & Kolb, 2005). In addition the students' joint contribution to the project brings a richness of actionable knowledge, much as what Blood (2006) indicated is needed to help learning move outside the classroom and into application. The project process also assists in the development of tacit knowledge which is highly valued by students and employers as well (Armstrong & Anis, 2008). The use of experiential learning in management coursework allows students to develop and apply more reflection and critical analysis skills which can assist them as future practitioners in industry (Klimoski, 2005). Ghose (2010) also indicated that experiential learning incorporated into coursework can provide students a benefit, regardless of their discipline, in career exploration and career development. As such was seen in the Employee (Student) Health Fairs conducted in three previous semesters at the Fogelman College of Business and Economics. One student, a Management major, actually had a competitive edge with an internship interview due to his involvement in the Managing Employee Wellness course. The course enabled him to secure the internship which ultimately led to a full-time HR associate position with one of the partner organizations (G. Jenkins, personal communication, January 20, 2013).

A module presented in the course on domestic violence (DV) and the workplace, a research area of one of the co-authors and surprisingly popular with the students, will also be discussed. Students find this topic relevant as it addresses an issue prevalent in their local community and its inclusion broadens their view of what constitutes “wellness” (Maurer, 2014). They are at first somewhat surprised to learn that HR managers may be asked to deal with what could be viewed as a “private matter”; however, when they hear the many spillover effects that DV has on work life and human resource management, including the economic consequences, they embrace the idea. In fact, student teams choosing this topic as their segment for the Health Fair in two recent semesters were judged by outside evaluators to be the competition winners.

ADDITIONAL EXPERIENTIAL LEARNING MODELS

Experiential learning is also being incorporated into the UM Managerial Leadership course where students “experience leadership” in campus and community projects. Students self-select into diverse teams and have the opportunity to apply the content related to self-leadership, team dynamics in leadership, and follower behaviors. Students readily adapted to the project format and evaluation feedback will also be shared as well as the content of the leadership projects. The goal is to advance the students' awareness of leadership concepts through actual application in a community-based project. Students were exposed to community leaders who described their challenges with leadership as well as follower differences prior to the project planning and execution (Catlette, B. personal communication, September 26, 2016 & Courtney, B., personal communication, October 4, 2016). The faculty in the course provided a structured outline of project outcomes and requirements and the overall project design was assigned to each team.

Evaluations of the project were provided to the students and the community partners at the conclusion of the project.

Other courses in business curricula are also highly adaptable to experiential learning. Business communication is a particularly strong match for students and service learning due to the development of communication-based skills in the real-world environment (Cyphert, 2006). Though successful in developing core skills for students, Cyphert (2006) identified that the institutional challenges with this type of coursework range from the organizational requirements for faculty in developing alliances with community partners and academic integration of the experience into the core curriculum.

Brzovic and Matz (2009) reported that employers in large organizations are becoming active and involved participants in experiential learning. Through action research, Brzovic and Matz (2009) reported an innovative model in the business communication discipline where students are grouped in a learning community to address real organizational problems in a competition style format. This example of action research conducted by the faculty incorporated experiential learning with a corporate partner within the professor's classroom during a semester course. The selected organization for this action research/experiential learning project was Fortune 500 company, Target. Through the professor's course design, students were aligned with Target managers to review the operations of Target for a given project. Students were required to develop additional recommendations for the organization. Target managers became involved with the students, reviewed each team's recommendations, and adopted many of the student recommendations for enhancement to their business communication processes (Brzovic & Matz, 2009). The faculty role was focused on designing the competition model, working with teams during the development phase, and assessing students at the onset for inclusion into the real life-learning model.

CHALLENGES AND IMPLICATIONS

While many benefits clearly exist with experiential learning, one of the key favorable characteristics is that faculty and students often learn together. Whether the experiential learning is incorporated into traditional curriculum or presented in study abroad, internships, or service learning, there are benefits and challenges. In service learning, the joint experience can result as a part of the community service change process (DiPadova-Stocks, 2005). However, DiPadova-Stocks (2005) noted that if the experience was not structured well by the faculty mentor, then the experience became less significant to students, resulting in weaker outcomes for future development (DiPadova-Stocks, 2005).

The reported expectations of the faculty and the need for guidance for academic success in student outcomes correlates to the conducted research of defining more effectively the connection of faculty mentors and experiential learning results (DiPadova-Stocks, 2005; Madsen, 2004). However, despite the desired outcomes of experiential learning, many administrators appear reluctant to provide support for this academic model or are unaware how to best support faculty members and students in this innovative educational approach. If higher education faculty members are to achieve stronger results with service learning, or other forms of experiential learning, support is needed from respective administrators through the inclusion of more faculty development into the process.

The researcher of three business school service learning projects identified that academic integration, including the role of faculty in the process, was important to achieving high quality student EL outcomes (Gallagher, 2007). The institutional leaders' support and recognition of faculty efforts played a major role in ongoing faculty motivation to support this type of learning. If Gallagher's research is indicative of incorporating experiential learning in business school curricula, administrators need to be supportive of faculty efforts in designing innovative course designs which require students to apply content through experiential learning models.

The effect of a project-based experiential learning often prepares students well for the semester-long opportunities by enhancing critical thinking, teamwork, problem-solving, and time management skills. Faculty mentoring occurs in project-based learning as well as semester-based models, perhaps even more so due to more direct interaction with the students (Brzovic & Matz, 2009). Course projects involving EL require a different perspective from faculty and often can require several semesters to refine the methodology used in the classroom.

CONCLUSION

In order to advance student learning in the classroom, numerous models can enhance learning as well as improve retention of knowledge. Experiential learning (EL) is one of the successful concepts available to faculty in today's business classrooms (Kolb & Kolb, 2005). By incorporating EL into appropriate courses, student learning is increased, faculty learning is often increased, and student participation in the course is enhanced due to the "hands on" involvement in the learning. As more faculty embrace this concept and integrate EL into their coursework, more models will become available for review.

Proposed Session Overview

Participants will be interested in this workshop to learn more about the integration of a current HR trend, employee wellness, and how an innovative experiential learning approach was used successfully with management students. The session, if offered as a stand-alone module, will be structured in the following format:

Introduction and initial assessment	10-12 minutes
Review of course design	15 minutes
Student EL Project Overview	25-30 minutes
Assessment of learning	30-35 minutes
Integrating EL into curriculum development	30-35 minutes
Student Perceptions	25-35 minutes
Questions and Answers	10-15 minutes, as time allows

If the session is offered as one session of a multi-part workshop, the topics will be adjusted to fit the time allowed overall.

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PROPOSED RELATIONSHIPS BETWEEN THE ENTREPRENEURIAL ORIENTATION (EO) DIMENSIONS OF NARIÑO ENTREPRENEURS AND BUSINESS SUCCESS

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ABSTRACT

After describing EO and its relevance for the field of entrepreneurship research, we discuss the climate for entrepreneurs in Southern Colombia. We then present propositions involving the relationships between dimensions of EO and entrepreneurial success within the context of southern Colombia. Our propositions focus on the EO dimensions of innovativeness, proactiveness, risk taking and competitive aggressiveness and their relationship to business success as measured by growth in employees and sales. Research along these lines will hopefully generate greater understanding of Nariño's entrepreneurs.

INTRODUCTION

We extend our understanding of its multidimensionality by suggesting that one or more of EO's dimensions are in and of themselves multidimensional, that the relationships of dimensions of EO with entrepreneurial success are contingent on the entrepreneurial climate facing any given group of entrepreneurs, and finally to lay the groundwork to assist Nariño entrepreneurs by offering greater understanding of EO dimensions and their relationships with entrepreneurial success in Nariño, Colombia.

EO represents a continuous variable that is a function of how it is measured as well as how scholars conceptualize the EO concept. Prior research shows that entrepreneurship exists independently of measurement (Covin and Walles, 2012), but among different contributions of this literature one of more importance for our understanding is that becoming an entrepreneur with EO intentions is associated with growth for the company (Eshima & Anderson, 2016). Research on EO in embryonic enterprises has been less common (Rauch & Frese, 2000; Wiklund & Shepherd, 2005; Mason et al, 2015) than in corporate entrepreneurship research (Covin & Lumpkin, 2011), leaving many gaps in our understanding of the importance of EO for emergent economies and young entrepreneurs. In addition the widest range of studies in the entrepreneurial population is concentrated in cultures foreign to Latin America, bringing forth the notion that results on entrepreneurial success may not be transferrable from culture to culture (Rodriguez, 2009).

The economic climate in Nariño, Colombia

Entrepreneurs are believed to stimulate economic development worldwide, but only incrementally in Colombia because of inadequate training of human capital, lack of channels of funding, and less scientific development and innovation (Gómez & Mitchell, 2014). Although the Colombian economy is generated mostly by MSMEs, the social, political and economic context of the country offers obstacles for the development of its economic sector. One of these may be the inability to identify and gain access to appropriate technology. The formalization and absorption of new

technologies has become an element far removed from the capabilities of SMEs, who attribute it to the absence of financing or economic investment. Unfavorable climates for science, technology and innovation limit the ability of potentially productive entrepreneurs. Also the digital divide in access to goods and services related to information technology and the lack of organization in local networks prevent improving the competitiveness of enterprises (Marulanda, López & Mejía, 2013). Finally the general insecurity that prevails in the Colombian countryside cannot be ignored as an obstacle to business development. It deeply affects different determinants of competitiveness (Montoya, Montoya & Castellanos, 2010).

Examining the relationship between EO and business success, the entrepreneurship cannot be conceived of as simply taking advantage of an opportunity, either based on individual traits or behaviors, but it must be interpreted within the framework integrating all these perspectives. Given the strong preference by academics for researching large and medium sized firms, we embark on the search for insight into entrepreneurial processes in micro-firms and start-ups in which individuals as entrepreneurs are the key to understanding factors leading to their success, we return to the three initial dimensions of EO, innovativeness, proactiveness, and risk-taking but add competitive aggressiveness assuming it may play an important role in understanding our sample. Unlike most previous researchers of EO, we take a multidimensional view of each EO dimension and their possible relationship with business success taking into consideration the entrepreneurial climate we have described for Nariño.

PROPOSITIONS

For innovativeness, product innovation may be more strongly correlated with entrepreneurial success than process innovation in Southern Colombia. However, this relationship may vary depending on the socio-economic status (SES) of the market targeted by these new businesses. For example those entrepreneurs targeting higher SES segments may be more successful if they employ product innovation rather than process innovation while those targeting low SES segments may be more successful with process innovations that lower costs permitting lower sales prices than would product innovators. Also, micro-firms targeting a niche market will be more successful than those not targeting a niche market segment.

Innovation can be realized both in the creation of new resources and new ways of combining resources and includes two important phases: the generation of innovation and the adoption of innovation (Cassia, of Massi & Pizzurno, 2011; Holt & Daspit, 2015). From the perspective of entrepreneurial orientation (EO) innovativeness is a predisposition, which involves creativity and experimentation in the process of introduction of new products/services or technological leadership in new processes (Rauch et al., 2009). Additionally expected behavior involving strategic behavior, either proactive or reactive (González, Jiménez & Sáez, 1997), is a necessary component of EO, because it is a vehicle in search of new opportunities (Lumpkin & Dess, 1996).

Considering the conditions faced by companies in Nariño, especially with regard to the remoteness from the center of the country and the mountainous terrain, they are hindered in establishing work related networks. This limits process innovations that require an integration of suppliers, distributors and customers. Resource requirements are greater given the costs of coordination, communication and confidence (Saroghi, Libaers and Burkemper, 2015). In contrast product

innovations which emanate from internal development within the enterprise are more likely to be developed in the context of Nariño, but are more likely to fail during their implementation (Rosenbusch, et al., 2011). In contrast to process innovation, it does not demand continuous incremental innovations more easily accomplished in mature industries than in the micro-enterprise sector as is typical in Nariño. Research in technology management, creativity generation and new product development hints at the need to deepen our knowledge of the attitudes and behaviors that precede innovation especially in specific entrepreneurial communities. Nevertheless we propose that in the Colombian southwest, entrepreneurial success is associated with a higher level of product innovation rather than process innovation.

For proactiveness, Nariñenses are unlikely to consider early mover advantages given that competitive information is scarce in its largely informal economy. If so, proactiveness in terms of environmental scanning may not be related to success. However, proactiveness regarding seeking out competitors and/or forming cooperative alliances with suppliers and business customers may be correlated with success. Madsen (2007) defines it as a posture of anticipating and acting on future wants and needs in the marketplace, thereby creating an early move advantage. It is a necessary component of EO, because it is a vehicle in search of new opportunities (Lumpkin & Dess, 1996). In the framework of EO this dimension often is measured as a personality factor that inclines some to engage in a set of proactive behaviors (Lumpkin & Dess, 1996).

Proactiveness has been postulated as an important determinant of business success (Crant, 2000), which is facilitated through environmental scanning activities such as the collection, analysis and distribution of key information within the industry and customer base (Babatunde & Adebisi, 2012). To be proficient in environmental scanning activities when little information is published in Nariño is most difficult for entrepreneurs. However, embracing associations of various types can allow Nariño entrepreneurs to gain some information. Those links require a substantial level of searching or proactiveness. Those finding relevant information can choose more suitable objectives which contribute to success (Miller, 1994).

For risk taking, Nariñenses may be weakly correlated with success as risk adverse Nariñenses employ strategies to minimize capital investments required for their businesses such as by forming partnerships. Thus little variance among the entrepreneurs in Nariño in risk-taking perspectives or behaviors is a likely result. Risk-taking involves bold actions with often unknown results, and even a likelihood of failure, as decision makers commit significant resources to form and grow their enterprises (Rauch et al., 2009; Lumpkin & Dess, 1996). Given the conservative nature of Nariñenses as perceived by Colombians in general, less major risk taking is believed to occur. However considering that Nariño entrepreneurs are predominantly male, assuming that they are less risk adverse than their female counterparts, may have been socialized and positively reinforced when engaging in exploratory behavior and do indeed engage in significant risk taking. Moreover they may have found different mechanisms for reducing the uncertainty of growing micro-businesses. There is anecdotal evidence that high rates of partnership facilitate the acquisition of seed capital with which to start a business.

For competitive aggressiveness, Nariñenses may be unrelated or even negatively related to success because competitiveness is inconsistent with Nariñenses's cultural values, abilities, and actions. Competitive intelligence is a strategic tool that allows firms to improve their competitiveness through the identification of factors capable of boosting their productivity or anticipating the needs

of the market in the future (Saban, Lackman, Lanasa, & Burns, 2000). This ability draws from the technological capabilities of business units and their human capital (Rouach & Santi, 2001). The Nariño economy is marked by the absence of any major manufacturing industry and perhaps lower levels of human capital in this region compared to Colombia overall. Nariños need to acquire much of their products from the center of the country, and trading proliferates. New companies focus more on marketing final products rather than the introduction of manufactured products. Given the predominance of many micro-businesses which comprise one sixth of the regional economy, the level of human capital required for firms to become competitively aggressive is probably inadequate. This translates into a low correlation between competitive aggressiveness and business success.

IMPLICATIONS FOR FUTURE RESEARCH

Analysis of the context within which they must operate could be analyzed and relationships with the EO dimensions and business success could assist in developing effective training programs for those who aspire to own their own businesses. We identified contextual factors that we thought influence entrepreneurs in southern Colombia but one can assume that there are factors we omitted that help constitute the context and determine the relationships between EO and business success within this particular context. How generalizable are the EO dimensions across various contexts? We have only cracked this door into research on entrepreneurial environments.

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SERVANT LEADERSHIP, MOTIVATION, TRUST, AND ORGANIZATIONAL COMMITMENT

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ABSTRACT

Researchers have considered the relationship between leadership styles and organizational commitment. However, few have considered the effect of servant leadership in this relationship. Although preliminary evidence suggests that servant leadership is positively related to organizational commitment, the findings have not been consistent. Researchers have not adequately considered other factors that might influence the servant leadership-organizational commitment relationship. In this study we posit that servant leadership has a positive relationship with organizational commitment through the mediating influences of intrinsic motivation and trust in leadership. We contend that these mediating influences contribute to our understanding of the inner workings of servant leadership.

Keywords: servant leadership, organizational commitment, intrinsic motivation, trust in leadership

INTRODUCTION

Numerous studies have suggested that leadership is an important antecedent to organizational commitment (Chiok Foong Loke, 2001; Mathieu & Zajac, 1990). Yet, few studies have attempted to assess the relationship between servant leadership and organizational commitment. Preliminary evidence suggests that servant leadership is positively associated with individual attitudes and behaviors (Liden, Wayne, Zhao, & Henderson, 2008; Van Dierendonck, 2011). However, the relationship between servant leadership and organizational commitment appears confounded (Drury, 2004). As such, we contend that the means by which servant leaders impact subordinate motivations and behaviors have not been suitably addressed. There is a need to address the gap in our understanding of the processes through which servant leadership influences employment-related attitudes such as employee commitment to the organization in order to develop a more comprehensive understanding of how and why servant leadership works (Keith, 2012; Liden, Wayne, Liao, & Meuser, 2014).

The purpose of the present study is to address this gap and identify the means through which servant leadership influences subordinate's organizational commitment. We center our discussion on the mediating mechanisms of intrinsic motivation and trust in leadership. Past findings suggest that considerate leaders who prioritize employee development and are perceived as trustworthy increase motivation and commitment among their followers (Dirks & Ferrin, 2002; Goh & Low, 2013; Mathieu & Zajac, 1990; Shu, 2015). Servant leaders fit this considerate description of leadership by developing others, being trustworthy, enabling others to act, inspiring shared vision, and modeling the way, respectively (Greenleaf, 1970; Liden et al., 2008), making it an appealing option for leaders attempting to increase organizational commitment within their employees.

The remainder of our paper is arranged as follows. First, we briefly review the current literature covering servant leadership and organizational commitment. Next, we use this understanding to develop theory-based propositions linking servant leadership and organizational commitment. Of particular importance, we identify mediating influences that provide the theoretical rationale to answer how servant leadership affects organizational commitment. Finally, we elaborate on these propositions to provide a more targeted direction for future research in this area. The conceptual model guiding this study is depicted in Figure 1.

FIGURE 1

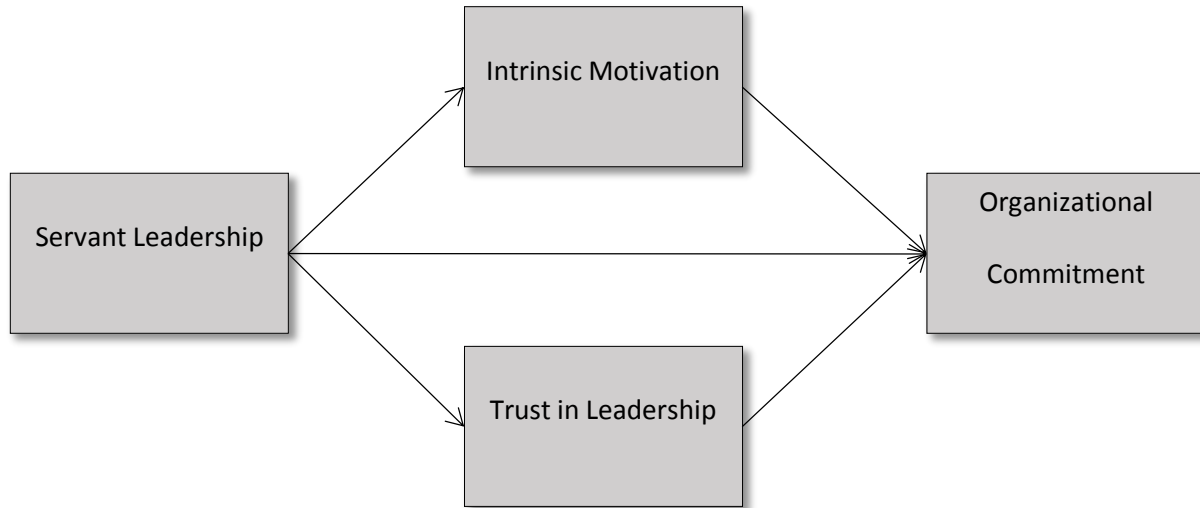


Figure 1. Servant Leadership and Organizational Commitment: The Mediating Influence of Intrinsic Motivation and Trust in Leadership

THEORY AND DEVELOPMENT OF PROPOSITIONS

Servant Leadership

In his essay “The Servant as Leader”, Greenleaf (1970) promotes that a servant leader’s primary motivation for taking leadership is to further their ability to serve others. Greenleaf’s concept of leading by serving is made up of three principles. The first is that the desire to serve takes precedence over the desire to lead. The second is that leaders meet the needs of those being served before meeting their own. The third is the focus of the leader on the improvement of the organization (or community) and the people within before reaping personal benefits. Greenleaf’s essay laid the literary foundation for defining servant leadership.

Servant leaders share a collective motivation of placing the interests of others above their own personal concerns (Greenleaf, 1970; Keith, 2012). Numerous authors have attempted to conceptualize the servant leadership literature (Barbuto & Wheeler, 2006; Laub, 2004; Liden et al., 2008; Van Dierendonck & Nuijten, 2011). Consistent in the various servant leadership frameworks is the idea that servant leaders have a heartfelt desire to serve others and this serves as their guiding motivational force fueling subsequent leader behaviors (Greenleaf, 1970; Laub, 2004; Van Dierendonck, 2011).

Organizational. Commitment

Organizational commitment has been extensively studied (Meyer & Allen, 1991). Mowday, Steers, and Porter (1979) give three reasons for the interest in organizational commitment. Primary among these is that organizational commitment is seen as an antecedent of employee attitudes and behaviors such as turnover intention, job performance, and attendance (Mathieu & Zajac, 1990). Mathieu and Zajac (1990) list several antecedents of organizational commitment, including: job characteristics, dimensions of group-leader relations (i.e., leader consideration, leader communication, and participative leadership), and personal characteristics (e.g. competence, age), and “Protestant Work Ethic” (personal value that creates commitment to an organization). Meyer et al. (2002) found that organizational support, procedural justice, and leadership style were also strong antecedents of organizational commitment.

Intrinsic Motivation and the Servant Leadership-Organizational Commitment Relationship

Motivation is described as the condition that moves a person to act, i.e. everything a person does has something behind it that inspires them to take action (Ryan & Deci, 2000). The two most basic types of motivation are: intrinsic and extrinsic (Ryan & Deci, 2000). A person who is intrinsically motivated takes action due to an inward desire associated with personal interest, pleasure, or value (Ryan & Connell, 1989). Intrinsically motivated individuals typically experience feelings of joy, excitement, and accomplishment (Güntert, 2015). The extrinsically motivated individual relies on an outward force to provide a reason to act (Ryan & Deci, 2000).

Shu (2015) highlights the importance of intrinsic motivation on the relations between leader behavior, self-determination theory (SDT), and work engagement. Shu’s (2015) findings indicated that leaders who supported follower autonomy, prioritized their development, and demonstrated a high regard for followers gained substantially higher work-engagement from their followers than those who demonstrated more traditional, autocratic forms of leading. Employees who perceived authenticity in the motives of their leaders demonstrated higher work-engagement because they were intrinsically motivated to do so (Shu, 2015).

Zhang and Bartol (2010) suggest that when leaders empower their followers, the followers experience psychological self-empowerment, derive a sense of autonomy, leading to follower intrinsic motivation. These characteristics of empowering leadership overlap with both Laub’s (1999), and Van Dierendonck’s (2011), characteristics of servant leadership. Yidong and Xinxin (2013) established a link between the characteristics of ethical leadership (e.g. honesty, integrity, altruism, trustworthiness, collective motivation, and justice) and intrinsic motivation. Leaders who demonstrate moral/ethical behaviors, which are associated with servant leadership, often generate positive relationships with increased intrinsic follower motivation (Graham, 1991; Piccolo, Greenbaum, Hartog, & Folger, 2010).

Many of the characteristics described in these studies are well nested in the characteristics of the servant leader as he or she values and develops people (Laub, 1999; Van Dierendonck, 2011) and invests in them as individuals (Greenleaf, 1970). Furthermore, servant leaders engage in behaviors that support follower autonomy, demonstrate a commitment to follower development, show a high regard for follower interests, and are perceived as authentic. Leaders exhibiting these behaviors

gain substantially higher work-engagement from their followers, which stems from higher levels of intrinsic motivation (Shu, 2015). As such, we put forth the following proposition:

Proposition 1a: Servant leadership and intrinsic motivation are positively related.

Motivated workers tend to be more engaged, demonstrate greater citizenship behaviors, and often improve their perform (Lindner, 1998; Moorman & Harland, 2002). Intrinsic motivation is important because it can produce creativity, risk taking, flexibility, and spontaneity in employees, which are characteristics of employees who can take initiative to make decisions and operate with little oversight (Dewett, 2007). Intrinsic motivation also reduces emotional fatigue and increases job performance, satisfaction, and affective commitment in employees (Karatepe & Tekinkus, 2006).

Numerous studies suggest that intrinsic motivation has a positive correlation with organizational commitment (Mathieu & Zajac, 1990; Meyer, Becker, & Vandenberghe, 2004). We contend that servant leadership will have a positive relationship with organizational commitment through the intrinsic motivation they inspire within their employees. When leaders consistently exhibit servant leadership behaviors (e.g. fostering individual empowerment, building community, developing subordinates' autonomy and responsibility) the intrinsic motivation of followers is increased. When followers are intrinsically motivated, the burden on a leader to provide oversight is lessened. Intrinsic motivation is the motivator for followers to take action without being told what to do. As such, we put forth the following proposition:

Proposition 1b: Intrinsic motivation positively mediates the relationship between servant leadership and organizational commitment.

Trust in Leadership and the Servant Leadership-Organizational Commitment Relationship

Trust is defined as a person's readiness to be open to another's behaviors and actions based on the expectation that the other person will act in a certain way that benefits him, even though he may not have the ability to ensure that the other will (Mayer, Davis, & Schoorman, 1995). Trust is considered fundamental to cooperation among members within the organization and has been linked to improved employee performance (Mayer & Gavin, 2005; Sendjaya & Pekerti, 2010), employee psychological comfort (Kelloway, Turner, Barling, & Loughlin, 2012), organizational citizenship behaviors (Colquitt, Scott, & LePine, 2007), and team performance (Dirks & Ferrin, 2000).

Russell and Stone (2002) suggest that character is a key factor determining whether employees "buy into" a leader. Servant leaders, by definition, are duty-bound to show concern and respect for followers; however, they also demonstrate a genuinely intrinsic value in their service to each employee, which is conducive to the development of strong relationships and working conditions where followers feel a strong sense of trust in their leaders (Dirks & Ferrin, 2002; Page & Wong, 2000; Sison, 2006; Van Dierendonck, 2011). Overall, servant leaders embrace a relationship-centric approach to their followers, which is associated with higher correlations of trust in leadership than power-centric or task-oriented leadership styles (Bulatova, 2015; Keith, 2012). As such, we propose the following.

Proposition 2a: Servant leadership and trust in leadership are positively related.

Trust in leadership is paramount because it is a predictor of numerous organizational outcomes such as citizenship behaviors, job satisfaction, job performance, and organizational commitment (Dirks & Ferrin, 2002; Van Dierendonck & Nuijten, 2011). The considerate and personal behaviors exhibited by servant leaders foster trusting relationships and illustrate the moral/ethical aspects of servant leadership (Graham, 1991). Consistency in the servant leader's behavior further enhances trust as followers form beliefs that past experiences can be used to predict future responses (Clapp-Smith, Vogelgesang, & Avey, 2008). Furthermore, as servant leaders continue investing in the well being of their subordinates, and as followers themselves begin to experience personal and professional growth, the quality of the leader-subordinate relationship increases, which may increase their loyalty to both leader and organization. Based on social exchange theory, trust and commitment grow as the relationship grows (Cropanzano, 2005). We suggest that follower perceptions of servant leadership will contribute to follower trust in leadership and in turn result in greater commitment to the organization. Thus, the following proposition is put forth:

Proposition 2b: Trust in leadership is a positive mediator of the relationship between servant leadership and organizational commitment.

DISCUSSION

The model and theoretical propositions presented in this study supplement our understanding as to how and why servant leadership works. Focusing on subordinate's legitimate needs does not jeopardize organizational goals; rather, it leads to employees who have increased levels of commitment to the organization and its goals, which is consistent with preliminary studies positively associating servant leadership with organizational commitment (Liden et al., 2008; Van Dierendonck & Nuijten, 2011). Specifically, our study suggests that servant leadership positively impacts organizational commitment through the mediating mechanisms of intrinsic motivation and trust in leadership. As such, servant leadership works, at least in part, because employees develop trust in their leaders and reciprocate with a willingness to extend themselves on behalf of the organization (Dirks & Ferrin, 2002). Furthermore, the moral/ethical approach servant leaders take in their relationships with subordinates, along with the respect, and genuine behaviors exhibited to develop their followers autonomy and responsibility increases followers intrinsic motivation to engage in the workplace (Piccolo et al., 2010; Shu, 2015).

LIMITATIONS AND FUTURE DIRECTIONS

This study is not without limitations. First, while we attempted to make lucid, intelligent, and theoretically grounded arguments for the propositions developed, they lack empirical evidence. Second, while we acknowledged the primary components of organizational commitment (i.e. affective, continuance, and normative), our propositions addressed organizational commitment in the aggregate. It is unknown whether servant leadership has a greater impact on any of the singular components, a particular combination, or whether each component is equally influenced. However, Meyer and Allen (1991) suggest that affective and normative commitments are expected to have greater influence on work-relevant behaviors, whereas they expect a negative influence associated with continuance commitment. Thus, future researchers may wish to consider the three-component model of organizational commitment as it relates to servant leadership.

CONCLUSION

Over forty years ago, Robert Greenleaf (1970) wrote his seminal work on servant leadership and introduced a novel approach to leadership focus within the organization. His writings challenged old paradigms in leadership; unfortunately, his description of servant leadership left the construct open to interpretation (Barbuto & Wheeler, 2006; Laub, 2004; Van Dierendonck & Nuijten, 2011). While the viability of servant leadership is no longer in doubt (Parris & Peachey, 2013), questions of “how” and “why” servant leadership leads to desired organizational outcomes have remained unanswered. We believe this review provides an important contribution to our theoretical understanding of servant leadership’s effect on important employment related attitudes such as organizational commitment.

This study began by reviewing the relevant literature on servant leadership and organizational commitment and introduced two important variables, i.e., intrinsic motivation and trust in leadership, that positively mediate the servant leadership and organizational commitment. However, factors outside the consideration of this model likely influence this relationship. We hope researchers will be motivated to empirically test the propositions in our model and continue refining, and identifying other potential mediating and moderating influences in efforts to address remaining gaps in the servant leadership literature.

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Bios/photos



Captain Joseph Bramer is an active duty Armor Officer in the United States Army. Joseph currently serves as the plans officer for 2nd Squadron, 16th Cavalry Regiment out of Fort Benning, Georgia. Joseph and his wife Emily have one son. Originally from Hanover, Indiana, Joseph graduated from the United States Military Academy at West Point in 2011 and commissioned as a second lieutenant in the Armor Branch of the United States Army. Joseph attended Armor Officer basic course at Fort Benning, Georgia and was subsequently assigned to the 1st Battalion, 63rd Armor Regiment, 2nd Armored Brigade Combat Team, 1st Infantry Division out of Fort Riley, Kansas. Joseph served as a tank platoon leader, scout platoon leader, armor company executive officer, and plans officer and deployed once to the Horn of Africa in support of Operation Enduring Freedom. Joseph attended the Maneuver Captains Career Course at Fort Benning, Georgia.

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SERVANT LEADERSHIP, PHYSICAL DISTANCE, AND THE ROLE OF TECHNOLOGY

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ABSTRACT

In this paper, the authors describe a conceptual model of servant leadership and organizational performance, taking into account the mediating influences of physical distance (i.e. leader geographical dispersion) and unified communication solutions. The authors position physical distance as a barrier to effective servant leadership implementation and introduce unified communication solutions as a means by which to mitigate those negative effects and simultaneously foster the development of community while serving the legitimate needs of subordinates.

Keywords: Servant Leadership, Geographic Dispersion, Unified Communication Solutions

INTRODUCTION

Hermann Hesse's (1956) novel, *The Journey to the East*, serves as Greenleaf's (1970) inspiration for the concept of servant leadership. Servant leadership scholars often highlight the role that servitude plays in leadership when recounting Hesse's story. However, an important aspect that is overlooked in this novel is the impact of physical distance between the leader and subordinate performance. In the modern world, physical distance between leader and subordinate poses a significant challenge for organizational performance. A review of the current servant leadership literature reveals, however, that there is a gap with regards to how physical distance will affect servant leadership effectiveness. Most leadership studies and theories operate under the assumption that the leader is physically present with their followers. This led us to create the research question guiding this study: how does physical distance effect a servant leader's ability to positively impact the performance of his or her organization?

The purpose of the present study is to address this gap in the servant leadership literature and identify a means by which servant leaders can effectively deal with the challenges posed by physical distance between the leader and his or her subordinates. We center our discussion on the mediating mechanism of unified communications solutions, which have been associated with improved organizational efficiencies and a more effective dissemination of information across the organization (Fikry, Ghani, & Mukhtar, 2012; Williams & LaBrie, 2015). We briefly review the current literature on servant leadership and organizational performance and then use this understanding to develop theory-based propositions linking the two constructs, and introduce the mediating influence of unified communication solutions that provides a theoretical rationale by which servant leaders can effectively utilize these technologies to mitigate the negative influence

of physical distance on the relationship between servant leadership and organizational performance. The conceptual model guiding this study is depicted in Figure 1.

FIGURE 1

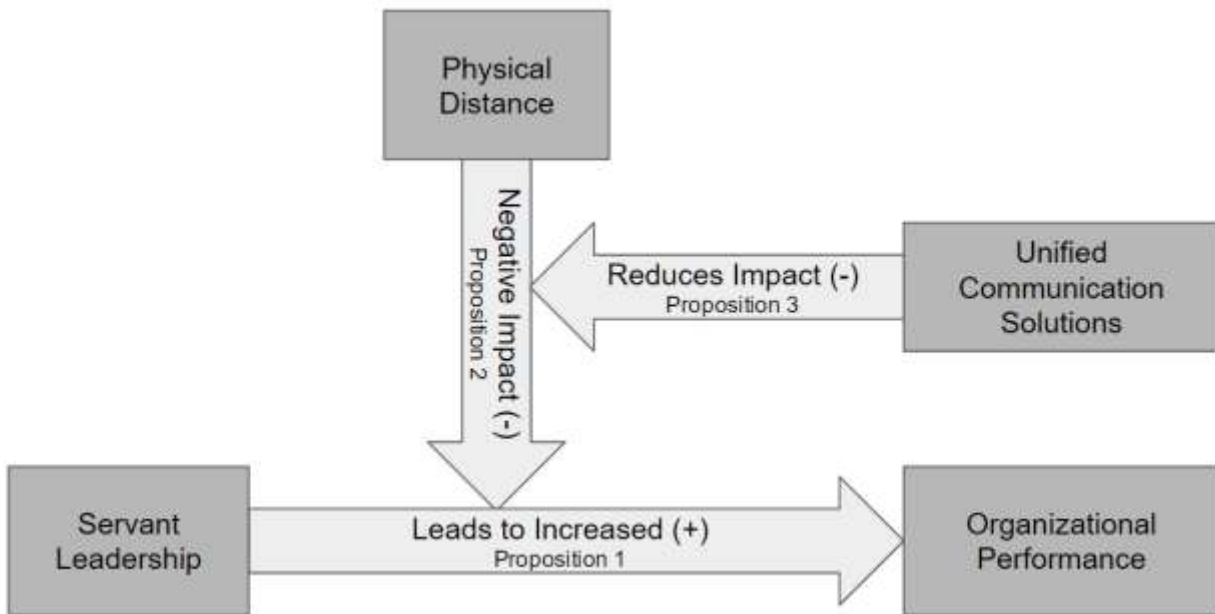


Figure 1: Servant Leadership and Organizational Performance: The Mediating Influence of Physical Distance and Unified Communications Solutions

THEORY AND PROPOSITION DEVELOPMENT

Foundations of Servant Leadership

A servant leader is characterized as a leader who wants to serve others as his or her primary motivation for leading. Although Greenleaf (1970) promoted the idea and practice of servant leadership, he never gave a formal definition of what exactly servant leadership was. It has been argued that Greenleaf purposefully did not provide a specific definition because he viewed servant leadership as an inward, life-long journey in which one's personal definition changes over the course of an individual's life (Parris & Peachey, 2013). Laub (1999) was one of the first to offer a possible definition after conducting one of the earliest, comprehensive literature reviews of the then current state of servant leadership theory. Laub later refined his initial definition to state:

“Servant leadership is an understanding and practice of leadership that places the good of those led over the self-interest of the leader. Servant leadership promotes the valuing and development of people, the building of community, the practice of authenticity, the providing of leadership for the good of those led and the sharing of power and status for the common good of each individual, the total organization and those served by the organization” (Laub, 2004, p. 8).

While Laub's (2004) definition has some support in the servant leadership community, Greenleaf's idea that a concrete definition is unnecessary appears to be widely accepted. Instead of defining

servant leadership, many studies have focused on describing the characteristics of servant leadership, with the general idea being that it is relatively easy to identify servant leadership in practice even though servant leadership lacks a universally accepted definition (Parris & Peachey, 2013). In an effort to summarize competing conceptualizations of servant leadership, Van Dierendonck (2011) conducted a comprehensive meta-analysis of the current frameworks available, synthesizing the literature into a model comprised of six key characteristics: empowering and developing people, humility, authenticity, interpersonal acceptance, providing direction, and stewardship. Van Dierendonck and Nuijten (2011) later developed a valid and reliable measurement instrument to capture the essential elements of servant leadership, allowing future researchers to test the theory's underlying foundation.

Servant Leadership and Organizational Performance

Servant leadership, by definition, calls for a focus on the legitimate needs and well being of others (Greenleaf, 1970; Laub, 2004; Laub, 1999; Russell & Stone, 2002). Thus, servant leaders readily subordinate their own desires to serve the genuine needs, or essential requirements, of followers (Sendjaya, Sarros, & Santora, 2008). In order to enhance subordinate well-being, servant leaders seek to serve others and provide emotional healing (Beck, 2014; Greenleaf, 1970; Searle & Barbuto, 2010). Research findings suggest that emotional healing, along with other aspects of servant leadership, leads to positive behavior at the individual, group, and organizational levels, which increases all-around performance (Searle & Barbuto, 2010).

Servant leadership also improves organizational performance by affecting communication and trust. Servant leadership requires increased trust between superior and subordinate and, as a result, requires leaders and managers to share information with and empower employees (Van Dierendonck, 2011). This claim is reinforced by empirical research (Song, Park, & Kang, 2015). Additionally, communication, both verbal and nonverbal, helps the servant leader to build affect-based trust, which leads directly to increased organizational performance (Schaubroeck, Lam, & Peng, 2011).

Servant leadership also improves organizational performance by encouraging organizational citizenship behavior (OCB) and helping cultures (Ebener & O'Connell, 2010; Ehrhart, 2004; Hu & Liden, 2011; Walumbwa, Hartnell, & Oke, 2010). OCB is defined as any behavior performed by an individual that is discretionary, not explicitly recompensed by an organizational reward system, that "in the aggregate promotes the effective functioning of the organization" (Organ, 1988, p. 4). Servant leaders create helping and serving cultures, while structuring the organization to reinforce the prevalence of OCB (Ebener & O'Connell, 2010). A study of over 800 employees from seven multinational corporations showed a strongly positive and significant relationship between servant leadership and OCB, as a result of the climate created by the servant leader (Walumbwa et al., 2010). Empirical studies illustrate a strong positive association between OCB and increased organizational performance (Koys, 2001; Podsakoff, Ahearne, & MacKenzie, 1997; Podsakoff & Mackenzie, 1994).

In summary, servant leadership leads to increased organizational performance by improving follower well-being through serving and providing emotional healing, building trust and improving communication, creating cultures and communities of service, and creating a climate

that encourages organizational citizenship behaviors. As such, we put forth the following proposition:

Proposition 1: Servant leadership and organizational performance are positively associated

The Impact of Physical Distance on the Servant Leadership-Organizational Performance Relationship

Trust is one of the most important functional attributes of servant leadership (Russell & Stone, 2002). Trust has been defined as “the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that party” (Mayer, Davis, & Schoorman, 1995, p. 712). Because of the others-centric focus of servant leadership, the scale of leader vulnerability to other party’s actions is higher than in other leadership styles. This makes trust even more relevant in the practice of servant leadership. Trust becomes especially important when the leader is not physically present and available to the follower, because increased physical distance makes building trust and cooperation more difficult (Mesly, 2015).

Perhaps the greatest determinant of trust is communication. Antonakis and Atwater (2002) propose “physical distance creates conditions that may not be conducive for leadership because it makes it difficult for leaders and followers to interact with each other” (p. 697). Without frequent and effective communication, it becomes increasingly difficult to build trust within organizations. Furthermore, it is impractical for a leader to strongly and fully convince others of his or her trustworthiness without direct communication and interaction (Fairholm, 1994). Giving credence to the importance of frequent interaction within organizations, a study comparing collocated and distributed teams found that spontaneous communication is vital to conflict resolution and organizational goal achievement; additionally, collocated teams, as a result of the ease and frequency of spontaneous communication, had lower levels of task and interpersonal conflict (Hinds & Mortensen, 2005).

Another study found that geographic dispersion is negatively associated with leader, member, and overall levels of intragroup communication (Cummings, 2008). Physical distance clearly disrupts a leader’s ability to frequently and informally communicate with subordinates, as well as the group members’ ability to coordinate, cooperate, and communicate with each other. Moreover, distance reduces organizational performance by confining the ability to communicate and share knowledge (Song et al., 2015). Physical distance also serves as a possible organizational barrier that amplifies the difficulty for “servant leaders to interact with others outside of their inner circle... [and] become so focused on accomplishing the goals of their small piece of the organization that they lose sight of the bigger picture” (Savage-Austin & Honeycutt, 2011, p. 53).

Modeling and visibility are two aspects of servant leadership that go hand-in-hand. While modeling refers to providing a personal example of desired behaviors, visibility is the public interactions of leaders with their subordinates (Russell & Stone, 2002). Furthermore, Cedar (1987) suggests “the effective servant leader is highly visible in his leading and caring and comforting” (p.109). Visibly modeling behaviors is the method through which serving cultures are built. When a servant leader publicly showcases the behaviors he or she wants emulated and practices what he

or she preaches, the servant leader builds credibility and trust with other members of the organization. This trust and credibility leads to admiration, respect, and ultimately, adoption of the desired behaviors (Liden, Wayne, Liao, & Meuser, 2014). In order for leaders to adequately communicate their vision for the organization, they must first show that they are effective examples to follow (Taylor, Martin, Hutchinson, & Jinks, 2007). Physical separation drastically inhibits a servant leader's ability to be present and visible. If no subordinates are able to watch or interact with a leader modeling servant behavior, then the leader is not modeling at all; rather he or she is simply behaving.

