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<table>
<thead>
<tr>
<th>Track</th>
<th>Chair</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Entrepreneurship/ Small Business /Innovation</strong></td>
<td>Manjula Salimath, University of North Texas</td>
</tr>
<tr>
<td><strong>Ethics / Corporate Social Responsibility</strong></td>
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<tr>
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<tr>
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</tr>
<tr>
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<td><strong>Organizational Development / Conflict Management</strong></td>
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<td>Karen Leonard, University of Arkansas - Little Rock; Veena P. Prabhu, California State University - Los Angeles</td>
</tr>
</tbody>
</table>
# TABLE OF CONTENTS

**FOLLOW ME: THE USE OF SOCIAL MEDIA IN RECRUITMENT** ........................................ 5  
Delores Alarcon, Angela Villarreal, Anna Waller, Sandra Degrassi, & Heather Staples,  

**EDEVELOPMENTAL NETWORKS AND EXPATRIATE ADJUSTMENT** ....................... 20  
S. Gayle Baugh  

**ETHNICITY AND JOB INTERVIEWS** ................................................................................. 29  
Julio C. Canedo & Christopher R. Langford  

**POST-RESTRUCTURING GOVERNANCE: AN EXAMINATION OF INTERLOCKING DIRECTORATES** .............................................................. 38  
Luke H. Cashen & Kenneth Chadwick  

**SOCIAL MEDIA AND SELECTION: THE ROLE OF ATTRACTIVENESS, SELF-PROMOTION, AND PRIVACY SETTING** ................................................................. 48  
Rahul S. Chauhan, M. Ronald Buckley, Robert A. King, & Marisa E. Crisostomo  

**TAXONOMIES AND CORPORATE NAMES DIFFERENCES IN CONTESTABLE MARKETS: THE CASE OF EXECUTIVE SEARCH FIRMS** ................................................. 76  
Amanda Faith Evert, Carlos Baldo, & Shelbey Trawick  

**MOTIVATIONAL THEORY IN A BRAVE NEW WORLD** ............................................. 78  
Jessica “DJ” Himstedt  

**EMPLOYEE COMMITMENT TO A SELF-DIRECTED WORK TEAM TRANSITION: SELF DETERMINATION THEORY OBSERVED IN DIRECT LABOR** ......................... 89  
John Hoffman & Nathan Bennett  

**RESEARCH NOTE: A MODEL OF THE MILLENIAL COHORT AND WORK COMMITMENT** .................................................................................................................. 108  
Stephen Jaros & Xiaohan Gao-Urhahn  

**LIFESTYLE ENTREPRENEURSHIP: CHOICE OR LAST RESORT?** ......................... 118  
Jamie Keen & Julie (JP) Palmer  

**MANIPULATIVE BUSINESS AND SOCIETY** ..................................................................... 125  
Brian W. Kulik, Michelle Alarcon & Manjula S. Salimath  

**AN UNDERGRADUATE AND GRADUATE STUDENT ASSESSMENT OF PERCEIVED LEADER INTEGRITY** ........................................................... 129  
Phillip V. Lewis & Jody L. Jones
THE PROCESS OF MANAGERIAL ISSUE DEFINITION: AN INVESTIGATIVE FORAY .......................................................... 141
William E. Martello

COGNITIVE AND NONCOGNITIVE HUMAN CAPITAL PREDICTORS OF EMPLOYEE BEHAVIORS AND WORK PERFORMANCE ........................................... 157
Brian Martinson

THE DARK SIDE OF ENTREPRENEURSHIP: A REFLECTION ON THEIR MULTIDIMENSIONALITY ............................................................ 158
Oscar Montiel, & Mark Clark

CAREER READINESS EDUCATION (CRED) PROGRAM ........................................... 177
Elizabeth Muniz, Priya Eimerbrink, Christopher Dickman, Danielle Zanzalari, & Julio Canedo

GENERATIONAL DIFFERENCES: UNDERSTANDING AND EXPLORING GENERATION Z ........................................................... 198
Thomas Nichols, Meghan Wright

BIG DATA, DECISION-MAKING, AND ORGANIZATIONAL CULTURE .............. 207
Donna L. Ogle

A MODEL CODE OF ETHICS FOR DECISION MAKING IN ACCOUNTING PROFESSIONS ......................................................... 216
Dinah M. Payne, Christy M. Corey, Cecily Raiborn

COMPARING SECONDARY AND POST SECONDARY STUDENT LEARNING PREFERENCES: IMPLICATIONS FOR FUTURE ENTREPRENEURSHIP COURSES ........................................................................................................ 237
Julia Truitt Poynter

TOWARDS A FRAMEWORK FOR CREATING SUSTAINABLE SUPPLY CHAINS. 238
Mysore Ramaswamy

COLLECTIVE MIND: A STUDY OF DEVELOPMENT AND TEAM PERFORMANCE ................................................................................................. 245
Stephanie Solansky & Donna Stringer

DEVIANCE REDEFINED: CHARACTERIZING POSITIVE DEVIANCE ............... 250
Candace Tenbrink & David Epstein,

STRATEGIC ORGANIZATION DEVELOPMENT .............................................. 251
Ellen Winter

GLOBAL ORGANIZATION DEVELOPMENT .................................................... 259
Ellen Winter, Jessica Himstedt
FOLLOW ME: THE USE OF SOCIAL MEDIA IN RECRUITMENT

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ABSTRACT

The use of social media in the human resource arena continues to increase including a growing use of the internet for prescreening applicants during the recruitment process. With so many diverse social networking websites applicants use today, we explored how the social media phenomena affects employee recruitment. This study explored the effects of an applicant’s use of social media on the recruiter’s perception of the candidate and the overall impact on candidate selection. Using a survey method, information was gathered from human resources professionals from a variety of industries. Results support that social media impacts an applicant’s impression formation in the recruitment process, specifically that organization fit and recruiter perceived interpersonal skills in relation to social networking websites is highly correlated.

INTRODUCTION

The use of social media continues to increase as a means of communication within both personal and professional worlds for many individuals. Sites such as Facebook, Twitter, LinkedIn, and a number of other sites have become a norm. These sites can be beneficial to applicants but they can also be costly depending on the information shared. In addition to screening applicant qualifications through resumes and applications, recruiters are reviewing applicant’s social networking websites (SNWs). As we manage hiring in the “Era of Social Networking,” recruiters are looking for information to further assess an applicant’s hireability as well as determine fit with the organization. Applicant use of SNWs is emerging as a prevalent factor in the hiring process in addition to the traditional forms of qualifications such as education, experience, and interview skills. As a result, the need to understand the effect of SNWs on candidates’ ability to obtain employment is growing in importance.

Furthermore, employers are assessing the types of SNWs applicants are utilizing, whether for personal or professional use, and what type of information the applicants are sharing. Only through continued research can answers be found to determine the importance, if any, of applicant use of SNWs, the significance of that use, and the impact of information shared on SNWs in relation to applicant qualifications. The purpose of this research is to understand how SNWs can help determine hireability and organizational fit in conjunction with candidate qualifications. We first address the existing research on SNWs. Secondly, we address research on organizational fit and hireability. Thirdly, we propose a model suggesting that job applicants’ positive use of social media outweighs the applicants’ qualifications. Finally, we present our findings from our survey testing the hypotheses and discuss practical implications, limitations, and suggestions for future research.
LITERATURE REVIEW

Image Theory and Impression Formation

Our research is based on the premise of image theory and impression formation. Image theory is a decision-making framework involving a single decision maker who uses three different types of schematic structures or ‘images’ to make decisions. The value image focuses on the principles of the decision maker. The trajectory image is their goals, and strategic image is the plans to accomplish these goals. The objective is to avoid accepting candidates that do not fit with the principles (value image) or who may affect the implementation of plans (strategic image) for accomplishing goals (trajectory image).

Impression formation incorporates the need to form an impression of another person based on visual cues (Bar, Neta, & Linz, 2006; Lampel & Anderson, 1968). El Ouirdi et al. (2016) examined content on job applicants’ social media, concluding that the presence of non-professional content on an applicant’s social media is detrimental to the applicant’s image and, ultimately, recruiting for employment. Root & McKay (2014) also explored impression formation of applicants by examining student’s awareness of SNW screening in hiring. They discovered that applicants understand posts regarding negative stigma’s such as drugs, alcohol, sex, and profanity may be considered by recruiters; however, they did not consider grammar or spelling to be of importance. They also do not consider posts or photos ‘tagged’ from others to be relevant. A similar study addressing impression formation in recruiting explored hirability rating and e-mail addresses. Van Toorenburg et al. (2015) examined differences in formal and informal email addresses and concluded that informal email addresses had as much of an impact on hirability rating as spelling errors.

Another study conducted by El Ouirdi et al. (2015), explored SMW self-disclosure tendencies of applicants. Supporting the ‘posting paradox’, this study suggested that awareness of inappropriate self-disclosures did not prevent applicants from engaging in this behavior. They also discovered that applicants who were more likely to self-disclose inappropriate content were older and less educated but more experienced professionally. Applicants with less work experience focused more on professional online image concerns resulting in career-oriented self-disclosures. Elias et al. (2016) also conducted a study on hiring practices, social networking sites, and implicit bias using the impression formation as a framework. Their findings indicated that candidates who were able to communicate credibly and positively were hired while those with negative and inappropriate comments on SNW were often rejected.

Hypothesis 1a: The positive use of social media is positively related to a recruiters’ perception of interpersonal skills.

Person-Organization Fit

In related research, there is also interest in organization fit and potential candidates. Cho, Park & Ordonez (2013) examined whether or not a company’s social media policy affects the result of a potential candidate’s perception on their fit in the organization. Based on the results of this study, it is clear that the importance of social media is a positive relation in organizational fit and recruitment for potential candidates. Social media seems to have a significant importance to the
“millennial;” however, it is important to understand the values people place on social media is different for everyone and can have different behavioral effects for people in the workplace. Organizational fit is becoming increasingly more important to businesses that understand fit is as a potential retention strategy (Gardner, Reithel, Cogliser, Walumbwa, & Foley, 2012). Organizations are using different modes of technology and medias to create an attractive culture for potential candidates, in order to “communicate knowledge about their culture to internal and external audiences” (Gardner et al., 2012, p. 587). By doing this, they hope to catch the eye of potential candidates who see themselves in such an organization. Gardner et al. (2012), conducted a study to examine the effects of recruitment messages and personality. The researchers utilized the Five-Factor model on the degree of subjective person-organization fit (P-O fit) potential. They sought to find if “the fit between an individual’s personality and an organization’s culture” may not only attract potential applicants but retain them (Gardner et al., 2012, p. 587). Furthermore, Roulin and Bangerter (2013) suggests that SMW is a potential antecedent for both person-job and person-organization fit by both recruiters and applicants. On the contrary, Van Iddekinge et al. (2013), examined the relationship between recruiter ratings of applicants SMW and their performance after hire. This study suggested that the recruiter’s ratings were unrelated to supervisor ratings, turnover intentions, and actual turnover of the newly hired applicant. Naturally, the study did not address performance of applicants who were eliminated based on negative or inappropriate SMW interactions. Interestingly, this study also discovered higher SMW ratings for white female applicants.

Hypothesis 1b: The positive use of social media is positively related to person-organization fit.

Social Networking Sites

Bohnert and Ross (2010) explored how content found on SNWs influenced evaluation of job candidates. Evidence resulting from this study showed that job candidates with family-oriented or professionally-oriented SNWs received higher ratings than those job candidates that portrayed alcohol-oriented SNWs. The higher ratings were correlated to the possibility of an interview and, if selected, a higher starting salary. These findings supported the suggestion by popular press that SNWs influence the evaluation of a job candidate. This study also investigated the importance of a resume in relation to content found on SNWs. Participants who placed importance on the resume and participants who placed importance on SNW content rated the job candidates almost the same. This finding further suggested that SNWs are emerging as an influential factor in the hiring process.

Similarly, Cooley and Parks-Yancy (2016) conducted a study examining the impact of traditional and SNW screening in recruiting. They concluded that employers use SNW to eliminate job applicants from consideration, specifically if there is an inconsistency among the traditional recruitment tools and their SNW. A similar study by Elias et al. (2016), supports these findings confirming that candidates have been hired or rejected based on the content and communication of their SNW.

Hypothesis 1c: The positive use of social media is positively related to hiring recommendation.
Hypothesis 1d: The positive use of social media is positively related to an organization’s likelihood to pursue an applicant.

Qualifications

Wade and Kinick (1995), study suggests that objective qualifications are subsets of the overall qualifications of an individual and indicate a four-factor model. The model indicates that overall qualifications, interviewing skills, interpersonal attraction (and subsets of each) all influence the hiring decisions which in turn affects the fit within the organization and the candidate’s probability of success.

Hypothesis 2a: The social media/recruiter perception of interpersonal skills relationship is moderated by qualifications such that positive use of social media will be more important than qualifications.

Hypothesis 2b: The social media/person-organization fit relationship is moderated by applicant qualifications such that positive use of social media will be more important than qualifications. Kinicki, Lockwood, Hom, and Griffeth (1990), examined interviewers’ perceptions following the interview suggesting it can be swayed despite the applicant’s qualifications. The authors found that impressions affected the hiring recommendation more than qualifications. The indication from the authors’ research is that some hiring managers may distrust the validity of the information on resumes and therefore use “interview evidence” to help be a predictor of the accuracy of the data in order to make decisions. Resumes also do not portray the communication skills and job attitude of the candidate.

Hypothesis 2c: The social media/hiring recommendation relationship is moderated by applicant qualifications such that positive use of social media will be more important than qualifications.

Hypothesis 2d: The social media/likelihood to pursue relationship is moderated by applicant qualifications such that positive use of social media will be more important than qualifications.

METHODS

Participants

The participants in the study consisted of 101 human resources professionals from a variety of different industries. Members of the local chapter of Society of Human Resources Management (SHRM) and human resources contacts of the researchers were invited to participate. Of the 140 members who were present at the local SHRM monthly meeting, approximately 35 members (25%) completed the survey. Approximately 68% of the additional human resources professionals contacted completed the online survey. The majority of the participants (62%) were over the age of 40. Sixty percent of the participants were female and 89% of overall participants completed a bachelor’s degree or higher education level. The majority of the participants were Caucasian (63%), 31% were Hispanic, 4% were African American, 2% were Asian, and 1% were American Indian.
Of the participants, over 95% had over 5 years of work experience and over 84% had at least one year of experience as a hiring manager. It is noteworthy that over 49% of the participants have used SNWs to screen a potential applicant. The study was a \( (2 \times 2) \) factorial design, with a total of four scenarios, and cell frequencies ranged from 22 to 28 participants per scenario.

**Procedure**

We created an online and paper survey using an online survey tool. We distributed paper surveys to the local SHRM members during one of their monthly meetings. The remainder of the surveys were completed through an email link directing participants to the online survey tool. We created a scenario-based survey in which the participants were asked to make a determination on qualifications and their perception of the applicants’ use of social media. Participants were then asked to determine whether they would invite the candidate to an interview and potentially offer the candidate a position.

Four different surveys were distributed that contained criteria consisting of the following: positive social media and high qualifications, positive social media and low qualifications, negative social media and high qualifications, and negative social media and low qualifications. Participants were asked to imagine themselves as hiring managers for a supply company that caters to the needs of faith-based organizations, schools, and individuals. The company is currently seeking to fill the position of a regional sales manager and applicant resumes must be reviewed by the hiring manager.

Applicant qualifications were presented as high qualifications and low qualifications and a manipulation question was asked to determine the level of applicant qualifications. Participants then read a scenario related to reviewing applicant Facebook profiles. The profiles were presented as positive or negative and a manipulation question was asked to determine if the applicant had a positive or negative Facebook profile. See Appendices A and B for scenarios.

**Experimental Conditions**

**Qualifications.** Applicant qualifications was the first factor. Qualifications were manipulated based on fictitious qualifications related to the position of sales manager and were randomly assigned. Participants of the high qualifications survey read statements such as: “Transformed sales team from order takers to sales consultants” and “Implemented technology solutions to manage costs and improve value to customers.” Participants of the low qualifications survey read statements such as “No experience transforming sales team from order takers to sales consultants” and “No implementation of technology solutions to manage costs and improve value to customers.”

**Social Media.** Applicant use of Social Media was the second factor. Participants were randomly assigned surveys that included scenarios of positive use of social media or negative use of social media. Surveys that included positive use of social media read a review of an applicants’ Facebook page revealing no negative pictures and no “alarming and concerning comments from the applicant and their friends.” The surveys related to negative use of social media read a review of an
applicants’ Facebook page revealing negative photos as well as “alarming and concerning comments from the applicant and their friends.”

Measures

**Perceptions of Person-Job Fit.** Perceptions of Person-Job Fit was measured using the Kristof-Brown (2000) three-item scale. A sample statement is: “I think this applicant fits the demand of the job.” Participants answered on a scale from 1 (strongly disagree) to 5 (strongly agree). Alpha for the current study was found to be .87.

**Recruiter Perceived Interpersonal Skills.** Recruiter Perceived Interpersonal Skills was measured using the Huang, Chen, & Lai (2013) three-item scale. Two questions included, “I expect this applicant to interact very well with me” and “I expect to enjoy interacting with this applicant on the job very much.” These questions were answered on a scale of 1 (strongly disagree) to 5 (strongly agree). Cronbach’s alpha for the items was .87.

**Perceptions of Person-Organization Fit.** Perceptions of Person-Organization Fit was measured using the Kristof-Brown (2000) four-item scale. A sample statement is: “I think this applicant is highly similar to our other company employees.” These questions were answered on a scale of 1 (strongly disagree) to 5 (strongly agree). Cronbach’s alpha for the items was .95.

**Hiring Recommendation.** Hiring Recommendation was measured using the Tsai et al.’s (2005), and Howard and Ferris (1996) two-item scale. A sample statement is: “I am likely to invite the applicant for a second interview.” These questions were answered on a scale of 1 (strongly disagree) to 5 (strongly agree). Cronbach’s alpha for the items was .85.

**Likely to be Pursued by Organization.** Likely to be Pursued by Organization was measured using the Stevens & Kristof (1995) two-item scale. Participants were asked to read two questions then rate the questions on a scale of 1 (low) to 7 (high). A sample statement is: “How likely are you or your organization to offer this applicant a job.” Cronbach’s alpha for the items was .93.

**RESULTS**

The results support five of the eight hypotheses. As expected, the scenario with positive social media and high qualifications had the highest mean (5.48) and the scenario with negative social media and low qualifications had the lowest mean (2.38) for the dependent variable likely to be pursued by organization. A correlation matrix may be found in Appendix D outlining means, standard deviations, and correlations among study variables.

**Manipulation Check**

A manipulation check was utilized in order to validate the manipulations. A sample manipulation check item for the qualifications manipulation is: “This applicant has high qualifications.” Participants answered on a 5-point Likert scale for the degree to which they agreed or disagreed with the above statement. An independent sample t-test was used to test for significant differences
across the groups. Mean for low qualifications was 2.93, while the mean for high qualifications was 4.20 ($p < .01$).

The applicant use of social media manipulation check was a 5-point Likert scale. A sample manipulation check item for the social media manipulation is: “This applicant has a positive use of social media.” The mean for the negative social media was 1.82, while the mean for positive social media was 4.03 ($p < .01$).

**Hypotheses Tests**

The factorial design ($2 \times 2$) was tested using an analysis of variance (ANOVA) in order to test the relationships depicted in Appendix E. Hypothesis 1a states the positive use of social media is positively related to a recruiters’ perception of interpersonal skills. The main effect for use of social media is $p < .05$ and supports the hypothesis. Hypothesis 1b states the positive use of social media is positively related to person-organization fit. The main effect for use of social media is $p < .01$ and supports the hypothesis. Hypothesis 1c states the positive use of social media is positively related to hiring recommendation. The main effect for this hypothesis is supported at $p < .01$. Hypothesis 1d states the positive use of social media is positively related to the organization’s likelihood to pursue an applicant. The main effect for this hypothesis is supported at $p < .01$.

We then looked at the moderating effect of qualifications. Hypothesis 2a states the social media/recruiter perception of interpersonal skills relationship is moderated by qualifications. The effect for this hypothesis is supported at $p < .05$. This interaction is graphed in Appendix E. When it comes to the recruiter's perception of interpersonal skills, positive use of social media is more important than the applicant's qualifications. The remaining hypotheses (H2b-H2d) were not supported.

**DISCUSSION**

**Implications**

There are several implications obtained from this study. One of those is the relevance that social media plays on the recruiters’ perception and the potential hireability of a candidate and the importance of applicants to ensure that only positive social media is visible to potential employers. The information that recruiters obtain from social media give the recruiters enough information to determine whether a candidate will fit within the organization and also whether or not they will be recommended for future employment.

Additionally, since social media does have an impact on recruiter perceptions, it will be important for organizations to be cautious of the overall use during recruitment. Supporting results from previous studies, it is likely important to organizations to provide a significant amount of training to avoid potential law violations such as Equal Employment Opportunity and other employment laws.
Limitations/Areas for Future Research

A primary limitation of this study is that it was limited to only human resources professionals. There are a number of hiring managers that are involved in the recruitment process and their perception of social media was not obtained. To have a more balanced perception of hiring in the workplace, it would be beneficial to have a larger research body that included both human resources professionals, hiring managers, and other business professionals who may not be hiring managers but take part in the interview process.

Another limitation of this research was the amount of participants who actually utilize SNWs to assist in hiring. With a broader range of hiring and business professionals, the use of SNW screening in practice could be obtained rather than perceptions based off a scenario.

Third, since our sample is based on human resources professionals in the United States, and mainly Southern states, we have limited our research to a perception that could be stereotyped. By not including other regions of the country, we may have excluded diverse perceptions of work ethic.

Areas for future research include a study that is expanded across hiring managers, not just human resources professionals. We also recommend that the number of participants be expanded to include a broad study across the United States. Additionally, we recommend a study of participants that all use social media in their recruitment so that the study provides a true perception of the recruiter as they review an applicants’ social networking website.

CONCLUSION

Social networking websites have garnered more attention recently and we have provided theory and evidence to suggest social networking websites can have a major impact on candidate hireability. Research suggests that organization fit and recruiter perceived interpersonal skills in relation to SNWs is highly correlated. Based on our research findings, it is clear that the use of social media networks is continuing to rise and review of applicant SNWs can be a positive tool in the use of recruitment for organizational fit and hireability.

REFERENCES


Cho, PhD J., Park, PhD, D. J., & Ordonez, Z. (2013). Communication-oriented person-organization fit as a key factor of job-seeking. *Behaviors: Millennials' social media use and*


Appendix A

**Manipulations**

*Qualification Manipulation*

**High Qualifications**
- Transformed sales team from order takers to sales consultants
- Recognized as number one ranking for sales region on numerous occasions
- Successful design and implementation of strategic sales strategies utilizing a top down selling plan
- Increased $1 million territory by 25% ($250,000) in 12 months, through collaborative team effort, by reactivating 20 dormant accounts
- Implemented technology solutions to manage costs and improve value to customers

**OR**

**Low Qualifications:**
- No experience transforming sales team from order takers to sales consultants
- No sales region ranking recognition
- No design or implementation of strategic sales strategies utilizing a top down selling plan
- No territory increases either individually or through collaborative team effort
- No implementation of technology solutions to manage costs and improve value to customers

Appendix B

**Social Media Manipulation**

**Positive social media**

In addition to performing a criminal background check, you generally check the applicants’ social media profile. As you are reviewing Applicant A’s profile, you find no negative pictures of the applicant. The majority of Applicant A’s photos show Applicant A surrounded by family and friends or in a professional environment. You find no photos of the applicant in compromising positions or surrounded by inappropriate activities. As you read Applicant A’s Facebook posts, you find no alarming or concerning comments from the applicant or their friends.

**OR**

**Negative social media**

In addition to performing a criminal background check, you generally check the applicants’ social media profile. As you are reviewing Applicant A’s Facebook profile, you find numerous photos of the applicant in compromising positions at what appears to be an adult entertainment establishment. The applicant is scantily dressed in a majority of the photos and almost always holding an adult beverage or surrounded by liquor bottles. As you read posts on the applicant’s Facebook page, there are numerous alarming and concerning comments from the applicant and their friends.
Appendix C

Survey Questionnaire

1. This applicant has high qualifications.
2. I think this applicant fits the demands of the job.
3. My colleagues will think this candidate is qualified to do this job.
4. I think this applicant is qualified for this job.
5. This applicant has a positive use of social media.
6. I expect this applicant to interact with me very well.
7. I believe this applicant will be able to get along with all types of people who could be encountered in this type of job.
8. I expect to enjoy interacting with this applicant on the job very much.
9. I think this applicant is very suitable for our company.
10. I think this applicant is highly similar to our other company employees.
11. My colleagues will likely agree with me that this applicant is very suitable for our company.
12. I am convinced that this applicant is suitable for our company.
13. I consider this applicant suitable for employment in this organization.
14. I am likely to invite the applicant to a second interview.
15. How likely are you or your organization to offer this applicant an on-site visit?
16. How likely are you or your organization to offer this applicant a job?
Appendix D

Correlation Matrix

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<td>3. PJ Fit</td>
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<td>.76</td>
<td>-.13</td>
<td>-.61**</td>
<td>.21*</td>
<td>( .87)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. PO Fit</td>
<td>2.96</td>
<td>.95</td>
<td>-.15</td>
<td>-.73**</td>
<td>.33**</td>
<td>.70**</td>
<td>( .95)</td>
<td></td>
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</tr>
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<td>6. Hiring</td>
<td>3.16</td>
<td>.99</td>
<td>-.24*</td>
<td>-.64**</td>
<td>.42**</td>
<td>-.67**</td>
<td>.89**</td>
<td>( .85)</td>
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</tr>
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<td>7. Pursued</td>
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<td>1.72</td>
<td>.36*</td>
<td>.61**</td>
<td>.46**</td>
<td>.61**</td>
<td>.82**</td>
<td>.87**</td>
<td>( .93)</td>
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**p<.01
*p<.05

Notes: Coefficient alpha reliability estimates are in parentheses along the diagonal. PJ Fit is perception of person-job fit; RPSkills is recruiter perceived interpersonal skills; PO Fit is perceptions of person-organization fit; Hiring is hiring recommendation; Pursued is likely to be pursued by organization.

Appendix E

Analysis of Variance (ANOVA)

Recruiter Perceived Interpersonal Skills

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**p<.01
*p<.05

Perceptions of Person-Organization Fit
### Social Media

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**p<.01
*p<.05

### Qualifications

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**p<.01
*p<.05

### Social Media x Qualifications

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**p<.01
*p<.05

### Likely to be Pursued by Organization

<table>
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<th>Source of variance</th>
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</table>

**p<.01
*p<.05

**p<.01
*p<.05
Appendix F

Moderation graph for Recruiter perceived interpersonal skills

![Graph showing moderation effect with two lines, one for Low Q and one for High Q, with axes Neg SM and Pos SM.]  

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DEVELOPMENTAL NETWORKS AND EXPATRIATE ADJUSTMENT

S. Gayle Baugh, University of West Florida, gbaugh@uwf.edu

ABSTRACT

In this paper, the influence of various configurations of developmental networks on expatriation adjustment is explored. Propositions are offered regarding the effectiveness of particular types of developmental networks for expatriate adjustment. Additional avenues for future conceptual and empirical work with respect to expatriate adjustment are discussed as well.

FACILITATING EXPATRIATE ADJUSTMENT

A great deal of attention has been focused in recent years on international assignments, especially given the discouraging results with respect to premature termination of such assignments (Ashamalla & Crocitto, 1997; Barbian, 2002; Baruch & Altman, 2002; Black & Mendenhall, 1990; Mendenhall, Dunbar, & Oddou, 1987). Companies have begun to give consideration to mechanisms that will enhance the likelihood of a successful expatriate assignment. The possibilities investigated primarily involve selection, including consideration of family situation when selecting expatriates, along with training for the assignment for both the expatriate and his or her family (Andreason, 2008; Graf, 2004; Josien, 2012; Littrell, Salas, Hess, Paley, & Riedel, 2006). However, these activities all occur prior to the arrival of the individual in the host country, whereas the difficulties that expatriates encounter will surface during the course of the assignment.

Given that expatriates are most in need of support while they are in residence in the host country, scholarly attention next turned to appropriate ways to provide support on site. Mentoring, both within the host country and the home country, has been offered as one alternative for bolstering the expatriate’s ability to adjust to the new setting (Mezias & Scandura, 2005), along with performance appraisals that are better suited to the expatriate’s situation (Harvey, 1997). It is curious, however, that social networks have received so little attention in the expatriate setting, given the recognition that different constellations of developmental networks have been identified and explored (Ghosh, Haynes, & Kram, 2013; Higgins & Kram, 2001; Janssen, van Vuuren, & de Jong, 2013).

Once placed into an expatriate assignment, an employee will be embedded in a new social network. In addition, ties with the previous social network may have been changed or disrupted by the geographic transfer (Liu & Shaffer, 2005). Given the acknowledged complexity of developing cross-cultural relationships (Hui & Graen, 1997; Koveshnikov, Wechtler, & Dejoux, 2014; Yamazaki & Kayes, 2004), it is surprising that developmental networks in cross-cultural settings have received little empirical attention. Specifically, in this paper the constellations of developmental networks outlined by Higgins and Kram (2001) will be utilized to motivate discussion of the influence of social ties on expatriate adjustment.
DEVELOPMENTAL NETWORK STRUCTURES

Individuals may have different approaches to forming developmental relationships. While some may prefer a single, strong relationship, others may prefer a larger network of relationships that are less intense. Higgins and Kram (2001) categorized developmental networks based on the intensity or depth of relationships as well as the number of developers included (i.e., the breadth of the network). Dichotomizing each of these two variables, the structure of developmental networks was characterized as traditional mentoring (high on depth of the relationships with one or few developers), receptive networks (low on depth of the relationships with few developers), entrepreneurial networks (high on depth of the relationships with several or many developers), and opportunistic networks (low on depth of the relationships with several or many developers).

In traditional mentoring, the individual has one or a few intense developmental relationships (Higgins & Kram, 2001), usually sequentially but some individuals develop concurrent relationships (Baugh, 2008). This structure is identified as “traditional mentoring”; however, it might better be defined as a traditional developmental relationship. That is, the individual serving the developmental function may be the supervisor (much like a high-quality leader-member exchange relationship as described by Graen & Uhl-Bien, 1995; Graen & Scandura, 1987), a team mate (e.g., team member exchange as described by Graen & Uhl-Bien, 1991; Kram & Isabella, 1985; Seers, 1989), or someone outside of the immediate work unit (e.g., Kram, 1985; Mezias & Scandura, 2005).

The other three network structures have been less well-researched. However, these structures may be important in examining expatriate adjustment, given that expatriates must move through different phases of the expatriation process and different developmental needs present through the process. The utility or availability of network structures may be influenced by stage of the expatriation process, which also implies location (home or host country).

THE EXPATRIATION PROCESS

The process of expatriation has generally been viewed as having three phases: (a) pre-departure, (b) on-site activity or expatriation, and (c) re-patriation (Ashamalla, 1998; Cerdin & Le Pargneux, 2009). While organizations may place different levels of emphasis on adjustment during the various phases, all are important to the expatriates’ career. Each phase of the expatriation process will be explored with respect to the effect of developmental networks on adjustment.

Pre-departure

Expatriate selection has engendered a great deal of empirical research over the years, given the high cost of failure in expatriate assignments to both the organization and the individual. Much of the focus has been on assessing the individual’s adaptability and flexibility in order to enhance the likelihood of successful adjustment to the new living and working environment (Andreason, 2008; Josien, 2012). Implicit in these selection criteria is the recognition that once on site, the expatriate will have to successfully interact with others in the new culture, including superiors
and subordinates in addition to peers and others outside of the work environment. However, while it is incumbent upon the organization to attempt to determine the suitability of an individual for an expatriate assignment, the individual himself or herself must also engage in decision-making with respect to the appropriateness of the assignment. That is, the individual must rely on self-insight as to whether or not he or she is a good “fit” for the assignment.

While clearly individuals vary with respect to their level of introspection and self-awareness, self-knowledge can be enhanced through the psychosocial functions of traditional mentoring (Kram, 1985; Mullen, 1998). However, those functions need not be performed by a traditional mentor, as others (peers, team members, superiors) may also perform psychosocial functions. Nonetheless, to determine one’s own suitability for an expatriate assignment, one or a small number of relatively intense functions will support the individual’s decision-making with respect to acceptance or refusal of the assignment. In the pre-departure stage of expatriation, a traditional developmental relationship will enhance decision making with respect to the appropriateness of the assignment, which should lead to better adjustment in the host country setting. Thus, the following proposition is offered:

**P1:** Individuals whose decision making about assignment acceptance was influenced by a traditional developer will adjust better to the assignment than those lacking such a relationship.

The potential expatriate will also require knowledge regarding the nature of the assignment that has been offered. While clearly a Human Resources Department can offer information about work requirements and some information regarding the setting through pre-departure training (Littrell et al., 2006; Romero, 2002), often more detailed information is needed. It is unlikely that one traditional developmental relationship can serve the need for detailed information about the expatriate assignment. Further, even if the individual has invested in several intense relationships (an entrepreneurial style network), the probability that the requisite information exists within the network is relatively small. A receptive network, which involves several developers with less investment, might be needed in this case. An individual considering an expatriate assignment may seek out opportunistically individuals who can supply the relevant information. The following proposition is offered:

**P2:** Individuals whose information needs with regard to the nature of the assignment were met through an opportunistic network will adjust better to the assignment than those who have not developed such a network.

**Expatriation (On-site Activity)**

Regardless of the level of pre-departure preparation, arrival on-site for the expatriate assignment results in a new set of adjustment issues. Each individual who arrives for an expatriate assignment brings a different “package” of needs, desires, technical competencies, and relationship skills. Thus, the needs for each individual will vary. However, some generalizations can be offered about what might be helpful to facilitate expatriate adjustment.
The extent of cultural differences between home and host country will influence the degree to which the expatriate will feel the need for assistance in acculturating (Jenkins & Mockaitis, 2010; van Vianen, de Pater, Kristoff-Brown, & Johnson, 2004). As the differences in culture mount, individuals may desire support from a number of individuals in the host country with regard to both superficial (immediately obvious) and deeper-level (values and beliefs) cultural dissimilarities (van Vianen et al., 2004). While surface-level differences may be addressed within the context of a casual relationship, discussion of differences in basic cultural values and beliefs will require the level of sensitivity and understanding that characterizes more intense interpersonal relationships.

The expatriate will also need assistance in adapting to cultural differences across a variety of situations, both work-related and non-work related. Thus, the expatriate may need several developers in the host country, rather than just one or two, in order to successfully fill all of the roles, both work and non-work, that are relevant and important to the individual. Asking for assistance entails revealing a lack of knowledge and experience, which suggests that the relationships should involve deep understanding. The preceding discussion suggests that an entrepreneurial network of relationships best facilitate adjustment.

When the expatriate arrives on site for an extensive stay—a year or more—he or she is normally accompanied by family. Family members may experience an even greater desire for assistance in the adjustment process than the expatriate himself or herself, due to the absence of an immediate social network on the work site. Again, the expatriate may feel the need for a larger network of developmental relationships in order to support the needs of family. Once again, the relationship should be intense in order for the individual to trust the developer to provide assistance to his or her family members.

On arrival in a new setting, however, it is unrealistic to suggest that an expatriate will have a full complement of intense developmental relationships. The newly-arrived individual is not only coping with adjustment to the new setting, but also the pressures of attempting to contribute to organizational goals. It seems likely that the individual will initially depend on one intense relationship or several relationships that involve less depth. Either approach can serve the expatriate’s immediate needs, while over time adjustment will be enhanced through the development of an entrepreneurial network of relationships. Thus, the following two propositions are suggested:

P3: An expatriate’s short-term adjustment to a new setting can be facilitated either by one intense developmental relationship or several more superficial relationships.

P4: Over time, the expatriate's adjustment will be enhanced through the development of several intense developmental relationships (an entrepreneurial network) relative to those individuals who fail to develop such a network.
Repatriation

While repatriation to the home country received little theoretical or empirical attention initially, the importance of return to the home country and re-adjustment there has been acknowledged in the scholarly literature (Black, 1992; Harvey, 1982; Howard, 1974; Zvara & Singh, 2004). The turnover rate for expatriates is uncomfortably high, given the investment that the organization has made in the expatriate (Cox, Khan, & Armani, 2013). It is important to both the organization and the individual to attempt to retain and utilize the experience repatriated individual.

Unlike the arrival at the expatriate setting, it is more likely that the individual has maintained one or more relationships within the home country setting over the course of the expatriate assignment. However, the “out of sight, out of mind” phenomenon may result in a lessening of the strength of ties with individuals in the home country over the course of the expatriate assignment. This situation would be unfortunate, given that the individual would return to an opportunistic network when a more traditional developmental relationship would be preferable.

On return to the home country setting, it is important that the individual feels that his or her newly-acquired knowledge and expertise is valued by the organization and that there is an appropriate position available (Black, 1992; Cox, Khan, & Armani, 2013). Repatriation adjustment is strongly enhanced by having an influential individual to advocate for return to a challenging assignment that draws upon new skills and abilities. In the absence of an advocate, repatriates are often left to fend for themselves, frequently leading to disillusionment and eventual turnover. Thus, a traditional developmental relationship would best serve the repatriate.

A traditional developmental relationship, especially with a supervisor or traditional mentor, must be nurtured throughout the expatriate assignment. Given that the expatriate is not on-site to nurture the relationship, the demands of maintaining a traditional developmental relationship will be much higher for the expatriate. Simultaneously, the expatriate is also taxed by “learning the ropes” in the new setting and nurturing developmental relationships that will ease the adjustment to this setting. Thus, the demands on the expatriate with respect to relationship development and maintenance are quite extensive.

Given the extent to which the expatriate must invest in developmental relationships throughout the duration of the expatriate assignment, the demands may exceed the individual’s capabilities. Thus, it is possible that the expatriate may return without a traditional developmental relationship, but instead to an opportunistic or even a receptive network. In the absence of an active advocate, the repatriate’s adjustment is likely to be less successful. Thus, these two propositions are offered:

P5: The repatriate’s adjustment will be enhanced by the existence of a traditional developmental relationship.

P6: The existence of an opportunistic developmental network will result in repatriate adjustment that is more effective than having a receptive network, but less effective than having a traditional developmental relationship.
CONCLUSIONS

The clear conclusion to be reached from this discussion is that a successful expatriation and repatriation process is relationship-intensive. Companies should be involved in assessing relationship capabilities of potential expatriates, along with technical skills and other personal characteristics. However, it may be that the best predictor of future capabilities with respect to relationship development is the quality of previous relationships (Wakabayashi, Graen, Graen, & Graen, 1988; Wakabayashi, Minami, Hashimoto, Sano, Graen, & Novak, 1980). Personal recommendations may be more influential in expatriate assignments than would be the case in other selection situations.

There are other areas for exploration with respect to the influence of relationships on expatriate adjustment. The influence of gender on relationship development both within and across cultures is an important area for investigation. While it is not desirable to discriminate based on gender in selection for expatriate assignments, it is also inappropriate to place women in a situation in which they are unlikely to be successful.

Cultural norms with respect to interpersonal relationships, particularly interpersonal relationships across hierarchical levels, will also have an influence on the ability to initiate and maintain developmental relationships. It may require more of the expatriate in terms of interpersonal sensitivity if the cultural norms for either home or host country discourage close relationships in the workplace.

Alternatives to relationship development that can enhance expatriate adjustment can also be studied. For example, feedback-seeking behavior may permit the expatriate to adjust effectively in the absence of strong developmental ties. Greater perceived (and actual) organization support may also substitute for interpersonal forms of support. However, while substitutes can be developed, skills in the development of relationships have an impact on expatriate adjustment (and as a result, expatriate success). Organizations should develop mechanisms for assessing these skills and selecting expatriates appropriately.

REFERENCES


ETNICITY AND JOB INTERVIEWS

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Christopher R. Langford, University of Mary Hardin-Baylor, clangford@umhb.edu

ABSTRACT

A better understanding of cultural differences is of major relevance. A changing composition in the U.S. population calls for a revision of current human resource practices to incorporate the new diversity. We examine the role of ethnicity in the context of a job interview process. Ethnicity shapes the culture, expectations, interpretations, and results of this stage of the staffing process. When interviewer and candidate have ethnic differences, they may make different interpretations of the same job interview. These interpretations play a crucial role in subsequent employment decisions.

A CHANGING ENVIRONMENT

In 2016, Hispanics accounted for 18% of the U.S. population, while Anglos represent 61% (U.S. Census Bureau, 2017). By 2050, Hispanics will exceed 30% and Anglos will account for less than 50% of the U.S. population (U.S. Census Bureau, 2017). In 2016, in California, the most populated state, Hispanics (38.9%) already surpassed Anglos (37.7%); in Texas, the second most populated state, Hispanics represent 39.1% of the population, while Anglos account for 42.6% (U.S. Census Bureau, 2017). According to projections, in Texas, Hispanics will outnumber Anglos starting in 2020 (Texas Demographic Center, 2017). These tendencies are irreversible. In addition to changes in the composition of the U.S. population, U.S. organizations continue to expand into international markets. Also, a growing number of international organizations operate on U.S. soil. Understanding the influence that ethnicity has on organizations’ human assets is a major and critical issue. In particular, given the population trends, a better understanding of the differences between Hispanics and Anglos is relevant for organizations. This paper examines the potential impact of ethnicity on interview interpretations during the selection process. In the next section, we (1) present the theoretical framework for this work, (2) address the role of ethnicity in the interview process, (3) make specific propositions, and (4) discuss the implications of our proposals.

HUMAN RESOURCE MANAGEMENT (HRM)

The employment selection process involves the assessment of a candidate’s knowledge, skills, and abilities (KSAs). In addition, “selection processes partly serve a more subtle function – for recruiting firms, the screening out of people who have values that are incompatible with the organization’s norms and values and for job seekers, the screening out of firms that have undesirable norms and values” (Chatman, 1989, p. 344). Ethnicity plays an important role in shaping people’s culture, norms, and values. There is substantial evidence highlighting value differences among individuals belonging to different ethnicities and cultures (e.g., Hofstede, 1980; Triandis, 1994). Individuals from different cultures enter organizations having different work related scripts (plans or structures dictating the appropriate sequences of events in a particular context); scripts influence expectations and behaviors in very different ways (Stone-Romero, Stone, & Salas, 2003). Cultural differences, then, can cause differences in the interpretations individuals make of the interaction occurring during a job interview process. Later, such differences can influence the decisions and actions of those involved in the process.

Traditional HRM practices include planning, staffing, training and development, performance appraisal, compensation, safety and health, and labor relations (Schuler & Jackson, 2005). Individuals and organizations are attracted to each other when they share salient similarities, including values and
personality (Schneider, Goldstein, & Smith, 1995). High levels of homogeneity (organizational norms and values are congruent with individuals’ internalized norms and values) are beneficial for the organization, whereas extremely low levels of homogeneity are not desirable (Chatman, 1989). Organizational staffing serves to promote homogeneity (Judge & Ferris, 1992).

Dissimilarities may act against homogeneity. In a job interview, the interviewer attempts to make an “objective” assessment of the candidate’s qualifications. However, the ethnic background of the interviewer is likely to influence his/her cognitive appraisals. The same applies for the candidate. The culture, norms, and values associated with an individual’s ethnicity may operate at either a conscious or subconscious level when making staffing decisions. In terms of the specific processes within HRM, job interviews serve an important role in determining a firm’s human asset composition and potential source of competitive advantage (Schneider et al., 1995; Chatman, 1989; Barney, 1991). From the firm’s perspective, a critical role of the job interview process is to assess the candidate’s KSAs fit with the demands of the open position, in addition to consideration of the fit between the candidate’s values and those of the organization. From the candidate’s perspective, the job interview provides the opportunity to learn pertinent information about the position, the organization, and the various norms and role expectations of organizational membership.

JOB INTERVIEWS

A job interview is a two-way interaction process in which the interviewer and the candidate influence each other. We propose that the exchange occurring during a job interview may be substantially influenced by the participants’ ethnicity and the associated values. This can have important implications in terms of (1) the interpretation that individuals make of the interview process and (2) the influence these interpretations have in future decisions regarding the staffing process.

The cultural values of the interviewer will influence the information, beliefs, and expectations that he/she shares with the candidate and vice versa (Katz & Kahn, 1966). Something similar occurs with the interpretations made by participants. The interaction between interviewer and candidate provides information beyond the fit between the individual’s KSAs and values and the organization’s expectations in terms of KSAs and values. Individuals in the job interview also exchange more subtle information regarding the questions and answers posited during the interaction: What questions are asked, how they are asked, what answers are given, how they are given, body language, perceived importance given to the interview, etc. Individuals continuously interpret information during a job interview. Even after the conclusion of the interview, both interviewer and candidate continue making interpretations.

Legal systems, HRM practices, and assumptions about what it is proper to ask or not in a job interview can strongly influence the job interview process. In the end, this is a reflection of cultural values and expectations. In the U.S., for example, it is illegal to ask about disabilities or medical conditions, whereas in many countries this is permitted. Although some questions are prima facie legal at the national level involving private employers, certain personal questions are improper (and illegal in some states) to be asked in a job interview in the U.S. (e.g., hobbies, club and organizational memberships, personal preferences). In most Hispanic countries, these questions are not only legal, but expected and asked. For Hispanics, the inclusion of personal questions in a job interview may be desired by both the interviewer and the candidate. These questions are seen as a way of getting to know each other, which is considered very important if the potential to work together exists. In Hispanic countries most people see work as an extension of the family (Schuler, Jackson, Jackofsky, & Slocum Jr., 1996) and, as such, it is important to know about personal issues.
ETHNICITY IN THE JOB INTERVIEW PROCESS

For simplicity purposes, we will classify the questions of an interview in two categories: Job related and non-job related. Job related questions refer to aspects related to the job position: KSAs needed, previous employment, pay and benefits, etc. Non-job related questions deal with aspects not related to the job position: Hobbies, club and organizational memberships, personal preferences, etc.

In a job interview process, ethnic differences play an important role for both the interviewer and the candidate. Depending upon the ethnicity of the individual, different value expectations, value congruency calculations, and overall person – job (P-J) fit and person – organization (P-O) fit interpretations will be made. Both the kind of questions asked by the interviewer and the way the candidate interprets and answers each of the questions is influenced by their ethnic backgrounds and will influence the progression of the interview.

We can expect collectivists (e.g., Hispanics) to give less value to individual decision making than the value given to it by individualists (e.g., Anglos). Additional differences include collectivists viewing jobs as a social right, workers expecting to be treated as “extended family” of the boss, recruiting by asking current employees to postulate their relatives and friends, workers feeling an obligation to be loyal, organizations encouraging harmony rather than conflict, organizations and employees having low tolerance for adversarial relations, and organizations having a significant responsibility for the life, health, and dignity of their workers; conversely, individualists consider these are personal duties (Schuler et al., 1996).

We propose that, given their orientation toward seeing work as a “family extension”, Hispanics will expect job interviews to include both job-related and non-job related questions (in the U.S., non-job related questions allowed by law). U.S.-born Hispanics belonging to third, fourth, or later generations may have values that closer match traditional “Anglo values” due to the acculturation process. Nevertheless, the acculturation process is evolutionary and occurs over several decades or generations and does not simply or instantaneously eradicate ingrained cultural values.

In conducting business transactions, some cultures value efficiency and structure (i.e., specific cultures) whereas other cultures (i.e., diffuse cultures) emphasize personal relationships (Dipboye & Johnson, 2008). We can expect job applicants coming from specific cultures (e.g., Anglos) to value and expect job-related selection procedures, whereas applicants coming from diffuse cultures (e.g., Hispanics) to expect selection procedures that are both job related and non-job related (Dipboye & Johnson, 2008).

Cultural values predispose Hispanic interviewers to include non-job related questions during the job interview. The inclusion of such questions is a way of demonstrating a genuine interest in the candidate. The exclusion of non-job related questions in a job interview can be interpreted as a lack of interest in the candidate. Candidates that either elect not to answer these questions, or express discomfort in their responses, may be viewed unfavorably by the Hispanic interviewer. Conversely, an Anglo interviewer may see the inclusion of non-job related questions as being inappropriate (and sometimes illegal) in a job interview. As a consequence, they may decide not to ask this type of questions. Differences in cultural values produce different role expectations: The Hispanic candidate assumes that the interviewer will value compliance and interpersonal bonding whereas the Anglo candidate assumes that the interviewer will value efficiency and task-orientation. The result is a mismatch of salient values. Such a mismatch may reduce the intentions of the interviewer to make a job offer and the intentions of the candidate to take a job offer. Our first four propositions are made.
P1. Anglos will be more willing than Hispanics to take a job offer coming after an interview focused exclusively on job-related questions.

P2. Hispanics will be more willing than Anglos to take a job offer coming after an interview focused exclusively on non-job related questions.

P3. Hispanics will be more willing than Anglos to make a job offer to candidates willing to answer non-job related questions.

P4. Anglos will be more willing than Hispanics to make a job offer to candidates not willing to answer non-job related questions.

Prior research suggests that Anglos and Hispanics differ substantially in power distance and in individualism/collectivism. Anglos are high in individualism and low in power distance, whereas Hispanics are high in collectivism and high in power distance (e.g., Hofstede, 1984; Stone, Johnson, Stone-Romero, & Hartman, 2005). Hispanics are more accepting of inequality in power and of being part of a collectivity they cannot detach from and for which there is a responsibility to act in the best interest thereof. Anglos, on the other hand, are more reluctant to accept inequality in power and look primarily after their own interests (Hofstede, 1984).

In Hispanic countries, hierarchical structures of organizations are bureaucratic with power vested at the top; managers have a distant (formal) relationship with workers, and incumbents take a casual approach to rules and regulations in that they are not obeyed unless someone of authority is present (Schuler et al., 1996). In this cultural setting, status and power differences are highly accepted and there is an emphasis on the supervisors’ responsibilities to command dominance and authority over job planning and implementation (Dipboye & Johnson, 2008). Such a cultural environment may cause incumbents to not be comfortable with assuming communicated job responsibilities that stress task autonomy and participative decision-making with management. It is possible that incumbents prefer to be specifically told what to do and comply with supervisors’ requests.

Job interviews, in Hispanic countries, are a formal procedure that has to be conducted in person, scheduled days in advance. The candidate is expected to arrive early and cannot ask for a change in the appointment. The interviewer is expected to be formal (including attire) and if he/she receives the candidate late, or changes the appointment, this increases the assumption that the interviewer is a very important and busy person (Stone-Romero et al., 2003). Then, the Hispanic candidate will expect a job interview to be formal and with a clear power distance between him/her and the interviewer. Deviations from such expectations can be interpreted by the candidate as a lack of organizational interest in him/her.

In high power distance cultures, the interviewer is expected to conduct the interview, whereas the candidate is expected to have a passive role (e.g., answer the questions and maintain a favorable impression). In low power distance cultures, although the interviewer is expected to conduct the interview, the candidate does not assume a “passive” or “subordinated” role. Instead, he/she assumes a more assertive role (e.g., asks follow-up questions and engages in active impression management). Job candidates coming from low power distance cultures (e.g., Anglos) expect a more equal footing in interacting with potential employers. These individuals value having an active part in discussions and relatively devalue status and power symbols. In a job interview process, Anglos are likely to value taking a more assertive role in the interview. In addition, they may expect communication signals that indicate a more congenial relationship with the interviewer. They may become demoralized when these role expectations are not met. Similarly, Anglo interviewers are likely to value assertiveness in job candidates and perceive deferent behaviors as potential
job liabilities. Due to these potential differences between values and interpretations, we pose four more propositions.

**P5. Hispanics will be more willing than Anglos to take a job offer after an interview in which the interviewer displayed high power distance.**

**P6. Anglos will be more willing than Hispanics to take a job offer after an interview in which the interviewer displayed low power distance.**

**P7. Hispanics will be more willing than Anglos to make a job offer to candidates who displayed high levels of power distance during the interview.**

**P8. Anglos will be more willing than Hispanics to make a job offer to candidates who displayed low levels of power distance during the interview.**

Finally, we consider emotionally-based role expectations. Individuals having dissimilar cultural backgrounds can be expected to display emotions differently. Neutral cultures (e.g., Anglos) value restrained emotional displays while promoting transaction-based behaviors. Affective cultures (e.g., Hispanics) allow for more expressive behaviors that indicate internal thoughts and feelings (Dipboye & Johnson, 2008). Hecht, Ribeau, and Sedano (1990) indicated that Mexican-Americans (Hispanics) are generally dissatisfied by being unable of expressing their emotions or feel uncomfortable when doing it with Anglos. Also, they do not like to feel that Anglos are unable or unwilling to express their emotions. In their study, they indicated that Mexican-Americans considered the social context as extremely important in the display of emotions and gave greater preference to the display of positive emotions over negative emotional displays. This finding is consistent with research indicating that Latin American cultural norms encourage the display of positive emotions towards others (Triandis, Kurowski, & Gelfand, 1994) and that Mexican-Americans are reluctant to express anger (Soto, Levenson, & Ebling, 2005). The display of emotions may be linked with collectivism; positive emotional display is consistent with “a Mexican philosophy of being not only both expressive and emotional as a group but also collectivist and wanting to promote group cohesion” (Soto et al., 2005, p. 155).

During the interview process, differences in emotional expression expectations and display may influence both the interviewer’s and the candidate’s perceptions of P-O fit and P-J fit. For example, Hispanics may feel uncomfortable when prompted by an Anglo interviewer to engage in critical analysis of either the self’s or others’ prior work behaviors. Furthermore, Hispanic job candidates may perceive Anglo interviewers, and by extension the organization, as interpersonally distant. This can lead Hispanics to conclude the organization is unable to fulfill important work needs (i.e., interpersonal bonding).

In Anglo cultures, the display of overly positive emotions may be seen by the evaluator as a weakness when the individual has supervisory responsibilities involving employee disciplinary and termination procedures. In essence, the perceived objectivity and professionalism of the candidate comes into focus. Furthermore, the Anglo interviewer may feel uncomfortable engaging in emotionally-charged discussions. Anxiety can raise and lead the interviewer to alter the subsequent discussion and cognitive evaluation of the job candidate. Our last four propositions are now declared.

**P9. Hispanics will be more willing than Anglos to take a job offer after an interview in which the interviewer displayed emotions.**

**P10. Anglos will be more willing than Hispanics to take a job offer after an interview in which the interviewer did not display emotions.**


**P11.** Hispanics will be more willing than Anglos to make a job offer to candidates who displayed emotions during the interview.

**P12.** Anglos will be more willing than Hispanics to make a job offer to candidates who did not display emotions during the interview.

**DISCUSSION**

In this paper we have argued that ethnic differences in specificity, diffuseness, power distance, and affectivity impact P-O fit and P-J fit assessments of both interviewer and candidate in an job interview. These assessments, in turn, influence the extent to which employment offers are made and accepted. Ethnic differences may interfere with the primary objective of the hiring process: The selection of the most qualified job candidates.

The continuously changing composition of U.S. population, in particular the growth of Hispanics, highlights the importance of considering the role that cultural values serve in the staffing process. The organizational consequences of the aforementioned employment shortcomings are likely to increase in severity as labor markets become more globalized and culturally diverse. Organizations seeking a human capital advantage may find it necessary to explicitly explain the rationale for their selection procedures (e.g., policies avoiding personal questions due to legal compliance, not due to lack of interest in the candidate). Likewise, hiring personnel may need to undergo further training to gain a better understanding of how cultural values may inadvertently bias various interpersonal issues in the employment process.