While trust, communication, and visible modeling relate almost universally to leadership styles, community and culture building are aspects of few leadership approaches outside of servant leadership (Boone & Makhani, 2012; Ebener & O'Connell, 2010; Laub, 2004; Melchar & Bosco, 2010; Spears, 1996; Turner, 2003). Physical distance impedes a servant leader's ability to grow a sense of community. Frequent informal communication helps to reduce conflict and build the sense of shared identity that is necessary in organizational community (Hinds & Mortensen, 2005). Additionally, organizational gatherings help to renew shared vision, celebrate accomplishments, and reinforce a sense of community (Boone & Makhani, 2012). Dispersion, however, limits the frequency of communication and prevents collective gatherings due to its separative nature.

Servant leaders also instill a sense of community by recognizing individual and team contributions as well as organizational successes through rewards and awards (Boone & Makhani, 2012). Distance makes the public, or even private, recognition of a group or individual's accomplishments difficult. Perhaps more significantly, geographic separation upsets the servant leader's ability to identify certain individual's contributions altogether. Since communication and modeling are more difficult when physically apart, distance makes building culture and community more difficult. Serving cultures are positively related to organizational effectiveness, but when a servant leader is unable to build a strong service-oriented culture, the organization's performance is affected (Liden et al., 2014).

Serving the legitimate needs of followers is an attribute unique to servant leadership. Indeed, service is the very foundation of servant leadership (Barbuto & Wheeler, 2006; Beck, 2014; Greenleaf, 1970; Liden, Wayne, Zhao, & Henderson, 2008; Searle & Barbuto, 2010). Indubitably, physical separation through distance negatively affects a leader's ability to serve. This is evident in the story of Leo the servant leader who, when separated from the group, could no longer carry luggage, provide words of wisdom, or raise morale with his winsome personality (Hesse, 1956).

In today's complex leadership environment, physical distance adds yet another challenging variable to contend with. It reduces servant leader effectiveness and organizational performance by disrupting frequent and spontaneous interaction and trust-building, preventing the leader from being present and visible, complicating a sense of organizational community, frustrating the encouragement of OCB, and is detrimental to the leader's ability to serve the legitimate needs of followers. Thus, we propose:

Proposition 2: Physical distance negatively moderates the relationship between servant leadership and organizational performance

Unified Communications

One solution that organizations are adopting to mitigate the negative effect of physical distance in today's global business environment is Unified Communication Solutions (UCS). UCS is a field of technology that focuses on integrating multiple synchronous and asynchronous communication services into one networked and interoperable system to improve the dissemination of information, reduce operational costs, and improve worker efficiency (Beltran & Bertin, 2015; Fikry et al., 2012; Kabachinski, 2011). UCS, by its very nature, is not tied to one specific communication device/solution. Typical UCS can include mobile devices, videoconferences, instant messaging, speech recognition software, wikis, VOIP, as well as other digital telecommunication solutions (Burns, Craig, Friedman, Schott, & Senot, 2011; Tezcan, Von Rege, Henkson, & Oteng-Ntim, 2011; Wu & Wang, 2014). Elements of a modern UCS are shown below in Figure 2.

FIGURE 2

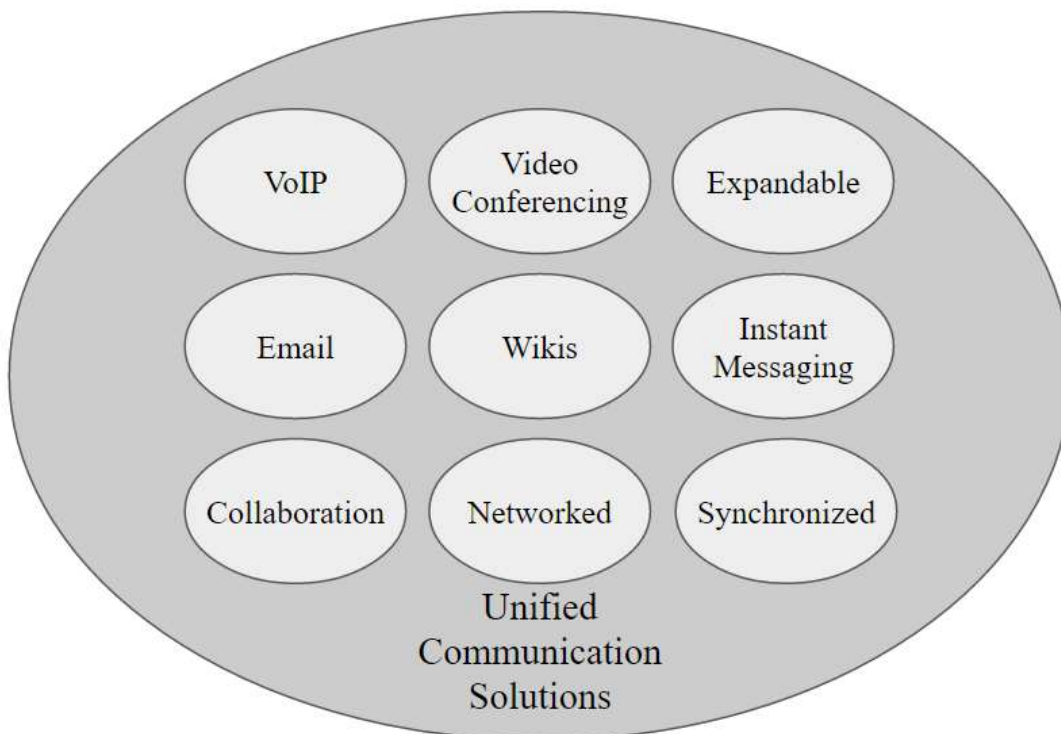


Figure 2. Elements of Unified Communication Solutions

It is important to reiterate that true UCS implies that there are numerous user terminals to both input and receive information; in an ideal world every member of an organization would have at least one device connected to the UCS network. According to Metcalfe's Law, every additional device that is connected to a network not only increases the value of the overall network, but the value of the individual device as well (Kabachinski, 2011; Zhang, Liu, & Xu, 2015). For example, if a network only has two tablets, then each tablet can only communicate with each other via one connection. If the same network gets four additional networked tablets, there are now 15 total connections between the devices. In other words, because the tablet can communicate with more devices, the individual tablet is now overall more valuable and useful. A visual depiction of Metcalfe's Law is shown below in Figure 3.

FIGURE 3

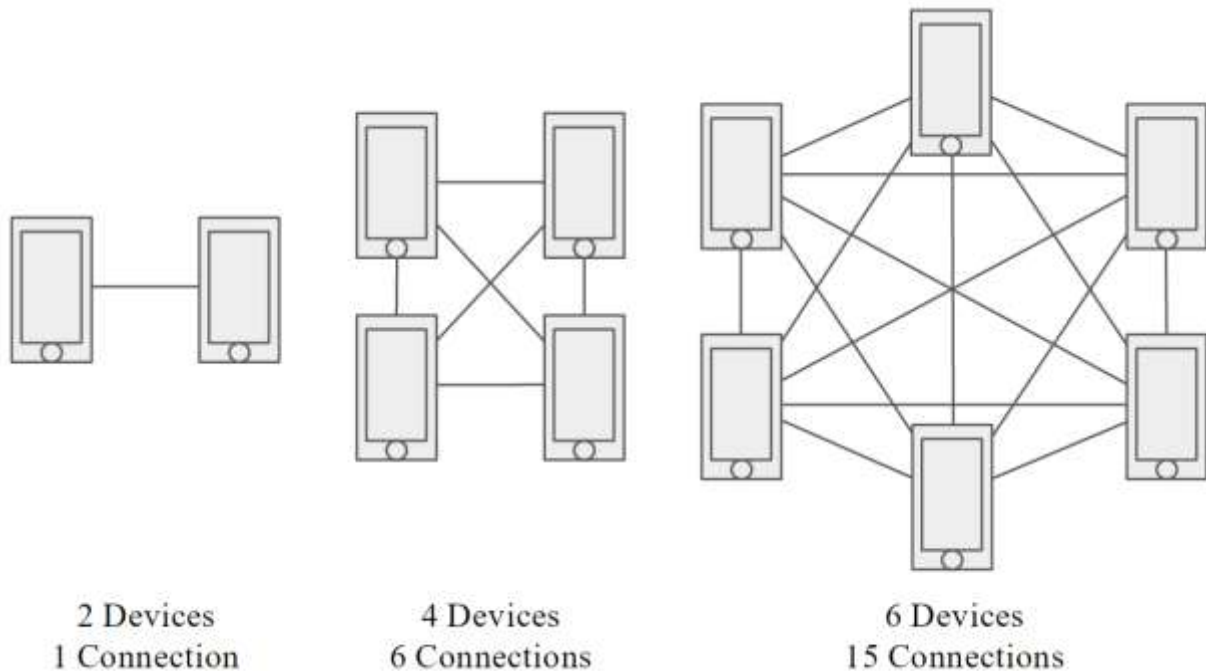


Figure 3. Illustration of Metcalfe's Law

Benefits of UCS for Servant Leaders

Organizations, regardless of their leadership style, have been shown to be more effective when UCS networks have been applied to their operation. UCS has been shown to reduce costs (Fikry et al., 2012; Kabachinski, 2011; Williams & LaBrie, 2015; Wu & Wang, 2014), improve organizational efficiency (Kabachinski, 2011; Williams & LaBrie, 2015; Wu & Wang, 2014), and increase information dissemination across the organization (Beltran & Bertin, 2015; Burns et al., 2011; Fikry et al., 2012; Tezcan et al., 2011). Servant leaders, however, are uniquely equipped to leverage the benefits that UCS can provide to grow and develop their organizations. When servant leaders leverage the capabilities of UCS, their ability to develop a sense of community and serve the legitimate needs of their followers is dramatically increased.

Development of a Community

Servant leadership places a strong emphasis on the building and development of a community (Boone & Makhani, 2012; Laub, 1999; Melchar & Bosco, 2010; Spears, 1996; Turner, 2003). Robert Greenleaf said that a community was a central pillar of servant leadership and that without it “trust, respect, and ethical behavior are difficult for the young to learn and for the old to maintain” (Greenleaf, 1970, p. 21). As stated in proposition two, physical distance has the negative effect of disrupting this community building. Whereas decades ago leaders were forced to accept the difficulties brought on by physical distance, today’s servant leaders can utilize the unique benefits of UCS to combat the negative impact of physical distance to reinforce community building within their organizations.

Improving the communication between members of an organization is perhaps the greatest way that servant leaders can help build community in their organizations despite physical distance, which severely inhibits intergroup communication, leading to a decline in trust, efficiency, and OCBs. UCS, however, allow individual members of organizations to more effectively and efficiently communicate with each other by giving individuals more connectivity and access to digital communication networks (Fikry et al., 2012; Tezcan et al., 2011; Williams & LaBrie, 2015; Wu & Wang, 2014). Physical distance limits a servant leader's ability to communicate with or access dispersed groups, however UCS provides all members with multiple, networked communication solutions accessible at all times. This increased connectivity has been shown to improve OCB, trust and group communication (Wu & Wang, 2014). By allowing group members to access the effective communication platforms, servant leaders are helping to develop their organization's sense of community.

Servant leaders utilizing UCS are also able to directly reward and recognize both individual and group accomplishments. The ability to recognize achievement has been shown to be an important factor in building communities (Boone & Makhani, 2012; Liden et al., 2014). Whereas traditional organizations rely on levels of leaders passing up what they view are achievements, UCS allows leaders to set personalized metrics to locate and highlight specific achievements across the entire organization. This is all possible because UCS networks allow users to access one consolidated database of information across its digital network (Beltran & Bertin, 2015; Burns et al., 2011).

Serving the Legitimate Needs of Followers

As illustrated in proposition two, physical distance greatly impedes perhaps the most unique aspect of servant leadership; the ability to serve the legitimate needs of followers and provide emotional healing. One way that UCS help to mitigate the effects of distance is by providing multiple mediums through which leaders and followers can communicate. Channel, or medium, selection is a key aspect of UCS. Various factors including task, cultural differences, medium accessibility, and personal preferences influence channel selection (Shachaf, 2008). UCS allows servant leaders to better communicate with and serve their followers by enabling the leaders to use the medium best suited to the situation and preferred by the follower. Channel selection is especially important because it may be possible for those served to not receive a communication attempt altogether (Tezcan et al., 2011). By using the medium or mediums that followers have access to and feel most comfortable with, followers and leaders will likely communicate more often and more effectively. As servant leaders communicate more frequently with followers, they have positive exchanges and develop personal rapport with those followers, ultimately building trust and creating an open and safe working environment (Schaubroeck et al., 2011).

As leaders create a safe environment for followers to communicate professional and personal concerns, followers may provide a clearer picture of their needs (Barbuto & Wheeler, 2006). Frequent communication with subordinates enhances a servant leader's ability to perceive and address the plights and struggles of those subordinates (Beck, 2014). Additionally, the technology encompassed within UCS allows for the leader to better observe and interact with their teams (Connaughton, Shuffler, & Goodwin, 2011). The ability to observe and interact from afar allows the servant leader to pick up on subtle or overt cues, such as changes in writing styles via email, nonverbal cues over video feeds, or a strained voice on the phone. Servant leaders, concerned with follower well being and the physical and emotional state of subordinates, can act upon the cues gained through UCS to serve followers and provide necessary emotional healing (Parris &

Peachey, 2013; Yukl, 2006). By quantitatively and qualitatively increasing communication across great distances, UCS significantly enhances the servant leader's ability to serve the legitimate needs of the follower. Therefore, we postulate:

Proposition 3: Unified communication solutions reduce the negative effect of physical distance on the relationship between servant leadership and organizational performance

DISCUSSION

Over the past 40 years, servant leadership has continued to gain its fair share of both praise and criticism. While servant leadership has been criticized as being ungrounded theoretically, too idealistic, and impractical (Avolio & Gardner, 2005; Johnson, 2001; Wong, Davey, & Church, 2007), proponents have suggested that its ethical focus on the development of organizational subordinates contributes to servant leadership as a feasible leadership theory (Graham, 1991; Laub, 2004; Parris & Peachey, 2013). A growing body of empirical evidence continues to associate servant leadership with positive organizational outcomes (Jaramillo, Grisaffe, Chonko, & Roberts, 2009; Liden et al., 2014; Peterson, Galvin, & Lange, 2012; Van Dierendonck & Nuijten, 2011). Building on prior literature, the current study provided a theoretical rationale for the positive relationship between servant leadership and organizational performance.

In addition to being regarded as a viable organizational leadership theory, servant leadership is viewed as being applicable across multiple cultures, organizational settings, and contexts (Parris & Peachey, 2013). However, one context that has not been considered is one in which the servant leader is geographically dispersed from his or her subordinates. In this paper, we provided a theoretical basis suggesting that distance impedes the servant leader's effectiveness. To overcome this, we introduced unified communication solutions as a feasible means by which servant leaders may mitigate the negative effects of being geographically dispersed and continue to build trust, rapport with followers, as well as a sense of community (Schaubroeck et al., 2011).

LIMITATIONS

Perhaps the greatest limitation of this model is that there is very little comparative work on this subject matter with regards to servant leadership. Consequently, much of this model rests on logical and theoretical perspectives, instead of empirical data. As the study of servant leadership progresses, we hope to correct this limitation and replace a theoretical model with an empirical one. An additional limitation of our model is the lack of specificity with respect to which aspects of UCS may be the most important for servant leaders to look for when selecting a system. Because UCS can encompass all of the capabilities and mediums identified in Figure 2, we do not know which features, besides the interoperable connected digital network, give the servant leader the most benefit. Additionally, because technology is also constantly changing, we purposefully did not want to prescribe specific capabilities or brands that could soon become obsolete.

CONCLUSION

Servant leaders add value to their organizations by helping to increase organizational performance. While these leaders are important in any organization, the impact of distance and dispersion can

be detrimental to their effectiveness. Physical distance disrupts a leader's ability to practice servant leadership and build trust within the organization. As illustrated in our model, Unified Communication Solutions help to reduce this impact by allowing servant leaders to better build the sense of community in their organizations while better serving the legitimate needs of their followers.

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PERCEPTIONS OF ONLINE VERSUS FACE-TO-FACE DEGREES IN EMPLOYMENT DECISIONS

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ABSTRACT

According to a 2010 survey of institutions of higher education, 5.6 million students enrolled in at least one online course with online enrollment representing 30% of the total enrollment in higher education (Allen & Seaman, 2010). As graduates holding online degrees seek jobs, the perception of a lesser value for these degrees may lead employers to discount the individual's educational background based on the method of delivery. This paper examines the perceptions of hiring managers as they make employment decisions based on the value of an online MBA degree versus a face-to-face or traditional MBA degree program at non/not-for-profit universities.

PERCEPTIONS OF ONLINE VERSUS FACE-TO-FACE DEGREES IN EMPLOYMENT DECISIONS (ABRIDGED)

Advances in technology and the internet have allowed numerous individuals the opportunity to pursue higher education through online delivery methods. Universities have advocated online programs to save on the high cost of physical facilities, to build student enrollments, and leverage faculty and other resources. Students find value in online education due to flexibility and convenience of course delivery, fewer geographic constraints, potential cost savings, and other benefits.

With these profound changes in higher education course delivery, some universities have added online degrees alongside traditional degrees, while some universities offer exclusively online programs and degrees. The variation in the quality of these programs and universities often mirrors the difference in quality among traditional programs and universities. However, as graduates holding online degrees seek employment and advancement within organizations, the perception of value of an online degree may lead employers to discount the individual's educational background based on the method of instructional delivery of their degree. If the results suggest that hiring managers have a bias against online degrees, it would indicate that recipients of an online degree could be at a disadvantage relative to traditional degree recipients during the recruitment process (Dunham, 2015).

Recruitment can be conceptualized as all organizational practices and decisions that affect who and how many applicants apply and/or accept a position within an organization (Rynes, 1991). Organizations often make decisions about applicants without complete information. Signaling theory suggests that applicants send signals (variable personal characteristics) to organizations to indicate that he or she would be a good candidate for a job (Spence, 1973). The characteristics included on an applicant's resume or application used to signal potential fit at the organization are

only useful to the applicant if those signals sets them apart from the rest of the applicant pool (Karasek & Bryant, 2012).

Education can serve as a distinguishing personal characteristic as it understood to be voluntary endeavor in which the individual has invested time, money and psychological efforts (Spence, 1973). It is a characteristic that organizations have early in the recruitment process, sending a specific signal to the potential employer about their background, experience, and dedication. Early signals lead to anchoring – an arbitrary placement of the applicant in relation to other applicants. Information gained further along in the process may only serve to incrementally make adjustments in their perception of the applicant (Rynes, 1991; Tversky & Kahneman, 1974). Thus, early signals become important in the selection process for new hires, and an individual's education may play a large role in that.

Online versus Traditional Degree Programs

Online learning is becoming pervasive throughout higher education in the United States. A 2010 study indicated sharp increases in online course enrollments with 61% of public universities indicating that online learning is part of their strategic plan (Allen & Seaman, 2010). Students choose online degrees for a host of different reasons, such as convenience. Demographic differences between students in online programs versus traditional programs may also help explain the rationale behind a student's selection of an online degree program. Online students are more likely to be older and already employed, with the majority being female (Blustain, Goldstein, & Lozier, 1999; Folkers, 2005). Proponents of distance education state that many students, such as single parents and full-time professionals, would be completely unable to pursue higher education if not for online degrees (Tucker, 2001). In the fall of 2009, 5.6 million students in the United States were taking at least one online course representing 29% of total student enrollment in higher education (Allen & Seaman, 2010).

The rapidly changing, technology-driven economy that emerged in the last part of the twentieth century has necessitated many older workers to acquire new skills through higher education (Folkers, 2005). Older students, with typically higher family demands than students coming right out of high school, may need more flexible schedules for their courses (O'Donoghue, 2000; Oblinger & Kidwell, 2000). Similarly, students in remote or rural areas have access to universities that were once out of reach due to geographic constraint (Sherry, 1996; Tham & Werner, 2005). It has been suggested that minority students have a propensity to select online learning if they have experienced discrimination in traditional classroom settings (Nance, 2007).

Cost is a chief consideration, particularly as the number of students seeking higher education rapidly increases following an economic downturn (Folkers, 2005; Levine & Sun, 2002). In the aftermath of the 2008 economic downturn, administrators representing over 85% of public institutions of higher education indicated that economic conditions increased the demand for online course offerings compared to 70% for face-to-face (Allen & Seaman, 2010). Many of these students may have returned to school due to being unemployed, underemployed, or feared that without additional training advancement opportunities would be poor.

The courses comprising online degrees vary greatly in terms of delivery and quality of material. Faculty members and staff of distance education centers may work to create online versions of existing courses or entirely new online courses (Folkers, 2005). Given the relative infancy of online learning, best practices are still being developed. Thus, there is a great deal of variation in the content of online courses. As such, the quality of online degree programs has been much debated. In 2010, the majority (60%) of public university administrators included in a nationwide survey felt that online courses were comparable to face-to-face courses. However, almost 20% rated online courses to be somewhat inferior while an additional 5% rated online courses inferior. Administrators of institutions that offered online degree programs were much more likely to view online courses as the same or superior to face-to-face programs (Allen & Seaman, 2010). At a more basic student learning level, DiRienzo and Lilly (2014) found no significant difference in student-learning outcomes based on delivery method.

Ultimately, students are concerned about job prospects following graduation and earning power. Thus, the perception of hiring managers and the business community toward educational delivery methods is of paramount concern. The literature varies on the perception of hiring managers toward online degree programs. Kenner et al. (2003) concluded that online education was more valuable to employers than traditional programs when selecting healthcare managers. Conversely, Dunham (2003) notes that some recruiters may be skeptical of online degree programs. Montell (2003) suggests that graduates might have to defend the value of their online education to prospective employers during an interview. However, suggesting that this might be a short term trend, Mulrean (2006) argues that as online degrees become more prevalent, that attitudes will change about the value of an online degree. An article by Glover (2005) urges students to discuss how an online degree is *more* valuable if the question arises in an interview. Common among many of these studies is the idea that online degree programs are placing graduates in a disadvantaged position with hopes that societal changes or individual ability can overcome a potential obstacle. Several studies (Adams & DeFluer, 2005; Flowers & Baltzer, 2006; Guendoo, 2008) found that prospective faculty members may encounter resistance if they earned their terminal degree through an online program. Conversely, Adams and DeFleur (2006), examining traditional, virtual and mixed (online and traditional) undergraduate degree programs, found there to be a significant difference in the view of the hiring managers among graduates of online versus traditional degree programs. As the research has not lead any clear results, Columbaro & Monaghan (2009) note that additional research is still needed to answer the fundamental questions surrounding the value of online degrees.

Given that there is little consensus on the perception of hiring managers toward various degrees and levels of education, the authors chose to narrow the scope of the study to MBA degrees in two delivery formats: online and traditional (face-to-face) to explore two research questions. Do hiring managers place a higher value on face-to-face MBA degrees than online degrees in employment decisions? Is there a difference when the employment decision is an internal promotion versus a new hire?

DISCUSSION

Two independent samples were collected. A pilot study, consisting of 31 professionals who as part of their job engaged in hiring applications, was conducted first. After examining the results of the

pilot study and making changes based on the feedback, a second full sample of 474 participants was collected.

Pilot Study

The pilot study indicated that the sample showed a strong preference for traditional degrees in initial hiring decisions but the type of degree mattered less in promotion decisions. The first question, on type of degree preference in hiring decisions, showed that 65% of participants preferred the face-to-face degree over an online degree, *ceteris paribus*. However, a majority showed no preference on type of degree in a promotion situation. Only half of the managers that preferred face-to-face in hiring, also preferred face-to-face in promotion, indicating much less of an emphasis placed on degree in promotion decisions in the mind of managers.

Furthermore, the study indicated that a majority of respondents did not support or did not express an opinion that online degrees were inherently more technical based degrees than face-to-face. The participants also indicated that there are concerns over the quality of online degrees. Thirty-nine percent of participants indicated some level of disagreement that online programs were equivalent to face-to-face programs.

Full Study

More participants indicated negative or neutral feelings toward online degrees as opposed to positive ones. The higher rate of negative comments provided by the participants seem to reflect this attitude. Though interestingly, the 20% who indicated highly favorable feelings, were not reflected in the number of comments given by the participants.

The mode of education was found to be more important for selection decisions of new hires than internal promotions. The most striking difference was the degree to which they considered it important, with more than half of participants (65%) saying it was very or extremely important for new hires, versus a more tempered 39% for promotion decisions. This is also supported by the criteria utilized in decision making given by participants. For new hires, participants ranked education as the second more important criteria with nearly half the participants listing as one of the top three criteria they consider. For promotions it was only the fifth most noted criteria, with only 11% of the participants listing it as one of the three most important criteria. Experience (56%) and performance (23%) were above all else, considered the most important factors in new hire and promotion decisions, respectively.

Further, when considering promoting someone with a traditional face-to-face MBA over online MBA, *ceteris paribus*, just over half indicated some level of agreement. For new hires, 68% indicated agreement. This indicates that for promotion considerations the differences between obtaining a traditional face-to-face MBA versus an online MBA may not be as critical as when applying for a job at a new company.

General

The full study mirrored the results found in the pilot study. The prevalence of online education is continuing to grow (Allen & Seaman, 2010). Almost all the participants in the full study (94%) estimated they received some percentage of resumes with an online degree. Further, all but 10% of the sample knew of someone in the company with was hired or promoted with an online degree.

In seeking to answer the first research question, *Do hiring managers place a higher value on face-to-face MBA degrees than online degrees in selection decisions?*, the participants in the two studies showed a strong preference for face-to-face MBA degrees. Both groups held more negative opinions of online degrees compared to traditional face-to-face degrees. With both groups indicating they disagreed with the statement that online MBA degrees were more applied or equivalent in quality as compared to traditional face-to-face MBA degrees.

For second research question, *Is there a difference when the selection decision is an internal promotion versus a new hire?*, there seemed to be a clear difference in how education was viewed between hiring versus promotion decisions. Though both groups preferred candidates with traditional face-to-face MBA degrees over online MBA degrees, it was much less pronounced in decisions to promote internal candidates versus hiring someone new.

There are several potential implications for these findings. First, new hire applicants should be aware of the potential negative bias toward online degrees. As education serves as a signal to organizations about who the applicant is and what they can do (Spence, 1973), if the hiring manager has a negative view of online degrees, it could affect the applicant from progressing through the selection process. Applicants with online degrees should make sure highlight relevant job experience, over their education.

Secondly, as employees advance within a company, obtaining an online advanced degree, such as an MBA, would be less disadvantageous than if they were applying for a new job. This could be an important consideration for individuals who are already employed but looking to advance within their respective organization. If education is not as important to a manager in the promotion decisions, perhaps seen as just a box that needs to be checked, the cost and time savings of an online degree could be better for the employee. It would also allow them to choose from a variety of schools and programs, as opposed to only being able to attend the school geographically closest to them. Though again, as they chose to move from their current employer to seek a new job in another company, choosing the online degree as opposed to the traditional face-to-face program could be unfavorable.

Lastly, for institutions of higher education, particularly business schools, finding a good balance between offerings of traditional face-to-face programs and online programs will continue to be an important strategic consideration. Schools must match the perceived quality of the traditional face-to-face program with that of their online programs. It also provides an opportunity for schools to engage in a dialog with local businesses to offer courses in the online programs perhaps more specific to certain industries, which could increase employer perceptions that online programs are more applied or relevant for their current employees.

FUTURE RESEARCH

A narrow field of study and level of degree was chosen for this study. Future research could consider any number of moderating factors in the hypothesized relationships and expand the research in any number of ways. Following the suggestion of Columbaro & Monaghan (2009) more study is still needed to address wide variation of degrees programs in addition to level of

education. For instance, we did not compare graduates to non-graduates in our study. Similarly, the industry that the job applicant is seeking to enter could prove to have an effect. If the industry is one that is heavily reliant upon technology and the internet, a degree obtained online may be viewed more favorably than by managers from industries that are more established. Folker (2005) suggested that online programs that target specific needs such as technical skills may be among the most successful online programs. The background of the hiring manager, particularly their familiarity with online degrees or coursework, could have a bearing on how favorably that individual views online degrees.

Future research should also consider differences in perceptions of online degrees based on demographic data, such as gender, race, age, and socioeconomic status. This research has the potential to shed light on ramifications for students who choose online programs over traditional face-to-face programs. Students from a lower socioeconomic background may choose to enroll in online programs over traditional programs due to lower cost, increased convenience and in response to family demands. Accordingly, adverse hiring decisions based on an applicant having an online degree might further an existing class system. If substantiated, these claims would indicate that online degree recipients are subject to an economic disadvantage relative to traditional face-to-face degree recipients.

CONCLUSIONS

The internet has enabled distance education to become more prevalent in higher education. This study examined MBA degree programs that are delivered online to traditional programs at not-for-profit universities. It found qualitative support for the hypothesis that employers prefer traditional degrees over online degrees in initial hiring decisions. Interestingly, these same preferences were not as strong in promotion decisions for existing employees. Thus, employees and students need to consider long-term career implications when deciding going back to school to get their MBA.

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THE BALANCED SCORECARD IN MUNICIPALITIES: EVOLUTIONARY INNOVATION OR FADING FAD

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ABSTRACT

The focus of this paper is the use of the Balanced Scorecard (BSC) by local governments and whether or not the literature supports its sustainability as an evolutionary innovative management tool. While it appears the BSC is a fading fad in the U.S. among local governments, there may be opportunities for greater utilization and usefulness in the future if significant modifications were made to the model with a resultant enhanced template for local governments. However, given the apparent unwillingness of respondents to change from existing management models (Roussas and McCaskill, 2015) this appears unlikely, and usage will continue to diminish.

INTRODUCTION

Innovations take many forms, but today they are usually associated with technology and useful new products. However, Mathews and Brueggemann (2015) discuss “fundamental innovation types as products, customer experiences, solutions, systems, processes and business and managerial models” (p.33). The focus of this paper is the use of the Balanced Scorecard (BSC), arguably an innovative management model which emerged in the later 1990’s, by local governments and whether or not the literature supports its sustainability as an evolutionary innovative management tool.

Regarding the BSC as a disruptive innovation, application of that term may be questionable. Christensen (the creator of the term 20 years ago), Raynor, and McDonald (2015) argue the definition and utilization of “disruptive innovation” have been misapplied due to its success and over-use. The original definition by Christensen refers to small businesses with limited resources who challenge incumbent businesses. There is also an emphasis on chasing profitability. Expansion of this topic by Christensen breaks disruption into two other concepts, “innovations that originate in low-end or new market footholds,” and “disruptive innovations do not catch up to mainstream customers until quality catches up to their standards” (p. 5).

The concept does include service oriented concerns (Christensen, Raynor, and McDonald) so there may be room for inclusion of the BSC in local governments as a disruptive innovation, and the quality of the innovation perhaps meets the standards of local government managers. However, it is not known how many local governments actually purchased the BSC or other management models versus developing and implementing them on their own, and the literature does not reveal any evidence of actual disruption in terms of market share for developers of generic management models. For purposes of this paper, the BSC will be viewed as an evolutionary innovation as it appears to be an improvement to existing management models which has a neutral impact on economic activity and employment (Mathews and Brueggemann, 2015).

Holliman (2010) completed a doctoral dissertation addressing the use and usefulness of management models in municipalities in the United States (U.S.). Included in that quantitative research was related utilization of the BSC in those concerns.

METHODOLOGY

Literature reviewed was the process used to explore the question of the BSC's utilization in local governments and whether it is requisite of a useful evolutionary innovation. A search of EBSCO host was performed using various search terms related to the BSC, local governments, municipalities, and governments in general. Results of this search were related back to the Holliman research (2010) to determine the extent of BSC usage and usefulness in local governments.

LITERATURE REVIEW

Prior to 2010

Only one article and related study was discovered in the literature prior to 2010 that concerned usage of the BSC in U.S. local governments. This work was performed by Yee-Ching and Chan (2004) and will be discussed later in this section. Before addressing specifics of local government utilization it is necessary to describe the BSC in general, which is a type of performance management system with a strategy focus, developed by Robert Kaplan and David Norton (1996). The scorecards include an hierarchy of strategic objectives and related measures in the categories of financial, customer focus, internal processes, and learning and growth (sometimes referred to as innovation). Criticisms of historical performance management systems include a lack of linkage between employee efforts and overriding strategic objectives (Gautreau & Kleiner, 2001). The BSC attempts to build this bridge, and classifies measures in terms of outcomes, financial or non-financial, and internal or external (Gautreau & Kleiner). It is estimated that 60% of all Fortune 1000 companies utilize the BSC in some form (Silk, 1998; Gautreau & Kleiner).

Dinesh and Palmer (1998) compare and contrast Management by Objectives (MBO) with the BSC and assert that both systems spring from similar prescriptions. A primary concept in common is alignment of tangible objectives with an organization's strategy or vision (Dinesh & Palmer). These authors theorize that problems associated with implementation of MBO (partial implementation and a disregard for the model's core of goal congruence through collaboration) may also be issues for the BSC. Conclusions reached in this study support the premise that the BSC will suffer from partial implementation, just like MBO. However, goal congruence may be better achieved through the BSC because it is more suited to a human relations model for goal setting and accomplishment, primarily because the human relations, or employee involvement, model has emerged in recent years—beyond the end of MBO's life as a viable model (Dinesh & Palmer).

Definition of organizational strategy is paramount for the success of the BSC since the related measures must be correlated to strategic objectives (Gautreau & Kleiner, 2001). Challenges to the effective use of the BSC include the difficulty in measuring non-financial performance and functions that are qualitative in nature (Gautreau & Kleiner). Additional concerns expressed by Gautreau and Kleiner include the extensive amount of time and resources required to maintain the

system, difficulty in implementing the system (including the time involved), and an approach that may lead to excessive measures that are difficult to manage.

Again, Robert Kaplan and David Norton are credited with creating the BSC management tool, and Dr. Kaplan was interviewed by de Waal (2003) regarding the future of the mechanism as a viable instrument for enhancing strategic management. Dr. Kaplan stated that the origins of the device stemmed from the gap between vision and strategy at the top versus what employees actually do (de Waal). Of primary concern is whether or not the BSC is just another soon-to-be passing management fad (de Waal). Dr Kaplan explains that the use of BSC is increasing, related book sales and conferences are growing, and employees are beginning to take the concept with them when they move from one organization to another (de Waal). Furthermore, execution of organizational strategy is the primary challenge facing companies today. Kaplan sees no decline in the prominence of the BSC for the foreseeable future (de Waal), but this assertion was made in 2003.

Kaplan and Norton (2001) acknowledge their original BSC tool is difficult for governments to implement. They attribute part of this problem to an inability of such entities to clearly define strategy. Furthermore, related strategic documents are often nothing more than a compilation of programs and initiatives versus the outcomes a government seeks to achieve. Additional challenges concern the BSC's emphasis on financial success at the top of the system's related hierarchy (Kaplan & Norton). As a result of these issues, the authors offer a BSC model for local governments, based on one adopted by the city of Charlotte, North Carolina. This mechanism places strategic themes at the top of the BSC hierarchy, followed by the customer perspective, and then the financial perspective is in the middle, which is focused on growing the tax base and maximizing costs versus benefits (aspects that a city can realistically focus on). The final two components of the hierarchy are internal process perspectives and learning and growth, respectively (Kaplan & Norton).

Charlotte is often cited as a model BSC city, and aspects of the city's approach certainly appear relevant to local governments in general. However, widespread use of the BSC by other cities is not apparent based on this literature search, a review of the Rutgers University Balanced Scorecard list-serve, and examination of the BSC Web Site.

Dawe (2007) provides a roadmap for use of the BSC in small communities (lower than 50,000 population). An identified challenge is where and how to start the process. A strategy map is offered as Phase One, which incorporates the four elements of the BSC (customers/stakeholders, financial, internal, and learning and growth), with extension to municipalities. For example, the financial component would be translated to ensuring adequate resources and delivering efficient services (Dawe). The author points out the challenge of successful BSC implementation in cities related to measurement of quality. Citizen committees and resident surveys are suggested as mechanisms for addressing qualitative assessment (Dawe).

Bush (2005) explores use of the BSC at the federal level of government. Before discussing the positive attributes of the BSC for governments, the author does acknowledge their difficulty in implementing it, and Bush provides a list of challenges in addition to those mentioned by Kaplan and Norton,(2001). Further obstacles offered include the complexity of answering to multiple stakeholders; employee transparency in setting targets, which creates vulnerability if not achieved;

a general lack of the ability to offer financial compensation incentives for good performance (often prohibited by policies or statutes); and difficulty in linking performance to desired outcomes due to size (Bush).

Bush (2005) also discusses the value of strategy maps and emphasizes the elements of a strategy-focused organization, as postulated by the BSC, which include translation of strategy into operational terms and cascading that strategy to departments and divisions; making strategy a continual process that is part of everyone's jobs; and mobilizing change through executive leadership.

Yee-Ching & Chan (2004) surveyed 918 municipal governments in the USA and Canada with a 20% response rate (132 from the USA and 52 from Canada) regarding the use and usefulness of the BSC. While over 40% of the respondents had heard about the BSC, only 11% had implemented it. The Holliman study (2010) had nearly the same 20% response rate but consisted of 897 actual responses from 4,493 surveys emailed and included members of the International City Managers Association (ICMA) in the United States. Utilization was found to be much less in the Holliman survey, dropping to 0.45 %, or four actual cases, for exclusive use of the BSC, and 3.92% or 35 actual cases for use of the BSC in combination with other performance measurement models. In total, the BSC was found to be used in some form by only 4.37% of the respondents.

Chen and Jones (2009), asked the question "Are Employees Buying the Balanced Scorecard" in their quantitative research project. Their survey was completed by 96 MBA students at two different universities, one in the Southeast and one in the North Central United States. Approximately 70% of the respondents were employed as managers while the remainder did not work in a management capacity. The respondents were not categorized as to industry type, but the authors' opening comments indicate, "the BSC has become a standard management tool for all types of profit and nonprofit organizations." It is likely that some of the respondents were employed in a governmental capacity, and the results of their survey appear to align with other criticisms of the BSC, regardless of entity type.

An implicit hypothesis in the Chen and Jones research is the notion that the BSC is used to develop human capital so it is likely that employee buy-in is necessary for the system to be effective. "if employees' goals do not align with the company's goals, then suboptimal results are likely (p. 3)." Mutual trust between managers and subordinates is essential to develop a culture conducive to the necessary acceptance of the BSC by employees. If distrust is present employees may view the additional responsibilities that come with the BSC negatively. As a result, it is imperative that initiatives fully engage employees or the results of BSC implementation attempts may be counter-productive. Their findings indicate employees often do not perceive benefits from the BSC "either in terms of internal processes or external outcomes (Chen and Jones, p. 7). This may explain the extremely low usage rate among likely local government users and the apparent decrease in utilization from the 2004 Ching and Chan survey (11% utilization) to the 2010 Holliman survey (0.45 % to 4.37% utilization) with the caveat that the Holliman (2010) results had a much larger n of 893 versus 184 by Yee-Ching and Chan (2004). Regardless of which survey had more valid results, it is clear that usage among local governments is very minimal.

While the number of respondents in both the Yee-Ching & Chan (2004) and Holliman (2010) studies were relatively small, thus presenting challenges for statistical validity, the overall mean-rated usefulness was 4.32 on a 5-point Likert scale (with 5 being extremely useful) in the Holliman research for the 35 valid responses whose cities employ the BSC in some form—sole or combination model usage. The Yee-Ching and Chan research revealed similar results (p. 215) with effectiveness ratings ranging from 3.82 to 4.00 depending on the criteria used to measure effectiveness.

A salient aspect of the 2010 Holliman study, regarding use and usefulness of management models in facilitating management control, is simply a large data set. From 893 responses, 710 used a performance management/measurement system of which only four used the BSC exclusively. The Holliman study was not solely focused on BSC utilization, and again, was concerned with management model utilization and usefulness in general. As a result, the 183 respondents who were not using any management model were not asked if they would consider BSC utilization.

Arguably, when looking at the private sector, adoption rates among large corporations in the USA are relatively high, ranging from 35% (Marr, 2005) to 60% (Silk, 1998). However, it is interesting to note the decrease from the Silk study in 1998 to the Marr study in 2005. In just seven years the diffusion rate dropped by 40%. Granted, Silk surveyed Fortune 1,000 companies while Marr studied Fortune 5,000 entities, perhaps suggesting there is much less utilization among smaller firms, but there is no evidence in the literature that the BSC is increasing or maintaining prominence even in the private sector. Furthermore, the Marr study only resulted in 780 usable responses (a 15.6% response rate) and the number of respondents using the BSC as a sole management system was reported at a mere 14%. In effect, 60% of the responders who use the BSC per the Marr study, use it in unison with another management model.

Post 2010

Literature reviewed beyond 2010 disclosed no new studies of BSC use or usefulness in the U.S. or Canada. Seven articles and related research were discovered regarding BSC usage in governments in other countries but none addressed the overall utilization in municipal operations. Rather, specific activities or functions were studied in all research activities that clearly involved municipal governments.

Two studies of BSC utilization and/or usefulness were conducted in Portugal. Mendes, Santos, Perna, and Teixeira (2011) explored the BSC as an integrated model for the waste sector in a southern Portugal municipality, and Mendes, Santos, Nunes, and Teixeira (2013) examined application of the BSC for solid waste management in regions with strong seasonal variability (actually studied the same municipality as in the 2011 research). The 2011 study (Mendes, Santos, Perna, and Teixeira) slightly modified the four quadrants of the BSC (Figure 1) to better fit the nature of public sector waste responsibility.