Many areas of fruitful research are suggested from the ideas presented in this manuscript. From the candidate perspective, cross-cultural employment selection research needs to assess the consequences of job interview interpretations. More specifically, to what extent do culturally-diverse candidates holding unfavorable interview interpretations still accept job offers, possibly out of necessity? What affective and behavioral implications does this have in the workplace (e.g., leader-member exchange formation, trust, organizational commitment)? Do cultural values become less important for employees over time as they are confronted with normative pressures to assimilate both macro (i.e., host country) and micro (i.e., organizational) values of their employer? Unfortunately, scant research provides guidance to these important questions at the current time.

From the perspective of the employer, research should investigate the impact that various employment initiatives may serve in mitigating the staffing shortcomings identified. These initiatives may include such things as interviewer training, mentoring, and evaluation programs. Similarly, longitudinal research would be beneficial in addressing the spillover employment effects of the interview interpretation process (e.g., retention). Finally, the influence of cultural values and beliefs on employees' workplace attitudes, beliefs, and behaviors should be extended to other pertinent areas of employment, such as employee development and leadership.

Much of the research in the allied organizational behavior and human resources literatures has failed to explicitly discuss the influence of individuals' cultural backgrounds on important work-related interpretations during the staffing process. This paper takes a small step in filling this void by discussing this issue within the context of the job interview. It is likely the issues addressed here will only increase in importance as national labor market barriers continue to erode.

It is generally accepted that human capital can become a key source of an organization's competitive advantage. This competitive advantage cannot be achieved if the best candidates are not selected into the
organization, either via voluntarily means (i.e., candidate refusal of further consideration or offer) or involuntarily means (i.e., candidate bypassed by the organization). In essence, the selection process serves as a critical gatekeeping activity for the activation and retention of human-asset based competitive advantages. It is our hope that cultural differences may not hinder the free flow of this most important asset.

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POST-RESTRUCTURING GOVERNANCE: AN EXAMINATION OF INTERLOCKING DIRECTORATES

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ABSTRACT

This study examines firm restructuring and interlocking directorates in the post-asset restructuring period. Portfolio restructuring represents a shift in an organization’s domain and involves critical decisions impacting firm boundaries and resource allocation. Using agency and institutional theories, we suggest firms experiencing poor performance will restructure and redesign their governance structures, namely the number of board interlocks, in the post-restructuring period to enhance organizational legitimacy and potentially co-opt the source of these pressures as a means of averting threats to its stability. The results reveal a positive relationship between divestiture size and the number of board interlocks in the post-restructuring period.

INTRODUCTION

Portfolio restructuring research is critical to better understanding the limits of firm growth, the implications of altering the firm’s business portfolio, and the effectiveness of changes in organizational and capital structures (Bowman & Singh, 1993; Johnson, 1996; Kolev, 2016; Schönhaar, Nippa & Pidun, 2014). Empirical and theoretical investigations reveal the agency explanation has been the predominant perspective in the examination of antecedents of portfolio restructuring. The agency explanation suggests firms restructure in response to less-than-desirable performance and managerial inefficiencies arising from weak governance mechanisms are the primary drivers of poor performance (Abor, Graham & Yawson, 2011; Hoskisson & Hitt, 1994; Johnson, 1996; Johnson, Hoskisson & Hitt, 1993; Schönhaar, et al., 2014). Due to its overwhelming acceptance by researchers, the agency explanation has made portfolio restructuring synonymous with poor governance (Bethel & Liebeskind, 1993; Markides & Singh, 1997; Moschieri & Mair, 2012) even though research has not proven governance is truly deficient in the pre-restructuring period.

A critical facet of the restructuring literature that has received inadequate attention is post-restructuring governance. In calls for future research, Johnson (1996) asked if governance is ineffective in the pre-restructuring period, then what changes should a firm make post-restructuring? Almost 20 years later, Schönhaar et al. noted the same gap in the literature and suggest “explicit explanations of post-restructuring governance systems are missing, which is somehow surprising, given the fact that weak governance is the leading explanation for conducting portfolio restructuring” (2014: 192). Drawing on the tenets of institutional theory (DiMaggio & Powell, 1983; Meyer & Rowan, 1977), this paper posits firms initiate changes in governance structures (i.e., greater board interlocks) in the post-restructuring period so as to enhance organizational legitimacy (Oliver, 1991), demonstrate it is behaving on collectively valued purposes in a proper manner (Crilly, Zollo & Hansen, 2012; Meyer & Rowan, 1977; Westphal & Zajac, 2013), and enhance its chances of survival (Martin, Gözübüyük & Becerra, 2015; Meyer & Rowan, 1977).
LITERATURE REVIEW

The Institutionalization of the Agency Explanation of Restructuring

For decades the agency explanation has been the predominant perspective in the restructuring literature (Abor et al., 2011; Markides & Singh, 1997; Schönhaar, et al., 2014). This explanation suggests performance needs to be improved as a result of past managerial inefficiencies due to ineffective governance, which arise as a result of agency costs. Due to its overwhelming acceptance and its intuitive appeal, the agency explanation has made portfolio restructuring synonymous with weak governance (Bethel & Liebeskind, 1993; Markides & Singh, 1997; Moschieri & Mair, 2012). Agency arguments have become so ingrained in governance research that other paradigms are often ignored (Bratton, 2001; Dalton, Hitt, Certo & Dalton, 2007; Davis, 2005; Mizruchi, 2004; Shapiro, 2005). In essence, agency arguments have become the norm for viewing governance, and, as such, impact the organization of firms (e.g., the structure of the board of directors). The agency arguments are embedded in how practitioners, institutional investors, and academicians define sound corporate governance.

The governance reforms sought by powerful stakeholders are structures which supposedly minimize agency costs. Such pressures to reform the governance structure of a firm may not be driven by solid evidence of inappropriate governance since precise causes of poor performance are often difficult to identify (Cyert & March, 1963). However, it is widely suggested that poor performance does stimulate such changes within organizations (Davis, Diekmann & Tinsley, 1994) even when it cannot be attributed unambiguously to problems the proposed changes seek to rectify.

The Value of the Board of Directors

Corporate governance and control in a firm has predominantly focused on the board of directors. Theoretically, the board is the ultimate source of power in an organization (Bazerman & Schoorman, 1983; Perry & Shivadasani, 2005) and is responsible for effective functioning (Blair & Stout, 2001; Jensen, 1993). Additionally, the board has the power to: confer authority on the firm (Stiles and Taylor, 2001); serve as a connection to the external environment by providing valuable information that may lead to the acquisition of critical resources, including prestige and legitimacy (Mintzberg, 1983; Pfeffer, 1972; Pfeffer & Salancik, 1978; Selznick, 1949); provide the firm with legitimacy and a positive reputation (Daily & Schwenk, 1996; Hambrick & D’Aveni, 1992; Lynall, Golden & Hillman, 2003); and, decrease the probability of failure (Baum & Oliver, 1991; DiMaggio & Powell, 1983; Meyer & Rowan, 1977). As such, boards have a symbolic role and/or value that is independent of their tangible activities (Certo, 2003).

Institutional Theory and Pressures for Governance Changes

Institutional theory suggests that organizational legitimacy is paramount for firm performance and survival (DiMaggio & Powell, 1983; Scott, 1995; Suchman, 1995). Following significant restructuring events, firms will institute changes in their governance structures due to pressures from shareholders and activists (Mizruchi, 1983; Westphal & Fredrickson, 2001). In response to threats on performance, firms opt to restructure their portfolio of assets with the intent of positioning the firm for greater stability, or at least to signal that they are attempting to do so. Additionally, pressures are placed upon boards of directors and executives to address the causes of poor performance--namely, inadequate governance and inefficient governance structures.
Given the need to positively influence sources of power, firms may adopt structures to signal legitimacy. The anticipated result is an improved perception of the organization’s image and renewed confidence in its future (Daily & Dalton, 1995; Schwartz & Menon, 1985). As such, in times of substandard performance, it is critical that firms conform to these pressures due to their dependence on these sources for stability, legitimacy, and the appearance of rationality (Oliver, 1991; Pfeffer & Salancik, 1978; Suchman, 1995). Such arguments have direct implications for firms engaged in portfolio restructuring (Schönhäar et al., 2014) since these situations are often viewed as instances where shareholder (and other stakeholder) interests have been neglected (Westphal & Zajac, 1994). As a result, it can be implied pressures for, and adoptions of, governance reforms are driven by firm performance being used as a research proxy for a board’s governing effectiveness (Kosnik, 1987; Mallette & Fowler, 1992).

THEORY AND HYPOTHESES

An organization may choose to co-opt sources of institutional pressure (Oliver, 1991; Pfeffer & Salancik, 1978; Thompson, 1967; Scott, 1995). Research suggests poorly performing firms are more likely to interlock (Lamb & Roundy, 2016; Lang & Lockhart, 1990; Mizruchi & Stearns, 1988; Stearns & Mizruchi, 1993). Whether interlocks are viewed as a means of corporate control or co-optation, they serve to provide additional resources to, or more favorable terms for, the organization (Hillman & Dalziel, 2003; Lamb & Roundy, 2016; Pfeffer & Salancik, 1978; Zald, 1969). Additionally, board linkages can also provide the firm with legitimacy (DiMaggio & Powell, 1983; Selznick, 1949). Interlocks are a means of signaling to the environment that the board possesses knowledge, experience, and the ability to manage inter-organizational dependencies (Fama & Jensen, 1983).

Hypothesis 1: Firm restructuring is positively associated with the number of board interlocks in the post-restructuring period.

Additionally, it is argued these linkage initiatives may become more pronounced as the size of the divestiture increases. Portfolio-restructuring events can be significant enough to surround the organization with ambiguity due to considerable changes to the firm’s routines and organizational domain. These changes represent critical decisions impacting not only the boundaries of the organization, but also the allocation of resources within (Goodstein & Boeker, 1991). It is reasonable to assume as the overall size of the divestiture increases the magnitude of the organizational and structural changes generate stress for those individuals involved/impacted by the restructuring (Moschieri & Mair, 2012). As such, larger divestitures may signal “greater” corrective action is needed to the firm’s portfolio of assets, and subsequently “greater” corrective action needed to the firm’s governance structure. These larger divestitures then might open the firm up to more criticism and allegations of sub-optimal governance structures in the pre-restructuring period.

Hypothesis 2: Divestiture size is positively related to the number of board interlocks in the post-restructuring period
RESEARCH DESIGN

Sample Methodology

The search was restricted to U.S. firms that had $1 billion or more in annual revenues. A firm identified as restructured must have divested at least 10% of its assets, which represents significant strategic change by an organization (Hoskisson & Johnson, 1992; Johnson et al., 1993; Markides, 1992). A sample of 100 randomly selected restructuring firms were included in the analysis. The average firm in the sample divested 19.84% of its assets at an average value of $1.63 billion. The minimum and maximum percentages (and dollar amounts) divested were 10% ($508 million) and 46.7% ($4.57 billion), respectively. The restructuring sample needed to be matched with a non-restructuring firm sample to allow for greater confidence in any proposed relationships as it increases the external validity of our conclusions and inferences (Cook and Campbell, 1979). A random sample of non-restructuring firms was selected. The same criteria were used – U.S. firms with $1 billion or more in annual revenues. A firm qualifies as non-restructuring if it had not engaged in any restructuring activity within a six-year period (i.e., three years before and three years after). A total of 110 non-restructuring firms were selected, however, one firm was acquired in the following year, thus reducing the non-restructuring sample to 109 firms. The non-restructuring sample was not statistically different from the restructuring sample based on assets, revenues, and capital structures. Adding the 100 restructuring firms to the 109 non-restructuring firms for a total sample size of 209 firms.

Operationalization of Variables

**Dependent variable.** The dependent variable is the number of board interlocks. This variable was measured as the sum of the number of board seats to external companies held by each director. The dependent variable was measured one year (t1) and two years (t2) following the restructuring.

**Independent variables.** For hypothesis 1, restructuring was measured as a dichotomous variable. Restructuring firms were coded as 1, and non-restructuring firms were coded as 0. For hypothesis 2, divestiture size is measured as the dollar value of the divested assets as reported in the firm’s Annual Report to Shareholders.

**Control variables.** The substitution effect of governance suggests that the desired level of one governance mechanism is contingent on the magnitude of other mechanisms. As a result, we control for the proportion of outsiders on the board. Other control variables include CEO and board equity ownerships (both measured as the number of shares held as a percentage of total shares outstanding) and CEO duality (measured as 1 if the CEO is the chairperson; 0 if not). A number of studies have hypothesized a link between CEO tenure and CEO influence over the board (Finkelstein & Hambrick, 1996). As tenure increases, CEOs may acquire personal power by populating boards with supporters (Finkelstein & Hambrick, 1996) while gaining expert power through an increased familiarity with the firm’s resources (Young, Stedham & Beekun, 2000; Zald, 1969). CEO tenure as a control variable was measured in months. Lastly, we control for ownership concentration because concentrated ownership increases the ability/incentive to monitor investments and institute changes in the organization (Bethel & Liebeskind, 1993; Ryan &
Ownership concentration was measured as the number of common shares outstanding divided by the total number of shareholders.

**Statistical Technique**

Ordinary least squares (OLS) regression was used when testing the hypotheses. The control variables were entered in stage one and the main effect was entered in the second stage.

**RESULTS**

**Hypothesis 1**

The independent variable, *restructuring* (i.e., a restructuring event), is not significantly related to the number of board interlocks in years $t_1$ and $t_2$, thus not supporting hypothesis 1.

**Hypothesis 2**

The independent variable, *divestiture size*, is positively related to the number of board interlocks in years $t_1$ and $t_2$ ($p < .01$ for both years), which suggests larger, more visible divestitures result in greater amounts of board interlocks in the post-restructuring period, thus supporting hypothesis 2. Models 2 for the number of board interlocks in years $t_1$ and $t_2$ were both significant ($R^2 = .198$, $p = .004$, and $R^2 = .146$, $p = .038$, respectively).

**Additional Analyses**

In order to strengthen confidence in these findings additional analyses were performed. The theoretical development in this paper suggests substandard performance may lead to changes in governance structures and such changes may occur irrespective of a restructuring event. Specifically, firm performance (using a commonly accepted measure: *change in ROA in the pre-restructuring period*) was assessed for both hypotheses. Firm performance as an independent variable was not significant in its impact on the number of board interlocks in the post-restructuring period. Additionally, it is not unreasonable to assume the changes in governance structures might be greater for those firms having restructured their portfolios of assets. This implies there might be an interaction effect between restructuring events/size and firm performance. These relationships were tested using moderated multiple regression. The analysis revealed no significant effects regarding the interaction between firm performance and restructuring events (or restructuring size) and their impact on board interlocks.

**DISCUSSION AND CONCLUSION**

As hypothesized, divestiture size did have a direct and positive relationship with the number of board interlocks in the post-restructuring period. This finding reinforces the belief that restructuring events are viewed as significant shocks to the organization and surround it with uncertainty and ambiguity and require corrective action. By attracting powerful board members (i.e., those with greater ties to external organizations), the firm has the potential to reduce and/or better manage uncertainty in its environment and is more likely to enhance its ability to attract scarce resources, convey legitimacy, and better align managers, directors, and shareholders. These findings support, at least implicitly, arguments set forth by Mizruchi who stated “by appointing individuals with ties to other important organizations, the firm signals to potential investors that it is a legitimate enterprise worthy of support” (1996: 276).
The present research makes several contributions to the extant literature. First, empirically testing the restructuring to interlock relationship addresses the need for additional research examining post-restructuring governance systems (Schönhaar et al., 2014). This is important to both practitioners and researchers because it demonstrates how organizational control and its relationship to managing the firm’s portfolio of assets are bounded by years of institutionalized beliefs. As for managerial implications, this research contributes to the discussion concerning how governance structures can signal stability to investors, help allay concerns over managerial loyalties, and potentially elicit a positive response from the markets. Second, this paper breaks free from the ingrained agency arguments by employing institutional arguments to suggest restructuring and governance literatures may benefit from alternative theoretical lenses when examining these relationships. Third, this research employs a more fine grained operationalization of restructuring by not solely investigating restructuring as a dichotomous variable. Assessing divestiture size reveals greater insight into the post-restructuring board interlock discussion.

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SOCIAL MEDIA AND SELECTION: THE ROLE OF ATTRACTIVENESS, SELF-PROMOTION, AND PRIVACY SETTING

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ABSTRACT

Anecdotally, we are led to believe that employers examine applicant Facebook profiles as part of their decision-making in the selection process. An empirical study was conducted in order to examine the veracity of this anecdote. Specifically, we examined the influence of applicant’s physical attractiveness, self-promotion, and Facebook privacy setting upon a variety of job-related dependent variables (the likelihood of being offered an interview, predicted starting salary range, predicted future performance, and predictions of personality characteristics). Participant personality characteristics were also examined in order to determine whether they had an effect on their ratings of the dependent variables. Facebook pages were constructed to serve as stimulus material. The independent variables in this study, which were chosen due to their common prevalence on Facebook profiles, had no significant influence upon the dependent variables with the exception of privacy setting influencing predictions of conscientiousness. The personality characteristic of extraversion did have a significant effect on some dependent variables in this study. Implications for job applicants, employers, and HR-related professionals, and directions for future research are discussed, but overall, we must conclude that all of the fuss over Facebook as a selection instrument may have been misplaced.

INTRODUCTION

If Facebook.com were a country, it would rank as the most populated country in the world. Facebook currently employs approximately 17,000 individuals and provides its service to nearly 33% of the world’s population, with over half of those members logging onto the social networking website daily (Facebook Newsroom, 2017; Zephoria Digital Marketing, 2017). As of 2011, Facebook.com had become (and remains today) the most frequently visited website in the world, and individuals spend more time monthly on Facebook than they do on nearly all other social media outlets combined including Snapchat, Instagram, and Twitter (Social Media Today, 2017; Ryan & Xenos, 2011; Nielson, 2012; Zdnet, 2011).

Social Networking Websites, or SNWs, are defined as websites where individuals can post content or information about themselves and others in the form of text, pictures, and/or videos that can then be shared amongst other users (Chauhan, Buckley, & Harvey, 2013; Boyd & Ellison, 2007).
Although the information posted on Facebook was originally designed to be shared exclusively among the friends, family, and the networks of its users, organizations have begun utilizing the information posted by these users for screening, selection, recruitment, and related purposes both with and without user consent (Brandenburg, 2008; Chauhan et al 2013; Roth, Bobko, Van Iddekinge, Thatcher, 2016).

Although employers are banned from asking their employees and prospective employees for their personal Facebook passwords in many states including California and Illinois, there are no laws in place to prevent employers from viewing an applicant’s Facebook profile for job-related decisions (Cnet, 2013). Indeed, a 2008 survey conducted by Careerbuilder.com reported that 22% of hiring managers had utilized SNWs for screening and selection purposes (Grasz, 2008). Within just one year, Careerbuilder.com reported this practice to have increased from 22% in 2008 to 45% in 2009 (Grasz, 2009). Stamper (2010) reported that 45% of hiring managers from a sample of 2600 reported engaging in the practice of screening applicant’s social media to inform their decision making, and over a third of these managers reported not hiring at least one or more candidates based on this information. According to a recent press release from Gartner (2012), 60 percent of organizations are expected to implement formal programs that will monitor employee social media for security breaches.

**Employer Facebook Use: Benefits and Detriments**

The use of SNWs is increasing more rapidly than many had forecasted, which may be due to a variety of reasons. Beyond providing information that is generally not available through traditional screening tools such as resumes (e.g. age, sex, and race), SNWs allow employers and human resource (HR) professionals the ability to efficiently and conveniently examine readily available information at minimal cost to their organizations (Chauhan et al, 2013; Chapman & Webster, 2003; Davison, Maraist, Hamilton & Bing, 2012; Brown & Vaughn, 2011; Cole, Field, & Giles, 2003; Harris & Dewar, 2000). This permits professionals, ranging from small business to large global organizations, to engage in this practice. The additional information available on an individual’s profile may assist potential employers in their attempts to draw inferences about the individual’s character and personality that may not be simply obtained through standard means, potentially influencing the employer’s decision-making process with regard to the applicant (Brown & Vaughn, 2011). Furthermore, many argue that applicants waive an expectation of privacy when they place information onto their SNWs (Clark, 2010).

Despite its benefits, there are several drawbacks to using Facebook as a screening tool. For example, the information available on an individual’s profile may not necessarily be truthful, accurate, or representative information about the individual’s performance in the workplace (Brandenburg, 2008). For example, an individual appearing intoxicated in a social setting may seem like a poor potential employee to employers, when in reality the individual may be an excellent employee despite how they appear after working hours. This may consequently lead employers to make inaccurate judgments and predictions about the applicant’s personality and potential behavior in the workplace. Alternatively, individuals may also design their Facebook entries as an impression management tool by developing pages in a manner that would appeal to employers by providing only positive information.
Assessing Facebook’s Impact on Selection

This study attempts to add to and expand the literature in the use of SNWs by examining participant predictions of a variety of dependent variables based solely on information available on Facebook pages. This study will add to the limited number of empirical articles that examine the employers’ use of SNWs for selection decisions. Specifically, this study seeks to determine whether the privacy setting of an individual’s Facebook page along with their physical attractiveness and the impression management tactic of self-promotion has an effect upon important dependent variables. These dependent variables are predictions of personality based on the Five-Factor Model of Personality (FFMP), intelligence, the likelihood of being offered an interview, starting salary range, and overall predicted performance in the workplace based on a control resume and the information available on an individual’s Facebook page.

The independent variables in this study were chosen because attractiveness and self-promotion have been known to influence selection decisions, and privacy settings would be among the most provocative issues in current Facebook and employment literature (Hosoda et al, 2003; Stevens & Kristoff, 1995; Davis, 2007). Furthermore, these three variables are generally salient and visible across most Facebook profile pages regardless of privacy settings. For example, physical attractiveness can be assessed based on an individual’s Facebook profile picture, which is always visible to anyone who searches for them regardless of privacy settings. Self-promotion is an optional component that can be displayed on Facebook pages, particularly for Facebook users that are currently in the job market and wish to promote their accomplishments, highlights, or experience. Regardless, it is important to note that this study seeks to determine whether the amount of self-promoting behavior influences the job-related dependent variables. Finally, whereas physical attractiveness and self-promotion have been studied in domains beyond SNWs, privacy setting is a variable that is exclusive to SNWs. The privacy setting an individual employs on their Facebook page may be assessed via the amount of information they display on their page, which is the operational definition in this study.

Dependent Variables

The dependent variables in this study were chosen because they are tangible indicators of the influence that the information gained from applicant Facebook pages may have on selection decisions and predictions of personality. Specifically, the likelihood of being offered an interview at the recruitment stage may vary based on perceptions of an applicant’s Facebook page. If an individual is selected for a position, their starting salary offer may vary based on how the employer perceived the competence of the prospective employee beyond the interview process and their resumes. Similarly, initial impressions based on applicant Facebook profiles may also influence the predicted performance an individual may exhibit at their job.

Participants rated target profiles on a variety of factors based on the control resume and on the information available on the target’s Facebook profile. Participants evaluated the likelihood of the target being offered an interview, starting salary they might be offered, overall predicted performance in the retail sales position they are applying for, and lastly the target’s level of
attractiveness. Given that the personality and intelligence of applicants are commonly considered variables of interest for organizations due to their predictive validity with regard to performance, participants also rated their predictions of the target’s personality traits (using the Big 5) and intelligence (Kluemper & Rosen, 2009; Kluemper et al., 2012).

The attractiveness variable was rated last in order to prevent cueing the participants’ response options in relation to the other dependent variables. Participants were also asked to rate their perception of their target individual’s level of self-promotion and privacy setting as manipulation checks.

**Attractiveness**

With regard to physical attractiveness, implicit personality theory suggests that the generally positive stereotype associated with attractiveness results in decisions makers viewing attractive individuals more positively (with regard to job-related outcomes) than less attractive individuals (Hosoda et al., 2003). Attractiveness was chosen because in most cases, an individual’s Facebook profile picture can be viewed by anyone, regardless of privacy settings. Furthermore, previous literature has suggested that the attractiveness of an individual may in fact have significant effects on selection decisions, despite attractiveness being not related to the job requirements (Hosoda et al., 2003; Kinicki & Lockwood, 1985; Rudolph, Wells, Weller, & Baltes, 2009; Wade & Kinicki, 1997; Watkins & Johnston, 2000). Such benefits include an increased likelihood of being offered a position, increased starting salary, and overall positive feelings for attractive individuals (Watkins & Johnston, 2000).

An initial or one single positive feature of an individual (such as attractiveness in this case) can “spill-over” onto positive perceptions or assumptions on completely unrelated characteristics (Verhulst, Lodge, & Lavine, 2010). For example, if an HR professional perceives that an individual is attractive and finds this to be a positive feature of the individual, they may infer that this individual is also likely to perform well at the job they are applying for, despite no real relationship between the individual’s attractiveness and their job performance. Therefore, we propose the following hypothesis:

**H1:** High attractiveness targets will be rated higher on the likelihood of being offered an interview, starting salary range, and future performance than low attractiveness targets.

**Self-Promotion**

Previous research has suggested that the presence of self-promotion may also lead to positive perceptions of employers that in turn may lead to desirable outcomes (Diekmann, Blickle, Hafner, & Peters, 2015; Gilmore & Ferris, 1989; Kacmar et al., 1992; Stevens & Kristoff, 1995; Rynes & Gerhart, 1990). Self-promotion has been defined as the use of positive statements to describe oneself, their future plans, past accomplishments, entitlements, claims of responsibility for positive events, and enhancements of past events in order to demonstrate desirable qualities such as competence (Stevens & Kristoff, 1995; Schlenker, 1980).
Individuals engage in self-promotion to highlight favorable attributes such as leadership skills and goal orientation, both of which have been known to elicit positive interviewer evaluations, hiring recommendations, and person-job fit perceptions (Higgins & Judge, 2004; Gilmore & Ferris, 1989; Kacmar et al., 1992; Kristof-Brown, 2000; Rynes & Gerhart, 1990). In previous studies, individuals who self-promoted and displayed pictures of themselves receiving awards and accolades on their SNW profiles were found to be favored with regard to employer selection decisions (Haefner, 2009). However, it is important to note that the empirical study of self-promotion in general, along with its specific tactics, has seldom been explored (Stevens & Kristoff, 1995). Furthermore, there are mixed opinions with regard to the effectiveness of self-promotion (Higgins & Judge, 2004; Stevens & Kristof, 1995). Indeed, Higgins and Judge (2004) conducted a study that found a weak effect of self-promotion on hiring recommendations. Considering that the literature is mixed with regard to the effectiveness of self-promotion, we propose the following non-directional hypothesis:

**H2:** Self-promotion will have a significant influence on the likelihood of being offered an interview, starting salary range, and future performance

**Privacy Setting**

Lastly, privacy setting was also manipulated on target Facebook pages. The level of privacy an individual has on their page can drastically effect employer opinions and assumptions about a job applicant (Brown & Vaughn, 2011; Brandenburg, 2008; Cain, 2007; Clark, 2010; Collins, 2010; Debatin, 2009; Genova, 2009; Gilliland, 2009; Grimmelmann, 2010; Marsico, 2010; Timm, 2008; Elzweig & Peeples, 2009; Kluemper & Rosen, 2009). For example, an applicant that displays strictly job-relevant information about themselves on their Facebook page may be viewed as more favorable than an applicant who displays the same information but along with job-irrelevant information. Such items may include a plethora of personal preferences in music, books, television as well myriad personal issues (e.g., travel, friends, movies, books and music interests). Whether or not the applicant displays a relatively small, conservative amount of such information or whether they display a large, liberal amount of such information is how privacy setting was manipulated in this study.

Previous literature suggests that an individual’s memory may be detrimentally affected by the amount of information they are exposed to about a topic (Alvarez & Cavanagh, 2004; Fukuda et al., 2010). This additional and irrelevant information presented on a Facebook page may hinder an employer’s ability to accurately and correctly retrieve desired information from their memory due to the attentional distraction at the time of encoding. Therefore, we expect that participants placed in a low privacy condition will remember less job-relevant information about the applicant because they will be exposed to a larger amount of job-irrelevant information.

It is also important to note the additional information confounds what may occur with regard to employer decision-making in the presence of information that is unrelated to the applicant’s predicted job performance. Indeed, the excess amount of information that is available on an applicant’s profile may also reveal information that will allow the viewer to categorize the individual into a stereotypical role. For example, if an employer has a personal bias against
individuals that listen to rap music, and an applicant openly displays their musical preference of rap on their Facebook page, the employer may attribute the negative stereotype they hold against individuals that listen to rap music toward this particular applicant as well. This categorization of the applicant may also affect the employer’s ability to accurately recall specific information about the applicant, as there will be interference from their stereotypical memories of similar individuals. Consequently, this will likely influence their decision (in this case negatively) to hire this particular applicant.

Facebook users with higher privacy settings generally reveal less information about themselves when compared to Facebook users with low privacy settings. Although this method of manipulating privacy setting has never empirically been evaluated before, this study attempts to determine whether manipulating the amount of information displayed on a Facebook page is one means of manipulating privacy setting as an independent variable. Considering this information, the following two hypotheses are proposed:

**H3:** High privacy targets will be rated higher on the likelihood of being offered an interview, starting salary range, and future performance than low privacy targets.

The personality variable of conscientiousness is also of interest, as previous studies have demonstrated that that individuals high on this construct tend to use social media to a lesser extent (Ryan & Xenos, 2011). Several key studies have also highlighted conscientiousness as being a significant predictor of job performance (Bajor & Baltes, 2003; Barrick & Mount, 1991; Salgado, 1997). Considering that conscientious individuals are also often characterized as thorough, organized, and controlled (Goldberg, 1990), the following hypothesis is proposed:

**H4:** High privacy targets will be rated higher on conscientiousness than low privacy targets.

**METHODOLOGY**

**Sample**

Two hundred and twenty-one undergraduate students from a large Midwestern US university were recruited from an undergraduate Principles of Management course. Participants were asked to complete the online study in one sitting within a reasonable amount time (15 minutes to 1 hour). Although participants were able to participate in this study at their convenience regardless of location and time, built-in tools of the online survey software Qualtrics prevented them from accessing the survey more than once from a single IP address and recorded the amount of time each participant spent responding. Participants were informed that a built-in tool of the online experiment would detect their level of interest in the study and that any participant taking an abnormally long time to complete the experiment or completing the experiment in an abnormally short amount of time (5 minutes or less) would be disqualified from receiving extra credit in exchange for their participation. Of the 221 participants initially recruited, 185 completed the requirements of the study. Of these 185 participants, 121 were male and 64 were female.
Participants spent approximately 2 hours daily on Facebook, the average age of the participants was 21 years of age, and participants had an average of 2.8 years of work experience.

**Manipulations**

Three variables of interest were manipulated and examined in this study: physical attractiveness, self-promotion, and privacy setting. Each of these variables was presented in either a high or low condition resulting in a total of eight conditions (2x2x2). In this between-subjects design, every participant received only one of these 8 conditions and all participants were presented with a control resume and the entire set of dependent variables. The online survey software Qualtrics presented all participants with basic consent information, a demographic questionnaire, and a standard resume for the target individual. The software would then randomly place each participant in one of the eight conditions by providing them with a Facebook profile link for their respective condition.

Facebook profiles were synthesized and contained information that an average Facebook profile page would include such as the target individual’s name, current university, and previous work experiences. This information was constant across all eight conditions with the exception of the manipulated variables. With regard to the physical attractiveness variable, male volunteers allowed their photographs to be used for the purposes of this research. A pilot study was conducted in order to assess the perceived attractiveness level of each potential target’s photograph. The participants in this pilot study included both female and male graduate students. These graduate students were asked to rate (on a 1-10 Likert scale) how attractive a target individual was based solely on the photograph presented to them. Significant mean differences were obtained between the unattractive and attractive targets, and there were no significant differences between the gender and grade of the graduate student ratings. Utilizing these ratings, an attractive individual and an unattractive individual’s photographs were determined. Participants had no acquaintance with the targets in order to prevent any related biases that could have influenced participant responses.

Self-promotion was manipulated in “high” and “low” conditions in terms of the type of language used to describe the individuals past work experience, accomplishments and awards, and their general description of themselves. More specifically, high-levels of self-promoting language were present in previous job description, awards and accomplishments received, and in the “About Me” section of the target’s Facebook page. The “About Me” section essentially allows users to give a brief description of their overall self for others to view. The specific self-promoting language utilized was based on Stevens and Kristof (1995) and Wayne and Ferris’ (1990) studies. Stevens and Kristof (1995) presented participants with a self-report survey that assessed the applicants’ self-promotion through their self-descriptions’ on a 7-point Likert scale (1 = strongly disagree, 7 = strongly agree). Specifically, these items included demonstrating knowledge and expertise, describing skills and abilities in an attractive way, playing up the value of positive events and taking credit for them, solely taking credit for positive events even when they were not exclusively responsible for them, and making positive that they were responsible for appearing better than they actually were (Stevens & Kristof, 1995; Wayne & Ferris, 1990; Higgins, 2004). Keeping these guidelines in mind, self-promotion was manipulated in the targets’ descriptions of themselves and
past experiences. This manipulation was piloted with a sample of graduate students and significant differences were found.

Privacy setting was displayed through the presence of excess, job-irrelevant information about the individual. This information includes the following interests of the target: 1.) Favorite quotations; 2.) inspirational individuals; 3.) favorite sports; 4.) teams; 5.) books; 6.) movies; 7.) television shows; and 8.) additional personal interests. In the high privacy condition, there were only 2-3 items for each category. For example, with regard to the “Favorite Music” category, jazz and classical were listed. On the low privacy condition, jazz and classical were present once again, but with the addition of a plethora of modern artists that were selected from a “Top 100 favorites” Billboard listing. This procedure was repeated for the remaining categories of interest. It is important to note that the categories discussed are commonly “filled out” on the personal pages of the majority of Facebook users. This manipulation was also piloted with a sample of graduate students and significant differences were found.

**Appraisals of the Dependent Variables**

Participants were asked to examine their respective Facebook profile and rate the target individual on the dependent variables on a Likert scale that ranged from 1 (Strongly Disagree) to 7 (Strongly Agree). Intelligence was rated over two items and personality was rated with 20 items, 4 for each of the domains of the Big 5 (extraversion, agreeableness, conscientiousness, neuroticism, and openness to experience). The two intelligence items were developed based on the definitions of general mental ability (GMA) and intelligence that Schmidt and Hunter (2004) provided. The personality items were developed from the definitions for each of the five personality dimensions based on the work of Smith et al. (2004) and Szalma and Taylor (2011). Participants were then asked single item questions on their predictions of their respective target individual’s likelihood of being offered an interview, their predicted and deserved starting salary, overall predicted performance in the retail sales position they are applying for, level of attractiveness, and privacy setting. A retail sales position was chosen because it was deemed to be a common job that the undergraduate participants may have either had in the past or at least have a satisfactory understanding of based on interactions with retail sales clerks. Lastly, participants rated self-promotion over 4 items. All multi-scale items had a reliability coefficient of at least .80 or above.

**Covariate Controls**

After completing this portion of the research, (in addition to the demographics questionnaire) all participants were then asked to complete a timed 5 minute Employment Aptitude Survey (EAS) measure of intelligence as well as an untimed measure of personality based on the Five Factor model of Personality and International Personality Item Pool (IPIP) scales. Reliabilities for both scales were above .80 and both measures have been recognized as being effective in terms of construct validity (Ruch and Ruch, 1980; Goldberg et al., 2006).
RESULTS

The effects of the independent variables on the dependent variables were assessed in a series of analyses of covariance tests. In all analyses, a covariate control variable was only retained if it produced relationships significant at the .05 level. As a result of this, the degrees of freedom vary throughout each dependent variable, as covariates that were not found to be significant were removed from the analysis for each dependent variable. The covariate scales for the Big 5 personality dimensions were transformed into standard z scores (M=0, SD=1) and all had high reliability coefficients (alpha = .81 or above).
Table 1

Means, Standard Deviations, and Intercorrelations between Study Variables

<table>
<thead>
<tr>
<th></th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Likelihood of Interview</td>
<td>4.79</td>
<td>1.41</td>
<td></td>
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<tr>
<td>2. Starting Salary Range</td>
<td>3.94</td>
<td>1.24</td>
<td>.75**</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>3. Predicted Performance</td>
<td>5.16</td>
<td>1.09</td>
<td>.57**</td>
<td>.62**</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>4. Predictions of IQ</td>
<td>4.40</td>
<td>0.96</td>
<td>.56**</td>
<td>.64**</td>
<td>.50**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Predictions of Extraversion</td>
<td>4.55</td>
<td>1.33</td>
<td>.30**</td>
<td>.27**</td>
<td>.17*</td>
<td>.19**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Predictions of Agreeableness</td>
<td>4.74</td>
<td>1.24</td>
<td>.21**</td>
<td>.26**</td>
<td>.31**</td>
<td>.16*</td>
<td>.20**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Predictions of Conscientiousness</td>
<td>5.06</td>
<td>1.21</td>
<td>.47**</td>
<td>.51**</td>
<td>.55**</td>
<td>.41**</td>
<td>.17*</td>
<td>.28**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Predictions of Neuroticism</td>
<td>3.25</td>
<td>1.32</td>
<td>-.38**</td>
<td>-.27**</td>
<td>-.26**</td>
<td>-.19**</td>
<td>-.18*</td>
<td>-.14*</td>
<td>-.21**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Predictions of Openness</td>
<td>4.26</td>
<td>1.31</td>
<td>.42**</td>
<td>.41**</td>
<td>.42**</td>
<td>.35**</td>
<td>.41**</td>
<td>.28**</td>
<td>.30**</td>
<td>-.22**</td>
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</table>

Note: * p < .05; ** p < .01.
A 2 x 2 x 2 design was used to test effects of physical attractiveness, self-promotion, and privacy setting on the likelihood of being offered an interview, starting salary range, predicted future performance, and predictions of intelligence and personality characteristics. The means, standard deviations, and correlations among the study variables are presented in Table 1.

Manipulation Checks

A series of t-tests examined whether participants perceived differences between the two levels of each manipulated variable. Results testing for significant differences amongst the independent variable manipulations showed no significant difference between the high (M=5.12, SD=1.73) and low (M = 4.92, SD = 1.2) conditions of the self-promotion, t(183) = .91, p = .36. However, there were significant differences between high (M = 3.81, SD = 1.3) and low (M = 3.13, SD = 1.15) physical attractiveness conditions, t(183) = 3.75, p < .001, as well as high (M = 4.2, SD = 1.43) and low (M = 3.64, SD = 1.61) privacy setting conditions, t(183) = 2.52, p < .05. These results were obtained from a manipulation check that asked participants to rate their perceptions of the target individual’s physical attractiveness, level of self-promotion (given a definition) across three items, and their level of privacy setting as indicated by the amount of information displayed. Differences between the responses of the groups assigned to each condition were compared, and the current results were obtained.

Likelihood of Being Offered an Interview

Table two presents the results obtained in the analysis of the likelihood of being offered an interview across all conditions. Participant extraversion was a significant (F(1, 169) = 8.96, p < .05) covariate with extraversion proving to be positively related to predictions of the likelihood of being offered an interview. Participant neuroticism also proved to be a significant (F(1, 169) = 6.91, p < .05) covariate that was also positively related to predictions of the likelihood of being offered an interview.

<table>
<thead>
<tr>
<th>Variable</th>
<th>F (1, 172)</th>
<th>p</th>
<th>η²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Covariates</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Extraversion</td>
<td>8.96</td>
<td>.003</td>
<td>.049</td>
</tr>
<tr>
<td>Neuroticism</td>
<td>6.91</td>
<td>.009</td>
<td>.039</td>
</tr>
<tr>
<td><strong>Main Effects</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attractiveness</td>
<td>.01</td>
<td>.922</td>
<td>.000</td>
</tr>
<tr>
<td>Self-Promotion</td>
<td>.99</td>
<td>.322</td>
<td>.006</td>
</tr>
<tr>
<td>Privacy Setting</td>
<td>.38</td>
<td>.563</td>
<td>.002</td>
</tr>
<tr>
<td><strong>2-Way Interactions</strong></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
The main effects for physical attractiveness, self-promotion, and privacy setting were all non-significant, \((F(1, 169) = .01, p > .05)\), \((F(1, 169) = .99, p > .05)\) and \((F(1, 169) = .38, p > .05)\) respectively. With regard to interactions, the two-way interaction between physical attractiveness and self-promotion was non-significant, \((F(1, 169) = .03, p > .05)\), the two-way interaction between physical attractiveness and privacy setting was non-significant, \((F(1, 169) = .59, p > .05)\), and the two-way interaction between self-promotion and privacy setting was non-significant, \((F(1, 169) = .00, p > .05)\). Lastly, the three-way interaction between physical attractiveness, self-promotion, and privacy setting was non-significant, \((F(1, 169) = .60, p > .05)\).

However, a regression analysis was also conducted to test the hypothesis that self-promotion leads to increased likelihood of an interview. Self-promotion and openness were included in the model and accounted for a significant amount of variance in the likelihood of being offered an interview \((R^2 = .178, F(3, 180) = 12.988, p < .001)\). Openness accounted for a significant amount of variance \((b = 1.261, t(183) = 3.713, p < .001)\) as did self-promotion \((b = 1.853, t(183) = 2.171, p = .031)\). The interaction between openness and self-promotion was also significant \((\Delta R^2 = .019, \Delta F(1, 183) = 4.305, b = -.423, t(183) = -2.075, p = .039)\). Perceived conscientiousness was also used as a moderator. In this model, self-promotion and conscientiousness accounted for a significant amount of variance in the likelihood of being offered an interview \((R^2 = .287, F(3, 180) = 24.187, p < .001)\). Conscientiousness accounted for a significant amount of variance \((b = 1.418, t(183) = 5.178, p < .001)\) as did self-promotion \((b = 2.584, t(183) = 2.839, p = .005)\). The interaction between conscientiousness and self-promotion was also significant \((\Delta R^2 = .029, \Delta F(1, 183) = 7.534, b = -.483, t(183) = -2.745, p = .007)\). These results suggest that self-promotion does play a role in the likelihood of being offered an interview when factoring in perceived conscientiousness and openness.

**Starting Salary Range**

There were no significant covariates for the analysis of starting salary range across all conditions. The main effect for attractiveness, self-promotion, and privacy setting were non-significant, \((F(1, 173) = .12, p > .05)\), \((F(1, 173) = .38, p > .05)\), and \((F(1, 173) = .78, p > .05)\) respectively. These results indicate that none of the independent variables had a significant effect on predictions of starting salary range. The two-way interaction between physical attractiveness and self-promotion was non-significant, \((F(1, 173) = .206, p > .05)\). The two-way interaction between physical attractiveness and privacy setting was also non-significant, \((F(1, 173) = 1.07, p > .05)\). The two-way interaction between self-promotion and privacy setting was non-significant as well, \((F(1, 173) = .45, p > .05)\). Lastly, the three-way interaction between physical attractiveness, self-
promotion, and privacy setting was non-significant, \( F (1, 173) = .109, p > .05 \). These results indicate that neither the main effects nor the interaction effects between the independent variables had a significant effect on predictions of starting salary range. However, a regression analysis was conducted to test the hypothesis that self-promotion leads to increased salary. Self-promotion and openness were included in the model and accounted for a significant amount of variance in the likelihood of being offered an interview \( (R^2 = .194, F(3, 180) = 14.411, p < .001) \). Openness accounted for a significant amount of variance \( (b = 1.146, t(183) = 3.877, p < .001) \) as did self-promotion \( (b = 1.677, t(183) = 2.257, p = .025) \). The interaction between openness and self-promotion was also significant \( (\Delta R^2 = .021, \Delta F (1,183) = 4.609, b = -.381, t(183) = -2.147, p = .033) \). Another regression was conducted to analyze the hypothesis that attractiveness also leads to increased salary. Perceived agreeableness and attractiveness were included in the model and accounted for a significant amount of variance in the likelihood of being offered an interview \( (R^2 = .143, F(3, 180) = 10.037, p < .001) \). Agreeableness accounted for a significant amount of variance \( (b = 100, t(183) = 3.487, p < .001) \). Attractiveness accounted for a marginally significant amount \( (b = 1.50, t(183) = 1.687, p = .0934) \). The interaction between agreeableness and attractiveness was also marginally significant \( (\Delta R^2 = .018, \Delta F (1,183) = 3.689, b = -.362, t(183) = -1.921, p = .056) \). These results seem to indicate that attractiveness and self-promotion do have an impact on starting salary range when taking perceived personality traits, such as agreeableness and openness into account.

**Predictions of Future Performance**

Table three presents the results obtained in the analysis of participant predictions of future performance across all conditions. Participant extraversion was a significant \( (F(1, 172) = 8.96, p < .05) \) covariate with extraversion proving to be positively related to predictions of future performance.

### Table 3

*Effects of Facebook Manipulations on Predictions of Future Performance*

<table>
<thead>
<tr>
<th>Variable</th>
<th>( F (1, 172) )</th>
<th>( p )</th>
<th>( \eta^2 )</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Covariates</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extraversion</td>
<td>4.25</td>
<td>.041</td>
<td>.024</td>
</tr>
<tr>
<td><strong>Main Effects</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attractiveness</td>
<td>1.40</td>
<td>.239</td>
<td>.008</td>
</tr>
<tr>
<td>Self-Promotion</td>
<td>1.74</td>
<td>.189</td>
<td>.010</td>
</tr>
<tr>
<td>Privacy Setting</td>
<td>2.15</td>
<td>.145</td>
<td>.012</td>
</tr>
<tr>
<td><strong>2-Way Interactions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attractiveness * Self-Promotion</td>
<td>.06</td>
<td>.802</td>
<td>.000</td>
</tr>
<tr>
<td>Attractiveness * Privacy Setting</td>
<td>1.29</td>
<td>.257</td>
<td>.007</td>
</tr>
<tr>
<td>Self-Promotion * Privacy Setting</td>
<td>.05</td>
<td>.828</td>
<td>.000</td>
</tr>
<tr>
<td><strong>3-Way Interactions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attractiveness * Self-Promotion * Privacy Setting</td>
<td>.15</td>
<td>.700</td>
<td>.000</td>
</tr>
</tbody>
</table>
Note: $F$ = F Ratio; $df$ = Degrees of Freedom; $p$ = Significance Level; $\eta^2$ = Effect Size (partial eta squared).

The main effect for attractiveness, self-promotion, and privacy setting were non-significant, $(F(1, 172) = .140, p > .05)$, $(F(1, 172) = 1.74, p > .05)$, and $(F(1, 172) = 2.15, p > .05)$ respectively. With regard to interactions, the two-way interaction between physical attractiveness and self-promotion was non-significant, $(F(1, 172) = .06, p > .05)$, the two-way interaction between physical attractiveness and privacy setting was non-significant, $(F(1, 172) = 1.29, p > .05)$, and the two-way interaction between self-promotion and privacy setting was non-significant, $(F(1, 172) = .05, p > .05)$. With regard to the three-way interaction between physical attractiveness, self-promotion, and privacy setting, this interaction was also non-significant, $(F(1, 172) = .15, p > .05)$. These results indicate that neither the main effects nor the interaction effects between the independent variables had a significant effect on predictions of performance.

Predictions of Extraversion

The main effect for attractiveness, self-promotion, and privacy setting were non-significant, $(F(1, 174) = 2.58, p > .05)$, $(F(1, 174) = 2.98, p > .05)$, and $(F(1, 174) = 1.01, p > .05)$ respectively. The two-way interaction between physical attractiveness and self-promotion was non-significant, $(F(1, 174) = .04, p > .05)$, the two-way interaction between physical attractiveness and privacy setting was non-significant, $(F(1, 174) = .14, p > .05)$, and the two-way interaction between self-promotion and privacy setting was also non-significant, $(F(1, 174) = .72, p > .05)$. However, a significant $(F(1, 174) = 4.92, p < .05)$ three way interaction emerged between physical attractiveness, self-promotion, and privacy setting. Inspection of the cell means indicated that participants that viewed a target that was high on physical attractiveness, exhibited a high level of self-promotion, and a low privacy setting rated this target as being high on extraversion ($M = 5.25, SD = .30$). In contrast, participants that viewed a target that was low on physical attractiveness, exhibited a low level of self-promotion, and had a high privacy setting rated this target as being lower on extraversion ($M = 3.96, SD = .28$). Therefore, attractive targets that engage in high levels of self-promotion and have low privacy settings are perceived as being highly extraverted.

Predictions of Agreeableness

The main effect for attractiveness and privacy setting were non-significant, $(F(1, 174) = 2.01, p > .05)$ and $(F(1, 174) = .79, p > .05)$. However, the main effect for self-promotion was significant $(F(1, 174) = 10.07, p < .05)$. Specifically, inspection of the cell means indicated participants presented with a target that exhibited high self-promotion rated this target as being low on agreeableness ($M = 4.44, SD = .13$). In contrast, participants presented with a target that exhibited low self-promotion rated this target as being higher on agreeableness ($M = 5.01, SD = .12$). The two-way interaction between physical attractiveness and self-promotion was non-significant, $(F(1, 174) = 1.24, p > .05)$, the two-way interaction between physical attractiveness and privacy setting was non-significant, $(F(1, 174) = 2.01, p > .05)$, and the two-way interaction between self-promotion and privacy setting was also non-significant, $(F(1, 174) = .59, p > .05)$. The three-way
interaction between physical attractiveness, self-promotion, and privacy setting was also non-significant, \( F(1, 174) = .76, p > .05 \).

Predictions of Conscientiousness

Table four presents the results obtained in the analysis of participant predictions of target conscientiousness across all conditions. There were no significant covariates for this condition.

<table>
<thead>
<tr>
<th>Table 4</th>
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</thead>
<tbody>
<tr>
<td><strong>Effects of Facebook Manipulations on Predictions of Target Conscientiousness</strong></td>
</tr>
<tr>
<td>Variable</td>
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<td>---------------------------------</td>
</tr>
<tr>
<td><strong>Covariates</strong></td>
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<tr>
<td>Extraversion</td>
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<td><strong>Main Effects</strong></td>
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<tr>
<td>Attractiveness</td>
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<td>Self-Promotion</td>
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<td>Privacy Setting</td>
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<tr>
<td><strong>2-Way Interactions</strong></td>
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<tr>
<td>Attractiveness * Self-Promotion</td>
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<td>Attractiveness * Privacy Setting</td>
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<tr>
<td>Self-Promotion * Privacy Setting</td>
</tr>
<tr>
<td><strong>3-Way Interactions</strong></td>
</tr>
<tr>
<td>Attractiveness * Self-Promotion * Privacy Setting</td>
</tr>
</tbody>
</table>

*Note: \( F \) = F Ratio; \( df \) = Degrees of Freedom; \( p \) = Significance Level; \( \eta^2 \) = Effect Size (partial etasquared).*

The main effect for physical attractiveness was non-significant, \( F(1, 174) = 2.01, p > .05 \) and the main effect for self-promotion was non-significant \( F(1, 174) = 10.07, p > .05 \). However, the main effect for privacy setting was significant, \( F(1, 174) = .79, p < .05 \). Specifically, inspection of the cell means indicated that participants presented with a target that had a high privacy setting rated this target as being high on conscientiousness \( (M = 5.23, SD = .12) \). In contrast, participants presented with a target that had a low privacy setting rated this target as being low on conscientiousness \( (M = 4.85, SD = .13) \).

The two-way interaction between physical attractiveness and self-promotion was non-significant, \( F(1, 174) = 1.24, p > .05 \). However, the two-way interaction between physical attractiveness and privacy setting was significant, \( F(1, 174) = 2.01, p < .05 \). Inspection of the cell means indicated that participants presented with a target that was high on physical attractiveness that also had a high privacy setting rated this target as being high on conscientiousness \( (M = 5.33, SD = .18) \). In contrast, participants presented with a target that was high on physical attractiveness but low on privacy setting rated this target as being lower on conscientiousness \( (M = 4.59, SD = .18) \). The two-way interaction between self-promotion and privacy setting was non-significant, \( F(1, 174) \)
The three-way interaction between physical attractiveness, self-promotion, and privacy setting was also non-significant, \( F(1, 174) = .76, p > .05 \).

**Predictions of Intelligence, Neuroticism, and Openness**

There were no significant main effects or interaction effects between the independent variables in this study and predictions of intelligence, neuroticism, or openness.

**DISCUSSION**

Hypothesis 1, which stated that applicants high in attractiveness would be rated higher on the likelihood of being offered an interview, starting salary, and future performance than low attractiveness applicants, was partially supported. Although attractiveness did not affect the likelihood of being offered an interview or future performance, more attractive targets were offered a higher salary when it was moderated by perceived agreeableness. For hypothesis 2, which stated that self-promotion would have an influence on the dependent variables, we found that applicant’s high in self-promotion had an increased likelihood of being offered an interview, though it is moderated by perceived conscientiousness and openness. We also found that applicants high in self-promotion were also offered higher starting salaries, though it is moderated by perceived openness. These results indicate that the non-job related variables of physical attractiveness and self-promotion may have a significant effect on job-related dependent variables in this study, but it is moderated by other factors such as perceived openness, agreeableness, and conscientiousness. Although hypothesis 3, which was interested in the effect of privacy setting on our dependent variables, was not supported, hypothesis 4 was supported. We found that participant ratings of applicant conscientiousness were higher when presented with a target with a high privacy setting when compared to the participants that were presented with a target with a low privacy setting. We also found significant effects of attractiveness, self-promotion, and privacy settings for perceived extraversion and agreeableness, suggesting that applicant profile characteristics can influence perceived personality characteristics.

It is critical to note that participants did acknowledge a significant difference between each condition of the independent variables themselves with the exception of the self-promotion variable. Furthermore, certain significant effects were seen with regard to participant predictions of personality. Specifically, the interaction between physical attractiveness, self-promotion, and privacy setting did have a significant effect on participant predictions of target extraversion. With regard to agreeableness, self-promotion had a significant main effect on this dependent variable. Lastly, privacy setting and the interaction between physical attractiveness and privacy setting had a significant effect on perceptions of conscientiousness.

Many of statistically significant results in this study stemmed from the personality covariates (particularly extraversion) that were given to participants as part of this research. As such, it would seem that certain personality characteristics such as extraversion have significant effects on certain HR-related decisions such as offering an interview, an applicant’s starting salary range, and their predicted future performance. The particular finding that privacy setting has a significant effect on participant perceptions of conscientiousness is an important finding that has a number of
implications for employers and HR professionals. This finding indicates Facebook users should utilize privacy settings as it may increase employer and HR-professional perceptions of their conscientiousness. Indeed, conscientiousness is arguably the most valued personality trait in the Big 5 as it is generally a powerful predictor of future performance across a variety of domains (Barrick, Mount, and Judge, 2001). With regard to the interaction effect between physical attractiveness and privacy setting, it seems that physically attractive individuals that have high privacy settings enabled will have an especially positive appeal with regard to promoting perceptions of conscientiousness to the viewers of their Facebook profiles.