FIGURE 1

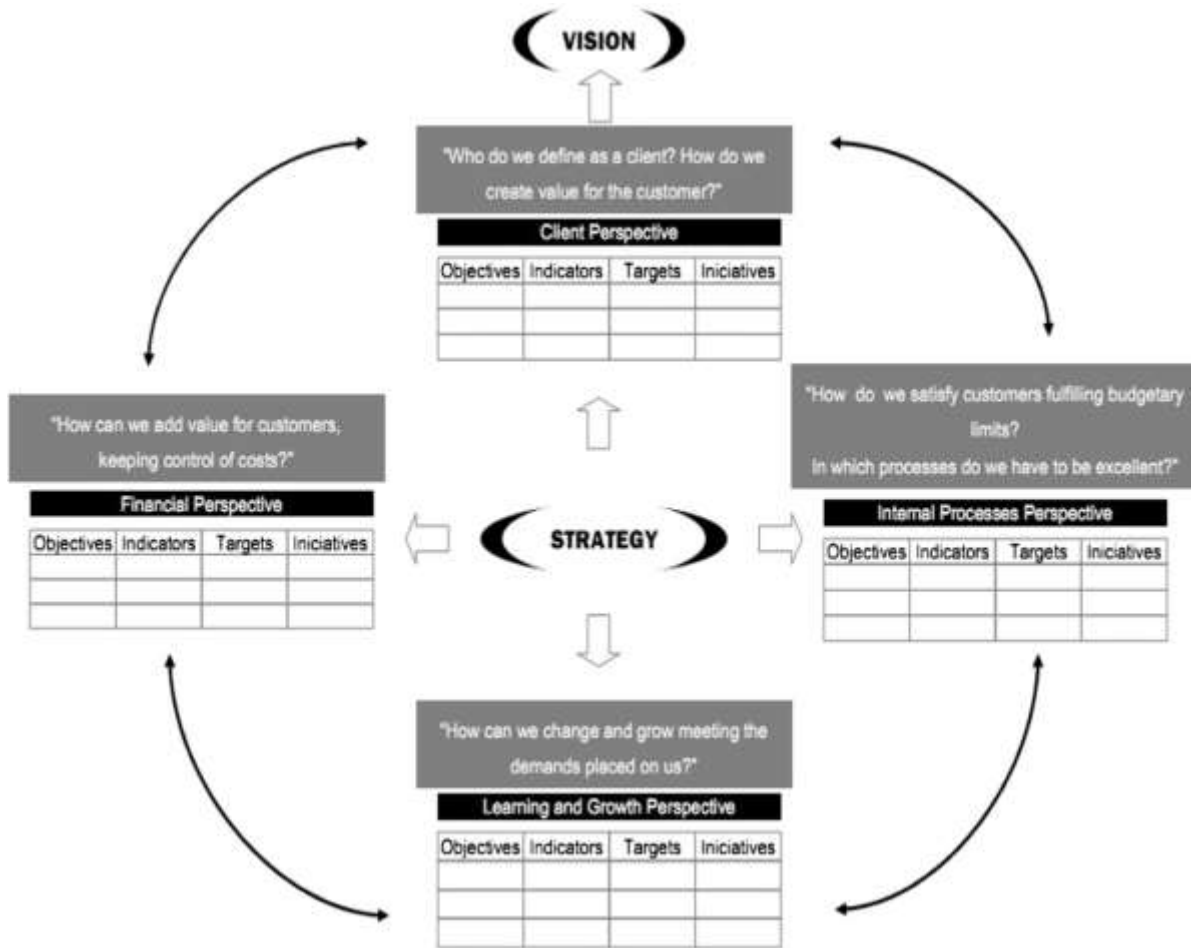


Fig. 1. Structure of BSC perspectives: translating vision and strategy, and cause effect relationships (adapted from Kaplan and Norton, 1996, by Mendes, Santos, Perna, and Teixeira, 2011)

As indicated in Figure 1, The client or customer quadrant was modified to read, “Who do we define as a client? How do we create value for the customer?” The financial perspective was adapted as ”how can we add value for the customers, keeping control of costs?” Modification of the learning and growth quadrant was customized to “how can we change and grow meeting the demands placed on us?”, and the internal processes perspective was altered to read, “How do we satisfy customers fulfilling budgetary limits? In which processes do we have to be excellent (p. 23)?”

A primary objective of the 2011 paper was to propose and evaluate the BSC methodology to enhance management control in the Loule Municipality in south Portugal regarding its overall waste management. The authors note that in the public sector the BSC requires a significant process change that incorporates Kaplan and Norton theory, regarding government utilization, and “does not work as an immediate adjustment since it requires phases of change” (Mendes et al, 2011, p. 22).

The research methodology by Mendes, Santos, Perna, and Teixera (2011) involved completion of a SWOT analysis (strengths, weaknesses, opportunities, threats) to determine the appropriate

modification of the BSC model and then a test implementation of the model itself. They concluded that the BSC is a very effective model for improving management control and performance and “presents itself as a dynamic and flexible instrument that can be used in public or private organizations and is easy to understand,” p. 24). These conclusions differ from those found in other literature reviewed in this present paper, and the more optimistic view of the BSC by Mendes, Santos, Perna, and Teixeira may be the result of a test implementation versus real implementation and usage over time, as explored by other researchers. However, in 2013 these same authors, with the addition of Nunes and deletion of Perna (Mendes, Santos, Nunes, and Teixeira) conducted further research in the Loule municipality with a similar focus but more emphasis on the utilization of performance measures put into use over a period of time. Again, conclusions reached by these researchers were positive regarding the usefulness of the BSC as a management tool.

Gomes and Lirio (2013) used action research to explore the feasibility of implementing the BSC in small-scale Brazilian municipalities. While their results were favorable regarding possible implementation among these entities (no small-scale Brazilian municipalities had yet implemented the BSC), these favorable conclusions came with three caveats: (1) the BSC must be “retooled” to fit local governments’ objectives, (2) successful use depends on leadership’s support and engagement of staff, and (3) the mechanisms and processes for implementation are critical.

Madsen and Stenheim (2014) in their article titled, *Problems and Perspectives in Management*, revealed research performed between 2004 and 2005 as part of a larger research project by Madsen regarding the BSC in Scandinavian organizations. These researchers interviewed 61 users and/or implementers of the BSC such as consultants. Their findings indicated four categories of problems.

TABLE 1

Table 1. Four categories of problems associated with BSC implementation

Issue type	Problem	Explanation
Conceptual issues	Contextualization	The BSC is a general model - difficult to customize for fit
	Causal relationships	Organizations struggle with understanding causal relationships
	Strategy maps	Organizations do not understand how to implement strategy maps
Technical Issues	Technical aspects	Organizations have problems with data gathering and automation, or become too focused on the technical aspects of the concept
Social Issues	Organizational culture	The BSC may be incompatible with the organizational culture such as lack of acceptance of measurement
	Participation	Organizational members are passive and delay/block the process
	Commitment	Lack of commitment from central actors in the organization, such as management or the BSC project group

Political Issues	Time and resources	Implementation of the BSC consumes a lot of time and resources
	Concept champion	The organization lacks a "spearheader" for the BSC project
	Continuity	The continuity of the project is threatened by turnover
	Resistance	Organizational members resist implementation of the BSC

Adapted from Madsen and Stenheim (2014, p. 124)

While the Madsen and Stenheim study relates to organizations in general, without revealing if there were any public sector and/or local government individuals interviewed, their findings appear relevant to municipalities such as difficulty of customization, incompatibility of organizational culture (civil servants may be more averse to measurement), employee passivity, lack of commitment from all who would likely be involved, not having enough time for implementation relative to public service and citizen daily demands, likely turnover among local elected officials and staff, and significant resistance by employees. Furthermore, the BSC was initially developed with a private sector orientation and, again, Kaplan and Norton (2001) admit to its difficulty as a public sector instrument.

Mafini, Pooe, and Nqobobo (2014) completed a study in a provincial treasury department in South Africa, regarding the unsuccessful implementation of the BSC. The project to utilize it failed based on four factors concluded in their study: incongruence with the project team, poor communication, poor planning, and deficient execution.

Roussas and McCaskill (2015) surveyed 60 subjects in four different countries; the U.S., France, England, and Italy. The focus of their effort was to determine the likelihood of usage of the BSC or willingness to move from an existing performance measurement system to the BSC. The sampling population consisted of professionals in these four countries, but stratification as to industry type was not indicated so it is not known if any respondents were public sector and/or local government employees. Conclusions reached by these authors include a generally favorable view of the BSC and a willingness to use it if no other management models were in place. Responses also indicated an unwillingness to switch from an existing performance based system to the BSC, and likewise, resistance to move from the BSC to another system. This may be a partial explanation for the very low usage rates in local government per the Holliman (2010) and Yee-Ching and Chan (2004) studies.

CONCLUSIONS

The question in this paper involves the BSC as a useful evolutionary innovation in municipalities. Because BSC utilization ranged from 0.45% as a stand-alone system to 4.37% when used in conjunction with another management tool (Holliman, 2010) and 11% utilization in 2004 (Yee-Ching and Chan) it can hardly be characterized as a useful evolutionary innovation in the local government sector in the U.S., despite greater use in the private sector. In addition, beyond 2010 there were only four actual studies of the BSC in local government and three additional studies perhaps touching on municipal government use, all involving different countries. Results from those articles did not differentiate respondent industry types.

Favorable conclusions were reached by Mendes, Santos, Perna, and Teixeira (2011) and Mendes, Santos, Nunes, and Teixeira (2013) regarding usefulness of the BSC in the waste arena of a

municipality in Portugal. However, these studies were concerned with a very specific activity, waste management, and this specificity and resemblance to private sector activities may explain the more positive results. It is not known what the results would have been if this research had focused on the overall operations of the Portuguese municipality in general (police, fire, parks, planning, etc.). Additional positive results were concluded by Gomes and Lirio (2014) but with caveats for success. Mafini, Pooe, and Nqobobo (2014) described the negative results of a failed BSC implementation in a South African government department

While it certainly appears the BSC is a fading fad in the U.S. among local governments, 11% usage in 2004 (Yee-Ching and Chan), to a maximum of 4.37% usage in 2010 (Holliman) and was never a major evolutionary innovation in that sector, there may be opportunities for greater utilization and usefulness in the future if significant modifications were made to the model with a resultant enhanced template for local governments. However, given the apparent unwillingness of respondents to change from existing management models (Roussas and McCaskill, 2015) this appears unlikely, and it is probable use of the BSC in U.S. cities will continue to decline.

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I SAW THE SIGN: THE IMPACT OF ETHICAL SIGNALS ON ORGANIZATIONAL ATTRACTION

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ABSTRACT

Both the organization and recruiter provide signals to candidates that ultimately affect organizational attraction. Ethics is an important area that communicates vital information to candidates. Drawing on the attraction-selection-attrition (A-S-A) framework, signaling theory and social identity theory, this study confirms previous findings that ethical signals during the recruitment process affect attraction. Additionally, three important moderators, self-importance of moral identity, cognitive moral development, and firm performance were examined. Using a rigorous laboratory study, this research found results generally consistent with the hypothesized relationships.

LITERATURE REVIEW

Ethics

The fields of philosophy and psychology have especially influenced business ethics, the focus of the current research. Although business ethics research has seen an increase in interest over the last 20 or 30 years, philosophers have been studying ethics for several millennia. The following sections contain a review of the pertinent literature, including definitional and conceptual issues.

The terms ethics, morals, and values are often used interchangeably, although some researchers have attempted to differentiate among these terms. "Ethics" has its origins in the Greek word, *ethos*, meaning "character, conduct or custom" and is closely related to "morals," from the Greek, *mores*, meaning "custom or habit" (McKinnon, 2007, p. 59). The terms ethics and morals are highly related. In fact, ethics can be conceptualized as the "inquiry into the nature and grounds of morality" (Taylor, 1975, p.1) or "thinking about morality, moral problems, and moral judgments" (Frankena, 1963, p. 3). Morality is concerned with good and bad actions as well as good and bad motives behind those actions (Taylor, 1975). Together, ethics and morals form a branch of philosophy concerned with the measurement and evaluation of right and wrong (McKinnon, 2007). The terms ethics and morals will be used interchangeably for the remainder of this paper. Values, on the other hand, are broader than morals or ethics. Judge and Cable (1997) define values as "what an individual regards as conducive to his or her welfare, and therefore what an individual wants or seeks to obtain" (p. 361). One can have ethical or moral values, family values, work values, as well as many other values.

The literature on ethics, and especially the definition, has been very broad and lacked agreement among scholars and practitioners (Ferrell & Gresham, 1985). One reason for this could be the range of disciplines from religion to medicine to business that are (or should be) concerned with ethical issues. Another reason for disagreement may be that the standards of what is "ethical" tend to change over both time and situations (Ferrell & Gresham, 1985), and there is not necessarily a clear answer for every question on morality (Beauchamp & Bowie, 1979). For example, excessive

pollution used to be an acceptable byproduct of conducting business in certain industries, but now it is considered immoral (Beauchamp & Bowie, 1979).

Social and individual aspects

Morality has both a social and individual component. Morality has a large social component such that it is evident in a society's norms, traditions, even laws, thus guiding the behavior of groups and individuals (Frankena, 1963; Taylor, 1975). Morality has a very individualistic component as well whereby individuals, as autonomous moral agents, must make their own decisions (Frankena, 1963). The focus of much of the recent research on business ethics has been on determining the factors that impact ethical behavior in organizations (Trevino, Butterfield, & McCabe, 2001). Many ethics researchers have focused on ethical behavior as the dependent variable and have attempted to better understand *why* people act ethically or unethically, and the role that the organization (as the context) plays in the ethical decision making processes. They have found that ethical decision making is an interaction of person and situation (Trevino, 1986), because the individual must interpret and apply ethical behavior in specific situations (Clegg et al., 2007). These researchers have further called for the exploration of how individuals follow, ignore, or "creatively interpret" ethical codes (Clegg et al., 2007). Indeed a strong (unethical) culture can have a "dark side," encouraging, or at least legitimizing, unethical individual behavior (O'Reilly & Chatman, 1996).

Social component

Morality has a large social component. On the one hand, morality may overlap with the law; for example committing murder is against the law and most would agree it is also immoral. On the other hand, morality is like convention because, unlike the law, it cannot be changed by government acts, and the result is usually more social (praise or blame), not physical (life in prison or the death penalty) (Frankena, 1963).

Within the organization, culture serves as a social mechanism that can promote ethical or unethical behavior. Social psychologists and anthropologists have contributed to the ethics literature through the study of culture. As proposed by Trevino (1986), a strong culture can direct behaviors, and organizational members in stronger cultures will have a clearer picture of what is acceptable and unacceptable behavior. Organizational culture, specifically the ethical component of culture, is one source of cues and gives the employee a feeling for the norms and values of the organization and influences their ethical or unethical behavior (Trevino, 1990). Culture can be a form of social control, even more influential than formal controls within an organization (O'Reilly & Chatman, 1996). Control in organizations is defined by O'Reilly and Chatman (1996) as, "the knowledge that someone who matters to us is paying close attention to what we are doing and will tell us if our behavior is appropriate or inappropriate" (p. 161).

Ethical cultures can serve to relay the values of the organization to its members (Jones & Ryan, 1997). In order to have ethical behavior in their organization, there is a need for organizations to create a shared ethical environment. The creation (and enforcement) of ethical codes of conduct may be one way to accomplish this. However, codes of ethics will likely only influence the ethical and unethical behaviors of the employees if they are enforced (Trevino, 1986). These codes may be based on shared values of the members of the organization or on legal mandates (i.e., Sarbanes-Oxley). The culture of the organization can also assist in the moral development of the employees

(Trevino, 1986). Organizations should foster a culture that encourages the learning and implementation of ethical values and behaviors (Sims, 1991). Finally, organizations that are clear and consistent with their ethical policies and practices will be most effective (Cullen et al., 1989).

Ethical culture is more than just having a code of ethics. In fact, most organizations can boast of such, but they vary widely in the manner in which ethical codes or policies are implemented by the managers and other important figures in the organization (Weaver, Trevino, & Cochran, 1999). Some organizations proclaim ethical policies and procedures for symbolic purposes, but do not actually practice or enforce them among their employees (Weaver et al., 1999). Some skeptics even go as far as to say that formal ethics standards and procedures are “little more than a decorative plaque on the wall or a reputation-enhancing marketing device” (Painter-Moreland, 2008, p. 130). Even Enron, which was at the center of a huge corporate scandal, had ethical policies and procedures, and even won awards for its ethics program (Clegg, Kornberger, & Rhodes, 2007; Sims & Brinkmann, 2003). In fact, it would probably be a red flag if an organization did not have ethical guidelines, so the real question is not whether an ethical code exists, but rather whether these guidelines are followed. It is important for employees to acknowledge the receipt of ethical codes or policies as well as acknowledge compliance with these codes (Weaver et al., 1999). While ethical codes and policies are important, it is equally (if not more) important to have organizational support (both formally and informally) of ethical practices (Weaver et al., 1999).

Individual component

In addition to the aforementioned social component to ethics, there is also a large individual component. Individuals perceive ethical situations differently and through different lenses (Ferrell & Gresham, 1985). Individuals develop their moral codes of conduct over time and experiences (Shultz & Brender-Ilan, 2004). Therefore, moral codes of behavior differ across individuals, who have diverse beliefs about ethical decisions (Hunt & Hansen, 2007). Psychologists such as Lawrence Kohlberg have made important contributions to the ethics literature, especially regarding individual differences in ethical judgments. Kohlberg’s Theory of Moral Development (1969) has been dominant in the fields of moral psychology and education (Modgil & Modgil, 1985). His work has crossed the disciplinary boundary between psychology and philosophy (Boyd, 1985) and has influenced the work of business ethicists.

Kohlberg’s work presented six stages of cognitive moral development (CMD). As reviewed by Kohlberg and Hersh (1977) as well as by Trevino (1986), stages 1 and 2 are the preconventional level, stages 3 and 4 are the conventional level, and stages 5 and 6 are the postconventional or principled level. Although most adults are at stage three or four, many researchers agree that higher levels of CMD can be achieved over time through training or education (Trevino, 1986; Kohlberg & Hersh, 1977), which is consistent with the goals of workplace and higher education courses in ethics.

Unlike much of the previous research that has focused on the antecedents of ethical behavior, the goal of the current research is to understand the consequences of ethical decisions of the organization and its representatives. One area organizational culture can be communicated is during the recruitment process (Gilmore, Stevens, Harrell-Cook, & Ferris, 1999; Highhouse, Hoffman, Greve, & Collins 2002). The next section outlines how the recruitment process can be a breeding ground for the transmission of ethical signals.

Recruitment

Recruitment researchers have studied a wide range of predictors of important recruitment outcomes including procedural justice perceptions (Maertz, Bauer, Mosley, Posthuma, & Campion, 2004), interviewer characteristics (Carless & Imber, 2007), realistic recruitment messages (Thorsteinson, Palmer, Wulff, & Anderson, 2004), work-life balance and career salience (Carless & Wintle, 2007), recruitment message specificity (Roberson, Collins, & Oreg, 2005), flexible work arrangements (Rau & Hyland, 2002), corporate teamwork and diversity statements in recruitment brochures (Rau & Hyland, 2003), recruiting sources (Breaugh, Greising, Taggart, & Chen, 2003), preinterview beliefs (Stevens, 1997), corporate advertising (Collins & Han, 2004), and organizational reputation (Cable & Turban, 2003), as well as various other job, organization, and recruiter characteristics (Chapman, Uggerslev, Carroll, Piasentin, & Jones, 2005).

Attraction is an important part of recruitment processes (Carlson, Connerley, & Mecham, III, 2002). In order to improve attraction to the organization, organizations can engage in three general strategies (Rynes & Barber, 1990). The first is to improve recruitment practices, including organizational representatives, recruitment messages, recruitment sources, and recruitment timing. This method is generally cost-effective and low in risk (Rynes & Barber, 1990). Previous studies have found that recruiter characteristics such as personableness are related to applicant intentions to accept a job offer (Harris & Fink, 1987). Recruiter behaviors appear to be more influential than recruiter demographic variables (Chapman et al., 2005), which, as will be seen below, has important implications for the current study. The second strategy that organizations can utilize to improve attraction to the organization is to improve employee inducements such as salary, benefits, and/or working conditions, which can prove more costly to the organization (Rynes & Barber, 1990). The final strategy is to target nontraditional applicants (Rynes & Barber, 1990).

Researchers have called for more research in the area of applicant attraction, specifically longitudinal research measuring attraction at different stages of recruitment (Rynes & Barber, 1990). In addition, as is evidenced in the literature review above, no previous research has explicitly examined the impact of ethical signals on important recruitment outcomes, which is one goal of the current research.

THEORETICAL MODEL AND HYPOTHESIS DEVELOPMENT

Figure 1 shows the theoretical model that will be developed in this study.

Ethical signals in recruitment

The actions that the organization takes during the recruitment process can provide signals to the applicant and affect applicant attraction to the organization (Boswell, Roehling, LePine, & Moynihan, 2003). Signaling theory is based largely on the work of Spence (1973, 1974). "In the absence of complete and accurate information, decision makers rely on observable factors or signals as substitutes" (Hannon & Milkovich, 1996, p. 417). The organization never really knows the productive value of the applicant at the time of hiring (Spence, 1973).

Research in the area of moral approbation suggests that individuals will prefer ethical organizations over unethical organizations. Moral approbation is the "desire for moral approval

from oneself or others” (Jones & Ryan, 1997, p. 664). Individuals rely on moral feedback from their referent group, which could be themselves only, important social groups, or even include society as a whole (Jones & Ryan, 1997). Individuals are motivated to be moral in order to “remain philosophically consistent with their principles, uphold religious beliefs, allay emotional distress, avoid external sanctions, or maintain a positive self-identity” (Jones & Ryan, 1997, p. 669). Although the degree of moral motivation varies from person to person (Jones & Ryan, 2001), this desire for moral approval explains why it is important for organizations to signal ethicality to applicants. This study focuses on two ethical signals from the organization: organizational practices and recruitment practices.

Organizational and recruitment practices

Previous research has found that early recruitment-related activities such as advertising through recruitment brochures and company web sites are positively related to application intentions and decisions as mediated by attitudes toward the organization and perceived job attributes (Collins & Stevens, 2002). Information about organizations may also be communicated through the popular media; this information can affect organizational perceptions and attractiveness to applicants (Barber, 1998). Organizational websites often provide employee testimonies, mission statements, and health care benefit information (Braddy, Meade, & Kroustalis, 2006).

The classical model of corporate social responsibility held that businesses were only responsible for conducting business within the confines of the law, although they may choose to do environmental good (DesJardins, 2002). The neoclassical model suggests that businesses have a social responsibility to not only obey the law, but also to adhere to moral duties (DesJardins, 2002). Conserving the environment is becoming ethically important to management (Audi, 2009). Some large companies have even modified their accounting measures to reflect “triple bottom line” accounting, which accounts for social and environmental performance in addition to financial performance (Fisher & Lovell, 2006, p. 44).

The question regarding the effect of corporate ethics on job seekers is still unanswered. Applicants want to choose the “right” organization as much as they want to choose the “right” job (Rynes & Cable, 2003). Additionally, it is important that researchers focus attention on early recruitment practices and their effects on applicant decisions (Collins & Han, 2004). The literature (see Joo & McLean, 2006; Rynes et al., 1991; DeGrassi, 2012 for review) demonstrates that recruitment practices can affect important applicant outcomes. Applicants pick up on signals from the organization when making decisions.

Hypothesis 1: Ethical organizational practices will be positively related to organizational attraction.

Hypothesis 2: Ethical recruitment practices will be positively related to organizational attraction.

Individual difference moderators

We are all unique based on our past experiences and genetics. Additionally, individuals vary on the degree to which they are morally motivated (Jones & Ryan, 2001). Thus, a study of individual difference moderators is important in ethics research such as this.

Drawing on the Attraction-Selection-Attrition (A-S-A) framework, individuals will be attracted to and selected by those organizations that are most like them (Schneider, 1987). Schneider (1987) argues that individuals do not randomly choose organizations, but they are an outcome of this cycle of attraction, selection, and attrition. Although it is beyond the scope of this research, much has been investigated regarding “fit” between the person and the organization and the outcomes of such a fit (see Kristof-Brown, Zimmerman, & Johnson, 2005, for a review). Individuals are attracted to and selected by organizations where they perceive they “fit” (Cable & Judge, 1996; Schneider, 1987). The consequence of the A-S-A cycle is an organization with a unique personality (Schneider, Goldstein, & Smith, 1995). As it applies to ethics, “morality will breed morality--opportunistic individuals will leave and moral individuals will be attracted to the firm” (Beu & Buckley, 2004, p. 78). Ethical individuals will seek and be selected by those organizations with a strong ethical culture (Brown & Trevino, 2006).

Therefore, it is important to examine certain individual difference moderators and their effect on the relationship between ethical signals and recruitment outcomes.

Self-importance of moral identity

The first moderator in the model is self-importance of moral identity (SIMI). As defined by Aquino and Reed (2002), moral identity is a “self-conception organized around a set of moral traits” (p. 1424). Self-importance of moral identity is how much one values the moral ideal; in other words, being moral may be central in one person’s life, but peripheral in another’s (Aquino & Reed, 2002). Aquino and Reed separate moral identity into two factors: internalization and symbolization. Internalization is “the degree to which the moral traits are central to the self-concept,” while symbolization is “the degree to which the traits are reflected in the respondent’s actions in the world” (p. 1427). Moral identity has been found to be related to moral cognition and moral behaviors (Aquino & Reed, 2002; Reynolds & Ceranic, 2007).

Based on social identity theory, moral identity is one of many ways that individuals can define themselves (Aquino & Reed, 2002). Social identity theory (SIT) has its roots in social psychology (Tajfel & Turner, 1979, 1986). Following social identity theory, individuals will categorize themselves and others into groups by gender, age, race, religion, and organizational membership, among others (Ashforth & Mael, 1989; Tajfel & Turner, 1986). This categorization allows individuals to have a means by which to define those around them, and it allows them to define themselves in the context of the social environment (Ashforth & Mael, 1989). These identities can affect “cognition, attitudes, and behavior...and provide readily available schemas for processing information...and thus guid[e]...courses of action” (Weaver, 2006, p. 346).

In the context of this study, it is not only ethical signals of the organization, but also the moral identity of the individual that influence the recruitment outcomes. The more central moral identity is to the individual’s sense of self, the more likely the individual will be impacted by ethical organizational and recruitment practices. As argued above, individuals will define themselves partially in terms of their organizational identification. Individuals with high SIMI (who consider morality to be a central component in their life) will be more attracted to organizations that signal ethical practices than individuals with low SIMI because they care more about belonging to an organization that shares their morals (or at least does not contradict them). This allows for

consistency in the way they define themselves in the context of the organizational environment. Thus, SIMI will moderate the relationship between ethical signals and recruitment outcomes.

Hypothesis 3a: The ethical organizational practices/organizational attraction relationship will be moderated by self-importance of moral identity (SIMI) such that the relationship will be stronger when SIMI is high than when SIMI is low.

Hypothesis 3b: The ethical recruitment practices/organizational attraction relationship will be moderated by self-importance of moral identity (SIMI) such that the relationship will be stronger when SIMI is high than when SIMI is low.

Cognitive moral development

The next moderating variable of interest is cognitive moral development (CMD), which was introduced by Lawrence Kohlberg (1969; Trevino, 1986). Researchers have found cognitive moral development to be a strong predictor of unethical behavior $r = -.38$ (Gephart, Harrison, & Trevino, 2007). CMD has been used to better understand the differential reasoning processes of individuals and their moral decision making (Brown & Trevino, 2006). Kohlberg delineates six stages of moral development with higher stages representing more morally developed individuals. Those who are at the higher stages of development are more likely to show concern for others, place value on fairness, and behave more ethically (Brown & Trevino, 2006). In other words, higher moral reasoning is better (Weber & Gillespie, 2001).

As it relates to the job seeker, the more morally developed the individual, the more likely they are to identify and be influenced by ethical signals from the organizational. Individuals with higher CMD (especially at Stages 5 & 6) tend to look beyond just following the law or codes of conduct and form their own views on ethical issues. In other words, individuals with higher CMD (compared to those with lower CMD) will be more likely to recognize and respect ethical signals that extend beyond complying with legal constraints (such as corporate social responsibility activities). Because individuals with higher CMD have more sophisticated “standards” of ethical behavior, they will be more likely to attend to these ethical signals (if they exist), and they will be more attracted to the organization. Thus, I hypothesize the following:

Hypothesis 4a: The ethical organizational practices/organizational attraction relationship will be moderated by cognitive moral development (CMD) such that the relationship will be stronger when CMD is high than when CMD is low.

Hypothesis 4b: The ethical recruitment practices/organizational attraction relationship will be moderated by cognitive moral development (CMD) such that the relationship will be stronger when CMD is high than when CMD is low.

It is important to note that the two moderators of moral identity and moral development are complementary rather than competing constructs when examining moral behavior (Aquino & Reed, 2002; Kohlberg & Hersh, 1977). In fact, researchers have found that it is important to consider an integrative approach of moral identity and moral judgments when examining moral behavior (Reynolds & Ceranic, 2007), which is why they are both included in the model.

Performance moderator

Firm performance, or profitability, has been found to be related to both reputation and attractiveness as an employer (Cable & Graham, 2000; Turban & Greening, 1996). Researchers have suggested that economic failures will harm reputation more than unethical behavior (Jones & Ryan, 2001), but I argue that from a recruitment standpoint, it depends on individual differences such as SIMI and CMD. If firm performance is high (compared to when firm performance is low), all applicants will be attracted to the organization (all else being equal). If firm performance is low, however, some differences should begin to partial out because of ethical signals from the organizational and recruitment practices as well as individual differences such as SIMI and CMD. Although the majority of applicants would not be attracted to a low performing firm (all else being equal), those with higher SIMI and CMD will be even less attracted to a low performing firm who has engaged in unethical recruitment and/or organizational practices than those with lower SIMI and CMD. In other words, similar to the argument detailed above, ethical signals will matter more to those individuals with high SIMI than to those with low SIMI because high SIMI individuals place a high value on belonging to an organization that shares their morals. Similarly, individuals with high CMD tend to consider elements beyond compliance with the law as “ethical.” Thus, in a low performing firm, ethical signals will be more evident and matter more to those individuals with a high CMD (compared to those with a low CMD). Therefore, I hypothesize the following:

Hypothesis 5a: There is a three-way interaction between organizational practices, SIMI, and firm performance on attraction such that the two-way interaction between organizational practices and SIMI will be stronger when performance is low than when performance is high.

Hypothesis 5b: There is a three-way interaction between recruitment practices, SIMI, and firm performance on attraction such that the two-way interaction between recruitment practices and SIMI will be stronger when performance is low than when performance is high.

Hypothesis 6a: There is a three-way interaction between organizational practices, CMD, and firm performance on attraction such that the two-way interaction between organizational practices and CMD will be stronger when performance is low than when performance is high.

Hypothesis 6b: There is a three-way interaction between recruitment practices, CMD, and firm performance on attraction such that the two-way interaction between recruitment practices and CMD will be stronger when performance is low than when performance is high.

METHOD

Participants

Participants were 665 undergraduate students at a large southwestern university. Power analysis revealed that this is an adequate sample size in order to conduct an Analysis of Covariance (ANCOVA) with main effects and interactions and to have a small to medium effect size ($\approx .23$). The average age was 21 years, and the mean work experience was 4 years. About 52% of the sample was female. Seventy-eight percent of the sample was Caucasian, 13% was Hispanic, 4% was Asian, and 3% was African American. Ninety-seven percent of the participants were juniors or seniors. Participants were recruited from an entry-level Management course via a face-to-face

presentation of the study by the primary investigator and were offered extra course credit in exchange for their participation. A pilot study was conducted in order to test the manipulations and time to complete the surveys. The study was a 2×3×3 factorial design, with a total of 18 scenarios. Cell frequencies ranged from 35 to 39 participants per scenario (Table 1).

Procedures

Upon entering the laboratory, participants were randomly assigned to one of eighteen conditions (see Table 1 for study key). Participants read that they were to think of themselves as a graduating senior who was offered an interview with a fictitious organization. They then read that they researched the organization and found some valuable information about the firm's performance. This performance was either high or low, depending on the manipulation.

Next, participants read information about the ethics of the organization (organizational practices manipulation). First, they read that they had searched for news reports on the organization; those news reports were manipulated to contain either ethical, unethical, or neutral organizational practices. They then read that they ran out of time to do research for the interview, and they must go ahead and attend the interview with the intention of doing more research later.

The participants then read about the actual interview, which is where the recruitment practices manipulation was embedded. The participants read that on the day of the interview, they met with the recruiter in the career center where the interview was held. They read some background information about the position and the initial conversation with the recruiter. The participants then continued to read that they performed a similar job for one of the company's competitors last summer, and they are interested in a career in the industry. As they continue to read more about their interview, it is revealed that the project they were assigned to while working for the competing company was confidential, and they are not at liberty to discuss it further with the recruiter. The recruiter's response to this information was manipulated to be either ethical, unethical, or neutral.

Following each manipulation, participants responded to manipulation checks. At the end of the scenario, participants were asked questions regarding their attraction to the organization (only measured one time at the end). Participants were also given a packet of surveys to measure their demographic information, socially desirable responding, self-importance of moral identity, and cognitive moral development. This packet was completed following the scenarios. All other information was the same across scenarios.

EXPERIMENTAL CONDITIONS

Performance

The first factor was performance. Participants were either assigned to high firm performance or low firm performance. Those assigned to the high firm performance read that revenues, earnings per share, and per share dividends have been increasing, while operating costs have been decreasing. A sample statement from the high performance condition is: "Revenues have increased by at least 10% every year over the past 10 years." Those in the low performance condition read that revenues, earnings per share, and per share dividends have been decreasing,

while operating costs have been increasing. A sample statement from the low performance condition is: “Revenues have decreased by at least 10% every year over the past 10 years.”

Organizational practices

The second factor was organizational practices. Organizational practices were manipulated using information from a real news report regarding an organization’s environmental violations. For the study, the company name was replaced with the fictitious organization. Participants in the ethical condition read, “Local communities and activists are thrilled by ABC’s apparent concern for the environment...ABC Manufacturing has been repeatedly recognized for never violating the terms of its permit because of high BOD levels.” A sample statement for the unethical manipulation is: “Local communities and activists are outraged by ABC’s apparent lack of concern for the environment...ABC Manufacturing has been repeatedly fined for violating the terms of its permit because of high BOD levels.” Finally, those participants in the neutral condition read: “while researching the organization, you cannot find any news articles (positive or negative) about the ethics of the company.”

Recruitment Practices

The third and final factor is recruitment practices. Recruitment practices was manipulated using the interview. In the ethical condition, participants read that after telling the recruiter that the project they worked on with a competing organization is confidential, the recruiter replies, “Here at ABC Manufacturing, we pride ourselves on being an ethical company and we would never ask you to reveal confidential information from another organization.” In the unethical condition, the participant read that the recruiter replied, “Just answer this question and you get the job.” Lastly, in the neutral condition, the recruiter replied, “Fine.”

MEASURES

Applicant attraction to the organization

Applicant attraction to the organization was measured using Judge and Cable’s (1997) three-item scale. A sample statement is: “rate your overall attraction to this organization.” Participants answered on a scale from 1 (not attracted) to 7 (very attracted). Alpha for the current study was found to be .96.

Self-importance of moral identity

Self-importance of moral identity was measured using the 10-item scale developed by Aquino and Reed (2002). Participants were asked to read a list of 9-items, and then respond to a series of statements on a scale of 1-5 (strongly disagree to strongly agree). A sample statement is: “it would make me feel good to be a person who has these characteristics.” The alpha for these ten items was .86.

Cognitive moral development

Cognitive moral development was measured using the Defining Issues Test, Version 2 (DIT2), which is based on Kohlberg’s model and has been found to have an alpha of .81 (Rest, Narvaez, Thoma, & Bebeau, 1999). The DIT2 has been advocated by several researchers as a tool for measuring moral development of individuals (Weeks, Loe, Chonko, Martinez, & Wakefield, 2006; Rest et al., 1999; Trevino, 1986). The DIT2 consists of six stories or moral dilemmas and twelve

statements related to these stories. Participants were asked to rate the statements in terms of importance. Finally, participants were then asked to select the four most important statements (from the original twelve) and rate them from most important to least important. The scoring of the DIT2 was done by an unbiased source at The Center for the Study of Ethical Development at the University of Alabama. Scores reflect the relative level of moral development of the individual.

Controls

Socially desirable responding (SDR) was controlled because participants who are high in SDR may be more likely to give more socially acceptable and “ethical” responses. Socially desirable responding will be measured using Crowne and Marlowe’s scale (1960). Sample items include, “I am always careful about my manner of dress” and “I like to gossip at times.”

RESULTS

Mean attractiveness in each scenario can be found in Table 1. As one would expect, the scenario with high performance, ethical organizational practices, and ethical recruitment practices had the highest mean attractiveness (5.97), while the scenario with low performance, unethical organizational practices, and unethical recruitment practices had the lowest attractiveness (1.39). Means, standard deviations, and correlations among study variables can be found in Table 2. Socially desirable responding (the control variable) was not significantly correlated with attraction to the organization ($r = -.06, p > .10$), and thus, was not included in further analysis.

Analyses

Manipulation check

A manipulation check was utilized in order to validate the manipulations. The performance manipulation consisted of three items ($\alpha = .96$). A sample manipulation check item for the performance manipulation is: “While researching this organization before the interview, I found they have had high firm performance over the past several years.” Participants answered on a 5-point Likert scale the degree to which they agree or disagree with the above statement. ANOVA was used to test for significant differences across the groups. Mean for low performance was 1.55, while the mean for the high performance firms was 4.53 ($p < .01$).

The organizational practices manipulation check was a 6-item scale with an alpha of .77. A sample item is “According to the above news reports, this organization has behaved unethically” (reverse scored). The mean score for the unethical manipulation was 2.32, the neutral was 3.10, and the ethical was 4.17. All were significantly different from each other ($p < .01$).

Finally, the recruitment practices manipulation was verified with a 4-item scale ($\alpha = .81$). A sample item is: “During the interview, the recruiter did or said something that I consider unethical.” The mean for the unethical recruitment practices manipulation was 1.83, the neutral was 3.00, and the ethical was 3.98. All were significantly different from each other ($p < .01$).

Hypotheses tests

The factorial design ($2 \times 3 \times 3$) lends itself to an analysis of covariance (ANCOVA) in order to test the relationships depicted in Figure 1. See Table 3 for results. Hypothesis 1 stated that ethical organizational practices would be positively related to attraction to the organization. The main effect for ethical organizational practices is $F(2, 610) = 2.81, p < .10$. Post hoc pairwise comparisons revealed more about the relationship. The mean attraction for the unethical condition was 2.23, the neutral was 3.39, and the ethical was 4.40. All were significantly different from each other and in the predicted direction ($p < .01$). This provides support for Hypothesis 1. Turning to recruitment practices, Hypothesis 2 stated that ethical recruitment practices would be positively related to attraction to the organization. This relationship is supported, $F(2, 610) = 3.11, p < .05$. Post hoc pairwise comparisons further revealed that all three means were significantly different from each other (mean unethical=2.47, mean neutral=3.48, and mean ethical=4.05). This provides support for Hypothesis 2. Before analyzing the data, the independent variables were dummy coded in order to perform a regression analysis. The ethical recruitment practices (RP) condition was dummy coded (1=ethical RP, 0=unethical or neutral RP). The unethical RP condition was also dummy coded (1=unethical RP, 0=ethical or neutral RP). Similarly, the ethical organizational practices (OP) variable condition was dummy coded (1=ethical OP, 0=unethical or neutral OP) and the unethical OP condition was also dummy coded (1=unethical OP, 0=ethical or neutral OP). Results are reported in Table 10.

Now turning to the moderation hypotheses, I first examined the moderating effect of self-importance of moral identity (SIMI). Hypothesis 3a stated that the organizational practices/attraction relationship would be moderated by SIMI such that the relationship would be stronger when SIMI was high than when it was low. Turning back to Table 3, the organizational practices/SIMI interaction was not significant, $F(2, 610) = 2.09, n.s.$ Therefore, Hypothesis 3a was not supported.

Hypothesis 3b similarly predicted that the recruitment practices/attraction relationship would be moderated by SIMI such that the relationship would be stronger when SIMI was high than when SIMI was low. Again looking at Table 3, the recruitment practices/SIMI interaction significantly predicted attraction, $F(2, 610) = 6.22, p < .01$. This interaction is graphed in Figure 2. I used one standard deviation above the mean SIMI to represent high SIMI individuals and one standard deviation below the mean to represent low SIMI individuals. As the graph demonstrates, the high SIMI individuals have a positive, steep slope, while the low SIMI individuals have a relatively flat slope (especially moving from unethical to ethical). This suggests that the high SIMI individual's attraction to the organization is more influenced by the ethical recruitment practices of the organization than the low SIMI individuals. This provides support for Hypothesis 3b.

Hypothesis 4a stated that the organizational practices/attraction relationship would be moderated by cognitive moral development (CMD). As seen in Table 3, this hypothesis was not supported $F(2, 610) = 1.45, n.s.$ Hypothesis 4b predicted a significant recruitment practices/CMD interaction on attraction. Table 3 again shows that the interaction was not significant $F(2, 610) = .58, n.s.$ Therefore, Hypothesis 4b was not supported.

Hypotheses 5 and 6 predicted three-way interactions with firm performance. Hypothesis 5a stated there would be a 3-way interaction among organizational practices, SIMI, and performance on

attraction such that the two-way interaction between organizational practices and SIMI would be stronger when performance was low. Turning to Table 3, the OP/SIMI/performance interaction is significant, $F(2, 610) = 3.29, p < .05$). This interaction is plotted in Figure 3, using one standard deviation above the mean SIMI to represent high SIMI individuals and one standard deviation below the mean to represent low SIMI individuals. In the low performing environment, moving from unethical organizational practices to ethical organizational practices, high SIMI individuals have a positive and steep slope, suggesting they are more attracted to an organization with more ethical practices. The low SIMI individuals actually have a negative relationship between organizational practices and attraction in the low performing environment, suggesting they are less attracted to an organization with more ethical practices. By contrast, in the high performing environment, the low SIMI and high SIMI lines moving from unethical to ethical organizational practices have similar slopes (i.e., the lines are almost parallel). This suggests that low SIMI and high SIMI individuals are equally affected by organizational practices in a high performing environment. This provides support for Hypothesis 5a. Hypothesis 5b stated that there would be a three-way interaction among recruitment practices, SIMI, and performance. Table 3 reports the results for this interaction, which is not significant $F(2, 610) = 1.03, n.s.$ Hypothesis 5b is not supported.

Hypotheses 6a and 6b explore a similar 3-way interaction with CMD. Hypothesis 6a predicted that there would be a three-way interaction among organizational practices, CMD, and performance. This hypothesis was not substantiated, $F(2, 610) = 2.06, n.s.$ Finally, Hypothesis 6b predicted that there would be a 3-way interaction among recruitment practices, CMD, and performance. Table 3 shows that this relationship was not significant $F(2, 610) = .08, n.s.$ Therefore, Hypothesis 6b was not supported.