With regard to predictions of personality, the interaction between physical attractiveness, self-promotion, and privacy setting seem to indicate that participants that viewed a condition where their target was perceived to be highly attractive, engaged in high levels of self-promoting behavior, and had a low privacy setting was also rated as being high on extraversion. Conversely, when participants were presented with a condition where their target was low on physical attractiveness, had low levels of self-promotion, and had a high privacy setting, participants rated this target as being low on extraversion. These results may stem from the notion that having a low privacy setting reveals much more robust information about the target individual (e.g. their favorite and well-known modern movies, musical tastes, etc.). When in the context of a highly attractive photograph and a self-description that is high in self-promotion; this combination may feed into a stereotype of extraversion. With regard to predictions of target agreeableness, participants that received a condition where their target displayed high levels of self-promotion tended to rate these targets as being low on agreeableness.

There are a number of potential explanations that may account for why the physical attractiveness and privacy setting independent variable manipulations had a significant effect on the participants while the self-promotion manipulation did not. As stated previously, Stevens and Kristoff (1995) found a significant effect for self-promotion on interviewer perceptions. However, the more recent Higgins and Judge (2004) article did not find a significant effect for self-promotion on interviewer perceptions. Indeed, Higgins and Judge (2004) state “it appears that influence tactics may not directly affect interview outcomes as previously reported. Rather, influences tactics appear to exert influence on outcomes primarily through their effect on the perceptions of fit recruiters develop throughout the course of the interview” (p. 630). Additionally, the indicators of self-promotion as created and proposed by Stevens and Kristoff (1995) may be poor indicators of the construct.

In a meta-analysis conducted by Hosoda et al. (2003), the authors stated that the influence of physical attractiveness is not necessarily stronger when decision makers have less job-relevant information about an applicant than when they have more such information and that “the strength of the attractiveness bias has decreased in recent years” (p. 454). It is possible that employers have become increasingly cautious of making decisions based on job-irrelevant factors such as attractiveness, and consequently job-irrelevant factors are having less of an effect on HR decisions.

With regard to privacy setting, participants acknowledged a significant difference between the high and low privacy settings as indicated by a manipulation check. However, privacy setting had a non-significant effect on all of the dependent variables with the exception of conscientiousness. This may have been due to the fact that all of the Facebook profiles utilized in this study were
synthesized as opposed to being real individual’s Facebook pages. Considering this, the current research was limited with regard to how privacy setting could be manipulated.

However, larger effects are likely to occur in future studies if more robust manipulations are utilized. Specifically, the low privacy setting condition may require more than five additional items in each category in order to create a significant difference in participant perceptions of the amount of information displayed. Furthermore, the content of the low privacy condition should be geared towards inciting a neutral response that will minimally affect perceptions of the targets personality and intelligence. It is also critical to note that there were no outrageous comments, discussion, or photographs available to view on any of the Facebook pages in this study. Indeed, photographs that may be present on a Facebook page such as one depicting an intoxicated target may be much more salient with regard to employers’ perceptions and impressions of these targets.

Overall, the results of this study suggest that variables which were not job related for the position of a retail sales clerk (physical attractiveness and self-promotion) may have a significant effect on the dependent variables of this study, though it is moderated by perceived personality traits. Privacy setting, however, had a significant effect on the job-related dependent variable of conscientiousness, and at least one personality characteristic had a significant effect on most of the dependent variables. It is an important finding, however, that perceived personality traits can be gleaned upon through a Facebook profile and interact with profile characteristics of attractiveness and self-promotion, which can thus impact HR decisions. Therefore, it would behoove applicants to keep this in mind when creating a profile and deciding what to share with others. Not only is it important to portray certain desirable personality characteristics, but it is also important to monitor privacy settings, photos and self-promotional statements because one’s perceived personality traits can interact with these to produce different outcomes in terms of starting salary and likelihood of being hired.

Although the majority of literature concerning Facebook and employment suggests that information obtained from Facebook users’ profiles may have a significant influence on selection decisions, the results of this study suggest otherwise. However, in some extreme cases where individuals are robustly engaging in inappropriate or incriminating behavior, Facebook information may have a significant influence on HR-related decisions. Such robust actions are expected to have a significantly powerful effect on outcomes such as being offered an interview. Similarly, individuals who only display the most professional and promising information on their Facebook page with the goal of impressing employers may also have a significant effect on employers. Considering this information, applicants that do not reveal robustly inappropriate information on their Facebook page may be less susceptible to employer scrutiny with regard to negative decisions. With regard to organizations, the results of this study suggest that organizations may utilize Facebook as a tool for HR-related purposes but that this practice is unlikely to benefit them beyond potentially accurate perceptions of applicant personality characteristics (Davison, 2012; Kluemper et al., 2012; Vazire & Gosling, 2004).

Therefore, we propose that Facebook may not be as probative a tool for employers as we anecdotally believe and we would suggest that much of the fuss over Facebook as a selection device may be misplaced. Indeed, much current literature highlights the negative outcomes that
may be associated with relating Facebook to employment decisions (Brandenburg, 2008; Brown, 2011; Cain, 2007; Clark, 2010; Davies, 2008; Davis, 2007; Gilliland, 2009; Grimmelmann, 2010; Hodge, 2006; Marisco, 2010; Timm, 2010). However, it is critical to note that previous literature is almost exclusively anecdotal with minimal empirical evidence. This is among one of the few studies to empirically examine Facebook in relation to selection decisions, and our findings indicate that the respondents in this sample did not utilize Facebook information for job related decisions. That is, so long as individuals avoid posting controversial, provocative, and inappropriate information on their SNWs, it is unlikely that employers will develop significant detrimental impressions that may affect applicant employment possibilities.

LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

One limitation of this study is that Facebook is a dynamic entity that seems to consistently change its interface. Indeed, access to a user’s personal information may require clicking different or additional tabs and links as Facebook’s interface changes. However, it is important to note that the core tenets of this research (e.g. one’s personal information) will still be available to view regardless of interface changes. Additionally, this research utilized only one picture of the target individual when in many cases there are several photographs of this individual available to view depending on their privacy settings. However, given the nature of this inquiry, additional photos of the target individual are virtually impossible to control with regard to consistency between conditions. Rather than using synthesized Facebook pages, future researchers should consider exclusively utilizing real Facebook pages that contain more information than those that were synthesized in this study. Indeed, this information may include a plethora of pictures, political affiliations, a listing of the target individual’s Facebook friends, and access to their public wall forum.

This study also does not take into consideration other potential confounds that may occur as a result of individual differences beyond demographical information, personality, and general mental ability. Considering that this was an online inquiry, additional covariates such as the mood of the participant would be difficult to measure beyond simply asking the participant how they are feeling before or as part of the experiment. Future research should consider incorporating additional covariates that may be effectively and practically utilized in an online data collection effort.

Lastly, the pool of participants utilized in this study was undergraduate students in an introductory management course as opposed to practicing professionals with in the field of HR. However, these participants had an average of 2.8 years of work experience. Furthermore, previous research has shown that undergraduate participants can be reflective of actual decisions that may be made in applied settings. It is critical to note that these undergraduates are likely to be future managers; and as such their responses are those of future managers. However, future research should consider utilizing a sample of actual employers and/or HRM professionals that are in an applied setting as well as an undergraduate sample to compare and contrast any significant differences between these groups.
CONCLUSIONS AND IMPLICATIONS

With regard to personality, employers are strongly urged to consider the effect that the personalities’ of their HR professionals may have on recruitment, selection, and retention decisions. Indeed, the results of this study suggest that certain personality characteristics such as extraversion may lead HR-professionals (that exhibit this personality characteristic) to be more susceptible in terms of hiring individuals, offering them a higher starting salary, and to predict higher future performance for them.

In conclusion, Facebook users and applicants are strongly urged to enable privacy settings in a manner that highlights the qualities that coincide with their intended impression upon employers. Facebook users should also refrain from posting inappropriate information on their Facebook pages as a precaution against employer scrutiny. Furthermore, although the process of enabling privacy settings may not be clear and simple; the time required to enable privacy settings is minimal and doing so can prevent undesired issues with regard to employment. Conversely, employers are urged to avoid using Facebook as a tool for employment-related decision-making as it provides minimal job-relevant information and may not accurately portray the applicant interests’ nor actual performance at the job.

REFERENCES


TAXONOMIES AND CORPORATE NAMES DIFFERENCES IN CONTESTABLE MARKETS: THE CASE OF EXECUTIVE SEARCH FIRMS

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EXTENDED ABSTRACT

Current research shows that world-wide businesses are changing their company names to reflect new, more updated, and appealing organizational identities. In this descriptive research, we focus on industries and sectors in contestable markets. A taxonomic name analysis was performed on 1199 Executive Search Firms or headhunters in the US. Our findings indicated that patronymic names are more prevalent in these organizations, even more in those with more than 10 years in operations. This suggests that the name change trend does not apply equally on all sectors.

More than a decade ago, Keller and Lehmann (2006) reported that “Branding has emerged as a top management priority … due to the growing realization that brands are one of the most valuable intangible assets that firms have.” Researchers have supported and built upon this assertion adding that business leaders looking to standout in an ever-evolving marketplace often seek to develop a competitive advantage by developing a comprehensive branding strategy which starts with the selection of a brand name (Zellweger, Eddleston et al. 2010, Muzellec 2006, Olivares-Delgado, Pinillos-Laffón et al. 2016).

For example, Muzellec (2006) reported that corporations were eager to break away from their previous naming associations to carve out the direction and intent for their future by using catchy names associated with life, unity, performance, competence, and vision. Muzellec (2006) reported a trend away from descriptive or person-based to associative or freestanding names.

- Muzellec (2006) delineated these company names as follows:
- Names were defined as acronymic when they included letters or numbers not pertaining to the initials of the founder of the search firm.
- Names were defined as associative when a meaning could be derived through a study of etymology, or if the firm’s website provided an explanation for the name and the meaning behind it.
- Names were defined as descriptive when they outline the purpose or organization of the firm.
- Names were defined as freestanding when they had no etymological significance or connection to the structure of the firm.
- Names were defined as geographic when they included imagery related to the region in which the firm resided.
- Names were defined as patronymic when they included all or part of the founders’ names, including initials.
- Names were defined as combination when they had characteristics of more than one of the attributes listed above.
Muzellec (2006) also states that companies have changed their company names from descriptive and person-based towards associative and freestanding names. However, his findings and arguments are directly limited to the sample (166) which showed name changes. The same research anticipates a disruption considering the organizational roots and founders’ names. Our biggest question or concern to this argument relates to the assumption that organizational roots and founders are not a competitive advantage worthy of being included in a company name. As we explain in the next section, there are markets and sectors where these elements are valued.

Our research provides theoretical and evidence support to our research questions. We focus on theories related to Resource-Based View and Corporate Brand Identity to explain why some companies in contestable markets may follow a different pattern in regards to company name. Second, after analyzing the executive search firms we can affirm that currently they maintain patronymic names, and that this situation is more common in firms with more than 10 years.

Research into the most successful naming practices for companies based upon their specific industry requirements could aid new entrepreneurs in strategically branding their startup businesses as well as aid existing companies in the rebranding of their products or services. Our presentation’s objective is to review such situations in the Executive Search Firm industry, and provide insights about companies that use their personal or family name as a competitive advantage.

REFERENCES


MOTIVATIONAL THEORY IN A BRAVE NEW WORLD

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ABSTRACT

Motivation has been a core topic of study in the organizational development literature since its founding. Although these theories are well developed, there may be opportunity to enhance their ability to describe the behavior of people at work today. Scholars Dick Woodman and Bill Pasmore call for revisiting the core theories of organizational development, specifically motivation. The current work will provide a review of a few key theories of motivation with the goal of uncovering areas where they can be integrated or updated to address the needs of the current workforce operating in a volatile, dynamic, and highly connected environment.

History of Motivation: Content Theories

Motivation can be defined as the direction, intensity and persistence a person exhibits to achieve a desired outcome. Therefore, according some researchers McGregor’s Theory X and Theory Y were considered theories of individual motivation. Specifically, the way Warren Bennis describes the work of McGregor as centered on intrinsic motivation, and this internal force being the key driver of individuals rather than punishment and reward. Prior to the work of McGregor, the work of Maslow was viewed by researchers a highly effective theory of motivation.

Maslow’s hierarchy of needs contents that people are motivated by certain hierarchically ordered needs. These needs include: physiological needs, safety needs, social needs, esteem needs, and self-actualization (Figure 1). As each need is fulfilled, the individual will be driven to fulfill the next need above it in the hierarchy. However, a person would not be motivated by items that fell in a level above needs that they had filled to that point. Therefore, a person would fill each need category to progress to other need categories. Filling a glass with water is a simple analogy. You would not be able to fill a segment of the glass and leave air underneath the water.

Figure 1. Maslow’s Hierarchy of Needs
While Maslow’s hierarchy of needs is very straightforward, and easy for the lay person to understand and potentially even leverage, there was some push back from the academic community due to a lack of empirical evidence supporting the model.

McGregor’s Theory X and Theory Y became one of the next important theories of motivation. The work of McGregor was centered on understanding that people did have a desire to be involved in their work and to make a difference. If the opportunity for involvement in their work was removed from their purview, work would be less motivating. This involvement was up to the manager. If the manager believed that he or she could involve the team in organizational decisions, then that manager would be able to achieve higher levels of productivity and other important organizational outcomes from employees. As a foundational theory of motivation and organizational development, more detail on McGregor’s Theory X and Theory Y is critical.

Out of the theories of Weber and Bureaucratic management yielded a way of working in most organizations of command and control management. Jobs and work was structured to meet the needs of efficiency and quality on an assembly line, such that organizations were structured with decision making controlled by senior management and jobs strictly defined (Donaldson, 1996). The goal of many organizations was to manage costs in such a way to earn the highest revenue possible. This cost management strategy drove a very myopic view of how to organize work and individuals were reduced to completing small, simple tasks that were easy to control. This way of working yielded employees who, perhaps, were not as productive and not as effectively managing the cost of organizational activities as the leaders would have hoped. As command and control grew and proliferated, the organizational layers and bureaucratic processes multiplied leading to an ineffective system bloated with cost, reducing autonomy and accountability, and drifting away from the original intentions of Weber. As the one best way to organize became inefficient in practice, new ways to organize and manage began to emerge.

Douglas McGregor was the first psychologist to emphasize how important personnel policies, procedures and the alignment of values and culture were to organizational strategies (Wiesbord, 2012). McGregor earned his PhD in social psychology at Harvard in 1935. He helped Kurt Lewin to found the Research Center for Group Dynamics at MIT and inspired many individuals to dive into the world of understanding people at work (Wiesbord, 2012).

McGregor’s work differed from the approach of Weber the “one best way to organize” through its foundation of understanding why a manager would act the way that he or she did. According to McGregor, every managerial act rests on an individual’s theory about people. The administrative practices are not the problem; it is the assumptions of managers that are the problem. McGregor’s Theory X and Theory Y were born out of the foundation of assumptions. Theory X management is based on the idea or assumption that employees are lazy, need to be pushed to complete tasks, and are not interested in participating in the productivity of the organization. This Theory X mentality was an odd offspring of the over-implementation of bureaucratic practices. Theory Y argues that the opposite is true; employees have a desire to work hard and achieve great things in their work (Sorensen & Minahan, 2011).

McGregor believed that to use Theory Y practices and leverage individual motivation to do a good job, managers can apply a lot of different behaviors to be effective; but this is a question of choice on the manager’s part. Does the manager choose to believe that men are only tools to get the work completed, or are managers committed to creating a culture of learning and growth?

The discussions of Warren Bennis and others regarding McGregor’s work made clear that McGregor believed managers who seek to leverage the intrinsic motivation of others and develop a collaborative
workplace where people have a need to achieve and ownership in planning would create a more productive environment. Engaging in activity together, manager and employee, builds trust. Thus, the assumption of Theory Y managers then is that employees want to be involved, and there is a strong desire to be proud and part of a winning team. Thus, reaching optimum productivity and quality is based on tapping the intrinsic motivation of individuals in the organization.

The work of McGregor was centered more on the assumptions of the leaders in organizations rather than the motivations of the employees themselves. While the assumptions of the managers are certainly important, there are other individual factors that are important in motivation, despite level in an organizational hierarchy. From the work of McGregor, Herzberg developed his own theory of motivation, delving into the satisfaction an employee.

Herzberg’s theory of motivation moved away from centering on the control of the hierarchy to the impact of other organizational and job attributes that may drive satisfaction for a person in their work. Herzberg sought to answer the question “what do people want from their jobs?” Herzberg hypothesized that satisfaction in work fell on two independent continuums: a continuum of satisfiers and dissatisfiers. Dissatisfiers are the basic factors in a person’s work that are externally driven, such as pay, policies, and administration. Satisfiers, on the other hand, are internally driven and include challenge and recognition in work. In order to be satisfied, the dissatisfiers need to be minimized and satisfiers enhanced. Further, a role will not be satisfying if only the extrinsic factors are improved. Therefore, increasing intrinsically motivating factors within a job will lead to higher levels of satisfaction in employees.

Maslow’s hierarchy, McGregor’s Theory X and Theory Y, and Herzberg’s Two factor theory were foundational understandings of individual motivation. Each of these theories focused on the content surrounding an individual and how that content could drive motivation. In the next phase of research on motivation, there was a clear focus on motivation as a process rather than what content would motivate an individual.

Expectancy theory and goal-setting theory are landmark process theories of motivation, and both have contributed to the motivation literature for decades. While each theory, independently, has critical ways to improve individual motivation and performance on the job, integrating both into a meta-theory may enhance the effectiveness of both theories.

**History of Motivation: Process Theories**

Vroom’s (1964) expectancy theory of motivation sought to explain the process through which individuals are motivated to perform at work. Expectancy theory directs a person’s behavior through three key elements and three very important relationships between those elements. The elements include: effort, performance and outcomes. The relationships integrated into those important elements include: valence, instrumentality and expectancy, or VIE (Figure 2).

VIE, or the relationships of valence, instrumentality and expectancy, is easily defined on an individual basis. Therefore, each person can perceive these relationships differently depending on the situation. Working backwards through figure 2 below, valence is the importance of the outcome to the individual. Researchers have defined valence in the empirical literature in many ways. It can be defined as anticipated satisfaction with an outcome, the importance of the outcome, its attractiveness, or its desirability (Van Eerde & Thierry, 1996). Instrumentality is much more clear-cut in that it represents the probability of obtaining a given outcome. Lastly, expectancy is a subjective probability of an action or effort leading to performance.
Vroom’s theory has been utilized for many years within the literature and certainly has been a fundamental contribution to how researchers view motivation at work. Interestingly, recent research has found that the pieces of the model appear to have stronger relationships with outcomes than the model in its entirety (Van Eerde & Thierry, 1996). The most recent recommendation by the scientific community is to leverage the relationships of the model on their own, VIE specifically, rather than to use the entire model.

After the development of expectancy theory, goal setting was designed as another theory to explain the process individual motivation at work. Goal setting has been a major contribution to understanding how individuals are motivated. Locke & Latham started their work in the 1970s and have updated it based on additional research in 2002.

According to Locke & Latham, goal setting includes two core elements to ensure individuals are motivated: specificity and difficulty. Consistently over the years many have found that specific, difficult goals will lead to higher levels of performance (Locke & Latham, 2002) when compared with asking an individual to just “do their best”.

As research on goal setting grew and developed, a clear picture of the impact of moderators on goal setting emerged. Currently, there are five important moderators within goal setting theory. Thus, each of these five variables could impact the effectiveness of goal setting on performance. These include: goal commitment, goal importance, self-efficacy, feedback, and task complexity.

Looking across these five moderators, three are tightly integrated. Specifically, goal commitment includes the two elements of goal importance and self-efficacy (Locke & Latham, 2002). Interestingly, commitment to a goal can be enhanced through clarifying the importance of the goal to the individual. If the goal is seen as something that is important to a person’s role at work or how he or she views his or her own level of competence, goal commitment will be increased. Additionally, if the individual has high levels of self-efficacy, and therefore believes that he can successfully complete the goal, he is more likely to do so. Other research has shown self-efficacy increasing when a supervisor assigning a challenging goal to a subordinate. If the subordinate perceives that the supervisor is giving them a challenging goal because the supervisor believes in their ability, the subordinate’s self-efficacy is enhanced, thereby enhancing their commitment to the goal.

The other two moderators are slightly more independent from goal commitment. Feedback is a critical element to goal setting theory. Goals are found to be effective because people can leverage self-regulation. Through feedback of performance, a person can increase their effort to attain a goal or clarify if the amount of effort they are currently expending is appropriate. Without feedback, a person is unable to evaluate progress and may lose motivation to continue. Lastly, task complexity can have a similar effect as feedback, in that, if a task is overly complex, a difficult, specific goal may also lead to a decrease in motivation. For
example, when air traffic controllers were given a difficult, specific performance target, they performed at lower levels because they already had a significant amount of cognitive resources allotted to completing their standard tasks (Locke & Latham, 2002).

Integrating Expectancy and Goal Setting Theory into a Meta-Theory

Both expectancy theory and goal setting theory can be integrated to create an enhanced process theory of motivation. The key connection between these two theories is via the expectancy relationship in the VIE model. The expectancy relationship between effort and performance is defined as the individual’s subjective probability that the effort they put forth will lead to performance at the necessary level. Goal setting directly enhances this relationship by defining the amount of effort necessary to achieve a specific goal or outcome. Goal specificity, a core element of goal setting, defines for an individual the given level of effort they need to expend, rather than only asking individuals to do their best.

An example of goal setting enhancing expectancy would be through defining clear sales targets for individuals on a sales team. Effective goals are specific, measurable, and time bound. A sales person could have a goal of selling 150 software systems to brand new clients in the next quarter. If goals are well designed and implemented across the organization, it could also be easy to carry this momentum from the goal setting/expectancy connection into the instrumentality relationship. If goals are set effectively and rewards provided to those who achieve well-defined goals, others will see that rewards are appropriately distributed based on goal accomplishment. Because rewards are distributed effectively, any given employee’s instrumentality could therefore increase, or the probability they can obtain a given outcome in their mind will increase.

A recent recommendation in the motivation literature is to parse out VIE into its individual components rather than to use the model as a whole. By integrating the individual relationships of valence, instrumentality and expectancy with goal setting theory, psychologists could be lead directly to a more powerful meta-theory. While all the elements of VIE are critical to maintain, the enhancements of goal setting theory, specifically within the expectancy relationship, may lead to a more effective prediction of individual motivation in the literature.

Job Characteristics Model & Motivation

The job characteristics model (JCM) was created by Hackman & Oldham in the late 1970s as a response to the need to understand what drives employees to do what they do on the job. Hackman & Oldham proposed the job characteristics model (JCM) as a theoretically sound methodology to address the concerns of Herzberg’s model of satisfaction (Head, 2007). As a part of their model they created the Job Diagnostic Survey (Hackman & Oldham, 1975) as a non-copyrighted, valid instrument for consultants and academics to utilize as a way to diagnose job design projects in organizations, and to further the study of the theories of motivation and job enrichment (Hackman & Oldham, 1975).

The basic theory driving the JCM states simply, that core job dimensions lead to critical psychological states then create personal and work outcomes for individuals (Hackman & Oldham, 1975). Their original depiction is provided in Figure 3. The personal and work outcomes can include high internal work motivation, high work satisfaction, high quality work, high performance and low absenteeism and turnover. In order for outcomes to be realized, all three psychological states must be present (Hackman & Oldham, 1975). The three psychological states include: experienced meaningfulness of the work, experienced responsibility for work outcomes, and knowledge of the actual results of work activities. Driving these
psychological states are the five core job dimensions: skill variety, task identity, task significance, autonomy and feedback. These core job dimensions are multiplicative based on the theory and provide a motivating potential score (MPS) for any given job. Thus, an increase in any component in the model will increase the MPS, and if any of the three major components are low, the MPS will too be low (Hackman & Oldham, 1975). Figure four provides the original visual of the calculation of the MPS.

Figure 3.

![Diagram of the Job Diagnostic Survey]

Figure 4.

Motivating Potential Score (MPS)

\[
\text{MPS} = \left( \frac{\text{Skill Variety} + \frac{\text{Task Identity}}{3} + \frac{\text{Task Significance}}{3}}{3} \right) \times (\text{Autonomy}) \times (\text{Feedback}).
\]

While the core job dimensions are straightforward, it is important to note how Hackman and Oldham defined and measured these dimensions and the psychological states. Looking directly at their original work in 1975 (p. 161-162):

**Skill Variety:** The degree to which a job requires a variety of different activities in carrying out the work, which involve the use of a number of different skills and talents of the employee.

**Task Identity:** The degree to which the job requires completion of a “whole” and identifiable piece of work – that is, doing a job from beginning to end with a visible outcome.

**Task Significance:** The degree to which the job has a substantial impact on the lives or work of other people – whether in the immediate organization or in the external environment.

**Autonomy:** The degree to which the job provides substantial freedom, independence, and discretion to the employee in scheduling the work and in determining the procedures to be used in carrying it out.
Feedback from the job itself: The degree to which carrying out the work activities required by the job results in the employee obtaining direct and clear information about the effectiveness of his or her performance.

The critical psychological states include:

*Experienced meaningfulness of the work:* The degree to which the employee experience the job as one which is generally meaningful, valuable, and worthwhile.

*Experienced responsibility for work outcomes:* The degree to which the employee feels personally accountable and responsible for the results of the work he or she does.

*Knowledge of results:* The degree to which the employee knows and understands, on a continuous basis, how effectively he or she is performing the job.

What is unique about the critical psychological states is their measurement: through both self-descriptive measures and projective measures (Hackman & Oldham, 1975). Thus, individuals think about their own work experiences and the work experiences of others in the organization that hold the same job (Hackman & Oldham, 1975). This differentiation in referent provides a robust assessment of the psychological states as defined by the theory.

Hackman & Oldham (1976) speak to the fact that not every individual is motivated in the same ways. Thus, there are some key moderators to their model that can increase or decrease the job design/outcome relationship (Head, 2007); specifically, individual growth-need strength (GNS). GNS is a psychological measure of the degree to which an individual employee would desire a complex job. This moderator stemmed from the idea that not every individual would be interested in complex work (Head, 2007).

In their initial study of the JCM, Hackman & Oldham (1975) obtained responses to the job diagnostic survey (JDS) from 658 employees in 62 different jobs across 7 organizations. The authors found that job dimensions were positively related to measures of work satisfaction and motivation, as predicted. Further, the job dimensions were independent when compared to the measures of GNS. The job dimensions were strongly related to the measures of psychological states, also as predicted by the theory, and not substantially related to the measures of GNS. Further, the moderation effect for GNS was also clear: when GNS was higher the relationships for all job dimensions and the dependent variables were stronger.

Hackman & Oldham further discuss the use for the JDS as a tool for both consultants or practitioners to leverage to assess jobs prior to some sort of organizational change as well to evaluate the impact of a job redesign intervention post implementation (1975). The authors believe it is important in all types of redesign effort to collect data not only from the employees in the job, but from observers and from supervisors, as they did. Other research supports that the most reliable data about jobs (through job analysis) is found in trained observers not job incumbents (Casico, 1997). For job design efforts to be successful, it is critical to ensure multiple sources of data be integrated into the analysis. Interestingly, however, Hackman & Oldham do not recommend the JDS for use in understanding a job on an individual level. Because the scales trade internal consistency for substantive heterogeneity, the calculation of the MPS requires multiple points of data. That said, GNS is defined at the individual level, thus the scale for GNS could be leveraged to understand the needs of a specific individual in a particular role.

Woodman & Pasmore’s Assessment of Motivation

With the in-depth, historical literature on motivation, it may appear to be a construct in which there is little additional research to conduct to add valuable knowledge to the field. Scholars Dick Woodman and
Bill Pasmore would disagree. In their forthcoming work “The Future of Research and Practice in Organizational Change and Development”, the authors discuss the latest trends for research in the field of organizational development. Specifically, they note the need to revisit core topics, such as motivation, through combining research and field work appropriately.

Woodman and Pasmore discuss the history of motivation as an interest in understanding why people do what they do, and much of this interest first stemmed from Kurt Lewin, the founding father of organizational development. A core theory that Kurt Lewin developed from his extraordinary experience escaping Nazi Germany during World War II to come to the United States, was the idea that a person’s behavior was a function of both their personality and the environment or $B = f(P,E)$. Woodman and Pasmore note that this situational perspective opened the door for many different researchers to delve into understanding motivation both from a trait perspective, as many psychologists did, and a state perspective.

For many managers even today, motivation of individuals is perceived as the impact of rewards on their behavior. Therefore, motivation is a situational aspect of a person’s interaction with their environment. Interestingly, Woodman and Pasmore believe that there needs to be a shift to understanding motivation differently, and less situationally based. The authors believe the is a greater impact on behavior of underlying individual goals and less on immediate rewards. Additionally, these authors note the trend in the younger generations of workers being less focused on short-term benefit and seeking out jobs that impact their goals in the long-run.

Woodman and Passmore propose that there is a new psychological contract for employees today and new way to motivate people in their jobs to ensure the best for organizations and the people in them. Today, learning is considered most important in roles and the ability to do exciting, inspiring, and cutting-edge work is what motivates many in younger generations. These people have seen technology change rapidly and are inspired to create new things to help the world be a different place in 25 years. As Woodman and Pasmore note, it is very easy to get individuals to join organizations virtually and temporarily; it is much more challenging to get someone to commit for an extended period of time. In addition to more transitory role commitments, these rapid changes also provide the perception of an opportunity for great success. Even today, bit coin, a new global currency that is not based on the value of gold, has increased its value to extraordinary levels. If you had invested $100 in bit coin seven years ago, you would have over $3.8 million today. People in younger generations are looking to find what creative experiences will help them to design a life of success.

Woodman and Pasmore go on to note that there has been a shift in what people expect based on all the change and turmoil in the global environment. Expectancy Theory, as discussed above, notes that people make rational decisions about what to expect from the effort they put forth to receive a particular outcome or reward. Today, the concept of working hard to move to the role you want does not make as much sense. Often there is less of a reward for working hard in your role because of forces outside of your view and control.

Woodman and Pasmore claim that this environmental turmoil leads people to take more irrational risk. Thus, individuals would be willing to take a job at a risky start up organization to see about gaining that experience and earning a chance to hit it big, as with the bit coin example. There is no logical explanation as to why bit coin has increased its value at a rate far beyond what any analyst could have predicted. Therefore, how can people be expected to design a logical progression in their work-life to achieve their goals?
Further, there is work in the talent development space that leverages a different model for developing high potential talent or leaders in organizations. This model is called the 70-20-10 model. The concept is such that only 10% of an individual’s learning should come from classroom training, 20% should come from learning by watching others, whereas 70% of learning should occur from challenging assignments on-the-job (Lominger & Eichinger, 1996). Many large, Fortune 500 organizations no longer provide employees with a hierarchical career path to follow in the organizations. Today, because of all the dynamism and uncertainty in the environment, organizations are beginning to discuss a career path as a lattice rather than a ladder. These organizations create career frameworks to help members of the organization understand what critical experience is important for the long term strategic plan of the organization, the competencies that support the organization, and required education.

These talent management strategies help the organization communicate to its members that there is not a single role trajectory to follow, but instead there are multiple ways to move within the organization to gain the experience and skills required to move up to strategic organizational levels. Organizations are meeting the call of this change in individual motivation by shifting how individuals can design their career paths.

Therefore, with the immense changes in the environment in which people and organizations work today, there needs to be a reinvigoration of the research centered on core topics in organizational development, such as motivation. Shifting from a group and organizational level approach back down to an individual level approach may help to answer some questions about what has changed in motivation of today’s work force and help scholars and practitioners to test and update the models which have provided the foundation of understanding. In addition to shifting back down to the individual level of analysis, it will important to leverage the powerful new statistical models in our academic capabilities to integrate a new understanding of individual motivation to motivation across levels within an organization.

**Reintegration of the JCM**

The Job Characteristic Model as designed by Hackman and Oldham in the mid 1970s was a model centered on the characteristics of a specific role that could motivate an individual working in that role. By enhancing aspects of roles through job design, job enrichment and job enlargement would drive the psychological states important to being motivated in your work. As mentioned, these psychological states are moderated by a key factor: growth-need strength (GNS). GNS is a psychological measure of the degree to which an individual employee would desire a complex job. This moderator stemmed from the idea that not every individual would be interested in complex work (Head, 2007). However, today that desire for challenging work may have changed. As Pasmore mentioned, people in younger generations have a greater risk tolerance for choosing roles that may only afford them with a particular experience, or a shot at bizarre, overnight success allowing them to live differently than they do today.

Perhaps, the levels of GNS have changed in the broader population based on the prevalence of uncertainty and instability in organizations. With higher levels of GNS, the job characteristics model might be ready for a comeback in the academic literature and perhaps even, a slight face lift. The model as defined by Hackman and Oldham leverages the five characteristics of skill variety, task identity, task significance, autonomy and feedback in a multiplicative model to understand how motivating a group of jobs will be. Perhaps there is a way to adjust these characteristics for today’s rapidly changing roles to understand at the individual and the group level how a role could be motivating or demotivating for the individuals holding those roles.

Further, the job characteristic model has been well established in the literature for its value in understanding and predicting job stress (Head, 2007). Role ambiguity, role underload or overload have all be revealed as
constructs that are specifically important to role stress and that adjusting the job to alleviate those issues can restore motivation and reduce stress for workers (Head, 2007). One of the major supports of the JCM in the literature has been its success rates in organizations. Head (1990; as cited in 2007) found in a review of case studies that 85% of the cases that specifically addressed the issues of job enrichment, there was a positive impact on employee morale and satisfaction. Further, motivation improved in 81% of cases that studied that outcome. With such a high success rate, it begs that question, why has the JCM been less relevant in recent discussions in organizational development?

While answering this question will help us to understand the gaps in the practice of the JCM in organizations as well as any constraints in the academic and theoretical base of the model, it is a question to be answered by future study. Preferably, study that fully integrates both practice of job enrichment and the impact on individuals in this new VUCA environment, as well as a priori experimental tests.

**Future of Motivation: JCM, Goal Setting & Expectancy Theory**

As a part of the reinvigoration of the job characteristics model, the psychological states of motivation within work and growth-need strength, it will be important to not lose sight of the foundational research completed on motivation today. As discussed, an integrated model of expectancy theory and goal-setting theory would build on the strengths of each model, and address concerns discovered in the academic literature. An integrated model of motivation might be the next best step in the literature to advance our understanding of how people are motivated in their work today. Literature has shown that the elements of the VIE model are more predictive of individual motivation than the model in its entirety (Van Eerde & Thierry, 1996), and the job characteristics model is also more relevant to those individuals who have a higher growth-need strength. In addition to potential changes in the level of GNS in the current population, there could also be an opportunity to leverage goal setting theory as a way to understand and integrate VIE and the JCM model.

Unfortunately, the current review may leave more questions than it answers. However, it is critical to continue to ask questions and iterate on the scientific findings in our field to advance thought and practice for this brave new world of complex, continuous, change.

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EMPLOYEE COMMITMENT TO A SELF-DIRECTED WORK TEAM TRANSITION: SELF DETERMINATION THEORY OBSERVED IN DIRECT LABOR

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ABSTRACT

Self-Directed Work Teams (SDWT) are strategic organization designs based on the belief that time required to make good decisions decreases when employees are empowered to tap their tacit job knowledge. If leaders fail to adequately manage the challenges associated with the transition to the SDWT structure, employee commitment towards the team and organization at large may suffer, putting the realization of SDWT benefits at risk. To better understand this complicated process, this research describes a field study observation designed to explore the relationship between the dimensions of self-determination and affective commitment, as well as the mediating role of leadership influence tactics on those relationships.

INTRODUCTION

Business leaders face many challenges. Macroeconomic factors such as global competition (Porter, 2011), deregulation (Simmons & Elkins, 2004; Wellins, Maybe, & Iles, 1994), foreign government subsidies (Porter, 2000) and rapid economic fluctuations (Christopher, 2000; Simmons & Elkins, 2004) are among the factors that increase the degree of difficulty in running a profitable enterprise (Adner, Csaszar, & Zemsky, 2014; Dobni et al., 2016; Jönsson & Schölin, 2016; Porter, 2011). At the same time, market specific dynamics drive shorter life cycle products (Christopher, 2000; Wellins et al., 1994) and intermittent breakthrough technologies (Porter, 2000, 2011) increasing the difficulty in maintaining both share and margin. As a result, business leaders continually seek new strategies to improve productivity, mitigate cost, and introduce market differentiation.

In this paper, we report the study of an organization pursuing one such strategy, Self-Directed Work Teams (SDWT) (Becker, 2012; Douglas & Gardner, 2004; Petty, Lim, Yoon, & Fontan, 2008; Yeatts & Hyten, 1998). Specifically, we considered the role of the leader’s use of influence tactics (Douglas, 2002; Yukl, 2002; Yukl, Kim, & Falbe, 1996) on the relationship between the three constructs of Self-Determination Theory (SDT) (Deci & Ryan, 1985) and employee affective commitment (Meyer & Allen, 1991). Our evaluation was of direct labor: employees that are paid an hourly wage for manual labor tasks. Direct labor is directly involved in the transformation of raw material into finished goods per customer requirements. The results support our contention that a psychological contract (Rousseau, 1989) exists between direct labor employees and leadership. This psychological contract is fulfilled when direct labor employees mitigate their needs at work to perceive themselves as autonomous and competent in exchange for leadership taking sole responsibility for decisions in the work place. Additionally, results support the hypothesis that leadership influence tactics provide a more granular understanding of recent findings showing that the quality of the relationship between leader and member is positively related to the three constructs of SDT (Geertshuis, Morrison, & Cooper-Thomas, 2015; Graves, 2013).

LITERATURE REVIEW

The global business environment is witnessing social transformations and companies are responding with new organization structures (Drucker, 1995; LaFollette, Hornsby, Smith, & Novak, 2008). As global competition and economies are expanding, old standards of performance are being surpassed with
innovative organization structures (Levine, Leholm, & Vlasin, 2001). As an example, the cost of middle management is driving business leaders to remove hierarchical layers, increasing employee involvement and pushing decisions to a lower layer (Baiden, Price, & Dainty, 2003; Daft & Lewin, 1993; Harris & Raviv, 2002). By moving decisions closer to the point of value creation, work teams theoretically improve labor productivity, reduce manufacturing waste, and display decision agility (Douglas, 2002).

Organizations invest in work teams because research shows teams outperform individuals acting alone (Baiden et al., 2003; Hayes, 2002), especially when work requires agility across several skills and abilities (Baiden et al., 2003; Katzenbach & Smith, 1993; Stewart & Barrick, 2000). Business leaders that implement SDWTs are adopting the most decentralized version of an empowered workforce (Becker, 2012; Wellins et al., 1994). Members of SDWTs typically handle job assignments, schedule work, make production-related decisions, and take action on problems with minimal direct supervision (Becker, 2012; Fisher, 2000; Petty et al., 2008; Wellins et al., 1994). As SDWTs mature, tactical management activities migrate from supervisor to SDWT (Douglas & Gardner, 2004; LaFollette et al., 2008).

The fundamental purpose of SDWTs is to break down barriers in an organization (Douglas, 2002; LaFollette et al., 2008; Yeatts & Hyten, 1998). Business leaders that attempt to implement SDWTs realize that the old “command and control” structure is eliminated during the transition (Douglas, 2002; LaFollette et al., 2008; Yeatts & Hyten, 1998). The elimination of the traditional organizational structure causes confusion and frustration (LaFollette et al., 2008). SDWT transitions are slow and arduous processes (LaFollette et al., 2008). Practitioners are woefully unprepared to undertake the significant change from traditional organizational structures to SDWTs (LaFollette et al., 2008).

To this point, research on SDT has mostly focused on samples of students, teachers, and professionals (Broeck, Vansteenkiste, Witte, Soenens, & Lens, 2010). The SDT focus on generalized sample populations has caused a current state where we do not know about self-determination that is specific direct labor employees. It is important to understand the antecedents of self-determined behavior in a direct labor workforce because employees who are self-determined yield better results (Baard, Deci, & Ryan, 2004; Deci & Ryan, 1985). Additionally, the conditions of work are much different among educators, professionals, and hourly workers. If work conditions are different then we might also expect to find differences in their needs at work. To address this gap, in this study we included a sample of a direct labor population as it pertains to the relationship between the constructs of self-determination and affective commitment to an organizational change.

Leadership’s interactions with direct labor employees create an environment where employees commit to organizational changes (LaFollette et al., 2008; Yukl, 2002; Yukl et al., 1996). Leader Member Exchange (LMX) theory is the study of a dyadic relationship between employee and leader (Gerstner & Day, 1997; Graves, 2013). Higher rated relationships between employee and leader are positively related to the constructs of self-determination (Graves, 2013). As an additional contribution to literature, we evaluated leadership influence tactics as a more specific construct mediating (Graves, 2013) the relationship between the constructs of self-determination and affective commitment.
FIGURE 1

Research Model

Soft Influence Tactics

Autonomy

Competence

Relatedness

Hard Influence Tactics

Affective Commitment to SDWT Transition

HYPOTHESES

Employee commitment is an important aspect of organizational goal obtainment (Kirkman & Rosen, 1999; Mowday, Porter, & Steers, 2013) and is critical for business leaders to maintain during times of organizational change (Douglas, 2002; Foote & Li-Ping Tang, 2008). Specific to a SDWT transition, employee commitment is necessary for direct labor employees to accept the change to work teams (Kirkman & Rosen, 1999; Mowday et al., 2013). Teams lacking commitment are unable to navigate through a SDWT transition (Foote & Li-Ping Tang, 2008). Employee commitment is a psychological state; that has at least three components reflecting affective, normative, and continuance commitment (Meyer & Allen, 1991). During organizational changes, affective commitment is the most salient component (Allen & Meyer, 1996; Galletta, Portoghese, & Battistelli, 2011; Herscovitch & Meyer, 2002; Meyer & Allen, 1991). Affective commitment is based on personal values and is a stronger binding force in a team when compared to normative and continuance commitment (Meyer & Allen, 2004).

Intrinsic motivation is the output of internalizing external requests (Deci & Ryan, 1985, 2000). A successful SDWT transformation requires employees to internalize the vision of work teams and grow intrinsic motivation towards the success of the organizational change (Deci & Ryan, 1985, 2000; Yeatts & Hyten,
Employees that display self-determined behavior do so because they are intrinsically motivated to a purpose (Deci & Ryan, 1985, 2000; Deci, Vallerand, & Pelletier, 1991; Gagné & Deci, 2005). SDT is arguably the most widely-recognized framework for understanding the dynamics of self-determination behavior at work (Deci & Ryan, 1985; Gagné & Deci, 2005; Graves, 2013). SDT posits that employees have specific psychological needs as essential nutrients for psychological well-being (Deci & Ryan, 2000). When employees perceive their psychological needs met, they internalize organizational goals and display self-determined behavior (Deci & Ryan, 1985, 2000; Deci et al., 2001; Gagné & Deci, 2005; Graves, 2013). Self-determined employees perceive their needs met when they perceive autonomy, competence, and relatedness at work (Deci & Ryan, 1985, 2000; Deci et al., 2001; Deci et al., 1991; Gagné & Deci, 2005; Graves, 2013).

Autonomy is being the owner of one’s actions (Deci & Ryan, 1985; Deci et al., 2001; Deci et al., 1991; Graves, 2013). Employees that perceive themselves as working autonomously believe that they are acting with a sense of freedom of choice (Graves, 2013). Freedom of choice is important but employees must own the right to execute self-determined decisions to fully perceive themselves as working autonomously (Deci & Ryan, 2000; Van den Broeck, Vansteenkiste, & De Witte, 2008). Competence is understanding how to successfully complete tasks when given a specific set of current state conditions (Deci & Ryan, 1985; Deci et al., 2001; Deci et al., 1991; Graves, 2013). Employees that perceive themselves as working competently believe they are capable at their work (Deci & Ryan, 1985). Perceptions of competence are satisfied when employees understand how to navigate through work complications to successfully achieve work objectives (Baard et al., 2004; Deci et al., 1991; Graves, 2013). Relatedness is socially connecting with peers at work (Deci & Ryan, 1985; Deci et al., 2001; Deci et al., 1991; Graves, 2013). Relatedness provides employees the ability to build group coalition and inter-group support for employees (Deci & Ryan, 1985; Graves, 2013). Employees that perceive themselves as working on a related team have interpersonal connections to peer employees (Deci et al., 2001; Deci et al., 1991; Graves, 2013; Van den Broeck et al., 2008) and believe they are completing tasks for the greater purpose of the related team (Deci & Ryan, 1985).

Commitment is maximized when employees perceive their needs are satisfied for autonomy, competence, and relatedness (Deci et al., 1991). Affective commitment is correlated to SDT, as affective commitment is positively related to intrinsic behavior (Galletta et al., 2011). The perceived fulfillment of an employee’s psychological needs at work has a positive relationship with an employee’s affective commitment to a SDWT transition where …

H1a – Autonomy has a positive relationship with affective commitment to a SDWT transition.

H1b – Competence has a positive relationship with affective commitment to a SDWT transition.

H1c – Relatedness has a positive relationship with affective commitment to a SDWT transition.
The change in structure to a SDWT environment has a significant impact on leadership (Douglas & Gardner, 2004). Leadership has difficulty in accepting the new SDWT structure because their traditional leadership experiences are counterintuitive to their new role (LaFollette et al., 2008). During the transition to work teams, leaders are moving from the role of director to that of facilitator (Edmondson, 1999; LaFollette et al., 2008). Leaders that prefer command and control structure are confused when transitioning to SDWTs (Hirschhorn, 2002). Leadership resistance is a common failure mode during a SDWT transition (LaFollette et al., 2008).

Task commitment is more apt to occur when leadership uses consultation, inspirational appeals and rational persuasion (Yukl, 2002; Yukl et al., 1996). Employee responses to leadership’s influence tactics range from resistance to commitment (Yukl, 2002; Yukl et al., 1996). Nine different types of leadership influence tactics yield varying positive and negative relationships with task commitment (Falbe & Yukl, 1992; Yukl, 2002; Yukl et al., 1996; Yukl & Tracey, 1992). The nine influence tactics are shown in Table 1.

H1a

H1b

H1c
TABLE 1

<table>
<thead>
<tr>
<th>Influence Tactic</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultation</td>
<td>An effort to involve the target person in the planning of specific details</td>
</tr>
<tr>
<td></td>
<td>and action steps of policy, strategy, or decision.</td>
</tr>
<tr>
<td>Inspirational Appeals</td>
<td>Requests or proposals that arouse enthusiasm by appealing to the target</td>
</tr>
<tr>
<td></td>
<td>person’s values, ideas, and aspirations, thus increasing confidence.</td>
</tr>
<tr>
<td>Rational Persuasion</td>
<td>Facts and data to support the development of a logical argument.</td>
</tr>
<tr>
<td>Personal Appeals</td>
<td>Using the target person’s personal relationship as the basis for agreement.</td>
</tr>
<tr>
<td>Ingratiation</td>
<td>Impression management, flattery, the creation of goodwill, acting humble,</td>
</tr>
<tr>
<td></td>
<td>and making others feel important.</td>
</tr>
<tr>
<td>Pressure</td>
<td>A forceful approach that includes being demanding and setting deadlines.</td>
</tr>
<tr>
<td>Coalition</td>
<td>Attempting to stop the target person from carrying out some action by various</td>
</tr>
<tr>
<td></td>
<td>kinds of tactics, such as threatening to stop working with the target person.</td>
</tr>
<tr>
<td>Legitimizing</td>
<td>Gaining the support of higher levels of the organization to back up requests.</td>
</tr>
<tr>
<td>Exchange</td>
<td>Negotiating through the sharing of benefits or favors.</td>
</tr>
</tbody>
</table>

(Yukl & Tracey, 1992)

Influence tactics sub-divide into negative leadership behaviors and positive leadership behaviors. Negative leadership behavior is characterized as hard influence tactics, while positive leadership behavior is characterized as soft influence tactics (Yukl, 2002; Yukl et al., 1996). Hard influence tactics use positional power and manipulation (Falbe & Yukl, 1992). Soft influence tactics involve the use of personal power and power sharing (Falbe & Yukl, 1992). Leadership’s use of hard influence tactics and soft influence tactics changes the perceived work environment for employees (Douglas, 2002, 2006), which enables or prevents intrinsic motivation and task commitment (Yukl, 2002). The leadership’s use of influence tactics with direct labor employees mediate the relationship between the perceived fulfillment of employee’s needs at work and affective commitment such that ...

H2a – Soft influence interactions between leader and employee mediate the relationship between autonomy and affective commitment to a SDWT transition, where the relationship becomes more positive.

H2b – Hard influence interactions between leader and employee mediate the relationship between autonomy and affective commitment to a SDWT transition, where the relationship becomes less positive.

H2c – Soft influence interactions between leader and employee mediate the relationship between competence and affective commitment to a SDWT transition, where the relationship becomes more positive.

H2d – Hard influence interactions between leader and employee mediate the relationship between competence and affective commitment to a SDWT transition, where the relationship becomes less positive.

H2e – Soft influence interactions between leader and employee mediate the relationship between relatedness and affective commitment to a SDWT transition, where the relationship becomes more positive.

H2f – Hard influence interactions between leader and employee mediate the relationship between relatedness and affective commitment to a SDWT transition, where the relationship becomes less positive.

METHODS
A quantitative survey analysis was used which is common when observing organizational behavior in a natural setting (Yin, 2013). As a test group, 90 direct labor employees were transitioning to a SDWT structure. The test group represented a population of direct labor employees perceiving increasing job...
sovereignty. The demographic variables of age, gender, and years of service were suitable control variables considering the research interest in the effects of leadership influence on organizational changes (Douglas & Gardner, 2004). Two waves of anonymous survey data was collected from the test group. The organization’s human resources leader administered the hardcopy surveys and supplied survey results with anonymous identification numbers on each survey. The multiple waves of data and unique identification numbers allowed this research to evaluate changes in employee perception of autonomy, competence, relatedness, soft influence tactics, hard influence tactics, and affective commitment.

Our research used existing quantitative instruments and developed a multi-faceted instrument which measured the three constructs of SDT (autonomy, competence, relatedness), hard influence tactics, soft influence tactics, and affective commitment. Using tested instruments improved the reliability in the latent constructs and provided a benchmark (Straub, 1989). Affective commitment to the SDWT transition was measured by the TCM (Meyer & Allen, 2004) for employee commitment. The TCM for affective commitment is a 6-item, 7-point Likert scale questionnaire measuring employees’ perceptions of affective commitment to the SDWT transition. The components of SDT are autonomy, competence, and relatedness (Broeck et al., 2010; Deci & Ryan, 1985). Autonomy, competence, and relatedness were measured by the Basic Needs Satisfaction at Work Scale (Broeck et al., 2010). The Basic Needs Satisfaction at Work Scale is a 22-item, 7-point Likert scale to measure employee perceptions of autonomy, competence, and relatedness at work. Hard influence tactics and soft influence tactics were measured by the Influence Behavior Questionnaire (Yukl, Seifert, & Chavez, 2008). Influence Behavior Questionnaire is a 24-item, 5-point Likert scale survey that measures leadership’s use of hard influence tactics and soft influence tactics.

Both survey waves used the same multi-faceted survey instrument. Survey wave 1 was administered when the ten SDWTs were first formed. Survey wave 2 was administered three months after the formation of the SDWTs. The human resources leader administered all hard copy surveys and ensured that every employee completed the hard copy survey in survey wave 1 and survey wave 2. Due to this intervention, the response rate was a perfect 100% for both survey wave 1 and survey wave 2. Absent employees on the day of the survey were required to take the survey upon returning to work.

| TABLE 2 |

<table>
<thead>
<tr>
<th>Work Type</th>
<th>N</th>
<th>Percent</th>
<th>Age Group</th>
<th>N</th>
<th>Percent</th>
<th>Length of Service</th>
<th>N</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assembly</td>
<td>40</td>
<td>44.4%</td>
<td>18 to 27 years</td>
<td>16</td>
<td>17.8%</td>
<td>0 to 5 years</td>
<td>55</td>
<td>61.1%</td>
</tr>
<tr>
<td>Welding</td>
<td>25</td>
<td>27.8%</td>
<td>28 to 37 years</td>
<td>22</td>
<td>24.4%</td>
<td>6 to 10 years</td>
<td>11</td>
<td>12.3%</td>
</tr>
<tr>
<td>Machining</td>
<td>11</td>
<td>12.2%</td>
<td>38 to 47 years</td>
<td>19</td>
<td>21.1%</td>
<td>11 to 15 years</td>
<td>4</td>
<td>4.4%</td>
</tr>
<tr>
<td>Material Handling</td>
<td>9</td>
<td>10.0%</td>
<td>48 to 57 years</td>
<td>26</td>
<td>28.9%</td>
<td>16 to 20 years</td>
<td>19</td>
<td>21.1%</td>
</tr>
<tr>
<td>Supervision</td>
<td>5</td>
<td>5.6%</td>
<td>58 or older</td>
<td>7</td>
<td>7.8%</td>
<td>21 to 25 years</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100%</td>
<td>Total:</td>
<td>90</td>
<td>Total: 100%</td>
<td>Total:</td>
<td>90</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Shift</th>
<th>N</th>
<th>Percent</th>
<th>Gender</th>
<th>N</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Shift</td>
<td>44</td>
<td>48.9%</td>
<td>Male</td>
<td>62</td>
<td>68.8%</td>
</tr>
<tr>
<td>Second Shift</td>
<td>33</td>
<td>36.7%</td>
<td>Female</td>
<td>26</td>
<td>28.8%</td>
</tr>
<tr>
<td>Third Shift</td>
<td>13</td>
<td>14.4%</td>
<td>Total</td>
<td>90</td>
<td>100%</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100%</td>
<td>Total</td>
<td>277</td>
<td>100%</td>
</tr>
</tbody>
</table>

RESULTS

Variable Analysis

Five reflective survey questions from the TCM represent affective commitment and were measured to acceptable reliability levels (wave 1: α = .84; wave 2: α = .89). Age, gender, and years of service were
included in the survey to evaluate potential significance of these demographics in explaining variation in employee affective commitment to a SDWT transition (Douglas & Gardner, 2004) but were not significant to affective commitment (Figure 3 and Table 6). The factor analyses yielded acceptable discriminant validity (Table 4 and Table 5). Affective commitment was significantly correlated with autonomy and relatedness, but not competence (Table 6). Affective commitment was significantly correlated with hard influence tactics and soft influence tactics (Table 6).

**FIGURE 3**

![Fully Expanded Research Model](image)

**TABLE 3**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Wave</th>
<th>n</th>
<th>Mean</th>
<th>SD</th>
<th>Scale Min</th>
<th>Scale Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affective Commitment</td>
<td>1</td>
<td>90</td>
<td>5.05</td>
<td>1.19</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>90</td>
<td>5.27</td>
<td>1.33</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Autonomy</td>
<td>1</td>
<td>90</td>
<td>5.29</td>
<td>1.07</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>90</td>
<td>5.43</td>
<td>1.28</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Competence</td>
<td>1</td>
<td>90</td>
<td>6.03</td>
<td>0.96</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>90</td>
<td>6.11</td>
<td>1.24</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Relatedness</td>
<td>1</td>
<td>90</td>
<td>5.41</td>
<td>1.21</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>90</td>
<td>5.38</td>
<td>1.27</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Soft Influence Tactics</td>
<td>1</td>
<td>90</td>
<td>3.17</td>
<td>0.86</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>90</td>
<td>3.50</td>
<td>0.91</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Hard Influence Tactics</td>
<td>1</td>
<td>90</td>
<td>1.97</td>
<td>0.93</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>90</td>
<td>2.03</td>
<td>0.96</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>
**TABLE 4**

### Discriminant Validity - Wave 1

**Self Determination Theory Constructs Extended With Influence Tactics**

<table>
<thead>
<tr>
<th>Constructs Alpha</th>
<th>Mean of Standardized Scale</th>
<th>Scale Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autonomy</td>
<td>0.72</td>
<td>5.30 - 6.53</td>
</tr>
<tr>
<td>Competence</td>
<td>0.71</td>
<td>5.41 - 6.51</td>
</tr>
<tr>
<td>Relatedness</td>
<td>0.80</td>
<td>3.41 - 4.51</td>
</tr>
<tr>
<td>Soft Influence</td>
<td>0.94</td>
<td>1.97 - 2.99</td>
</tr>
<tr>
<td>Hard Influence</td>
<td>0.70</td>
<td>1.5 - 2.59</td>
</tr>
</tbody>
</table>

**Reverse Survey Questions (Rev) have been inverted to positive direction.**

**Rotation Method: Varimax with Kaiser Normalization**

**Kaiser-Meyer-Olkin (KMO) = 0.84**

**Bartlett’s Test of Sphericity = 1417.72, p < .001**

---

**TABLE 5**

### Discriminant Validity - Wave 2

**Self Determination Theory Constructs Extended With Influence Tactics**

<table>
<thead>
<tr>
<th>Constructs Alpha</th>
<th>Mean of Standardized Scale</th>
<th>Scale Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autonomy</td>
<td>0.72</td>
<td>5.30 - 6.53</td>
</tr>
<tr>
<td>Competence</td>
<td>0.71</td>
<td>5.41 - 6.51</td>
</tr>
<tr>
<td>Relatedness</td>
<td>0.80</td>
<td>3.41 - 4.51</td>
</tr>
<tr>
<td>Soft Influence</td>
<td>0.94</td>
<td>1.97 - 2.99</td>
</tr>
<tr>
<td>Hard Influence</td>
<td>0.70</td>
<td>1.5 - 2.59</td>
</tr>
</tbody>
</table>

**Reverse Survey Questions (Rev) have been inverted to positive direction.**

**Rotation Method: Varimax with Kaiser Normalization**

**Kaiser-Meyer-Olkin (KMO) = 0.84**

**Bartlett’s Test of Sphericity = 1427.74, p < .001**

---

97
**TABLE 6**

<table>
<thead>
<tr>
<th>Measure</th>
<th>Mean</th>
<th>S.D.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
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<tbody>
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<td>Age Group</td>
<td>2.50</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>1.09</td>
<td>0.47</td>
<td>-0.13</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Years of Service</td>
<td>3.90</td>
<td>1.28</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Autonomy</td>
<td>5.29</td>
<td>1.07</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competence</td>
<td>4.03</td>
<td>0.86</td>
<td>-0.10</td>
<td>-0.03</td>
<td>-0.07</td>
<td>2.02</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relatedness</td>
<td>5.14</td>
<td>1.20</td>
<td>-0.15</td>
<td>0.06</td>
<td>-0.07</td>
<td>3.72</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Task Influence Tactics</td>
<td>3.17</td>
<td>0.86</td>
<td>-0.16</td>
<td>0.06</td>
<td>-0.02</td>
<td>3.62</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hard Influence Tactics</td>
<td>1.97</td>
<td>0.85</td>
<td>-0.20</td>
<td>-0.33</td>
<td>-0.13</td>
<td>0.86</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affective Commitment to IDMT Transition</td>
<td>5.05</td>
<td>1.39</td>
<td>-0.02</td>
<td>-0.01</td>
<td>0.04</td>
<td>0.83</td>
<td>1.00</td>
<td></td>
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</tr>
<tr>
<td>Age Group</td>
<td>2.84</td>
<td>1.24</td>
<td>0.95</td>
<td>-0.12</td>
<td>5.62</td>
<td>0.01</td>
<td>-0.09</td>
<td>-0.15</td>
<td>-0.20</td>
<td>0.03</td>
<td>1.00</td>
</tr>
<tr>
<td>Gender</td>
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<td>-0.12</td>
<td>1.00</td>
<td>-0.14</td>
<td>-0.13</td>
<td>-0.05</td>
<td>0.06</td>
<td>-0.06</td>
<td>0.01</td>
<td>1.00</td>
</tr>
<tr>
<td>Years of Service</td>
<td>3.90</td>
<td>1.28</td>
<td>0.03</td>
<td>0.14</td>
<td>0.44</td>
<td>0.30</td>
<td>-0.13</td>
<td>0.15</td>
<td>-0.01</td>
<td>-0.01</td>
<td>0.02</td>
</tr>
<tr>
<td>Autonomy</td>
<td>5.14</td>
<td>1.20</td>
<td>-0.13</td>
<td>0.10</td>
<td>-0.01</td>
<td>5.43</td>
<td>2.05</td>
<td>0.55</td>
<td>4.19</td>
<td>-0.35</td>
<td>0.75</td>
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<td>-0.01</td>
<td>3.76</td>
<td>0.04</td>
<td>0.35</td>
<td>5.36</td>
<td>2.09</td>
<td>0.04</td>
</tr>
<tr>
<td>Task Influence Tactics</td>
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<td>0.86</td>
<td>-0.02</td>
<td>-0.15</td>
<td>0.01</td>
<td>2.00</td>
<td>0.07</td>
<td>0.47</td>
<td>5.66</td>
<td>2.46</td>
<td>0.87</td>
</tr>
<tr>
<td>Hard Influence Tactics</td>
<td>1.97</td>
<td>0.85</td>
<td>-0.03</td>
<td>-0.14</td>
<td>-0.05</td>
<td>0.18</td>
<td>-0.11</td>
<td>-0.27</td>
<td>-0.93</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Affective Commitment to IDMT Transition</td>
<td>5.27</td>
<td>1.27</td>
<td>0.94</td>
<td>0.01</td>
<td>-0.01</td>
<td>2.48</td>
<td>0.02</td>
<td>-0.22</td>
<td>5.03</td>
<td>-0.08</td>
<td>0.02</td>
</tr>
</tbody>
</table>

* Significant at the 0.05 level (one-tailed).
** Significant at the 0.01 level (one-tailed).

**Base Model Evaluation**

Employee affective commitment from survey wave 1 was significantly correlated with employee affective commitment from survey wave 2. The constructs needed to be isolated from the effects of an existing level of affective commitment in the test group to evaluate the strength of each construct in predicting variation in the dependent variable. A multiple regression of the base research model when controlling for the effects of affective commitment survey wave 1 with affective commitment survey wave 2 was required to evaluate the strength of the base research model (Table 7). Relatedness was significant in predicting variation in affective commitment when controlling for the effects of affective commitment between waves. Autonomy and competence were not significant in predicting variation in affective commitment when controlling for the effects of affective commitment between waves.
TABLE 7

<table>
<thead>
<tr>
<th>Model</th>
<th>Dependent Variable</th>
<th>Independent Variable(s)</th>
<th>Standardized Coefficient</th>
<th>p-value</th>
<th>R²</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Wave 2 - Affective Commitment</td>
<td>Wave 1 - Affective Commitment</td>
<td>0.607</td>
<td>0.000***</td>
<td>0.591</td>
<td>1.000</td>
</tr>
<tr>
<td>2</td>
<td>Wave 2 - Affective Commitment</td>
<td>Wave 1 - Affective Commitment</td>
<td>0.210</td>
<td>0.020*</td>
<td>0.159</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Comparison of Means – Wave 1 and Wave 2
A paired sample T-test identified significant mean shifts between waves. The dependent variable, affective commitment positively shifted between survey waves. The significant shift was not statistically strong, but even a weak change was considered important since the evaluation was over a three month period. Additionally, leadership soft influence tactic positively shifted between waves. Autonomy, competence, relatedness, and hard influence tactics did not significantly shift between waves.

PLS-SEM Path Analysis – Mediated Research Model (Wave 2)
A path analysis (i.e. PLS-SEM) to evaluate the fully expanded research model was chosen because of method’s ability to test a complete theory (Rigdon, 1998) which was analyzed via Smart PLS 2.0 M3 (Ringle, Wende, & Becker, 2015). PLS-SEM provided a method to test the measurement of each latent variable, while addressing a test of relationships between the latent variables (Babin, Hair, & Boles, 2008). PLS-SEM was an appropriate test method for this research study because PLS-SEM is especially adapt with data sets that have normalized data and small sample sizes (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014). This was a small sample size but large enough for PLS-SEM, considering the heuristics that a PLS-SEM sample size should be at least ten times the number of inner model paths for a construct in the model (Tompson, Barclay, & Higgins, 1995). The significance of the model construct relationships were evaluated with a nonparametric bootstrapping procedure with 200 subsamples in a confidence interval set for a 1-tail test at 5% significance (Table 9). Three paths in the fully expanded model were significant to the p < .01 level. Similar to the multiple regression analysis, only relatedness was a significant construct to predict variation in employee affective commitment during a SDWT transition (Table 10). The multiple regression and path analysis were in agreement. Additionally, the relationship between relatedness and affective commitment was mediated by leadership’s use of soft influence tactics where the relationship became more positive.

Reflective constructs are sometimes highly correlated with each other which impacts the model. Variance Inflation Factors (VIF) values less than 5 indicate the items in the reflective construct have acceptable levels of collinearity (Hair et al., 2014). Collinearity was not a problem between indicators (Table 8). The test group was fixed at N = 90 employees in the population. PLS-SEM Reflective Model had five latent variables with twenty-five observed variables. The minimum sample size to detect effect was N = 15, considering the anticipated effect size of .659 at the probability level of .05. The test group size of N = 90 exceeded the minimum sample size to detect effect.
Summary
Employee perceived autonomy, competence, and relatedness is believed to have a positive relationship with employee commitment to an organizational change (Deci & Ryan, 1985; Deci et al., 1991), where
intrinsically motivated human behavior at work (Deci & Ryan, 1985) is believed to be the antecedent. Additionally, a positively rated exchange between employee and leader is believed to mediate other employee to leader relationships (Geertshuis et al., 2015; Graves, 2013). Leadership influence tactics describe specific interactions between employee and leader that have positive and negative relationship effects.

The empirical data collected from our observation implies a potential gap in literature. Our literary research found that SDT has been generalized to human nature without considering social situations found in manufacturing environments. We observed one case where employees working in a direct labor work environment did not behave as expected in the light of SDT literature. Additionally, the quantitative analysis of survey data provided a more granular explanation of the positive relationship between leader to employee relationship rating and the constructs of self-determination.

Discussion Part 1; Contributions to Literature
In this company there is evidence that the basic work needs should be reconsidered as it pertains to a direct labor workforce. Our field observation implies that direct labor employee perceptions of competence and autonomy are not significant predictors of affective commitment to organizational changes. However, competence and autonomy are a critical element of SDT in both seminal and current literature (Baard et al., 2004; Deci & Ryan, 1985). This research study was unique as the test population was composed entirely of direct labor employees. Current SDT literature and test instruments were based in populations that were composed of students, researchers and professional job descriptions (Baard et al., 2004; Broeck et al., 2010). The Basic Needs Satisfaction at Work Scale instrument (Broeck et al., 2010) was developed using a population of 120 undergraduate students, 560 working friends of undergraduate students, 194 university researchers, and 170 employees that work in HR placement services, and 261 call center agents. We have provided evidence from one field observation implying that SDT theory has been inadequately generalized to human nature without considering the factors found in manufacturing environments. This implication from one observation of a direct labor population is an interesting gap in self-determination literature.

As a follow up to the employee surveys, the human resources business leaders asked qualitative questions to the direct labor employees to better understand employee perceptions. The employees were asked if the training on the SDWTs was important. One welding employee responded “You guys are paid the big bucks to make decisions. This is your call.” One machining employee responded “The training was not needed. If you want us on teams, then put us on teams.” These quotes indicated a non-verbal agreement between direct labor and leadership. These comments are an indication that the direct labor employees perceived a psychological contract (Rousseau, 1989) where leaders are responsible for making organizational decisions. In exchange, the direct labor employees mitigated their need for competence and autonomy at work.

Additionally, our data implied that direct labor employee perceptions of relatedness is a significant predictor of affective commitment to an organizational change. This finding agrees with literature on SDT (Baard et al., 2004; Deci & Ryan, 1985). Additionally, the positive relationship between relatedness and affective commitment was mediated by soft influence tactics. The mediating influence of soft influence tactics provided a social environment that fostered the relationship between relatedness and affective commitment. The use of soft influence tactics was a more granular explanation of the mediating affects that cultivate the leader to employee rating relationship with relatedness (Graves, 2013).

Discussion Part 2; Research Limitations
The time period between waves was limited to three months due to time constraints. The use of two survey waves over a three month period was sufficient to observe a change in employee affective commitment and soft influence tactics but additional survey waves over a longer period time between waves would have
improved the evaluation. A longitudinal study would have provided the opportunity to evaluate causality. Additionally, the target population in this field observation perceived a high level of competency from the onset of the observation (Table 3). The target group had minimal opportunity for upward variation in perceived competency. The absence of positive variation in perceived competence mitigated the opportunity to find a positive relationship between perceived competence and affective commitment to a SDWT transition.

Discussion Part 3; Implications for Practice
Intrinsically motivated human behavior at work (Deci & Ryan, 1985) is believed to be proceeded by perceptions of autonomy, competence, and relatedness. However, our field observation surveyed a direct labor workforce that perceived a psychological contract (Rousseau, 1989). The psychological contract was fulfilled when direct labor employees mitigated their need to perceive themselves as autonomous and competent in exchange for leadership owning the responsibility for work structure decisions. Practitioners venturing into a SDWT transition should evaluate if their direct labor workforce is mitigating elements of self-determination. This is important because all three elements of self-determination are found to be positively related to organizational changes.

Leadership’s use of soft influence tactics is under-utilized in traditional organizations (Douglas, 2002). The traditional organization structures are based upon command and control. However, this field observation provided evidence that soft influence tactics mediate the positive relationship between relatedness and affective commitment. We suggest that practitioners implement soft influence training sessions with the leadership that is about to undertake a SDWT transition to increase the likelihood of success.

Leadership in direct labor work environments typically spend little time socializing strategic changes. Team building events are uncommon when launching organizational changes with direct labor employees. However, we have provided evidence that direct labor employees desire perceptions of relatedness before committing to organization changes. Leaders embarking on a SDWT transition should plan actions that provide direct labor employees the opportunity to socialize, contribute, and connect as a team. Direct labor employees look for the acceptance of the proposed changes in the group as an antecedent for affective commitment.

CONCLUSION
SDT literature requires new thought with respect to a direct labor workforce. The relationship between direct labor and leadership has conditions that may mitigate employees’ basic needs at work. This is important because literature on organizational changes shows that employee commitment is instrumental to successfully accomplish organizational changes. Our research of one field observation opens up potential future research on issues related to direct labor employees foregoing their work satisfaction need for autonomy and competence when transitioning to a new organization structure.

REFERENCES


Dr. John Hoffman is the Vice President of Operations for Woodward Industrial Gas Turbine. In this role, he is responsible for the manufacturing operations in both Fort Collins, Colorado and Greenville, South Carolina. Additionally, he owns the General Management oversight for the Woodward Industrial Combustion business unit. Dr. Hoffman joined the Woodward organization in September of 2012.

Dr. Hoffman came to Woodward after working for Cooper Industries, an American worldwide electrical products manufacturer, which was acquired by Eaton in 2012. He held roles in General Management, Country Manager (Saudi Arabia), Joint Venture Manager (China), Business Development, Marketing Director, Manufacturing Engineering Manager, Production Manager, Technical Service Manager, and Engineer. His experience includes expatriate assignments in Canada, China, and Saudi Arabia, where eleven years of his experience has been spent living outside of the United States.

Dr. Hoffman earned a Doctorate of Business Administration degree from Georgia State University with a focus on Organizational Behavior. Additionally, he has earned a Bachelor’s of Science in Mechanical Engineering from the University of Cincinnati; a Master’s of Business Administration from Clemson University.
RESEARCH NOTE: A MODEL OF THE MILLENNIAL COHORT AND WORK COMMITMENT

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ABSTRACT

While much is known about how employees experience commitment at work, one area that is still problematic is the impact of generational cohort on commitment, in other words, do cohorts such as generation X and Y experience commitment differently, and if so, how? This is part and parcel of the larger issue of the temporal aspects of commitment, how it develops over time. In this conceptual research note, a preliminary model of the organizational commitment of “millennial” employees is proposed. We look forward to discussing the model’s characteristics with researchers and practitioners at the 2018 SWAM conference to enable us to refine it in preparation for empirical testing.

INTRODUCTION

Work commitment remains one of the most-studied concepts in field of organizational behavior. According to meta-analyses conducted in the early 2000s, more than 4,000 studies assessing an employee’s commitment to organizational foci had been conducted and published (Meyer et al., 2002; Riketta, 2002; Cooper-Hakim & Viswesveran, 2005). Since then, interest in work commitment has remained strong, as evidenced by the publication of handbooks detailing the concept (cf. Klein, Becker, and Meyer, 2009) as well as special editions of journals that have done the same (see Journal of Organizational Behavior, volume 27(5), 2006 and volume 37(4), 2016). Interest in work commitment flows from its linkage with a variety of important employee and organizational outcomes, such as turnover, citizenship behaviors, absenteeism, and tardiness (cf. Meyer et al., 2002), as well as how it relates to similar concepts such as employee identification, job embeddedness, employee engagement, and job satisfaction (Jaros, 2009).

However, much work remains to be done to fully understand the concept of work commitment and how it influences member behavior. One area that has been identified as a blind spot in commitment research is the role the passage of time plays in influencing an employee’s commitments at work (Stinglehammer et al., 2015). While time has played a role in commitment research for many years, this has primarily been limited to (a) studies predicting turnover, where commitment measured at one point in time is used to predict turnover that occurs over a (usually arbitrary) length of time, such as six months or a year, and (b) studies involving early organizational entry, where commitment measured at the time of employment is observed to fluctuate over the first six months to a year of employment to gauge the degree to which expectations developed during the hiring process are met or not, and the influence this has on the employee’s psychological attachment to the organization (Nagale & Neuenschwande, 2014). Recently, Solinger and colleagues (cf. Solinger, Hofmans, & van Olffen, 2015; Maia, Bastos, & Solinger, 2016) have used advanced statistical methods such as latent growth modeling to study
the factors that influence newcomer commitment. The latter study found that newcomers whose training was relevant to the job tended to experience higher initial commitment, whereas employees who felt ‘overwhelmed’ by job demands experienced declining initial commitment. Maia, Bastos, and Solinger were therefore able to tease out reasons as to why some newcomers might experience declining while others might experience rising initial work commitment. While valuable contributions in their own right, this means that detailed studies of the temporal dimension of commitment have largely been confined to the very early development period of an employee’s tenure with the organization.

On the other hand, the commitment literature reveals a long-standing interest in understanding how time-related aspects of work interact with their work commitment. There is a venerable tradition of research addressing career stage, tenure, and age effects on commitment, all of which have been studied since the earliest days of commitment research. For example, in their 2002 meta-analysis on Meyer and Allen’s “3-component” model of commitment, Meyer and colleagues found that affective commitment, commitment based on an emotional bond between the member and their organization, has a significantly positive relationship with age, while continuance commitment (commitment based on sunk costs and diminished employment opportunities) had a positive but near-zero relationship with age. This suggests that older employees have stronger emotional bonds with their organization, but that the presence of economic ties—that-bind do not vary with age. Likewise, this meta-analysis found strong positive correlations between organizational tenure and affective, continuance, and normative commitment (commitment based on a sense of obligation to remain with the organization) to the firm, suggesting that the longer one remains with an organization, commitment of all types tends to rise as well. Similar results have been found within the career-stage literature. For example, building on earlier work by Allen and Meyer (1993), Kaur and Sandhu (2010) found that when employees were categorized in career stage based on their chronological age, employees who were in the middle or later parts of their careers had higher levels of all three types of commitment (affective, normative, and continuance) than employees who were define and being in the early part of their careers. The authors argued that this finding was consistent with “life development theory”, which proposes that employee attitudes are adjusted as people encounter different life experiences and that generally speaking, people make adaptive adjustments to their employment situations over time. However, in this study it was not possible to identify the life experiences that accounted for the development of higher commitment among the longer-tenured employees.

Additionally, some researchers have begun to investigate “cohort effects” on commitment, theorizing about and investigating possible generational influences on the commitment of employees. Much of this recent work is based on the pioneering research of Hanlon (1986). Hanlon tapped a large, national sample of employees to test the idea that younger workers of that time had a sense of “psychological entitlement” that made them different from older workers. The basic idea was that because they came of age in the 1960s and early 1970s, a time of social revolution in the USA, “baby boomer” employees would exhibit lower levels of commitment at work than employees who came from the previous “World War II” generation. These older workers were raised in an era of far more rigid social and gender classifications, and during a time of war and deprivation, which was posited to result in a “keep your nose to the grindstone” attitude at work, meaning higher levels of commitment. Surprisingly, Hanlon (1986) didn’t find much in the way
of significant differences among these cohorts, there was no evidence of a sense of psychological entitlement among the baby boomers who were coming of career-age in organizations at that time. But, he noted the limitations of his study could have skewed the results, and called on more research to address generational differences in work commitment.

With the passage of time, other generational differences have begun to be investigated. Jena (2016) researched differences in commitment among “generation X” and “generation Y” employees at metal-industry firms in India. Jena found that “Y” employees exhibited higher levels of Allen and Meyer’s normative commitment than did “X” employees, but they found no differences among the two generations with respect to affective commitment. This finding suggests that “Y” employees experienced a great sense of perceived obligation to remain with their firms. One explanation could be a difference in generational values between “X” and “Y” cohorts. However, another could be that, as some researchers have argued (cf. Powell & Meyer, 2004), normative commitment might actually be an antecedent of continuance commitment, a kind of ‘side bet’, such that younger workers, who might have fewer job opportunities thanks to a more limited track record, might be more inclined to feel this sense of obligation – in which case the finding isn’t so much ‘generational’ as it is related to having limited alternate employment opportunities. Similarly, Jung and Westerman (2017) explored the relationships among communication strategies, job engagement, and organizational commitment among “millennial” (used interchangeably with Generation Y) employees. Jung and Westerman posited that technologically-savvy millennials would develop commitment on the basis of the quality of information provided to them on the job. This would ‘immerse’ them in their work, and make them more committed to their firm as a result. Their findings were generally supportive, in that quality of information flow, informational adequacy, and quality of communication support and interaction all had a positive impact on job engagement, which then positively influenced commitment. The authors argued that strong communication between employer and employee is a key to developing committed millennial employees.

**MILLENIALS AND COMMITMENT**

Of particular interest in today’s business literature is the perceived problem of developing commitment among the rising “millennial” generation, roughly defined as those who were born between 1982 and 2004. “Problem” is the correct word here, because most analysts have described millennials as having values that make it less likely that they will develop commitment to their firm than prior generational cohorts. For example, Meyers and Sadaghiani (2010) describe how some managers believe that millennials seem unwilling to “pay their dues” and want everything at work handed to them on a silver platter, whereas older generations were much more willing to work hard in order to build successful careers. Millennials have been described in the business press as job-hoppers who seek instant gratification and who will stick around with an employer only for so long as it meets their demanding individual interests. In answering the question “what millennials want from a new job”, Rigoni and Adkins (2016) show that millennials are more than three times likely to have left their job recently compared to workers from other generations, and that millennials are the “least engaged” cohort of employees. However, contrary to the “ping-pong tables and free beer” myth, millennials are no more likely than members of other generations to insist on a company ‘encouraging creativity’ or being a ‘fun place to work’. This last finding could
be instructive, as it may indicate the presence of stereotyping in media, and even research, portraits of the millennial generation. E.g., recall that at the time of Hanlon (1986), “baby boomer” employees were hypothesized to have a sense of entitlement at work that rings very similar to how many commentators discuss the millennial generation today. But, these same baby boomers have more recently been referred to as the “original workaholics”, driven to succeed at work by any means necessary, and thus having been responsible for initiating the study of work-life balance issues.

This history of research into what might be called time-related aspects of commitment has been both fruitful and problematic. The fruitful aspect is that thanks to these streams of research, we do know some things about how commitment does and does not develop over time. We know, for example, that for most employees, emotion-based commitments (affective and normative) tend to be high at the time the employee joins the organization, but then tends to drop in the first year of employment as the “honeymoon effect” wears off and the reality of unmet expectations sets in (cf. Wanous et al., 1992), but recently we have discovered that this pattern doesn’t exist for all newcomers, and why (cf. Maia et al., 2016). We also know that, generally speaking, older employees tend to be more committed than younger employees, and that commitment tends to rise over time (Gao-Urhahn et al., 2016) and as employees enter different stages of their careers.

However, there are problematic aspects of our understanding of the relationship among age, career, time, and commitment as well. Arguably the most important unresolved issue is one originally raised by Hanlon (1986): What are the mechanisms that underlie the commitment of employees in different career stages and that prompt commitment to develop over time? We already know that this understanding might be clouded by stereotyping, as evidenced by mid-1980s descriptions of the “baby boomer” generation as lazy and entitled have given way to descriptions of this generation as the “original workaholics”, obsessively devoted to their careers to the detriment of home and family life. It is thus possible that current descriptions of generation Y/millennials as “pampered snowflakes” (Yagoda, 2016) and the like could give way to other, less pejorative characterizations over time, although it isn’t clear why these characterizations change. In the case of baby boomers, one reason could be that when they were young, boomer children did have a sense of entitlement, but that as they grew older and experienced the world, their perspective changed and they matured. In this case, the original ‘stereotypes’ were correct at the time they were developed, as are the more contemporary characterizations. Another reason could be that in the 1980s, it was older generations that were in control of social institutions, such that their spokespeople were able to apply labels to baby boomers as they saw fit, perhaps to fit their political and economic agendas, but today, baby boomers have taken control of the media and other elite institutions, and thus have the power to characterize their generation in more generous terms. Thus, applying the science of organizational behavior research to these questions about the commitment of whatever the young generation of employees is could be fruitful in clearing up these questions.

A MODEL OF WORK COMMITMENT FOR MILLENNIALS

Thus, we propose a model that attempts to describe the mechanisms by which millennial employees develop and sustain commitment to an organization. The operative assumption is rooted in the “met expectations” and “perceived support” literature, as there is a large body of research
that has identified these factors as important causes of the development of commitment (cf. Wanous et al., 1992; Rhoades & Eisenberger, 2002). In other words, our model proposes that the commitment of millennial employees will be significantly shaped by the degree to which the organization meets their expectations, and the degree to which the organization provides them with support. For example, in their 2002 meta-analysis, Meyer et al. reported that perceived organizational support was the strongest predictor of affective commitment and normative commitment among all antecedents included in their analysis.

Now, as far as this goes, this model could apply to any generation of employees. That is, the research cited above indicates that all employees, regardless of career stage, tenure, or age, tend to be more committed if their organization meets their expectations and provides them with the expected level of support. This is likely to be as true for a 50 year old entering a new job as it is a 25 year old entering a new job. So what is needed is a mechanism that is tailored to the values, beliefs, and expectations of a specific generation of employees, in this case, millennials. As has already been discussed, doing so is prone to difficulties due to the presence of mass-media characterizations of millennials that may reflect stereotypes and power dynamics between generations rather than a scientific understanding. Thus, we propose that for the millennial generation, individual growth factors will combine with met expectations and perceived support to determine commitment to the organization. To make this proposal clearer, we offer the following explanation:

Recent research suggests that, compared to prior generations, millennials place a greater value on education and economic accomplishments at a young age (Vespa, 2017). Research by the US Census Bureau indicates that compared with “generation X”, a much larger percentage of millennials emphasize the role of education and economic success as drivers of present-day self-esteem, whereas generation Xers valued these, particularly the latter, as aspirations to be grown or developed into over the course of a lifetime. In short, millennials, as a generational cohort, want these things now rather than later. While there will of course be individual differences, such that not every single millennial is expected to be characterized by the model, we do expect that that model will be generally characteristic of the millennial cohort, and distinguishable at that level from other generational cohorts. Translated into organizational behavior terms, we propose the following (see Appendix for depiction of model):

1. The perception of Individual growth in the organization is a key driver for changes in commitment. In our view, millennial values related to education and economic gains translate into a desire for individual growth, a sense of bettering oneself personally and economically. If one advances educationally, in terms of organizational and life skills, and economically, then one has ‘grown’ in the sense that the Census survey defines millennial values. Thus …

2. Individual growth consists of career related and personal related growth. 
Career related individual growth is defined here as the growth in competences (education) that the current organization needs and appreciates as well as the competences (education) that are valued by other, similarly situated firms within the employees perceived career-field. This will directly relate with one's career development in the current organization and also position the individual to be successful in their career with other firms as well. So paradoxically, we expect
that one’s commitment to their current organization will depend, in part, on the perception that the organization is also educating them (in terms of skills development) for employment options with other organizations. Career related individual growth also encompasses the economic gains an employee seeks to capture via organizational membership and career development.

**Personal related individual growth** is the growth in competences which do not have a direct relationship with the current organization or even their career. The development of these competences may not lead to career development but will lead to *self satisfaction* with one’s own development, the sense that one has a high level of self-efficacy. It is the individual employee’s sense of their own personal competence and value in an overall “life sense” and their perception of the organization’s contributions to it. We posit that an employee who derives this sense of personal self worth and growth from organizational experiences will be committed to the organization as a consequence.

With regard to the career aspect of growth, the recent work of Weng and colleagues is instructive. Weng and colleagues (Weng et al., 2010; Weng & Xi, 2011; Weng & McElroy, 2012) have developed a four-component concept of *organizational career growth* to capture the concept of how employee’s career development unfolds within a particular organization. The four components are career goal progress, which assesses employee perceptions of the relationship between the current job and overall career goals; professional ability development, which taps the degree to which the current job encourages the employee to improve their job related skills; promotion speed, which taps the employee’s beliefs about their upward mobility within the organization, and remuneration growth, which taps the employee’s beliefs about their ability to grow their pay in their current organization. For our purposes, all of these factors are relevant to a lesser or greater extent. Our concept of career related individual growth is similar to Weng and colleague’s concept of organizational career growth, except that Weng’s concept of “professional ability development” focuses on gaining job-related skills, whereas our concept is more expansive, emphasizing the desire to gain skills that are more general rather than firm-specific. So we would envision modifying the Weng et al. (2010) PAD to include two subscales, one tapping job-related skills, the other tapping professional/general skills that help the employee be employable anywhere, not just the current organization.

Also, to tap our concept of *personal related individual growth*, we would develop a measure that assesses how organizational experiences generally, not necessarily confined to job-related skills, enhance the employee’s sense of self-efficacy and self-worth. This is consistent with the finding that millennials define their overall self-worth at least, in part, by their sense of self-efficacy in terms of organizational experiences. Clearly, this sense of personal competence and self-worth would also be a product of non-work experiences and education, but our goal would be to tap those aspects that are directly related to work.

3. **Career related individual growth** is positively related with commitment.
4. **Personal related individual growth** is also positively related with commitment. Organizational commitment has been conceptualized in various ways (cf. Jaros, 2009). Recently, Klein and colleagues (Klein et al., 2014) developed a unidimensional concept of commitment that defines commitment in terms of volition, dedication, and responsibility towards one’s organization, or to
aspects of the organization such as work team and supervisor. We intend to model Klein et al.’s concept of commitment rather than the three-component Meyer and Allen model as for now, we are interested in commitment per se, rather than its underlying mindsets (e.g., affective, normative). We propose that for millennials, career related individual growth and personal related individual growth will positively impact their commitment to the organization, since the organization is meeting both of these key growth needs. Weng et al. (2000), found that in a sample of Chinese employees, their concept of career growth had a positive impact on affective and normative organizational commitment, which leads us to believe that there will be a general positive relationship between our constructs and commitment as measured by the Klein et al (2014) measure.

However, because these needs are hypothesized to be the particular values of millennials, the positive relationships found between them and commitment will be stronger for millennial employees than for employees of other generational cohorts.

5. Career and personal related growth moderate each other's relationship with commitment. There is a synergistic effect, such that if both are high, the commitment will be greater than a simple additive effect would predict. As a corollary to #4, we expect that for millennials, the proposed growth factors will moderate each other’s impact on commitment. If both are high, we predict that commitment will be greater than a simple additive effect, because we expect that both being high will resonate with millennial values in a way that will not occur for members of other age/generational cohorts.

6. Career and personal related growth will mediate the relationship between perceived organizational support and met expectations and organizational commitment. Meta-analytic research (cf. Meyer et al., 2002) has shown that for most employees, met expectations and perceived organizational support are important antecedents of commitment. Our model proposes that for millennials, these factors will still impact on commitment, however, their influence will be indirect, via their impact on career and personal growth. This is because the expectations and support that the millennial employee expects from the organization should manifest themselves in the satisfaction of the personal and career related growth that are characteristic of millennial values.

7. In terms of temporal influences, we expect failure to meet expectations to have an ongoing impact on perceptions of career and personal growth. This is contrary to commitment research, which posits failure to meet expectations as an initial ‘shock’ that causes an initial decline in commitment, but then commitment rebounds as the employee absorbs the shock and adapts to the new reality by adjusting those expectations (cf. Maia et al., 2016). However, because millennials view personal and career growth as enduring values, we expect the impact of a failure on the organization’s part to meet an employee’s personal and career growth needs as having an enduring and ongoing effect that will persist beyond the initial period of employment.
CONCLUSION

Work commitment continues to attract the attention of many researchers in the field of organizational behavior, and we do not expect that interest to diminish any time soon. However, as has been discussed, important questions about age, generational cohorts, and temporal aspects of work commitment are still unknown. Our model is designed to address a small aspect of this problem, namely factors specific to the millennial generational cohort that may impact on the development of their commitment to the work organization. While we believe the model is a good start in terms of identifying factors that recent research suggests reflect the values of millennials as a class or cohort, we recognize that the model must be validated by empirical research, and that research is likely to reveal shortcomings in the model as well as factors that could be added to it to increase its explanatory value. Of particular import will be tracking the commitment of millennials over time. It might be too late to do that with prior generations, as, for example, it is impossible to wind back the clock to the 1980s and study the initial commitment of Generation Xers as they entered the workplace and track them over time to the present day (though it might be possible to piece together archival data that could serve the purpose retrospectively). With millennials, we can do so beginning now. One factor that will be of interest is whether the values of the millennial generation, as expressed in personal and career growth desires, endure as the cohort ages and passes through different career stages, or whether they endure, at least relative to earlier and forthcoming cohorts. Another important issue will be testing the cross-cultural validity of the model, as it may be the case that “millennial values” as defined here may apply only in the USA or other western countries. The definition of personal growth offered here also opens the door to work-life research that might investigate the relative influence of work versus non-work education and experiences on the employee’s sense of overall personal growth.

Tracking millennial commitment over time could thus allow us to address discrepancies such as 1980s descriptions of “baby boomers” as lazy and entitled (cf. Hanlon, 1986) and descriptions of that cohort as “workaholics” thirty-plus years later. Did boomer values change? Were they originally lazy but then matured? Or were the original descriptions pejorative stereotypes? These kinds of questions can possibly be addressed by testing the model developed in this paper over time, as millennials progress through stages of career and personal life. Our goal in submitting to the 2018 SWAM conference is to get feedback from researchers and practitioners about how the model can be improved before it is tested empirically.

APPENDIX: A PRELIMINARY MODEL OF MILLENIAL COMMITMENT
REFERENCES


LIFESTYLE ENTREPRENEURSHIP:
CHOICE OR LAST RESORT?

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Most entrepreneurs are economically motivated and have been highly researched in entrepreneurship literature, whereas non-economically motivated entrepreneurs have received much less attention. Some non-economic goals could be as diverse as the creation of his/her own job or desire for independence, but there are some obvious lifestyle emphases: for instance, to live in a resort area, to combine hobbies with a job, or even, to work from home. “Lifestyle entrepreneurs” set up businesses primarily for the lifestyle benefits, while the high-profit portion remains secondary. Henricks (2002) says “they are individuals who seek enjoyment in their life more than the pursuit of money.”

A key construct in research on new business formation is individual entrepreneurial intent. Thompson (2009) defines individual entrepreneurial intent as “a self-acknowledged conviction by a person that they intend to set up a new business venture and consciously plan to do so at some point in the future.” Research is very limited on lifestyle entrepreneurial intent. This paper aims to become a springboard for further research on this topic.

Vallerand and colleagues’ (2003) Dualistic Model of Passion has helped the concept of passion gain massive scholarly attention. This model defines passion as “a strong inclination or desire toward an activity that one likes, finds, important, and in which one invest time and energy” (Vallerand et al., 2003). Distinguishing between harmonious passion and obsessive passion is an important quality of this particular concept. There has been extensive research on passion, but mainly in nonwork environments. In more recent articles, the value of applying the Dualistic Model of Passion to an organizational context has been highlighted (Thorgen, Wincent, and Siren, 2013). This paper also aims to connect obsessive passion and work-family conflict.

This paper proposes to examine if obsessive passion has an effect on an individual’s intent to become a lifestyle entrepreneur, and also how passion affects burnout and work-family conflict. This paper is organized as follows. In the next section we define the key concepts of the paper. The next section will include proposition development, followed by discussion, and will wrap up with a conclusion.

LITERATURE REVIEW

Lifestyle Entrepreneurs
Over the last few decades, many researchers have hinted at the particular topic of lifestyle entrepreneur. In 1976, Stanworth and Curran proposed three different categories of entrepreneurs, and depending on their need of personal satisfaction. They identified the “classical” who is interested in economic gains, the “manager” who looks for managing growth, and also the “artisan” who is concerned with personal satisfaction. Filley and Aldag (1978) proposed their own categorization with the “promoter” (seeks achievement and pursues market niche), the “professional manager” (desire to supervise growth) and the “craft” (seeks comfort, prioritizes independence). Then, in 1995, Cooper and Artz were among the first to use the word “lifestyle” when they distinguished between lifestyle oriented and non-growth oriented. Burns (2001) outlined “lifestyle firms are businesses set up primarily to undertake an activity the owner manager
enjoys or to achieve a level of activity that provides adequate income,” basically merging the job and the passion. Researchers have defined lifestyle entrepreneurs as individuals who owned businesses closely aligned with their personal values, beliefs, interests, and passions (Henricks, 2002). Henricks (2002) stated that lifestyle entrepreneurs are fueled by the desire to earn a respectable living, find satisfaction in career attainment and achievements, and spend quality time with family and friends. The common benefits of entrepreneurship (profit, job creation, innovation, economic activity) are very well recognized, the literature characterizes lifestyle entrepreneurs by their family and community contributions, and life quality versus high growth (Marcketti, Niehm, & Fuloria, 2006). Murry’s (2002) research describes lifestyle entrepreneurs’ desire for life quality, suggesting that one’s awareness that life is meaningful and manageable is enhanced by balance in family and business demands. Tregear (2005) distinguishes lifestyle entrepreneur by their “personal achievement objectives and non-growth orientation.” Shaw and Williams (1998) created the ideas of constrained and non-constrained entrepreneurs. Non-constrained entrepreneurs are typically motivated by the desire to live in a certain location than entrepreneurial reasons. The business essentially supports them and allows the entrepreneur to live in a certain geographic location. This group is not interested in expansion or any other economic reason beyond providing them enough income to maintain that lifestyle. This group is often characterized by older people or retirees. Constrained-entrepreneurs are characterized by a majority of younger entrepreneurs, who exhibit a strong connection between lifestyle and economic motives (Shaw & Williams, 2004).

Entrepreneurial Intent
Entrepreneurial Intent is based on the theory of planned behavior, which states “perceived behavioral control, together with behavioral intention, can be used directly to predict behavioral achievement” (Ajzen, 1991). Intention is a state of mind directing a person’s attention, experience, and behavior toward a specific object or method of behaving. "Since much of human behavior appears to be under volitional control, …the best single predictor of an individual's behavior will be a measure of his intention to perform that behavior” (Fishbein and Azjen, 1975). This is a principal of psychology that applies to entrepreneurship and beyond. Until 2009, there had been numerous definitions relating to entrepreneurial intent, however they were very broad and there was no way to measure the construct. Thompson (2009) synthesized the definitions over the years, and came up with a singular definition on individual entrepreneurial intent. He concluded that the intent is defined as a self-acknowledged conviction by a person that they intend to set up a new business venture and consciously plan to do so at some point in the future. Entrepreneurial intent is defined as those initial actions an individual takes prior to formally beginning the start-up or generating initial sales related to an on-going business. Several activities can be considered initial actions, including writing a business plan, looking for a building or equipment, saving money, or developing a product or service (Carr & Sequieira, 2007; Aldrich & Martinez, 2001).

Passion
The concept of passion has a long history in research and philosophy, despite the lack of precisely developed constructs or clear research inquiries (Thorgen, Wincent, & Siren, 2013). Work can become one’s passion and was highly popularized Max Weber (Weber, 1930). Vallerand et.al (2003) had defined passion as “a strong inclination toward an activity that people like, that they find important, and in which they invest time and energy,” and Pertulla (2003) defined passion for
one’s work as “a psychological state characterized by intense positive emotional arousal, internal drive and full engagement with personally meaningful work activities. Moving forward several years and Zigarmi, Houson, Diehl, & Witt (2010) defined employee work passion as “an individual’s persistent, emotionally positive, meaning-based state of well-being, stemming from continuous, recurring cognitive and affective appraisals of various job and organizational stimulations, which results in consistent, constructive work intentions and behaviors.” Zigarmi et al. (2011) took this concept one step further by defining work passion as a situation in which employees use a mental appraisal process to become passionate about their work. Newport (2012) states “The traits that lead people to love their work are general and have little to do with a job’s specifics. These traits include a sense of autonomy and the feeling that you’re good at what you do and are having an impact on the world.” In 2009, Cardon et al. “proposed two key assertions central to our proposed conceptualization: (1) entrepreneurial passion is a consciously accessible, intense positive feeling, and (2) entrepreneurial passion results from engagement in activities with identity meaning and salience to the entrepreneur.” For example, Shane, Locke, and Collins (2003) and Baum and Locke (2004) say that entrepreneurial passion is a love of work; Smilor (1997) argues it is about enthusiasm for venture-related activities; Cardon et al. (2005) say that passion is about love for the venture itself; and Vallerand and colleagues define passion as a “strong inclination toward an activity that people like, that they find important” (2003: 757). Chen, Yao, and Kotha (2009) define entrepreneurial passion as “an entrepreneur’s intense affective state accompanied by cognitive and behavioral manifestations of high personal value.” Cardon et. al (2009) defines it as “a complex pattern of psychological, brain, and body responses activated and maintained by an entrepreneur’s passion that, when regulated, aid in motivating coherent and coordinated goal pursuit.” Vallerand et. al (2003) introduced the concepts of harmonious and obsessive passion to describe a more clearly defined and fine-grained picture of how individuals interact with their personal environment. Harmonious passion captures an autonomous internalization based on an intrinsic part of the self, where the individual freely accepts and considers the source of passion as important. Basically, the activity becomes part of the individual without any pressures attached, and the individual is in control of the activity. Obsessive passion, however, refers to a controlled internalization of the activity into one’s identity. In contrast to harmonious passion, the person is controlled by the activity. They cannot help but to engage in the passionate activity. The passion must run its course as it controls the person. Because of the pressured involvement, such passion is likely to take an unbalanced space in the own identity, lead to conflict, and exhibit links with concepts, such as shame and negative affect, and is also associated with high task persistence (Vallerand et. al, 2003). Overall, feeling forced to get engaged in the activity, people are likely to neglect other areas of their life (Mageau et al. 2005). Vallerand’s (2003) two-dimensional approach in the Dualistic Model of Passion may helpful when examining complex questions in organizational setting, particularly in terms of the consequences that may result from positive feelings towards work. This dual model allows light to be shed on both the risk and benefits of passion, depending on which type of passion, harmonious or obsessive (Thorgen, Wincent, & Siren, 2013).

Work-Family Conflict
Kahn et. al. (1964) states “interrole conflict has been viewed as a form of conflict in which role pressures associated with membership in one organization are in conflict with pressures stemming from membership in other groups.” Using work-family and family-work angles, this type of
conflict reflects the level to which role responsibilities from the work and family domains are clashing, that is, "participation in the work (family) role is made more difficult by virtue of participation in the family (work) role" (Greenhaus & Beutell, 1985, p. 77). Both type have been associated with anxiety. For example, Goff, Mount, and Jamison (1990) found that work–family conflict was related to higher absenteeism levels. Frone (2000) linked work–family conflict to psychiatric and substance abuse disorders. Additionally, both forms of work–family conflict appear to be negatively associated with turnover intentions and physical symptoms (Netemeyer, Boles, & McMurrian, 1996). Specifically concentrating on work-family conflict, it can be broken into two different types: time-based and strain-based. Time-based occurs when more time is devoted to the work role and interferes with performing family related responsibilities. Basically, too many work conflicts make it difficult to fulfill family obligations. Strain-based occurs when strain created by the work role interferes with performing family responsibilities. Essentially, anxiety and irritability from work interfere with carrying out family duties (Netemeyer, Boles, and McMurrian, 1996).

PROPOSITION DEVELOPMENT

Obsessive passion results from a controlled internalization of the activity into one’s identity (Vallerand, 1993). With obsessive passion, individuals come to create ego-invest self-structures and eventually display a strict persistence toward the activity (Hodgins & Knee, 2002). Obsessive passion has been found to be positively related to conflict with other life activities (Vallerand et. al, 2003). While the typical benefits of entrepreneurship are well recognized, the literature characterizes lifestyle entrepreneurs by their contributions to family, community, and life quality rather than high growth (Davidsson & Henrekson, 2002).

Proposition 1: As obsessive passion increases, the intent to become a lifestyle entrepreneur also increases.

Burnout has been studied for the last several decades, and is comprised of three different dimensions. Exhaustion is the central quality of burnout and the most obvious indicator of the complex condition. When people talk about being burnout at their job, they are most likely referring to the feeling of exhaustion. Even though exhaustion exhibits the stress component of burnout, it does not encompass all aspects of the relationship people have with their work. Exhaustion is not just something that is experienced, it actually inspires action to distance oneself emotionally and cognitively from work, as a way to cope (Maslach, Schaufeli , & Leiter, 2001). Vallerand et. al. (2008) discovered that obsessive passion facilitates burnout, and predicts conflict between work and other life activities.

Proposition 2: As a person’s work-family conflict increases, they are more likely to become a lifestyle entrepreneur.

Figure 1 illustrates how obsessive passion and work-family conflict are both positively related to lifestyle entrepreneurial intent.
CONCLUSION

This is a theoretical study; however this paper is a great springboard to research. I plan on surveying entrepreneurs across the country, and also trying to narrow down the participants to only those who identify themselves as lifestyle entrepreneurs.

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Jamie Keen is the owner of Dollar Plus in St. Clair and has been heavily involved in various aspects of the community her entire life, currently serving as President of the St. Clair Area Chamber of Commerce. She has also served as an East Central College Adjunct Instructor of Business Management and Marketing, and is a recent Missouri Chamber of Commerce Leadership Missouri graduate, a program aimed to network leaders and resources to benefit Missouri citizens. She has also served as treasurer and board member of the Franklin County Fair, member of the Scenic Regional Library Foundation Board, serving in both the President and Vice-President roles, and is a current member of the Board of Equalization.

Keen currently resides in St. Clair with her husband, Robby, and daughter, Clara. She earned two bachelor’s degrees and a certificate from Webster University, completed her Master’s in Business Administration at Missouri Baptist University, and is near completion of her Doctorate in Management from Webster University.
MANIPULATIVE BUSINESS AND SOCIETY

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EXTENDED ABSTRACT

We develop a dark theory of antisocial influence on businesses. Given a chance, the unconstrained antisocial business leader will establish an irresponsible and illegal secular business cult; if constrained by legal limits, then a manipulative business is established instead that is nevertheless irresponsibly manipulative. In both business types, the employee’s commitment, and the buyer’s interest, is unethically manipulated through established policies for higher profits. We expect profit-seeking antisocial behavior to lead to the emergence of manipulative policies and practices in businesses, industries, and eventually in society in general. We discuss implications for Friedmanian arguments, researchers, regulators, teachers and trainers, executives and managers, and employees.

Because any management approach can be manipulated, regulators, managers, researchers, and employees must be watchful of the emergence of this dark side, to identify it when it appears, and to take measures necessary to keep the business on the sunny, ethical side. As an executive MBA student once commented to the first author, “Some [people] start [well] but later move on to the ‘dark side’ and don’t want to [add value to an organization] because they know they can get away with it.” Growing attention has been paid to the dark side in management practice and theory lately, no doubt stimulated by the dizzying array of corporate scandals since Enron’s fall and dissolution. For example, the dark sides of leadership (Conger, 1990), management development (Kamoche, 2000), organizational politics (Williams & Dutton, 2000), agency theory (Kulik, 2005), positive organizational scholarship (Fineman, 2006), intrafirm competition (Kulik, O’Fallon & Salimath, 2008), capital markets (Clark & Newell, 2013), manic behavior (Stein, 2011), workplace spirituality (Lips-Wiersema, Lund Dean & Formaciari, 2009), and group work (Stein & Pinto, 2011) have been identified and explored.

One particularly dark and relevant area of study is the presence and influence of antisocial actors (psychopaths, individuals with antisocial personality disorder, sociopaths, narcissists, etc. – see discussion in Kulik & Alarcon, 2016), possibly because the antisocial actor’s traits of manipulative behavior acutely describe a common ‘dark-side’ among modern businesses, and because of the purported usefulness of the psychoanalytic view (Brown, 1997; Stein, 2011). In this paper, we follow Kulik & Alarcon (2016) and O’Leary-Kelly, Griffin & Glew (1996) in using the term antisocial behavior, or ASB, to refer to antisocial behavior in the workplace, regardless of whether the actor exhibiting the antisocial behavior has an antisocial personality behavior or not; we posit in this paper that ASB significantly increases after even just one or two individuals with antisocial personality disorder infiltrate the workplace, because they may eventually develop a sustainable, but manipulative ‘formula for success’. In Kulik & Alarcon (2016), we theorized how ASB can lead a business to develop a manipulative ‘formula for success’ through manipulative organizational culture, competition, operations, policies, procedures, illegal practices, cult-like
overcommunication, and hierarchical relationships. We might expect many such companies, which we termed ‘secular business cults’ in Kulik & Alarcon (2016), to be sued out of business because of the ‘illegal practices’ component, but given that Padilla, Hogan & Kaiser’s (2006) toxic triangle still exists as environmental context, the business cult may avoid dissolution and instead enter into a transformation into a ‘manipulative business’. In this paper, we investigate the transformation from ‘secular business cult’ to a successful, legally-compliant ‘manipulative business’ and consider the dark effects that surviving, persisting and successful manipulative businesses have on societies, governments, and legal systems. Our specific observations are not surprising – such as our identification of revolving-door and manipulative lobbying practices – but this work is set apart in that we show how such now-commonplace manipulative practices in our society may be directly linked to the persistence of manipulative businesses. The ‘unsurprisingness’ of our specific theoretical elements suggests that research is needed in this area in order to ‘catch up’ with, and counteract, the unfortunate new normal of unethical organizations in modern society.

Our paper is organized as follows. First, we discuss how secular business cults may transform into persistent and successful manipulative businesses; second, we discuss the characteristics of a successful manipulative business, and how these unethical characteristics might bring the business profitability and success; third, we explain how such successful businesses influence the legal system, government, industry norms, and societal norms, which in turn establish a toxic ‘iron triangle’ that reinforces and complements the ‘toxic triangle’ identified by Padilla, Hogan & Kaiser’s (2006) and applied in Kulik & Alarcon (2016).

REFERENCES


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AN UNDERGRADUATE AND GRADUATE STUDENT ASSESSMENT OF PERCEIVED LEADER INTEGRITY

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ABSTRACT
Integrity has been identified as a significant issue for leaders and a concept that touches every aspect of business. The purpose of this research was to assess the integrity of managers as perceived by graduate and undergraduate students. 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.” In addition, the student addresses gender, age, ethnicity, and job titles of those being rated by students. A number of possibilities exist for future research using the PLIS.

INTRODUCTION
Business history and scholarly research reveals that organizational leaders sometimes engage in dishonest, unethical, and even illegal acts. Ethical scandals challenge global business. The integrity of those who engage in such activities and those who do not have been diversely defined. 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, p. 15). 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, p. 127).

Few professions are immune from public embarrassment of ethical misconduct. Ethical transgression has become a conspicuous part of corporate life. Worldwide corruption is a serious problem, and needs to be understood and combated (Rabl & Kuhlman, 2008, p. 477). Organizational leaders 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. 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 an intrapersonal perspective, yet it has been labeled as a key characteristic of future global leaders and the vital criteria in determining success by managers and executives. It touches every aspect of business (Simons, 2008, p. 20). 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. The mediating effects of leader integrity affects “the relationship between leader transparent communication and follower work engagement” (Vogelgesang, Leroy, & Volio, 2013, p. 405). 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, p. 170).

How does one define “integrity”? Personal integrity might be defined as “a state or condition of being whole, complete, unbroken, unimpaired, sound, in perfect condition;” organizational integrity could be defined as being “whole and complete with respect to its word” (Christensen, 2014, pp. 3-4). Integrity also can be defined as honesty, adherence to moral and ethical principles, consistency between what a person says and does, trustworthiness, walking the talk, then one’s values and beliefs, ethics and character, and knowledge and skills (Suggs, 2007, p. 2; Admin, 2015, pp. 1-2; Bowes, 2015, p. 2).

Integrity is said to involve respect for self, respect for others, and responsibility for all personal actions (Cunningham, 2002, pp. 4-5). 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, p. 80). An examination of “the relationship between perceived leader integrity, belief in universal moral rules, and employees’ ethical intentions” has been conducted (Peterson, 2004, p. 7). An attempt to model integrity indicates that “morality, ethics and legality exist in the normative [standards of right and wrong] virtue realm, whereas integrity exits in the positive [the way the world ‘behaves’] realm” (Erhard, Jensen, & Zaffron, 2016, p. 5).

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, pp. 1-4). Other characteristics include sincerity and consistency, substance and character, and finishing well (Fogleman, 2001, pp. 1-2). 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 aspects of effective leadership (Bass, 1985; Gillespie & Mann, 2000).

However, 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, pp. 97-98). There is some research that suggest “the experience of having a high-integrity leader might result in feelings of being exposed, judged, or scrutinized,” which might cause followers to compromise their integrity (Hewlin, Dumas, & Burnett, 2017, p. 3). There also is evidence to imply that CEOs who begin their careers during periods of great prosperity tend to be riskier with financial strategies and less ethical, while those who begin their careers during a recession are more satisfied, less narcissistic, tend to stay with companies longer, and are more ethical (Bianchi & Mohliver, 2017, p. 7).