DISCUSSION

This rigorous laboratory study found that ethical signals are related to organizational attraction; the main effects were supported. This study provides additional evidence that the integration of signaling theory and ethics will further our understanding of these two streams of research both independently and simultaneously. In addition, it supports the idea that in addition to other signals, organizations send “ethical signals” to applicants during the recruitment process. These ethical signals are detected by applicants and influence their attraction to the organization. This study nicely compliments the findings from DeGrassi (2012) in a rigorous, controlled laboratory environment (see call from Trevino et al., 2006). The significant 2-way interaction of recruitment practices and SIMI suggests that applicants with a higher SIMI are, in fact, more influenced by the ethical recruitment practices of organizations than those with low SIMI. These applicants with a higher moral identity appear to be more positively attracted to ethical recruitment practices than applicants with low moral identity. Drawing on signaling theory, this could be because individuals with high SIMI care more about the ethical signals of their (potential) future company. Because high SIMI individuals consider morality as a central component of their identity, they would be more attracted (than low SIMI individuals) to an organization signaling ethical recruitment practices. The finding that low SIMI individuals are more attracted to organizations with unethical recruitment practices and high SIMI individuals are more attracted to organizations with ethical recruitment practices (Figure 2) is consistent with Schneider’s attraction-selection-attrition model as well as the fit literature. Individuals will seek organizations that are the most similar to them

and their values. This research is important because an ethical fit/misfit between an individual and organization may ultimately be a determinant in employee attrition.

Testing of a three-way interaction found high SIMI individuals are positively affected by ethical organizational practices while low SIMI individuals are negatively affected by ethical organizational practices in a low performing environment. Similar to the 2-way interaction described above, this relationship supports ASA; high SIMI individuals are more attracted to ethical organizational practices than low SIMI individuals. SIMI does not seem to affect the organizational practices/attraction relationship as much in a high performing environment. Perhaps even high SIMI individuals are willing to be more forgiving of unethical practices if the firm performance is high, but once firm performance begins to suffer, high SIMI individuals' attraction rapidly declines. This has important implications for organizations as ethical organizational practices do not seem to matter as much in a high performing environment. Perhaps applicants assume that the ethical organizational decisions (whether positive or negative) of the organization are justified given the resulting high performance. Unfortunately, this was not tested in this study, but could be an interesting avenue for future research.

Although not all the hypotheses were supported, SIMI was a more important individual difference moderator than CMD in this laboratory experiment. This is probably due to the nature of the application process and the study. Applicants are looking for an organization with which they can identify and belong, thus SIMI would be especially relevant when deciding which organization to pursue given social identity theory. Moral development (CMD), on the other hand, might be a more important moderator in ethical decision-making on the job or in the field. Ethical dilemmas in the field may require that an individual draw on their individual views and ethical principles that are outside given rules and regulations in order to make a decision (individuals in stages 5 and 6 of CMD would be the most likely to do this). In the current study, however, this was not really necessary and may help explain the lack of support for the moderating effect of CMD. For example, the organizational practices manipulation *was* a matter of breaking the law (i.e., the organization violated hazardous waste levels). Therefore, the lack of support for CMD may have been a result of the manipulation. Future research should attempt to test CMD as a moderator in a more complex scenario that requires higher levels of cognitive moral thinking.

Although this study provided a better understanding of ethical signals by testing their effects on recruitment outcomes in a rigorous laboratory study, it also had several limitations. The first is the gap between intention and actual behavior. Weber and Gillespie (2001) found support that when subjects intend to do something, it usually is more indicative of the "ethically expected norm" than their actual behavior (p. 269). I only measured intentions, not actual behaviors in the lab study. Study 2 asked applicants to imagine they were applying to a job and report their reactions. Participants were not able to actually respond to the interviewer, but only read about the interaction and report their attraction to a fictitious organization. In addition, they did not actually choose an organization, but simply reported their level of attraction to it. In other words, there were no real ramifications for their choices, as there would be if they were actual job applicants. As mentioned above, intentions (as reported in a laboratory study such as this) and actual behavior can be two divergent concepts, especially as it is related to ethical behavior.

Additionally, the organization's ethical climate can greatly influence the ethical behavior of the individual. Without more exposure to the organization (i.e., office visit, second interview, etc.), a laboratory study such as this is only an artificial environment; thus, generalizability is limited. On a related note, another limitation is the small amount of information applicants were given about the fictitious organization and about the job for which they were applying. It is plausible that if additional information were presented to the participants, the effect of ethical signals would start to diminish. This is especially true for those variables on which applicants tend to place a tremendous amount of weight (i.e., salary).

Future researchers should continue to conduct research on ethics and recruitment in the laboratory. Specifically, it would be interesting to empirically test how important ethics is when compared to other variables known to affect recruitment outcomes (i.e., salary, location, etc.). Future research would also benefit from more a more realistic presentation of the data in the laboratory. For example, new technology allows for the creation of realistic corporate web sites to be used to provide ethical information to participants. Although the scenario in this study was based on a real organization, future researchers could also utilize actual company material that is handed out during recruitment events (i.e., brochures) to provide even more realistic ethical signals.

PRACTICAL IMPLICATIONS

The current research has many practical implications for managers in organizations. First, recruiters can present situational or behavioral interview questions that address ethical issues, which would provide a signal of the organization's interest in ethical behavior. For example, "Tell me about a time when you faced an ethical dilemma. Explain the situation and your reaction to it." Second, organizations should keep in mind that recruiters are sending signals to applicants with their behaviors, so they should be careful not to engage in unethical behaviors during the recruitment process. This may require interviewer training and awareness. Future researchers might consider examining whether or not training recruiters to be ethical presents a more ethically sound picture to the applicant. Additionally, managers should take an active role in "managing" the ethical information that applicants receive during the recruitment process. Changes in recruitment practices (such as training organizational representatives) can be relatively low-cost and low-risk (compared to increasing salaries or benefits), and can improve applicant attraction to the organization (Rynes & Barber, 1990).

Finally, organizational leaders who value ethics should "walk the walk." In other words, instead of simply posting a code of ethics, managers should demonstrate ethicality with their actions. Above all, the research findings in this study suggest that managers should strive to minimize unethical behaviors, since they appear to harm attraction more than ethical behaviors help. All of the above actions will send a signal of ethicality to a savvy applicant who has thoroughly researched the organization. Similar to how the organization will suffer economic consequences (such as decreased sales) as a result of unethical practices (i.e., Laczniak & Murphy, 1985), the organization will also suffer consequences in the recruitment arena due to unethical practices. Specifically, applicants will not be as attracted to them.

FUTURE RESEARCH

Future research should examine other individual difference moderators. For example, individual religious beliefs, or “religiosity,” would be interesting to examine in the context of ethics and recruitment outcomes. We would expect that those with deeply embedded religious beliefs would be more influenced by ethical signals from the organization than individuals who do not have deep religious beliefs.

Another individual difference variable that would be interesting to study in future research is “ethical sensitivity.” This is a term used to describe the degree to which individuals perceive that there is an ethical issue involved (Hunt & Vitell, 1986). Although this variable has not received much attention in the literature, it may have important implications for the work on ethical signals because individuals who are highly ethically sensitive may be more attuned to ethical signals from the organization while individuals who are low in ethical sensitivity may not. Relatedly, another fruitful area for future research might be distinguishing among the different types of ethical signals and their effect on individuals. For example, ethical signals that are purely legal issues (i.e., hazardous waste violations) may have a different effect than ethical signals that are generally not considered illegal (i.e., lying to clients). Do the different types of signals carry equal weights with applicants? Does it depend on the individual difference variables described above?

Attracting the best applicants is critical for most organizations (Chapman et al., 2005). Organizations will benefit from developing a strong, socially controlled culture with ethical values and norms (O’Reilly & Chatman, 1996).

CONCLUSION

Ethics, or the “character” of the organization is an especially important indicator of how life will be in the organization. Applicants on the job market want to find an organization that emulates what is “good” or “right;” this will result in pride from membership and social approval for the individual. Formal regulations such as Sarbanes-Oxley and Generally Accepted Accounting Principles (GAAP) and public outcry over the unethical behaviors of organizations are prompting today’s job seeker to consider the ethics of organizations now more than ever. Unethical behavior that is unveiled can not only cost the company money, but it can cost the company’s life; and when the company collapses, the employees generally fall with it. As this study suggests, organizations that engage in unethical organizational or recruitment practices may also be losing applicants.

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TABLE 1

Key and mean attraction

Design is 2 firm performance (high/low) x 3 organizational practices (ethical/unethical/neutral) x 3 recruitment practices (ethical/unethical/neutral) =18 scenarios

Scen	Freq	Mean attraction	Mean Perc	Performance	Org Practices	Rec practices
1	36	5.97	4.32	High	Ethical	Ethical
2	37	3.03	2.72	High	Unethical	Ethical
3	35	5.50	3.96	High	Neutral	Ethical
4	39	4.05	3.08	High	Ethical	Unethical
5	37	2.29	2.03	High	Unethical	Unethical
6	37	2.45	2.11	High	Neutral	Unethical
7	37	5.23	3.91	High	Ethical	Neutral
8	37	3.06	2.55	High	Unethical	Neutral
9	37	4.44	3.19	High	Neutral	Neutral
10	37	4.21	4.26	Low	Ethical	Ethical
11	37	2.07	2.50	Low	Unethical	Ethical
12	37	3.42	3.58	Low	Neutral	Ethical
13	37	2.70	2.77	Low	Ethical	Unethical
14	37	1.39	1.65	Low	Unethical	Unethical
15	37	1.95	1.92	Low	Neutral	Unethical
16	37	4.15	3.69	Low	Ethical	Neutral
17	37	1.67	2.31	Low	Unethical	Neutral
18	37	2.70	2.94	Low	Neutral	Neutral

TABLE 2**Correlation matrix**

Variable	Mean	SD	1	2	3	4	5	6	7
1. SDR	15.77	5.29	---						
2. OP	.00	.82	-.01	---					
3. RP	-.01	.82	-.13**	-.01	---				
4. Performance	.50	.50	-.01	.00	-.01	---			
5. SIMI	8.23	1.14	.19**	-.04	-.02	-.02	(.86)		
6. CMD	30.27	13.23	-.02	-.06	.01	-.01	.08	(.81)	
8. Attraction	3.34	1.92	-.06	.45**	.33**	.34**	-.08*	-.01	(.96)

**p<.01

*p<.05

Notes: Coefficient alpha reliability estimates are in parentheses along the diagonal. SDR is socially desirable responding; OP is organizational practices (coded 1=ethical, 0=neutral, -1=unethical); RP is recruitment practices (1=ethical, 0=neutral, -1=unethical); Performance is coded 0 for low and 1 for high. SIMI is self-importance of moral identity; CMD is cognitive moral development.

TABLE 3**Analysis of covariance (ANCOVA)***Organizational Attraction*

Source of variance	Type III SS	df	MS	F
Socially Desirable Responding	.01	1	.01	.01
Ethical Organizational Practices (OP)	11.32	2	5.66	2.81 [†]
Ethical Recruitment Practices (RP)	12.55	2	6.27	3.11*
Performance	2.62	1	2.62	1.30
Self-Importance of Moral Identity (SIMI)	10.10	1	10.10	5.01*
Cognitive Moral Development (CMD)	.23	1	.23	.11
OP × SIMI	8.44	2	4.22	2.09
RP × SIMI	25.06	2	12.53	6.22**
OP × CMD	5.83	2	2.92	1.45
RP × CMD	2.33	2	1.17	.58
OP × SIMI × Performance	13.25	2	6.63	3.29*
RP × SIMI × Performance	4.17	2	2.08	1.03
OP × CMD × Performance	8.30	2	4.15	2.06
RP × CMD × Performance	.31	2	.15	.08
Error	1229.30	610	2.02	

**p<.01

*p<.05

[†]p<.10

FIGURE 1

Model of ethical signals and recruitment outcomes

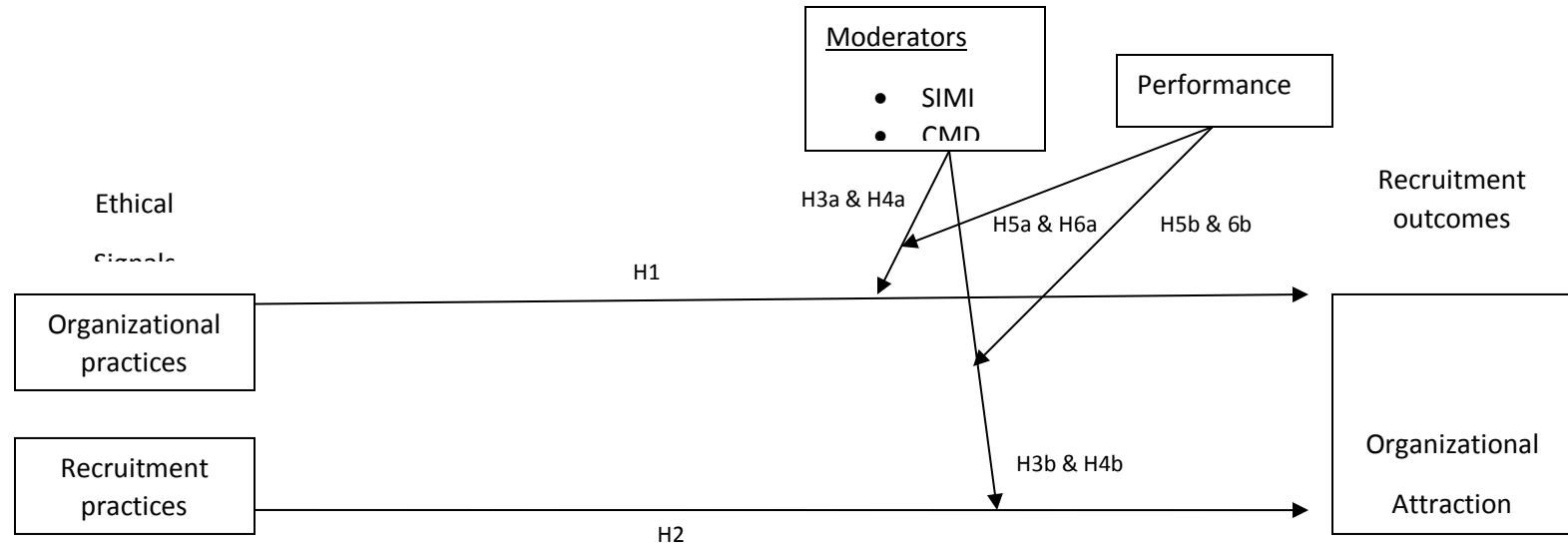


FIGURE 2

Plot of the 2-way interaction between SIMI and recruitment practices on attraction.

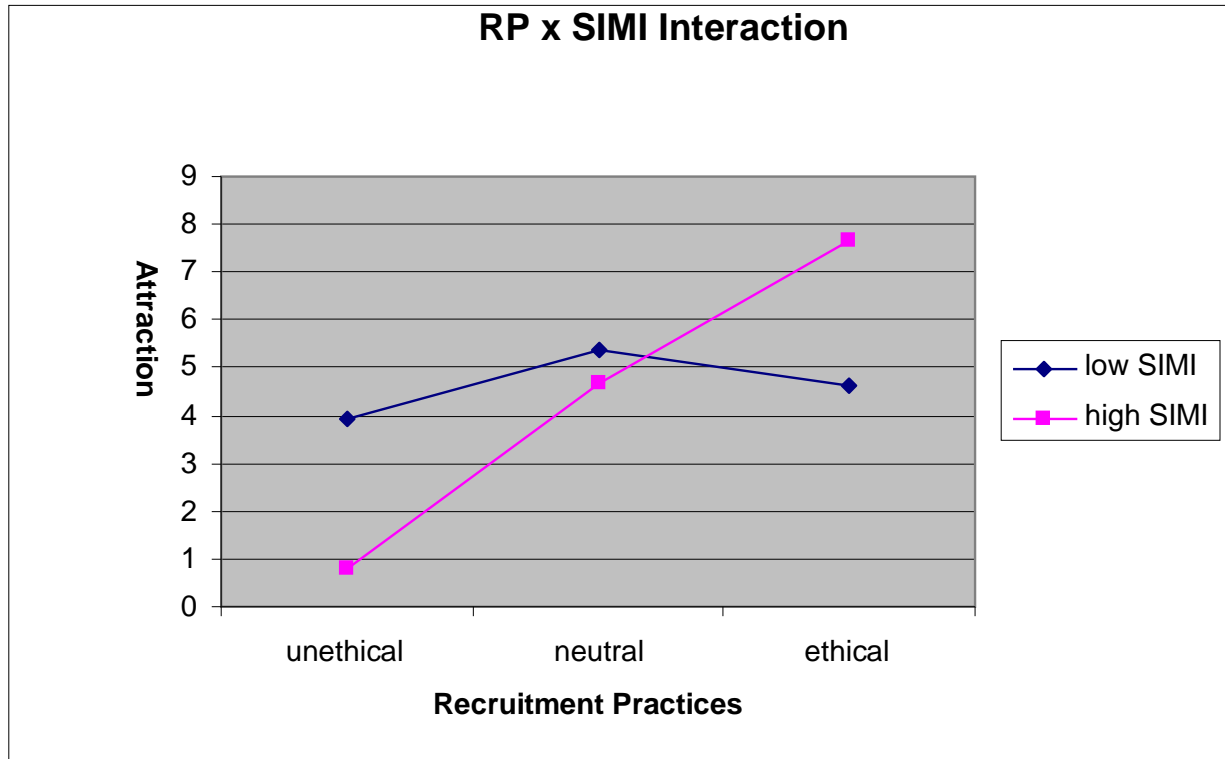
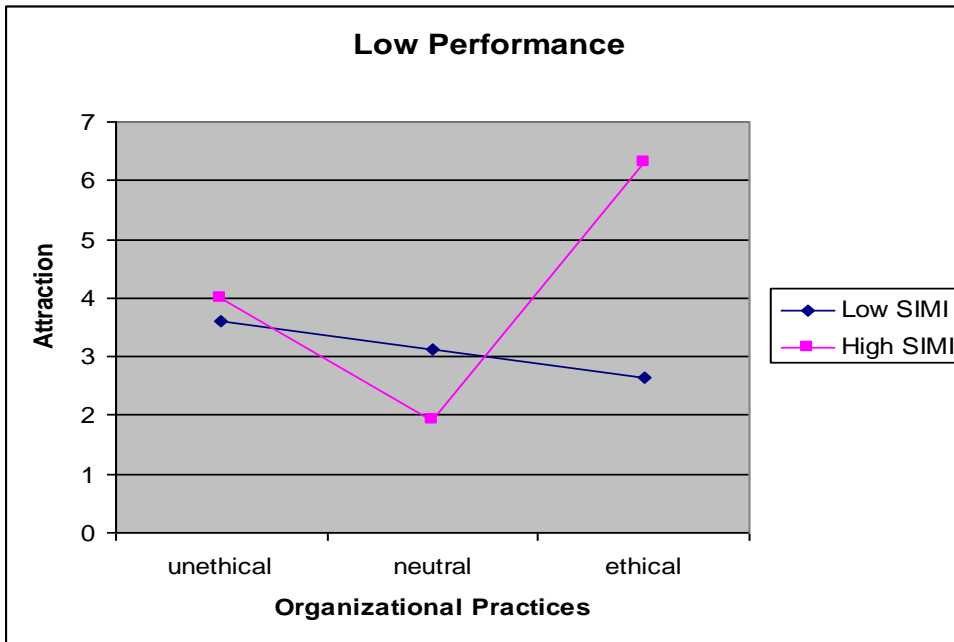
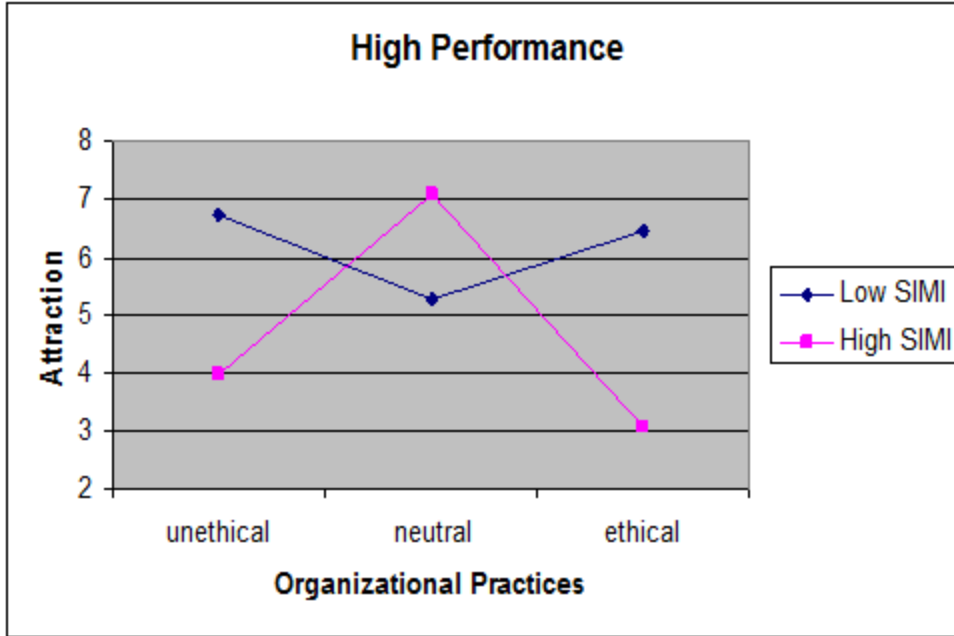


FIGURE 3

OP x SIMI x Performance Interaction



Plot of the 3-way interaction between SIMI, organizational practices, and attraction.

performance on

Bio/photo



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RETIREE REMORSE: A CLASSROOM EXERCISE IN RETIREMENT PLANNING

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ABSTRACT

Many retirees are woefully unprepared and are, therefore, dissatisfied with their retirement. This is despite the fact that they felt confident in their retirement planning prior to retirement. Retirees who sought guidance prior to retirement tend to be more satisfied with after retiring. There is a growing call for financial education, especially as it relates to personal finance, at the university level. This paper provides some background on the statistics regarding retiree remorse and suggests a simple classroom exercise to help raise awareness among students of the importance and complexity of proper retirement planning.

Keywords: Retirement Planning, Personal Finance

INTRODUCTION

“I wish I had just kept working.” This is a sentiment shared by many recent retirees. In most cases, it is not that the retirees miss their work and the daily routine. Instead, many retirees have not adequately planned financially for their retirement so that they can maintain their standard of living and fulfill the aspirations they had for their retirement years. O’Brien (2016) provides survey results that show if retirees had a chance to plan again, they would plan better. Brandon (2011) found that only 28% of investors age 55 and older say that they are highly satisfied with their retirement preparations and, in contrast, 57% have regrets about their financial preparations for retirement.

Brandon (2011) goes on to list six regrets older Americans have about their retirement planning. First, they regret not starting to save earlier with 39% saying that they regret waiting to save. Second, they regret not diversifying their savings. Retirees with seven or more types of investments have an average net worth of \$1,400,000 compared to an average net worth of \$678,000 for retirees with three or fewer investments. Third, they regret that they did not have a job with a pension. Retirees with a steady, predictable income provided by traditional pensions are significantly happier, but most employers do no longer offer pension plans and only 2% of older workers and 1% of retirees list an annuity as the best step they could have taken toward retirement security. Fourth, they regret that they did not get out of debt before retirement. Consumer Reports (2011) found a strong correlation between satisfaction and lack of significant debt. Fifth, they regret that they did not maintain healthy habits. Over 20% of older Americans wish that they had taken better care of their health. Not only does poor health limit retirement activities, but poor health also drives up retirement costs. Sixth, they regret that they did not develop lasting interests and friendships. Over 20% of retirees return to work not only because they need the income but because they enjoy the relationships.

In stark contrast to the perspectives of retirees, O'Brien (2016) cites survey results showing that 81% of pre-retirees have a high level of confidence that they will be able to live the lifestyle they desire in retirement. This is despite, or perhaps because of, the fact that most have yet to complete a number of critical planning steps for retirement. A total of 68% of pre-retirees have not completed a budget of anticipated retirement income and expenses and 74% have not determined an asset allocation strategy for managing their income in retirement while seeking continued growth for their savings.

O'Brien (2016) further cites evidence that workers nearing retirement show a need for guidance and education on fundamental issues surrounding retirement. Only 28% of pre-retirees reported that they fully understand how much they can spend monthly during retirement without outliving their savings. Less than 23% say they understand which retirement income sources to spend first to minimize taxes. Almost 60% were unsure of the age at which most people can withdraw money from a tax deferred savings account without incurring a penalty.

Perhaps due to the apparent overconfidence of pre-retirees, 77% report that they neglected to turn to their employers for assistance and guidance throughout the retirement process. Over 90% of those who did, however, saw significant value in the guidance they received. Furthermore, 32% of pre-retirees say that they could not have made the transition to retirement without the guidance from their employers (O'Brien 2016). Clearly there is a role for education to improve financial literacy as it relates to the retirement planning process.

Geddes and Steen (2016) argue that financial education, especially as it relates to personal finance, at most universities is limited and underdeveloped. The financial downturn starting in 2007 revealed a widespread lack of financial literacy (Lusardi and Mitchell, 2007; Perry, 2008). Kim, et al. (2005), however, show that financial education can positively impact participants' retirement confidence. Clearly there is a role to enhance student learning by incorporating financial literacy exercises into university curriculum. This paper presents one such exercise.

A Retirement Planning Exercise

We developed the exercise presented in Appendix A for students enrolled in upper-division classes. The exercise, by design, is not overly complex. For example, it does not require students to evaluate the differences and the pros/cons of Roth versus Traditional IRA's, it does not require students determine differing returns from various asset allocation options, and it does not require students to take into consideration actuarial life expectancies to name just a few complexities that should be part of retirement planning. Although the exercise does not address many complexities, students do have the opportunity to assess the effects of lifestyle choices during retirement (ie. What do students plan to do during retirement?) , increases in the cost of living over time, the various sources of retirement income (Social Security, 401(k), personal savings, etc.), and the multiple time value of money considerations.

Students derive at least three benefits from completing the exercise. First, students will likely be surprised by the cost of funding their dream retirement. Second, students should gain an appreciation for the importance of personal savings to supplement Social Security and 401(k) retirement plans as these sources of income are often not sufficient to fund the students' retirement

goals. Finally, students should realize the importance of having a plan and implementing the plan early.

CONCLUSION

In short, the retirement planning exercise we present here is designed to create a sense of awareness among students. Students are rightly more focused on starting their career than ending it. Once students do start their careers, they will no doubt have an array of short and intermediate range financial goals such as paying off student loans, relocating, buying a home, and buying a new car. Most students will be shocked by the outcome of the exercise. This exercise cautions students to not be too myopic in their financial decision making and neglect planning for retirement until it is too late and they are left with retiree remorse.

APPENDIX A: RETIREMENT PLANNING EXERCISE

Introduction

You are about to embark on a new career. You should be excited about the new opportunities and challenges. If you are like most Americans, you will change careers, or at least employers, several times over your lifetime. Eventually, you will want to retire and enjoy the fruits of your years of labor. But, will you be able to? Many Americans cannot!

Purpose

The purpose of this exercise is to develop a basic retirement plan and assess the financial implications of the plan.

Requirements

Step 1: Determine your goals for retirement. Do you want to travel? Do you want to spend time on a hobby? What do you plan to do with your time?

Step 2: Prepare a budget and determine the monthly after-tax income necessary to provide basic needs (housing, utilities, food, healthcare, etc.) and reach your retirement goals (travel, hobbies, etc.).

Step 3: Go to the T.RowePrice Retirement Income Calculator at <https://www3.troweprice.com/ric/ricweb/public/ric.do>. In the “Retirement Savings” section, use the anticipated salary from the job you expect to have after graduation. Assume that your employer will match your contributions up to 7.5% of your annual salary into your retirement account. In the “Living in Retirement” section, enter the amount from Step 2 as the amount you think you will spend each month.

Step 4: Prepare a reflection of up to one page, single spaced. Include the results from Step 2 and Step 3. Explain why the anticipated monthly needs are so different from the amount you entered from Part 2. Discuss additional results from Step 3 if you used the “Model Different Scenarios”

option in the T.RowePrice Retirement Income Calculator. Finally, explain why you are or are not confident that you will be able to reach your retirement goals from Step 1.

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THE ROLE OF WOMEN IN THE ARAB AWAKENING

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ABSTRACT

This paper is dedicated to the 6th anniversary of the 2011 Arab Spring that gave an opportunity for women all over the Middle East to voice their frustration with the existing situation and call for change. 2011 marks the year in the Middle East where thousands of women from Morocco to Yemen were demonstrating on the streets side by side to men starting one of the greatest revolutions that swept through the whole continent and resulted in change in political power in several Arab countries. This article seeks to document the role women played in the Arab Spring, give voice to their demands and expectations, and assess if the position of women in the Middle Eastern societies improved as a result of the Arab Spring.

INTRODUCTION

During the past decade the Middle East has gained its importance in the global sphere. It is in the interests of global peace, trade and prosperity that the region should be politically stable, with evidence of economic and social development. For a while, the region seems to have been in the state of confusion. Globalization and modernity mixed with the need of preserving traditional and Islamic values creates conflicts not only on individual but also societal level. Economic instability, rising unemployment and growing government corruption all added to the state of dissatisfaction that needed a solution.

It is argued that societal changes are best reflected by the changes in women's lives. Life for Arab women has become one of the most rapidly changing elements of Arab societies. The westernization, globalization and modernizations have had an impact on increased educational attainments, positive employment experiences and a loss of idealism about the traditional female role. Traditionally, a woman's world is perceived to include a particular genre of work activity, such as caring for others and maintaining their relationships, whereas a man's world has an emphasis on individual thought, independent achievement and success based on competition and hierarchy (Rudman and Phelan, 2008). The traditional role of Muslim women is a source of conflict for the more aware, educated women, trying to balance the modern world and a traditionally conservative social background (Metle, 2002). The growing dissatisfaction with the current status of women in the Middle Eastern societies has been awaiting for a change and resolution.

The self-immolation of a fruit and vegetable vendor, Mohamed Bouazizi, in the small town of Sidi Bouzid in Tunisia sent a ripple effect around the region the likes of which we had not witnessed in decades. One autocrat after another fell. Regime change took place in Tunisia, Egypt, Yemen, and Libya. The turmoil spread to other countries. Syria is in the midst of a civil war. Bahrain had to ask for Saudi help to quash Shi'a demonstrators. Kuwait, Jordan, Oman, Morocco, and even Saudi Arabia have not been spared demonstrations either (Esfandiari, 2012). The whole Middle East was shaken by the 2011 Arab Spring awakening, which effects are yet to be seen.

The 2011 Arab Spring uprising was characterized by the notion of "Selmya," a peaceful means for addressing injustices in society. The activists came together in response to social, political, and economic deterioration. Corruption, growing unemployment, and lack of access to basic resources led to the general population's indignation and taking to the streets. The peaceful struggle and campaign of civil resistance was comprised of a series of demonstrations, marches, acts of civil obedience, and labor strikes. By engaging nonviolently, the protesters ensured that they did not provide the government with an opportunity to utilize force, an instrument that had been used on occasion in previous displays of discontent in order to keep citizens in a state of fear and passivity. Through peaceful means, the indignant population protested to denounce the government and its policies (Ali and Macharia, 2013).

But, above all, these popular social movements are a clear indication that wall of fear from despotic rulers and repressive regimes in these countries is irreversibly broken. The Arab Spring appeared to offer a clean slate upon which to remold social relations through the ending of an abusive authoritarian regime and the embrace of democracy (Johansson-Norgues, 2013).

The protesters from around the Middle East formed structured networks using the Internet and social networks as a means for communication and civil mobilization. For example, during the Egyptian uprising, Facebook had 34 million users and there were 2,313 active pages between January 11 and February 10, 2011 where participants discussed resistance strategies. At the same time, between January 10 and February 10, 93 million tweets on the revolution were exchanged within Egypt, and between Egypt and the outside world (Ali and Macharia, 2013). Although the government controlled the Internet and several times shut down both cell phone towers and internet providers, they were not able to destroy the self-organization of the protesters.

Although the Arab revolutions were not initially started within a feminist backdrop, the very rights that women have been asking for as a result of the revolutions, has made this a feminist cause in nature, which was fueled by anger at the injustices and suppression of their rights (Abdullatif, 2013). Women were at the forefront, and their active involvement was visible and vocal. They stood side-by-side with men in the squares of Tunisia, Egypt, Yemen, Libya, Syria, and Bahrain. They demanded freedom, dignity, equality, and social justice for all citizens – not just for women (Kassem, 2012).

The purpose of this article is therefore to locate women before, during and after the Arab Spring in order to assess the impact that the 'democratic revolutions' have had on the position of women in the Middle Eastern societies. My objective is to document women's role in the Arab Spring and give voice to their demands and expectation during the revolution. But once the euphoria ends and the people start dealing with the realities of post-revolutionary times, winners will emerge and losers will be pushed aside (Esfandiari, 2012) and we aim to see if women came out as winners or losers as a result of the Arab Spring.

For this purpose, a thematic content analysis is used to bring out themes present in the documents under analysis. Descriptive content analysis is especially useful for obtaining an overview of the main results reported in journal articles, conference publications and media reports. Due to the scattered nature of the information available on the Arab Spring, we are specifically interested in documenting women's role and expectation during the revolution. Furthermore, this paper aims

to see how the situation has changed regarding women's position and if their expectations were met.

WOMEN IN THE ARAB MIDDLE EAST

Women in Arab countries are not the same. However, there are cross-cutting issues facing women with differing intensities. Although modernization has assisted development in economic and social spheres all over the Arab world, the cultures and customs, such as the tribal honor system that prevails in the region prior to Islam, continue to contribute to the conservative orientation towards women (Alajmi, 2001). For instance, in the politico-economic and patriarchal systems, the role and place of women in society is gendered and limited to the private sphere. When women do participate in work force or engage in public life without authorization from the government, husbands, or elders, their actions are considered an obstruction, a threat to law and order, and in direct disobedience to societal norms (Ali and Machaira, 2013).

For example, in Saudi Arabia, for decades, women have endured many restrictions on their personal freedom and participation in the public sphere. Under the so-called "guardianship" system that prevails in the kingdom, women must have the written permission of a male relative, usually father, husband, or brother, to do a great many things women elsewhere can do on their own, including travel abroad, attend university, get married, appear in court, and even have some types of surgery. Saudi women are still being prosecuted and jailed for the crime of "disobeying" their fathers (Murphy, 2012).

The economic participation of Arab women remains the lowest of women anywhere in the world at 26.3 percent (De Alwis, 2012). According to Shah and Al-Qudsi (1990), a combination of family and career is possible only insofar as it does not interfere with one's role as a mother and wife. Literacy rates in the Middle East are among the lowest in the world. In 2006, UNESCO found that women accounted for two thirds of the region's illiterate population. It was estimated that gender parity in education in the Arab world stood at 0.69 per cent in 2004, one of the lowest rates in the world (Ibnouf, 2013). Some countries are exceptional, such as Jordan, which has an overall literacy rate of 91 %. Most, however, are closer to Iraq's overall rate of 40 %. Female literacy rates also vary: these are as high as 85 % in Jordan but remain below 50 % in many other countries (El-Husseini, 2015).

Improvements in education, health, and employment have been observed, but less so in politics. In 2010, the UN and the Arab League reported that women constituted only 10 percent of the total of parliamentarians in the region—the lowest rate in the world (De Alwis, 2012). Furthermore, Arab women's participation in the legislatures of these nations is one of the lowest in the world, 13.3 % in 2012 when female parliamentarians comprise about 20.3 % of national legislatures worldwide.

Another element that disadvantages women is limited access to information technology. More specifically, only 37 percent of women are Internet users compared to 63 percent of men. This is due to various factors, including fear of street harassment and the fact that few women work outside of the family and therefore lack access to computers and cyber cafes (Ali and Machaira, 2013).

Illiteracy, poverty, and conflict remain major challenges facing women. Nineteen Arab countries are party to the Convention on the Elimination of Discrimination against Women (CEDAW), but their reservations to CEDAW make the convention ineffective. Morocco and Tunisia withdrew reservations to CEDAW in 2011. At the same time, women acquired partial suffrage rights in Saudi Arabia to be exercised three years later for local government (Kassem, 2012).

In almost all Arab countries there is the absence of a specific law protecting women from violence, including intimate violence, and there is a lack of prosecution and punishment of perpetrators of violence against women. Crimes committed in the name of honor continue to be treated differently from other violent crimes in terms of investigation and prosecution, as well as prevention efforts. Perpetrators of "honor crimes" often benefit from a reduction of penalty under laws in most Arab countries (Equality Now, 2011).

In Egypt, more than 80% of women now say they've been street sexually harassed, and more than 60% of men admit to having done so. Ali and Machaira (2013) describe how women experienced severe oppression and sexual harassment during Mubarak's regime, which, unfortunately, has continued even after the fall of Mubarak. Other unequal legal policies that women face include discriminatory marriage, divorce, and child custody laws. There are a number of social phenomena that have been consistently used by the present-day political system to oppress women and exclude them from participating in politics. These are sexual harassment and "virginity tests." Sexual harassment entails touching a woman's body, stripping off her clothes, and even using sharp objects, while "virginity tests" involve confirming whether or not a girl/woman is a virgin. These two social phenomena have affected women in Egypt regardless of their age or location and have been repeatedly carried out by men at all levels: the military, army, colleagues, and family. Furthermore, studies indicate the prevalence of female genital mutilation (FGM) in Upper Egypt is among the highest in the worldwide and the law has not succeeded in adequately decreasing, let alone eradicating, its prevalence despite the fact that FGM was made illegal in Egypt in 1997 (Hassanin and Shaaban, 2013).

Legal provisions relating to the family in most Arab countries regulate marriage, divorce, maintenance, inheritance, custody, and citizenship rights. Many provisions are detrimental to the interest of women. For instance, in some Arab countries such as Syria, Jordan, Egypt, Libya, and Lebanon, men and women who are married to non-nationals are treated differently (Tabet, 2005; Equality Now, 2011). Men married to non-national women enjoy the full protection of the law and their children are granted citizenship rights whereas children of women married to foreign nationals are no citizens and are accordingly not entitled to socio-economic or political rights and privileges (Equality Now, 2011).

Most Arab countries have not set the minimum age of marriage, leaving the matter upon parents' discretion. The age of marriage for girls in Sudan is as young as 10 years. In Yemen, girls may be married as early as 12 or 13. In 1999 the government of Yemen made the situation worse by removing the legal minimum age of marriage – which had previously been 15 years old.

It can be said that women and youth have experienced forms of structural violence engineered by the state (political system) or state apparatus such as the military, the modern economic system, and the patriarchal system in their society (Ali and Machaira, 2013). The above mentioned injustices led thousands of women all over the Middle East to demonstrate on the streets to call

for a change in totalitarian regimes.

WOMEN'S PARTICIPATION IN DEMONSTRATIONS AND EXPECTATIONS FROM THE ARAB SPRING

Women's place in the Arab society had not always been visible and this changed during the Arab Spring. During the revolutions, women's participation side-by-side with their fellow male protestors helped in creating a sense of equality never witnessed before. In Egypt, tens of thousands of women joined men in Cairo's Tahrir Square, spending 24 hours a day there. Women felt safe and secure in a city known for its sexual harassment of women. For a brief moment, Tahrir Square became a symbol for the possibility of equality and a dignified relationship between men and women. This scene was repeated on Change Square in Yemen and on Pearl Square in Bahrain (Esfandiari, 2012). Rallying around the same slogans of 'dignity' and 'enough', the men and women of the Arab Spring seemed to act in such unison, even when faced with the authoritarian regimes' violent repression, that generations of ingrained social taboos about unrelated men and women mixing in public places appeared to be temporarily forgotten and gender roles suspended (Johansson-Nouges, 2013).

The January 25 revolution represented many firsts for Egypt. Not only did the people of Egypt stage a mass popular revolt numbering millions in a model civilized manner, but women were also treated as equals throughout the revolution. The truly pragmatic and focused nature of the revolution saw men and women work together to defend Tahrir Square, transport supplies, care for the wounded, man barricades, shout slogans, lead debates, and even work together to clean up the streets of the country that brought them all together. Women played an instrumental part in the revolution, and their efforts – representing roughly half of all protesters – were vital to its success (Khattab, 2012).

However, what is less well known perhaps is that initial protests in Benghazi were started on the 15th February by the mothers and families of 1,200 men who were brutally massacred by machine gun fire in the Abu Saleem prison in 1996 in Tripoli. These mothers had come out in protest after the lawyer they had appointed to ensure that those who killed their sons and husbands were brought to justice was imprisoned by Gaddafi forces the previous night (Abdullatif, 2013).

In Tunisia, the January "Jasmine" revolution illustrated that men and women had equal stakes in the transformation of their political and social reality and were equally committed to bringing about that change' (Mulrine, 2011).

In Saudi Arabia, the 2011 driving campaign in which on June 17 more than 60 Saudi women, in locations all over the country, drove cars to protest the ban on female drivers. Many of them videotaped their driving and then tweeted what they had done, which is how journalists knew there were 60-plus participants. It was the first time in many years that so many women had participated in a high profile public protest. It was evident that police had been ordered not to stop women drivers, and for the most part, police looked the other way when women were driving. Of course, there were some exceptions, including a few arrests. In addition, one judge in Jeddah issued a verdict of ten lashings for one young woman who was taken to court by prosecutors. But this verdict was annulled and never carried out. Then, in early 2012, female university students led campus protests at universities in Abha and Al-Qassim to complain about the condition of their

facilities and how they are treated. Male students joined in later. Although campus protests such as this were fleeting, they did signal rising consciousness among young women (Murphy, 2012). In addition, female human rights activists have been vocal in the press about the need for the kingdom to adopt a law prohibiting child marriage, and to set minimum legal ages for marriage. Although the government says it is studying this issue, no mandate has yet been announced. During the uprising, women expressed themselves in the public as demonstrators, mothers, breadwinners. We saw rows and rows of women in Yemen in full black veils representing the voice of women within their country, there were women on the streets of Bagdad, Iraq or in Bahrain calling for a change. In Saudi Arabia, women turned to social media to fight for their basic rights such as driving a car.

Although the revolutions started with men and women standing side-by-side against the government forces as equals, the demonstrations were not always safe for women, sometimes paying the price for participation with their bodies. Female activists were harassed, assaulted, violated, and subjected to various forms of violence. The idea was to intimidate women and keep them out of demonstrations. According to Khamis (2011), International Women's Day march in Egypt, which was supposed to attract a million women to rally for women's right, only managed to get five hundred women out to the square. They were shouted at by some men who told them to 'go back to the kitchen'.