It also should be noted that “the definition of leader integrity has been subject of significant disagreement in both the philosophy and leadership literatures” (Moorman & Grover, 2009, p. 104). Additionally, integrity research has been said to suffer from confusion and disagreement. “Too many definitions, too little theory, too few rigorous empirical studies” have prevented theoretical model development on cause and effect relationships and empirical testing of those relationships (Palanski & Yammarino, 2007, p. 171).
PERCEIVED LEADER INTEGRITY

Perceived leader integrity might be defined as “the level at which a leader acts in an ethical manner, as perceived by subordinates” (Craig & Gustafson, 1998, p. 129). A regained interest in leader integrity divides it into two dimensions: behavioral integrity and moral integrity (Simons, Palanski, & Trevino, 2013, p. 392). The core value of behavioral integrity is consistency, moral integrity, and effectiveness (Chi & Chi, 2014, p. 223). Yet the question of whether leader integrity matters to employees remains. One reason may be “the failure of the literature to describe leader integrity fully and to use such descriptions to develop construct valid measures” (Moorman, Darnold, Priesemuth, & Dunn, 2012, p. 1).

Perceived integrity, based on judgments of consistency and morality, has been tested via various scales. 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, p. 199). Perceptions of ethical leadership behavior have been tested and replicated (Moorman, Darnold, & Priesemuth, 2013, p. 427). A meta-analysis has been conducted on the effects of the perceived behavioral integrity of managers on employee attitudes (Davis & Rothstein, 2006, p. 407). Perceived integrity of transformational leaders in organizational settings and its correlates with effectiveness have been researched (Parry & Proctor-Thomson, 2002, p. 75). The effects of exemplification, delivery, and ethical reputation on the perceptions of leader charisma, effectiveness, and integrity have been reviewed (Gardner, 2003, p. 502).

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, p. 117). 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, p. 216).

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, p. 446). 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 leadership integrity” (Chi & Chi, 2014, p. 204). 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, p. 130).

We might say that for a leader to be perceived as an ethical leader by followers, the leader “must engage in socially salient behaviors” that make the leader “stand out as an ethical figure against an ethically neutral ground” (Trevino, Brown, & Hartman, 2003, p. 5). The following is an illustration of the level at which a leader acts in an ethical manner, as perceived by graduate and undergraduate students.

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 an organizational leader’s behavior in an organizational setting. It was written with three types of foci: global attribution (e.g., the leader “is evil”), behavior-toward-rater items (e.g., the leader “lies to me”), and behavior-toward-others items (e.g., the leader “lies to other people”) (Whelan, Stoughton, Craig, & Parry, 2014, p. 3). Responses indicate the degree to which a leader’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.”

Lower scores on the PLIS questionnaire indicate 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 leader being evaluated is seen as very trustworthy and principled. The moderate ethical range indicates the leader might engage in unethical practices under certain conditions. The low ethical range shows the leader 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 (McCann, J. & Holt, R., 2009; White & Lean, 2008). Specifically: “the PLIS has demonstrated satisfactory internal consistency, Cronbach’s coefficient alpha was .91” (Craig & Gustafson, 1998, p. 132).

DEMOGRAPHICS

One hundred sixty two (three groups of 54) undergraduate college students and MBA students from a small southwestern university comprised the sample in this study. Sixty percent of the undergraduate 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; 100 percent of the MBA students are employed full-time. The PLIS questionnaire was answered individually about a leader for whom they had worked or are working. The demographic data characteristics can be seen in Exhibit 1.

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<thead>
<tr>
<th>Demographics</th>
<th>N*</th>
<th>Percentage</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undergraduates (1)</td>
<td>162</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>54</td>
<td>36.8%</td>
<td>40.600</td>
</tr>
<tr>
<td>Female</td>
<td>40</td>
<td>25.926%</td>
<td>41.143</td>
</tr>
<tr>
<td>Undergraduates (2)</td>
<td>54</td>
<td>33.33%</td>
<td>51.167</td>
</tr>
<tr>
<td>Males</td>
<td>36</td>
<td>66.667%</td>
<td>43.389</td>
</tr>
<tr>
<td>Female</td>
<td>18</td>
<td>33.333%</td>
<td></td>
</tr>
<tr>
<td>MBA Students</td>
<td>54</td>
<td>55.556%</td>
<td>42.967</td>
</tr>
<tr>
<td>Male</td>
<td>30</td>
<td>44.4444%</td>
<td>45.500</td>
</tr>
<tr>
<td>Female</td>
<td>24</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>108</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Undergraduates</td>
<td>18-22</td>
<td>25%</td>
<td>20.315</td>
</tr>
<tr>
<td>MBA Students</td>
<td>23-38</td>
<td>25%</td>
<td>27.148</td>
</tr>
<tr>
<td>UG Leaders</td>
<td>25-62</td>
<td>25%</td>
<td>42.352</td>
</tr>
<tr>
<td>GRAD Leaders</td>
<td>26-60</td>
<td>25%</td>
<td>41.278</td>
</tr>
</tbody>
</table>
### Ethnicity of Students—

<table>
<thead>
<tr>
<th></th>
<th>Undergraduate (2)</th>
<th>MBA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>African-American</strong></td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td><strong>Australian</strong></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>Caucasian</strong></td>
<td>36</td>
<td>45</td>
</tr>
<tr>
<td><strong>Hispanic, Latino, and Mexican</strong></td>
<td>7</td>
<td></td>
</tr>
<tr>
<td><strong>Native American</strong></td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

#### Ethnicity of Leaders—

<table>
<thead>
<tr>
<th></th>
<th>Undergraduate (2)</th>
<th>MBA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>African-American</strong></td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td><strong>Asian</strong></td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td><strong>Caucasian</strong></td>
<td>47</td>
<td>32</td>
</tr>
<tr>
<td><strong>Hispanic, Latino, and Mexican</strong></td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Puerto-Rican</strong></td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

*Note: The demographics of age, ethnicity, and job titles were only captured on 108 of the 162 students. Undergraduate students (2) and all the MBA students did provide requested demographic information.*

### Job Titles of Leaders—

<table>
<thead>
<tr>
<th></th>
<th>Undergraduate (2)</th>
<th>MBA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coach</strong></td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>CFO</strong></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td><strong>Manager</strong></td>
<td>38</td>
<td>6</td>
</tr>
<tr>
<td><strong>President</strong></td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Supervisor</strong></td>
<td>10</td>
<td>1</td>
</tr>
</tbody>
</table>

#### Job Titles of Leaders—

<table>
<thead>
<tr>
<th></th>
<th>MBA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CEO</strong></td>
<td>2</td>
</tr>
<tr>
<td><strong>COO</strong></td>
<td>7</td>
</tr>
<tr>
<td><strong>Director</strong></td>
<td>6</td>
</tr>
<tr>
<td><strong>Manager</strong></td>
<td>20</td>
</tr>
<tr>
<td><strong>Pastor</strong></td>
<td>1</td>
</tr>
<tr>
<td><strong>Professor</strong></td>
<td>2</td>
</tr>
<tr>
<td><strong>Supervisor</strong></td>
<td>12</td>
</tr>
<tr>
<td><strong>Vice-President</strong></td>
<td>24</td>
</tr>
</tbody>
</table>

**DESCRIPTIVE ANALYSIS**
Four areas of concern were gender, age, ethnicity, and job title. The determinants were selected and based on generally accepted guidelines used in numerous studies. Ethnicity covered the identified groups. Four 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?
4. Is there a statistical difference between how a majority of graduate and undergraduate students perceived their selected leaders?

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

EMPLOYMENT

Within the guiding framework of the study, respondents’ scores were separated into 3 groups: part-time employed, full-time employed, and unemployed students. A descriptive analysis of these groups is found in Exhibit 2.

<table>
<thead>
<tr>
<th>Exhibit 2</th>
<th>Full vs Part-Time Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>Mean</td>
</tr>
<tr>
<td>Part-time employed</td>
<td>64</td>
</tr>
<tr>
<td>Full-time employed</td>
<td>54</td>
</tr>
<tr>
<td>Total</td>
<td>118</td>
</tr>
</tbody>
</table>

In comparing the scores of groups based on employment status, no statistically significant difference was found between part-time (M=44.05, SD=14.6) and full-time (M=44.09, SD=12.4) respondents.

Likewise, when unemployed (student only) respondents were included, Exhibit 3, no statistically significant difference was found (n=44, M=44.7, SD=14.5).

<table>
<thead>
<tr>
<th>Exhibit 3</th>
<th>ANOVA Including Unemployed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source of Variance</td>
<td>SS</td>
</tr>
<tr>
<td>Between Groups</td>
<td>93.22</td>
</tr>
<tr>
<td>Within Groups</td>
<td>30559.12</td>
</tr>
<tr>
<td>Total</td>
<td>30652.34</td>
</tr>
</tbody>
</table>

While the differences between groups based on employment status were not statistically significant, the high variance within groups, especially evident when data was recorded by collection cohort, created additional questions in the research.
As previously stated, respondents’ responses were collected over 2 semesters from both undergraduate and graduate students. Once scored, totals were classified into ordinal variables: low ethical (>45), moderate ethical (45-33), and high ethical (<33). These classifications, presented in Table 4, created a compelling need for additional analysis of the cohorts.

Table 4
Cohort Analysis

<table>
<thead>
<tr>
<th>Cohort</th>
<th>Low ethical (N)</th>
<th>Moderate Ethical (N)</th>
<th>High Ethical (N)</th>
<th>M</th>
</tr>
</thead>
<tbody>
<tr>
<td>FA16U</td>
<td>10</td>
<td>38</td>
<td>6</td>
<td>40.6</td>
</tr>
<tr>
<td>SP17U</td>
<td>22</td>
<td>28</td>
<td>4</td>
<td>48.6</td>
</tr>
<tr>
<td>SP17G</td>
<td>15</td>
<td>32</td>
<td>7</td>
<td>44.1</td>
</tr>
</tbody>
</table>

In analyzing the three cohort groups, a statistically significant difference was found between the 3 collection cohorts at a 95% confidence interval, as presented in Table 5.

Table 5
ANOVA by Collection Cohort

<table>
<thead>
<tr>
<th>Source of Variance</th>
<th>SS</th>
<th>df</th>
<th>MS</th>
<th>F</th>
<th>P</th>
<th>F-critical</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>1744</td>
<td>2</td>
<td>872</td>
<td>4.78</td>
<td>.0096</td>
<td>3.053</td>
</tr>
<tr>
<td>Within Groups</td>
<td>29007</td>
<td>159</td>
<td>182</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>30751</td>
<td>161</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on this analysis and the previously presented ordinal classification, analysis of the groups for differences of other employment classification was performed.

DEMOGRAPHIC ANALYSIS AND FURTHER RESEARCH

Demographics were collected from respondents in this study to consider the following variables—gender, age, ethnicity, and job titles—as possible determinants in how the part-time managers responded to the PLIS scale. See Exhibit 1. Also, as part of the collection process, responses were separated between graduate and undergraduate students; however, undergraduate classification was not collected with the instrument. Though outside of the scope of this study, analysis based on respondents’ demographic factors suggest that MANOVA with larger samples might yield additional meaningful studies.

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. Likewise, separating genders by academic classification, graduate or undergraduate, did not produce any statistically significant results.

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? Likewise, does undergraduate classification, either by tenure or by major, change perceptions of managements’ ethics?

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.”

While scores vary greatly between different ethnic classifications, the existing samples are not large enough for meaningful analysis. The data collection technique did allow for classification of samples into multiples categories based on employment status, academic classification, and ethnicity. While there is no statistical difference between employment (full vs part time), the fact that there is a statistical difference between the three samples suggests there is need for additional research. Based on the broad range of scores between the observed categories, though, this study suggests that management perceptions based on ethnic classification are warranted.

JOB TITLES

The graduate students (all full-time employees) encountered a variety of managers or leaders—two CEOs, seven COOs, six directors, 20 managers, one pastor, 2 professors, 12 supervisors, and four VPs. The ethnicity of these managers or leaders included 12 African Americans three Asians, seven Hispanics, and 32 Caucasians/whites. The undergraduate students who supplied demographic information had either current work experience or at least three months of work experience within the last year encountered a similar variety of managers or leaders—two coaches, two CFOs, 38 managers, 10 supervisors, and two presidents. The ethnicity of these managers or leaders included two African Americans, one Australian, two Latinos, two Puerto Ricans, and 47 Caucasians/whites. The racial composition seems somewhat curious; although it was not the intent of this paper to explore gender or racial bias, there appears to be a very large racial bias and has potential for an interesting follow-up study.

PLIS SCORES FOR MANAGERS

Taken as a whole, the undergraduate students perceived the integrity of their managers or leaders as moderate ethical (65 students, 60.185 percent), high ethical (10 students, 9.259 percent), and low ethical (33 students, 30.556 percent). The graduate students perceived their managers or leaders as moderate ethical (32 students, 59.259 percent), high ethical (7 students, 12.963 percent), and low ethical (15 students, 27.778 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 likely 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 13 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 had 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. For example, Craig and Gustafson (1998) 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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THE PROCESS OF MANAGERIAL ISSUE DEFINITION: AN INVESTIGATIVE FORAY

William E. Martello, St. Edward’s University, Austin, TX. williamm@stedwards.edu

ABSTRACT

Considerable research on managerial decision-making over the past decades has focused on understanding how “collective interpretations of key events move from unformed and tentative to well-constructed, well-processed viewpoints.” This research suggests that those managerial perspectives driving organizational actions do not reflect an objective, unbiased view of reality, but rather progressive, changing interpretations of events. This paper offers an overview of the disparate elements driving managerial issue definition, as an exploratory step toward the development of an integrative approach to issue definition that can better adapt and respond to the changing stimuli of the modern social/technological marketplace.

INTRODUCTION

How do managers and organizations decide what is important in the environment? Considerable research on managerial decision-making over the past decades has focused on understanding how “collective interpretations of key events move from unformed and tentative to well-constructed, well-processed viewpoints. The implication of this progress is that the fullest understanding of an event may come from moving through ... interpretive stages” (Isabella, 1990: 33). From this vantage, managerial perspectives driving organizational actions do not reflect an objective, unbiased view of reality, but rather progressive, changing interpretations of events.

This emerging focus holds a practical significance well beyond any curiosities about human psychology and cognitive studies. People and organizations make strategic decisions based directly on their interpretations of the environment. Choices about how to manage situations, how to address issues — in fact, what is an issue demanding attention — flow directly from interpretations of the environment and its potential impacts. Rochefort and Cobb (1993: 56) have noted that “[t]he process of public policymaking has commonly been depicted in terms of a natural logical sequence.... Yet empirical evidence repeatedly refutes this portrayal. For example, mismatches often exist between measures of the seriousness of a problem and the level of attention devoted to it.” Thus comparisons of issue interpretations among varying stakeholders often reveal vastly different understandings — of the environment, of the impacts of situations, and of the potential consequences of chosen courses of action.

This paper will discuss how the subjective definition of issues within an organization forms the foundation for the managerial process of issues management. Its contribution is distinguishing what an issue is — which is an interpretation of the conditions impacting people and organizations — from
the dynamics of how managers arrive at specific understandings of those issues. This study will thus offer a dynamic analysis of how managers interpret issues.

A successful issues management system must first delineate what are the issues it intends to manage. In the development of issues management as a means to identify, assess, and respond to concerns facing the organization, “far more attention has been given to the management dimension than to the issues dimension of IM” (Wartick, 1987: 1; author’s emphasis). In other words, more attention has been paid to structure than to process. Issues arise from “change — change in corporate performance, change in society’s expectations or change in both” (Wartick, 1987: 18); but the interpretations of change and its impacts can be a contentious point among different stakeholders. The forces which define and drive issues to prominence in a firm are often not their “objective” external characteristics, nor their quantifiable stakeholder or organizational impacts. Instead, what can concentrate organizational and external stakeholder attention on issues are their subjective interpretation within these bodies and the factors influencing that interpretation.

MANAGERS AS POLICYMAKERS

How managers define issues forms a critical element underlying organizational action. Organizational alternatives are not analyzed, chosen, and implemented in vacuo by impersonal, mechanistic “systems” — people within the organization decide what to do and how to do it. The source of many of these choices and their resultant actions are the managers who must implement and monitor these decisions. In all levels of the organization, “each manager stands between his organizational unit and its environment. The president guides his firm and looks out to an environment consisting of competitors, suppliers, governments, and so on. The foreman guides his shop and looks out to other foremen and staff groups within the firm, and to suppliers (and others) outside the firm. Each must manage an organization within a complex environment” (Mintzberg, 1973: 55). Although a great deal of research has focused on top management or “dominant coalition” decision making, middle managers also perform very significant decision making roles.

How do managers develop an insightful lens for understanding the firm’s overall process of issue definition? Central to the managers’ place in the issue definition process is the nature of the managers’ roles. While the manager’s position provides the formal authority leading to “a special position of status in the organization” (Mintzberg, 1973: 56), the actions resulting from this foundation define the significance of managers within the organization. The concentration of power in the managerial position — power over strategic choices, power over employees, power over the allocation of resources — emphasizes the importance of analyzing managerial activities for an understanding of organizational processes. Goals and directives may come from the executive suite, but the action-oriented implementation of these pronouncements rests solidly within the combination of policymaking, communication, and action initiation which is the domain of the manager.

The multiple outlooks gained from an analysis of many managerial perspectives within a firm can help to define more clearly that firm’s policy goals and processes. Policy analysts have noted how policy images combine “objective” information with “subjective” appeals: the empirical and the evaluative
(Baumgartner and Jones, 1993). Issue definition within a collective environment results from the combination of these vantages, since “[i]ndividual incentives to manipulate the definition of issues are strong, but no individual alone has the power to determine these definitions. Rather, that definition is at the heart of the … battle” (Baumgartner and Jones, 1993: 29).

In stable settings issue definition can often proceed in a logical and consistent fashion, providing a clear, unifying focus for activity. However, in business environments characterized by data ambiguity and rapid change, understanding how organizations identify issues and determine priorities can contribute to a greater organizational understanding of why certain choices result from these processes. The firm’s perspectives on its environment strongly influence what is considered important, who are defined as the critical stakeholders, what and when issues need to be addressed, and how the firm’s desired results will be achieved. Responses often reflect the assumptions underlying them, and the focal choices made within organizations both reflect the influences of decision-makers’ prior ideologies and drive the implementation of resultant strategies (Child, 1972).

Changing environmental circumstances, then, can engender a great degree of strategic uncertainty, because of the variable nature, pace, impact, and consequences of change. A common managerial reaction to changing environmental circumstances appears to be strategic responses based largely on past knowledge (residing within the organization and its members) rather than on new information coming from the external environment (Dutton, 1993). Cognition-based research on individual decision-making processes suggests that instead of using conscious, intentional effort to address potentially significant events, decision-makers often proceed “on automatic” in their diagnosis of strategic issues (Dutton, 1993; Dutton and Jackson, 1987; Shiffrin and Schneider, 1977). The “engagement” of differing automatic or active processes in diagnosing and responding to strategic issues can directly influence resultant outcomes (Louis and Sutton, 1991; Gioia, 1986b): when “on automatic,” decision-makers rely primarily upon the “schema that individuals have in memory, and the issue categories embedded in organizational routines and procedures” (Dutton, 1993: 352) as a significant driving force behind organizational issue diagnosis and subsequent action. The risk with this approach is that questions of the appropriateness or applicability of these embedded responses may remain unasked. “Automatic” decision-making reveals that, even when information is available, managers may still choose to utilize issue categories built from past experiences to drive their current responses — a result which is consistent with the literature on cognitive biases (for a compilation of significant studies, see Kahneman, Slovic, and Tversky, 1982; Kahneman, 2011). In the issue arena, this insight helps expand our understanding of the origins of “[disparate] potential perspectives among the dominant stakeholder groups” on an issue, as detailed by Mahon and Waddock (1992: 25-26) in their integrated issue life cycle model.

Clearly, a key element in understanding how organizations implement policy decisions is a deeper understanding of how significant issues are defined. An organization’s choice of issues, and the interpretations of these issues, provide the stimuli for organizational policy choices. Accordingly, insights from a number of disciplines, such as political science, decision sciences, and psychology, can
assist in a general understanding of how issues are framed and what implications this process holds for understanding the managerial process of issue definition in a dynamic environment.

**WHAT COMPRIS ES AN ISSUE?**

A traditional starting point for understanding issues is to see their identification as a logical, systematic process: “The identification of an ‘issue’ is the analytical process of identifying a potential idea or situation that is likely to occur” (Mahon and Cochran, 1991: 160). However, two primary considerations have then generally emerged from these logic-driven analytical attempts to define corporate policy issues: the type of organizational response (either active or passive) and the scope of issues identified (Wartick and Mahon, 1994; Wartick, 1987; Mahon, 1986; Chase, 1984). This has created further confusion between the attributes of issues and the mechanisms (responses) employed for addressing them.

This confusion between issue attributes and organizational responses, when used to identify issues, has often only afforded post-hoc justifications of the assumptions made about issue attributes. In their efforts to exercise planning and control in “ensuring congruence between organizational objectives and executive decisions and actions,” managers have often adopted policies which have narrowed and fragmented managerial duties and responsibilities: even today, “conventional wisdom [has] held that planning and control in organizations should be separated” (Camillus, 1986: 16; see also Camillus and Datta, 1991). When applied to the process of issue identification, such a fragmented approach can lead to issues being alternately equated with circumstances as diverse as problems and conflict (Cobb and Elder, 1983[1972]), expectational gaps (Wartick and Mahon, 1994), and conditions themselves (Kingdon, 1984).

As “[t]he manager works in an environment of stimulus-response, and he develops in his work a clear preference for live action” (Mintzberg, 1973: 38), a typical stance adopted by many managers defines circumstances as “issues” only when they become functional problems affecting the bottom line of the organization (Chase, 1984). This willingness to compartmentalize the definition of issues occurs because of a lack of clear definitions or criteria as to what does and does not constitute an issue for the firm (Wood, 1994a, 1994b; Ehling and Heese, 1983). Yet how participants identify and define an issue plays an important role in how they respond to it. Narrow issue definitions restrict the range of possible alternatives, because images — and their manipulation — play a central part in all issue and policy deliberations (Baumgartner and Jones, 1993). As Stone (1988: 198) has noted, “By the time a problem has become formulated ..., a lot has already been ruled out.”

**ISSUES AS CONFLICTS AND AGENDA BUILDING**

The identification of issues as conflicts was best expressed by Cobb and Elder in *Participation in American Politics: The Dynamics of Agenda Building* (1983[1972]). They have described an issue as “a conflict between two or more identifiable groups over procedural or substantive matters relating to the distribution of positions or resources” (Cobb and Elder, 1983[1972]: 82). In the political arena, conflict
results from the choices made by stakeholders for resolving problems. Stone (1988: 106) has noted that “problem definition is never simply a matter of defining goals and measuring our distance from them. It is rather the strategic representation of situations... [Groups] deliberately and consciously design portrayals so as to promote their favored course of action.” The symbolic, interpretive dimensions of issues can often be just as important as the “facts” surrounding a situation.

Yet this perspective on the power of representations rather than reality then appears to vanish from the solution processes spawned by a conflict-based approach. Issue definition here simply becomes part of a rational process of resource allocation towards the attainment of objectives (Stone, 1988). This occurs because the very foundation of a conflict-based definition of issues is rationality, not representations. Cobb and Elder’s initial definition of issues as conflict is rooted in a rational systems approach to social interaction. When observing the process of political issue formulation and agenda building, they defined the political system as one of several subsystems that together form the overall social system. Agendas — both the general set of political controversies viewed as within the range of concern and the concrete, specific items available for consideration — are the means through which issues are acted upon. Problems in this structure emerge from the tensions at the boundaries between the overall social system and its subsystems: “the locus of the problems of political agenda-building is essentially those processes occurring at the boundaries of the system and its subsystems. It is here that the social processes operative in the larger environment impinge upon the agenda and mold its concerns” (Cobb and Elder, 1983[1972]: 22). Even when Elder and Cobb subsequently (1983) acknowledged the powerful mobilizing force of symbols in generating collective action, their earlier work in defining issues as conflicts offered a simple approach which held broad appeal.

A number of negative implications accompany this conflict-based definition of issues. Viewing issues as conflicts which simply detail the extent and boundaries of power or resources ignores the possibility that issues are “projections of collective sentiments ... subject to and influenced by the interpretation laid upon them” (Mahon and Waddock, 1992: 20). A view of issues as conflicts suggests that the main benefit to be gained from issue definition is the restriction of possible approaches and alternatives. When controversy “implies contestability among corporate stakeholders as the key dimension of change” (Wartick and Mahon, 1994: 297), the potential for conciliatory issue approaches diminishes. Further, a conflict-based definition sets the stage for the evolution of irresolvable issue conflicts when perceptions differ: as noted by Rochefort and Cobb (1993: 67), “Curious debates can ensue when issue opponents differ in their focus on ends and means, for the two sides lack a shared conceptual orientation essential even to meaningful argument.” This situation leads directly to a final criticism of the conflict-based perspective — a definition of issues as conflict is narrowly circumscribed, restricting issues to only those circumstances which have reached a crisis stage of some type.

A similar but somewhat more expansive attribution-based approach defines issues as problems or opportunities. Hogwood and Gunn (1984) recognized the strength of an expansive approach to issue definition when they posited issues as a construct broader than a single state or condition, such as conflict. They defined an issue as a multifaceted concept which can encompass a broad range of circumstances and attributes: problem or opportunity, strength or weakness, favorable trend or unfavorable threat. Two important criteria attain increased significance in this more expansive
approach — the type of circumstance identified as an issue, and the participants driving the choice of circumstance.

However, this attempt to expand the definition of an issue can still serve to confuse, rather than clarify, the issue definition process. Hogwood and Gunn’s definition of an issue reaches beyond Cobb and Elder’s adversarial condition and recognizes the important relationship between the process of identification and its results. However, while some researchers (Cobb and Elder) have posited problems as precursors to issues, rather than as issues themselves, another researcher/practitioner approach uses a “problem identification tree” as a method to identify a standard set of relevant factors (Chase, 1984: 114) leading to issues. Then, additional researchers and practitioners have clearly stated that trends are not issues but instead changes which precede issues (Chase, 1984), noting that issues must be clearly differentiated from “more general social movements, trends, events, and ‘forthcoming developments’” (Wartick and Mahon, 1994: 296). These responses to defining issues as problems or opportunities highlight a potential tautology wherein issues can be defined as “social problems that may exist objectively but become ‘issues’ requiring managerial attention when they are defined as being problematic” (Mahon and Waddock, 1992: 20). This definition of issues as problems thus can itself lead to deeper definitional dilemmas, resulting in an application of framing theory where actors simply “interpret particular circumstances as opportunities and turn these opportunities into a springboard for mobilisation” (Desrosiers, 2015: 121; see also Nelson et al., 1997; Fleming et al., 2016).

**LINKING ISSUE DEFINITIONS TO SOLUTIONS**

Decision sciences has suggested a different approach to issue definition from the process-based or attribution-based perspectives. Research on issue definition in decision sciences equated issues not to organizational processes or static attributes, but to the changing circumstances of larger analytical processes. In the field of decision sciences, which is grounded in mathematically logical decision making procedures, issues are those elements supporting the “coordination and planning of political decision processes” (Kunz and Rittel, 1970: 1). Like Cobb and Elder, and Hogwood and Gunn, a decision-sciences based approach acknowledged the linkages among conflict, problems, and issues. However, this beginning then led researchers in decision sciences to define issues as the consequences of unresolved stakeholder interactions, which then can serve as the building blocks for future organizational information systems.

As central elements underlying organizational knowledge of the environment and any resultant decision processes, issues here incorporate a broad range of properties: they can be unanswered policy questions as well as policy statements; they are focused and specific to particular situations; and they embody a high degree of flexibility and adaptability to circumstances and stakeholders (Kunz and Rittel, 1970: 4). Issues from this perspective are simply the third step in a progressive process: first topics arise in a general sense; this appearance is followed by analyses (discourses) of these topics; and the results of these discourses — the consequences of this analytical process — are issues. Positions for or against the proposed issues are then taken and argued “until the issue is settled by convincing the opponents or decided by a formal decision procedure.... It is not possible to separate ‘understanding the problem’ as a phase from ‘information’ or ‘solution’ since every formulation of the problem is also
a statement about a potential solution" (Kunz and Rittel, 1970: 2). Here decision sciences makes explicit the important linkage between issue definition and issue solution.

This approach frames issues as one of many dynamic elements in an ongoing process of adaptation, rather than as a static set of attributes. Issues in decision sciences are the outcomes of an analytical process. The results are oftentimes causal stories which have both an empirical and a moral dimension: “On the empirical level, they purport to demonstrate the mechanism by which one set of people [impacts] another set. On the normative level, they blame one set of people for causing the suffering of others” (Stone, 1989: 283). When issues here combine both empirical (i.e., “objective”) and normative (i.e., “subjective”) components, they corroborate Herbert Simon’s (1957) assertion that, in “decisions based on value judgments and decisions based on facts ... the distinction is taken as a relative one” (Anthony, 1965: 34). The result of such an approach to issue identification and definition can be the development of flexible, “satisficing” solutions which proceed along differing paths towards the achievement of satisfactory “resolutions” (Rittel and Noble, 1989; Kunz and Rittel, 1970).

Yet while the foundation of the decision sciences approach to issue definition remains similar to that of the conflict-driven approach — the definition of issues as part of a logical, rational process — decision sciences did offer a significant insight into a further extension of our understanding about issues: it worked to incorporate the effects of changing subjective interpretations on the definitional process. These manner of impacts have been highlighted in examinations of the influence of cognition on decision making, and thus a discussion of this influence can offer a valuable addition to understanding how organizations define issues.

** ISSUES AS A COGNITIVE PROCESS **

Political science and decision sciences perspectives on issue identification have highlighted the combination of empirical and normative impacts on the issue definition process. Business and corporate issue perspectives have emphasized practicality and utility grounded in empiricism, encompassing without truly recognizing the impacts of cognitive elements. All of these approaches implicitly incorporate cognitive elements as a significant variable in explaining what issues are and how they are identified — but without explicitly examining the operational characteristics of these cognitive elements. Cognitive impacts can color issue definition in many varying and even contradictory ways. Underlying these influences are the basic mechanisms of human cognition. Understanding how cognition affects thinking and action can help to illuminate the fundamental building blocks of the issue definition process.

Cognitive research has shown that systematic heuristic biases often affect issue definition, risk assessment, and the quantification of potential impacts (Poulton, 1989; Kiesler and Sproull, 1982; Taylor, 1982; Tversky and Kahneman, 1974; Tversky and Kahneman, 1973 ) Two much-studied examples from the range of potential biases impacting accurate issue definition and environmental assessment are the representativeness and availability biases (Tversky and Kahneman, 1973; Taylor, 1982) Representativeness offers surface similarities between politico-economic and socio-economic frameworks, which stem from the importance of the “subjective” human role in political and social
domains (as opposed to the “objective” realm of technical knowledge) and the common linkage of these domains to economic concerns. However, this dependence on similarity results in judgmental errors which not only misrepresent qualitative aspects of the environment, but even produce quantitative errors in probabilities, predictability, and regression tendencies (Tversky and Kahneman, 1974). The availability heuristic further distorts organizational understanding of the environment, as managers judge the frequency of a class of events by the ease with which prior instances can be remembered. This process helps explain how the stories of corporate successes in the past continue to exert a powerful influence on organizational choices, leading changes which appear to resemble this past (or the status quo) to be identified in this light.

Dutton’s (1993) research into how managers often apply past knowledge in an automatic, unquestioning fashion when defining present issues emphasized this application of cognitive heuristics. It also revealed how managers work to restructure uncertain, changing environmental circumstances into more familiar and secure frameworks. This “engagement” of differing automatic or active processes in diagnosing and responding to strategic issues can directly influence resultant organizational outcomes (Louis and Sutton, 1991; Gioia, 1986b): when “on automatic,” decision-makers often fail to scan accurately their environment, but rather rely primarily upon the “schema that individuals have in memory, and the issue categories embedded in organizational routines and procedures” (Dutton, 1993: 352) as a significant driving force behind organizational issue diagnosis and subsequent action. The risk with this approach is that questions of the appropriateness, applicability, or accuracy of these embedded responses may remain unasked.

The automatic utilization of cognitive mechanisms to bring order to a changing, disordered environment reflects a desire for control of the environment — the cognitive component of the familiar management structure of planning and control systems (Anthony, 1965). When the external environment is changing, a reliance on familiar processes “automatically” drawn from the past may work to restore a sense of internal control within the organization. However, this internal locus of control can then introduce its own impacts on the process of issue definition. As individuals and organizations employ cognitive tools such as heuristics, preplanned scenarios (Goldfarb and Huss, 1988), and scripted action patterns (Fiske and Taylor, 1984) for developing responses to perceived circumstances, the methods of the process may take precedence over the actual content of the environment. Cognitive processes can clearly “assist managers in attributing meaning to otherwise ambiguous events, in making sense of inherently ambiguous phenomena, and in adding unobservable inference to observable data” (Isenberg, 1986: 253). This process of inference for filling gaps and building generalizability, though, can also lead to selective interpretations of reality: For example, if a script serves to fill informational gaps by recalling the perceiver’s understanding of events and not the actual events, it may result in a “remembrance of events that did not actually take place. Clearly, there is a price paid for the wonderful cognitive economy available from script processing: a trade-off is made that paves the way for an insidious sort of inaccuracy in remembering events, in which the perceiver may not know that he does not know what actually happened” (Gioia, 1986b: 59; Gioia, 1986a).
Examinations of ambiguous settings have also shown that “subjects are quite willing to make causal inferences ... that they claim can be made with high certainty .... [I]f subjects are to impose their own causal scripts in interpreting the evidence, they must selectively focus on some of the material and ignore the remainder” (Kuhn, 1991: 221). The potential distortions and informational restrictions within the issue identification process of such selective reinterpretations of reality may, ironically, lead to less control rather than more: under such circumstances, organizational responses may simply mirror prior knowledge and experience rather than accurately representing and addressing current conditions.

A significant part of issue identification and definition, then, is understanding the actual environment and not confusing an understanding of issues with the perceptual processes used to address issues. Unless such an approach also recognizes the perceptual and value-laden interpretations given to issues, though, the inevitable result will be “expectational gaps which focus on inconsistencies within and/or between stakeholder perceptions of what is and what ought to be corporate performance or societal expectations of corporate performance” (Wartick, 1987: 20; author’s emphasis; Adams and Evans, 2004). Even when faced with the evidence of perceptual bias and human irrationality, skilled observers may tend to overlook the implications: “Kahneman and Tversky (1982) have noted that people’s ‘susceptibility to the vagaries of framing’ are ‘impediments to the achievement of rational decision.’ They are not sure whether the effects of framing ‘should be treated as errors or biases or whether they should be accepted as valid elements of human experience’” (Stone, 1988: 200). Cognitive impacts on issue identification and definition thus may provide a perceived “empirical” foundation which does not exist.

**ISSUES AS IRRATIONAL DILEMMAS**

Cognitive impacts on the very formation and subsequent freezing of issue definitions (Lewin, 1997 (1951); Daft and Weick, 1984) highlight the importance of developing a balance between the empirical and the cognitive in the process of issue identification: the empirical keeping the definition of issues tied to some degree to “objective reality,” with the cognitive recognizing the validity of differing interpretations of that “objective reality.” Important research has highlighted the social construction of reality as an influential element in the managerial interpretation of organizational events (Isabella, 1990; Gioia and Sims, 1986; Smircich and Stubbart, 1985; Daft and Weick, 1984). With this potential multiplicity of issue definitions, an approach which helps describe and explain how managers identify and define issues could provide the foundation for a comprehensive yet practical method of issue definition and issues management.

An important step towards this end is a reiteration of the decision sciences perspective that issues are not simply conditions, but consequences. From this approach, the most accurate mechanism for identifying and defining issues may be the examination and delineation of associated groupings of perceived issues — conditions relating to common themes (or trends or topics) which likewise represent the interests of various stakeholders. Yet when policy conflicts grow in scope and intensity, they may progress beyond the scale of “tame” problems toward a “mess” or a “wicked problem” (King, 1993). Public-industry controversies, such as the risks of electro-magnetic fields in electricity
generation, concerns over genetically-modified crops in biosciences, and restrictions on the development and expansion of commercial and residential projects all can embody the “NIMBY” (Not In My Back Yard) phenomenon. Ackoff (1974) coined the concept of “mess” to refer to the interaction of one problem with other problems, creating a set of interrelated problems, a system of interacting problems. Since a mess is a system of external conditions that produces dissatisfaction, the resulting problems “are conceptual constructs abstracted from complex situations that are systems of problems, messes. Solutions are also abstractions. No problem is ever finally put to rest” (Ackoff, 1974: 33).

Still, as problems become more ill-structured, and thus “messier,” they create settings where “various strategies for providing a possible solution rest on assumptions that are in sharp conflict with one another” (Mitroff and Emshoff, 1979: 5). What began as apparently straightforward issues can ultimately evolve into a collection of “wicked problems,” societal problems which are inherently different from the clear, “tame” technical problems faced by scientists and engineers (Rittel and Webber, 1973). With a “tame” problem, the mission is clear and a principal actor knows whether or not the problem has been solved. “Wicked” problems, on the other hand, have neither of the simplifying traits of clarity of mission or easy recognition of an accomplished solution. Rittel and Webber (1973: 161-167) found that what wicked problems do have are ten confounding, distinguishing properties:

1. wicked problems have no definitive formulation;
2. they have no stopping rule;
3. solutions are not true-or-false, but good-or-bad;
4. there is no immediate and no ultimate test of a solution;
5. every solution is a “one-shot operation”: because there is no learning through trial and error, every attempt is significant;
6. wicked problems do not have an enumerable set of potential solutions, nor a well-described set of permissible operations for incorporation into a plan;
7. each problem is essentially unique;
8. every problem can be considered a symptom of another problem;
9. the existence of discrepancy in representing a wicked problem can be explained in numerous ways, and the choice of explanation determines the nature of resolution; and
10. the planner has no right to be wrong.

The presence of these properties can lead to a situation where issue resolution becomes virtually impossible. What has developed instead are “irrational controversies” (a phrase coined by Barry M. Mitinick, 1995) which drive the process of policy issue resolution further away from conciliation and deeper into conflict. The organization, and its internal or external stakeholders, under these circumstances often develop multiple “good-or-bad” solutions which appear as isolated approaches; whether these solutions will actually solve or “re-solve” the policy controversies at hand cannot be tested beforehand. These polarized definitions of the issue drive the resolutions proposed by various stakeholders, and the organization in these circumstances faces a dilemma where a “solution” of the empirical concerns underlying the issue may in fact serve to heighten, rather than resolve, conflict.
When faced with “irrational controversies,” oftentimes “the aim is not to find the truth, but to improve some characteristics of the world where people live. Planners are liable for the consequences of the actions they generate; the effects can matter a great deal to those people that are touched by those actions” (Rittel and Webber, 1973: 167; emphasis added). In these settings attempts to link issues of a complex and multifaceted social, technical, economic, and political nature to simple solutions usually proves ineffectual — no longer are issues simply linked to answers (Kunz and Rittel, 1970). In fact, within this complex environment, issues can become self-sustaining systems, composed of stakeholders, formal and informal interests, and differing economic, political, and social agendas — systems which cannot have definitive answers.

King (1993: 112) neatly summarized this situation when discussing nuclear power in the United States: “If wicked problems are becoming more common in our modern era, and there is compelling evidence they are, we face a strategic choice.... [W]e can acknowledge wicked problems for what they are and try to stabilize them as ‘conditions.’ This is not going to be easy because wicked problems offend our sense of logic and common beliefs even more than messes. In our modern times, it is pretty hard to accept that such-and-such a problem has no solution.” This difficulty emphasizes the importance of acknowledging that the foundation of all issues are simply conditions, and it is the interpretive processes brought to bear upon these conditions which then focus attention upon them as “issues.

CONCLUSIONS

The changing managerial environment, with its growing dependence on social media and social networks, offers a fertile yet dangerous arena for malleable issue definitions. The process of organizational sensemaking, with its multiple inputs, often runs counter to the institutional desire for simple, clean definitions and solutions (Onkila and Siltaoja, 2017). Yet if managers are to effectively address this changing environment, with its rapid-fire demands for effective corporate representation and focused decision-making, they must encompass fully both the concrete-logical and the indefinite-abstract nature of this competitive milieu, identifying and employing both the “implicit” and “explicit” elements of that environment toward the development of a realistic, accurate, and substantive understanding of the issues faced (Matten and Moon, 2008).

This exploratory analysis of the varying perspectives and methodologies employed in the crafting of issue definitions demonstrates the breadth of inputs available to the decision-maker. However, this breadth can also contribute to increasing confusion and uncertainty regarding what comprises the issues faced by the organization, and how to best address these issues. Unfortunately, the results often bounce between the extremes of simply repeating what has been done previously (Dutton, 1993) or employing framing mechanisms that can misrepresent in their efforts to simplify (Desrosiers, 2015; Fleming et al., 2016). The challenge for effective managerial decision-making is to find ways to inclusively integrate these varying perspectives into a multi-dimensional approach, one that attempts not to avoid Ackoff’s “mess” (1974) but rather embraces it fully — for it is only through this embrace that managers and organizations can interact effectively and thoughtfully with their dynamic social environment.
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COGNITIVE AND NONCOGNITIVE HUMAN CAPITAL PREDICTORS OF EMPLOYEE BEHAVIORS AND WORK PERFORMANCE

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ABSTRACT

This study examines the combined effects of cognitive and noncognitive human capital on the relationship between human capital, employee behaviors, and work performance. The study also tests the moderating effects of high performance work practices (HPWPs) on the relationships. Individual level measures of knowledge, skills, abilities, personality, and work related values, are used to test hypotheses predicting that cognitive and noncognitive human capital, separately and combined, predict employee behaviors and performance and the combined measures are a better predictor. Using a sample of 100 employees, results suggest that when both cognitive and noncognitive human capital attributes are included in a single model with HPWPs as a moderator, noncognitive human capital is a better predictor of desired employee behaviors and work performance than cognitive human capital.

The findings suggest that certain dimensions of noncognitive human capital may play a key role in the SHRM model and future research could benefit by further exploring the relationship. For managers, one of the critical considerations for creating a human capital pool capable of helping the organization to attain a sustainable competitive advantage, is that cognitive human capital can be acquired by a firm through hiring individuals with the desired KSAs or it can be developed through an investment in training and development activities. Noncognitive human capital, on the other hand, is less malleable and for that reason, one of the best HRM strategies might be to select candidates for their noncognitive dimensions and plan to develop their cognitive dimensions as needed.
THE DARK SIDE OF ENTREPRENEURSHIP: A REFLECTION ON THEIR MULTIDIMENSIONALITY

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ABSTRACT

The importance of entrepreneurship to economic, political and social environments is widely recognized, and there exists plenty of evidence related to its impact. The process of entrepreneurship can be productive or destructive. Different positions have been investigated and one of the least explored is the dark side of entrepreneurship; or its destructive outputs and outcomes. The objective of the present work is a theoretical review of the literature involving the dark or destructive side of entrepreneurship. Results suggest there are many perspectives remaining for research, starting with clarification and definition of the factors or forces that drive this dark side. Our approach considers ethics, organizational psychology and a systemic approach to begin mapping it.

Keywords: Dark side entrepreneurship, critical studies, entrepreneur personality.

INTRODUCTION

Many established global institutions have credited or mentioned entrepreneurship as a key generator of innovation and measurable economic development for their area or geographic, political or enterprise-based interest, concern or jurisdiction. Noted authors and researchers have espoused the many virtues of measurable innovation due to the process of entrepreneurship. However, there has been little discussion in the literature of those reflections or empirical studies focused on the so-called dark side of entrepreneurship, a term coined from the seminal work of Kets de Vries (de Vries, 1985). A dark side that has been imported (or exported?) to other branches, such as innovation and transfer of knowledge (technological leaks), as well as the supplier-customer relationship and efforts between them for innovation tasks (Townsend, 2017; Ran, 2013; Frishammar, Ericsson & Patel, 2015; and Noordhoff, Kyriakopoulos, Moorman, Pauwels & Dellaert, 2011; respectively).

Various positions have been put forth (Jones & Spicer, 2009) to address or explain behaviors that, under certain contexts, entrepreneurs may commit and, without proper control or management, may be detrimental both to the entrepreneurial project (the nascent or established company) and for himself or his various interest groups or stakeholders called workers, family, or community. Entrepreneurship literature considers two vertices, or two sides of the coin. The white or glossy side has been studied by several authors, and highlights the wealth of elements required or suggested to achieve entrepreneurial success or effectiveness; the production of measurable
innovation (Baumol, 1990, 2010). Together they contribute to development, job creation, innovation and knowledge transfer, as well as growth in economies (Casson, 2003).

The role of the entrepreneur as a creative and innovative element or character in societies is certain (Kirzner, 2011), and the impact of entrepreneurship on regional development is widely validated (Fristch, 2011). As an indispensable agent of technological change (Link & Siegel, 2007), the knowledge-innovation-entrepreneurship-growth nexus will be created (Baumol, 2010; Braunerhjelm, 2011), which is based on the virtuous circle of the development and management of sustainable innovative territories, generating knowledge (Feldman & Avnimelech, 2011), thus increasing the "entrepreneurial capital” of a region (Audrestch & Keilbach, 2004).

Given these benefits, the entrepreneur has reached almost mythical, heroic position and proportion (Armstrong, 2005, Jones & Spicer, 2009). The entrepreneur is sometimes viewed as a quasi-redeemer of economies (Sørensen, 2008), despite various efforts that have been made in literature to explain entrepreneurship and its dark side, it appears best available information and technology suggest the dark side of entrepreneurship might best be analyzed based on organizational structure, administrative processes, and cultural elements or core values that comprise “entrepreneurial character” (Clark, 2017). Herein, the approach to analysis involves the enterprise-entrepreneur link and how it is perceived as heroic and creator of value (Steyaert, 2007). Some authors criticize this perception and classify it as ethnocentric (Ogbor, 2000), biased by gender (Calas et al., 2009) and westernized. However, using the structure-administration-culture description allows for cross-case analysis is best available technology for communication with a global audience. The culture or values piece allows for elimination of ethnocentrism; however, ethnocentrism and discrimination are often relevant to discussion of the dark side of entrepreneurship. Tedmanson et al. (2012) propose "a drastic rethinking of the unquestionable idealization of the entrepreneur" (p.531). Verduijn, Dey, Tedmanson & Essers (2014) discuss the relationship between entrepreneurship and various approaches to emancipatory positions that are intimately linked to the dark side of entrepreneurship.

De Vries, and from his experience, begins description of various problems that arise when one company acquires another and where the first decides to keep or incorporate the founder (entrepreneur) in operations. He recommends taking certain precautions before making this step, and due to certain complex and chaotic behaviors that can result. The author acknowledges not only seeing the negative side that can originate from these behaviors, but, treated in a constructive way, might be construed as advantage.

Other problems involving personality or “character” (mental abilities, moral or values-based capabilities) are noted by McMullan (1996). He provides detail of his own experiences as an entrepreneur, where anxiety and pressure to make sales and not defraud investors or friends, can require a large toll on personal lives (in line with Schjoedt, 2013, and Ufuk & Ozgen, 2001).

Wright & Zahra (2011) took up the issue and called for an inquiry and consideration of the dysfunctional effects that entrepreneurship may have on society; and later these same authors (Zahra & Wright, 2016) challenge thinking about the social value that entrepreneurial activities create.

Finally, the review of literature demonstrates that despite the attention given entrepreneurship and its dark side, there remains insufficient attention given to Latin American social economic and political contexts. This report adds to the body of literature associated with entrepreneurship – light or productive, and dark or destructive – in a context that applies to both Latin America, United States and other nations.
1. DIMENSIONS OF THE DARK SIDE OF ENTREPRENEURSHIP: FROM THE ENTREPRENEUR

Figure 1 displays the dynamic on the dimensions and elements of the dark side of entrepreneurhsip.

1.1 Entrepreneurial Personality

Marcela (2017) mention that the psychological approach tries to identify the dispositional variables (personality traits) which differ the individuals sharing the same socio-economic context.

The entrepreneurial personality has been approached in numerous ways (see the meta-analysis developed by Brandstätter, 2010); and is considered an essential component of entrepreneurial character and behavior. Kramer, Cesinger, Schwarzinger & Gelléri (2011), address this dark side in terms of personality traits that may arise in real entrepreneurs, such as (i) narcissism (dominance, exhibitionism, exploitation, superiority, Lee & Ashton 2005), (ii) Machiavellianism (Jones & Paulhus, 2009), and (iii) psychopathy (issues concerning affective, interpersonal and behavioral traits, Cooke, Michie & Hart, 2006, a disproportionate sense of self, Hare, 1999, prestige and...
control, Deutschman, 2005). Often, this results in decisions that maximize short-term capital and power (Boddy 2006). These three elements are known as the Dark Triad of Personality (Wales, Patel & Lumpkin, 2013); and positively-related to intent.

The dark side of entrepreneurship can have deleterious impact on confidence, creativity and motivation; and will effectively result in decline of workers' confidence and can instigate the need for organization-based political skills that the entrepreneur can apply to moderate negative outcomes. However, this require learning and practice to make effective and efficient. Herein, effective means achieving goals and efficient means doing so in most profitable manner or way.

1.2 Egoism, Greed & Hubris

On selfishness, Beaver & Jennings (2005) warn of the consequences it can have on the organization and on the entrepreneurial-manager dyad. The maladaptation of the former to solve any crisis that can arise during establishment or growth suggests it is a significant cause for business failure. Imagine the impact on nascent forms of business. Therefore, the ego or attitude of some entrepreneurs can lead to an abuse of trust and power that influence this sort of failure. Greed or "desire for and active pursuit of extraordinary material capital"(Haynes et al., 2014, p. 6), and hubris or exaggerated pride or self-confidence, often resulting in retribution (Hayward & Hambrick; Miller, 1990) have also been character traits that can affect the entrepreneur's organizational relationships or contexts (Takacs, Hitt & Tochman, 2015). Whether it be new companies, entrepreneurial family companies, corporate entrepreneurial projects, or the entrepreneur alone, the dark side of entrepreneurial character can affect the organization’s human and social capital. This dark side of entrepreneurial leadership has been scarcely addressed in the stream of science and research and warrants much investigation; and can have impact on the productive or creative entrepreneurship. This conforms and aligns with Hayward, Shepherd & Griffin (2006), who point out how proper management of hubris or character could have results that improve the decision making of the entrepreneur; and maybe contribute to the decrease in mortality for newer companies. Greed and psychopathy also investigated and linked by Akhtar, Ahmetoglu & Chamorro-Premuzic (2013). Likewise, under terms and conditions of the dark side triad, Hmieleski & Lerner (2016) mention that those elements are positive associated with unproductive entrepreneurial motivations (e.g., diminishing value, maximizing profits at the expense of employee well-being, growing under organized crime dynamics, growth fast and sacrificing quality).

1.3 Addiction

Authors such as Keskin, Gümüşsoy & Aktekina (2015), have begun to reflect on whether entrepreneurship could be considered an addiction, presenting features of addictive behavior such as obsessive thoughts, negative emotions. They compare it with addictions like internet gambling, suggesting that the so-called serial entrepreneurs face difficulties associated with the urgency to continue. This is shared by Spivack, McKelvie & Haynie (2014), who identify a "behavioral addiction to entrepreneurship", in what they call habitual entrepreneurs, individuals who during their life found multiple companies which are sometimes sold or merged, just to start over. This, and they affirm, could offer a psychological explanation to the dark side of the enterprise which sometimes leads to social isolation and health problems; like discussed by Shepherd & Patzelt
This suggests there should be more attention and research devoted to the entrepreneur’s awareness of himself or herself; especially given the importance of the entrepreneur’s well-being for various stakeholders; and the value, image and identity of the entrepreneur’s organization.

1.4 Entrepreneurial Behaviors

Lundmark & Westelius (2012) question the relationship between what is considered a bad behavior of an entrepreneur and entrepreneurship. They call into question that certain companies might fall into what some institutions classify as bad behavior, considering that often new entrepreneurial projects need support outside the organization itself (as "support" of some public servants), and that these "bad behaviors", although risky, have positive consequences for the entrepreneurial project and / or its members. Fadahunsia & Rosa (2002) point out the development that these illegal activities bring with them, creating companies and jobs, positive consequences almost not addressed in the literature (Richards, 2008).

Thus, Obschonka, Andersson, Silbereisen & Sverke (2013) ask if there is a relation of it, entrepreneurship and antisocial tendencies as a bad behavior. This even occurs at the succession of the founder in familiar companies, presenting serious problems when arriving the successor to the power, and decide to maintain or not the policies or strategies that the first implemented. Zhang & Arvey (2009) also address these behaviors by finding a link between male adult entrepreneurs and past antisocial behavior in their teens. In the same vein, Obschonka et al. (2013) state that their findings agree with this, and this behavior is a valid predictor for initiating an entrepreneurial pathway in adulthood in men, but not in women, but criminal behavior, if present, is not suggestive or important in such prediction.

What if these bad behaviors were addressed from the life story of these entrepreneurs? What has been presented during it and how have they faced it? Is it the case that this is intimately linked to be an entrepreneur? What if we explore these behaviors as psychologists do when they receive a new patient, using the medical history, but now focused and applied to entrepreneurship? DeNisi & Alexander (2017) suggest as a future line of research the historiometric analysis.

1.5 Dark Side as a Process

Thus, some recent studies of the subject have begun to explore this dark side, not only from the person, but also to insert it on both the organizational and entrepreneurship processes, exploring it for example from the theory of social exchange, which suggests that from interdependent interactions the exchange is based, which is born from a dyad where one individual (in this case the entrepreneur) creates an obligation towards the other (employee) that in turn acts towards the former in a reciprocal way (Cropanzano & Mitchell, 2005), creating among them, when continue this exchange seen by both as favorable, a long-term trust relationship (Molm, Takahashi & Peterson, 2000).

At the organizational level, some studies suggest that such trust is positively related to firm performance (Aryee, Budhwar & Chen, 2002). It is possible, says Aftab (2016), to think what would happen in the case of a high dark triad of personality in the entrepreneur, who under it, is
not interested in helping others or being reciprocal in that exchange, manipulating their employees for personal gain regardless of costs incurred to them, such as professional or psychological damages, causing the intangible payments (respect or recognition) received by the worker to disappear, and give way to those tangible (monetary payment) which are not sufficient enough to keep the exchange intact or complete. Negative feelings, such as anger and resentment, would arise because of this bias that has injected the entrepreneur into the process (Molm et al., 2000). Once this, trust towards the latter will decrease (Walker et al., 2000), with negative information disseminated (Feinberg, Willer, Stellar & Keltner, 2012) by the worker possibly to different interest groups, affecting the entrepreneur both personally and the business itself.

The foregoing shows how the dark side of entrepreneurship can have as its genesis the entrepreneur himself. However, and existing (Marcela, 2017) contextual variables that influence entrepreneurial behavior and personality, it is suggested that the environment under which the individual and his entrepreneurial project develop can also lead to the appearance of this dark side.

2. DIMENSIONS ON THE DARK SIDE OF ENTREPRENEURSHIP: FROM THE CONTEXT.

Marcela (2017) suggests that although the characteristics of the individual (e.g. an entrepreneur) are somewhat easier to measure compared to other variables involved in the process of creating a business (or exploiting and opportunity), it is unfair to limit ourselves to a vision which only considers the person when discussing entrepreneurship. Entrepreneurship is certainly multidimensional, and the dark side is always present and could be labeled as destructive or unproductive (Baumol, 1990, 2010), having influence on other aspects of enterprise operation and sustainability. Moreover, Boettke & Coyne (2009) look at the important connection between institutions and entrepreneurship, where the former consists of the formal and informal “rules of the game.” and the latter act within a context determined by these rules that create payoffs that make certain entrepreneurial opportunities (private for-profit, private nonprofit, and political) more attractive than others, including unproductive, destructive, and evasive activities.

2.1 Social Entrepreneurship
Williams & K’knife (2012) ask themselves which companies, according to their purpose, can really be considered social and fall within social entrepreneurship, since empirical data indicate that sometimes they receive funds to carry out their social work, and this may have as an indirect consequence to strengthen the contexts of certain groups of power or violence who could use such entrepreneurship as a false identity, image or brand and comprise a dark side of social entrepreneurship.

2.2. Criminal Entrepreneurship
Abdukadirov (2010) even suggests that, in adherence to the literature, terrorists would be social entrepreneurs. Defends that, like any entrepreneur, they have an organizational structure, financial and human capital, have strategies, look for new opportunities, take risks and innovate. However, they are not motivated by profits, but by their ideologies. In fact, already Gottschalk (2010) had approached the organized crime under entrepreneurship, a vision approached in Baumol (1990) certainly as an enterprising but unproductive activity.
Analyzing it from a dyad composed by organized crime and its agents, entrepreneurs and provocateurs, he calls it a criminal enterprise using logic similar to Abdukadirov (2010). Like those pointed out by Fadahunsia & Rosa (2002) on entrepreneurial activities related to illegal and legal trade in the border areas of Nigeria and where the entrepreneur must deal with strong networks of corruption in the official spheres, diverting the energy of the entrepreneur more towards the management of these deleterious networks and not investing effort in the positive exploitation of profitable opportunities, regardless of nature.

2.3 Institutional Entrepreneurship
What about the international development programs and entrepreneurship practices that different organizations are promoting in emerging economies or developing countries? Khan & Munir (2006) reflect on how they are implemented in these territories, sometimes leading to unintended side effects that sometimes could be more harmful than what they tried to solve, and what they consider would be the dark side from the institutional. This is aligned with proposals from Foley & Hunter (2016) on initiatives of this nature in indigenous communities of Australia (Indigenous Entrepreneurship) and its effects that increase inequalities rather than reducing them (Bonacich, 1993).

2.4 Public Entrepreneurship and Other Related Contexts
Fennimore & Sementelli (2016) inquire about the dark side but from the context of the public sector (public enterprise), exploring the psychopath profile that can be presented by government officials, being a threat to the state and its citizens, categorizing them as "climbers" and "fanatics". Nor should we forget the critical views that, since the seminal work of Bonacich (1993), have had the ethnic entrepreneurship, contribution from the immigrant sphere in the United States and the abuse that often suffer the workers (illegal many of them) in these companies, an element to the benefit of those who hire them, large corporations. Somerville, Smith & McElwee (2015) provide a glimpse into the dark side from the rural context, a scarce line of research in literature, giving as one of the reasons there is an idyllic look at the field and social belief that in this context there is no crime, this being a typical urban problem. Other areas such as tourism, an activity strongly promoted by Latin American governments, are looking on their entrepreneurs and their entrepreneurial characters, relationships, orientation towards the future, humility and benevolence as opposed to the classic attributes in entrepreneurship such as selfishness, risk taking and opportunism (Power, Di Domenico & Miller, 2017).

“Context has always played a role, implicitly and more recently, explicitly” (Welter, Gartner, & Wright (2017, p. 1). The influence of context on entrepreneurship processes the literature review suggests might be a key element on the genesis of the dark side of entrepreneurship.

3. ANALYSIS AND DISCUSSION

From the dimensions shown in Figure 1, various approaches for thinking of the ways that the dark side of the enterprise may be approached, suggests opening the spectrum to the contextual and
from different areas of knowledge, as well as to recognize the multidimensional nature that, as a social fact as it is, does have. After reviewing each dimension separately, it would be interesting to explore how the entrepreneur side dimensions would potentially match or interact with the context side dimensions. Our proposal on the dynamics of the dark side of entrepreneurship it’s in line with Zahra, Wright & Abdelgawad (2014, see figure 2), in which they consider dimensions of entrepreneurial behavior relating to each of these aspects of context turn, and it’s, like fig 1, also a back and forth relationship.

Figure 2. Interaction Context and Entrepreneurial Behavior

Source: Zahra, Wright & Abdelgawad (2014)

3.1 From the Entrepreneur

Klotz & Neaubeaum (2016) emphasize further investigation of the complex processes that comprise an entrepreneurial personality or character and how it envelops, and how it affects the performance of organizations to which they are members. Aligned with Miller (2014), they believe that organizational sciences often do not consider the other side of entrepreneurship, and suggest that researchers take an approach that involves the personality or character of the entrepreneur and rely on the contributions already made from organizational psychology.

Almost a decade ago, Baumol (2010) suggested the time is now to investigate macro level (company) links with the micro (entrepreneur); and even connect to a meso-level (region/territories) where additional cultural knowledge generates a better understanding of the entrepreneur and processes of measurable innovation (Baumol, 1990), a systemic approach that also, but from other angles, especially from the impact on the social, was suggested by Miller (2014), and DeNisi & Alexander (2017).
Having explored various elements, is the dark side really so dark? In the same vein, Butler (2015) wonders if it insinuates something negative. The literature already addressed gives evidence on various angles under which these elements are considered as part of the dark side. Several studies suggest that, in certain contexts, the elements of the triad may be positive (Judge, Piccolo & Kosalka, 2009). Jonason, Webster, Schmitt, Li & Crysel (2012) find that those individuals who have a high triad are popular and socially seductive, narcissists can have visionary leadership and provide strategic growth (Chatterjee & Hambrick, 2007). Machiavellian individuals also seek leadership positions (Judge et al., 2009); and it is claimed a psychopath can be a persuasive and courageous leader (Lilienfeld et al., 2012). Jonason, Wee & Li (2014) suggest not exclude someone that might have a high triad (e.g. a politician, Deluga, 1997).

In line with Butler (2015), if the dark personality triad can present both positive and negative results, is it really bad, dark? If this triad is a central part of the dark side of entrepreneurship, will it be the latter so dark?

3.2 From the Context

Recognizing the existence of institutional and cultural explanations, Boettke & Coyne (2009) points at the difference on entrepreneurial opportunities and activities across societies, an important factor in the varying levels of wealth and prosperity across societies and nations (van Praag & Versloot, 2007). Therefore, context can redirect entrepreneurship in positive or negative directions, functional or dysfunctional effects.

Thus, Gadeffors & Anderson (2017) in line with Baker & Welter (2017), suggests departing from context as the unit of analysis will avoid the objectification of entrepreneurship, opening up for discussing the becoming of entrepreneurship, formed from the context itself rather than being individual or social; appears simultaneously to be both, proposing a relational epistemology (connections to, and between the ecosystem) that differs from the more typical subject-object epistemology used on research.

Cases such as those of Hugo Boss (Acosta, Montiel & Rodríguez, 2017), who worked for the Nazis designing various articles, invite reflection, as the financial and operating pressures that new and established companies face in order to survive, perhaps increase incentives for entrepreneurs to engage in questionable behaviors (Bucar & Hisrich, 2001), which, linked and explored between ethics and entrepreneurship, suggested by Harris, Sapienza & Bowie (2009) could clarify more this dark side (which when done may not be that much) and its current questions.

Morris et al. (2002) considers entrepreneurial behavior as a set of tense and full ethical dilemmas, suggested by Payne & Joyner (2006). Entrepreneurs are admired for their creative ways of overcoming obstacles, breaking rules or putting at risk other people's resources are considered part of the entrepreneurial spirit (Dees & Starr, 1992). Although Williams, Orpen, Hutchinson., Walker & Zumbo, (2006) highlight the role of personality in perceptions of just and unjust behavior, ethical reasoning, and resolutions of moral dilemmas (see also Bartels & Pizarro, 2011), the result says Morris, is that reconciling what is "entrepreneurial" and "ethical" can be tricky.

Is there really a dark side? Brenkert (2009) says that not necessarily. When an entrepreneur breaks legal or rules, the obvious answer is that he might be condemned. However, based on an analysis leveraging virtue and, in certain contexts even when it is morally wrong, a decision could be ethically acceptable.

Brenkert points out that it is not a matter of breaking rules at will, or of exempting from civil or criminal charges those who deserve it, but of broadening the ethical perspective that captures
creative destruction, as well as the moral and progress changes that occur through time. There are no rules or algorithms that tell the entrepreneur what to do, and the dynamic context of entrepreneurs is attractive from different angles. In some cases, breaking rules could be admirable and attractive.

It suggests a dynamic view of morality and ethics, breaking the rules assumes a different nature and role, honoring the virtues that an entrepreneur has or should have, and allow him to be competitive, persevering, take advantage of a situation where there is little harm to others, giving results to him or his business. Was Hugo Boss ethical? How to analyze the dark side of the entrepreneurial act?

Surprisingly, literature does not provide any definition of the dark side of entrepreneurship or any scheme, only invoking to state and describe the facets of this concept and how they can cause negative effects because of poor personal or organizational management.

Thus, following the vision of Shane & Venkataraman (2000), where they consider the field of entrepreneurship as a study of the sources of opportunities, the process of discovery, evaluation and exploitation of these by a group of individuals who manage the process, and based on what has already been discussed in previous sections, we propose the following definition: The dark side of entrepreneurship is a process under the entrepreneurial activity carried out by an individual (s) directly, indirectly, through an organized enterprise, or made by some instance of the entrepreneurial ecosystem (where Spigel (2015) sees an entrepreneurial ecosystem, as a series of combinations from the social, economic, cultural and political pertaining to a territory, which supports not only the development and growth of new companies, preferably with innovative elements, but also new entrepreneurs and diverse actors, so they can take risks, finance and advise these entrepreneurial projects) has a negative impact on the element for which it has been implemented, and causes a decrease in organizational or innovation-based value that jeopardizes the viability of the original objective, goal or mission.

**CONCLUSIONS**

The literature review yields a relatively small amount of work on the subject; and on the other hand, there is no knowledge of any that recaptures and tries to structure the different positions under which this has been investigated.

Already Kets deVries (1985) reflected that the characteristics that make a successful entrepreneurial leader, could become destructive with the corresponding damage to the immediate environment. Himself, like Kuratko (2007), points out that the line dividing the bright side of that dark one is often blurry, difficult to distinguish. This establishes an important area of opportunity. Like Zahra & Wright (2016), we urge for a greater and wider understanding of the social role entrepreneurship comprises. This suggests moving from the micro level to the meso-level in such ways that all of entrepreneurship as a process can be explored in more detail and also its other dimensions including the so-called dark side, so they can be more understood and leveraged to create regional growth or alleviate poverty. In line with Zara & Wright (2016) not only the entrepreneur, but also all the entrepreneurial ecosystem might look closely at the dysfunctional effects that entrepreneurial activities can entail when trying to create value, broaden the spectrum and include all environments – social, economic, regulatory, technological and natural – and focus on how personality and character interacts with the other inputs necessary for desirable and undesirable outputs and outcome associated with those inputs (DeNisi & Alexander, 2017).
We suggest that addressing the entrepreneurial process, from the entrepreneurship itself and with the support of other areas of knowledge, could give more light to a better understanding of both sides and how they are juxtaposed, iterative, justifiable, contextual in practice and evolve according to the operation and life of the enterprise or organization that supports the entrepreneurial character.

Diverse positions, like from the ethics, could help to define the process and its dark side. We suggest future research on the dark side of the entrepreneurship using a systemic approach, which appears to be the most appropriate way to start questioning and exploring the different entrepreneurial contexts that will allow for a more detailed definition of the dark side, and the various faces or sides it might have. Also, the context dimension requires more development related to their dysfunctional effects. Finally, it would be more interesting an in-depth research on how specifically the entrepreneur side dimensions would potentially match or interact with the context side dimensions.

REFERENCES


CAREER READINESS EDUCATION (CRED) PROGRAM

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ABSTRACT

The purpose of this paper is to describe a program called Career Readiness Education (CRED) guided by research-based best practices. CRED is designed to create an educational pathway for students to obtain guidance on career choice and a successful college-to-work transition. CRED is based on the Organizational Socialization Process framework proposed by Wendlandt and Roche (2008). CRED’s goals are for students to (a) assess their career options (b) test career expectations through direct exposure to workplace cultures (c) recognize and value elements of professionalism. For each goal, we identify student learning outcomes (SLOs), activities and SLOs assessments. The implementation of this program seeks to enhance the educational experience of students and allow them to succeed in their life-long career journey.

CAREER READINESS IN HIGHER EDUCATION

National surveys have underscored the importance of career preparation in college while suggesting that college graduates are not adequately prepared for the transition from college to work. The Chronicle of Higher Education and American Media Market Place 2012 Survey reported key findings on employers’ perceptions of the role of colleges and universities in career preparation. The survey found that 31% of employers indicated recent graduates are unprepared or very unprepared for their job search (The Chronicle of Higher Education, 2012).

Experiences in college that contribute to students’ feeling they are prepared for life after college include internships, jobs, extracurricular activities, organizations and working on a semester-long project. In these experiences, students are able to apply what they learn and develop expectations about their desired profession. Colleges can give students the knowledge and experiences that help them prepare for future careers, while educating them on how to identify and seek out workplaces that further foster engagement.

If an employed graduate had a professor who cared about them as a person, one who made them excited about learning, and had a mentor who encouraged them to pursue their dreams, the graduate’s odds of being engaged at work more than doubled (Gallup Purdue Index, 2014). A large portion of graduates, 59%, who experienced all three are engaged at work, compared to 30% who did not have any of these experiences. Only 14% of all college graduates strongly agree that they had support in all three areas. If employed graduates feel their college prepared them well for life outside of college, the odds that they are engaged at work increase nearly threefold.
University students, their families, and the American public all expect college to be a transformative experience that leads to great jobs and great lives. However, all too often, that is not the case. Higher education has the power to change that. To address the issue of career preparation while in college, we present a review of the literature on career readiness. Based on empirically based best practices, we propose the Career Readiness Education (CRED) program designed to create an educational pathway for students to obtain guidance on career choice and a successful college-to-work transition.

**LITERATURE REVIEW**

**Defining Career Readiness**

*Career* is usually defined as a “sequence of experiences in the world of work with objectives and consequences” (Sears, 1982; p. 137). The term *readiness* is typically considered to be a synonym of *preparedness* in most disciplines (Camara, 2013). *Career readiness* is defined as “the attainment and demonstration of requisite competencies that broadly prepare college graduates for a successful transition into the workplace (National Association of Colleges and Employers, NACE, n.d.)”. Key areas in career readiness include learning professional roles, understanding workplace cultures, and professional socialization (Trede, Macklin, & Bridges, 2012). Students seeking career readiness need to develop an understanding of the professional requirements to be successful in the workplace, while acquiring relevant knowledge and technical skills related to their desired career (Daniels & Brooker, 2014).

A successful entry into the workforce is a key developmental period for college students (Schoon & Silbereisen, 2009; Shulman & Nurmi, 2010). A career-ready student “effectively navigates pathways that connect education and employment to achieve a fulfilling, financially-secure career” (Career Readiness Partner Council, n.d.). Students participating in career readiness programs understand that a career involves more than securing a job; rather, it is a long-term journey.

Many experts believe career readiness is not a static state (Sampson, McClain, Musch & Reardon, 2013), and it has no defined end-point (Career Readiness Council, n.d.). The mastery of career readiness varies as the student advances along a continuum. Changes within the individual specifically or circumstances generally can enhance or detract from readiness (Sampson et al., 2013). Further, the changing dynamics of our current workforce requires a career-ready student to be adaptable and committed to lifelong learning (Career Readiness Council, n.d.).

**Research on Career Readiness**

The increased job pursuit challenges faced by recent college graduates suggests that higher education institutions need to increase their efforts to help students become career ready (Kavoussi, 2012; Lipka, 2008) measure of professional development). Between 2009 and 2011, fewer than half of recent college graduates found their first job within one year of graduating (Stone, Van Horn & Zukin, 2012). Prolonged periods of unemployment for recently graduated students can have negative consequences mentally, physically, financially (Blustein, Medvide & Wan, 2012), and professionally.
To foster career success, university campuses are now offering combinations of formal academic programs and auxiliary services dedicated to career planning and readiness (Nell, 2003; Rayman, 1993). In fact, the shift from job placement to career planning and readiness services began to emerge in the 1990s (Rayman, 1993) to ensure college graduates successful transition into the workforce. Current college-to-work initiatives face the unique challenge of designing effective bridges to workplaces that focus on students’ long-term development and adjustment (Lent, Hackett & Brown, 1999).

Students’ transition to the workplace should not be viewed as a single event that occurs immediately after graduation. Rather, this transition should be a gradual process that evolves as students progress through their academic years. Viewing the transition to work as a “process” instead of an “event” allows for a lengthy, carefully planned preparation and an extended phase of adjustment to work and other life roles (Lent et al., 1999). Thus, career readiness interventions should be distributed across the college years rather than a concentrated event during the senior year.

Understanding transitions and the changes experienced by newcomers to the workforce will help higher education institutions develop better strategies to maximize students’ success. The transition of starting a professional job changes a student’s life (Schlossberg, 2011). For any student, the alteration of roles, routines and assumptions makes the transition difficult. As a result, the process of preparing students for this change takes time to help them gradually separate from the past and move towards new roles (e.g., professional roles).

Acclimating to the world of work is crucial for the success of college students. (Holton, 2001; Polach, 2004). In fact, research has noted a direct positive relationship between adjustment difficulties and turnover (Polach, 2004; Saks, Uggerslev, & Fassina, 2007; Sturges & Guest, 2001). Institutions in higher education need to prepare students for this transition by offering programs that extend beyond securing employment (Perrone & Vickers, 2003) and address factors that contribute to low career readiness (Sampson et al., 2013).

Variables Contributing to Low Career Readiness

- **Limited exposure to career services** may leave students confused about how to use resources such as self-assessments or job information that are available to them on college campuses. For example, when using a career interest inventory, students may not know when to seek assistance from a career counselor. This may be a challenge for students with limited experience who may be attempting to use self-help resources readily available in the library or the internet (Di Fabio & Bernaud, 2008; Koszalka, Grabowski & Darling (2005); Sampson et al., 2013).

- **Inaccurate expectations about career choice and career services** can produce unrealistic beliefs about the existence of a perfect career choice (Di Fabio & Bernaud, 2008; Koszalka et al., 2005; Wendlandt & Rochlen, 2008; Sampson et al., 2013). For example, students may have an inappropriate expectation that a career search engine system is the best option to match occupations with their characteristics (Krumboltz, 1985).
• **Negative prior experience with career interventions** can result in anticipation of unsuccessful use of these services, resulting in self-fulfilling prophecy of failure when attempting to make an informed career decision (Fouad et al., 2006; Tuttle, 2000; Williams, Glenn & Wider, 2009).

• **Cultural disparity between work and classroom** (Nystrom, 2009) produces a weak understanding of organizational culture. Approximately 79% of recent graduates felt they had little understanding of work culture before entering the workforce (Sleap & Reed, 2006). Similarly, college graduates reported one year after graduation that they had a weak understanding of the work culture (Holton, 1995; Kammeyer-Mueller & Wanberg, 2003).

• **Lack of experience and skills essential** prevents recent graduates from performing jobs at adequate levels (Fallows & Steven, 2000; Perrone & Vickers, 2003). Survey results indicate that a mismatch between the skills graduates possess and those desired by employers (Evers & Rush, 1996; Fallows & Steven, 2000; Perrone & Vickers, 2003). Results reported by Sleap and Reed (2006) indicated recent college graduates would like for colleges to place more emphasis on developing transferable skills during undergraduate work.

• **Unrealistic expectations of the workplace and role as an employee** make students experience greater levels of stress (Holton & Russell, 1997; Louis, 1980; Wanous, 1992). Research suggests students are often unfamiliar with the differences in culture between college and work and have difficulty anticipating change. These inflated expectations cause considerable disappointment and lead to low levels of job satisfaction (Gardner & Lambert, 1993; Graham & McKenzie, 1995; Perrone & Vickers, 2003). The effects of disappointment resulting from unmet expectations should not be ignored. Numerous students report that job satisfaction is related to lower levels of well-being, performance, motivation and high levels of turnover (Kammeyer-Mueller & Wanberg, 2003; Saks & Ashforth, 2000).

The variables contributing to low career readiness can result in several negative effects for college students. These consequences result in behaviors that can adversely impact students’ career success. Examples of negative behaviors associated with low career readiness include: (a) **premature withdrawal** when there are perceptions of difficulties in the use of career services and resources (McGaha & Fitzpatrick, 2005; Sampson et al., 2013; Wachter Morris, Shoffner & Newsome, 2009) (b) **negative perceptions of skills** caused by anticipated failure in completing a work-related task, which in turn leads to discontent and embarrassment (Gati, Fishman-Nadav & Shiloh, 2006; Hirschi, 2009; McQuarrie & Jackson, 2002; Sampson et al., 2013) (c) **negative perceptions of interests** after perceptions of failure in applying skills associated with an interest (Foskett & Hemsley-Brown, 1999; Hirschi & Lage, 2007, 2008a; Kerka, 2001; Sampson et al., 2013) (d) **selective acquisition of incomplete information** may reinforce perceptions of not being interested or not able to succeed in an occupation (also known as self-fulfilling prophecy) (Corcoran, 2000; Sampson et al., 2013) (e) **premature choice foreclosure** is used to avoid the risk or effort involved in considering other possible occupational options (Sampson et al., 2013) (f) **protracted exploration of choices**, or a compulsive need to find the perfect option, helps avoid the risk failure (McAuliffe et al., 2006; Pizzolato, 2007; Yang & Gysbers, 2007) (g) **dependent decision-making** style involves deferring responsibility for a career decision to a significant other
Variables causing low career readiness need to be taken into consideration and removed by career readiness interventions in order to prevent the aforementioned negative effects. Models of organizational socialization that take into consideration these obstacles can provide a clear and organized framework to help students adapt to workplaces.

Organizational Socialization Model

Theories of organizational socialization align with traditional models of career development and further expand on explaining the process of newcomers’ entry into the workplace. Super’s life-space theory of career development (Super, 1992; Super, Savickas, & Super, 1996) and Schlossberg’s transition theory (Schlossberg, 1984; Schlossberg, Waters, & Goodman, 1995) can be used in combination with organizational socialization models to design career readiness interventions (Wendlant & Rochen, 2008).

A three-stage organizational socialization model proposed by Wendlant and Rochen (2008) explains the unique experience of student graduates preparing to enter the workforce. This framework is based on well-researched socialization models proposed by Feldman (1976), Louis (1980), Porter, Lawler, and Hackman (1975), Schein (1978), and Wanous (1992) and integrates important concepts addressed in career development and transition theories. It is important to note that although the model identifies three stages, the socialization process should be viewed as continuous and adaptable to the needs of individuals throughout their careers.

The first stage of the socialization process proposed by Wendlant and Rochen (2008) is named anticipation. This is an exploratory phase that occurs before students enter an organization. For the duration of this stage, students collect and assess information related to their desired career, develop expectations about workplaces and the roles of employees, and identify their needs and wants in a career (Feldman, 1976; Louis, 1980; Porter et al., 1975). The evaluation of career information and results from self-assessments are crucial for transition outcomes, career choices and adjustment to workplaces (Super, 1990; 1992). The anticipation stage is viewed by transition theory as a “moving out” phase because students will perceive they are leaving something behind as they prepare to enter the workforce (Schlossberg, 1984; Schlossberg et al., 1995). Thus, students undergoing this phase reconcile impending feelings of losing something familiar (e.g., college environment).

The second stage, adjustment, begins when students enter workplaces. During this time, students become familiar with the workplace culture (Super et al., 1996) and continue to learn new skills that are essential to their careers, clarify their roles as professionals, and learn to self-assess their performance (Feldman, 1976; Schlossberg et al., 1995; Wanous, 1992). The adjustment stage
allows students to test expectations and clarify discrepancies between their visions and the realities of their desired career (Louis, 1980; Porter et al., 1975; Wanous, 1992).

The third stage of the organizational socialization model is achievement. Progressing to this stage requires students to assess workplaces. This phase involves adopting new values, an altered self-image, and new professional behaviors (Porter et al., 1975; Wanous, 1992). A successful organizational socialization suggests high levels of job satisfaction, reciprocal acceptance between the employer and the recently graduated student, organizational commitment and intrinsic work motivation (Feldman, 1976; Schein, 1978; Wanous, 1992). Although the assumption in the achievement period is that students have entered the workforce, for the purposes of our career readiness education program, the goal of this phase is to prepare students for a successful achievement stage.

APPLICATION OF THE ORGANIZATIONAL SOCIALIZATION MODEL IN HIGHER EDUCATION

The implementation of the organizational socialization model in a higher education institution requires the collaboration of many services and personnel to ensure its success. To meet the career readiness of our students, we propose the Career Readiness Education (CRED) Program. This program will rely on career counseling and exploration activities, experiential learning programs, and career services activities.

Career Counseling and Exploration

Every adult needs guidance in developing an individual career plan. In a report by the National Career Development Association (1999), 69% of young adults indicated that they would try to get more career related information if they were starting over, and 39% would seek the help of some type of counselor. These survey results suggest that the early years of the college experience are a time sensitive period for gaining a sense of meaning and choosing a career path (Adams, 2012; Tirpak & Schlosser, 2015).

Many undergraduates experience difficulties in career related decisions because they are faced with too many choices, not exposed to enough options and/or feel unprepared to make a decision (Gati, Krauz & Osipow, 1996). It is important to understand these challenges and develop strategies to assist students through career counseling. Meta-analyses research has demonstrated the use of classroom interventions as an effective strategy to help students explore and formulate a career plan (Oliver & Spokane, 1988; Spokane & Oliver, 1983; Whiston, Sexton & Lasoff, 1998).

During career counseling interventions, students have an opportunity to engage in career exploration activities to learn more about themselves and employment opportunities. In fact, career development theories propose that exploration is needed to avoid future problems related to indecision and premature career decision making (Super, 1990).

Career exploration activities are most beneficial for students undergoing the anticipation stage of the organizational socialization process. Effective career exploration interventions have been
positively related to better person-environment fit in a chosen career (Grovetant, Cooper, & Kramer, 1986), increased occupational self-concept clarification (Robitschek & Cook, 1999), improved realistic career expectations (Stumpt & Hartman, 1984), higher number of job interviews and job offers (Stumpf, Austin & Hartman, 1984) and superior career establishment (Jepsen & Dickson, 2003).

Brown and Ryan Krane (2000) noted that the content of the career counseling intervention is more important than the format. This means that these interventions need to be comprised of specific elements that are important to the participant and improve effectiveness in career success. Results of a meta-analysis reported by Ryan (1999) and research conducted by Brown and Ryan Krane (2000) identified five crucial components of an effective career counseling intervention. These are (a) written exercises requiring participants to write goals, future plans and occupational analysis (b) individualized feedback on assessment results, goals and future plans (c) opportunities to research world of work information and career options (d) exposure to models of career exploration, decision-making and career implementations (e) activities designed to offer support for participants’ career choices and plans.

An updated meta-analysis study conducted by Whiston, Li, Mitts and Wright (2017), identified three additional key factors as important in career counseling: (a) career counselor support (b) clarification of values (c) psychoeducation interventions about the steps involved in making a career related decision. Further, of the five critical components identified by Brown and Ryan Krane (2000), the factor with the strongest support for being an effective career intervention was written exercises.

**Experiential Learning Programs**

A prevalent student-oriented learning approach used in higher education is experiential learning. The application of experiential learning activities typically involves four interdependent stages: concrete experience, observation (analysis and reflection), generalization (forming abstract concepts, and application (evaluating new situations) (Plesoianu & Carstea, 2013). Instructional activities associated with experiential learning allow students to create meaning from direct experiences outside of the classroom, reflect on the experiences and incorporate a new understanding into their lives (Bohn & Schmidt, 2008). Experiential learning activities combine experience, perception, cognition, and behavior to arrive at an integrative perspective (Wulff-Risner and Stewart, 1997). Experiential learning programs seem to be very beneficial to students who have a general understanding of their career goals and are experiencing the adjustment stage of the organizational socialization process.

Research has shown that experiential learning activities participants employ metacognitive skills and acquire the highest level of understanding and mastery of the targeted learning area (Bohn & Schmidt, 2008). Further, a study by Mahoney and Retallick (2015) reported that experiential learning activities enhanced students’ learning by requiring students to use real-world life skills that transfer in their future careers. Participants of the experiential learning activities reported feeling more comfortable and confident as they entered the workforce. Mahoney & Retallick (2015) recommended that experiential learning activities should follow the eight best practices
recommended by the National Society of Experiential Learning Education (2011). These are: (a) intention (b) preparedness and planning (c) authenticity (d) reflection (e) orientation and training (f) monitoring and continuous improvement (g) assessment and evolution (h) acknowledgement.

Undergraduate participants of experiential learning activities have shown improved success in organization, efficiency, and academic performance, as well as higher graduation rates than peers who do not take part in experiential learning programs (Dundes & Marx, 2006). The greatest benefits noted by students were professional growth and career preparation (Hunter, Laursen & Seymour, 2007). Further, experiential learning allowed students to define career goals and develop teamwork skills (Gilbert, Lees & Rhodes, 2014). Students report using these learning experiences to increase their knowledge and skills and make informed decisions about their future (Gilbert et al., 2014). Many view experiential learning programs as a way to assess or reinforce career goals and gain valuable experience for their desired profession (Gilbert et al., 2014). The value of student development demonstrated by research justifies the implementation of experiential learning programs at higher level institutions.

**Career Services**

The model of services in higher education institutions has evolved from job placement to a more comprehensive one (Herr, Rayman, & Garis, 1993; Hoover, Lenz, & Garis, 2013; Niles & Harris-Bowlsbey, 2012). Among the services offered by this office are the career fairs, workshops, on-campus interview programs, resume writing programs, internship opportunities, career resources and assessments. The career services offices should be viewed as the leader in creating college-wide programs and systems (Shivy & Koehly, 2002). They should be recognized as dynamic, energetic, creative and a welcoming to all partners who are stakeholders (i.e., alumni, parents, employers and other organizations in the community) in the development of students.

Research has been documented on students’ perceptions, preferences and attitudes toward career services (Fretz, 1981; Rochlen, Mohr & Hargrove, 1999). In general, students approach career services with optimistic expectations were more involved in the process than those with more pessimistic expectations (Tinsley, Tokar, & Helwig, 1994). Students with higher self-efficacy preferred informational career counselors, while lower self-efficacy participants desired more involved counselors. Results of career services preferences indicated that students endorsed direct interaction with employers such as internship experiences, job interviews, and career fairs (Shivy & Koehly, 2002).

Shivy & Koehly’s (2002) study also showed differences between undergraduates and graduate students preferences about the services provided by career services. Graduate students seemed to understand the complexities of planning a career and sought more involvement from career services. The typical undergraduate showed more interest in securing a job, resulting in less contact from career services. These results highlight the importance of educating students about the long-term aspects of career planning. The goal of CRED is to prepare students for the intricacies of career planning once they enter the achievement stage of the organizational socialization process. Understanding students’ perceptions and preferences are useful for designing effective career services programs.
Empirically-Based Best Practices

To best support the career readiness of students, it is important to implement a university-wide initiative involving students, faculty, staff and administrators based on empirically based recommendations. Research best practices include:

- Use career resources and individual counseling interventions for students with low to moderate career readiness (Sampson, Peterson, Reardon & Lenz, 2000; 2004).
- Enhance the learning environment by following the seven principles proposed by Chickering and Gamson (1987; 1991): (a) student-faculty contact (b) cooperation among students (c) active learning (d) prompt feedback to students (e) time on task (f) high academic expectations (g) respect for diverse students and diverse ways of learning. Past research has indicated that the practice of these seven dimensions are positively related to desired cognitive and non-cognitive development during college years and future careers (Astin, 1993; Chickering & Reisser, 1993; Kuh et al., 1991, 2005; Pascarella & Terenzini, 1991, 2005).
- Integrate the formation students’ professional identity and understanding of its role beginning in the student’s freshman year (Daniels & Brooker, 2014).
- Encourage students to reflect on their positional stance and develop strategies for improvement on how they can function more effectively as an entry-level professional (Hunter et al., 2007).
- Develop networking and career related exercises as an effective way to encourage students to visualize themselves in professional roles (Bennet, 2012).
- Incorporate experiential learning to encourage students to gain insight into professional settings (Cornellissen & Van Wyk, 2007).
- Connect students with external practice and relevant communities that will engage them beyond their college years (Wenger, 2006). This is of particular importance for students from low-socio economic backgrounds who have little exposure to professional networks.

CAREER READINESS EDUCATION (CRED) PROGRAM: THE CONCEPTUAL FRAMEWORK

Based on the literature review presented above, we propose the Career Readiness Education (CRED) Program. This program seeks to facilitate the organizational process of each student and prepare them for a successful transition into the workforce. Outlined in the following pages are three broad goals consistent with the organizational socialization process, as outlined in a framework proposed by Wendlandt & Rochen (2008). This framework describes how job seekers can successfully reconcile job perceptions and realities as well as acclimate to the expectations of professional environments. CRED’s goals are broken down into the three stages of organizational socialization: anticipation, adjustment, and achievement. Figure 1 shows the goals, related student learning outcomes (SLOs) and the corresponding stage of the organizational socialization process. We also propose assessment and implementation processes to document the success of students’ learning under this program. Below we outline the assessment and implementation for each goal.

Figure 1: Career Readiness Education (CRED) program goals, student learning outcomes, and corresponding stages of the organizational socialization process. (Wendlandt & Rochlen, 2008).
CRED Goal 1: Students Assess Career Options

Students enrolled in the Freshman Year Experience (FYE) course will define their career interests and goals, needs, and abilities (Goal 1-SLO 1) by completing the following career assessment surveys: Career Exploration Surveys (Stump, Colarely, & Hartman, 1983), Career Self Efficacy Survey (Heppner, Multon, & Johnston, 1994), Career Competency Survey (Francis-Smythe, Haase, Thomas, & Steele (2013), and Perceptions of Employability Survey (Berntson & Maklund (2007). Based on the results of these self-assessments, students will write a reflective piece where they report on their career interests and goals, their current abilities and strengths, and the academic and professional skills needed to achieve their career goals.

Students enrolled in the FYE Course will also have an opportunity to analyze career requirements and formulate career expectations (Goal 1 – SLO 2) through informational interviews of professionals working in their field of interest. Based on this research, students will develop a presentation and present the results of their career requirements to their classmates. Faculty teaching the FYE course will grade the presentations using a rubric and provide students with a quantitative score of their presentation and qualitative written feedback.

CRED Goal 2: Students Test Career Expectations through Direct Exposure to Workplace Cultures

Sophomore and junior students will enroll in courses identified as upper level CRED courses. These courses will offer significant amounts of experiential learning for students to be able to explain qualities and skills needed for career success (Goal 2 – SLO 1). Faculty teaching these
courses will assign a research paper for students to explain the qualities and skills required to be successful in their careers. Faculty will (a) grade the research papers using a rubric, provide quantitative scores and qualitative written feedback, and (b) facilitate a discussion about the qualities and skills required to succeed in chosen fields of study.

Students enrolled in the upper level CRED courses will also have an opportunity to analyze discrepancies between their career vision and reality (Goal 2 – SLO 2). As students complete a series of experiential learning activities that promote direct exposure to workspaces, students will write two reflective papers. The first paper will ask students to describe their expectations for their desired career. After completing the experiential learning exercise(s), students will then review the first paper and write a second paper to reflect on discrepancies between their original vision of career expectations and the actual expectations derived from their experiential learning project. Faculty teaching these courses will use a rubric to grade the papers and discuss discrepancies with students.

CRED Goal 3: Students Recognize and Value Elements of Professionalism

Students enrolled in senior level and capstone identified CRED courses will develop an understanding of successful workplace-specific collaboration and productivity behaviors (Goal 3 – SLO 1 & SLO 2) by competing in Career Day competitions. Career Day is one-day competition planned by the Career Services Department where students will have an opportunity to learn about different topics related to career readiness and compete in a number of career readiness activities. One of the competitions will require a team of senior students to address a current issue and deliver a professional presentation. A panel of judges comprised of local employers and faculty will evaluate each group’s presentation, collaboration, and project execution skills. Student team members will also rate the collaborative behaviors of their peers using a Behaviorally Anchored Ratings Scale (BARS) that defines standards of successful workplace collaboration.

Senior students will also have an opportunity to recognize specific aspects of workplace presentability (Goal 3 – SLO 3) by competing in the Mock Interview Job Competition at Career Day. A panel of judges comprised of local employers and faculty will evaluate each participant on the following criteria: résumé, appearance and poise, and presentation skill. Students will be evaluated using a rubric and will receive written feedback on their performance.

The vision of the CRED program is to create a culture of life-long career learning. The three goals that support this vision provide a blueprint to use existing university resources that will help build a culture where students will learn valuable career ready knowledge and skills, and practice strategies that will allow them to succeed in their careers. In pursuing these three goals, our university will (a) create greater alignment of curriculum with career readiness activities on campus (b) create a more coherent experience for students (c) foster cooperation among faculty, students and university service departments. Our assessment plan will allow administrators and leadership to document the impact and value of our CRED program.

Improving the college experience should focus on ways to provide students with more emotional support, and with more opportunities for deep learning experiences and real-life applications of
classroom learning. By taking action, colleges and educators can enhance students’ educational experiences and allow them to thrive in their life-long career journey.

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GENERATIONAL DIFFERENCES: UNDERSTANDING AND EXPLORING GENERATION Z

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ABSTRACT

This paper seeks to uncover some preliminary assumptions about Generation Z and the traits and typologies associated with this generational cohort. To date, the definitions are loosely stated and the results of practitioner’s perspectives without any research to conclusively support the nascent findings. As this generation begins to enter the workforce and higher education classroom, we seek to clearly identify the behaviors and attitudes of the generation to better understand how to engage them and bridge the generational differences that already exist. With five generations in the workforce, this research will have implications on the university classroom and be applicable to organizational leaders seeking to understand how technological immersion has shaped their thinking patterns and processes. Understanding and embracing the common ground among generations to develop engaging classroom and workplace strategies is at the forefront of this paper and proposed research agenda.

INTRODUCTION

As professors, we are continually introduced to generations younger than us. We see and experience the changing trends, discuss (casually and professionally) better ways to engage our students in and out of the classroom, and ponder best practices and their immediate relevance across disciplines. Many faculties are members of either the Baby Boomer, Generation X, or the Millennials and have children or grandchildren that are members of Generation Z. Upon reflection, we have noticed more instances of comparing our own children/grandchildren to our students to make sense of the dynamic changes taking place in the classroom and on the college campus, in general. For example, the members of Generation Z interact with the environment differently than earlier generations and quite simply tend to think differently than previous generations taught in the college classroom. As toddlers, they are manipulating a computer mouse, touchscreens on tablets and smartphones, becoming less dependent on desktop computers, and engaging with a wider world than we, as faculty, did at their age (Turner, 2015; Bencsik, Horvath-Csikos, & Juhasz, 2016; Thacker, 2016). There has never been a time when Generation Z children could not call Grandma and have a live video chat; from their perspective, it is simply how one talks to Grandma. Technology is only new if one can remember a time when you could not use that type of technology. For the youngest generation, the technology we may marvel at simply is. Even young Millennials are noticing a difference between their behavior and their younger siblings or Generation Z classmates just a few years younger than them. Recently, a 22-year-old college senior (Millennial) remarked that her 13-year-old sister (Generation Z) was much more “in tune” with the world than she herself was at that age, noting a greater awareness of life issues such as sex and suicide due to the influence of social media. When this college senior talks to her younger friends, she notes they had their own smartphones years before she did and use them more. “They are
always on their phones and computers, I mean, even more than me!” This anecdotal example is not uncommon as reported by a survey by McCafferty (2013) to determine the amount of connectivity per day by Gen Z as compared to their Millennial counterparts.

An Internet search for generational differences in the workforce will return thousands of results. Interest, particularly, in the Gen Y or Millennial generation has been widespread in both practitioner and academic journals (see Smith & Nichols, 2012) with older generation managers complaining about not understanding Millennials and their inability to manage them. While research is still growing on Millennials in the workforce, a newer generation has started matriculating, Generation Z, and also needs to be understood from both the practitioner and academic perspective. At this point, academics have given little thought to Generation Z, while practitioners are already buzzing while experiencing a need to manage up to five generations in the workforce. A Wikipedia page on Generation Z cites 84 references with only two from academic sources (Generation Z, n.d.) which is, in part, what created a desire to develop a research approach on this topic. The aim of this research is to understand the generation from an academic perspective and use it to develop strategies for engaging this cohort in the classroom to prepare them for the multigenerational workforce.

DEFINING THE GENERATIONS

There are many conceptualizations of generational definitions, though the most common and accepted of the time frames comes from the U. S. Census Bureau (2014) and Pew Research Center (2014).

The table below depicts the birth years that create boundaries around each generation.

<table>
<thead>
<tr>
<th>Generation</th>
<th>Birth Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silent Generation or Traditionalists</td>
<td>1928-1945</td>
</tr>
<tr>
<td>Baby Boomers</td>
<td>1944-1964</td>
</tr>
<tr>
<td>Generation X</td>
<td>1965-1980</td>
</tr>
<tr>
<td>Millennials or Generation Y</td>
<td>1981-1995</td>
</tr>
<tr>
<td>Generation Z</td>
<td>1996-present</td>
</tr>
</tbody>
</table>

A generation is generally defined as a cohort recognized by year of birth, age, location and significant events that create their personality (Smith and Nichols, 2012). They can be defined according to distinct historical events (Parry and Urwin, 2011) or particular events that form the personality, values, and expectations of that generation (Hauw & Vos, 2010). It should be noted that the beginning and end of the birth years are fluid; some born in 1977 may behave more like a Millennials and some born in 1982 may act more like Generation X. It is the behaviors that are important, not necessarily the birth years; however, for purposes of this research, we will respect the boundaries of each generation and not seek to challenge those on an individual basis.

The Silent Generation. The Silent Generation (also known as Traditionalists and Veterans) include anyone born between 1928 and 1945. This generation has mostly aged out of the workforce due to retirement but some still remain as a means of supplementing their retirement income or to
remain active in society (Bursch & Kelly, 2014). The Traditionalists are heroic, steadfast, and loyal to the organization, community, family, and country (Bursch & Kelly, 2014).

**The Baby Boomers.** Baby Boomers derive their name from the baby boom following World War II and include anyone born between 1944 and 1964 (Bursch & Kelly, 2014; Pew Research Center, 2010). Baby Boomers grew up during prosperous economic times and were not as reliant on technology as younger generations (Smola & Sutton, 2002). They are seen to be hard, committed workers with a strong work ethic (Bursch & Kelly, 2014).

**Generation X.** Generation X (also called Gen X, or Xers) were born between 1965 and 1980. Generation X is a smaller generation than previous generations, seeing a decline in birth rate after the baby boom (Smith and Nichols, 2012). They were the first generation with nobody home when they returned from school because their parents were out working (Bursch & Kelly, 2014). This generation saw high crime, a poor economy, and much higher divorce rate than previous generations (Cahill & Sedrak, 2012).

**Generation Y.** Millennials (also known as Generation Y or Gen Y) are individuals born between 1980 and 1995. They are called Millennials because they were raised in the digital age, a sign of the upcoming new millennium (Smith & Nichols, 2015; Bessik, Horvath-Csikos, & Juhasz, 2016; Dale Carnegie, 2013; Bursch & Kelly, 2014). Millennials are web savvy and highly connected via social media. They have been reared during a time of continuous information about world events through their expanded use of technology compared to previous generations. Millennials have reportedly replaced Gen X as the most numerous generation in the workforce (Fry, 2015). They also seem to be the most besmirched generation. If one types “Millennials are” into Google, words such as “lazy,” “stupid,” and “entitled” autofill. Numerous academic articles have been published as well; so many that one can support their pro or con conclusions according to their preference.

**Generation Z.** Generation Z (referred to subsequently as Gen Z), are individuals born after 1995. Popular opinion on Gen Z believes they are very tech savvy (even more than Millennials) because they have never known a world without smartphones and social media since technology has been readily available to them upon development of their gross and fine motor skills to be able to manipulate a phone or tablet (Turner, 2015; Zorn, 2017). They have grown up in a period when the biracial and minority population has increased rapidly, and are themselves more diverse (American Academy of Child and Adolescent Psychiatry, 2011). It is unlikely that even the oldest members of this generation remember a time that there wasn’t a black president. Diversity isn’t an issue for them; they will only notice diversity in its absence. As well, they are likely to be more accepting of the LGBTQ community as awareness and the fight for equality has taken a very visible platform through social media. Gay marriage is a fact for them, not a debate. The 9/11 tragedy, so poignant in many memories of older generations, is merely history to them. Being the children of Millennials and Generation X, they saw their parents struggle during the Great Recession (Bursch and Kelly, 2014), and it has been opined that they are much more fiscally conservative and entrepreneurial as a result (Dupont, S., 2015). Witnessing these extended layoffs and unemployment by their families contributed to a mindset that finds Gen Z “may place more value on work than on education,” according to a 2013 study done by the Intelligence Group.
**Need to Understand Gen Z**

Gen Z is so named based on practitioner speculation as to what generation would be coming after Gen X and Gen Y (Reed, 2007). The Generation Z moniker seems to have gained the most popularity, though the generation has also been called The Founders, iGen, Plurals, and the Centennials.

Most everything written about Gen Z comes from practitioner and public opinion polls and a picture has begun to be painted. They are more ingrained in technology than Millennials (Scott, 2016), they are active in balancing their work and their lives and prefer working in teams (Gayeski, 2015), they need customized approaches to be taught, demand immediate access to figures of authority, and have a strong need to differentiate themselves so respond well to individual evaluation (Tulgan, 2013).

The Center for Generational Kinetics is a consulting firm that seems to have done the most research in a series of white papers published in 2016. The self-reported highlights of the studies include that Gen Z believes that age 13 is when one should get their first smartphone and are four times more likely to say that than previous generations; that Gen Z believes that America’s leaders, economy, and country are in a bad state, though they do believe in the American Dream and that voting is important; that Gen Z seems to be more practical like their Gen X parents and unlike their Millennial forerunners; Gen Z is less concerned than the previous generations about privacy and security with payment apps, though they are more concerned about the use of online purchases using credit cards; and that 42% of them believe their self-worth is directly influenced by social media (Center for Generational Kinetics, 2016).

Baby Boomers passed on stories of racial inequality and the fight to gain equality to their Gen X children, so Gen Xers are considered, on the whole, much more racially liberated than their parents. For most Gen Zers, raised by their more tolerant Gen X and Millennial parents, racial inequality is likely surprising when encountered. Gen Zers themselves have seen changing perspectives on gay marriage and marijuana legalization. While this generation may be more fiscally conservative, they are likely to be much more socially liberal than previous generations. This will certainly carry over into their work ethic perspectives, expecting multi-cultural environments and open-minded approaches. With advanced communication technology being an integrated part of their lives, they are also more likely to communicate differently (Bencski, Horvath-Csikos, & Juhasz, 2016; Bursch & Kelly, 2014; Turner, 2015). While Facebook might have been the preferred social media outlet of previous generations, it seems Gen Z takes to SnapChat, Instagram, and Twitter, using short audio and video clips to complement their information intake. Savvy employers may expand their communication efforts beyond meetings and e-mail to more technologically integrated forms of training, reporting, and creative production.

As this newest generation starts to enter the workforce, managers need to find ways to efficiently incorporate these more accepting value-laden attitudes into their current environment. Generation X and older Millennials have made their way to the upper rungs of the organizational ladder and are becoming the veterans of the organization. Finding ways to embrace the differing values and approaches to work of the youngest working generation can lead to distinctive competencies and competitive advantages for those forward-thinking employers willing to relax their traditional views of the workplace (Dale Carnegie Training, 2015). Technology is changing the face of
business. Older generations remember going to the bank with their parents; many of our children have never stepped foot in one. We remember going to video stores and having family movie night on a Saturday; now we sit on the couch and ask “Is there anything good on Netflix? Did you check Amazon Prime or Hulu?” and our children get on their phones and watch whatever it is they prefer, ignoring the big TV right in front of them. Technology has changed our universities; after being advised to go to the Registrar’s office to enroll in classes, a student recently asked, “You can do that? It’s not just online?” These anecdotal instances are becoming more prevalent on university campuses and create a distinct shift in not only how we deliver education but also how we engage students in the delivery process (Turner, 2015; Zorn, 2017).

Because technology is changing entire industries so rapidly, the way we do business is changing and the older generations are becoming rookies. We will soon be looking to the experts, Generation Z, to shape our collective future and inform the older generation rather than the veterans of business teaching them.

**CALL FOR GEN Z RESEARCH**

**Definition.** Generation Z is starting to get attention in academic literature, though very little has been done in actually defining the characteristics of the generation. What may be most striking is that academic articles use practitioner definitions. Andrea, Gabriella, and Timea (2016) in their article “Y and Z Generations at Workplaces,” for example, cite Forbes magazine (Dill, 2015). Thacker, D. (2016) in his article, “Preparing your sales course for Generation Z’” uses websites such as www.business2community.com (Jenkins, 2015) and www.roberthalf.com to describe Generation Z. Turner, A. (2015) in “Generation Z: Technology and Social Interest,” uses cites such as www.tdameritrade.com and www.usatoday.com to support his work.

This is not a condemnation of academics relying on practitioners to define their variables, but rather a pointed call to research. These researchers use practitioner definitions because there is no empirical evidence that defines Generation Z. As these young people, however, begin to graduate college and enter the workforce, professors and managers alike need solid data to help understand how to teach and manage these young professionals (Zorn, 2017).

**Workplace Implications.** These three reviews all indicate that differences in work related attitudes are small or non-existent and that a more nuanced approach needs to be used. These three articles represent a limited review but are worthy of mentioning for this research agenda, in that, integration with a positive approach to differences may be the most effective way of mediating generational differences. These, among others, will be used to understand workplace dilemmas and inform classroom engagement strategies in the workforce preparation process that occurs across higher education classrooms.

**Classroom Implications.** Without necessarily realizing it, Generation Z has arrived on campuses across the country despite statistics that work may be more valued than education (Bursch & Kelly, 2014). This new generation of students is taking the classroom by storm and challenging behaviors that had become the “norm” with regard to technology use and thinking processes. They have become accustomed to a collaborative learning style that challenges the border of working together versus academic integrity (Zorn, 2017; Bencsik, Horvath-Csikos, & Juhasz, 2016). In order to embrace a multigenerational classroom that seeks to introduce the generational differences and engage students in thought that provokes critical thinking, it is necessary to learn more about them through academic research. In addition to informing the classroom, this research will seek to collaborate and share knowledge with key stakeholders in organizations to build organizational effectiveness through generational integration.

**RESEARCH AGENDA**

This research will be done in phases as described below:

**Phase 1.** The researchers will begin by reviewing existing literature, both practitioner and academic, to understand how to define generations and the existing distinctive characteristics. This will be the framework for the approach to research and assist with creation of a generational survey. Before advancing too far into the process, the researchers seek to get academic perspectives by presenting the research agenda at a conference.

**Phase 2.** Building on the conference presentation, the researchers will develop a survey to identify values, beliefs, behaviors, and traits of Generation Z to be administered on our college campus in the Fall of 2017. This data will be analyzed with a publication to academically define Generation Z.

**Phase 3.** Using the research findings to inform classroom strategies to engage multiple generations will be the next phase of this research project. The goal is to pilot approaches to critical thinking and engaging students through multiple delivery methods to gain inform instructional strategies. This will also be assessed through our IDEA student survey results regarding questions seeking to identify satisfaction with delivery of content and engaging strategies to develop critical thinking. The researchers will write a pedagogical paper to discuss the findings of innovative teaching strategies to engage Generation Z specifically but also the multigenerational classroom.

**Phase 4.** In order to fully embrace this new knowledge, we will identify outlets to offer professional development workshops at national, regional or local academic conferences or workshops. It is through sharing this knowledge that we believe a full contribution to the body of knowledge will be present.

**CONCLUSION**

This paper illustrates some of the existing literature on generations in general and specific identifiers that depict a specific generation. With 5 generations in the workplace and up to 4 in the university classroom, we aim to better understand how to engage them in the academic setting. In
order to fully engage these generations in the classroom, it is important to have identifiable characteristics supported by research. To this point, we have not been able to locate an academic definition for Generation Z which has quickly appeared on university campuses while many were still working to engage Millennials. In addition to needing a definition for this newest generation, we also aim to inform how to engage them in the classroom through identification of common ground with preceding generations. This multigenerational classroom can be leveraged as a “laboratory” to prepare all generations for a cohesive workplace that embraces the differences to build organizational capacity and effectiveness. Not only are we, as researchers, concerned with the academic perspective of managing multiple generations but also the practitioner perspective. To that end, we seek to contribute academic research that is relevant to the university campus and the workplace.

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BIG DATA, DECISION-MAKING, AND ORGANIZATIONAL CULTURE

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Abstract

This paper discusses Big Data and its relationship to decision-making and organizational culture. The author introduces the topic of Big Data and the knowledge required to interpret this data. In addition, there will be a discussion on who in the organization will help make decisions using the analytics. Big Data changes the nature of decision-making and offers a competitive advantage to the organizations that use it. The author will conclude by discussing the effect Big Data will have on Organizational Culture and how Organization Development can be part of this change.

Introduction

The era of Big Data is here. Everything we do on the Internet or on our digital devices collects data. We create 2.5 quintillion \((10^{18})\) bytes of data every day ("IBM," 2017). This includes social media, the Internet of Things (IoT), online purchases, and website browsing. There are tremendous opportunities for organizations to use this data for business advantage, but first they need to know how they are going to use this data. Management must make decisions quickly using millions of data points. This brings up specialized problems and opportunities. This paper will discuss some of these management issues including decision-making, culture, and, in this context, Organization Development.

What is Big Data?

Big Data are extremely large datasets which can be structured or unstructured. Structured data is “data that can be immediately identified within an electronic file such as a relational database that is structured in rows (records) and columns (fields)” (“Computer Desktop Encyclopedia,” 2017). Unstructured data is “data that are not in fixed locations. The term refers to free-form text in business documents and reports, news articles and social media … It is estimated that 80% of all electronic data are unstructured in contrast to highly organized tables in databases” (“Computer Desktop Encyclopedia,” 2017). Because of increased storage capabilities and the capturing of data primarily off the Internet, the amount of data collected has become astronomical.

“The big data movement, like analytics before its, seeks to glean intelligence from data and translate that into business advantage” (McAfee & Brynjolfsson, 2012, p. 62). We have always used data for business advantage. What makes Big Data so different? It is the amount of data and the speed of creation of this data that is mind-boggling. Although the term Big Data will evolve and change, this data will not go away and continue to grow in the future.