In Tunisia, when the country's female lawyers appeared in demonstrations together with their male homologues on 6 January became victims of sexual harassment or rape at the hands of the security forces. The target for the gendered violence was mostly (devalued) women in poorer areas, but it can be inferred that the regime was trying to send a clear, systematic message of dissuasion to the emphasized woman lest they be next in line for such acts (Johansson-Nogues, 2013).

In Libya, hundreds of other women were raped during the conflict, many more were kidnapped. The systematic sexual abuse of women by Gadaffis forces was to bring shame and dishonor to families within the religiously conservative country. Aggression towards women in Libya was used to humiliate the male enemy and to compromise his male honor. As the intra-Libyan conflict wore on, the fear of rape would prompt many women to flee the country. The International Federation of Human Rights (FIDH) and the ATFD documented testimonies by Libyan female refugees who overwhelmingly stated that it was not the war and armed violence that had caused them to flee, but rather their fear of being sexually assaulted by Gaddafi's forces. Another concern that such interviews reveal is the attendant consequences of sexual violence: rape victims may be killed by male family members to restore family honour, while some men might even resort to killing their female relatives in order to prevent rape.⁶ International media, for their part, picked up on the case of Iman Al-Obeidi, a lawyer from Benghazi who burst in on a set of foreign journalists gathered in a hotel in Tripoli in March 2011, relating her horrors at the hands of Gaddafi's troops. Al-Obeidi was arrested by security forces while still speaking to the journalists present, and in later statements by the government she was accused of being drunk, a prostitute or mentally ill, and threatened with defamation proceedings in a clear attempt to undermine her personal credibility (Johansson-Norgues, 2013).

In conservative Egypt, where most women endured daily street sexual harassment in silence, the regime was determined to fondle and grope women in the hope it would shame them back home.

Instead, women held up their skirts torn into pieces for the media to see. It's one thing to be groped and harassed by passers-by, but when the state gropes you, it gives a green light that you are fair game. Furthermore, Egyptian female demonstrators were forced to take virginity tests. In case of refusal, women were accused of prostitution. This only shows the extent to which women's sexuality is used to keep them marginalized and silenced within society.

Amar (2011) reports how on March 9th, 2011 in Egypt, the women demonstrators were violently attacked by the state-paid thugs who dispersed the demonstration and reportedly detained at least 19 female protestors. The women were taken to different state dependencies and subsequently subjected to torture, sexually degrading treatment and so-called virginity tests. The women were sexualized and had their respectability wiped out: not just by innuendo and accusation, but literally, by sexually assaulting them in public and by arresting them as prostitutes, registering them in court records and press accounts as sex criminals and then raping and sexually torturing them in jail.

Women did not only face sexual abuse from state, but also from male demonstrators. When the famous Egyptian feminist Nawal Al Saadawi went to Tahrir Square in an effort to raise awareness about the necessity of having a parallel fight for women's rights in Egypt, that move was not welcomed by many in the square, who considered it either inappropriate or at least badly timed (Khamis, 2011). In 2012, mass sexual assaults in downtown Cairo targeted girls and women during a religious festival. The police watched and did nothing. The state denied the assaults took place, but bloggers at the scene exposed that lie; this encouraged women to speak out (Abdullatif, 2013). For many Arab women, their anonymity is an important aspect of their lives, therefore many women turned to internet not only voice their concerns but also expose government and male wrongdoings during the revolution. The internet provided a safe platform without worrying about the backlash from their families and authorities it might create. Along with this, within an online community, gender and sexuality are protected and women's role on social media during the Arab Spring cannot be underestimated.

The main issue with much of the information related to women in the Arab world revolves around letting others know what is affecting women. This is to educate others of the problems and dilemmas women face, at a national and international level. For example, Mona Eltahway's article on the issue of forced virginity tests on female protestors in the 'hope it would shame them back home', gained a lot of media attention, unlike the sexual assaults that occurred in Cairo years before the Arab Spring, which wasn't mentioned in mainstream media even though it sparked a huge social networking campaign (Abdullatif, 2013).

Women's participation in the Arab Spring was remarkable and not given enough attention that it deserves. There were issues that united them with their male co-demonstrators – to 'end the regime'. Yet, there were gender specific issues that separated women from their male colleagues. Women fell into two categories in this. The first was fighting for a regime change and didn't want gender to be part of the revolution, hoping that the regime change will also bring changes to women's lives. The second, used the revolution as an opportunity to fight for improvements for women now. Women in Egypt, Libya and other parts of the Middle East understood that little will be done to improve women's position in the society, from the right to work outside home or drive a car to sexual abuse and violence, unless women are included in the decision making. For

example, as in Libya, the Karama organization maintained that ‘the new Libya will fail to eradicate many of the abuses and discrimination perpetuated by the former regime without a strong commitment to responding to the legitimate demands of women’ (Johansson, 2013).

THE RESULTS OF THE ARAB SPRING ON WOMEN’S POSITION

In the wake of the Arab Spring, a number of Arab countries are now experiencing political transitions from revolution to democracy. However, the Arab Spring countries are not all at the same stage of transitional processes. In Tunisia, Egypt, Libya, and Yemen, despots and life-long rulers were toppled in response to peoples’ loud calls of “down with the regime.” In Syria and Bahrain, and, to a much lesser extent, Morocco, Jordan, Saudi Arabia, and Oman, popular demands are being crushed or co-opted by ruling autocrats and monarchs.

The autocratic regimes were replaced by transitional councils, boards, and committees. Political parties mushroomed once they were legalized and allowed to form and compete. Islamists started gaining ground, and the role of religion in the new states started taking shape in elections. Skepticism grew as the uprisings appeared to be opening a window of opportunity for Islamist and Salafist parties of varying religiosity to step-in and takeover – or rather, hijack – the revolts. Indeed, the uprisings unleashed the powers and influence of these religiously-led groups, which have been repressed under the ancient régimes. Lacking visible leadership and failing to organize, the uprisings opened a vacuum in governance, which the moderate Islamists and extremist Salafists quickly filled. Thus, women’s apprehensions of Islamists rose since they are perceived to be antithetical to women and hostile to their assumption of leadership positions. To add insult to injury, democratically-held elections gave Islamist parties the upper hand with a majority vote: in Egypt’s parliament 72 percent, Tunisia’s constituent assembly 40 percent, and Morocco’s parliament 26 percent of seats. Even when these parties nominate women –per legislated quotas – female representation remains tokenistic and cosmetic, at best, in terms of its effectiveness – an issue of quantity versus quality (Kassem 2012).

Saudi Arabia has leapt ahead of almost all other Gulf Co-operation Council states by introducing a 20% quota in Consultative Assembly of Saudi Arabia (Majlis Al-Shura). Although the Assembly has limited power, it was a huge step forward in women’s political participation. In Oman, only 1.3% of the elected Majlis Al-Shura are women; none in Qatar, and 11 out of 40 in Bahrain. Kuwait has four female MPs, three of those elected, and in the UAE, just seven of the 40 members of the Federal National Council are women.

As the dictators fell, the political parties that have been allowed to form are conceivably more concerned with consolidating their foothold than with fulfilling women’s aspirations for gender equality. Such an item lies low on their agendas, especially those of conservative and extremist parties with high religiosity. In addition, women were soon less likely to participate in politics once the Islamist parties were gaining popularity. Khamis (2011) highlights the fact that the number of women who were nominating themselves for the upcoming parliamentary elections in Egypt was fewer than the number of women who were nominated in the previous parliamentary elections under Mubarak.

The 2011 Egyptian parliamentary elections produced a doomsday scenario for women. Female representation dropped from 12 percent to less than 2 percent. Moreover, four out of the nine

women who won in elections are affiliated with the Islamist Freedom and Justice Party. These women are not gender-sensitive or women-friendly. They called for strict adherence to shari'a and for revisiting CEDAW, family laws, and laws related to violence against women (Kassem 2012). The share of female members of the constituent assembly in Tunisia was maintained at around 27 percent. This was the highest among the Arab countries until Algeria surpassed it in May 2012 with female representation standing at 31.4 percent. In Morocco, the share of female MPs grew from 10.7 percent to 17 percent. Both Tunisia and Morocco withdrew reservations to CEDAW in the post-2011 period. In Morocco, the prime minister stood by his promise not to impose Islamic dress or the veil on women. In Libya, the 2012 elections saw more than 600 Libyan women running for elections to the General National Congress and obtaining 33 seats out of 200 (16%). However, subsequently only two women ministers (of 40) were appointed in the new Libyan cabinet, and the presence of women in the Congress has elicited concerns on the part of certain male parliamentarians about men and women 'mixing' in public (Johansson-Norgues, 2013). In Syria, women have only three out of 72 seats in the new Syrian Opposition Coalition (Ibnouf, 2013). That means the number of women in national parliaments and cabinets in the transitional governments is significantly smaller than that in the pre-revolution governments. The election campaigns and results show that parties support women's leadership when it is in their interest to do so even by overlooking traditions or shari'a. They often look at women as a "symbol of the modern and change", hoping to gain women's votes by promising token seats for women in the parliaments.

As soon as the countries had their new parliaments elected, women quickly saw that they were again marginalized and left out of decision making and drafting the new constitutions. Women have made their voice heard in the Arab Spring revolutions at many levels; however, the 'gains' for women in terms of gender roles can be lost in the post-revolutions period, when 'going back to normal' is the priority (Ibnouf, 2013) The hope for change that had lit bright during the Arab Spring was quickly fading and there was a growing worry that countries are slipping back into pre-revolutionary era.

For example, according to Kassem (2012), as soon as the major uprisings cooled down, female activists were sent back home by the male-dominated political arena. Their previously gained rights were threatened: khul' (divorce) law, age of marriage for girls, female genital mutilation (FGM) in Egypt, return to polygamy in Libya (and possibly Tunisia), and even doing away with CEDAW and its emphasis on gender equality. Furthermore, the media focus has been on ultra-conservative religious groups with their backward, "dark age" views of women, brainwashing a large proportion of the 97 percent of Egyptians who get their information from television.

Tunisia's 2012 draft constitution is openly ambiguous about safeguarding women's equality in public and private spheres and about guaranteeing non-discrimination of women in the economic, social or legal spheres (United Nations, 2013). Moreover, women in the street have been harassed for their dress codes, for smoking, for drinking, for walking unaccompanied by male relatives or for participating in different types of protest marches. At different Tunisian universities, there have been incidents in which 'individuals have tried to impose religious dress on unveiled students and teachers and, in some cases, used violence and intimidation', while others report violence against veiled students (Ben Hassine, 2012).

Egyptian legal experts as well as United Nations (UN) specialists are in agreement that the male-drafted Egyptian Constitution, adopted in December 2012, did not prevent discrimination against women or safeguard the limited women's rights inherent in the PSL (e.g. marriage age, divorce, inheritance or the right to pass on citizenship to their children) (Johansson-Nogues, 2013). Similarly, Libyan or Yemeni opposition groups that negotiated the transition after the fall of Moammar Qaddafi and Ali Saleh did not include any women.

In the newly-elected Egyptian parliament, there has been a call for the decriminalization of female genital mutilation, for lowering the age of marriage for girls from 18 to 14, and for the abolition of a woman's right to file for divorce. Oddly enough, one of the MPs behind these calls was Azza al-Garaf, a woman member of the Muslim Brotherhood party (Esfandiari, 2012).

The male respect that women demonstrators from all walks of life reported from the anti-Mubarak Tahrir protests also appears to have vanished. Women's organizations report that sexual harassment in the streets is on the rise in Egypt, independently of whether the women being victimized are dressed in a Western style or wearing either the hijab (headscarf) or the niqab (only revealing the eyes). In addition, numerous acts of sexual violence have been committed against female journalists or participants in demonstration marches against the Muslim Brotherhood government. (Johansson-Nogues, 2013). Heba Morayef, the Egyptian director of the Middle East and North Africa division of Human Rights Watch, notes that when such attacks have been reported to the authorities there 'has been zero response' in terms of finding the culprits or prosecuting them (Voice of America, 2013).

Violence against women has also been a factor in Libya. Newspapers report that 'sexual harassment is used as a strategy to intimidate and threaten women who want to be politically active. Women are being beaten and arrested, harassed, and subjected to virginity tests and body searches. They are being chased out of public squares and polling stations on the basis that, being women, they should not mingle with men in public (Tripoli Post, 2013). Women's help centers, such as one managed by the nongovernmental organization Voice of Libyan Women, have also been targeted for acts of vandalism. However, such attacks go largely unreported as well as unnoticed, given that there are no specific laws to protect women from acts of violence and hence victims have no way of seeking redress from the authorities. (Johansson-Nogues, 2013). The new Libyan interim leader, Mustafa Abdul Jalil, announced that restrictions on polygamy will be lifted from Libyan law. He faced a barrage of protests by women, forcing the Libyan interim prime minister, Abdel Rahim Al-Kib, to be more nuanced by remarking that women have an important role to play in the new Libya (Esfandiari, 2012).

With the rise of Islamist parties and their electoral successes at the ballot boxes, the most intense hegemonic-masculinity discourses have so far emanated from many of the post-revolutionary countries. Although the overall picture looks grey, there are a few examples from the Arab Spring where women had some of their pleas answered.

The most important changes took place in Saudi Arabia, which together with Vatican City, were the last countries in this world not allowing women to vote. In 2011, as a result of Arab Spring, the Saudi King Abdullah granted women's suffrage and the right to run as candidates in local elections in 2015. But perhaps the most important step for women, since the Arab Awakening, has

been that the Saudi Labor Ministry has redoubled its efforts to get Saudi women, who now make up over 60 percent of university graduates, into the workforce. In June 2011, King Abdullah ordered owners of lingerie shops to replace all their male salesclerks – mostly expatriate men – with Saudi female clerks. He gave them until January 2012 to implement the order, which was done. This step opened hundreds of jobs to women, and they are set to soon replace male clerks in cosmetic stores as well. Increasingly, too, women are getting more opportunities in the higher education sector, with females now able to study law, engineering, pharmacy, and architecture at some Saudi universities. In addition, a significant percentage of Saudis studying overseas on government scholarships are women. Finally, the new head of the “morals police” (the Committee for the Promotion of Virtue and the Prevention of Vice, a force that famously patrols public places such as shopping malls to enforce gender segregation and modest dress), has announced that his officers would no longer harass women for not covering their faces. Now, those who choose not to cover their faces will not be harangued (Murphy, 2012).

In other Middle Eastern countries, women were also able to break into political circles and make a change. Tunisia was one of such example, where the transitional government invited Lilia Labidi, the most eminent scholar on gender issues in the Maghreb, to join the cabinet. She lived up to her reputation, and among the changes she introduced was removing the objection to a number of articles in the Convention on the Elimination of Discrimination against Women (CEDAW) (Esfandiari, 2012).

In more general terms, women as a result of the Arab Spring are not voiceless anymore, and are more vocal in their demands. They are more connected with regional and global networks within civil societies. They are aware that they can tap into global support for gender equality. Indeed, women are more organized, assertive, and aggressive in their demands (Kassem 2012). This is irreversible. The civil resistance gave women an opportunity to break through the ceiling of fear and silence, which are the two greatest threats to freedom, dignity, peace, and social justice (Ali and Macharia, 2013). Furthermore, some topics such as sexual harassment are no longer taboo to talk about via social media. Thanks to social media, abuses and violence against women gains more attention than it has ever before.

Although Middle Eastern women felt empowered through their participation in the revolution and a few changes have been made, there is still more that needs to be done in order for their voices to be valued and listened to in a legal and political context.

CONCLUSION

While most of their demands are yet to be fulfilled, such as the inclusion of women in the government and an end to police brutality, overall, the people were able to break through the glass ceiling of fear and intimidation. The fall of the regime does not yet signal the attainment of "bread, freedom, and dignity"; rather it marks the beginning of a long continuous journey toward a sustainable development and culture of peace (Ali and Macharia, 2013). The journey for women's rights has just began in the Middle East and the Arab Spring was the perfect opportunity for change. Change however needs to be continuous. Arab Spring should not be viewed as a static event in the past but rather a catalyst for radical change. The female activism in the Middle East faces obstacles unimaginable to the rest of the world and hence the least that can be done is to give

voice to women in the Middle East, hence the purpose of this article.

Overall, a grey cloud hangs over the future of women's rights in the countries of the Arab Awakening. The Islamists feel emboldened and will try to use their newly gained votes in Egypt, Tunisia, and Kuwait to limit women's rights and push for the implementation of the shari'a. Tribal customs not hospitable to gender equality might reemerge (Esfandiari, 2012). On the other hand, there are also indications of Islamists' gradual fall out of favor with the public (e.g. in Egypt and Tunisia), which may result in more favorable position for women in the society.

Recent years have seen changes in the discourse on women among male religious scholars, as well as an increasingly vocal presence of Muslim feminists. Pragmatically speaking, activists are using Islam as a basis to argue for more legal rights for women by reinterpreting Islamic religious texts and Muslim feminist scholars are working to integrate their belief in gender equality with their religion. Moreover, the presence of female activists has become much more noticeable in Islamist social services and charitable organizations (El-Husseini, 2015).

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THE PARADOX OF FORMAL POWER: COMPARATIVE ANALYSIS OF THE EFFECTS OF INFORMAL AND FORMAL LEADERS ON TEAM EFFECTIVENESS

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ABSTRACT

Logically, it would seem that informal leaders can have similar effects on firm performance as formal leaders can. This study compared the effects of informal and formal leaders on team effectiveness. Second, the pessimism of employees was tested as a moderator weakening the association between informal leadership and team effectiveness. Employee's negative feeling weakened the relationship quality between informal leadership and team effectiveness, supporting the pessimism's role as moderator. Formal supervisory power didn't contribute augmenting the impact size on team effectiveness. Furthermore, the leadership group possessing only informal power sources excelled at executing an influence on team effectiveness.

Leadership can occur in several different ways. Leadership includes top-down, bottom-up, and lateral influences (Avolio, Walumbwa, & Weber, 2009). It is commonly understood that anyone in a group can take a leading role in driving organizational change (Gronn, 2004). This type of leader can appear from any level within an organization. Scholars in the field of organizational behavior have acknowledged informal leadership as an important variable (Bass, 1990; Doloff, 1999) in the functioning of organizations but done little empirical research on informal leadership. Therefore, this perspective complements the traditional emphasis on formal leadership (Day, Gronn, & Salas, 2004, 2006; Gronn, 2000).

Due to the complexity and ambiguity of teams in today's workplace, it becomes hard for a single leader to carry out all leadership roles (Day et al., 2004). Comparing teams of the past with today, today's teams have more autonomy and power in decision-making (Guzzo & Dickson, 1996). With the emergence of empowered teams and flattened organizational structures, the conventional models of leadership have been challenged (Mohrman, Cohen, & Mohrman, 1995). In this autonomous team context, informal and emergent leaders influence the cooperation of team members and team performance (Luft, 1984; Neubert, 1999).

A study of informal leadership will contribute to our understanding of leadership generally. It will help us understand how organizations can benefit from awareness of the impact of informal leadership on team performance studied here. Informal leaders can have similar effects on firm performance as formal leaders. Logically, it would seem that informal leaders might affect team and team member performance (Pearce & Manz, 2005; Ensley, Pearson, & Pearce, 2003), even though informal leadership does not emerge from organizational position.

The association between informal leadership and team effectiveness is examined in this study. Second, the pessimism of employees is tested as a moderator weakening the association between informal leadership and team effectiveness. Last, two leadership groups, i.e., leadership group 1 (informal plus formal, also called dual) and leadership group 2 (only informal) are formed through

the classification. The effects of these two leadership groups on team effectiveness are examined to determine whether there is a significant difference in the effects of dual vs. informal leaders.

LITERATURE REVIEW

Informal Leadership

In the early stage of leadership research, one study defined leadership as an emerging collective process (Sherif & Sherif, 1953). Other research has considered shared leadership to be one type of informal leadership. Perry, Pearce, and Sims (1999) explained shared leadership “as a unique team process that facilitates the achievement of a number of outcomes, including selling team effectiveness” (p. 36). This emerging concept of leadership means that team members get involved in leadership procedure, even though they are not assigned to official positions (Schneier & Goktepe, 1983).

According to McGregor’s Theory Y, most workers are genuinely honest and are inclined to do what is right for the organization (McGregor, 1960). Hollander and Julian (1969) argued that individuals who correspond well with followers’ ideal type of leader were acknowledged by followers as leaders. Geenleaf (1977) suggested the idea that leaders who are not assigned or designated formally can exert great influence. Behavioral self-management (Thorenson & Mahoney, 1974), cognitive behavior modification research (Meichenbaum, 1977), social cognitive theory (Bandura, 1986), and participative goal-setting research (Erez & Arad, 1986) also formed the historical bases for the idea of empowering leadership. Manz and Sims (1984) posited that high-performance groups often do not use formal leadership structures. Lawler (1986) studied the organization structure of highly involved management in order to motivate workers’ participation in organizational processes. Finally, new concepts such as shared leadership, collective leadership, distributed leadership, emergent leadership, and motivation to lead have begun to attract more attention in leadership studies. These rising concepts work as different sources of leadership in team settings. Gronn (1999a & 1999b) asserted that leadership influence can take the distributed form rather than necessarily taking the concentrated form as had been previously assumed. The newly emerged leadership concepts encouraged followers to participate in influence process. “

HYPOTHESIS DEVELOPMENT

Informal Leadership and Team Effectiveness

Leadership is an essential element in order to understand the effectiveness of teams (Yeatts and Hyten, 1998; Yukl, 1998) and is an important predictor of team effectiveness (Cohen & Bailey, 1997; Kozlowski, Gully, Salas, & Cannon-Bowers, 1996). The newly emerging styles of leadership including self-leadership (Manz & Sims, 1993; Pearce & Manz, 2005), distributed leadership (Barry, 1991), and shared leadership (Katzenbach & Smith, 1993) have been found to be positively correlated with more effective teams.

Leadership is positively related to organizational performance measures. Eisenhardt and Tabrizi (1995) suggested that project leader power contributes to shortening the cycle time for product development. More specifically, leadership plays an important role in improving team effectiveness (Hackman & Walton, 1986; Kozlowski et al., 1996). Zaccaro, Rittman, and Marks (2001) examined how leadership dimensions were associated with team effectiveness and team

processes by applying a functional team approach. With a sample of 71 management teams, Pearce and Sims (2002) measured cross-functional team members' perceptions of team leadership behavior and looked into how the team members' perceptions affected customer, managerial, and team self-ratings of effectiveness. They concluded that formal leadership was less influential on effectiveness than collective team leadership. Avolio, Jung, Murry, and Sivasubramaniam (1996) analyzed individual level data and posited that perceptions of shared leadership were positively associated with later self-ratings of team effectiveness.

Sivasubramaniam, Murry, Avolio, and Jung (2002) posited that perceptions of shared leadership enhanced later perceptions of team effectiveness. Pearce, Yoo, & Alavi (2004) posited that shared leadership improved team processes such as social integration and problem solving quality, using a sample of 28 teams. Taggar, Hackett, and Saha (1999) found that leaderless student work teams became more effective with a higher mean level of leadership shared by the team leader and team members.

Today's teams have become more autonomous, exerting more influence in the decision-making process (Guzzo & Dickson, 1996). Without formal leaders, student work teams tend to share leadership roles and to show higher means in leadership. As empowered teams appear and organizations adopt flat structures, the traditional types of leadership start to encounter resistance (Mohrman et al., 1995). In an autonomous team, the level of cooperation among team members is related to team performance (Luft, 1984; Neubert, 1999). The extent to which each individual member perceives shared leadership appears to have a positive effect on later self-ratings of team effectiveness (Avolio et al., 1996). When leadership is shared by team members, it tends to be more strongly related to team and organizational performance than the traditional, vertical type of leadership (Ensley, Hmieleski, & Pearce, 2006; Hoch, 2007). Shared leadership appears to influence team performance through increased information sharing and the participation of team members (Mehra, Smith, Dixon, & Robertson, 2006). For example, some studies show that in an organizational hierarchy informal or shared leadership offered by organizational members may have impacts on team or unit-level effectiveness (e.g., Friedrich, Vessey, Schuelke, Ruark, & Mumford, 2009; Klein, Ziegert, Knight, & Xiao, 2006). Hiller, Day, and Vance (2006) argued that shared leadership is a crucial factor for team effectiveness, looking at the association between collective team leadership and the performance of a state department. They found that collective leadership had a positive impact on team performance. Carson, Tesluk, and Marrone (2007) collected data from a sample of 59 consulting firms concerning the relationship between shared leadership and team performance and found the two variables were positively related. Forty-two independent samples of shared leadership and its effect on team effectiveness were examined and meta-analyzed by Wang, Waldman and Zhang (2014).

As evidenced in previous literature, informal leadership influence other organizational outcome variables positively. Strong informal leaders can encourage other workers to learn work related knowledge, to perform well, and to master their work. Consequently, I hypothesize that informal leadership will contribute to team effectiveness.

Hypothesis 1. Informal leadership is positively related to team effectiveness.

Moderator of Pessimism

Reacting to situations that they encounter in the workplace, organizational members feel and show emotions. The range of emotions include the spectrum from highly positive, such as optimism and joy, to highly negative emotions, such as frustration and anger (McCull-Kennedy & Anderson, 2002). Emotion influences other variables such as enthusiasm, turnover, absenteeism, and work engagement. Employees' levels of work engagement are related to their emotional status (Dubinsky, Yammarino, Jolson, & Spangler, 1995). Therefore, leaders who understand emotions seem to inspire subordinates to work more effectively and efficiently (Grossman, 2000) and to enhance team performance.

Pessimism is one of emotional states experienced by employee in the workplace (Thiel, Connelly, & Griffith, 2012). Pessimism causes loss of control and certainty (Connelly, Gaddis, & Helton-Fauth, 2002). With negative feelings, employees tend to lose their appetite to work and decrease their efforts (Manion, 2000). Self confidence becomes doubtful because of pessimism (Thiel et al., 2012). The pessimistic person is suspicious of current situations (Keltner, Ellsworth, & Edwards, 1993). Similarly, those who are discouraged by negative emotions tend to lose confidence in their ability. Furthermore, pessimistic people expect negative events to happen more and positive events to happen less (Bower, 1981; Salovey & Birnbaum, 1989).

Prior research on shared leadership paid attention to its direct impacts on other variables (Hoch, Pearce, & Welzel, 2010). In this research stream, some scholars (Hoch, 2007; Pearce & Conger, 2003) suggested the possible influence of other variables on this direct link. The intensity of the direct relationship between shared leadership and team variables ranged widely from $\gamma = .15$ (Pearce & Sims, 2002) to $\gamma = .27$ (Ensley et al., 2006). As suggested, age, diversity, and coordination weakened or strengthened the relationship between shared leadership and team performance as moderators (Hoch et al., 2010). Therefore, the possibility of other moderators should not be overlooked. Other variables can cut into this direct link as moderators. Following this line of reasoning, it would seem that the pessimism of employees can act as a moderator by diminishing the association between informal leadership and team effectiveness.

Hypothesis 2. Employees' pessimism weakens the relationship between informal leadership and team effectiveness.

Comparing the Effect Size

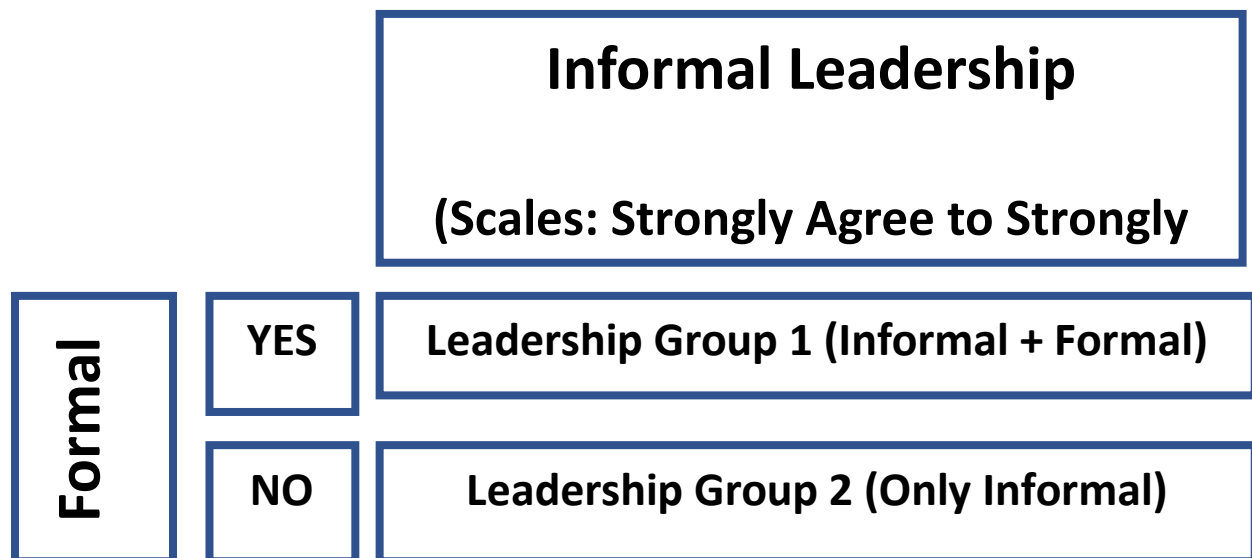
Informal leaders can be as influential as formal ones in changing organizational functioning by using their unofficial ties and by exercising social influence (Balkundi & Kilduff, 2006). However, most leadership research has focused on formal leaders rather than informal leaders. Most existing research simply poses a differentiation of one type from the other. Therefore, a systematic approach on how formal and informal leadership styles work differently within organizations has the potential to contribute to both theory and practice in the area of leadership studies. Leaders, formal or informal, motivate members and direct them toward goals. Both formal and informal leadership styles can contribute to organizational performance. In an organization, leaders can possess the qualities of the two leadership styles. All formal leaders execute different levels of informal leadership. Informal leadership, in combination with formal leadership, can play a critical role changing the levels of these variables. This analysis is intended to advance our understanding of formal and informal leadership, and the similarities or differences in how they affect team

performance. The main research question is this: Is there a significant difference in the strengths of supervisors who also report they have informal leadership qualities vs. informal leaders who do not have supervisory responsibilities in influencing team effectiveness? Since formal and informal leaders use different bases of power and authority, and have different methods of affecting other organizational variables, the comparison becomes an interesting research question (Bass & Steidlmeier, 1999; Fairholm, 1998).

Realistically, some employees assigned with official positions exert both formal and informal leadership, others exert only informal leadership. Employees categorized as formal leaders also marked the extent of their own informal leadership on Likert scales. Formal leaders are those who reported formal supervisory responsibilities. The item asks whether subjects are given formal supervisory responsibilities. Subjects are instructed to respond “Yes” or “No.” Different levels of influential power as informal leaders interact with their possession or non-possession of formal authority. Two leadership groups are formed through the classification. Each cell may influence the dependent variables differently. Therefore, Leadership Group 1 indicates respondents who occupy supervisory positions and also report they are informal leaders. Leadership Group 2 indicates informal leaders without formal supervisory positions. It is natural to reason that with one more power source, Leadership Group 1 has a stronger impact on team effectiveness than Leadership Group 2.

Hypothesis 3. Individuals who exert both formal and informal leadership will have a stronger effect on team effectiveness than those who exert only informal leadership.

FIGURE 1



SCALE DEVELOPMENT

Procedures

All of the measures for each variable were derived from the Age and Generations Study, which is a secondary data source. There are 582 questions in the Age and Generations Study. To procure measurement validity, several procedures are suggested. First, a group of items was sorted from the Age and Generations Study and combined into scales. Initially selected measures were examined by the advisory committee for face validity. Through this process, irrelevant items were excluded. Finally, Cronbach's alpha was calculated to check internal consistency between items. Table 1 shows Cronbach's alpha of each scale. Cronbach's alpha provides an estimate of internal consistency. Cronbach's alpha is used to indicate the degree to which a set of test items measure the same construct. All of the values are larger than .7, indicating an acceptable level of internal consistency (George & Mallery, 2003). We averaged all of the items for each variable to form a composite score to measure that variable. The composite score was loaded for analysis afterward.

TABLE 1

<i>Cronbach's Alpha of Each Scale</i>	Cronbach's alpha
Informal Leadership	.756
Team Effectiveness	.890
Pessimism	.807

Informal Leadership (Leadership Group 2)

This study focuses on informal leadership, relying on self-assessment data collected in the aforementioned study. Even though some informal leaders do not possess any formal authority, they consider themselves to be perceived as leaders within organizations. We were interested in the factors that led them to be recognized as informal leaders, so we looked for attitudes and behaviors that would logically be associated with informal leadership in order to construct a relevant scale. Brass (1992) found that the influence of informal leaders originated from their centrality within organizations, with more central individuals likely to be more influential. Consequently, this study used two concepts, centrality and influential power, as guidelines to pick items reflecting informal leadership from the Age and Generations Study. In addition, another model for selecting items relating to informal leadership was provided by Antonakis, Avolio, and Sivassubramaniam (2003), who focused on the self-reported ability of leaders to influence the decisions of followers. Possible survey items in the Age and Generations Study that might indicate informal leadership were reviewed and four six-point Likert scale items were selected with responses ranging from "strongly disagree" to "strongly agree." The items include the following:
I have a say in the way my work group performs its tasks.
My coworkers openly share work-related information with me.
I am able to influence decisions that affect my work group.
I am usually invited to important meetings in my organization.

With these four items, a Cronbach's alpha of .756 was calculated, indicating a sufficient level of internal consistency. If two items "My coworkers openly share work-related information with me" and "I am usually invited to important meetings in my organization" were eliminated,

Cronbach's alpha improved, producing a Cronbach's alpha of .828. Since statistically significant levels were satisfactory either way, we kept all four items for analysis. Since this study focuses on informal leadership except for analysis of the last hypothesis, respondents reporting that they had supervisory responsibilities were excluded from the sample for analysis of all hypotheses except for the last.

Dual Leadership (Leadership Group 1)

Some members in an organization exercise both formal and informal leadership. Age and Generation study asked respondents if they possess formal supervisory power. Subjects responded "Yes" or "No." The respondents who answered "Yes" for the questionnaire were categorized into Leadership Group 1 meaning that they are formal leaders with different extents of informal leadership. Concerning informal leadership, they also marked on a six-point Likert scale ranging from "strongly disagree" to "strongly agree." Different levels of informal leadership interact with their possession of an officially assigned position.

Team Effectiveness

Team Effectiveness requires team members to coordinate their actions (Zaccaro et al, 2001). For Team Effectiveness, four six-point strongly disagree-strongly agree Likert-type survey questions were identified. These items were the following: "The members of my work team make good use of each employee's talent", "The members of my work team use effective communication strategies", "The members of my work team use the resources available in an effective way", and "The members of my work team manage conflict within the team effectively." This constructed scale produced a Cronbach's alpha of .890, indicating a sufficient level of internal consistency.

TABLE 2

Beck Hopelessness Scale for Item Review Process

2. I might as well give up because I can't make things better for myself.
4. I can't imagine what my life would be like in 10 years.
7. My future seems dark to me.
9. I just don't get the breaks, and there's no reason to believe I will in the future.
11. All I can see ahead of me is unpleasantness rather than pleasantness.
12. I don't expect get what I really want.
14. Things just won't work out the way I want them to.
16. I never get what I want so it's foolish to want anything.
17. It is very unlikely that I will get any real satisfaction in the future.
18. The future seems vague and uncertain to me
20. There's no use in really trying to get something I want because I probably won't get it.

Pessimism

A person might feel some doubts about his or her own competence as well as current or future prospects. To measure the extent of pessimism, Beck Hopelessness Scale (Beck, Weissman,

Lester, & Trexler, 1974) worked as a guideline in order to select appropriate items from Age and Generation Study. The eleven items were selectively used for consideration. The eleven items are shown in Table 2. The items were reviewed to identify major aspects of pessimism. Passive attitude, negative future perspective, and loss of confidence were found to be three major ideas of pessimism. Based on these observations, I identified six questionnaire items to use as indicators of a pessimistic viewpoint. The six-point Likert scale strongly disagree, strongly agree items included “Sometimes, I feel depressed”, “Sometimes when I fail, I feel worthless”, “Sometimes, I do not feel in control of my work”, “I am filled with doubts about my competence”, “I do not feel in control of my success in my career”, and “There are times when things look pretty bleak and hopeless to me.” Internal consistency was measured with Cronbach's alpha, which measured .807, indicating a satisfactory level of internal consistency.

STATISTICAL ANALYSIS

As a tool for analysis, multiple linear regression analysis is adopted to test Hypothesis 1 and Hypothesis 2. For Hypothesis 3, concerning the comparison of formal and informal leaders' effects on team effectiveness, partial eta squared was used.

DATA

The analysis is based on the Age and Generations Study. The data were collected from 2007 (November 12th) to 2008 (October 1st) and released at 7th of October at 2013 by Pitt-Catsoupes, Marcie, and Michael Smyer. Data are available through the ICPSR website (<http://www.icpsr.umich.edu/icpsrweb/ICPSR/studies/34837>). Detailed information about the data set is given in the reference section. The observation unit is the individual with a sample size of 2,195 employees. This survey data set contains employee and employer outcomes which relate to the experiences of work teams in five industry sectors. Retail, pharmaceuticals, finance, health care, and higher education are included in the industry sectors. The study is cross-sectional. Data were collected by paper and pencil interview as well as a web-based survey. The data source contains 582 variables. After a thorough review of 582 items, 24 variables were selectively used for this study.

Variable Descriptions

Table 3 shows the average values for the six variables. Respondents somewhat agree on their own qualifications as informal leaders. The average age of 1,221 respondents is 40.79 years with an average educational level between two year college and the bachelor's degree. On average, respondents have worked for currently employed companies for eight years. Correlations are shown in Table 3. The asterisks are used as a signal to indicate the statistical significance of results. The significance level less than .01 (or .05) denotes that the correlation is significant and the two variables are linearly associated. It cannot be said that all these associations are meaningful. For example, the relationships between age and education and between age and gender are not based on theoretical assumptions described above.

TABLE 3

	Mean	SD	1	2	3	4	5	6
1. Team Effectiveness	4.17	1.04	—					
2. Age	40.79	12.48	-.06*	—				
3. Seniority	7.65	8.39	-.05*	.58**	—			
4. Education	4.68	1.71	.15**	.01	-.05*	—		
5. Gender	1.60	0.49	-.01	.12**	.14**	-.18**	—	
6. Informal Leadership	3.98	1.19	.47**	.04	.11**	.33**	-.07**	—
7. Interaction in lead pessimism	11.47	4.61	.13**	.04	.11**	.18**	-.08**	.60**

* $p < .05$, ** $p < .01$

RESULTS

Hypothesis 1, concerning the relationship between informal leadership and team effectiveness, was supported at the .01 level ($\beta = .62$) indicating that informal leadership was positively related to team effectiveness. The regression results of Hypothesis 1 are shown in Table 5. Interaction term (informal leadership \times pessimism) is created for moderator analysis. Hypothesis 2, concerning the moderating role of pessimism between informal leadership and team effectiveness, demonstrates a negative impact of pessimism, as shown in Table 3 ($\beta = -.23, p < .01$). Pessimism is positioned as a moderator between informal leadership and team effectiveness. A positive slope between informal leadership and team effectiveness gets smaller as the moderator, pessimism increases. In addition to this, the informal leadership's effect on team effectiveness grows as pessimism increases as indicated. With all of these facts, it appears that the employee's pessimism weakens the relationship between informal leadership and team effectiveness, supporting pessimism's role as moderator. Finally, for Hypothesis 3, concerning the comparison analysis of the effects on the final outcome variable, team effectiveness, between two leadership groups, which are dual leadership (Group 1) and informal leadership (Group 2) partial eta squared was used (Table 6). Partial eta squared is a default measure of effect size reported in factorial ANOVA procedures in SPSS. This analysis shows that leadership group 2 ($= .33$) has a bigger impact on team effectiveness than leadership group 1 ($= .28$). Interestingly, this means that for informal leaders, having a formal supervisory position does not help improve the effect size. Rather, organizational members executing only informal leadership style can have a bigger impact on team effectiveness than those having both power sources, informal and formal leadership. It is logical to think that informal leadership combined with formal power would be more powerful than informal leadership itself. However, this study indicates that informal leadership alone is more effective than dual leadership.

TABLE 4

<i>Model</i>	<i>Summary R</i>	<i>R Square</i>	<i>Adjusted Square</i>	<i>R</i>	<i>SE of the Estimate</i>
.516a		0.27	0.26		0.89

TABLE 5

<i>Multiple Regression Analysis Coefficient</i>	<i>SE</i>	<i>T-Ratio</i>	<i>P-Value</i>	
Intercept ()				
Age	-0.03	0.00	-0.98	0.33
Seniority	-0.08	0.00	-2.71	0.01
Education	-0.01	0.02	-0.40	0.69
Gender	0.03	0.05	1.18	0.24
Informal Leadership	0.62	0.03	18.89	0.00
Inteaction_infol ead_pessimism	-0.23	0.01	-7.13	0.00

TABLE 6

<i>Comparison Analysis of Effect Sizes (Hypothesis)</i>	Std. Error	t	sig	95%Confid nce Interval	Partial Squared	Eta	
B							
Lower Bound				Upper Bound			
Group 1	.63	.04	16.36	.00	.55	.70	.28
Group 2	.63	.03	25.18	.00	.58	.68	.33

CONCLUSION AND DISCUSSION

Leadership means power and ability to exert influence over others (Bass, 1990; Yukl, 1981). A traditional perspective of leadership posited that leadership is a top down, hierarchical process from individual leaders to their followers. This view of leadership essentially counts on position power (Pearce & Sims, 2002). “Most leadership development efforts have been narrowly focused on individuals who occupy formal leadership positions, or are being groomed to eminently occupy such positions.” (Pearce & Manz, 2005, p. 130) Followers are confined to their passive roles without having leadership roles. From the conventional perspective of leadership, leaders exert their influence over the team, with the leader positioned external to and superior to the team (Druskat & Wheeler, 2003). This concept of focused leadership has dominated leadership studies (Gronn, 2002). From this perspective, leaders work as the initiators and conductors in influence processes (Drath, 2001; Pearce & Conger, 2003). Most leadership research focused on this established standpoint and studied how individual leader characteristics, skills, and behaviors influence other organizational variables (Bass, 1990). This traditional concept of leadership is still dominant in leadership research.

In this stream of leadership research, informal leadership has received little academic attention. Scholars have done little to develop the concept of leadership from different angles. Informal leadership has seldom been studied. However, leadership is not an activity that can be monopolized by one single leader. Leadership power can be split and shared across teams or throughout the organization. Team member oriented leadership, in a word, “team leadership” has started to gain more attention in recent years (Bowers & Seashore, 1966; Day et al., 2006; Gronn, 2002), even though focused leadership was still the dominant paradigm. We are not saying that focused leadership became obsolete. Instead, current and future leadership research must encompass both the classical perspective and more recent studies of informal leadership in order to establish a holistic understanding of leadership processes and outcomes (Day, Gronn, & Salas, 2004; Pearce & Sims, 2002) and develop a model of thoughtful leaders, both formal and informal (Pearce & Manz; 2005).

Some employees hold both formal and informal leadership, while others hold only informal leadership. Two leadership groups (Leadership Group 1 and Leadership Group 2) were created as appeared in Figure 1. Different levels of influence as informal leaders interact with their possession or non-possession of formal power. The strengths of these two leadership groups in affecting team effectiveness were examined and compared. Initially, it seemed that informal leaders would be influential when designated as formal leaders. Employees included in Leadership Group 1 hold

both formal and informal leadership. Employees from Leadership Group 2 display only informal leadership. It seemed reasonable to think that formal power with informal leadership would be more influential than informal power by itself. Unexpectedly, the results indicated that formal supervisory power combined with informal power did not contribute to team effectiveness. Rather, it decreased the positive effect of informal leadership on team effectiveness. The leadership group possessing only informal power sources reported more influence on team effectiveness. It will be interesting to investigate why formal power with informal power has a smaller effect than informal power alone. Perhaps formal power is even less influential than informal power. Further research to pick out formal power by itself and to examine its single effect on team effectiveness could not be made in this study. Through future research, we will be able to examine how formal power functions to decrease team effectiveness and how it interacts with informal power sources. The contradictory aspects of formal power are reserved for a future study.

Most leadership research has focused on the traditional vertical type of leadership. Recently, leadership research started to investigate the role of followers. There is no single best type of leadership that can work in every type of situation. In order to reach a desirable stage of leadership, leaders have reciprocal relationships with followers reacting to various situations such as industry type, culture, level of economic advancement, and type of task. From time to time, formal leaders need to be flexible and to recognize the leadership qualities of followers. With this delegation process, followers can take significant roles in a dynamic context. Concentrating on formal power over followers, leaders may ignore the desirable aspects of informal leadership, affecting organizational outcome variables negatively. This study is meaningful in that it shows the importance of informal leadership and power delegation, and should stimulate future research on that perspective. Additionally, systematic analysis on how informal and formal leadership work differently and interact with each other within organizations can make theoretical and practical contributions in leadership research.

Another possible topic for future research is the potentially negative aspect of informal leadership. In certain situations, informal leadership can be more influential than formal leadership. If informal leadership works positively, it can complement formal leadership. However, if the purpose of informal leadership is to interrupt formal leadership processes, organizations may end up falling into the dysfunction.

Even though secondary data is not free from genuine weaknesses and limitations in creating scales, utilizing it has several advantages compared to making use of primary data collected by survey. First, it saves time without the need for data collection, data coding, and data entry. Second, depending on a huge sample size and a large amount of money invested to develop the dataset and reliable statistical methods, publicized data leads us to have theoretically and statistically meaningful relations between variables. Third, publicly available data allow for confirmatory analysis and further testing. With a plethora of leadership research that has emphasized the traditional formal leadership perspective, this study attempted to examine the qualities that contributed to developing informal (i.e., shared or distributed) leadership and its effect on team effectiveness. I hope this study stimulate further research related to informal leadership.

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DISRUPTIVE INNOVATION MODEL FOR B-SCHOOLS: PROFESSIONAL DEVELOPMENT AND CAREER SUCCESS

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ABSTRACT

This paper deals with the following question: Is it possible to implement a disruptive B-school model to better meet the ever-changing marketplace needs for graduates with professional development skills in order to enhance their career value? To seek a possible answer to that question, the researcher followed this procedure: First, research was conducted on the general topic of disruptive innovation, professional development ideas for college students, and career success of business people. Second, based on the research discovered, a model for professional development and career success of business students will attempt to be developed. The result will be a professional development model for B-schools with a general design for the freshman, sophomore, junior, and senior years of business students, culminating in long-term career success.

INTRODUCTION

Current economic stimuli challenge colleges and universities, including especially collegiate business schools and programs (B-schools), to learn new ways of competing not only globally and financially but also professionally. In general, higher education is “a catch-all for a variety of educational programs” that leads to degrees (Randall, 2011). The business degree must meet a growing need to prepare students to compete professionally. This need for preparation is illustrated by a comparison of positive indicators such as unemployment levels falling about seven percent for 20- to 24-year olds who have college degrees and of negative indicators such as the underemployment rate for young college graduates being 15.9 percent (Grace, 2016).

It is likely that today’s college graduates may be too optimistic about career expectations (Kadlec, 2015), since only 17 percent of May 2014 grads had jobs at graduation; more than 80 percent of college students graduate without a job (Svrluga, 2015). While such low percentages may have something to do with economic factors, a possibility is that B-schools are not providing needed professional development for students. There is a wealth of anecdotal information about professional development for college students. Unfortunately, there is little qualitative or quantitative research about how B-schools are evolving to personally and professionally prepare students for careers.

York College of Pennsylvania’s Center for Professional Excellence found in one of its polls that” nearly 60 percent of the hiring decisions for new college graduates are based on assessments of the applicants’ professionalism; yet 86 percent believe that levels of professionalism have not increased (Gioia, 2010). Thus it would be beneficial to know how B-schools are providing solutions for the professional development needs of their students that will lead to career success. Rather than leave professional development needs to a career services department on campus, perhaps it is time for B-schools to implement a disruptive model in their systems that will best serve the needs of their students.

PURPOSE AND DESIGN OF STUDY

This paper deals with the following question: Is it possible to implement a disruptive B-school model to better meet the ever-changing marketplace needs for graduates with professional development skills in order to enhance their career value? To seek a possible answer to that question, the researcher followed this procedure: First, research was conducted on the general topic of disruptive innovation, professional development ideas for college students, and career success of business people. A broad usage of the term “disruptive innovation” was selected to describe a situation in which a B-school implements a new professional development service for students that challenges established incumbent processes of professional development.

Second, based on the research discovered, a possible disruptive innovation model for professional development and career success of business students was developed. This is model could be especially helpful for small B-schools who have little or no formal programs. The result sets forth a general design for the freshman, sophomore, junior, and senior years of business students, culminating in long-term career success. Third, a look at possible research needs based on disruptive innovation theory was explored for continual improvement of the proposed model.

RESEARCH AND ANECDOTAL INFORMATION REVIEW

The impact of personal and professional development has a large potential for positioning a B-school in a community and among colleagues, competitors, and parents and students. Regrettably, current research findings point in a more negative direction than a positive one. Thus the need for a new direction possibly opens the door for a disruptive innovation model.

DISRUPTIVE INNOVATION

The theory of disruptive innovation “explains the phenomenon by which an innovation transforms an existing market or sector by introducing simplicity, convenience, accessibility, and affordability where complication and high cost are the status quo. Initially, a disruptive innovation is formed in a niche market that may appear unattractive or inconsequential to industry incumbents, but eventually the new product or idea completely redefines the industry” (Christensen, 2015). There are four important points to be considered:

1. Disruption is a process. Disruptive innovation must consider the evolution of a product or service over time not just at one fixed point.
2. Disrupters often build business models that are very different from those of incumbents. An innovative business model will effect a disruption in general practices that rely on experiences.
3. Some disruptive innovations succeed; some don't. Not every disruptive path results in triumph.
4. The mantra “Disrupt or be disrupted” can misguide us. Relationships must still be strengthened while creating growth opportunities (Christensen, Raynor, & McDonald, 2015).

Since disruption theory can guide strategic choices, disrupters must continually look for products or services to introduce and then improve and upmarket those products or services. It is assumed that B-schools will seek a change process that is affected by the interests of students and the marketplace and then provide those resources needed. They will focus on the internal processes to best offer their services.

PROFESSIONAL DEVELOPMENT

A survey of 613 students from public and private two- and four-year colleges and 400 employers whose organizations had at least 25 employees was conducted by the Association of American Colleges and Universities (AACU). They found that 37 percent of employers think students are well prepared for careers; 46 percent of the students think the same thing (Jaschik, 2015). A different survey of 2,001 students (18- to 24-year olds) or recent graduates and 1,000 hiring managers who had interviewed recent graduates said only two out of five students and recent graduates were prepared for a job in their field of study (Dostis, 2013).

One study, resulting from a test administered to 32,000 students at 169 colleges and universities, found that 40 percent of college seniors fail to graduate with the complex reasoning skills needed in today's workplace (Selingo, 2015). Another study discovered a disconnect between the readiness of college seniors and what employers want. On a range of nearly 20 skills, students were consistently rated low by employers. Only 25 percent of employers agreed that students were creative and innovative; 57 percent of students said they were (Selingo, 2015). In one survey of opinions regarding 17 career-learning outcomes, on 15 of those outcomes the percentage of students who said they were well prepared was at least double the percentage of employers who felt that way (Mulhere, 2015). A McKinsey & Company survey found that 40 percent of employers said students lack the proper skills to fill entry level positions (Fuscaldo, 2015). A similar study by Instructure agreed: "only 8 percent of managers say entry-level employees are very prepared to contribute immediately at work" (James, 2015).

A survey of employers conducted by AACU and Hart Research Associates discovered that 58 percent of employers said "improvements are necessary to prepare students for success in entry level positions, and over two-thirds said more needs to be done to prepare students to move up the corporate ladder" (Fuscaldo, 2015). A report dealing with analyzing the student skill index for job preparation in their field of study revealed that only 39 percent of employers felt recent graduates were prepared for a job; 50 percent of the students said they were very or completely prepared (Grasgreen, 2013).

One report says cultural fit is the biggest factor when a hiring manager choose employees (43 percent); the top three characteristics companies want are a positive attitude (84 percent), communication skills (83 percent), and an ability to work on a team (74 percent) (Rogers, 2014). Most agree that important components include enthusiasm about learning, internships, extracurricular activities, initiative, case interviews with employers, mock interviews with alums, and workshops for students. In general, it could be said that "integrated project-based learning and real-world internship experiences build the crucial link between academic achievement and future economic success" (Edutopia, 2014). Such professional knowledge can be "the ultimate

manifestation of an organization's [a B-school's] competencies and the fruit of a knowing culture" (Hatten & Rosenthal, 2002).

On behalf of students, the director of Michigan State's Collegiate Employment Research Institute says employers are asking 23-year-old new graduates to know as much as 35-year-old experienced workers" (Selingo, 2013). Yet B-schools are included in the popular view that U.S. colleges and universities are not producing job-ready candidates. This view is based on three trends: academia is teaching obsolete skills—e.g., teaching writing by assigning term papers and reports; academia has lowered its standards—grade inflation; and academia treats students like customers—revenue streams (James, 2015). If true, responsibility needs to be shared with recruiters to fill gaps: delve deeper to find the work ethic—find out what they've achieved that they are most proud of and what truly motivates them, hire for attitude rather than skills—train employees to develop other skills they need to excel in, and increase corporate training budgets (James, 2015). At some point, students need to take time to educate themselves about the needs of employers and the marketplace.

CAREER SUCCESS

Career success is a concept difficult to measure. One person believes that career success begins with leadership, and leadership begins with self-discovery. Specifically, "you can only start to maximize your potential once you know exactly who you are, and what is important to you (Graham, 2009). Another person records five secrets to career success:

1. Focus on hard skills. A majority of hiring managers (55 percent) prioritize hard skills over personality (21 percent) when hiring.
2. Be the change you want to see. Hiring managers believe millennials are open to change (72 percent), creative (66 percent), and adaptable (65 percent).
3. Prove you're a team player. Only 27 percent of hiring managers chose millennials as team players rather than Gen X.
4. Stand out as a "loyalist." Only 58 percent of millennials report they expect to be in their job fewer than three years; displays of loyalty indicate employers should invest in your professional future.
5. Consider alternative paths. Being agile and flexible enough to shift is a key to success for many employees (Salpeter, 2014).

A third person says there are six actions that promote career success and help achieve fulfillment on the job: *Gaining clarity*—understand exactly what you want and what matters most to you; *transforming desperation into inspiration*—learn how to be more accountable, responsible, and capable; *enforcing your boundaries*—honor your priorities, and communicate what's necessary to succeed and grow; *committing yourself 100 percent*—commit yourself to our goals without doubt; *communicating powerfully*—talk in ways that inspire others to follow and support; and *nurturing empowered relationships*—invest time and energy in building mutually-beneficial relationships and solid bonds (Caprino, 2012).

Another individual indicates there are seven keys to career success. The seven ideas are based on items created by Go For It! Institute. Have a positive attitude, believe in myself, build positive habits, make wise choices set and achieve goals, use my creative imagination, and be persistent

(Bilanich, 2012). Another way to view the list is as the 4Cs: *clarity* of purpose and direction, a sincere *commitment* to taking personal responsibility for your life and career, unshakeable *self-confidence*, and *competence* in four key areas—creating positive personal impact, outstanding performance, dynamic communication, and relationship building (Bilanich, 2012).

Finally, one other person indicates the biggest predictor of career success is being in an open network instead of a closed one—i.e., “half of the predicted difference in career success (promotion, compensation, industry recognition) is due to this one variable” (Stillman, 2016). This individual describes an open network as people acting as the node that connects different groups and requires assimilation of different and conflicting perspectives. Based on the above lists, it is obvious there are as many opinions about career success as there are people to share ideas about it.

What Some Colleges Are Attempting

Not all college graduates have high-quality college experiences, link key college experiences to workplace engagement, or look beyond grades, test scores, and resumes (Busteed & Seymour, 2015). Thus a number of colleges are trying to adapt to the changing entry-level job market. The following are some suggestions for what colleges could do for their students:

1. Provide career counseling and job search training starting on day one. Require students to complete coursework providing education on the job market, where specific majors can be applied in the workforce, how to identify one’s transferrable skills, how to construct a résumé, how to interview, how to network, etc.
2. Staff career services with professionals who know something about the job market, people with practical job market expertise who are experienced in connecting job seekers and hiring companies.
3. Improve outreach to the small/medium employer market, use virtual career fairs and video interviewing technology to schedule interview days for employers, and enlist alumni to assist.
4. Create internship opportunities for undergraduates, and be more aggressive in working with employers to create them.
5. Evaluate colleges based on published job placement statistics—quantify the number of grads going to grad school, the number employed in professional positions using their degrees, and the number unemployed or underemployed.
6. Be open to innovative third party intermediaries who know how to connect new grads and hiring companies; (i.e., completely outsource the career services function to experts in job placement) (Svrluga, 2015).

Because of a growing need to demonstrate value-added education, it seems reasonable to shape a unique professional development niche. A few universities are experimenting with how best to add values to the education they offer. Some are trying to do a better job of blending a liberal arts education with professional career readiness. Some are attempting to connect students with alumni mentors or having students shadow executives. Others are adding entrepreneurship programs to their curriculum or using executives in residence to work with students. Still others use business clubs as a base for inviting practitioners to campus to speak to students. One larger university

invites leaders of companies started by their alumni back to campus for seminars and networking with students.

In addition, colleges can help students gain competency via four activities: encourage teamwork—“working in silos is counterproductive for adulthood;” be future-focused—measure post-graduate success; teach complex thinking skills—jobs in the modern workplace “require innovation, creativity, and the ability to look at a task and not only see the outcome, but also imagine different ways to achieve it;” and round out the curriculum—provide a well-rounded education including arts (science, technology, math, history, and communication) (Caron, 2011).

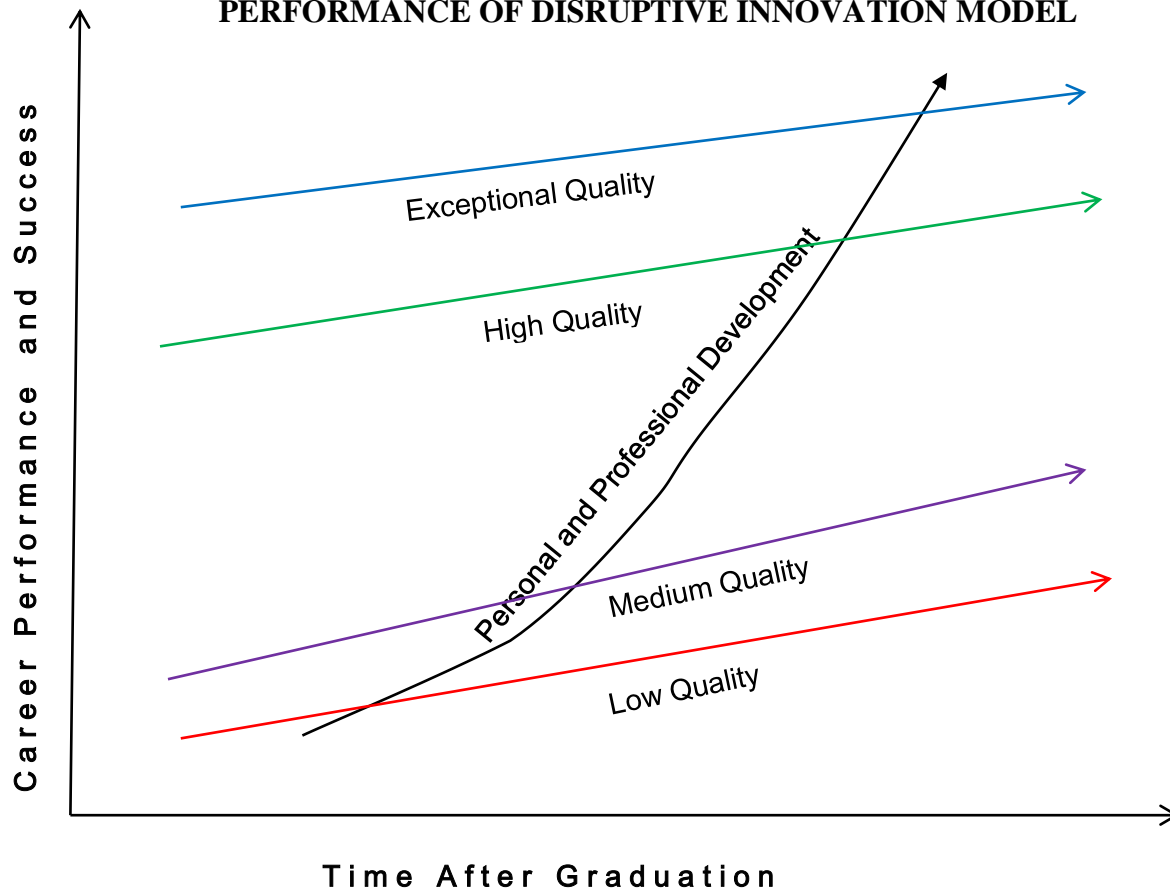
A FOUR-PART PROFESSIONAL DEVELOPMENT MODEL

During the summer of 2016, faculty of the Oklahoma Christian University (OC) College of Business Administration (CBA) begin to discuss a disruptive innovation model which could overcome the employer disconnects about B-school graduates. Several universities have created undergraduate and graduate professional development plans for its student population (see UTSA, 2016) which were instrumental in the formulation of a model for the OC CBA. Our goal was to prepare one specifically for B-schools.

An introductory model was agreed upon for implementation in the 2016 fall semester and was presented first to incoming freshman business majors who attended the OC CBA Boot Camp three days before student and academic meetings began (Kelly, 2016). An aim was to overcome a possible abstractness of the term “professional development” in the minds to freshman and sophomore students. Like many B-schools the OC CBA, provides students with four-year plans to meet their 126- or 150-hour requirements. A personal and professional development plan seemed a logical addition to meet employer needs. See Exhibit 1 (end of document).

It is obvious that we still have much to learn since the implementation of the model just begun in the fall semester 2016. More research is needed in professional development not only in all B-school disciplines but specifically at the OC CBA. All business classes have now been introduced to the personal and professional development model. Disruption theory predicts that when new products or services are introduced, the initiator must pursue a sustaining strategy. Disrupters must improve their products; thus it is our goal to tweak the model yearly and continue to personally engage students in more professionally-oriented activities that will augment career success. Portfolio development is one such future possibility.

**EXHIBIT 1
PERFORMANCE OF DISRUPTIVE INNOVATION MODEL**



Whether the new model is disruptive will require some form of measurement. To measure whether the model improves what recruiters and employers say about the preparation of B-school graduates, a five-year longitudinal study of employers will need to be conducted, using the 2015-2016 graduating class as the baseline. See Exhibit 2. The next four years graduates' employers will receive the same questionnaire; the results then will be compared to determine whether success is being obtained. Are the results of low, medium, high, or exceptional quality? Do the longitudinal results follow an upward slope? Getting it right matters. On the other hand, it could be that we are just an outlier with no way to account for any atypical outcomes.

CONCLUSION

Professional activities add value to business education, and a four-year track to prepare students for what happens after graduation should increase value. The impact of personal and professional development also has a large potential for positioning a B-school in a community and among colleagues, competitors, and parents and students. In the next five to ten years, the competitive world of business could see a real transformation in how B-schools educate students who are ready on day one to meet job requirements beyond expectations of employers.

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PART-TIME EMPLOYEE PERCEPTIONS OF LEADERSHIP INTEGRITY

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ABSTRACT

Integrity has been identified as a concept that touches every aspect of business and a significant issue for leaders. The purpose of this research was to assess the integrity of managers as perceived by part-time workers. The Perceived Leader Integrity Scale (PLIS) was used to collect data from respondents. The research addressed the following question: To what degree are managers considered “low ethical,” “moderate ethical,” and “high ethical” on the PLIS. It was determined that the majority of managers in this study, as rated by their part-time workers, were “moderate ethical.” A number of possibilities exist for future research using the PLIS.

INTRODUCTION

Business history and scholarly research reveals that both individuals and organizations engage in dishonest, unethical, and even illegal acts. Worldwide corruption is a serious problem, and needs to be understood and combated (Rabl & Kuhlman, 2008). Moral standards vary from person to person and are influenced by a number of factors such as one’s norms, beliefs, values, and traditions (Hosmer, 1994). Bernie Madoff and others taught us through vicarious experience about dishonesty in the workplace. One’s moral standards influence not only one’s perception of the intensity of a moral dilemma but also one’s propensity to act in an immoral manner (Valentine & Rittenburg, 2007).

Few professions are immune from public embarrassment of ethical misconduct. Ethical misconduct has become a conspicuous part of corporate life. Men, women, children, and organizations have yet to achieve an enlightened state where all personal and business behaviors are governed by the very highest ethical standards. Managing organizational and ethical behavior is a pervasive problem for every leader. Employee decisions whether to behave legally and ethically are influenced by many situational, individual, and cognitive factors.

An outpouring of empirical research has sought to understand how leaders might do the right thing by building on ethics within their organizations. Integrity, ethical leadership and decision making have been evaluated; attempts to learn what styles of leadership influence people ethically have been made. Integrity is at the heart of all leaders and leadership relationships—not an accessory.

LEADERSHIP INTEGRITY

Ethical leadership and behavior are recognized by employees and first-time managers as fundamental characteristics of effective leaders. Integrity has been labeled as a key characteristic of future global leaders and the vital criteria in determining success by managers and executives. Recommendations have been made for integrity definitions, the role and factors of integrity, signs of integrity in leaders, ways of demonstrating integrity, and why leaders need to lead with integrity. Studies have shown that integrity is necessary to build trust (Elm, 2003). Likewise, integrity as a character strength of leaders has been explored. Sixty-plus years of research led to a conclusion

that real leaders are great because “they demonstrate integrity, provide meaning, generate trust, and communicate values” (Bennis & O’Toole, 2000).

If integrity can be defined as honesty, adherence to moral and ethical principles, consistency between what a person says and does, trustworthiness, or walking the talk, then one’s values and beliefs, ethics and character, and knowledge and skills are sources for leadership (Suggs, 2007; Admin, 2015; Bowes, 2015). Integrity is said to involve respect for self, respect for others, and responsibility for all personal actions (Cunningham, 2002). Integrity has been cited as “the hallmark of the morally intelligent person” and one of four principles “vital for sustained personal and organizational success” (Lennick & Kiel, 2008). Behavioral integrity has been shown not only to be a critical ingredient for transformational leadership but also a highly problematic and consequential element of successful change management (Simons, 1999). It touches every aspect of business (Simons, 2008).

Five characteristics of integrity also have been proposed: To behave honestly and practice ethical behavior in all interactions, ensure that the highest standards for ethical behavior are practiced throughout the organization, avoid political and self-serving behavior, courageously stand up for what you believe in, and be a role model for living the organization’s values (Goldsmith, 2015). Other characteristics include sincerity and consistency, substance and character, and finishing well (Fogleman, 2001). Surveys of over 75,000 people globally which asked what they most looked for and admired in a leader selected “leader honesty” more than any other leadership characteristic (Kouzes & Posner, 2007). Trustworthiness and integrity have been linked as important aspect of effective leadership (Bass, 1985; Gillespie & Mann, 2000).

However, it should be noted that “the definition of leader integrity has been the subject of significant disagreement in both the philosophy and leadership literatures” (Moorman & Grover, 2009). Additionally, integrity research has been said to suffer from “confusion and disagreement about the term;” this disagreement has prevented theoretical model development on cause and effect relationships and empirical testing of those relationships (Palanski & Yammarino, 2007).

PERCEIVED LEADER INTEGRITY

A regained interest in leader integrity divides it into two dimensions: behavioral integrity and moral integrity (Simonsa, 2013). The core value of behavioral integrity is consistency, moral integrity, effectiveness (Chi & Chi, 2014). Yet the question of whether leader integrity matters to employees remains. “More specifically, we do not know exactly when followers’ impressions of leaders’ integrity develop, how those impressions change over time, nor even which leader behaviors are most influential in the impression formation process” (Craig & Gustafson, 1998).

Perceived integrity based on judgments of consistency and morality has been tested via various scales, and theoretical examinations of definitions of integrity, ethics, and morality have been reviewed. Leader fairness and empowerment of behavior also have been examined (Hartog & De Hoogh, 2009), and perceptions of ethical leadership behavior have been tested and replicated (Moorman, Darnold, & Priesemuth, 2013). A meta-analysis has been conducted on the effects of the perceived behavioral integrity of managers on employee attitudes (Davis & Rothstein, 2006). Perceived integrity of transformational leaders in organizational settings and its correlates with

effectiveness have been researched (Parry & Proctor-Thomson, 2002). The effects of exemplification, delivery, and ethical reputation on the perceptions of leader charisma, effectiveness, and integrity have been reviewed (Gardner, 2003).

In addition, integrity and ethical leadership have been related to consideration behavior, honesty, trust in the leader, interactional fairness, socialized charismatic leadership (as measured by the idealized influence dimension of transformational leadership), and abusive supervision; outcomes have been predicted on perceived effectiveness of leaders, followers' job satisfaction and dedication, and their willingness to report problems to management (Brown, Trevino, & Harrison, 2005). Subordinate perceptions of manager's integrity has been shown to determine how much they trust their manager, which influences their attitudes and performance (Kaiser & Hogan, 2010).

Five principles of ethical leadership have been identified in a perceived leader integrity scale: respects others, serves others, fairness and justice, honesty, and building community (Northouse, 2013). Integrity has been recognized as a key component "in the definition of servant and ethical leadership, and honesty, authenticity, sincerity, respect and righteousness are major virtues and descriptors that make up this leadership integrity" (Chi & Chi, 2014). Seven domains related to leader integrity have been identified: training and development, resource/workload allocation, truth-telling, unlawful discrimination, compliance with policies and procedures, maliciousness, and self-protection (Craig & Gustafson, 1998).

METHODOLOGY

MEASURES

The Perceived Leader Integrity Scale (PLIS) was used in this study to measure part-time employees' perceived ethical integrity of organizational leaders. The PLIS consists of 30 items concerning perceptions of another person's behavior in an organizational setting (see Craig & Gustafson, 1998). It was written with three types of foci: global attribution ("is evil"), behavior-toward-rater items ("lies to me"), and behavior-toward-others items ("lies to other people") (Whelan, Stoughton, Craig, & Parry, 2014). Responses indicate the degree to which a person's behavior is viewed as ethical. For example, responses range from 1 (not at all), 2 (barely), 3 (somewhat), and 4 (well, or exactly). Statements are presented in the form of phrases such as, "Puts his or her personal interests ahead of the organization" or "Can be trusted with confidential information."

The statements are scored with lower scores indicating perceptions of higher levels of leader integrity. Specifically: a score of 30-32 = high ethical; 33-45 = moderate ethical; and 46-120 = low ethical. The high ethical range means the person being evaluated is seen as very trustworthy and principled. The moderate ethical range indicates the person might engage in unethical practices under certain conditions. The low ethical range shows the manager being evaluated does things that are dishonest, unfair, and unprincipled almost any time he or she has the opportunity.

A correlation analysis of the PLIS questions has shown that a strong correlation exists for the vast majority of questions on the PLIS scale and is highly reliable (see McCann, J. & Holt, R., 2009;

White & Lean, 2008). Specifically: “the PLIS has demonstrated satisfactory internal consistency, with Cronbach’s alpha greater than .97” (Craig & Gustafson, 1998).

DEMOGRAPHICS

Forty undergraduate college students from a small southwestern university comprised the sample in this study. The respondents are currently working part-time (10-20 hours per week) or have worked part-time for at least three months out of the last twelve months. The PLIS questionnaire was answer individually, not in groups. The demographic data characteristics can be seen in Exhibit 1.

Exhibit 1 Demographic Data

Demographics	<i>N</i>	Percentage	Mean Score
Gender	40		
Male	23	42.50	41.26
Female	17	57.50	41.00
Age	40		
18-25	40	100.00	41.15
Ethnicity	40		
African	4	10.00	46.50
African-American	5	12.50	48.20
Asian	4	10.00	49.72
European-American	25	62.50	33.76
Hispanic	2	5.00	31.50

DESCRIPTIVE ANALYSIS

Areas of concern were gender, age, and ethnicity. The determinants were selected and based on generally accepted guidelines used in numerous studies. Ethnicity covered the most common groups. Three research questions were addressed.

1. To what degree are managers viewed as “low ethical” on the PLIS?
2. To what degree are managers perceived as “moderate ethical” on the PLIS?
3. To what degree are managers perceived as “high ethical” on the PLIS?

Results for the demographic factors are presented for the 30 statements. For example, if all respondents selected number 1 as a response, their total mean score would be 30. If they selected number 4 as a response, their mean score would be 120.

RESULTS

DEMOGRAPHICS

Demographics were collected from respondents in this study to consider the following variables—gender, age, and ethnicity—as possible determinants in how the part-time managers responded to the PLIS scale. See Exhibit 1.

GENDER

The percentage of male participants was 57.5 percent; females, 42.5 percent. The mean score was extremely similar—41.26 for males; 41.00, females. These numbers represent a moderate ethical scoring for the managers rated in this study and do not indicate any significant difference in the way males and females view managers.

AGE

Since all respondents were in the 18-25 age range bracket, no differences in age ranges could be noted. Future studies will add the following age ranges possibilities—26-35, 36-45, 46-55, and 56-65. At least one study has shown that the ethical opinion of managers rises in relation to the age of the employee (McCann & Holt, 2009). Do younger workers trust managers less than older workers trust managers or leaders?

ETHNICITY

The findings on ethnicity revealed some interesting points. Specifically: the mean scale for Africans was 46.50; for African-Americans, 48.20. Similarly, the mean score for Asians was 49.72. However, the mean score for European-Americans was 33.76; for Hispanics, 31.50. These results point to a significant need for further research related to gender and PLIS since 37.5 percent of those taking the PLIS were represented by a typically non-white population. Why three ethnic groups rated managers with higher scores than did the other two ethnic groups is speculation. Not knowing the demographics of the managers they were rating limits trustworthy answers to “why.”

PLIS SCORES FOR MANAGERS

Taken as a whole, the part-time employees perceived the integrity of their managers or leaders as moderate ethical (26 managers, 65.0 percent), high ethical (7 managers, 17.5 percent), and low ethical (7 managers, 17.5 percent). The three research questions addressed in this study had the following results.

1. To what degree are managers viewed as “low ethical” on the PLIS? Three females and four males had low ethical managers; the female mean score was 55.0, and the male mean score was 71.25. Thus the males seemed to have had more managers in the midrange of the low ethical range than did the females; the females were more like to have managers in the high range of the low ethical scores. These respondents

- apparently believed the managers they were evaluating did things that are dishonest, unfair, or unprincipled when the opportunity presented itself.
2. To what degree are managers perceived as “moderate ethical” on the PLIS? Thirteen females and thirteen males had moderate ethical managers. The female mean score was 38.6, and the male mean score was 36.5. These respondents’ impressions met the scoring suggestion that their managers might engage in some unethical behaviors under certain conditions.
 3. To what degree are managers perceived as “high ethical” on the PLIS? Interestingly, only one female had a high ethical manager; however, six males had high ethical managers. The female mean score was 30, and the male mean score was 31.5. These respondents were fortunate to have had managers they considered very trustworthy and principled.

Because of the high reliability of the PLIS scale, any number of groups and teams could be given the questionnaire and measure the results by such demographics as those in this study.

CONCLUSION

Integrity is an important concept, and it has been written about considerably. Previous research has looked at how leaders are perceived on various leadership survey instruments. The research in this study investigated the perceived leadership integrity of managers and leaders using the PLIS scale. Craig and Gustafson (1998) have demonstrated the PLIS could be used to determine worker (subordinate) rated levels of managers. In addition, the PLIS has implications for various types of future research and practice with executives and managers, 360-degree feedback evaluations, organizational development efforts, ethics programs and training, behavioral testing and feedback, job satisfaction, and employee attitude and opinion assessments.

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Bio/Photo



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TALK THE TALK: THE RELATIONSHIP BETWEEN COMMUNICATION SKILLS AND HIREABILITY AND THE MODERATING EFFECT OF ONLINE EDUCATION

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ABSTRACT

Relying on Signaling Theory and Social Categorization Theory, we conducted a survey of 124 college students in the Southern United States and analyzed if applicants' communication skills are positively related to their hireability. Additionally, we investigated if the relationship between an applicant's communication skills and hireability is moderated by educational institution (traditional vs. online). Our findings show that employers prefer good communication skills over type of educational institution (traditional vs. online) when making hiring decisions.

INTRODUCTION

What exactly are recruiters looking for during an interview? Is it communication skills, educational background, experience, or who you know? This question has been asked by applicants and Human Resource managers alike for years. The current study relies on signaling theory and social categorization theory to test the relative importance of communication and educational background on hireability.

THEORETICAL BACKGROUND

According to signaling theory, "in the absence of complete and accurate information, decisions makers rely on observable factors or signals as substitutes" (Hannon & Milkovich, 1996). "Signaling theory applies especially in the situations where the occupational selection process is marked by a high degree of uncertainty regarding the candidate's suitability with the requirements of the vacant position" (Spence, 1974; Bills, 2003). Interviewers must look for signals (such as good communication skills) to determine hireability. People signal by the way they carry themselves, speak, and interact (Karasek & Bryant, 2012). A signal is only as good as it enables signalers to set themselves apart from the rest (Spence, 1973).

According to Social categorization theory, individuals are more likely to interact with and find credible those individuals in their own subgroups and less with those in out-groups (DeRue, Hollenbeck, Ilgen, & Feltz, 2010; Fay, Borrill, Amir, Haward, & West, 2006; Lord, Foti, & De Vader, 1984; Rosch, 1978). The interviewer may identify themselves with the applicant if they have similar skills or if they attended a similar education institution. Thus, perceptions of universities may be determined by past educational experiences of the interviewer. Given the relative increase in online course offerings over the last 10-15 years, an interviewer who has been in the workforce long enough to rise to management level may have graduated from a traditional

university and have a negative view on applicants who received their degree from an online university (dissimilar to them).

Social categorization theory also holds that individuals have multiple social identities and certain identities will hold more significance than others (Melton & Cunningham, 2014). In this case, the applicant's educational institution will affect the interviewer decisions depending on the perceived perceptions of certain educational institutions (online or traditional). Social categorization similarly leads to the salience of similarities and differences, increasing the perceived similarity of those in the same category and the perceived differences of those in different categories (Tajfel, 1982). If an interviewer obtained their degree from a traditional educational institution, they may have a negative perception of applicants who received their degrees from an online institution because they want to associate themselves with people with similar credentials.

Importance of communication skills

Surveys from recruiters suggest interpersonal skills are amongst the most important characteristics of applicants (Eberhardt, McGee, & Moser, 1997). Interpersonal skills are known for the ability to communicate with other individuals such as coworkers, supervisors, and customers (Chen-Cheng, Yin-Mei, & Mel-I, 2011). "Communication is a vital way of doing business and businesses cannot grow in the absence of effective communication. Employees with excellent communication skills always enjoy good jobs and promotions" (Kumar 2010).

Job interviews are crucial components of hiring in countless industries; employers make hiring decisions based off of how well the interview went. There are times that the interview will even take precedence over the candidates' resume qualifications (Graves & Powell 1995).

Communication and interpersonal skills seem to be evolving. As they evolve, more pressure is being emanated from leading organizations to seek existing or future employees with great communication skills. Without effective communication skills, organizations cannot function effectively. Employers look for applicants with solid communication skills. Employers' hiring decision is signaled and affected by the applicant's communication skills.

Hypothesis 1: There is a positive relationship between communication and a) recruiter perceived interpersonal skill b) hiring recommendation and c) likeliness to be pursued by employer.

Education Background

When it comes to traditional vs. online degrees, the topic is still a little sensitive, depending on the audience. If this question were asked ten or fifteen years ago, the majority of the public would have answered in a similar way (traditional is better than online), but we will investigate the matter further.

When examining applicants, the type of institution (traditional or online) in which the applicant attended sends signals to employers and affects hireability decisions. In addition, the skills developed from an applicant's institution will reflect the abilities of the candidate in the interview. Candidates signal to employers their competences by means of their educational credentials (Spence, 1974 & Bills, 2003). Adams and Eveland (2007) thoroughly tore apart and analyzed the

websites of three groups of universities. The groups were separated into the categories of: traditional/residential universities, online accredited universities, and online unaccredited universities. The 150 websites were then categorized by marketability. Online universities are quickly gaining market share by capitalizing on convenience and imitating degrees from traditional style universities. “It has been noted that the market success of all online programs hinges on selling convenience, and that many students are attracted to the notion that the non-residential programs are “quick and easy” (Adams & Eveland, 2007, p. 69). The target market areas for online degrees are people that live in rural areas, working professionals, and single parents. Students are seeing online programs as the convenient way to achieve a higher education without going through the face-to-face time demand required of a residential program. But what about the value of these degrees to the business and academic world? How can we measure what is really being learned or who is learning it for that matter?

“Several research studies indicate that that degrees earned online are not as acceptable as traditional degrees for graduate student admissions” (Defleur & Adams, 2004). Recognizing this fear, most online universities have success testimonials in their websites, unlike most traditional schools, to alleviate the consumers’ concern that their degrees will be of less value than that of a traditional university. Bristow takes an in-depth look at traditional college courses versus online courses at an undergraduate level (2003). A couple of interesting topics are addressed in this article such as: “How does the trend to distance education and online delivery of business courses impact student perceptions of the educational experience and learning outcomes?” and “Are all students equally prepared for and will all students equally embrace the evolving pedagogies?” Answers to these questions were done by questionnaires, and data was collected from students enrolled in a variety of universities majoring in business. More than 30 percent of the sample held negative perceptions of online courses. It was interesting to read that students that have not taken any online courses have a stronger belief that students that take online courses are more prone to cheating on exams compared to those that do take online courses. In a comparison to nonbusiness majors, business majors believed that online course attendees were also more likely to cheat.

Interestingly, Students that have taken online courses “more strongly” believe that they are receiving the same amount of instruction and learning in the eyes of their employers, and will most likely continue to do so. When comparing business to nonbusiness majors, nonbusiness majors believe stronger than those that are business majors, that they are receiving the same amount of education in online courses. In addition to this, a high portion (47 percent) of the students that were surveyed admitted that taking online courses was a poor educational choice.

Other research has found mixed results. Kaupins, Wanek and Coco thoroughly examined traditional vs. online programs sought from employers for hireability and found mixed perceptions (2014). Some recruiters preferred to hire students who completed face-to-face traditional programs (Kohlmeyer, Seese, & Sincich, 2011). Additionally, a national survey found that 95% of a total of 159 healthcare administrators preferred to hire someone from a traditional degree program rather than an online program (Adams, Defleur & Heald, 2007).

Others support that on-campus learning for students is a safe place to learn in and transition into adulthood (Long, 2013). Online programs may lack interpersonal experiences, have weak reputations, and poor quality (Long, 2013). Employers were skeptical of online programs because

they are concerned about social isolated risks, academic dishonesty, poor quality of instructions and information overload for students (Sapp & Simon, 2005; Waschull, 2001).

On the other hand, there has been an increase in employers that are accepting online degrees. Directors of Human Resources and Chief Learning officers gathered data from a survey and found that 62% had a positive attitude toward online teaching and view online learning equal to or greater than face-to-face classroom instruction (Hartman, 2007). Also mentioned in the article, employers favored the flexibility of schedules and lowered travel expenses of online degree programs (Gagne & Shepard, 2001). It appears that employers are realizing more and more students or potential employees are applying for jobs with a more diverse educational background than ever. Depending on the hiring manager's biases, it might come down to which type of program the applicant graduated from to determine employment.

In general, there are understandably different perceptions when employers make a hireability decision from various educational and work experience factors. Recruiters analyze resumes to prescreen applicants for future career opportunities (Chen-Cheng et al., 2011). Resumes profoundly influence the way applicants express their job related characteristics for employment opportunities (Cole, Field & Stafford, 2005). Recruiters themselves also play a huge factor in the hiring process and the recruiter's preferences for an ideal job candidate might make the difference to receiving an interview or getting the job offer. The resume is a picture of the person skills and education and, often times can make a difference for landing a job. When examining applicants, the type of institution (traditional or online), in which the applicant attended, sends signals to employers and affects hireability decisions. If an applicant obtained a degree from an online university, it is possible that the lack of face-to-face classes may negatively affect the interviewer's perception of the applicant's communication skills. In other words, recruiters may be skeptical if the students from online institutions possess the interpersonal skills required for the position. Therefore, we argue that a moderating relationship exists:

Hypothesis 2: The communication/hireability relationship is moderated by the applicant's educational institution (traditional vs. online) such that demonstrating good communication skills is more important for applicants from an online institution.

See Figure 1 for theoretical model.

METHODS

We conducted a survey of over 124 college students in the Southern United States. Participants were recruited to complete the survey via face-to-face communication (paper surveys) or via email (online survey).