Agarwal & Dhar state that “It would not be hyperbole to claim that big data is possibly the most significant ‘tech’ disruption in business and academic ecosystems since the meteoric rise of the Internet and the digital economy” (Agarwal & Dhar, 2014). In a 2010 IBM survey of CEO’s, “Close to 80% of them believed their environment would grow more complex in the coming years, but fewer than half thought their companies were well equipped to deal with this shift. The survey team called it ‘the largest leadership challenge identified in eight years of research’” (McAfee, 2011, p. 126).
Steve Lohr in the New York Times tried to trace the origin of the term Big Data using etymological research (Lohr, 2013). The article was interesting, but the comments on this article were even more interesting. Many commented that Lohr was just wrong (and were very angry about his article). This disagreement is seen frequently when researching Big Data. What exactly is it? How should we define it? Everyone sees this issue a little differently and suggests an approach according to what their field of research is. For example, a person who works in Human Resources suggests that discrimination in hiring practices based on Big Data be explored. As mentioned in the famous fable of the blind men and the elephant, we all perceive the elephant in a different way.

Analyzing Big Data is not always successful because of the many challenges involved. There are many articles heralding the Google Flu Trends study as an example of the power of Big Data. In this study, Google used Internet searches to predict where the next flu outbreak would occur. The idea was brilliant. Based on searches such as fever, chills, etc., Big Data could be used to predict doctor’s visits for influenza. However, the study was flawed and predicted double the number of cases than the CDC which used reports directly from laboratories (Lazer, Kennedy, King, & Vespignani, 2014). People did search for symptoms, but many did not actually have the flu. The idea was good, and Google had the data, but the interpretation was flawed.

It is an exciting time to be exploring Big Data. The increase in storage ability, the increase in computer power and the relative inexpensiveness of both have made it easy to easy to collect a great deal of data. Because of this data and the new software being used, organizations are hiring data analysts or data scientists to analyze this data. Grossman and Siegel graphically show in Figure 1 the knowledge required by data scientists. There is an overlap in analytics, business knowledge, and information technology. Analysts may know the numbers, but do they know the business? Davenport et al. define a data scientist as a “high ranking professional with the training and curiosity to make discoveries in the world of big data” (Davenport & Patil, 2012, p. 72). Do these data scientists have the business insight to understand how to use this data?

Figure 1. The Knowledge Required by Data Scientists (Grossman & Siegel, 2014, p. 21)

The McKinsey Global Institute predicts that by 2018, there will be a shortage of data analysts “as well as a shortfall of 1.5 million data-savvy managers with the know-how to analyze big data to make effective
decisions” (Chen, Chiang, & Storey, 2012). This is a staggering number. That is why analytics software has become so popular as a means to reduce the number of analysts needed and to allow managers to directly search the data. Current software includes Microsoft Power BI, Tableau, Domo, SAP ERP, Google Analytics, Hadoop, IBM Cognos Analytics, and many more. The problem of who is going to learn and understand this software remains.

Managers may know the business, but they most likely do not have the analytical skill or the technical knowledge to completely understand the magnitude of Big Data. Managers have the business knowledge about an organization, Information Technology (IT) has the technical knowledge of the hardware and software, and data analysts know the analytics of retrieving the data. The question is: who is going to interpret this data?

The Cloud is the place where data is stored on the Internet. There has been a great deal of discussion of the Cloud lately because of security issues. Andrew McAfee says that companies are ill equipped to utilize this technology. A theme that is seen over and over about Big Data and the Cloud is that IT management is not equipped to deal with these technologies. “Delegating the move to the cloud to traditional IT people is like putting the crew running the boiler and steam turbine in charge of electrifying a factory” (McAfee, 2011, p. 126). The Cloud changes the way knowledge is captured and shared.

Big Data and Management, an editorial from the Academy of Management Journal (AOM), explores new thought areas for this journal. The authors state that there needs to be more writing on Big Data. “Though “big data” has now become commonplace as a business term, there is very little published management scholarship that tackles the challenges of using such tools— or, better yet, that explores the promise and opportunities for new theories and practices that big data might bring about” (George, Haas, & Pentland, 2014, p. 321). This offers an excellent opportunity for research on Big Data and related topics in management.

Much of the discussion of Big Data includes data analytics. Goes discusses the Information systems hierarchy as data, information, knowledge, and intelligence (Goes, 2014, p. vi). He defines analytics as such: “Analytics refers to the upper stages of the hierarchy: the generation of knowledge and intelligence to support decision-making and strategic objectives” (Goes, 2014, p. vi). See Figure 2 for a graphical representation of this concept.

Figure 2. Information Systems Hierarchy

![Information Systems Hierarchy](image)

Decision-Making

“Advanced analytics is likely to become a decisive competitive asset in many industries and a core element in companies’ efforts to improve performance. It’s a mistake to assume that acquiring the right kind of big data is all that matters. Also essential is developing analytics tools that focus on business outcomes and that are relevant and easy to use for everyone” (Barton & Court, 2012, p. 81). This is a powerful statement and a strong argument for using Big Data. The authors also talk about how to get the right business impact. These methods include choosing the right data (multiple sources if possible), build models that predict outcomes, and transform the company’s capabilities (Barton & Court, 2012, p. 82).
In a study of 330 public companies, if a company considered itself to be data-driven, it was more likely this company would be successful. (McAfee & Brynjolfsson, 2012, p. 65). McAfee and Brynjolfsson list five management challenges: leadership, talent management, technology, and decision-making, and company culture. “Data-driven decisions tend to be better decisions. Leaders will either embrace this fact of be replaced by others who do” (McAfee & Brynjolfsson, 2012, p. 68). This may be more relevant when explored in the context of data-driven decision-making. For the most part, Big Data eliminates people’s ability to directly view data. There is a field of thought about trusting your intuition. McAfee and Brynjolfsson discuss this subject at great lengths. They say that people too often make decisions based on their experience and gut instinct. Decision makers need to use data more frequently. They cannot just rely on the HiPPO (Highest Paid Person’s Opinion) (McAfee & Brynjolfsson, 2012). Managers will have to go outside their own comfort zones to use Big Data.

As mentioned before, IT may not be the best place to put data analysis. The solution may be to put people with a behavioral science background into teams to understand how people create and use information. “Big data and other analytics projects require people versed in the cognitive and behavioral sciences, who understand how people perceive problems, use information, and analyze data in developing solutions, ideas, and knowledge” (Marchand & Peppard, 2013, p. 109).

Among the obstacles in organization design, Jay Galbraith discusses power shifts, real-time decision-making, and generating revenue from Big Data (J. R. Galbraith, 2014). He goes into some detail listing changes that will need to be made. Galbraith also updates his Star Model for Big Data in Figure 3. Note that the model is still very effective for Big Data.

**Figure 3. Big Data's Impact on the Organization (J. R. Galbraith, 2014, p. 12)**

The Star Model is a framework for organization design consisting of five components: Strategy, Structure, Processes, Rewards, and People. Galbraith says that “in order to make good decisions, people need to understand the strategy and must be able to translate it into criteria against which they can test their decisions” (J. Galbraith, Downey, & Kates, 2002, p. 140).
The editors of *Big Data and Management* (George et al., 2014) discuss the challenges of Big Data and the lack of published management scholarship (George et al., 2014). “There are alluring opportunities here to engage in ‘management engineering’ that goes beyond more typical management research by bringing theory and practice together with much faster cycle times between the identification of a promising theoretical insight and the testing of that insight with a well-designed intervention that can help to both advance management knowledge and address pressing practical questions” (George et al., 2014, p. 324).

Goes states that opportunities to collaborate exist (Goes, 2014, p. viii). He goes on to say that “To adapt to the data-driven knowledge economy, organizations are shifting. Particularly, IS groups need to provide new leadership. CIOs are being converted into Chief Innovation Officers, and significant changes in the IT function are taking place. Analytics are taking hold in organizations who demand “data science” professionals. Chief Analytics Officers are being created to head data analytics groups. IS leadership has to be involved and lead these changes” (Goes, 2014, p. viii).

We can view data as business research. The authors of *Big Data Research in Information Systems: Toward an Inclusive Research Agenda* talk about the Web 2.0 and Web 3.0 and how they are related to Big Data. They discuss Big Data and behavioral research and list sample research topics listed below:

- “How do organizations transform from an intuition-based decision-making culture to a data-driven decision-making culture?”
- What is the role of IT departments in supporting Big Data analytics?
- What Big Data technology architectures and configurations (or analytics techniques) fit with different types of organizational cultures (and governance)?” (Abbasi, Sarker, & Chiang, 2016, p. xiii).

**Organizational Culture**

There is so much data out there that it is almost impossible to understand all of it. If organizations use Big Data in the future, they will need to change their decision-making, but also the Organizational Culture of their organization. This is a role that can bring Organization Development (OD) to the table. In their paper *Promise of Big Data for OD: Old Wine in New Bottles or the Next Generation of Data-Driven Methods for Change?* Church and Dutta discuss “OD as a Data-Driven Process for Change” (Church & Dutta, 2013, p. 25).

Successful Big Data organizations will have a culture that is centered around data analytics (Asay, 2015). Organizations cannot work with Big Data as a separate entity; it must become part of the business model. This operating model must include “a well-defined organizational structure, systematic implementation plan, and strong leadership support” (Asay, 2015).

Big Data will be a major change in the way management makes decisions. In the chapter *What is Organization Development?* Richard Beckhard lists the kinds of organization conditions that call for OD efforts and the last is the most relevant to this topic, “The need to change ‘cultural’ norms. More and more managers are learning that they are really managing a ‘culture’ with its own values, ground rules, norms, and power structure. If there is a felt need that the culture needs to change, in order to be more consistent with competitive demands or the environment, this is another condition where an organization development program is appropriate” (Gallos, 2006, p. 10). That is what Big Data needs to be: a data-driven culture that uses data throughout the company. As Beckhard said, this is where OD can be helpful. There are great opportunities for Organization Development in the future of Big Data.
However, Church & Dutta caution us that there is a difference between Big Data and OD. “While OD is a professional field grounded in decades of theory and practice, Big Data is largely an approach and way of thinking to assist individuals in contextualizing massive quantities of data. In that regard, they are still very different. In fact, if we extend this perspective further, one could argue that Big Data might simply be another (albeit much broader) tool in the OD practitioner’s toolkit” (Church & Dutta, 2013, p. 27). In Figure 4, Church and Dutta show a framework for Big Data-Driven Organization Development and how the levels of data analytic methods and capabilities used in OD can be linked with Big Data.

Figure 4. An Integrated Framework for Big Data-Driven Organization Development (Church & Dutta, 2013, p. 28)
organizational level, they ask if Big Data is integrated within the strategy at the corporation level. It is important that there is a leader in charge of Big Data. Most importantly, does the data being used have value? (Grossman & Siegel, 2014, p. 21). The authors list the four aspects of how analytics are viewed in an organization:

1. Does the leadership of the organization appreciate the importance of analytics?
2. Are there data analysts who understand the company and have the experience to implement these analytics?
3. Do the data analysts understand the processes and systems of the organization and understand how to generate value from the data?
4. Is the structure in place to support analytics and incorporate this within the strategy of the organization? (Grossman & Siegel, 2014, p. 24).

In discussing Big Data, Barlow writes “Typically missing from the buzz are in-depth discussions about the people and processes – the cultural bedrock- required to build viable frameworks and infrastructures supporting big data initiatives in ordinary organizations” (Barlow, 2013). John K. Kotter in Leading Change, Why Transformation Efforts Fail lists eight errors that can impede transformational change. The eighth and final error is “Not anchoring changes in the corporation’s culture” (Gallos, 2006, p. 250).

Edgar Schein lists three basic assumptions of culture. First there are artifacts, which are visible and includes observed behavior. Second are the espoused beliefs and values. Third are the basic underlying assumptions that are unconscious (E. H. Schein, 2010, pp. 23-28). Schein notes that “unless you dig down to the basic assumptions, you cannot really decipher the artifacts, values, and norms” (E. H. Schein, 2010, p. 53). Schein says dialogue is essential, especially because of the growth of technical complexity and the shift towards knowledge-based systems (E. H. Schein, 1993, p. 40). Do changes in technology require more dialogue, even though the technology itself can eliminate dialogue? Schein also describes dialogue itself as a technology (E. H. Schein, 1993, p. 43).

In his book, Organizational Culture and Leadership, Edgar Schein presents the organizations macro context and three levels of subcultures: the operator subculture, the engineering/design subculture, and the executive subculture. Then he breaks these down into microcultures which evolve from small groups. Not every group acts the same way, even in the same organization. We must have a way to acknowledge these differences in culture in order to understand the organization. Dr. Schein has said “Culture is the new leadership tool” (E. Schein & Schein, 2016). Can this tool be used in the management of Big Data? Culture must be used to make change successful.

Summary

How can cultural change be accomplished? Marvin Weisbord says that “Organizations change one meeting at a time…make every meeting congruent with the culture you seek” (Weisbord, 2012, p. 4). Weisbord says that we cannot control technology, but we can control the process. That is truly what needs to be done when using Big Data.

This paper defined Big Data and discussed the roles in an organization when analyzing this data. Decision-making in the era of Big Data was explored and the importance of Organizational Culture was emphasized. Woven throughout this paper were references to opportunities for Organization Development. This is why OD can be critically important in the transformation to Big Data.
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A MODEL CODE OF ETHICS FOR DECISION MAKING
IN ACCOUNTING PROFESSIONS

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ABSTRACT
This article provides a moral decision making basis for the accounting professional confronted with ethical dilemmas. After identifying relevant stakeholders, concepts integral to the issues of transparent reporting, information use and presentation, and assessment of facts are presented and addressed. Further, the environments in which accountants encounter moral dilemmas are examined. Definitions that are critically important in ethical debate and the evaluation ofquestionably ethical behavior are explored. A model code of professional conduct for accountants is developed, the roots of which are found in the broader and generally societally accepted moral values and ideals. An ethical decision-making model is proposed that the average accountant, as well as business professionals in general, may reference when challenged with difficult ethical quandaries.

Key words: accounting, ethics, codes, values, professionalism

INTRODUCTION
“Professional ethics has become a hot topic in recent years, fueled by scandals…and the realization by professional bodies…that the importance of acting ethically needed more emphasis in professional training” (Karmanska et al., 2016). Numerous and varied stakeholders have called for more ethically oriented professional accounting behavior in light of the scandals associated with Enron, World Com and others (e.g., Gartenstein, n/d; Barman, 2016; Cameron and O’Leary, 2015). In those scandals, accounting professionals were morally culpable and, of course, legally liable for their inappropriate and/or illegal behaviors. Participation by accounting professionals in widespread fraud has tarnished the image of accountancy, an image that should be viewed with the highest regard by society. “…(T)he vast majority of people are impacted every day by the decisions of accountants they never meet. These people contribute to pensions, work for companies, actively invest, or are in some other way [stakeholders] in a company somewhere” (Glen, 2017). This comprehensive description of the people who could be adversely impacted by the actions of unscrupulous or incompetent accountants is telling; the accounting profession needs to examine how best to promote ethical behavior among its members.

Further, few (or no) accounting specialties have gone unchallenged with regard to pressure to act immorally or illegally. James (2017) warns against aggressive accounting, indicating that it “is the process of employing questionable methods to boost results.” According to Karmanska et al. (2016), internal and external auditors, tax advisors and accountants in practice and business, bookkeepers and external consultants have all been pressured to violate personal, professional or legal mandates. Clients, owners of business or practice, directors and board members, line managers and other colleagues have all pressured accountants to act contrary to their professional judgment. Accountants occupy a unique position to make a positive contribution to the movement to prevent the root causes of financial scandal, thereby enhancing not only the “brand” of accounting, which has been sorely treated in recent years by various stakeholders, but also to comprehensively enhance the conduct of ethical accounting practices.
This unique position is under assault by the pressures accountants feel to violate their personal or professional codes or legal mandates. To bolster accountants’ ability to refute such pressures and to enhance their ethical decision-making abilities, we believe that a relatively simple code of ethics can be constructed that will reflect the values and requirements inherent in any number of accounting codes of ethics. “Ethics in accounting is one of the most important, yet most misunderstood, concerns in the world of business today” (Onyebuchi, 2011).

This article identifies the stakeholders who form the constituency for financial reporting. The role of accounting professionals in financial reporting and the profession’s relationship to the public interest is addressed. Also, the ideas that accounting professionals encounter multiple reasons for engaging in fraud that has precipitated legal action and ethical examination and sanction are reviewed. Fundamental definitions of ethical debate are discussed as a precursor to the presentation of ethical values and edicts of and for accounting professionals in the attempt to construct a code of ethics for accounting professionals. The roots of this proposed code of accounting ethics are found in the broader and generally societally accepted moral values and ideals. Such a comparison of accounting ethical principles with the more broadly known and accepted moral standards/reasoning of society reveals that accountants should, and often do, follow the basic premises of ethical behavior common to the general populous. A straightforward and easy to comprehend ethical decision-making model is proposed that the average accounting professional, as well as finance professionals in general, may reference when challenged with difficult ethical quandaries.

STAKEHOLDERS IN ACCOUNTING ETHICS

A stakeholder is any person or entity that can be positively or negatively affected by actions of a decision-maker. Relative to accounting information, the number of stakeholders who can be affected is extensive. Obviously a firm’s stockholders (or other types of owners) and capital providers (such as lenders) are stakeholders, but Joseph (2007) suggests that other stakeholders who have not always been considered to have specific, identifiable stakes in the firm, be included. Baskerville-Morley (2004) includes the government, special interest groups, the media, SEC officials, individual practitioners, associated professional groups and those groups’ disciplinary committees, clients/customers, employees, students, and international constituents, among others as organizational stakeholders. Arenas and Rodrigo (2016) state that even “the next generation” should be viewed as stakeholders as they “are at the core of sustainable development and … are relevant for both societies’ persistence over time and the long-term viability of business organizations.”

James (2017) asserts that accounting professionals have considerable responsibilities to the public. Accounting provides “one of the essential checks and balances on commerce” (Seay, 2015). The Financial Accounting Standards Board (FASB) (2010:9), in considering financial reports, identifies certain users (existing and potential investors, lenders, and other creditors) as ‘primary’ stakeholders, but also notes that other users may be interested in financial reports. Thus, stakeholders with both direct economic interests and indirect interests in an organization are identified. Further, other decisions that may be made about an entity and/or its management can be affected by financial reporting, potentially affecting an even larger array of stakeholders. For instance, financial reporting information is being provided to pension fund managers who are investing for hundreds or thousands of people, to retirees trying to ascertain which investments will provide a reasonable cash flow to cover living expenses, or to parents planning for a child’s future college education; thus, when accountants are providing information they do not necessarily know which stakeholder(s) will be using the information and, therefore, all stakeholders are due the best care and ethics.
The authors believe that, in today’s global environment, the stakeholders of an organization’s accounting information are non-exclusionary and encompass all of the parties indicated in Figure 1. This diagram assumes that the accounting information has been audited and, hence, audited information of one entity will be of interest to other entities: there is a need to assess the dependability and professionalism of the external auditor. It is irrelevant whether the audited information has been generated by a publicly-held company, a not-for-profit organization, or a governmental entity. All financial reporting information has the potential for malfeasance, distortion, or misrepresentation by those who gather, process, prepare, and even audit that information. Therefore, all who rely on such information are stakeholders potentially affected by the reporting.

**Figure 1: Stakeholders of Accounting Information**

An easily identifiable and eminently reasonable stakeholder is a firm’s stockholder. After Enron’s failure and Andersen’s demise, “stockholders adjusted their decision-making processes to reflect their concerns over unethical business practices” (Bernardi, 2005). But the problem remains as to the determination of what, in the eyes of all stakeholders, actually constitutes an unethical business practice. “Rightly or wrongly, business and markets generally are defined by something that is understood as basically suspect—...the self-interested profit motive” (Wolcott, 2015). Additionally, as each day passes, innovation, technology, and global circumstances provide the fodder for new types of business transactions, practices, and risk factors to grow and change, making a determination of what is or is not ethical a moving target. Thus, stakeholders must rely on someone with the knowledge and skills to ascertain...to the best of his/her
ability…what composition of actions, choices, and/or circumstances give rise to what would be deemed by
the majority of stakeholders as “unethical.”

FINANCIAL REPORTING INFORMATION: THE PUBLIC INTEREST

According to the FASB, the role of financial reporting is “to provide financial information about the
reporting entity that is useful to existing and potential investors, lenders, and other creditors in making
decisions about providing resources to the entity” (FASB, 2010:1). Information provided by the accounting
process “absorbs uncertainty, shapes expectations, and makes some organizational activities more visible
than others” (Llewellyn, 1994). The financial statements that comprise the central component of financial
reporting are typically provided under the auspices of an accountant (either as an internal organization
employee or external outsourced provider) or auditor. These statements “are a principal means of
communicating accounting information” (FASB, 1978:6) and, as such, should have two characteristics
(e.g., relevance and representational faithfulness) to make that information “a desirable commodity”
(FASB, 2010:16). Information having these encompassing traits will result “in more efficient functioning
of capital markets and a lower cost of capital for the economy as a whole” (FASB, 2010:22).

Relevant information has good predictive or feedback value relative to the decision being contemplated and
is material (quantitatively or qualitatively important). Representationally faithful information is complete,
neutral (free from bias toward any particular user group), and free from error. This attribute also requires
that the basic underlying substance of an economic situation be represented in financial reports rather than
merely in its legal form. The addition or deletion of such characteristics—especially representational
faithfulness factors—could be viewed as having an impact of the “rightness” or “wrongness” of the
information. Information that is incomplete, is biased towards the needs of one party over another, and/or
distorts reality should be viewed as “wrong” information that is not, and will not be, useful for the intended
purposes and will potentially cause users to make “bad” or “wrong” decisions. To enhance information
usefulness within the decision-making process, users should also evaluate the comparability, verifiability,
timeliness, and understandability of the information being presented (FASB, 2010:19). In doing so, better
assessments of the information will occur by users.

The provision of relevant and representationally faithful accounting information serves stakeholders in their
decisions regarding scarce resource allocation and also exhibits the symbiotic relationship of business and
society. “Businesses rely heavily on accounting ethics, whether they’re aware of it or not” (Petryni, 2017).
Although accounting and ethics may be completely separate concepts in theory, they are integrally related
in practice. Seay (2015) posits that accounting is “in fact applied ethics.” Williams (2002:2) contends that
accounting “is regarded as inherently about the moral, that is, accounting is a moral discourse.” Thus, the
degree to which information is imbued with its designated characteristics could be seen as a determinant of
the information’s “morality” to its stakeholders. Mintz (2016:8) emphasizes that, in facing the numerous
moral dilemmas in the workplace, accountants need to recognize that their public interest obligation is
consistent with their moral obligations: the intertwining of the two forms “the basis for the trust society
places in [accountants]”. Thus, the accountant’s integrity must be maintained while resisting promptings
to engage in any type of financial statement fraud or corruption. To be able to withstand such pressures and
behave ethically, accountants must understand ethical concepts and theories, be sensitive to ethical issues,
and be able to exercise ethical judgment (IAESB, 2006:8). One primary hallmark of the accounting
profession is “its acceptance of the responsibility to act in the public interest” (APESB, 2010:12) and abide
by professional codes of conduct rather than succumb to managerial or organizational predispositions to
unethical behavior, inappropriate internal or external incentives, and/or personal monetary or promotional
avarice.
THE ACCOUNTANT’S ETHICAL ROLE: UNDER PRESSURE

Such professional conduct is currently of extreme importance as evidenced by many surveys about the level of ethical behavior of accountants (e.g., Shafer, 2015; Mohd and Ismail, 2013; Hagel, 2015). A 2012 survey by the American Institute of CPAs (AICPA) and the Chartered Global Management Accountants (CGMAs) found that 35 percent (up from 28 percent four years earlier) of respondents “felt some pressure from colleagues or a manager to compromise their organization’s standards of ethical business conduct”. Interestingly, that study also found a significant difference geographically in that over “half of the respondents from India, Malaysia, Pakistan, Sri Lanka, and Zambia” felt such pressures, while U.S. and U.K. respondents only reported such pressure at an 18 percent level (Hagel, 2012).

A different 2015 global survey indicated that two-thirds of 648 respondents had been pressured “to act contrary to (1) their professional ethics or (2) tax and/or accounting legislation at some point in their professional career” and that the majority of these had been placed under pressure more than once (Lang et al., 2016). In that survey, however, only 304 (47 percent) answered a question about whether they did what was asked of them: only 68 percent said they did not, citing reasons of protecting their professional reputations, being bound by professional ethics, ascertaining that the requested action violated accounting or legal practices (including tax evasion) (Lang et al., 2016). Given the less-than-overwhelming responses, it seems that the integrity of the accounting profession could be viewed as being at risk to succumbing to pressure exerted by colleagues, superiors, and clients. Such circumstances make it difficult to reconcile Mintz’s (2016) conclusion that CPAs are expected to be the watchdogs of the public interest and that auditors are the gatekeepers entrusted with investor and creditor protection with the reality that internal and external environmental pressures may be sufficient to cause ethical behaviors of accountants to falter or fail. This conflict has evolved over time, in part, because tighter personal and business relationships have developed among auditors, managers, and clients (Menendez and Mintz, 2016).

External auditors face the stress of a need to generate client business so public accounting firms can remain profitable. Those auditors also need to manage potentially conflicting objectives of the various stakeholders (e.g., client company stockholders, client company board of directors, client company managers, and society) (Baskerville-Morely, 2004). This need to generate or retain clients was noted by Lang et al. (2016): that study found that, though there were no explicit rewards for professional misbehavior, there was a “perceived reward in the sense of a continuing relationship.” Indeed, the suggestion is that “a lack of explicit rewards being offered could indicate that the pressure accountants come under is seen as ‘normal behavior’ in business.” The Lang et al. study also indicates an even graver conclusion: some respondents had actually encountered threats to force them to act unprofessionally. The threats included a variety of financial losses: the loss of income to the practice, the loss of professional employment, and the cessation of the professional relationship between the accountant and the client exerting the pressure. “Competitive pressures to generate revenue and the strong growth of non-audit services, especially management consulting, created conflicts of interest for the accounting firms. On the one hand, the firms wanted to generate profitable growth and on the other hand, they were expected to stand up to clients when they took questionable accounting positions in their financial statements” (Sorensen et. al., 2017).

To intensify the challenge to maintain an ethical professional persona, auditors have the added pressure of the investing public’s expectation gap—with what auditors actually do on one hand and with what the public believes auditors do on the other. As stated by the profession, an audit’s purpose is to provide an opinion as to whether the “financial statements are presented fairly, in all material respects in accordance with an applicable financial reporting framework” to provide users with a higher level of confidence than if the statements were unaudited (AICPA, 2016:AU-C §200.04). In contrast, the investing public’s common misconception of an audit’s purpose is that auditors search for and discover any and all fraud existing within.
audit client data. Given some of the recent audit failures and regardless that the majority of audits are performed with care and expertise, that the majority of executives are honest, and that the majority of financial statements are fairly presented, the lack of public trust in the auditing profession looms large.

THE UNETHICAL INITIATED

Within business organizations, accountants are the individuals who have direct access to organizational assets. They often have the ability to override internal controls; they are skilled in practices that would allow financial statement manipulation; and they are typically intimately aware of organizational needs and weaknesses. One author (Amernic, 2010) stated internal accountants could be seen as conformists (active and dependent, uncritical thinking) and passive (passive and dependent, uncritical thinking) and who are highly “prone to be influenced by the policies, action and language” of unethical CEOs or other high-level managers. Glen (2017) summarizes why accountants act in an unethical way: “most reasons tie back to a financial one as the payout, through stock price or something as direct as stealing cash.” Further, the article notes that many firms are pressured to provide short-term results to avoid market retribution and/or loss of employees as a result of poor performance. To compound the pressure issue, accountants could also be viewed as being in more opportunistic positions to create their own ethical dilemmas by engaging in fraud.

Whenever fraud is mentioned, it is not long before the discussion moves to Dr. Donald R. Cressey’s (1972:30) fraud triangle: pressure, opportunity and rationalization. Pressure is an innately inherent condition felt by humans and exists in every stage of Maslow’s (1943) hierarchy of needs or motivations. Accountants, despite their prescribed codes of ethics, are not immune from pressure to commit financial fraud—whether such pressure is exerted internally from the need for job promotion or externally from a top level executive who wants financial statements figures to meet a designated target level. Thus, no code of ethics, no matter how severe the penalties for lack of adherence, will eliminate pressure. As previously mentioned, given the nature of their activities, accountants clearly have the opportunity to commit financial fraud. [Furthermore, accountants have the necessary capability, a fourth dimension suggested by Wolfe and Hermanson (2004).] In most circumstances, opportunity is seen as the dimension of the fraud triangle most susceptible to external modification, usually through the installation of human and physical internal controls.

However, within the accounting profession, the dimension of rationalization may be the one that “holds all the cards” to minimizing financial fraud. Since rationalization is considered the ability to inappropriately justify an action in a logical or rational manner to one’s self or others, then all people rationalize to some extent and at some point. Most rationalizations can be categorized as self-deception, self-indulgence, self-protection, self-righteousness, or faulty reasoning (Albrecht, 1992:18-19). Rationalization is, however, more difficult if a code of ethics delineates certain actions as expressly “right” or “wrong” without attempting to dictate actions down to minutiae. Such codes “may inhibit and/or prohibit Machiavellian-type behaviors (e.g., manipulation, opportunism)” in accountants’ performance of their professional responsibilities (Wakefield, 2008). For example, the preamble to the AICPA’s Code of Professional Conduct calls “for an unswerving commitment to honorable behavior, even at the sacrifice of personal advantage” (AICPA, 2014.§0.300.010.02). Thus, implementation of, and adherence to, codes of ethics may be the most effective deterrent tools against immoral and illegal behaviors by accountants because such codes make the commission of fraud more internally intolerable to accountants.

ETHICS IN ACCOUNTING?

Even a cursory glance at accounting or general business ethics articles reveals an astounding number of articles that begin by denouncing the morally objectionable behavior in which an appalling number of
businesses in our society engages (e.g., Stuebs and Wilkinson, 2010; Baskerville-Morley, 2004; McAllister, 2003; Lasinsky, 2003; Myers 2003; Boatright, 2003). In many cases, the accounting profession has been identified as contributory to corporate irregularities through engaging in tactics that blurred or completely erased independence or by assenting to aggressive accounting practices that obfuscated the representational faithfulness of the financial statements. In open letter to His Holiness the Pope, Kirtley (2016) cites the Pope’s challenge for professionals to behave with greater regard for morality: “There is a stronger temptation to defend one’s interest without concern for the common good, without paying much heed to justice and legality. For this reason everyone, especially those who practice a profession that deals with the proper functioning of a country’s economic life, is asked to play a positive, constructive role in performing their daily work.”

“Professional accountants, as we know, are responsible for helping devise business strategies, analyzing the consequences for business decisions, forecasting performance, and suggesting improvements to a business” (Barman, 2016). Barman also notes that accountants should challenge information and data in fulfilling their commitment to professional codes of ethics and conduct. The pressures to deviate from ethics codes with regard to various accounting tasks could be damaging not only to the accountant but to a myriad of stakeholders using financial reporting information.

Baskerville-Morley (2004) asserts that the accounting profession is under an attack of its reputation and brand as a group of honest professionals having specialized knowledge. Gartenstein (n/d) suggests that honest and ethical accounting practice can create a positive image for the firm. Failure to create such a positive image causes the firm to lose trust among current and potential stakeholders, but also continues to tarnish the image of the accounting brand. Onyebuchi (2011) offers that “the public accounting profession has long relied on its reputation for integrity and veracity as justification for its professional status and monopoly privileges based on claims of acting in the public interest.” He also asserts that the challenge for the accounting professional in today’s world is to buttress the public’s confidence in the accounting profession: both the profession’s effectiveness and ethics must be strengthened. Most recently, the financial crisis has “renewed and reinforced the demands for ensuring the integrity and ethics of the accounting profession via whatever means” (Rockness and Rockness, 2010).

The need for accounting ethics is based, in part, on the symbiosis between business and society. Joseph (2007: 50, 51, 56, 63) provides multiple references to this symbiotic relationship: “corporations recognize that the interests and concerns of a broad spectrum of stakeholders are interrelated with their own success;” “organizations operate in society and depend on that society for their existence”; “the highly interdependent environment in which the corporation operated, and hence the need for greater social consciousness”; and “the unchanging nature of man’s interdependent environment.” Similarly, Raiborn and Payne (1990) emphatically note this mutualistic relationship between business and society relative to a fiduciary duty: businesses exist because they are granted that right by society and society benefits from business productivity. Should the firm breach “its fiduciary duty to uphold the spirit or letter of the law, both groups would suffer as the symbiotic effect” would decline.

Mintz and Morris (2011) hone in on the difference between the law and ethics. Laws represent the minimalist approach, while ethics speaks to the spirit of the law. Generally speaking, what is determined to be legal obligations are derived from moral obligations rooted in beliefs, values and attitudes. Accountants should not seek to fulfill only the minimalist requirements of the law, but should seek to fulfill fiduciary obligations to relevant stakeholders; accountants should follow the spirit of the law. “Ethics includes a set of rules that complement legal rules. … They provide the criteria for acting with a degree of freedom in a given situation and choosing responsible behavior with respect to oneself and others” (Youseff and Rachid, 2015). Determinations of businesses’ productivity and assessment of businesses’ fiduciary duty are made,
in part, by the financial reporting function provided, and audited, by accountants. Should accountants fail to adhere to their moral behavioral or informational directives, the domino effect from such lapses will surely produce business and societal failure (as was seen to some extent in the 2008 financial crisis).

Because accountants (especially external auditors) act as “protectors of the public trust” (Boylan, 2011) and because accounting information has the distinct ability to impact decisions and concomitantly influence capital markets, members of the accounting profession should themselves be accountable to the stakeholders utilizing the financial information being reported. The profession should be viewed as a moral order or a multifaceted system of shared rights and responsibilities. To guide its members, accounting relies on two primary forms of moral directives: one (generally accepted accounting principles or GAAP) to guide process and a second (a professional code of conduct) to guide behavior.

Within the profession, GAAP could be viewed as constituting agreed-upon moral directives or norms...rather than simply a process by which to reveal or communicate an economic fact as a purely informational point. Therefore, adherence to GAAP (or another formal reporting communication technique such as International Financial Reporting Standards or IFRS) would be tantamount to adherence to ethical behavior. Williams (2002:2) contends that “good reasons for accounting practice are those consistent with a process of deciding moral norms.” But not all accountants would agree to such a notion. For instance, McAllister (2003) asserts that strict, unrelenting GAAP compliance results in a “checklist/minimalism mentality.” GAAP have been criticized for failing to provide an accurate representation of the firm’s real profit or financial position (Murphey, 2010). Rockness and Rockness (2010) state that accountants who merely focus on rule compliance may miss the ethical consequences of their actions, instead using the rules as the reason for their unethical behavior. Thoughtless compliance with GAAP is the equivalent of ignoring transactional substance (actuality) in favor of form (appearance)—leading to distorted presentations of reality. Thus, the message is clear: abiding by legal strictures alone (whether in the guise of GAAP, IFRS, generally accepted auditing standards, or any other professionally pronounced edict) is insufficient to ensure, to the greatest extent possible, honest, open, transparent, accurate information development or presentation by good faith practitioners.

ETHICAL FOUNDATIONS

The provisions of GAAP, IFRS, etc. provide the first set of directives for ethical accounting standards. Before focusing on a second set of directives to guide moral behavior (a code of ethics), the nature of ethics should first be examined. De George (2010) defines business ethics as business morality, while morality is the determination of the right and wrong based on values and beliefs of the cultures that produced the morality. Velasquez notes that there are many definitions of ethics: the principles used to govern conduct in society or the principles by which individuals assess the right and the wrong. Velasquez (1998:11) defines ethics specifically as “the activity of examining one’s moral standards or the moral standards of a society, and asking how these standards apply to our lives and whether these standards are reasonable or unreasonable, that is, whether they are supported by good reasons or poor ones.” Addressing accounting as a profession, Velasquez (1998:7) offers that “[w]e use the term ‘accounting ethics’ to refer to the code that guides professional conduct of accountants.” Tormo-Carbó et al. (2016) define ethics as the “system of beliefs that supports a particular form of morality.”

Mintz and Morris (2011:5) begin their discussion on the nature of ethics by referencing the Greek and Latin words such as ethikos and mores or, respectively, custom or character and manners, moral or character. These authors equate the concepts of ethics and morals, and simplify the concept of ethics by indicating that ethics relates to right and wrong. Additionally, they emphasize the importance of ethics with regard to the effect our actions have on stakeholders. Writing about accounting ethics, Onyebuchi (2011) defines
ethics as “the systematic study of conduct based on moral principle, reflective choices, and standards of right and wrong.” He also cites ethics as it relates to auditing, noting that auditing ethical standards are no different than general business or indeed general business ethics.

Other definitions of ethics have been offered. Youseff and Rachid (2015) define ethics as a “philosophical discipline that aims to apply actions and rules in keeping with the concepts of right and wrong…. General ethics aims to articulate criteria that confirm respectful behaviors in a practical situation and when making responsible choices.” They suggest as well that the idea of ethics is closely related to that of legitimacy or concepts of legality, justice or equity.

PROFESSIONS AND CODES OF CONDUCT

A system of self-regulation based on a code of ethics (or conduct) is one of the three primary criteria characterizing a profession, with the other two being significant training and education, governmental review and licensure (i.e., credentialing) (Magill and Previts, 1991:5). Professionals are also generally viewed as having a higher level of autonomy than non-professionals. However, such autonomy carries with it the responsibility to “serve the public good, to set higher standards of conduct for their members than those required of others, and to enforce higher discipline on themselves than others do… (S)ociety … imposes less social control, on the condition that the profession be self-regulating and self-disciplinary” (DeGeorge 1999:490).

Stuebs and Wilkinson (2010) further identify two key characteristics of professions: (1) possession of a body of theoretical and technical knowledge and (2) an orientation towards service, asserting that these characteristics build trust among stakeholders. The premise that members of a profession embrace the concept of serving the public interest is imperative. Such services “are required by society at large” and are often “needed to remedy perceived or actual ills, the relief of which will allow society to go forward” (Behrman, 1988:99). Bollum (1988) reiterates the importance of service to the public interest by stating that a primary objective of all the professions is to serve and protect the public. If, however, trust in the accounting profession’s reputation and information being provided is tarnished or in question, it is imperative for accountants to reestablish their public service orientation as ethical providers of relevant and reliable information for decision makers. All of these characteristics indicate that accounting is, by any measurement bases, a profession.

Higher standards and the disciplinary function are developed through professional associations, which promote the profession’s interests. Professional associations also provide a forum for discussion of matters affecting the profession, and serve as a vehicle for communication between the profession/professionals and various associated stakeholders. Additionally, these associations help develop and enforce provisions of professional codes of knowledge, competence standards, and ethics.

Within their working environments, accountants (as do most professionals) face a wide variety of issues giving rise to ethical dilemmas. Indeed, the pressures felt by accountants to engage in unethical behavior are significant and are growing as today’s competitive and global environments expand (Onyebuchi, 2011). While all recognized professions have codes of ethics, those codes (even for a single profession such as accounting) differ in listed standards and acceptable conduct. However, culture (both of an organization and of geography) may affect how individuals perceive and act upon the delineated canons. One early study of internal auditors found that a “single universal code of ethics may not reflect the needs of [an] international group” because countries’ “cultural differences often limit the effectiveness of a uniform international code of ethics because they create a lack of consensus within a profession as to what constitutes acceptable behavior” (Vanasco, 1994). Also, codes may be ineffective because codal provisions
are not enforced or implemented (Brien, 1998), in part because such enforcement is deemed to be contradictory to the main purpose of the professional association: to protect and promote the interests of their members (Tomasic and Bottomley, 1993 as cited in Brien, 1998). Given the circumstances of potentially conflicting advice from counseled individuals, different tenets among codes, an inability to extrapolate to a global professional population, and potential dereliction of enforcement, the accounting profession (and possibly other professions) may need ethical codes of conduct that are more easily and effectively referenced.

THE DEVELOPMENT OF A MODEL CODE OF CONDUCT FOR ACCOUNTING PROFESSIONALS

Codes of ethics provide a coherent articulation of the ideals, responsibilities, and limitations of the collective ethic of a profession’s members. Unfortunately, Velayutham (2003) argues that professional codes of conduct have moved from a focus on moral responsibility to technical specifications and rules. Frankel (1989) believes a professional code of ethics should serve as a moral anchor, a means of public evaluation, a source of strengthened professional identity and pride, a way to enhance the profession’s reputation and public trust, a mechanism to preserve “entrenched professional biases,” a deterrent to unethical behavior, a source of support against demands for inappropriate professional actions, and a basis for adjudicating professional disputes. De George (1986: 342-343) postulates that a code should have four primary functions: regulative; protective of clients and the public interest; specific, honest, and both policeable and policed; and non-self-serving. Raiborn and Payne (1990) assert that codes should be clear, comprehensive, positive, and enforceable by reducing or eliminating ambiguity or doubt in the ethical decision making process. Codes of ethics should emphasize service to the client, while censuring inappropriate conduct by the professional (Sager, 1992). Ethics codes also stipulate penalties for departures from the code: from reprimands to professional expulsion. Thus, regardless of how the functions are described, the elemental intent of codes of ethics is to help deter professionals from engaging in behaviors that, individually or collectively, would bring disgrace to the profession and impede its ability to be of public service.

The profession of accounting encompasses a diverse group of people performing innumerable activities in a wide array of employment venues. However, the same reality exists for the medical and the legal professions, both of which have comprehensive model rules of professional conduct to address certain basic duties that are owed to clients. Similarly, a model code of conduct can be developed for professional accountants, regardless of certification, licensure, or location.

The model code would require an understanding of professional duties and the stakeholders of accounting information who were previously addressed. Such a code should be developed by representatives from organizations that are most engaged in the provision of accounting information; such a group would include (at a minimum) the AICPA, Institute of Internal Auditors (IIA), and Financial Executives Institute (FEI). Faculty also have a significant role in the teaching of the ethical constructs these professional groups provide and should be included in any effort to tie accounting ethics to the accounting profession, founded in the required licensure procedure. The model code would also need to consider concepts such as values and ethical frameworks. For example, Mintz (2016) suggests that the two most important values for accountants are integrity and objectivity, “two values that, along with independence, form the foundation for rules of conduct. Voicing and acting on those values is essential to carrying out one’s professional responsibilities.”

A model code of ethics for a profession should be grounded in the values that members of that profession deem to be desirable. Adler (1999) defined values as the amalgamation of the learning that occurs from
childhood as a result of interaction with family, friends, church and school. Values originate from one’s community and culture and aid in a person’s determination of the important considerations in their decision-making processes. As depicted in Figure 2, when values are added to attitudes, belief, and behavior, culture is formed, from which a model code of ethics can be developed. Such a code would include guidelines that can be distilled based on professional certification and licensure requirements to increase or decrease the level of specificity to the individual or to the public interest.

Figure 2: Creating Codes of Professional Ethics

Excerpts (see Exhibit 1) of behaviors were taken from the AICPA’s Code of Professional Conduct, the IIA’s Code of Ethics, and the FEI’s Code of Ethics. These excerpts were first examined as to their comparability of desired characteristics; similarities were then condensed in Table 1 to reflect to fundamental principles to describe an ideal of service for accounting professionals. Thus, the last column is reflective of broad societal ethical edicts as applicable to accountants.
Exhibit 1: Critical Elements or Sections of Ethics Codes

AICPA Code of Professional Conduct
(http://www.aicpa.org/Research/Standards/CodeofConduct/Pages/sec50.aspx)
- Place self-discipline above and beyond legal requirements or regulations
- Accept responsibility to the public, clients, and colleagues and the community of people and institutions served by the profession
- Have an unswerving commitment to honorable behavior
- Essential role in society
- Engage in self-governance
- Act with integrity, objectivity, due professional care, and a genuine interest in serving the public
- Provide quality services
- Honor the public trust
- Maintain independence if in public practice
- Be scrupulous in their application of GAAP
- Discharge duties promptly with competence and diligence
- Perform services that are within acceptable professional behavior

Institute of Internal Auditors Code of Ethics – Principles and Rules of Conduct
- Act with integrity, performing work with honesty, diligence, and responsibility
- Act within the law and do not perform acts discreditable to the profession or organization
- Do not participate in activities or relationships that may impair unbiased assessment of information, relevant circumstances, or professional judgment
- Communicate all material information
- Maintain confidentiality unless there is a legal or professional obligation to make disclosures
- Do not use information for personal gain or in an illegal manner
- Engage only in services for which one possesses the necessary knowledge, skills, and experience
- Continually improve proficiency, effectiveness, and quality of services

FEI Code of Ethics
- Act with honesty and integrity
- Avoiding actual or apparent conflicts of interest in personal and professional relationships.
- Provide accurate, complete, objective, relevant, timely and understandable information
- Comply with applicable rules, regulations, and laws of appropriate private and public regulatory agencies
- Act in good faith, responsibly, with due care, competence and diligence
- Do not allow independent judgment to be subordinated.
- Respect the confidentiality of information unless legally obligated to disclose
- Do not use confidential information for personal advantage.
- Maintain skills
- Proactively promote ethical behavior
- Achieve responsible use of and control over all assets and resources employed or entrusted
- Report known or suspected Code violations in accordance with identified procedures
- Be accountable for adhering to this Code.
Table 1: Comparison and Synthesis of the AICPA, IMA, IIA and FEI Codes

<table>
<thead>
<tr>
<th>AICPA</th>
<th>IIA</th>
<th>FEI</th>
<th>Synthesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsibility to public and service to public</td>
<td>Full disclosure of information</td>
<td>Full disclosure of information</td>
<td>Respect of and responsibility to stakeholders</td>
</tr>
<tr>
<td>Public trust</td>
<td>Confidentiality</td>
<td>Confidentiality</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Obligation to make disclosures (?)</td>
<td>Whistleblow</td>
<td></td>
</tr>
<tr>
<td>Honorable behavior</td>
<td>Honesty</td>
<td>Honesty</td>
<td>Do the right thing</td>
</tr>
<tr>
<td>Essential societal role</td>
<td>Legal/regulatory compliance</td>
<td>Legal/regulatory compliance</td>
<td>Respect of and responsibility to stakeholders</td>
</tr>
<tr>
<td>Honesty in accounting</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self-governance</td>
<td>Integrity</td>
<td>Integrity</td>
<td>Do the right thing</td>
</tr>
<tr>
<td>Integrity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Objectivity</td>
<td>Unbiased assessment of information</td>
<td>Unbiased assessment of information</td>
<td>Responsibility to stakeholders</td>
</tr>
<tr>
<td></td>
<td>No conflicts of interest</td>
<td>No conflicts of interest</td>
<td></td>
</tr>
<tr>
<td>Due professional care</td>
<td>Necessary skills for provision of services</td>
<td>Due care Maintenance of skills</td>
<td>Competence</td>
</tr>
<tr>
<td>Quality services</td>
<td>Quality of services</td>
<td>Quality of Services</td>
<td></td>
</tr>
<tr>
<td>Independence (if in public practice)</td>
<td></td>
<td></td>
<td>Responsibility to stakeholders</td>
</tr>
<tr>
<td>Competence</td>
<td>Competency in provision of services</td>
<td>Competence</td>
<td>Competence</td>
</tr>
<tr>
<td>Diligence</td>
<td>Diligence</td>
<td>Diligence</td>
<td>Responsibility to stakeholders</td>
</tr>
<tr>
<td>Professional behavior</td>
<td>No discreditable acts</td>
<td></td>
<td>Respect for profession</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Fiduciary responsibility</td>
</tr>
</tbody>
</table>

The excerpted behaviors from the identified codes are extremely similar, which would indicate a basic agreement on the fundamental principles for the profession of accounting. First and foremost, a stakeholder perspective is critical. Regardless of the type of organization in which an accountant works, the information he or she provides is relied upon by internal and external, known and unknown parties: in other words, all stakeholders. Such a perspective encompasses the concept of utility, which dictates information that will help ascertain a decision’s impact on stakeholders and that information will be sought and weighted appropriately. Without a continual focus on the generalized needs of stakeholders, accountants could (and have) generate information that could topple companies and invoke economic chaos.

Integrity reflects the dedication of a profession to the public. The public can place no trust or reliance in the information generated by accountants without integrity. Integrity reflects a consistency of actions that reflect honesty, good faith, honor, sincerity and candor in professional
and interpersonal relationships. Accountants must also be mindful of the maintenance of the skills that allowed entry into the profession. Thus, a professional perspective must be engendered to create a life-long adherence to learning and competency. Finally, professionals are expected to “do the right thing” or perform in a just and moral manner; justice entails the use of equity and fairness in decision-making. These four high-level epithets of utility, integrity, competence and justice portray qualities that are unassailable.

This condensation of codal information supports the delineation of values essential for codes of ethics as proposed by Raiborn and Payne (1990). The code takes into consideration both levels of morality and ethical values deemed important to society that encompass utility, integrity, competence, and justice. These four values can be used to construct a model code of ethics (Table 2), with a minimum of fundamental canons that can be easily comprehended by practicing accountants and non-accountants alike. Further, presentation of this code is not complicated and can be more easily utilized and embraced by all accountants and their stakeholders. A serviceable model should help practicing accountants make uncomplicated ethical choices when they encounter ethical dilemmas (in contrast to other codes of ethics and decision making models that are very good but astonishingly complicated, such as Hunt and Vitell, 2006; Laczniak, 1983). Table 2 also incorporates the values synthesized from the three codes of professional ethics we reviewed: it represents the model code as further developed to reflect the values synthesized from the AICPA’s, the IIA’s and the FEI’s codes of conduct.

### Table 2: Model Code of Professional Ethics for Accounting Professionals

<table>
<thead>
<tr>
<th>Synthesized Codal Values</th>
<th>Levels of Ethics Values</th>
<th>Theoretical</th>
<th>Practically Attainable</th>
<th>Current</th>
<th>Basic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of Services</td>
<td>Utility</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do the right thing</td>
<td>Integrity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competence</td>
<td>Competence</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Respect for and responsibility to stakeholders</td>
<td>Justice</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In assessing an ethical situation and related decision, an accounting professional could examine Table 2, which contains all pertinent and important values as reflected in three actual codes of professional conduct and ascertain which values he will be using. The accountant can decide exactly at what level of morality his decision should be made: some things are not to be compromised in any way, while others may be reviewed at a lower level of importance. The model code can then be filtered down to individual accounting disciplines that can provide more detailed guidelines for actions. An example of the utilization of this proposed model code might be aggressive tax avoidance. While it is well-established that tax avoidance is eminently reasonable, aggressive tax avoidance can be considered unethical (Payne and Raiborn, 2016).

A model code does not preclude the need for other, more focused, codes of ethics or professional conduct for accountants. However, there are several reasons why a model code, transferable across
accounting, business and societal behaviors, is a valuable resource for accounting professionals. First, the model code’s values are applicable to the whole populace of professional accountants rather than stylized codes that address only accountants who are in “this” or “that” discipline area, hold “this” or “that” certification, or are licensed in “this” or “that” state or country. Second, the model code is drafted in “plain English,” making it clearly understandable by accountants and non-accountants.

Third, the values espoused in the model can be traced to deontological ethical theories that reflect the duty of accountants to the public interest. Indeed, all of these values withstand Kantian analysis scrutiny (Kant, 1969) by being universally consistent, respectful of stakeholders as inherently valuable, and respectful of the freedom of accountants to act. The values also exemplify the Aristotelian ethics (Aristotle, 1984; Bragues, 2006) as the study of the excellence of character, which expects (in part) the virtues of courage, magnanimity, wisdom, sociability and justice. To act honestly and ethically regardless of pressure reflects the virtue of courage: the accountant must have the courage to act as he feels is morally right in the face of clients or managers who demand more favorable positions than the accountant feels is proper. Magnanimity is the idea that one should have value and respect for great honors, in this case, the receipt of trust from the business community and user stakeholders. Wisdom reflects the need for the accountant to be competent and to use his competency appropriately to protect stakeholders, while sociability requires the accountant to act professionally. Finally, the virtue of justice or fairness is included: it reflects that accountants perform a critical function in the fair allocation of goods and services. Table 3 represents the fit between societal, business and accounting ethics. Exhibit 2 represents examples of individual application of the values of utility, integrity, competence and justice: our ethical decision making model. These are only examples of the kinds of guidelines that the model code could aid in the development of: they are sufficiently broad as to be understandable and usable by all and yet sufficiently specific to give the accounting professional facing an ethical dilemma a sound basis for making his moral judgment.

<table>
<thead>
<tr>
<th>Raiborn and Payne</th>
<th>Kantian Values</th>
<th>Aristotelian Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility/Prudence</td>
<td>Respect for Freedom</td>
<td>Sociability</td>
</tr>
<tr>
<td>Integrity/Honesty</td>
<td>Respect Stakeholders</td>
<td>Courage/Magnanimity</td>
</tr>
<tr>
<td>Competence</td>
<td>Respect Stakeholders</td>
<td>Wisdom</td>
</tr>
<tr>
<td>Justice</td>
<td>Universal Consistency</td>
<td>Justice</td>
</tr>
</tbody>
</table>

Exhibit 2: Model Guidelines for Making Ethical Decisions
Professional accountants are expected to abide by and uphold the following ethical principles.

1. **Stakeholder Perspective**
   - Accountants should recognize that their work will be employed by diverse users for a variety of purposes and, therefore, should view all stakeholders as valuable because of the interlocking nature of the economic process.
Accountants should prepare information (both financial and related disclosures) in a manner that can be comprehended by a stakeholder who is reasonably astute in business and who is willing to make a reasonable effort to understand the information presented.

Accountants should be willing to provide specialized information to stakeholders with specialized needs at an additional cost.

Accountants should treat all stakeholders fairly and uniformly in consistent situations.

2. **Integrity**

Accountants should perform their work honestly, responsibly, objectively, and legally.

Accountants should gather, record, analyze, and present information that is accurate in all material respects.

Accountants should gather, record, analyze, and present information that faithfully and objectively represents the underlying facts.

Accountants should act in good faith towards all stakeholders of accounting information, other members of the profession, and other members of society.

Accountants should resist efforts by stakeholders to exert undue influence on the manner in which information is generated or presented.

3. **Competency**

Accountants should, through continued study and education, maintain the necessary professional competency to perform work assignments.

Accountants should be diligent in maintaining professional objectivity and confidentiality.

Accountants should exercise professional judgment in a prudent and thoughtful manner.

Accountants should be willing to mentor and share knowledge with others.

4. **Justice**

Accountants should proactively engage in and promote legal and ethical behaviors in all personal and professional activities.

Accountants should uphold the standards of professionalism and be honest in all professional interactions.

Accountants should uphold the fiduciary responsibilities that come with professional knowledge and position.

Accountants should use good faith in decision-making and assessment activities.

**CONCLUSION**

Significant criticism has been directed at accountants for their professional colleagues’ roles (or perceived roles) in some of the recent business failures. In some cases, the criticism is valid; in others, perhaps the criticism stems from a lack of understanding about what accountants do and how they do it. Accountants are part of the human resource contingent known as knowledge workers whose professional abilities reflect mental acuity and problem solving. They produce information (e.g., monetary analyses, financial statements, tax returns, or audit opinions) that is used for dissimilar purposes by a multitude of stakeholders. Because of the critical impact that accountants’ work can have on economic decisions, accountants (in a manner similar to physicians) must embrace the concept of nonmaleficence or the ethical principle of doing no harm. Members of this profession must be ethical and stand fast against the internal and external pressures to engage in fraudulent activities. Codes of ethics focus on “how” professionals, including accountants, perform their functions. Such codes provide guidance on right and wrong, and can serve as deterrents to the rationalization dimension of the fraud triangle.
Onyebuchi (2011) asserts that “(a)ccounting codes of professional conduct significantly influence the behavior and judgment of practicing accountants.” Because ethical issues are pervasively present, it is increasingly clear that accountants become familiar with ethical guidelines or rules truly to live by in everyday application. To provide more far-reaching guidance on how to act, this paper presents a model code of ethics for all professional accountants. The model code looks beyond an accountant’s job function; it looks beyond workplace; it looks beyond certification, licensure, or locale. The model code is understandable not only to the accountants for whom it has been developed but also for the stakeholders to whom the accountants provide their services and produce their information. The model code provides clear, prescriptive guidance for a profession that serves the public and should act in their interest.