Fifty-five percent (55%) of the participants were males. Sixty-two percent were Hispanic, 22% were Caucasian, 10% were African American, and 6% percent were Asian. Seventy-eight percent of the participants were 18-24 years old and 71% of the participants were currently employed. Fifty-nine percent had taken at least 1 college course online. The study was a 2x2 factorial design, with a total of 4 scenarios. Cell frequencies ranges from 29-33 participants per scenario.

Procedures and experimental conditions

Participants were invited to participate in the online survey by word of mouth on college campuses and through online social media. If participants were interested in taking the online survey, they were provided with a web address to complete the survey. Once the participants visited the website, they would consent to be a participant in the survey, and then they would take one of four scenario based surveys chosen at random by the computer.

Every participant answered the same demographic questions. Once they completed the demographic section, they were given a scenario in which they imagined they were a hiring manager reviewing a resume for a potential candidate for a position in the customer service department. Each Scenario had manipulation questions regarding the resume they had just reviewed. The participants were given one of two resumes, which were identical except for the education section. One resume stated that the candidate graduated from an online university, and the other resume stated that the candidate graduated from a traditional university.

After the participants completed the resume section, they were prompted to answer how likely they were to interview the potential candidate based on the resume they reviewed. They were then given another scenario in which they were told to imagine they interviewed the applicant. In the first scenario, the candidate had bad communication skills. Sample wording from the scenario was, "During the interview, you notice that the candidate doesn't make eye contact and fidgets with their fingers." In the second scenario, the applicant displayed good communication skills. Sample wording from the scenario is "During the interview, you notice that the candidate has proper posture in addition to speaking clearly and taking the time to pronounce their words correctly." The participants then answered questions to check the manipulation, followed by questions regarding the applicant's interpersonal skills and hireability.

To summarize, the participants were randomly assigned 1 of 4 scenarios: the candidate who earned their degree from a traditional university and displayed bad communication skills during the interview, the candidate who earned their degree from a traditional university and displayed good communication skills during the interview, the candidate who earned their degree from an online university and displayed bad communication skills during the interview, and the candidate who earned their degree from an online university and displayed good communication skills during the interview. All of the scenarios and manipulations are included in the appendix.

MEASURES

Recruiter perceived interpersonal skills

Recruiter perceived Interpersonal Skills was measured using the 3-item scale from Huang, Chen, and Lai (2013). Participants used a five-point Likert scale (1 = strongly disagree and 5 = strongly agree). A sample item is, "I expect this applicant to interact with me very well." Alpha for the current study was found to be .93.

Hiring recommendation

Hiring recommendations was measured using a 2-item scale from Tsai et. Al.'s (2005). Participants used a five-point Likert scale (1 = strongly disagree and 5 = strongly agree). A sample item is, "I consider this applicant suitable for employment in the organization." Alpha was .93.

Likely to be pursued by the organization

The Likely to be pursued by the organization was measured using a 2-item scale from Stevens & Kristof (2005). Participants used a five point Likert scale (1 = strongly disagree and 5 = strongly agree). A sample item is, “How likely are you or your organization to offer this applicant an on-site visit?” Alpha for the current study was found to be .94.

RESULTS

Means, standard deviations, and correlations among study variables can be found in Table 1.

Analyses

Manipulation check

A manipulation check was utilized in order to validate the manipulations. For the education manipulation, participants were asked, “Did the applicant attend an online or traditional type university?” Ninety-three percent of the participants in the “traditional education” manipulation correctly responded and 100% of the participation in the “online education” manipulation correctly responded. For the communication manipulation, participants rated the question, “How would you rate this candidate’s communication skills based on the interview?” on a 5-point Likert scale (1=poor communication skills to 5=excellent communication skills). An independent sample t-test was used to test for significant differences between the groups. Mean for bad communication was 2.14, while the mean for the good communication was 4.61($p < .01$).

Hypothesis tests

We used an analysis of variance (ANOVA) in order to test the relationships. Table 2 reveals that the relationship between the applicant’s communication and recruiter perceived interpersonal skills is a significant and positive relationship ($F=176.50$, $p < .01$). Therefore, H1a is supported. Similarly, Table 3 shows a positive and significant relationship between communication and Hiring Recommendation ($F=164.84$, $p < .01$). Thus, H1b is supported. Finally, Table 4 shows a significant relationship between communication and Likely to be pursued by the organization ($F=153.47$, $p < .01$). Thus, H1c is supported.

Hypotheses 2 stated that the communication/hireability relationship is moderated by the applicant’s educational institution (traditional vs. online), such that demonstrating good communication skills is more important for applicants from an online institution. Turning to the moderation hypotheses (H2), we did not find support for H2a ($F=.35$, $p > .10$), H2b ($F=.04$, $p > .10$), or H2c ($F=.10$, $p > .10$).

Participants of the survey did not seem to care where the applicant received their education but, relied on whether the applicant displayed good communication in determining whether to hire the applicant. Implications are discussed below.

DISCUSSION

In light of the “Disruptive Innovation” conference theme, this paper provides an interesting perspective on online education, an innovation on the rise in the academic community over the last couple of decades. In addition to providing educational opportunities that might not otherwise be

available to certain target markets, online education has somewhat “disrupted” the traditional, face-to-face educational market as some students choose online education for the convenience. For educational institutions, implications may include providing more flexibility in order to compete with online institutions, especially given the results of the current study.

The results of this study revealed participants valued communication skills over the education the applicant received (online or traditional). According to the data, the participants seem to value an online degree and a traditional degree equally, but communication is key. As the results show, applicant’s communication skills were significantly related to hireability. And this relationship was not moderated by education as expected. Participants did not mind that the applicant received their degree from an online university. In previous literature, some people viewed online education as inferior to traditional education, but that does not seem to be the case during our study.

It can be argued that the participants of the survey valued communication skills more than education. It did not matter if the applicant went to a traditional or an online university, what mattered is how they communicated in the interview. Although the data did not support our hypothesis for moderation, we discovered that people would rather to hire a job candidate that displays good communication skills because it plays a vital role in day-to-day business operation.

LIMITATIONS AND FUTURE RESEARCH

Future research should examine the outcomes of hireability for good communication skills over a diversified age group rather than a sample size of college students. By focusing on a young sample of students, we were limited. Due to this lack of age diversity, our participants had a small amount of experience involved in the hiring process. Future research would benefit from interviewing hiring managers (some with online degrees and others with degrees from a traditional institution). Furthermore, future research should not only include a larger age group sample, but should include more variables to measure such as creativity, openness to diversity, and team flexibility to see if these variables have a higher signaling effect than communication skills for employers when making a hiring decision. By measuring more variables and diversifying our age group sample size, recruiters and future candidates can have a better understanding of what employers are looking for when finding a job. An examination of the study dependent variables also reveals a multicollinearity problem. One solution might be to statistically combine the dependent variables into one and re-analyze. Lastly, a similar study on an international sample would provide useful analysis to compare perceptions domestically and abroad. This is vital given the rise of globalization in the workplace.

CONCLUSION

The finding of this study indicates employers prefer good communication skills over type of educational background (traditional vs. online) when making a hiring decision. This study further contributes to the development of employer’s preferences for educational type and suggests more variables to measure rather than communication skills alone when employers make a hiring decision for candidates.

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APPENDIX

Figure 1

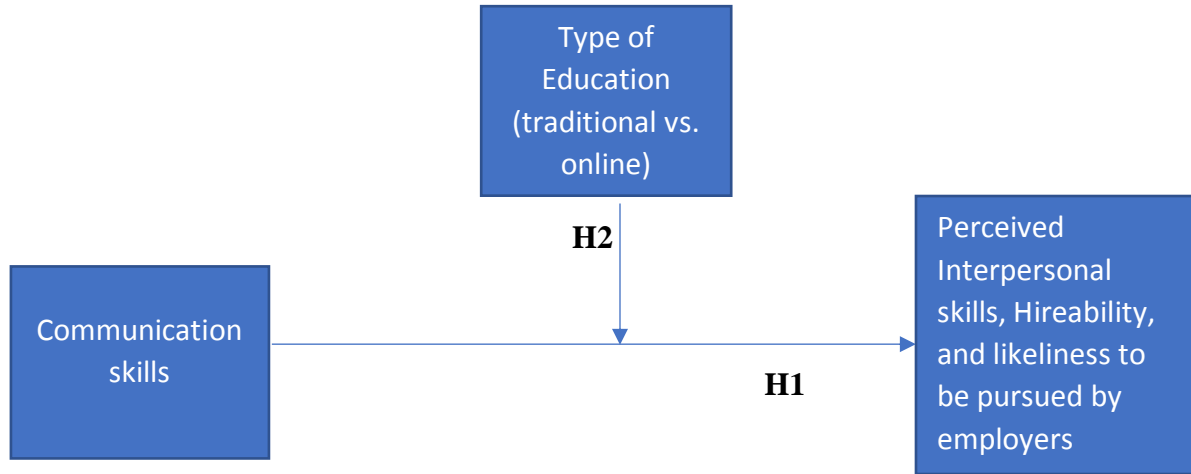


Table 1

Correlation Matrix

Variable	Mean	SD	1	2	3	4	5
1. RPIS	3.40	1.27	---				
2. HR	3.40	1.35	.91**	---			
3. LPO	3.40	1.33	.90**	.89**	---		
4. Comm	1.50	.50	.77**	.76**	.75**	---	
5. Edu	1.52	.50	.09	.05	.01	-.02	---

RPIS=Recruiter Perceived Interpersonal Skills, HR=Hiring Recommendation, LPO=Likelihood to be Pursued by the Organization

Table 2

Analysis of Variance (ANOVA)

Recruiter Perceived Interpersonal Skills

Source of variance	Type III SS	df	MS	F
Communication	117.50	1	117.50	176.50**
Education	2.21	1	2.21	3.33 [†]
Comm × Edu	.23	1	.23	.35
Error	79.89	120	.66	

**p<.01, *p<.05, [†]p<.10

Table 3*Hiring Recommendation*

Source of variance	Type III SS	df	MS	F
Communication	129.23	1	129.23	164.84**
Education	.83	1	.83	1.06
Comm × Edu	.03	1	.03	.04
Error	94.08	120	.78	

**p<.01, *p<.05, †p<.10

Table 4*Likely to be Pursued by the Organization*

Source of variance	Type III SS	df	MS	F
Communication	122.12	1	122.12	153.47**
Education	.11	1	.11	.14
Comm × Edu	.08	1	.08	.10
Error	95.48	120	.80	

**p<.01, *p<.05, †p<.10

*****Note*** Each participant was only be given one of the following scenarios:**

Scenario 1

You are the hiring manager at a leading consulting firm and you are reviewing several resumes for a potential candidate to work in the Customer Service Department. The position requires the potential candidate to interact with, establish a relationship, and ensure future business from the clients. During your search for a potential candidate, you come across this resume:

(Show resume Review)

After reviewing the resume:

- 1) Is the applicant currently working? Y or N
- 2) Does the applicant have customer service experience? Y or N
- 3) What level of education does the applicant have? HS AA BA MBA PhD
- 4) Did the applicant attend an online or traditional type university? T or O
- 5) Does the applicant do volunteer work? Y or N
- 6) Did the applicant maintain above a 3.3 GPA? Y or N

How likely are you to interview this person based on a (1 = not very likely 5 = very likely)

Next, let's assume that this person gets an interview. The applicant is asked to step in and have a seat after shaking your hand. The applicant seems a bit nervous at first, but this is the norm, and is overlooked. As a recruiting professional, you have a set of questions that are asked to every applicant as standard procedure, and deviation from them is not typical. You briefly explain the job description of the position and move on to the next item of business; getting to know the potential employee. During the interview, you notice that the candidate doesn't make eye contact and fidgets with their fingers. When the applicant speaks, you become aware that they are very nervous, slouched over in a weird way, and their responses seem to lack confidence. After you receive adequate information to make your decision, you thank the applicant for coming and let them know that you will make your decision in a few days.

How would you rate this candidate's communication skills based on the interview?

1=poor communication skills and 5=excellent communication skills

Recruiter Perceived interpersonal skills (Huang, Chen, & Lai, 2013) Responses rested on a five-point Likert scale (1 = strongly disagree and 5 = strongly agree).

1. I expect this applicant to interact with me very well
2. I believe this applicant will be able to get along with all types of people who could be encountered in this type of job
3. I expect to enjoy interacting with this applicant on the job very much

Hiring Recommendation Responses were again scored on a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree). Tsai et al.'s (2005), Howard and Ferris (1996)

1. I consider this applicant suitable for employment in this organization
2. I am likely to invite the applicant to a second interview

Likely to be pursued by org (Stevens & Kristof, 1995)

1. How likely are you or your organization to offer this applicant an on-site visit?
2. How likely are you or your organization to offer this applicant a job?

Scenario 2

Education Manipulation in resume

Communication Manipulation

Next, let's assume that this person gets an interview. The applicant is asked to step in and have a seat after shaking your hand. The applicant seems a bit nervous at first, but this is the norm, and is overlooked. As a recruiting professional, you have a set of questions that are asked to every applicant as standard procedure, and deviation from them is not typical. You briefly explain the job description of the position and move on to the next item of business; getting to know the potential employee. During the interview, you notice that the candidate has proper posture in addition to speaking clearly and taking the time to pronounce their words correctly. When the applicant speaks, you become aware that they are confident in themselves. The applicant does not fidget and maintains eye contact during the interview process. After you receive adequate information to make your decision, you thank the applicant for coming and let them know that you will make your decision in a few days.

Scenario 3

Education Manipulation in resume

Communication Manipulation

Next, let's assume that this person gets an interview. The applicant is asked to step in and have a seat after shaking your hand. The applicant seems a bit nervous at first, but this is the norm, and is overlooked. As a recruiting professional, you have a set of questions that are asked to every applicant as standard procedure, and deviation from them is not typical. You briefly explain the job description of the position and move on to the next item of business; getting to know the potential employee. During the interview, you notice that the candidate doesn't make eye contact and fidgets with their fingers. When the applicant speaks, you become aware that they are very nervous, slouched over in a weird way, and their responses seem to lack confidence. After you receive adequate information to make your decision, you thank the applicant for coming and let them know that you will make your decision in a few days.

Scenario 4

Education Manipulation in resume

Communication Manipulation

Next, let's assume that this person gets an interview. The applicant is asked to step in and have a seat after shaking your hand. The applicant seems a bit nervous at first, but this is the norm, and is overlooked. As a recruiting professional, you have a set of questions that are asked to every applicant as standard procedure, and deviation from them is not typical. You briefly explain the job description of the position and move on to the next item of business; getting to know the potential employee. During the interview, you notice that the candidate has proper posture in addition to speaking clearly and taking the time to pronounce their words correctly. When the applicant speaks, you become aware that they are confident in themselves. The applicant does not fidget and maintains eye contact during the interview process. After you receive adequate information to make your decision, you thank the applicant for coming and let them know that you will make your decision in a few days.

Bios/photos



Michael A. Schock is currently a small business owner and works as a Human Resources Intern for The Doseum in San Antonio, Texas. He received his MBA degree in Human Resources and Project Management from Texas A&M University - San Antonio. His industry experience includes managing 15 aviation work centers for the United States Navy on an Amphibious Assault Ship and as a graduate assistant, research assistant, and as an undergraduate/graduate math tutor for the University of Texas A&M - San Antonio. His research interests include ethics, management styles, communication/learning styles, workforce diversity, equal opportunity, and training programs.

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THE ADAPTING AND CHANGING ROLES OF UNIVERSITIES; IS THIS THE NEW KEY TO ECONOMIC DEVELOPMENT IN LOCAL AND REGIONAL ECONOMIES?

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STATEMENT OF THE PROBLEM

The significance of the effect of understanding this changing phenomenon is important in the management of local and regional universities. If university administrators understand the need for their services in a local or regional economy, the administrators can then develop a targeted strategic plan which meets the needs of that local or regional economy. University administrators are more likely to then receive the benefit from the local and regional business leaders in terms of both financial support and policy support. Financial support is realized through both private donations and research grant work with these business entities. With such an evolving phenomenon whereby the relationship is strengthening between university and business leaders, the importance of university leadership in the management literature increases. Along with the reduction in traditional funding sources, the phenomenon is also partially explaining the increase reliance by universities on private industry funding.

Universities have traditionally been a subtle lynchpin in regional and local economies, but switching the role of developing a university for a significant purpose of economic development is a fantastic paradigm change. Are universities ready for such a decision; are they ready for that responsibility? Lopez (2013) argues that economic development as an active part of a university's role is in itself a major mission change, but viewing a university as a reason for economic development is taking that responsibility to the next level. A university has been established and built in many economies over the world, and these ventures have typically resulted in a benefit to the economy. Universities do typically become a respected employer providing steady employment complete with good benefits for staff and faculty alike. Having a university contributing to the economy builds not only financial stability to a region, but a university typically becomes a place to help industrial and business community help resolve problems through thought leadership and introspection.

Universities become a cultural center providing not only education for local residents, but also civic opportunities like theatre, dance, music, and art. However, recently, the changing role is that universities now are being started as a means of saving and recovering a floundering economy. From a pressure free economic environment, an incubator if you will, to the pressure packed economic environment of being the saving grace for the fallen economy, can universities really live up to that role?

BACKGROUND

A local and regional university in Texarkana is providing an opportunity to study this phenomenon of building a university as a cornerstone for regional economic development. Texarkana is a city that has an interesting ecosystem. It's most unique feature/challenge is that it is a city built on a state line between Arkansas and Texas, literally. The main north and south business roadway through the center of town is called Stateline Road. If a person stands in the middle of that street in the middle of that town, that person will have one foot in Arkansas and the other in Texas.

The challenge arises because the residents of the town, who on both sides of town crave and desire unity. This unity, however, is constantly and consistently being driven apart by separate city governments (depending if you are in Texarkana, Arkansas or Texarkana, Texas), county governments, and/or state governments. (Texarkana was actually given its name because the city founders thought that the city rested on three state lines: "Tex" from Texas; "ark" from Arkansas; "ana" from the last part of Louisiana. The Louisiana state line, however, was actually 20 miles south.)

Texarkana, like many other small towns in America, thrived when all of "small town" USA was thriving. While the state line challenges have always existed, the town prospered anyway with local and regional business success. Like many other small towns, population growth and economic growth stagnated in the United States with the advent of demographic population and prosperity migration from small towns to large cities (cite if possible). Economic growth in the downtown area was further challenged when Interstate 30 was completed between Dallas, Texas and Little Rock, Arkansas, and this highway was located about 10 miles north of the downtown area.

The downtown business community began to relocate along the interstate and other businesses migrated away from downtown. Population and economic prosperity stagnated. Texarkana has some major strengths, not the least of which is their position in the transportation community. Texarkana is the hub of the highway system of I30 from Dallas to Little Rock (previously mentioned), I49 to Shreveport, Louisiana, and the US 59/ I69 corridor to Houston, Texas. Texarkana also has rail infrastructure housing a rail switching yard and two major rail lines, the KC Southern and BNSF lines.

Texarkana has one other unique feature. It has an extremely strong history of successful entrepreneurial business startups. Some of the area's strongest employers include businesses that started by current business owners, or their parents or grandparents. One of the area's best known entrepreneurs is Ross Perot, who at one time, also ran for president of the United States. Other various successful entrepreneurs include the Ledwell family, Offenhauser Insurance, the Goins family, EZ Mart convenience stores, and (Knight Keyes and Jet Fuels) just to name a few of many.

Various city leaders have tried for many years (~40 or so) in vain to revitalize the downtown through various projects and significant investments by business leaders and commercial real estate speculators. Recently, city leaders led the effort on the Texas side of Texarkana to coordinate with Texas state legislative representatives in both the House of Representatives and the State Senate and with the Texas A&M system has been able to build a Texas A&M University

system school and campus by basically pulling off what in the business would be known as a M&A (merger and acquisition) of a small local existing university (although even that university was relatively new to the community). The university has taken root and is beginning to provide the traditional returns to the city and the region including: stable employment opportunities, civic and cultural events, and reflective and problem solving capability. The question now becomes what are the results or in what way is this plan impacting and generating economic development?

LITERATURE REVIEW

Universities are experiencing a changing and additional role or responsibility resulting in a somewhat unsolicited pressure to fill in the role of economic development for their regional area (Srinivas and Viljamaa, 2008). These authors posit that some of the reasons for this shifting role include the very nature of the work product from a university. These work products include research and knowledge advancement through such vehicles as training, education, and technology transfer. Education in an entrepreneurial university requires an adaptive approach or way of thinking towards teaching these skills (Kirby, 2004).

University strengths facilitate the desire of local and regional industry to seek university assistance. A more theoretical context is provided by others. Universities have grown from providing economic development as byproduct to one of providing targeted objective of economic development as a matter of policy along with providing the traditional products of higher education and thought leadership for science and technology (Harloe and Perry, 2004).

Lopez (2013) advocates that a mission change is required. Universities traditionally play a subtle role in economic development by their nature of providing jobs and opportunities in a local or regional economy. However, the switch to actively pursuing economic development, Lopez (2013) argues that this strategic mission requires a mission change supported by Guimon's (2013) conclusion that this "third mission" extends beyond the boundaries of teaching and research. Lopez states that active economic development requires the knowledge generated at a university is created, transferred, and then commercialized, and that this process requires an understanding of the theories an entrepreneurial university. She further states that there are three main pillars (among 12 total) that universities provide: education and training, technology readiness, and innovation.

Lopez provides the theory that is built from the conceptual framework of the Resource Based-View (RBV) as explained and researched by Wernerfelt (1984). Wernerfelt argued that sustainable competitive advantage originates from a firm's resource base and is delivered from the internal strengths of the organization. Lopez points out that by focusing the three main pillars, a university is poised to provide that sustainable competitive advantage into the local and regional economy. Lopez identifies key characteristics of the entrepreneurial university to include entrepreneurship education, business development programs, inventor networks, incentives (monetary and non-monetary), incubators, and other research services.

Leyden and Link (2013) make the complicated but cogent and relative point that a structure of a partnership between private businesses and universities that is profitable for the business and one that creates economic development depends on the university being subsidized for their role. The

particular role that university plays is that a private business revenues increase but the university helps to defer some major costs, particularly technical or R&D costs.

Universities are not always successful at developing a sustainable process for transferring their developed technologies to the commercial environment (Wright, et al., 2004). Wright, et al., argue that universities have not been able to capitalize on large funding models from industry. Harrington and Maysami argue that universities instead are more successful at developing and supporting the development of entrepreneurs, which in turn, drive economic development. They, also, point out that regions with the highest entrepreneur activity typically have the highest employment growth rates, highest wage growth, and highest productivity.

Srinivas and Viljamaa (2008) make the cogent and relevant point that universities cannot and should not be expected to deliver on economic development mandates from regional business interest groups because the tasks of regional economic development are substantially different than those of teaching and research. While many of the characteristics are shared with small to mid-sized technology driven urban centers, universities take longer periods of time to develop and are developed by many various participants (Ylojiki, 2003). In effect, strategic purposes may not specifically align, causing these unsatisfactory results; exactly the point of Dacin, Hitt, and Levitas, (1997).

Smith and Bagchi-Sen (2012) proposed four propositions that they argue are the pillars on which the role of the university in the community determines the level and impact of the university on economic development and economic growth. Those four propositions include (1.) the internal characteristics of the university, (2.) the technological opportunities available in the region (and actually the exogenous shocks of those technological opportunities or potential impact of the technology), (3.) the nature of funding available, and (4.) the attributes of the region. Each of these four propositions are clarified in the following manner. Guimon (2013) posits that this construct of interdependent propositions be coupled with short-term and long-term goals consisting of on-demand problems and structured decision making in addition to joint ventures involving the public-private sector partnerships.

Those supporting these assertions include various researchers. The internal characteristics of a university depend on the university's ability connect academic thought and current thinking with the practice and finance of regional economic development (Kitson et al., 2009). Capitalizing on the technological opportunities in the region depend on the ability of the region to adapt scientific breakthroughs to create new products and markets (Feldman, 2001). Funding opportunities depend on the ability of the local economy to take advantage of commercial growth opportunities other than those created directly through the university in the form of grants (Huggins, 2008). Local and regional businesses must be able to organically grow using the indirect opportunities created by the presence of the university. Finally, Rutten and Boekam (2009) argue that benefits of the region depend on the degree to which all actors are networked throughout and beyond the region.

Shaffer (2015) concurs with the others. He argues that five elements must be present if universities are to serve as engines of economic revitalization. These elements are the provision of leadership, resources, flexibility, culture, and the "new paradigm." Under then new paradigm, Shaffer argues

that state and federal governmental agencies have to acknowledge, understand, and accept the new role that universities can and do play the leadership role of economic development in the community. Agarwal and Shah (2014) argue that the benefits of involving universities in economic development act as magnifiers of that economic development.

HYPOTHESES

Srinivas and Viljamaa (2008) provide five hypotheses that are untested in their research. Those five hypotheses build around the postulations that this changing role of the university may born from individuals rather than a strategic direction shift among the institutions, that rapid pace of technological development especially affected by regional needs and demands along with the increasing needs of a welfare system have an effect, leadership of universities are providing that strategic direction, and that capital intensive societies are driving the increasing pressure.

In this study, respondents were asked about technology changes in their industry. Respondents were asked about labor force initiatives. Respondents were asked about investment and investment availabilities.

The hypotheses of this paper are built to help begin to adding to the literature either in supporting or in not supporting the umbrella theories of these hypotheses. The first hypothesis addresses the precipice that a university can address and supply the fundamental needs of a region. If the fundamental industrial or business needs of a region are examined and supported with data, a regional university may be in a position to supply at least some of those needs and possibly the most important needs. This logic gives rise to the first two hypotheses.

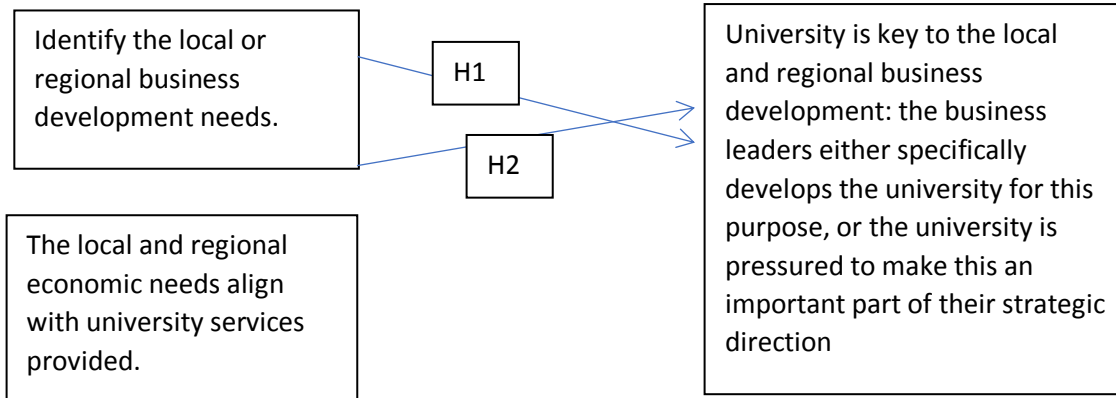
H1: If a list of local or regional business needs is identified, the local or regional university will be in a position to supply some of these services necessary for economic development.

H2: If the university services align with some of those local and regional identified business needs, then the university is in a position to provide economic development.

H3: If local or regional business needs are identified or ranked in relative importance to the development of the regional economy, the greater the reliance of the local and regional economy will be on the provision of those university services from the university if indeed those needs align with the ability of the university to provide those services.

MODEL

The model for understanding the changing role of the university in helping to develop the local or regional economy aligns with the hypotheses previously described.



METHOD

The Texarkana Chamber of Commerce was the lead unbiased party who conducted a series of interviews with leading manufacturers and businesses in the Texarkana community. They chose an interview method which was similar to a survey, but this method allowed the interviewers to follow up standard questions with case by case personalized questions to further examine an issue raised by the company participating in the interview. The interviewers were leading business representatives in the community who either were retired from businesses or specifically had the time to conduct the interviews (e.g. retired CEO's, presidents, high level managers, business owners, etc.) The interviews were conducted in teams of two.

A private firm was contracted by the Chamber to provide the questions and an off the shelf package in which to enter the data. This software package provided a description or summary of the data for the Chamber along with some nice charts and graphs to show their constituency. This data specifically from the software package, however, was not used for this study. The researching authors of this paper started with the raw data and analyzed the results from the raw interview forms and notes for the purposes this study.

DATA ANALYSIS AND RESULTS

The people of the Texarkana region are constantly and regularly concerned about the lack of growth in the area and declining economic base in the region, and the region's ability to attract new businesses. The professionals and executives that guided the survey selected a representative sample of businesses of the region and asked them to participate in the study. The data analyzed from this study is from 58 companies who participated in the study. Of those who participated, 21 of the companies are considered manufacturers, and 37 of the businesses were considered service providers. Moreover, 77.6% of these businesses or 45 of the 58 businesses reported that sales are increasing or growing, and only 5 or 8.6% reported declining or decreasing sales (the others

reported stable sales or chose not to answer). Similarly, 37 of the businesses or 63.8% report that they plan to provide investment funds into growing or renovating their businesses at some level.

When looking at the responses of the interview questions, a productive way to look at the responses is to categorize the respondents along the lines of industrial based companies, which is a broad based category that includes manufacturers, distributors, transportation providers, construction companies, etc., and service providers, who are more closely aligned with retailing, hospitals, etc. A further categorization includes those that are in a growth and investment mode versus those where the combination of revenues and/or investment is either in a stable or declining (non-growth) modes.

The first result is around the question of availability of a qualified workforce in the area. The results of these responses show a clear delineation between those companies in growth mode versus those not in a growth mode. The responses are as follows in Chart 1:

Chart 1a: Availability of (an Educationally or Trained) Qualified Workforce

Classification	Non-growth Mode (Revenues & Investment)	Growth Mode (Revenues & Investment)
Industrial Companies	5.06 (1.39)	4.36 (2.04)
Services Organizations	5.00 (1.73)	4.22 (1.30)
	Average (Std. Dev.)	Average (Std. Dev.)

The results of the survey responses of Chart 1: Availability of (an Educationally or Trained) Qualified Workforce show a clear and statistically significant delineation between those organizations that are in growth mode versus those that are not in a growth mode regardless of whether they are an industrial organization or a service based organization. If an organization is in a growth mode, then they feel the pressure on not having qualified personnel available. They will have a tendency to rely more strongly on their relationship with a university to help them identify potential employees.

Chart 1b: P-Value Statistical Significance Results for Availability

Classification	Industrial Non-growth Mode	Industrial Growth Mode	Service Non-growth	Service Growth
Industrial Non-growth Mode	-	0.1084	0.4609	0.0739*
Industrial Growth Mode	-	-	0.1792	0.2304
Service Non-growth	-	-	-	0.1335

* P-value significant to the 0.10 level

The table of significance shows that there is significance between industrial non-growth companies and service companies that are in the growth mode. This makes one think that industrial companies in non-growth modes believe that there is an availability of a competent workforce to sustain current growth while service companies in growth modes believe that there is a deficit relative to the availability to a competent workforce.

The next set of responses asked the respondents about the quality of the trained or educated workforce. These results showed a more desperate position of industrial companies that are in a growth mode. Chart 2 is below:

Chart 2a: Quality of (an Educationally or Trained) Qualified Workforce

Classification	Non-growth Mode (Revenues & Investment)	Growth Mode (Revenues & Investment)
Industrial Companies	4.50 (1.32)	3.90 (1.70)
Services Organizations	4.36 (1.57)	4.44 (1.13)
	Average (Std. Dev.)	Average (Std. Dev.)

The results of the survey responses of Chart 2: Quality (of an Educationally or Trained) Qualified Workforce show a clear and statistically significant difference for those organizations that are industrial and are in growth mode. This is an interesting result indicating that industrial based companies are looking for additional skills (possibly engineering skills) that are not called for in other types of businesses when their companies are growing. These companies are having problems finding quality educated or trained workforce employees. These companies will have a tendency to rely more strongly on their relationship with a university to help them identify potential employees.

Chart 2b: P-Value Statistical Significance Results for Quality

Classification	Industrial Non-growth Mode	Industrial Growth Mode	Service Non-growth	Service Growth
Industrial Non-growth Mode	-	0.1191	0.4077	0.4564
Industrial Growth Mode	-	-	0.2265	0.1590
Service Non-growth	-	-	-	0.4475

* P-value significant to the 0.10 level

In quality assessments of the workforce, there is not statistical difference between each of the segments of the company types. This indicates there is a consistency of the quality levels of employees that are being educated in the Texarkana region.

Chart 3a below shows the results of the questions asked about workforce stability. This chart shows a swing in responses from service organizations between those companies in a growth mode and those not in a growth mode. Chart 3a results are below:

Chart 3a: Stability of (an Educationally or Trained) Qualified Workforce

Classification	Non-growth Mode (Revenues & Investment)	Growth Mode (Revenues & Investment)
Industrial Companies	5.1250 (1.26)	4.9091 (1.6593)
Services Organizations	4.3636 (2.1106)	5.6667 (1.2247)
	Average (Std. Dev.)	Average (Std. Dev.)

The results of the survey responses of Chart 3a: Stability (of an Educationally or Trained) Qualified Workforce show a swing of concern among the Services organizations. If they are not growing, they show concern in the stability of an educated or trained workforce. If the services organization is in growth mode, they feel like the qualified workforce is stable. This is somewhat counterintuitive. It could be explained by the nature of a challenging work environment for employees in the high paced environment of a growing service based organization; it could be from higher a pay scale; or it could be from a multitude of other explanations. Further research is needed to explain this interesting result. The industrial organizations did not see this kind of a swing in workforce stability.

Chart 3b below shows the statistical significance for the results of the questions asked about workforce stability. This chart shows the p-value from the responses from service and industrial organizations between those companies in a growth mode and those not in a growth mode. Chart 3b results are below:

Chart 3b: P-Value Statistical Significance Results for Stability

Classification	Industrial Non-growth Mode	Industrial Growth Mode	Service Non-growth	Service Growth
Industrial Non-growth Mode	-	0.3255	0.1502	0.1540
Industrial Growth Mode	-	-	0.2323	0.0881*
Service Non-growth	-	-	-	0.0520*

* P-value significant to the 0.10 level

The results from the statistical analysis of service and industrial companies as seen in Table 3b as related to the quality of the workforce show that industrial companies that are growing feel are a little more worried about workforce quality. Additional workers required in a growth mode may be hard to find, need additional training, or just in general are more expensive. Diametrically

opposite, service oriented companies that are growing are not nearly as concerned about workforce quality. Service companies that are growing may feel like additional demands can be covered with additional pay.

Table 4a below shows the results of the questions asked about the productivity of the existing qualified workforce within your business or facility. This chart shows a significant difference in responses between service organizations and industrial organizations. Table 4 results are below:

Table 4a: Productivity of the (Educationally or Trained) Existing Qualified Workforce

Classification	Non-growth Mode (Revenues & Investment)	Growth Mode (Revenues & Investment)
Industrial Companies	5.64 (1.28)	6.22 (1.00)
Services Organizations	5.36 (1.80)	5.33 (1.60)
	Average (Std. Dev.)	Average (Std. Dev.)

The results of the survey responses of Table 4a: Productivity of the (Educationally or Trained) Existing Qualified Workforce shows a difference between industrial companies and services organizations with the largest difference occurring between those in the growth mode. If companies are not growing, they show a satisfaction or at least a “this is not a concern” for the educated or trained workforce. If the organizations are in growth mode, industrial companies feel like their current workforce is very productive; however, service organizations are not as satisfied with the productivity of their trained or educated workforce. The satisfaction level overall is higher in industrial companies whether or not they are in a growth mode. This could be reflective of orientation procedures or internal training programs. It is somewhat intuitive to assume industrial organizations may have more capital to invest in internal training for their workforce regardless of whether or not they professional or trade oriented.

In Chart 4b worker productivity is evaluated.

Chart 4b: P-Value Statistical Significance Results for Productivity

Classification	Industrial Non-growth Mode	Industrial Growth Mode	Service Non-growth	Service Growth
Industrial Non-growth Mode	-	0.0879*	0.3346	0.3083
Industrial Growth Mode	-	-	0.0849*	0.0670*
Service Non-growth	-	-	-	0.4839

* P-value significant to the 0.10 level

DISCUSSION

The Texarkana region is a community that has recognized the need to get organized to attract economic development. The political and civic leaders became focused on providing a full service university. Since that time, the university is growing by investing in physical facilities, employees, and attracting students. Evidence from the businesses that participated in this study shows that their sales are similarly growing and the business managers and executives intend to similarly invest in the continued growth of their businesses.

When the business executives or owners were asked whether or not they could find a qualified workforce (see Chart 1a), those that were in a growth mode answered to a significant level that they could not find an available workforce. The comments overwhelmingly were along the lines of not being educationally qualified. Those companies and organizations that are not growing are not having nearly the problem of finding qualified workers. This implies that growth mode organizations need an educational and qualified workforce depending to a greater degree on local universities and colleges. It also could be an indicator of a perceptual bias. If the business is not in a growing mode, then they have a tendency to have predisposition that qualified workers are either available or the lack of qualified workers are not important to them.

As referenced in Chart 1b, the table of significance shows that there is significance between industrial non-growth companies and service companies that are in the growth mode. This makes one think that industrial companies in non-growth modes believe that there is an availability of a competent workforce to sustain current growth while service companies in growth modes believe that there is a deficit relative to the availability to a competent workforce.

When the business executives or owners were asked whether or not they could workforce (see Chart 2) were of good quality, those that were industrial companies and in a growth mode answered to a significant level that the quality of this workforce was at significantly lower level than those in the other categories. This indicates that possibly industrial companies that are in a growth mode are having problems finding the (special) skills needed by industrial companies. Those companies and organizations that are not growing or those that are growing but service based are not having nearly the problem of finding quality workers.

This implies that growth mode organizations need an educational and quality workforce depending to a greater degree on local universities and colleges. However, the responses of all the organizations are lower than what would be acceptable from the regional universities and colleges. The results in Chart 2 support the role that local universities and colleges have in regional economic development.

The results of the survey responses of Chart 3: Stability (of an Educationally or Trained) Qualified Workforce were somewhat counterintuitive. It appears that the Services organizations were not concerned in the stability of an educated or trained workforce if the organization was growing. If the services organization was not in a growth mode, then they felt like a qualified workforce was not stable. A multitude of explanations could explain this result. For instance, it could be explained by the nature of a challenging work environment for employees in the high paced environment of a growing service based organization; or it could be from other possible explanations like a higher a pay scale. Regardless, further research is needed to explain this interesting result.

The results of Table 4: Productivity of the (Educationally or Trained) Existing Qualified Workforce are somewhat expected and explainable. Industrial companies are more satisfied with the productivity of their workforce than service organizations are. This is intuitively explainable because most industrially based companies spend more time orienting and training their employees. One interesting aspect of this table is that for those service organizations that are in a growth mode classification, they appeared to be the least satisfied with the productivity of their workforce, while industrial organizations in the growth mode are the most satisfied. This indicates that service organizations in a growth mode have less time to spend orienting their employees and have a pressured need to get them fully up to speed.

CONCLUSIONS

This research study has taken initial steps to identify the changing belief and reliance on regional universities as a stanchion on which to build and revitalize regional and local economic development. While universities continue to provide the traditional ingredients for sound economic development in the terms of graduates to the local employment ranks, faculty involvement in consultation type services, and knowledge creation through research, communities are turning to universities to not only provide these less passive or slower growth impetus items, but to also, to deliver a more rapid means of economic development. Universities are not only being asked to develop and place entrepreneurs into the local economy, they are also being asked to literally play the role of the entrepreneur for the local and regional economies.

For an institution that has traditionally provided knowledge creation on the lagging edge of technology development (not the leading edge), this is a new expectation and role for a university. These new types of expectations include the purposeful development of entrepreneurs that can contribute to the economic development in the arts, theatre, provision of employment opportunities, development of intellectual goods and advanced technologies. This research has supported such assertions and is supported by growing body of literature. These are, however, high expectations from communities, and place universities in the limelight of a role not traditionally or comfortably adopted by a university.

Results from this initial study support these assertions. The businesses that participated in this study, at an inordinately high level, are showing growth in sales and the businesses, in turn are planning to return the capital in the form of investing in the growth of their businesses.

LIMITATIONS

This study was conducted in a relatively small community with a relatively small university in place. The community is somewhat rural. While the results are generalizable to a degree, the study needs to be extended to universities and communities under different circumstances, like large cities and large universities. Many universities carry the pressure of economic development extending in the community, but the impact and the degree of the pressure may be minimized with larger universities. In addition, while the data in this study was collected with the advantage of using trusted and experienced colleagues of the study participants to gain access to their deepest thoughts, the data collection did give up a degree of control under this circumstance. The study

could be extended by involving university researchers in the data design and collection stage to see if controlling the study in this fashion would lead to repeatable results.

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Bio/photo



I have been a citizen of Texarkana, Texas since 2003. After graduating from Ashdown High School in 1997, I attended Harding University in Searcy, Arkansas where I was inducted into Phi Eta Sigma, a national honor society my freshman year. In 2001, I graduated cum laude with a Bachelor of Business Administration in Marketing. I went on to attend Harding's graduate program that same year in August. In 2002, I graduated summa cum laude with a Master of Business Administration in Management and inducted into Phi Beta Lambda-Future Business Leaders of America. After graduation, I moved back to Texarkana where I worked in the fields of sales, marketing consultancy, insurance, and health care. In 2012, I successfully defended his dissertation and received a Doctor of Business Administration in Marketing from Argosy University, graduating magna cum laude. As a doctoral student, I was inducted into the National Society of Collegiate Scholars (NSCS) for academic excellence.

I am currently an Assistant Professor of Management at Texas A&M University-Texarkana and serve as a city councilmember for Texarkana, Texas representing Ward 4. I serve as a board member for CHRISTUS St. Michael Rehabilitation Hospital, Alzheimer's Alliance-Tri-State, The Healing Place, and President of the Diversity Awareness Committee at Texarkana Independent School District (TISD). I have formerly served as a board member for the Greater Texarkana Chamber of Commerce, Texarkana Regional Arts and Humanities Council (TRAHC), Literacy Council for Miller and Bowie Counties, Partners-In-Education (TISD), and the United Way of Greater Texarkana. In 2014, I was awarded the Dr. G. W. Thompson Professional Award by the NAACP for my work in the community and the Shining Star Award by the Texarkana Independent School District. In 2016, I was awarded The Distinguished Gentleman's Award by the Alpha Phi Alpha Fraternity for my concern for people and service to the community. I am a Deacon, Sunday School teacher, and President of the Brotherhood Ministry at Greater St. John Missionary Baptist Church in Hooks, Texas.

EMPLOYEE EMPOWERMENT: GENERATIONAL DIFFERENCES

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ABSTRACT

One of the most important issues to emerge over the past 40 years has been the increasing diversity of the workforce. These differences can be attributed to age, gender, race, ethnicity, religion, socioeconomic background, education, experience, and other characteristics. Today, there are four different generations in the workforce—Baby Boomers, Generation X, Generation Y, and the Millennials. Generational differences contribute an additional complexity and challenge to management. One specific area of interest is the influence of one's generation to the engagement of the employee.

This study examines the differences in employee engagement across the three generations currently in the labor force—Baby Boomers, Generation X, and Millennials. Data was collected from published articles and a survey. The survey instrument was distributed through a centralized national company of smaller owned companies. A sample was drawn from a list of these companies. Statistical methods were applied to the results.

Bio

Dr. Patricia Lapoint has spent several years working in industry. Her experience includes positions in management for Procter & Gamble and Hewlett Packard Company. She has spent the last 28 years in academia with McMurry University.

CRISIS MANAGEMENT: IMPACT OF MANAGERIAL RESPONSE ON VALUATION

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ABSTRACT

Scant knowledge exists regarding how management's actions can impact a crisis in spite of research calls to develop this area. This study takes a unique look at how the management team's denial or acceptance impacts the firm's financial recovery in a malfeasance-based crisis.

Using signaling theory and stock price analysis, this study indicates that in a malfeasance-based crisis, in which one or more members of the top management team is involved in the origination of the crisis, that acceptance of wrongdoing does not significantly impact the change in firm valuation. These results indicate that ethical and timely acceptance of a firm's role in malfeasance does not appear to be rewarded by stockholders. The results are surprising in the sense that much advice to crisis managers indicates that being truthful, remorseful, and taking action to limit future recurrences is the best course.

Bio/photo



Candace TenBrink is an Assistant Professor in Management at the University of Houston – Downtown. She teaches Strategic Management at both the graduate and undergraduate levels. Her research focus includes corporate turnarounds, life cycle constructs, and crisis management. She currently advises start-up IT firms on strategy, a key enabler to remain current in the classroom and connect business with education.

She holds a MBA degree from the University of Michigan with an emphasis on finance and corporate strategy and a BA degree from Michigan State University in Materials and Logistics Management. Prior to embarking on the PhD journey, Ms. TenBrink worked in the investment banking industry as a sell-side equity analyst covering the global semiconductor capital industry where she won numerous awards. In addition she formed and ran her own film production company, served as judge for the International Emmy Awards, and sat on the board of the prestigious and highly acclaimed New York Women in Film and TV.

THE EMERGENCE OF EFFECTIVE FEMALE LEADERS IN THE 4-STAR AND 5-STAR HOTELS IN JORDAN

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ABSTRACT

The aim of this paper is to examine the conflict between the feminine and communal qualities associated with females and the predominantly agentic and masculine qualities that people expect from leaders in order to understand how this gender-leader inconsistency leads to prejudicial evaluations against female leaders in the 4-star and 5-star hotels in Jordan. A related aim is to test how gender equality practices and leadership development programmes in contrast, support female leaders to emerge as effective leaders. A survey of 392 employees working in 4-star and 5-star hotel in Jordan was conducted by the use of self-completion questionnaire. In adverse to the theory, one of the results shows a congruity in leader and female roles and thus, no prejudices against them were shown. The application and evaluation of the role congruity theory of prejudice toward female leaders in the hospitality industry in Jordan highlight adverse results to the theory. Hence, this paper contributes to the field of female leadership by reporting contrary results to the literature.

Key words: female leaders, gender equality, gender role stereotype, incongruity, prejudice

INTRODUCTION

Despite the overabundance of governmental and organisational interventions to promote and endorse gender equality as well as the significant contributions women offer to organisations (Alam, 2011), these interventions have not translated to balanced representation of females and males at senior and leadership levels (Glass & Cook, 2016). The major problem explored in this paper was the overwhelming gender gap between males and females in leadership and senior positions in the 4-star and 5-star hotels operating in four geographic locations in Jordan.

In review of several national reports about human resource indicators in Jordan, it is apparent that there is an unjustified gap between males and females in leadership and decision making positions. Social Security Corporation (2014) announced some statistical indicators about the gender gaps in different economic activities in Jordan. For instance, in manufacturing, constructions, tourism and transportation, the percentages of gender gap are 44.0, 84.4, 85.3 and 63.3 % respectively. Accordingly, it is noticeable that the highest gender gap between males and females exists in tourism sector (i.e. 85.2%) (Social Security Corporation, 2014). In specific, in light of some statistical reports about hospitality and tourism sector, the gender gap was at the highest level in hotels sector in which the number of females is 1.147 in comparison to 12.847 of male workers (Majcher-Teleon & Ben Slimène, 2009).

In review of theoretical and empirical literature as well as different paradigms in gender theory to better understand why female's progression into leadership positions is slow, it is apparent that although there is an overlapping about the preferability of either masculine or feminine style of leadership (e.g., Koenig et al., 2011; Muller-Kahle & Schiehl, 2013; Ritter & Yoder, 2004), the male/masculine is still regarded as the universal, neutral subject against which the woman/female is judged (Leitch & Stead, 2016). Hence, female leaders live within paradox (Mavin & Grandy, 2016) between the expected image of leaders as masculine and the femininity style that is expected from women.

These discrepancies in different social groups have invoked the role congruity theory (Eagly & Karau, 2002) as a way to understand how "members of a group enter or attempt to enter into social roles that are stereotypically mismatched for their group" (Koenig & Eagly, 2014 p. 71) may lead to harmful prejudices.

Overall, the role of gender in allowing females to act as leaders is a recurring theme in which academics and practitioners alike are interested in (e.g., Eagly & Karau, 2002; Jafari & Scott, 2014; Simpson, 2011) to address the dearth of research on how and why such a gender bias manifest (Mavin et al., 2014). Therefore, this paper was attracted to answer such discrepancies between respectable women's feminine style alongside embedded notions of leadership as masculine following the main notions of role congruity theory of prejudice toward female leaders in tourism sector in Jordan.

METHODS

Koenig et al. (2011) note that there has been no quantitative analysis for leadership stereotype across nations to collect and analyse numerical data about people's perceptions of leadership. Therefore, the current paper contributes to the literature by collecting and analysing numerical data based on a large sample to scrutinize how people's perceptions (i.e. stereotypes) and other variables are influencing female leadership. Given that a survey strategy is useful to reach large sample (Saunders et al., 2012) and to test a theory by understanding relationships between variables (Gray, 2013), numerical data was collected by the use of self-completion questionnaire.

PROCEDURE AND DEMOGRAPHIC CHARACTERISTICS

The questionnaires were distributed for employees working in 4 and 5 star hotels operating in different geographic locations in Jordan (Amman, Aqaba, Dead Sea and Petra) during the months from June to August 2016. Total of 684 questionnaires were distributed, while 397 questionnaires were received (i.e. a response rate of 58%). Only five questionnaires were not fully completed hence they were excluded. Accordingly, 392 questionnaires were completed and used for final analysis.

DATA ANALYSIS

The numerical data obtained from the survey questionnaire was analysed by the use of SPSS software version 22. In specific, paired t-test, correlation and hierarchical multiple regression were used. These techniques were found to be relevant to test and evaluate the research model taking into account the objectives of the paper.

SUMMARY OF TESTING THE RESEARCH MODEL

The quantitative results offer some unexpected findings. Since role congruity theory of prejudice against female leaders and the literature reflect a pessimistic view against female leaders, our results suggest otherwise. This can be justified by the nature of the hospitality sector in which this may contribute to the leadership and gender literature. For example, the theory suggests that there is a mismatch between female role and leader role, our results indicate that there is a match between female role and leader role (i.e. in terms of how people stereotype both roles). Also the theory argues that there are different types of prejudices that prevent females to emerge as effective leaders, in contrast, our findings show that there are no prejudices against females in the hotel sector and therefore, they are able to emerge as effective leaders. Finally, the results show that gender equality practices and leadership development programmes are significantly and positively linked with the emergence of effective female leaders.

DISCUSSION

The results of this empirical paper reveal that in practice, people stereotype females in a way that is adverse to theories and literature. For examples, we found that there is a significant congruity between how people stereotype both leaders and females. The results indicate that employees in the hotel sector believe that successful leaders should have masculine and agentic traits, meanwhile, they believe that women in general, besides their feminine nature, they should also have masculine character.

The present study suggests that females in the workplace can have more potential to emerge as leaders and to be recognized as effective leaders when decision and policy makers prevent discriminations against females in the workplace. Furthermore, changing the cultural beliefs that shape our schematic cognition in stereotyping both genders is likely to contribute to the success of female leaders. Therefore, the findings encourage professionals to enhance the socio-cultural beliefs about the future female leaders in the hope that prejudice will be changed and reduced over time.

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Bio/photo



Tamer Koburtay is a PhD student at University of Huddersfield. His PhD thesis addresses issues related to female leadership, gender equality and exploring the implications of religion and culture on women’s employment. Tamer holds MBA and PGC in research methodology. His main academic interests include gender practices, leadership, equality and gender-based stereotypical biases.

BARBARIANS AT THE GATE: DO WOMEN CEOs FACE GREATER THREAT FROM ACTIVIST INVESTORS THAN MALE CEOs?

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ABSTRACT

The past two decades have witnessed a growing number of women make their way up the corporate ladder to achieve chief executive positions in the corporate world. The increasing presence of women at the helm of large corporations, such as Mary Barra (GM), Gini Rometti (IBM), and Marissa Meyer (Yahoo), has encouraged interest in understanding the challenges and opportunities they confront in these roles (Brescoll, Dawson, & Uhlmann, 2010; Cook & Glass, 2014a). One intriguing revelation that has drawn research and media attention is that women who reach the top-most levels of organizational leadership may encounter problems and troubles not generally faced by their male counterparts (Cook & Glass, 2016; Ryan et al., 2016). Succinctly stated, it seems that upper echelon positions occupied by women tend to be more precarious than those occupied by men (Ryan & Haslam, 2007; Nadler & Bailey, 2015). To extend this line of inquiry, we examine whether women CEOs face greater threat from activist investors than do male CEOs. The present study therefore casts new light on the experiences of women in top management positions, a crucial and fertile area of inquiry that has begun to attract considerable attention in the research literature (Bruckmüller & Branscombe, 2010; Eagly & Heilman, 2016; Muller-Kahle & Schiehl, 2013) and the popular press (Kolhatkar, 2016; Sandberg, 2013).

Threat of shareholder activism is a prominent characteristic of modern financial markets (Goranova & Ryan, 2014). Activist shareholders seek to influence the management of target firms to alter or change their strategic policies, procedures, or decisions (David, Hitt, & Gimeno, 2001). They are able to do so by virtue of their ownership stake and corporate laws that allow shareholders to redirect management efforts (Rao & Sivakumar, 1999). For example, Yahoo was publicly threatened by activist shareholders who wanted the firm to revise its strategy and accept the acquisition bid from Microsoft, which was not consistent with the CEO's plan for the firm at the time (Eder & Letzing, 2011). Scholars are divided about the usefulness of shareholder activism. Proponents argue that activism threat prods managers to strengthen firm strategy and improve operations (Bebchuk & Weisbach, 2010). Critics charge that activists lack the skill and experience to improve managerial decisions and remain focused on increasing private benefits rather than furthering the firm's interests (Gillan & Starks, 2007). While the jury is still out on the extent to which shareholder activism can induce improvements in target firms (Denes, Karpoff, & McWilliams, 2016), managers generally view activists antagonistically, as 'barbarians at the gate' who make a public display of their dissatisfaction with management to demand changes in the firm.¹ From the perspective of corporate managers, shareholder activism imposes escalating and

¹ As Gramm (2016), a hedge fund manager, observed in his book on the history and evolution of shareholder activism in the United States: On the issues and decisions that really matter for the firm, managers and activists are almost always on opposite sides. To quote Herscher (2015), "activist investors are essentially there to say they think a company is not being run as well as it could be- in a very public way".

diverse demands for changes in how the firm operates, with the goal of extracting concessions from, and forcing, CEOs to act in ways that privilege the interests of the activist investors (Goranova, Abouk, Nystrom & Soofi, 2016). Likening activists to those “playing fantasy football” as opposed to “actually playing the field”, Irene Rosenfeld (CEO of snack-food giant Mondelez) noted that “advising others to act in a certain way doesn’t seem hard for people who don’t have to do it themselves” (Langley, 2015).

In this study, we examine whether firms with female CEOs come under greater threat from activist investors than those with male CEOs. We generate theoretically-grounded predictions that are validated on a comprehensive longitudinal dataset of activism threat in S&P 1500 firms over the 1996 to 2013 period. Our research reveals a new aspect of the precariousness associated with CEO positions occupied by women (Eagly & Heilman, 2016), extending the growing literature on how women’s leadership positions tend to be riskier and more perilous compared to their male counterparts (Cook & Glass, 2014a; Bruckmüller, Ryan, Rink, & Haslam, 2014). We also cast light on a hitherto invisible bias – rooted in CEO gender – in the threat posed by activist investors that has not yet been discussed in the literature (Rehbein, Waddock, & Graves, 2004). Finally, we provide strong evidence that the ‘liability of gender’ (Greene, Han, & Marlow, 2013), which has been known to hinder women’s progress in the organizational hierarchy (reflected in the academic and popular literature on ‘glass ceiling’; Glass & Cook, 2016), continues to afflict even women who make it to the most powerful position in their firm. On the empirical side, we employ rigorous analytical techniques on a large sample of public firms to obtain evidence of greater activism threat against women CEOs compared to male CEOs. We are therefore able to speak directly to the ongoing debate about gender bias in the workplace (Elsesser & Lever, 2011; Heilman & Eagly, 2008; Landy, 2008).

To our knowledge, the shareholder activism literature is silent on the role of gender in the activism process. There seems to be an implicit assumption in the literature that shareholder activism is agnostic towards gender. Most researchers seem to accept the notion that “the sex of the CEO doesn’t have anything to do with which companies activists target” (Colby & Hymovitz, 2015). The popular media, however, has suggested that activism may be somewhat biased and at least partly motivated by CEO gender (Colby and Hymowitz, 2015). For example, the *New York Times* and *Fortune* suggest that activists may be “singling out women” because of “subconscious perceptions and cultural attitudes” shaping decisions about which firm to target (Fairchild, 2015; Sorkin, 2015). As Eagly and Heilman (2016) recently noted, media accounts of gender bias in executive leadership usually derive from anecdotal evidence or simplistic “displays of relevant data”, so that only academic scholarship can provide rigorous and nuanced analyses based on sound conceptual logic that meets strict econometric standards. Moreover, journalistic efforts to ask women CEOs whether gender made them more vulnerable to the threat of activism have largely been stonewalled as none of the “female chief executives...wanted to discuss it, whether on the record or off” (Sorkin, 2015). Consequently, discussion about CEO gender and activism threat has not made much headway in the popular media and the lack of systematic scientific inquiry in this area means there is little guidance available from the academic literature. We address this gap in the present study.

Bios/photos



Vishal Gupta is Associate Professor at The University of Mississippi. His research has been published in prestigious journals, such as *Academy of Management Review*, *Journal of Applied Psychology*, *Journal of Management*, *Journal of Business Venturing*, and *Organization Studies*, among others. Vishal has served previously on the faculty at State University of New York (Binghamton) and University of Nebraska (Omaha). He received his PhD from University of Missouri, and has been a visiting faculty at several b-schools internationally.



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UNDERSTANDING DEMAND-SIDE LEGITIMACY: WHY CUSTOMERS FIND SOME NEW VENTURES MORE ACCEPTABLE THAN OTHERS?

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ABSTRACT

Legitimacy, that is, to be perceived as “desirable, proper, or appropriate” (Suchman, 1995: 574), is of crucial importance to firm sustenance (Ruef and Scott, 1998; Tyler, 2006). Legitimacy plays a central role in firm viability because it “has a direct causal effect on the preferential allocation of capital, human, and cultural resources to the organization” (Golant and Sillince, 2007: 1149). Ever since Stinchcombe’s (1965) seminal work on legitimation was published, new ventures have been considered lacking in legitimacy, a position that is widely shared in the literature (Uberbacher, 2014). By definition, new ventures have limited or non-existent record of behavior and performance (Zimmerman and Zeitz, 2002), and so are not readily attributed expectations of future reliability, persistence, and regularity (Brush, Manolova and Edelman, 2008; Tornikosi and Newbert, 2007). For such ventures, legitimacy is the means by which they overcome ‘liabilities of newness’ and transition to becoming a viable firm. Legitimacy is therefore a critical concern in the formative years of a firm (Suddaby and Greenwood, 2005), even before the firm begins to earn revenues or generate profits.

Legitimacy is socially constructed (Bitektine and Haack, 2015; de Vaujany and Vaast, 2014), so that “legitimacy ultimately exists in the eyes of the beholder” (Zimmerman and Zeitz, 2002: 416). While any assessor in a firm’s social space can form a legitimacy judgment about it, not all assessors’ judgments are equally salient to the firm (Bitektine, 2011). Some recent research suggests that legitimacy with potential customers- what may be referred to as ‘demand-side legitimacy’ (Priem, 2007) - constitutes a central challenge for firms (Homburg, Hahn, Bornemann and Sandner, 2014; Wang, Song and Zhao, 2014). Legitimacy bestowed by customers, particularly well-established prestigious customers likely to transact only with the most promising ventures suggests to important stakeholders that the firm may be of sufficiently high credibility to merit association. Failure to gain legitimacy from prestigious customers, reflected in their unwillingness to enter into business and economic transactions (Katz and Garner, 1988) makes disbanding a very real possibility for new ventures (Delmar and Shane, 2004). As our opening quote suggests, new ventures are often desirous of gaining an early foothold with corporate customers, but it usually tends to be a frustrating and disappointing experience for most emergent firms. This is because customers, especially prestigious corporate customers, are not known to be generous in granting legitimacy, perhaps because they realize how indispensable they are to the ultimate survival and growth of the firm (Uberbacher, 2014).

The purpose of the present study is to examine legitimacy of new ventures from the perspective of prestigious customers. We advance “the *evaluator’s perspective* on legitimacy” (Bitektine, 2011: 172 emphasis original), delving into how legitimacy is rendered by prestigious corporate customers. Although corporate customers play a key role in business-to-business (B2B) markets (Harmon, Conrad and Brown, 1997), there exists little understanding of how such customers draw inferences and make decisions about purchasing from new ventures, a gap we redress in our inquiry. Our research extends the legitimacy literature beyond its traditional focus on ways in

which firms act to acquire legitimacy from investors and regulators (Elsbach and Sutton, 1992) and the pressures from these stakeholders to engage in expected normative behaviors (Kostova and Zaheer, 1999). To our knowledge, demand-side concerns have not attracted much attention in the legitimacy literature until fairly recently, and almost nothing has been published on how corporate evaluators “actually render legitimacy” (Bitektine, 2011: 151).

Our interest in the present study is to understand the nuances of legitimacy “within the psyches of social actors”, specifically focusing on legitimacy from corporate buyers (Zimmerman and Zeitz, 2002: 418) to generate and validate novel theoretical insights about customer legitimacy. The purchasing decisions of corporate customers are believed to be more complex than those made by individuals for personal consumption (LaPlaca and Katrichis, 2009), thus making them an interesting source to study how some firms come to be seen as legitimate. We are thus able to cast new light on downstream resource exchanges of new ventures (Delmar and Shane, 2004), which allows us to contribute to the discussion on survival and growth of emergent firms (Tornikoski and Newbert, 2007).

Bios



Vishal Gupta is Associate Professor at The University of Mississippi. His research has been published in prestigious journals, such as *Academy of Management Review*, *Journal of Applied Psychology*, *Journal of Management*, *Journal of Business Venturing*, and *Organization Studies*, among others. Vishal has served previously on the faculty at State University of New York (Binghamton) and University of Nebraska (Omaha). He received his PhD from University of Missouri, and has been a visiting faculty at several b-schools internationally.



Safal Batra is an assistant professor of strategy at the Indian Institute of Management Kashipur. He was the recipient of IFCI best thesis award during his doctorate at IIM Ahmedabad. His research surrounds strategic and cognitive determinants of small business performance. He has presented his work in numerous international conferences such as the Academy of Management, European Academy of Management and Strategic Management Society. His work has been published in journals such as *International Small Business Journal*, *Journal of Organizational Change Management* and *Journal of Entrepreneurship*, among others.



Sunil Sharma is Associate Professor of Strategic Management at the Indian Institute of Management, Ahmedabad. He has a rich corporate experience of 16 years. Prior to IIMA Sunil was a consultant with Mckinsey & Company. He has also worked in core industries of power and Petroleum. He also serves as an independent director on the board of Zee Telefilms. Sunil's research interests are in the areas of organization capabilities, strategic decision making, strategy implementation, management consulting, and strategic innovation. He has presented papers in leading international conferences and his work on capability building and growth challenges has been published in international journals.

EXTERNAL REWARD VALUES-SUPPLIES FIT/MISFIT, EMPLOYEES' PERCEIVED WORK STRESS, AND UNCERTAINTY AVOIDANCE: A CROSS-CULTURAL COMPARISON

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ABSTRACT

Drawing from Warr's Vitamin Model and perspective of person-environment fit, we examined relationship between external reward values-supplies fit/misfit and employees' perceived work stress in a cross-cultural setting. We further studied how the relationship was moderated by uncertainty avoidance. We tested our hypotheses with 24 different countries by conducting multi-level analyses with response surface analyses. We found that external reward values-supplies misfit was positively associated with work stress, and uncertainty avoidance moderated between external reward values-supplies fit and work stress.

Bios

Si Hyun Kim, Ph.D., is an Assistant Professor of Management at the University of La Verne, USA. Her current research interests include organizational justice, business ethics, diversity issues at work, and international human resource.

Giacomo Laffranchini, Ph.D., is an Assistant Professor of Management at the University of La Verne, USA. His research interests involve family business strategy and turnaround strategies in response to performance decline in family firms.

A SOCIAL EXCHANGE PERSPECTIVE: THE RELATIONSHIP AMONG EMPLOYEE PERFORMANCE, AND PERCEIVED EMPLOYEE PERFORMANCE

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ABSTRACT

Drawing from social exchange theory (Blau, 1964) and affective event theory (Weiss & Cropanzano, 1996), we examined the relationship between employee performance reported by employees and perceived employee performance reported by customers. We further studied how the relationship between employee performance and perceived employee performance was moderated by social exchange. We found that social exchange partially moderated the relationship between employee performance and perceived employee performance.

Bios

Si Hyun Kim, Ph.D., is an Assistant Professor of Management at the University of La Verne, USA. Her current research interests include organizational justice, business ethics, diversity issues at work, and international human resource.

Giacomo Laffranchini, Ph.D., is an Assistant Professor of Management at the University of La Verne, USA. His research interests involve family business strategy and turnaround strategies in response to performance decline in family firms.

DOES CORPORATE REPUTATION AFFECT TOP MANAGEMENT RETENTION AND FIRM MARKET PERFORMANCE?

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ABSTRACT

While previous corporate reputation studies have explored the effect of reputation on different firm operations and outcomes, this study focuses on two understudied yet important issues: top management retention and firm market performance. Using longitudinal data, this study investigates the effect of corporate reputation on CEO retention as well as firm market performance for three time frames (short-term, midterm, and long-term). The results show a positive corporate reputation was related to longer CEO tenure and higher firm market performance in the short-term, midterm and long-term.

Bios/photo



Kaveh Moghaddam is an Assistant Professor of Management in the School of Business Administration at University of Houston-Victoria. He has earned a Ph.D. in Strategic Management and International Business from Old Dominion University in Virginia, and an MBA and a B.S. in Industrial Engineering from Sharif University. His research interests are in the area of *strategic entrepreneurship* and the *internationalization process* of firms particularly from emerging markets. His research has been published in respected journal such as *Strategic Entrepreneurship Journal* and *Journal of International Management*.

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Sara Azarpanah is an instructor at Lone Star College. Her research interests concerns strategic entrepreneurship. She has earned an M.Sc. in Business from University of Nevada, Las Vegas and an MBA from University of Wales, Cardiff, UK. Her main research interests are in the area of information system management and international entrepreneurship.

TESTING THE EFFECTS OF EXPERIENCE ON RISKY DECISION MAKING

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ABSTRACT

Scholars have concluded that most undergraduate subjects are cognitively biased in making choices under uncertainty. The purpose of this study is to test whether the findings of prospect theory are generalizable to subjects with real world business experience. We examined 89 Executive MBAs with an average of fifteen years of business experience and 143 regular MBAs with at least two years of business experience and conclude that cognitive biases are strongly embedded in the minds of the subjects we studied. In fact, in certain contexts, experienced business people showed a greater degree of cognitive biases than those with less experience.

Bios/photos



Dr. Aneika Simmons is an Associate Professor at Sam Houston State University. She completed her doctorate degree in Management at Texas A&M University. She also has a Masters degree from the University of Houston. Her research interests are primarily related to creative performance, justice, and diversity issues. These topics are discussed and developed in the courses that she teaches like Organizational Behavior and Human Resources. Further, her publications appear in journals like the Journal of Applied Psychology, Journal of Organizational Behavior, Gender and Management: An International Journal, and the Journal of Applied Social Psychology. Prior to pursuing her PhD, Dr. Simmons worked for Accenture and Cap Gemini Ernst and Young as an information technology

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Dr. Asghar Zardkoohi is the T.J. Barlow professor of business administration in the Department of Management at Mays Business School at Texas A&M University. Dr. Zardkoohi joined Mays Business School in July 1981. He received his Ph.D. in economics from Virginia Polytechnic Institute and State University in 1977. Dr. Zardkoohi's research and teaching interests are in the areas of organizational architecture, corporate governance, corporate political activities, decision making, business and public policy, industrial organization, financial intermediaries, and law and economics. His current research interests are in corporate governance, decision making under uncertainty, corporate lobbying, and executive compensation. Dr. Zardkoohi's research has appeared in a variety of academic journals including American Economic Review; Economic

Inquiry; Southern Economic Journal; Journal of Finance; Journal of Law and Economics; Northwestern Law Review; Journal of Banking and Finance; Journal of Law, Economics, and Organization; Harvard Journal on Legislation; Strategic Management Journal; Academy of Management Review, Academy of Management Journal, and Journal of Business Ethics.

Dr. Zardkoohi has received numerous teaching awards at Mays Business School, Texas A&M University: Executive MBA Program, Faculty Excellence Award, 2013; University level Distinguished Achievement Award in teaching, 2011; Mays Teaching Fellowship Award, 2010; Mays Teaching Performance Award, 2010; Executive MBA Teaching Excellence Award, 2009; Mays Business School MBA Teaching Excellence Award, 2009; Mays Business School, Executive MBA Faculty Recognition Award for Teaching, 2006; Association of Former Students, Mays Business School, Distinguished Teaching Award, 2003; and Association of Former Students, Mays Business School, Distinguished Teaching Award, 1989.

Dr. Zardkoohi has taught a course on the economic analysis of contract law at EDHEC, a business school in France, over the last decade-and-a-half. In addition, he has taught a few executive courses at Aramco's Headquarters in Dhahran, Saudi Arabia, over the last eight years.

Dr. Zardkoohi has received research grants from NASA, the American Banking Association, AT&T, and the Small Business Administration. He has won the Association of Former Students of Texas A&M University Distinguished Research Award, 1985. He is a research fellow at Texas A&M University's Private Enterprise Research Center.



Dr. Run Ren is an associate professor in the Department of Organization and Strategic Management at the Guanghua School of Management, Peking University, China. She got her doctoral degree in Management from Texas A&M University. She teaches Organizational Behavior and Human Resource Management at undergraduate, MBA, and PhD levels. Her research interests include organizational justice, creativity, leadership, and human resource management. Her work has appeared in journals such as Journal of Applied Psychology, Journal of Organizational Behavior, Journal of Vocational Behavior, Journal of Occupational and Organizational Psychology, Journal of Business Ethics, etc.

**INNOVATION, TECHNOLOGY, AND STRATEGY
THE RISE AND DEMISE – THE DRAPER COMPANY: A CASE STUDY SPANNING
200 YEARS**

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ABSTRACT

The initial part of this paper explores the theoretical relationship between innovation, technology, strategy, and marketing at the industry and customer level. The second section is a case study of a textile machinery company's innovation, technology, strategy, and marketing over 200 years from 1816 to 2016. The third section analyzes the Draper Company's innovation technology - strategy - marketing relationship relative to the theoretical framework. Lastly, management lessons and implications are explored.

Keywords: Innovation, marketing, machinery, management, patents, strategy, technology, textiles, weaving

Bio/photo



William Bradley “Brad” Zehner II, St. Edward's University, Austin, Texas, USA – is an Associate Professor of Management and a Global Teaching Fellow. He is also a Fellow at the IC² Institute – “a think and do tank focused on wealth creation” - at The University of Texas at Austin. Dr. Zehner was the former director of the MS in Technology Commercialization program at the University of Texas at Austin. He is interested in the relationship among technological innovation, strategy, marketing vis a vis wealth creation.

Dr. Zehner earned his Ph.D. in Executive Management and Leadership from the Peter F. Drucker School of the Claremont Graduate University. Dr. Zehner earned master's degrees in psychology (Pepperdine University) and marketing (University of Southern California), and finance (University of Southern California). Dr. Zehner was a global executive for 25+ years prior to becoming an academic.

RELIGIOSITY AND ETHICAL AWARENESS: THE MODERATING EFFECTS OF EMOTIONAL INTELLIGENCE

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ABSTRACT

Many studies have investigated religiosity as a predictor of business ethics, but the nature and strength of this relationship is still unclear due to conflicting findings. We believe this ambiguity could be due to a previously uninvestigated moderating effect of emotional intelligence between religiosity and business ethics. We utilized a sample of college business students from two large universities in different regions of the United States, and collected self-report surveys to shed more light on the previously uncertain relationship. The findings suggest a combination self-awareness, self-regulation, motivation, empathy, and social skills indeed play a role between religiosity and business ethics.

HANDS-ON DISRUPTIVE INNOVATION IN MANAGEMENT EDUCATION

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ABSTRACT

This session describes the implementation of the disruptive innovation simulation experience developed by four faculty members and implemented in a combined session of the following courses: Intro to Business, Human Resource Management, and Computer Science Software Engineering.

Students participating in the learning experience were divided into teams of 5-7 based on their majors. The multidisciplinary teams consisted of students from management, marketing, finance, accounting, entrepreneurship, human resources, and computer science. A total of 105 students participated in this hands-on experience with the goal of learning how to make management decisions regarding a high-tech product poised to be a disruptive innovation.

Students were given packets which offered a very general description of a company trying to determine if it should either continue or discontinue work on a project which may become a disruptive innovation in the industry. The case study was written as a futuristic version of a classic example of disruptive innovation, the Kodak Digital Camera.

In the scenario, the students were told that their company's research and development team was in the process of developing a prototype of a holographic camera. Students were given copies of discipline perspectives which had been shared by individuals in the fictitious company representing each of the seven majors in the course. In their multi-disciplinary teams, students were challenged to evaluate the situation and make a decision regarding the future of the holographic camera project at the fictional Westman Photo Company. Out of 13 teams, 5 voted to continue and 8 voted to discontinue the project.

Format

Part 1: A description of how our learning experience was developed and implemented as well as a 5 minute video of the students' thoughts about the project.

Part 2: The survey instrument and results of the pilot-test.

Part 3: Open discussion on next steps. We want to hear input from colleagues on how this simulation could be improved and possibly extended to other campuses.

Part 4: Open discussion on the assessment tool or survey. We are hoping to work together to improve the assessment process and potentially create a survey that could be used to measure Disruptive Innovations education in multiple scenarios.

Part 5: Open discussion on developing a collaborative partnership. We are looking for collaborators for a future multi-campus Disruptive Innovations Learning Experience research study.

Bios/photos



Dr. Amanda Evert is an assistant professor in the School of Business and Technology at Southwestern Oklahoma State University in Weatherford. She teaches marketing and management courses. Evert's real-world marketing experience includes projects ranging from agricultural products to technology solutions to educational programming. Additionally, she has seven years of leadership and management experience, first as an academic division director and later as a vice president at a small rural community college.



Jonna Myers is a management and entrepreneurship instructor in the School of Business and Technology at Southwestern Oklahoma State University in Weatherford. She teaches Business Communications, Professional Issues and Human Resources. Additionally she is the faculty advisor of Phi Beta Lambda and the Love's Cup Competition Team. She is currently completing her doctorate degree in Human Resources and Workforce Development from the University of Arkansas.



Dr. Hank Ramsey is an associate professor in the School of Business and Technology at Southwestern Oklahoma State University in Weatherford. He teaches management courses. Ramsey has 9 years of experience working in telecommunication and pharmaceutical industries. Primarily, he worked consulting small businesses, installing information systems, and then was a corporate trainer.



Dr. Jeremy Evert is an assistant professor in computer science in the School of Business and Technology at Southwestern Oklahoma State University in Weatherford. He teaches computer science I and II, software engineering, discrete structures and mobile applications. Evert works on NASA and NSF-funded grant projects in the area of high performance computing. Before earning his Ph.D. Evert was in the Air Force for four years.

BACK-TO-SCHOOL FOR BIG KIDS: A TRANSITION COURSE FOR NEW MID-LIFE DOCTORAL STUDENTS

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ABSTRACT

This session will review a new course, ‘Becoming a Scholar-Practitioner,’ designed to support a student’s entry into the DBA program at the University of Dallas and enhance program retention. The course introduced scholar-practitioner doctoral competencies, managerial and organizational literature, change models and coaching interventions. Students completed personal assessments, created ‘change maps’ and developed a transition plan to identify strategies for success. It also acquainted students with the blended learning format that integrates both online and on-ground content delivery methods. Discussion of common challenges faced by these mid-life students, their course feedback and application to other universities’ programs will be invited.

Bio/photo



Jude Olson currently serves on the faculty of University of Dallas, Satish & Yasmin Gupta College of Business MBA program, teaching “Emotional Intelligence for Effective Leadership,” “Managing Complex Organizations,” and the “Capstone” course in the MBA program; as well as, the “Becoming a Scholar-Practitioner” course for the DBA program.

She is an accredited, professional coach and OD consultant providing leadership and transition coaching to individuals, teams and organizations—building on strengths for accelerated development. She is certified by the International Coaching Federation and is President-Elect of the North Texas Chapter. She coaches for local corporations.

As Head Coach and Senior Consultant in Organization and Leadership Development with Lockheed Martin Aeronautics Company in Fort Worth, Texas for the past 17 years, she was recognized for bringing innovation in consulting with senior management on major culture change initiatives, knowledge management, collaborative teaming, organization design and executive coaching. Her primary client was the F-35 Lightning II leadership team during its first 13 years of startup.

A native of Pennsylvania, she earned a B.S. in Journalism and M.Ed in Counseling Psychology from Temple University; and a Ph.D. in Human and Organization Systems from Fielding Graduate University. She published in the Elsevier book on “Complex Collaboration” (2004), a chapter in the (2008) Jossey-Bass book, “The Handbook of High Performance Virtual Teams: A Toolkit for Collaborating across Boundaries” and “Inventing the Joint Strike Fighter—Applying Appreciative Inquiry to Collaborative Startups” in the OD Network Journal which became an E-Book (2013).

HABITUAL ENTREPRENEURSHIP IN BUSINESS FAMILIES: A PROCESS MODEL

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ABSTRACT

We offer a process model of habitual entrepreneurship in business families. Specifically, we theorize how habitual family entrepreneurship occurs through an unfolding process that is influenced by the images of the business family. Drawing on the image theory, habitual entrepreneurship, and family business literatures, we offer propositions designed to explicate the process through which business families engage in habitual entrepreneurship, as well as how this process differs from that of non-family habitual entrepreneurs. We further explicate the role of success versus aspiration level in the habitual entrepreneurship process for business families. Theoretical implications for habitual entrepreneurship and family firms are discussed, as are directions for future research.

Bio/photo



James Vardaman is an Associate Professor and the Nancy Allen Fellow of Management at Mississippi State University. His research focuses on the role of social networks, social influence and social comparisons in employee and entrepreneurial behavior. His work has been published in journals such as *Organization Science*, *Journal of Organizational Behavior*, *Entrepreneurship Theory and Practice*, *Academy of Management Perspectives*, *Human Relations*, *Human Resource Management Review* and others. Professor Vardaman serves on Southern Management Association's Board of Governors, and on the Editorial Review Boards of *Journal of Management*, *Human Resource Management Review* and *Journal of Change Management*. He received his Ph.D. from the Fogelman College of Business at the University of Memphis in 2009.

**SLOW ADOPTION OR NO ADOPTION OF HUMAN RESOURCE ANALYTICS
AMONG HR PROFESSIONALS?:
THE ROLES OF KNOWLEDGE, TRAINING, ATTITUDES AND SELF-EFFICACY**

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ABSTRACT

For Human Resource (HR) professionals to be strategic business partners, they must use analytics. Why then, are not more HR professionals adopting the use of human resource analytics (HRA)? This study examines why HR professionals have been slow to adopt HRA using Rogers' innovation decisions making model. A sample of 302 HR professionals, working in the field of HR was tested using Partial Least Squared analysis. Subjects were divided into 3 groups based on their role to examine how the role-group members moved through the innovation decision process and made an adoption decision. Distinct differences were noted in what factors impacted the decision to adopt.

Bios

Dr. Roslyn Vargas (roslyn@nova.edu) is an Adjunct Professor of Management in the H. Wayne Huizenga College of Business and Entrepreneurship of Nova Southeastern University. She has taught courses in management, which includes Organizational Behavior, Managing Conflict and Change, as well as an array of Human Resource Management courses. Her research interests include human resource analytics, innovation, disruptive management.

Dr. Yuliya V. Yurova (Yuliya.Yurova@nova.edu) is Associate Professor of Research Methods and Decision Sciences at Nova Southeastern University. Dr. Yurova teaches graduate-level courses in data analytics, business decision modeling and quantitative methods. Her research interests cover a range of topics in time series analysis, structural equation modeling, and applied multivariate analysis.

Dr. Leslie Cauthen Tworoger is a Professor of Management in the H. Wayne Huizenga College of Business and Entrepreneurship of Nova Southeastern University and is currently serving as Co-Chairman of the Management Department. She teaches various management courses including Organizational Behavior and Leadership Theory and Practice. Her research interests include communication and media choice in virtual teams as well as innovation and ambidextrous leadership in top management teams.

Dr. Cynthia P. Ruppel is a Professor of Information System in the H Wayne Huizenga College of Business and Entrepreneurship at Nova Southeastern University. She received her PhD. in MIS from Kent State University. Her research interests include the use of telecommunications to conduct business such as in telecommuting, ecommerce and supply chains, virtual teams as well as the impacts of innovation adoption and diffusion in organizations. Her work has been published in IEEE Transactions on Professional Communication, Journal of Business Ethics, The International Journal of e-Collaboration, The International Journal of Doctoral studies and others.

HEPATITIS C VIRUS DIRECT ACTING ANTIVIRALS AND DISRUPTIVE INNOVATION

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ABSTRACT

The hepatitis C virus targets the liver, increasing risk of future liver related disease and cancer (Mantravadi, 2017). The 25th anniversary of the discovery of the virus showed promise for new treatments, and cure rates increased even higher. In 2011, a new wave of treatments, known as direct acting antivirals (DAAs) for hepatitis C virus (HCV) entered the market. The direct-acting antivirals are protease or polymerase inhibitors. Current DAA treatments on the market include simeprevir, sofosbuvir, ledipasvir, ombitasvir/ paritaprevir/ ritonavir with dasabuvir, daclatasvir-sofosbuvir, and elbasvir-grazoprevir, and the newest medication, most effective treatment, sofosbuvir-velpatasvir, as approved in mid-2016 (Merck, 2016); older medications, boceprevir, and telaprevir have discontinued.

Almost immediately after approval of boceprevir and telaprevir in 2011, which was the first introduction of DAAs into the market, each succeeding year showed another innovation in treatment and a new Food and Drug Administration approval of a DAA, resulting in immediate changes in treatment availability, health care costs, and treatment recommendation. Boceprevir (Victrelis) (Merck, 2015) and Telaprevir (Incevik) medications were both FDA approved in 2011 (FDA, 2016). Boceprevir was approved for use in patients with compensated cirrhosis (FDA 2016). Finally, in 2014, the manufacturer of telaprevir discontinued the product, due to reduced market demand and availability of more efficacious treatments on the market. In addition, boceprevir was discontinued by Merck by the end of 2015 (Merck 2015; Mantravadi, 2016).

In contrast to the prevailing treatments (pegylated interferons and ribavirins), direct-acting antivirals are administered in the form of an oral tablet, are more efficacious, and have significantly less side effects (Jazwinski & Muir, 2011; Welsch, Jesudian, Zeuzem, & Jacobson, 2012). Currently, these are the available treatment options for patients, in addition to the standard pegylated/ribavirin regimens. For the average patient, however, the high costs of these newer medications on the market seems to preclude usage (Alter & Liang, 2012). The advent of DAAs are the trend makers in a slow shift away from classical, older therapies towards successive rounds of newer treatments, with each medication posing fewer side effects and higher cure rates (Alter & Liang, 2012).

The use of DAAs in HCV infected patients are a prime example of disruptive innovation in the pharmaceutical industry, as newer, and more efficacious DAA medications are entering the market after FDA approval. This is already evident in the discontinuation of boceprevir and telaprevir, as well as the swiftly changing treatment recommendations for HCV by nationally recognized organizations, as with the approval of daclatasvir and elbasvir-grazoprevir, and recently, sofosbuvir-velpatasvir. In addition, patient ent up demand from delayed treatments due to ineffective medications (watch and wait strategies) contribute to uptake and implications in the market (Mantravadi, 2016). In this paper, the recent rapid research & development of new DAAs,

and swift Food and Drug administration approval for market entry is analyzed in the context of disruptive innovation in the pharmaceutical industry, and implications of the rapid, emerging changes in treatment.

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STRATEGIC OD AND DISRUPTIVE INNOVATION IN HIGHER EDUCATION

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ABSTRACT

This paper provides a synthesis of Organizational Development (OD) and organizational strategy by discussing Jelinek & Litterer's work along with contemporary approaches to Strategic OD – including the ISC approach by Hitchin & Worley. The aim is to present a framework that shows how organizations and individuals work together to enhance organizational structure and effectiveness. In addition, this paper discourses institutional change, culture, and e-learning in higher education. The pedagogical and socio-economic forces that drive higher learning institutions to incorporate e-learning in teaching and learning have made a major impact on transforming institutions. The integration of technology has become more innovative, creative and strategic.

Bio/photo



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