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COMPARING SECONDARY AND POST SECONDARY STUDENT LEARNING PREFERENCES: IMPLICATIONS FOR FUTURE ENTREPRENEURSHIP COURSES

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ABSTRACT

What similarities and differences exist between secondary and postsecondary students interested in entrepreneurship? Specifically, this exploratory work identified instructional method preferences and student opinions related to the functional skills of critical thinking, collaboration, communication and creativity for a group of high students attending the Kentucky Governor’s School for Entrepreneurship and a group of college students completing an entrepreneurship course. The premise is by understanding what current secondary students prefer, postsecondary professors could employ methods to improve student knowledge retention and class satisfaction. Any significant differences could give indications for future pedagogical changes.

Keywords: Entrepreneurship, learning styles, secondary education, postsecondary education

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TOWARDS A FRAMEWORK FOR CREATING SUSTAINABLE SUPPLY CHAINS

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ABSTRACT

In today’s global economy, supply chain sustainability has become a critical issue for many companies. Recent innovations in information technology (IT) have positively impacted all aspects of business including the field of supply chain management (SCM). The role of IT in SCM has been well studied. However there is still a dearth in the current literature that addresses the integration of various factors that will help build sustainable supply chains. This paper seeks to fill this gap by analyzing how IT can help sustainability of the supply chain by focusing on sustainable business processes and analyzing the domain specific data.

Keywords: Information Technology, Supply Chain, Sustainability, Green Business

INTRODUCTION

Supply chains must respond to environmental pressures from four sources. Resource availability and regulatory pressures place physical, legal, and economic constraints on supply chain management, while consumer demands and the ethical responsibilities of corporations define desirable behavior in the and within those constraints (Paquette, 2006). As a result of this, supply chain sustainability has become a critical issue for many companies. Recent innovations in information technology (IT) have positively impacted all aspects of business including the field of supply chain management (SCM). With the emergence of web services, the convergence of telecom and computing is finally reaching maturity in a unified platform for doing business in the 21st century. The widespread availability of highly flexible, functional, and inexpensive information and communication technologies provides us with opportunities for a radical redesign of supply chains (Gunasekaran, 2004). Redesign of supply chain should include a rethinking with sustainability in the background.

Information is an important asset that gives enterprises a competitive advantage in the new economy. Information access plays a critical role in the informed decision making process, making it easy for businesses to make good competitive decisions (Bansal, 2005; Jain, 2009)). The ability of organizations to survive in an increasingly competitive global environment is largely predicated upon their capacity to leverage information as a resource. In today’s fierce competitive environment, companies need to be highly responsive and adaptive to demands of customers, actions of competitors, and changes in economic conditions (Bharadwaj, 2007; Simchi-Levi, 2000). Data analytics can be as useful to businesses by identifying those business processes that are capable of exploiting the new innovations in that area.

This paper is organized as follows. First we briefly describe the current scenario pertaining to supply chain management and sustainability. Sustainable business process reengineering relevant to supply chains using information technology is discussed next. Concluding remarks form the last section.
SUPPLY CHAIN MANAGEMENT AND SUSTAINABILITY

The concept of sustainability is not a new idea. In 1987, the Brundtland Commission (World Commission on Environment and Development) stated that sustainability is development that meets the needs of the present without compromising the ability of future generations to meet their needs. Business sustainability can be defined as the ability to conduct business with a long term goal of maintaining the prosperity of the economy, environment and society. This is well described in the triple bottom line (TBL) perspective of sustainability which considers organizational sustainability to include the following three components:

- Environmental Performance (Planet),
- Economic Performance (Profitability), and
- Social Performance (People).

By considering all stakeholders in addition to profits, more sustainable outcomes can be chosen while considering many alternatives. Nearly 70% of the top 250 global companies on the Fortune 500 have adopted TBL reporting (Dao, 2011). The Dow Jones Sustainability Indices (DJSI) launched in 1999, are a family of indices evaluating the sustainability performance of the largest 2,500 companies listed on the Dow Jones Global Total Stock Market Index. Companies vie for a better Dow Jones Sustainability Index.

In a typical manufacturing enterprise, the value chain model consists of the following sequence of activities: inbound logistics, operations, outbound logistics, marketing & sales, and service. The objective is to offer the customer a level of value that exceeds the cost of activities (Chopra, 2007). In addition to the above primary value chain activities, we also need to consider the following supporting activities: firm infrastructure, human resource management, technology development, and procurement. Supply chain management (SCM) can be defined as the combination of art and science of improving the way an enterprise finds the raw components it needs to make a product and delivers it to customers. Viewed from this perspective, SCM is an important part of the overall value chain model. This approach is useful in analyzing the impact of Information and Communications Technologies (ICT) on the manufacturing environment. Sustainability affects all links of the supply chain.

Typically, a supply chain includes all entities and processes involved in fulfilling a customer order. More than one decision maker is involved in managing resources, information, and processes that span several organizations. In a nutshell, supply chain consists of the following stages:

- Sourcing,
- Transformation,
- Delivery,
- Product Use, and Recycle.

Sourcing refers to procurement of raw materials, parts, and subassemblies required for the production of the final product. A critical part of sustainable supply chain is to have procurement that support environmentally friendly practices. This will be effective when the major entity in the supply chain forces its upstream suppliers to adopt and adapt technology and practices that result in sustainable material sources.

Transformation refers to the conversion of inputs to outputs. Using electricity produced from green alternatives instead of fossil fuels, using recycled paper and plastics where possible and using non-toxic chemicals in their processes are some of the ways to ensure sustainability. The delivery stage includes many
operational processes. The choice of facility location such as offshore vs. onshore, close to the customer vs. close to the raw material source can have a significant impact on the greenhouse gas (GHG) emissions. The choice of mode of transportation is another critical factor. Rail and waterways have lower emissions for ton of goods shipped but they are slower than trucks and airplanes which have higher costs and emissions. Inventory management is another area that can impact sustainability. Single period and multi-period inventory models take into consideration stock out and backorder costs but not sustainability criteria.

Consumers have a critical role to play in making supply chain sustainable. Considering products such as cars and computers, a major proportion of emissions comes from consumer’s use of products. A key objective of any business should be to make goods that are more energy efficient. A key component of Closed-loop supply chains is the concept of reuse, recycle and return. The objective is to ensure that the product is eventually disassembled and components reused, re-manufactured or recycled into a source of raw materials.

Elkington (2004) argues that due to the advance of information technology (IT) companies can no longer keep their practices secret from stakeholders. They have to report on their sustainability practices to inform them and to serve as a benchmark against competitors. Hassini (2012) lists the following factors as drivers for the adoption of sustainable supply chain practice:

- Market Forces,
- Policy and Regulations,
- Science and Technology,
- Product Development,
- Process Capability,
- Sourcing and Operations,
- Transport and Logistics,
- Marketing and PR, and
- Social Issues.

Market forces factors include consumers, retailers, original equipment manufacturers who may demand products considered environmentally friendly from their suppliers. Financial stakeholders such as mutual funds and pension funds require that the company follow sustainable practices. It is likely that in the future, access to capital markets may be restricted only to businesses that are deemed to be environmentally friendly. Competition in the marketplace may require a company a company to offer product considered as socially responsible, green, or sustainable. Governments either through legislation or via a regulator requiring that companies adhere to certain environmental standards is an example of how policy and regulations can influence companies to consider sustainability. In case of environmental disasters, governments can retroactively introduce legislation or regulation to curtail some business practices. Klassen and Vachon (2003) found that adoption of ISO 4001 is significantly related to the efforts of companies to invest more in environmental management practices.

The science and technology factor stems from the need to use research and development division to find materials and processes that are not toxic, use less energy or suitable substitutes without compromising use. The product development factor involves using more recycled content, using biodegradable materials or alternative sources of fuels and materials. It also calls for using reverse logistics and design for disassembly. The process capability factor calls for greening the process. This involves using energy efficient machines, fuel efficient transportation, etc. The process of producing the product will have to be environmentally sustainable. In case of returns after the useful life of the product, the supply chain would also have to ensure that the process is capable of absorbing returns and use them back in the production process,
The sourcing and operations factors focus on sourcing of recycled or renewable raw materials, parts or subcomponents and use processes that are more environmentally friendly. Companies like Subaru and Toyota operate zero-waste facilities as a means of reducing costs and helping the environment. They secure zero waste by making sure that no byproduct of their operations ends up in a landfill. The transport and logistics factors direct companies require the use of reverse logistics and closed loop supply chains and reuse, recycle, and return programs.

The marketing and public relations factors pertain to the efforts of companies to create a value proposition to customers. Companies have to create awareness of the practices that makes the product more environmentally friendly and sustainable. Carbonfund and Bullfrogpower are organizations that provide carbon offsetting and greenhouse gas reduction options to businesses, and organizations. Companies can use certifications from such entities to inform customers that their products are environmentally friendly. The social issues factor focuses more on the existing behavior and practices of companies in relation to the treatment of their labor force, sourcing practices and environmental impact on their communities (Wang and Lin, 2007). Sustainable operations are more concerned with translating laudable aspirations into economically sustainable business practices.

**SUSTAINABLE PROCESS REENGINEERING USING INFORMATION TECHNOLOGY**

Redesign, retooling, and re-orchestrating form the key components of Business Process Reengineering (BPR) that are essential for an organization to focus on the outcome that it needs to achieve. The entire technological, human, and organizational dimensions may be changed in BPR. Information technology plays a major role in business process reengineering as it provides office automation, it allows the business to be conducted in different locations, provides flexibility in manufacturing, permits quicker delivery to customers and supports rapid and paperless transactions (Bogdanoiu, 2014; Wu, 2005).

The BPR technique implements organizational change based on rapid change, employee empowerment, and training and support by information technology. In order to implement BPR to an enterprise, the following key actions need to take place:

- Selection of the strategic processes for redesign,
- Simplify new processes – minimize steps – optimize efficiency – modeling,
- Organize a team of employees for each process,
- Organize the workflow – document transfer and control,
- Assign responsibilities and roles for each process,
- Automate processes using information technology,
- Train the process team to efficiently operate the new process,
- Introduce the redesigned process into the new organizational structure.

Although technology can create new or modified business practices at a rapid rate, successful adoption of new best practices must stand up to market forces. Technology and the marketplace are continually reshaping business activities and as a consequence, business strategies. An organization must continually work towards an alignment that fits into the organization’s sustainability strategy and IT strategy. This alignment should improve the likelihood that new initiatives are explicitly linked to areas that are critical to successful business performance, provide a source of competitive advantage. The role of IT should be that of a strategic enabler for competitive success, rather than just an operational supporter. As indicated in Appendix I, information technology tools are well suited for develop strategies to create sustainable supply chain functions.
Dao (2011) proposes an integrated sustainability framework. Short term internal strategy emphasizes preventing pollution by optimizing internal operations to reduce cost and have a positive impact on the environment. Strategy also involves creating an organizational culture aimed towards sustainability and improving employee management practices within firms. Payoffs envisaged for activities in this quadrant are reduced costs, increased profitability, and reduced risk. Short term external strategy focuses on improving the extended supply chain to reduce pollution through material and process choices and closed loop supply chain. Strategy also involves extending organizational culture aimed towards addressing sustainability issues affecting both internal and external stakeholders. Payoffs expected for this strategy include reputation, legitimacy, reduced environmental impacts, and increased competitive advantage.

Long term internal strategy involves developing capabilities that enable radical clean technologies and processes that help solve social and environmental issues. Expected payoff for this strategy includes innovation and strategic positioning. Long term external strategy consists of including core sustainability capabilities in all products, processes, and supply chains. This strategy will give an impetus to open new, previously ignored dialogues with stakeholders to solve social issues and locate growth opportunities, thus creating a sustainability vision. Expected payoff would be a positive growth trajectory. As Paquette (2006) points out, a company that is reactive, flexible, and efficient in execution may operate extremely well at environmental pressure, while a company that is proactive, innovative, and differentiated from competition may best place themselves beyond pressure.

CONCLUSION

Enterprises of all sizes that are parts of supply chain can benefit from using techniques made available by information technology in their efforts to create a sustainable supply chain. Business process engineering and data analytics have been used successfully in the corporate world. However, optimal use of these techniques focused towards sustainability requires domain specific analysis (Watson, 2010). The basic building blocks of IT implementation consist of digitized versions of interactions among various business processes. In this paper, we have presented a framework that can identify and categorize the different types of business processes/transactions geared towards sustainability. Restructuring these processes and then automating them in a systematic affords a practical approach to leverage information technology. Monitoring the critical success factors will help in evaluating the success of these measures.

Future work in this area focuses on developing a comprehensive framework that will enable entrepreneurs and researchers to point out the potential priority areas that need to be automated first and also yield a realistic estimate of resources needed to achieve such transformation. In addition, such an approach will also help in giving a better insight into process restructuring with sustainability as the main focus.

REFERENCES


COLLECTIVE MIND: A STUDY OF DEVELOPMENT AND TEAM PERFORMANCE

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ABSTRACT

This purpose of this paper is to evaluate whether collective mind develops over time and to examine whether collective mind impacts team performance. This study relies on two designs and two samples and examines development over time and the impact on performance. The results of this study indicate that collective mind changes significantly over time and that collective mind is positively and significantly related to team performance. This paper contributes to the literature by highlighting the importance of examining teams over time. This paper also demonstrates that collective mind plays an important role in team effectiveness across two settings.

LITERATURE REVIEW & HYPOTHESES

Weick and Roberts (1993) coined the term “collective mind”. They defined collective mind as a “pattern of heedful interrelations of actions in a social system” (p. 357). In other words, collective mind refers to a team or an organization that acts intelligently as a collection of individuals. This cognitive action structure likely develops over time as team members share more experiences. Developmental frameworks are useful tools in the behavioral sciences as they can be used to account for systematic changes in a system over time. For example, the cognitive functioning of individuals is believed to proceed over time from surface awareness to the development of complex, higher order cognitive structures (Klausmeier, 1979; Piaget, 1970). It is therefore not a stretch to believe that a team’s cognitive functioning develops over time from simpler to more complex modalities, or, as Klimoski and Mohammed (1994) have argued, from simple mental models to superordinate ones. Denzau and North (1994) argue “an understanding of how such models evolve and the relationship between them is the single most important step that research in the social sciences can make” (p. 5); however, there is little research that explores the developmental nature of collective mind even though it is theoretically positioned as an advanced cognitive system (Weick & Roberts, 1993; Yoo & Kanawattanachai, 2001). Provided that collective mind is proposed as a complex cognitive structure that develops over time, and following the temporal perspective adopted by researchers across disciplinary fields (Poole, Hollingshead, McGrath, Moreland, & Rohrbaugh, 2004), we hypothesize the following:

Hypothesis 1. Collective mind scores will increase over time.

Weick and Roberts (1993) suggest that a fully developed collective mind is not a guarantee across all teams. Weick and Roberts (1993) insist that the development of the team as a social unit is different from the development of the collective mind and that maximum team effectiveness would likely occur for teams with a developed collective mind. These types of teams develop a deep sense of cognitive cohesion by valuing the importance of behaving heedfully and mindfully in carrying out team objectives. Weick and Roberts (1993) allude to the powerfulness of teams characterized with a developed collective mind in suggesting that if heedful interrelating is immersed into the team then the collective mind will continue to be strengthened rather than dissipate. The subordination to a less developed collective mind results in carelessness and mindlessness because there is self-censorship of deviations, doubts, and counterarguments (Weick & Roberts, 1993; Weick & Sutcliffe, 2001). These types of teams are considered poor decision-makers because of poor information search techniques and because the most important priority is agreement
over effectiveness (Janis, 1982; Pratkanis & Turner, 1999). In sum, teams that achieve a high level of cognitive functioning through a collective mind are likely to outperform teams with lower levels of collective mind.

Hypothesis 2. Collective mind scores will be positively associated with team performance.

METHODS & RESULTS

Study 1

The laboratory study examined the development and performance of twenty work teams over a sixteen-week time period. The teams were required to complete an end of the term project by developing a product. Each team’s product was evaluated in terms of design creativity, design realism, and resource efficiency by their class peers. Collective mind was measured using four items developed by Yoo and Kanawattanachai (2001), which they adapted from Weick and Roberts’ (1993) definition of collective mind. These questionnaires were administered so that scores of collective mind could be recorded and tracked over time. When these data are subjected to repeated measures ANOVA, the results support Hypothesis 1. The relationship between collective mind and team performance was analyzed using the SEM approach of partial least squares (PLS). Hypothesis 2 is supported because collective mind is positively related to performance.

Study 2

Study 2 is a cross-sectional field examination of ten intact work teams of a Fortune 500 company in the construction industry in the Southwestern U.S. Members of the 10 work teams were surveyed to test hypothesis 2. Team performance in Study 2, the outcome variable, was assessed using the same measures employed by the managers when evaluating team performance. For predictor variable data, members from each team completed a questionnaire. These are the same items used in Study 1. Hypothesis 2 is supported because collective mind is positively and significantly related to team performance.

CONCLUSION

This paper highlights the importance of examining teams over time. Collective mind increases dramatically over time as the task becomes more urgent. This paper also demonstrates that collective mind seems to play an important role in team effectiveness. Evidence indicates that collective mind’s impact on team effectiveness may be even greater as the tasks become more salient. Researchers should include both time and salience factors when designing studies of collective mind development. Research ignoring either of these aspects will present an incomplete picture of the development of a team’s collective mind.

REFERENCES


DEVIANCE REDEFINED: CHARACTERIZING POSITIVE DEVIANCE

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ABSTRACT

Deviant behaviors in the workplace have been overwhelmingly defined as negative acts in conjunction with counterproductive work behavior. Infrequently, researchers highlight deviant acts which they have classified as positive events, such as whistle blowing, deviance in the name of promoting corporate social responsibility, or deviance on the grounds of principled dissent. Despite these nascent inroads, the majority of research states that deviation is bad, that employees who do not follow firm policies are doing so because they are disgruntled, emotionally unstable, or lacking in self control. However, there are many ways in which minor deviance can be considered a positive, especially for the employee. This paper offers an innovative perspective on deviance; we reframe deviance from a negative act to an act that may be classified as positive or negative, depending on the degree of the deviance. Second, we identify several additional sources of positive deviance, adding to the clarification of the field. Third, we propose that minor levels of deviance can be seen as a paradox; deviance can be beneficial to the employee yet harmful to the organization, or it may be positive for both, depending on the observer’s viewpoint.
STRATEGIC ORGANIZATION DEVELOPMENT

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ABSTRACT

Organizations for a long time have spent millions of dollars a year hiring OD consulting services to help them become more efficient and effective instead of reacting to constant changes in the environment. According to Jelinek & Litterer (1988), OD is in need of a new statement of its professional mission, a new understanding of how that mission is to be served, and appropriated vocabulary for communicating with clients through their concerns.” The twin forces of ideological change and technology revolution have changed the way we communicate, the way we share data, and manage information. Changes are not intermittent anymore. Organizations have to become more strategic. Strategic organization development involves efforts to improve both the organization’s relationship to its environment and the fit between its technical, political, and cultural systems (Cummings & Worley, 2005). Such efforts can either be preventative or corrective in nature. Prevention requires constant monitoring of the internal and external environments to identify, and correct for, issues soon after they arise. Correction, in those cases where prevention was not exercised will involve large-scale transformations at multiple levels of the organization and a change in its culture (Head, 2006). Organizations need to develop a passion for strategic change including needs and goals of individuals with those of the organization instead of the theory of top down management implementation. It certainly sounds a lot easier in theory than in practice.

True organization development, by definition, is strategic (Head, 2007). According to Cummings and Worley, strategic organization development is defined as “efforts to improve both the organization’s relationship to its environment and the fit between its technical, political, and cultural systems” (Cummings and Worley, 2005). Yaeger & Sorenson (2009) describe strategic organizational development (OD) in terms of the Jelinek & Litterer model of strategy: action focused interventions that leverage the history of OD’s experience in team development and group dynamics, job design, and a team’s ability to cope with stress. These days, if leaders are not prepared and able to quickly adapt to change, the organization may not survive in the fast pace environment we live on with advancements in technology, globalization, government regulations, etc.

Why Organization Development must become Strategic?

It is very obvious that the world is changing at a fast pace. According to Jelinek & Litterer (1988), OD is in need of a new statement of its professional mission, a new understanding of how that mission is to be served, and appropriated vocabulary for communicating with clients through their concerns. There are three factors that are central to these changes that results in accelerating competition, with intense pressure on organization’s abilities to respond to change and provide both quality and low cost:

1. Competition is increasingly global, and there is essentially no protected domestic market.
2. Manufacturing is being revolutionized by an increasing science base, available to competitors around the world.
3. Computers are being broadly utilized.

Moreover, technology has changed radically and “not only are more engineers and scientists developing new products and processes, but they are being used directly in manufacturing, marketing, and management
activities in numbers and in ways that are altering the basic ways forms we operate. Firms that do not employ sufficient numbers of technical personnel throughout their organization are in danger of falling behind better staffed competitors,” as a result people will have to pay meticulous attention to details to make it work. For example, think of the process of landing a plane. There are so many pieces to it and all based on individual’s skills and responsibilities and they all have to come together at every takeoff and landing or we would have major airplanes destroyed and passengers dying, but this process cannot be successful without meticulous attention to details and level of commitment and responsibility from each individual.

Organization’s used to prepared for changes, coordinate, and then plan. Nowadays, changes are part of the day to day operations, it is continuous. “The impact on organizations can be summarized neatly; all members of the organization must be more technologically literate, and more attuned to change than ever before. In an environment, far more complex than in the past, a mere tolerance for change is insufficient. To exploit the capabilities that technology make possible, organizations must develop a passion for successful change. Because change is more rapid and competition far fiercer, organization members must be more aware of goals, more integrated in their activities, and more autonomous in their work.” (Jelinek & Litterer, 1988; pg. 144).

**Strategic Organization Development**

Strategic organization development involves efforts to improve both the organization’s relationship to its environment and the fit between its technical, political, and cultural systems (Cummings & Worley, 2005). Such efforts can either be preventative or corrective in nature. Prevention requires constant monitoring of the internal and external environments to identify, and correct for, issues soon after they arise. Correction, in those cases where prevention was not exercised will involve large-scale transformations at multiple levels of the organization and a change in its culture (Head, 2006). Yeager and Sorensen book, “Strategic Organization Development” content an analysis of what the strategic management literature tell us and summarizing the chapter was the best way to describe the misinterpretation of the term strategic organization development and how it may have a bad reputation because most consultants in the field are not really practicing or qualified to practice strategic organization development.

In chapter 3, Thomas C. Head analyzes nine tenets from the strategic fields that appear particular relevant to the issue:

1. “A strategy is a set of related actions that managers take to increase their company’s performance relative to its competitors (Hill & Jones, 2007). Daft (2005) defines in this way, “strategic management is the set of decisions and actions used to formulate and implement specific strategies (plans of action focusing on attaining goals) that will achieve a completely superior fit between the organization and its environment so as to achieve organizational goals.” There are two implications with this statement: it consists of a related action and not as a collection of independent interventions aimed to accomplish micro goals – employee satisfaction here, less turnover there, etc.; and secondly our ultimate goal is to improve company’s performance and the focus must be on the result level, not the reaction level.

2. Strategic process consists of two parts: (1) formulation, which is the section of strategy and goals; and (2) implementation, which consists of the design and delivery of activities to support the strategy. Unfortunately, many OD practitioners ignore the formulation part to define objective and directions prior to implementation ending up with terrible results and creating a bad reputation for OD.

3. Strategic leadership is concerned with managing the strategy-making process to increase the performance of a company thereby increasing the value of the enterprise to its owner – the shareholder’s (Hill & Jones, 2007). Again, another statement focused on the financial and
competitive well-being of the organization and for organization development to be considered strategic, entry and involvement must be at the top.

4. Hill and Jones (2007) lay out strategic planning as a six-step process:
   - Select the corporate mission (what and how the organization operates) and major corporate goals.
   - Scan the external environment to identify opportunities and threats.
   - Scan the internal environment to identify strengths and weaknesses.
   - Select the strategies that will build upon strengths, correct weaknesses, take advantage of opportunities, and accommodate threats.
   - Implement the strategies.
   - It is essential to create a feedback loop.

This process states that the development must be mission driven and linked to the corporate goals. However, Daft (2005) reminds us that strategy involves a vision as well, one that is formulated around the company’s core competencies, which is then incorporated into the mission. Furthermore, strategic implementation involves “the use of organizational design, the process of deciding how a company should create, use, and combine organizational structure, control systems, and culture to pursue a business model successfully” (Hill & Jones, 2007). However, most OD consultants do not even consider structure to be in organization development’s realm, much less feel they are qualified to make such changes. In addition, majority of OD consultants consider the feedback evaluation a one step process, but the evaluation process should serve as a rediagnosis for continuous intervention efforts. Organization development is supposed to be a continuous cycle of diagnosis, change, and rediagnosis.

5. The organization’s different functional areas must be coordinated for the common purpose, but they are each different enough as to require to be treated with a degree of individuality (Hill & Jones, 2007). This is one point that Od consultants have it right acknowledging that there is a need for strategic mechanisms that permit differences in the functional areas while allowing them to operate in a coordinated fashion.

6. When implementing strategies, executives must pay attention to law, ethics, and internal and external stakeholder’s satisfactions. Of course, one can’t always satisfy all the various stakeholders. When this happens, the executive must identify those who are most important from the organization’s perspective (Hill & Jones, 2007) and focus on their needs. As we all know, power and politics play a major role in decision making in organization development.

7. The Balanced Score Card (Kaplan & Norton, 1992) establishes that when evaluating organizational performance, from a strategic perspective, one must go beyond the financial indicators. It is critical to measure the indicators of competitive advantage as well: efficiency, quality, innovation, and responsiveness to customers.

8. Strategy “is important in the organization design process because it establishes the criterion for choosing among alternative organizational forms” (Galbraith, 2006). The contingency approach to structure is to be taken seriously – meaning that sometimes the mechanistic/bureaucratic model is best fit for the client.

9. A fascinating study indicates that possibly up to 70% of business strategies never gets implemented, mostly due to complexity of their implementation (Corboy & O’Corrbuf, 1999). This is a factoid and the reality is most clients try to develop grandiose plans full of unrealistic expectations and it is the OD consultants job to bring them back to reality.

The nine tenures and its contradictions gives some clarification on what is to found in the literature and the real definition of strategic organization development. The true organization development by definition, is strategic and the use of strategic organization development is clearly a failure of traditional organization development – either though its absence or its practice. According to Cummings & Worley and the most accepted prototypical definition of organization development: “Organization development is a system wide...
application and transfer of behavioral science knowledge to the planned development, improvement, and reinforcement of the strategies, structures, and processes that lead to organizational development (Cummings & Worley, 2005).

Furthermore, Yaeger & Sorenson (2009) note in their editorial of their collection of Strategic Organizational Development work that an integration of OD and Human Resource Management (HRM) is imperative to ensure OD is implementing strategic projects for organizations and recognizing the importance of the history of OD. “We need to move from defining jobs and assignments small enough to overload individuals with too much information, to developing people’s capacity to handle larger amounts of information in new, useful ways. Rather than training people to do specific jobs already designed for them, we must develop people’s skills at defining (and redefining) their own jobs and finding means to carry out objectives they share with others. We must build for flexibility and change, rather than stability” (Jelinek & Litterer, 1988). Traditionally when undertaking diagnostic processes OD practitioners seem to focus on people and behaviors, or on the culture, now there is a shift that needs to be more integrated and holistic. This means starting to look at factors which traditionally have not been the domain of OD practitioner. These authors importantly note that some of the most powerful places for organizational development to impact organizations strategically is through organizational design and organizational culture. As they articulate, these areas are a way to align the organization behind its mission and support its competence to fulfill that mission.

**Real examples of Organization Strategy Interventions**

Strategic Organization interventions can be done through mergers or acquisitions, a rapid expansion of the market, new or increased competition from another company or reestablishing relationships with stakeholders. (Schoenlaub, 2015). In addition, Kormanik includes under the umbrella of strategic interventions, the following: mission / vision / purpose, strategic planning and goal setting, visioning / scenario planning, benchmarking, SWOT, communication audit / strategy, values clarification and commitment, climate survey and culture change.

Strategic Intervention in particular targets at how the organization uses its resources to gain competitive advantage in the larger environment. (Cummings & Worley, 2007) Mergers and Acquisitions (M&A) are central elements of strategic management. In recent years, a growing maturity and sector consolidation of the software industry can be observed (Leger & Quach, 2009). Merger and acquisitions have been used as a strategic corporate restructuring tool in business worldwide for a long time dating back in 1897. They are effective tools in the hands of the management to achieve greater efficiency by exploiting synergies and growth opportunities (Ms Sohini Ghosh, 2013).

**Cisco Systems**

Pfeffer & Sutton refer to Cisco as an example of successful strategic mergers, stating that corporate leaders who want to practice evidence-based management might begin by recognizing that the odds are against them in undertaking a merger and, as a consequence, resist the urge to merge. More thoughtful leaders may do what Cisco System has done – figure out the factors associated with successful and unsuccessful mergers and then actually use those insights to guide behavior. In 1993, Cisco CEO John Chambers and his senior team decided they needed to ramp up their growth and break into new and emerging networking technologies on a continuous base, in part in acquisitions. Between 1993 and 1998, it acquired on average one firm per quarter, and since 1998 this pace has continued, if
not intensified. Yet a *Fortune* article on bad mergers noted that “infrastructure giant Cisco has digested 57 companies without heartburn.”

Cisco’s success stems from its systematic examination of evidence about what went right and went wrong in other companies’ mergers, as well as its own. Cisco figured out that mergers between similarly sized companies rarely work, as there are frequently struggles about which team will control the combined entity (think Daimler-Chrysler or Dean Witter-Morgan Stanley). Cisco’s leaders also determined that mergers work best when companies are geographically proximate, making integration and collaboration much earlier (think Synoptics and Wellfleet Communication, which were not only about equal size, but 2,500 miles apart), and they also uncovered the importance of organizational cultural compatibility for merger success, a lesson lost on many other firms (Pfeffer & Sutton, 2006).

**Software Industry**

A comparison among 49 industries discloses that the number of M&A transactions in the software industry exceeds all other sectors in the U.S. and in Europe. In terms of cumulated transaction volume, the software industry ranks second in the U.S. and sixth in Europe (Buxmann, Diefenbach, & Hess, 2013) (Mergerstat, 2009). Particularly, recent takeovers of industry giants have reached a remarkable level. This is illustrated by the takeover of Autonomy by Hewlett-Packard for US$ 10.3bn, Skype by Microsoft for US$ 8.5bn, and Cognos by IBM for US$ 4.9bn. These acquisitions accentuate the practical relevance of M&A transactions in the software industry. The importance of the software industry for the global economy needs also to be considered in this light. It represents a significant part of the information and communication technology sector, which contributes 5.4 percent to the global gross domestic product (Datta & Mia, 2010). Software is an immaterial good that can be replicated easily and distributed via the Internet (Stelzer, 2004). Compatibility and industry standard highly determine software’s market penetration (DG & Szperski, 2005). While direct network effects are based on standardization and compatibility, indirect network effects can be yielded through complementarity. Products benefit from the market penetration of their complementary products (Gao & Iyer, 2006) Thus, M&A transactions can establish industry standards and hence increase direct and indirect network effects. Through takeovers incumbent software firms, in particular, aim to tap into new markets and to increase the user basis and network effects of their products (Schief & Schiereck, 2013).

**Harrah’s Casino**

A very different and unique example of strategic organization development and change in an organization in Harrah’s Casino in which the CEO has used evidence based management to study the data and implement the right changes. In 1998, Gary Loveman, an associate professor at Harvard Business School, was appointed as Chief Operating Officer at Harrah’s Casino. Casinos produce a lot of data on things life profitability, room occupancy, staff turnover, client satisfaction, etc. “Loveman was determined to use those data, and to collect more information by constantly running small experiments, to uncover facts that would help the company make more money” (Pfeffer & Sutton, 2006). After many experiments, he was able to find different performance key indicators and more efficient tools, and as a result he was able to reduce the organization’s turnover by almost 50% and the profit has increase significantly and so did the stock price. Evidence based management has been used in many organization and especially in the financial world to predict changes in the stock market and investments. This is a pure example of technological changes and how using simulation and experiments, organizations can eliminate costly errors before committing to expensive prototyping and tooling. The access and right use of data gave the organization crucial information to better strategize and adapt to changes that are no longer intermittent, but continuous.
However, some may argue that “the problem is that past performance does not guarantee future results” (Pfeffer & Sutton, 2006) and a lot of managers do not use the data collected the right way or sometimes they are focusing on collecting data on the wrong key performance indicator. Gary Loveman was able to increase the organization’s effectiveness and efficiency by using data measurements to implement strategic changes, which resulted in an extremely high payoff and longevity of the organization.

Scandinavia Airline Systems
The last example of strategic organization development is the turnaround of Scandinavia Airline Systems (SAS) in the early 80’s in which the organization went “from an $8 million loss to a $71 million profit position within a period of only twelve months” (Thomas C. Head, 2007) by “integrating a major strategic change with and organizational cultural revolution” (Head, 2007). The analysis on this article was based on Lewin’s three stage process (Burke, 1982). “This process is characterized by first unfreezing the organization in order to prepare it for the changes. The actual change process constitutes the second stage, when the interventions are actually implemented. Finally, refreezing occurs, which is the new stabilizing of the organization and its people to the new norms, structures, and practices.” (Head, pg. 542). One of the biggest challenges in implementing changes in organizations is the culture change, which is almost impossible to do in a short period of time, but in the case of SAS they basically replaced the president of the organization and thirteen out of the fifteen top managers, which resulted in a total cultural innovation of the organization instead of just a marketing strategy story.

CONCLUSION
It is important for OD scholar and practitioners to understand the multiple changes in environment, technology and society we are facing these days. If organizations do not understand that changes are not an intermittent event anymore, but a continuous part of the organization and are not able to adapt to it continuously in a short period of time, they will not survive. Organizations need to develop a passion for successful change and adapt the theory of top down management implementation to find a better way to include individuals needs and goals with those of the organizations. It certainly sounds a lot easier in theory than in practice. As Jelinek and Litterer state, “both opportunity and thread reside here: managed humanely, organizations today offer great possibilities for individual development and satisfaction than ever before, because organizations truly need their member’s best (Jelinek & Joseph, 1988).”

REFERENCES


GLOBAL ORGANIZATION DEVELOPMENT
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ABSTRACT
Globalization has changed the world drastically in the last few decades. The twin forces of ideological change and technology revolution are making globalization one of the most important issues facing organizations today. As a result of the combination of technology and globalization, jobs are getting eliminated, cultural values are being lost and current OD interventions are adapted to a less Western view instead of tailored to each particular country and culture. Globalization is changing the way we behave, react, and communicate across the world. In order “to manage effectively in a multinational or domestic multicultural environment, we need to recognize the differences and learn to use them to our advantage rather than ignoring them or allowing them to cause problems” (Adler, 1991). But how do we choose or possibly create a model of culture intervention in this globalized and technological world that would work best for everybody? The work of Lewis, Hofstede and of Javidan and other GLOBE researchers allow researchers across disciplines to refine their understanding of the differences in people across societies. It is important to have these foundations of differences, otherwise we venture into unknown territory without any sense of the terrain and can easily misstep. However, as Weisbord notes, “learning will take time; required real problems to be solved; involved trial, error, give, take, and experimentation” (Weisbord, 2012).

PERSONAL REFLECTION
I grew up in Sao Paulo, Brazil, one of the largest cities in South America and the 11th largest city proper in the world with a population of 11.31 million. Sao Paulo is also one of the most cosmopolitan and ethnically diverse cities in the world. Although Brazil is widely thought of as a country with Portuguese heritage, people with Italian ancestry make up the largest single group in Sao Paulo (6 million people). According to Census data reported at country digest, Sao Paulo is also a home to large numbers of people of Portuguese (3 million people) and African descent (1.7 million). It is also home to the largest populations of Arabic (1 million) and Japanese (665,000) people in Brazil (countrydigest.org). Majority of the population is Catholic and soccer is some sort of a religion in a way. The entire country stops every four years to watch the World Cup. And then there is Carnival, the biggest celebration in Brazil. There are beautiful parades, festivals everywhere and a lot of people heavily intoxicated as it is the time to forget all problems and responsibilities and enjoy a week of fun. Brazilians are warm and family is very important to them. They hug, they kiss, they dance, they barbecue every Sunday and everything is a reason to have a party and celebrate. However, Sao Paulo is also considered one of the most dangerous cities in the world. Crime rates are high and continue to raise. According to the UNODS, Brazil is in the top 20 countries by intentional homicide rate. I remember growing up in a considered safe neighborhood and having my Nikes’ stolen a few blocks from my house, every member of my family has been robbed from cars to sunglasses, and most of my family and friends now drive bullet proof cars.

At the age of 17, I traveled to the United States to study abroad and that’s when I really learned that things that I may have thought were normal my entire life, were actually not and other countries have different perspectives, cultures, and beliefs. First, I realized that what my new friends knew about my country were limited to bikini wax, Victoria Secret models, keratin hair blowouts and all you can eat steakhouse. Second, they would ask me if I was a Latina? Most questionaries’ from college application and even to get a credit card approved would ask for your race (optional). I always thought of myself as
white, but then I was told I had to check the “Latino” box and I was extremely confused as why I couldn’t find a Brazilian box. I would argue that Latino or Hispanic signifies a subordinated racial group that is associated with a homogenized “Spanish” culture. Given that Brazilians speak Portuguese and Brazil has not endured American invasions, it follows that they must be something other than Latinos. Until this day, I still do not see a box that would properly identify a Brazilian citizen.

My colleague Jessica on the other hand, had a completely difference experience growing up in a rural area where Caucasian people were the minority and people of Hispanic decent were the majority. Everyone spoke Castilian Spanish and the history of the Spanish conquistadors and Native Americans was taught in school regularly. She spent time on Indian Reservations, eating fry bread and watching beautiful Native American dances. In spite of this connection to the cultures of New Mexico, she still was only an outsider. She never was truly embedded any more than any of the Caucasians with whom she closely associated. Many of her close friends, and her family’s close friends, were White. None of them learned how to speak Spanish well, even though it was as dominant a language as English. They remained within their own circles.

Now, after living in Chicago for nine years, and experiencing such a rich, and diverse group of global individuals living all over the city, she has the desire to revisit her connection, or lack thereof, to Spanish culture. She realizes now what an opportunity she lost to be a deeper, experienced, more empathetic person. By not doing what she could to further incorporate the Spanish language, dance, food, history and social norms into what she learned as a child in New Mexico, she lost a perspective that could help her as a person. Today, she has the desire to rediscover what she lost by learning the Spanish language, the food, the social norms as well as learn how she can better assess and understand the values and behaviors of leaders in Spain. She hopes to broaden her knowledge of Spanish culture to Latin America in the future. By learning the language and living overseas, she believes she will be able to assess organizations regardless of the culture, more effectively.

CULTURE

As a 17-year-old kid who was extremely excited and scared of the opportunity to study in the United States, I knew I would have to adapt to the American culture so I could fit in and make friends. What I didn’t realize is how much of my own cultural identity I would lose throughout the years. According to Deal and Kennedy, culture means “the way we do things around here and the manner in which these norms and values are communicated. Burke breaks down the definition for a more thoroughly understanding, “the way means the norms we conform to and the value we believe in. Culture, then, embodies rules that we follow, both explicit and implicit. Explicit rules (norms), for example, are what the human resource manual states about issues such as mode of dress and hours of work. Implicit rules are followed but never discussed, informal rules of behavior or codes of conduct that are not written down but govern much, if not most, behavior in organizations” (Burke, 2014). Culture is a big part of who we are as individuals and as a group and becomes part of the identity of the organization.

Hofstede defined culture as a set of mental programs that different individuals learn through collective experience. He compared this learned experience with mental programs such as personality, which he believed to be unique to an individual and influenced by the person’s genes and the environment in which they live (Hofstede, Hofstede and Minkov, 2010). Hofstede believed that culture, or shared values, was inescapable, and that even if these shared ways of experiencing the world or defining its events were not written down, they were required for the survival of the group.

The simplest way to think about culture is by the boundaries defined by the borders of countries. However, culture within countries is far more complex and not as hard and fast as a border between two
states or countries. It is more complex than that. Hofstede agrees that the boundaries of culture are an arbitrary way to compare different cultures (Hofstede, Hofstede & Minkov, 2010). However, in such a complex world, the boundaries of countries are a simplified way to help us to at least organize where some of these learned experiences and expectations might be different. Thus, if we leverage the definition of culture put forth by Hofstede, and center ourselves on the idea that culture can be defined by the boundaries of countries, global organizational development would be the work of impacting the quality of work life and organizational efficiency in different countries, and across groups of people with shared mental programs learned over time.

Dr. Edgar Schein, as compared to Hofstede, defines organization culture as “the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration – a pattern of assumptions that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems” (Schein, 1983). People see it as “the way we do things around here, sometimes they cannot even understand where the culture came from but they know that that’s what they do and they follow everyone else and the culture of the organization”. If a new staff member is introduced, he is expected to automatically accept and follow the organization’s culture because that’s just how we do things around here.

Schein believes that cultures need to be studied in an anthropological way rather than with a typology. Schein’s approach is to assess, from an internal perspective, the artifacts, espouses beliefs and values, as well as the basic underlying assumptions of a culture to best understand it. While there is some overlap in how both Hofstede and Schein conceptualize culture as being a pattern of learned behavior that is important to the survival of a group, their methodology of assessment of cultures is quite different.

An organization “culture must be analyzed and understood, and the founders must have a sufficient insight into their own culture to make an intelligent transition process possible” (Schein, 1983). In order to deeply analyze and understand organization culture, according to Schein’s model of organizational culture created in the 1980s, organizations must identify three levels of organization culture including: Artifacts, espoused beliefs and values, and basic underlying assumptions

Artifacts include “the visible products of the group, such as the architecture of its physical environment; its language; its technology and products; its artistic creations; its style, an embodied in clothing, manners of address, and emotional displays; its myths and stories told about the organization; its published lists of values; and its observable rituals and ceremonies” (Schein E., 2010). In other words, architecture, furniture, dress code, office jokes, all exemplify organizational artifacts. Artifacts are the visible elements in a culture and they can be recognized by people not just as part of the culture.

Espoused beliefs and values are the organization’s stated values and rules of behavior. It is how the members represent the organization both to themselves and to others with their own assumptions about what is right or wrong, what will work or not work as long as the group has the shared value or belief that ultimately becomes a shared assumption. “Such beliefs and values often become embodied in an ideology or organizational philosophy, which then serves as a guide to dealing with the uncertainty of intrinsically uncontrollable or difficult events” (Schein, 2010).

Naturally, individuals do things differently and have different values based on different cultures. For example, Americans have increased the numbers of hours worked on weekly basis more than in any other country in the world. Americans are known for basically living to work and even when they leave the office they are still working and their phones and emails will be checked and answered at any time of the day and any day of the week. It is considered rude to not reply to an email or phone call within 24 hours. When researching the happiest countries in the world, Sweden for example, the average work day is six hours and employees take their time to get to know their coworkers in a more personal level. In addition, they claim to be more productive because of the shorter days. It is very important to their culture to have a work-life balance. Lunch time is a precious time to spend with others, it should be fun and relaxing, as they get close to one another and become “friends.” They live life to the fullest and not
everything has a deadline. It is easier to develop that trust among groups when there is vulnerability and individuals are able to honestly talk to one another and get to know each another without an agenda.

*Basic underlying assumptions* are behaviors that are taken for granted and usually unconscious but part of the essence of the culture. For example, when an engineer is designing a new building, we automatically assume that the structure and foundation of the building will be safe. We would not give the engineer extra credit for doing so, this is part of his/her job and it is expected to be done right every single time. Just like a surgeon is expected to save lives and be able to handle trauma or any issues in the operation table. The surgeon is not valued for saving lives, that’s part of his/her job and it becomes an assumption that that’s what they do every single time. These assumptions are typically so well integrated in the organization dynamic that they are hard to recognize from within and very difficult to change.

Organizations will go through changes in their lifetime, just like we do as individuals. Changes are messy but should be expected and it is easier implemented if changes are implemented starting with the behavior of individuals instead of the culture of the organization. The culture will eventually change, but it would take longer and it is a more complex process. There are different types of changes, but the people side of the organization is the hard one to change. “Change in mission and strategy means that the organization’s culture must be modified if the success of the overall change effort is to be realized. Change in the culture is in support of the changes in mission and strategy; it’s the people side, the emotional component of organization changes, or what a seasoned organizational consultant call “the change monster” – the human forces that either facilitate or prevent transformation (Duck, 2001).

**GLOBAL ORGANIZATION DEVELOPMENT**

Organization Development was first introduced in the 1950’s and it has changed the management approach and structures since then. Global Organizational development is not necessarily a new concept that is different from the core values of Organizational Development, but rather it is how OD has functioned since its inception. According to Cummins and Worley, OD is defined as “a process that applies a broad range of behavioral science knowledge and practices to help organizations build their capability to change and to achieve greater effectiveness, including increased financial performance, employee satisfaction, and environmental sustainability” (Cummings & Worley, 2015). The challenge that many of the greatest minds in organizational development continue to articulate, is the foundation of organizational development values in the Western, economically developed perspective. With a Western perspective as the foundation, the values of OD may not translate across cultural boundaries.

It is important to note that “giving the issues related to differing business philosophies, cultural values, and economic development, traditional OD interventions originally developed in the US and Western Europe would appear to still be most successful in the US and Western Europe. The best fit continues seems to be industrialized countries with cultural traditions closely matching the US and countries with a historical link to the United Kingdom” (Sorensen et al, 2004).

However, many countries from China to Brazil have spent a significant amount of time studying Organization Development, change and implementation by adapting to their own cultures and values with many successful results. Some adjustment may need to happen in the implementation process to adapt to different cultures but the main concept should work if implemented properly and if people take the time to learn, to fail, to make errors and then succeed. Weisbord cited, “I understood, really understood, that the essence of effective organization was learning, not coercing and controlling output. I realized that learning took time; required real problems to be solved; involved trial, error, give, take, and experimentation” (Weisbord, 2012). It is going to take time, but all we can do is learn from our experience and recognize and embrace our differences, and learn how to use them to our advantage rather than ignoring them or using it as a problem.
Convergence vs Divergence

As globalization is changing the way we do business and communicate, the important question that keeps coming up includes: Are we becoming more different or more alike? How much are we changing to adapt to different cultures across the world? “Convergence and divergence are philosophies regarding the similarities or differences in cultures worldwide. Cultural differences have a major impact on how organizations function. But since national cultures generally changes slowly, transfer of technology, knowledge and skills that proceed at a fast pace will always be reinterpreted by the receiving culture, and this will set firm limits on the tendencies for managerial and consulting convergences (Hickson & Pugh, 1995). Research does not show proof of one or the other. Some theories proof that we are becoming more alike and losing our own identity and other proof the opposite. The answer, whether yes or no, certainly has a major impact on the importance or nonimportance of understanding cross-cultural differences from a scholar practitioner perspective.

According to John Child, “most of the studies concluding convergence focused on macro level issues – such as the structure and technology of the organization themselves, and most of the studies concluding divergence focused on micro level issues – the behavior of people within organizations. Therefore, possibly organizations worldwide are growing more similar, while the behavior of people within organizations is maintaining its cultural uniqueness’s” (Child, 1981). Organizations and managers work under similar needs and perform similar duties, they can relate to one another no matter what part of the world they are located. Therefore, managers can understand and converge, but when the people side of the organization and the cultural value are added, there is certainly more divergence when looking at different countries. “Globalization is changing the markets and environments in which organizations operate as well as the way they function. The world is rapidly becoming smaller and more tightly interconnected economically, socially, and ecologically” (Cummings & Worley, 2015, pg. 5). The world is changing really fast, countries are relying on one another to provide the needs and wants of society, kids are learning two languages at school, the work environment requires diverse backgrounds.

According to Hofstead’s research, “it has shown repeatedly that there is little evidence of international convergence over time except an increase in individualism for countries that have become richer.” Value differences between nations described by authors centuries ago are still present today, in spite of continued close contacts. For the next few hundred years’ countries will remain culturally very diverse” (Hofstead, 1997). Many studies have shown the global convergence as a myth with lack of proof and considered more an integration among two cultures instead of a convergence. “As the various nations’ businesses go global they discover the need to engage in universally common management functions. Ultimately this convergence in management practices will create a common global management culture” (Hickson & Pugh, 1995).

MODELS OF CULTURE

Although Edgar Schein’s model of culture is applicable to the current discussion, it is directed toward organizational culture rather than societal culture. Shifting to a broader perspective and viewing culture as within the boundaries of countries rather than organizations, there are three interesting models that can be used for conceptualizing or organizing the differences in interactions among people in different countries: Richard Lewis’s model of Linear-Active, Multi-Active and Reactive cultures, Hofstede’s Dimensions of Culture, and the work of Javidan on the GLOBE study.

The model designed by Richard Lewis in the 1990s through his work in visiting and working in 135 different countries. His work was articulated in the widely popular When Cultures Collide (1996). His groupings include three main categories: linear-active, multi-active and reactive. Linear-active cultures
can be described as talking half of the time, confronts others with logic, and sticks to the facts. Cultures that fall into this category are much of the English-speaking world and other northern European countries (US, UK, Netherlands, Norway). Multi-active cultures are characterized by talking most of the time, planning with outlines rather than details, confronts emotionally and offers feelings before facts. Countries in this category include much of Southern Europe, South America, and the Arab world. The Reactive category include cultures the listen most of the time, looks at general principles rather than plans, does not confront, and statements are promises. Figure 1 and 2 provide a visual representation of the Lewis model. While this model makes logical sense, it is built on surveys with 50,000 executives across 68 different cultures.

Figure 1

One of the most popular and most controversial typology of culture is the work of Geert Hofstede. Hofstede worked for IBM in his early career and was able to leverage 116,000 individual employee responses from a survey leveraged in his consulting work with the organization (Yaeger, 2011; Javidan, House, Dorfman, Hanges and Sully de Luque; 2006). Using correlational analyses, Hofstede was able to first define four dimensions of culture and later added one additional dimension.
Hofstede’s five-dimension model includes the concepts of power distance, individualism, masculinity, uncertainty avoidance, and long-term orientation (Hofstede, Hofstede and Minkov, 2010). Power distance is a culture’s comfort with the distance between those individuals in power and those without power. A high power distance country tends to have a caste system that is often hard to break, such as the UK or India. Individualism is on a continuum with collectivism, therefore cultures which are high in Individualism value the success of the individual above others and family systems are often focused only on the nuclear family. Collective cultures value the success of the broader group and family systems are much larger; often aunts and uncles, grandparents and others are included in the close family system. One example of collectivistic culture, Hispanic cultures as representing more collectivistic values.

The third of the five dimensions is a highly controversial dimension: masculinity. The masculinity dimension is placed on a continuum with feminism. Cultures that exhibit high levels of masculinity are often cultures were heroic behavior, assertiveness and material rewards are valued. Feminine cultures exhibit a preference for cooperation, modesty, caring for others in need and a preference for quality of life over material good. Much of the controversy over this dimension is due to the naming rather than the behavioral descriptors of the continuum. Hofstede himself was not thrilled with the language, but believed it made the most sense of all the options that emerged. Fourth, uncertainty avoidance was the next dimension of culture shared in the Hofstede model. This dimension provided the extent to which people feel threatened by an uncertain future or ambiguous situations, and therefore, seek to avoid those situations. Cultures that are high on this dimension might be viewed as “wound tight”, or exhibiting high
levels of anxiety and stress. These cultures believe heavily in rules and rule conscious behavior and avoid failure. Cultures characterized as low in uncertainty avoidance are more relaxed and there is much less pressure to avoid failure. In these cultures, conflict is permissible and there is allowance for flexibility.

The last dimension of the five is Long-term orientation. This dimension came much later to Hofstede’s work as he was conducting additional studies to replicate what he discovered in the initial IBM study. Working with other researchers out of China, he found that this orientation for time was missing from the original model. According to Hofstede (Hofstede, Hofstede, & Minkov, 2010), this scale represents establishing a societies virtue. Short-term oriented cultures will lean heavily on seeking an absolute truth and expect quick results. There is a concern for stability. In high long-term orientation cultures, there are many plausible truths and people seek to be pragmatic. There is an acceptance of change and people preserve through challenging times.

While Hofstede’s work was absolute ground breaking for the time, and is founded on an extraordinarily large sample of individuals from across the globe, there are still potential gaps in his model. His work is largely empirically based rather than truly founded on deep psychological and anthropological theory (Javidan, et. al., 2006). Javidan and colleges provide a rigorous discussion on the strengths and gaps of Hofstede’s work as well as a deep, thoughtful response to his criticism to their work, the GLOBE project. This project is a large-scale research project involving over 160 researchers worldwide. The research team discovered nine dimensions of societal culture. These dimensions include: performance orientation, assertiveness, future orientation, humane orientation, institutional collectivism, in-group collectivism, gender egalitarianism, power distance, uncertainty avoidance. The in-depth book on this work is provided by House and colleagues (As cited in http://globeproject.com/study_2004_2007#data). The GLOBE team further delineated a culturally endorsed theory of leadership behavior. In their work across sixty-two different societies and over 17,000 managers they determined a group of six global factors of leadership with 21 dimensions.

Javidan presses that the work of Hofstede was not action research nor were the four (and later five) dimensions the core of his work. Hofstede originally was brought to IBM for consulting work and the survey is not designed with the goal of understanding the different national cultures of employees across the IBM organization. In contract, the GLOBE study was based on the concept that attributes defining a specific culture are predictive of leadership styles and organizational practices in that culture. Further, there was great tension between those researchers within the GLOBE project and the Hofstede team. Interestingly, there is consistent finger pointing across both groups hinging around the hegemony of Western culture embedded in the cross-cultural model. Javidan and colleges refute this claim through the diverse team included in their work. It is true that Hofstede’s dimensions have been replicated multiple times, and he and his colleagues describe six of those key replications in different types of data. However, his original study is in one set of data within in Western organization, IBM. In reading the work he and his colleagues recently revised, it was disappointing to see that there was little recognition of the narrow nature of his study.

The GLOBE team also found some interesting gaps in the analysis of data that Hofstede and team completed. In the original work, Hofstede and colleagues reported that organizational practices explain twice as much variance at the organizational level of analysis than values do as a part of their claim that organizational culture differences are constructed of other elements than what make up cultural differences. Javidan and colleagues found in an extensive reanalysis of the Hofstede data that Hofstede and team failed to accurately interpret F-ratios and there is no evidence that practices explain more variance than values do at the organizational level (Javidan, et. al., 2006).
The work Lewis, Hofstede and of Javidan and other GLOBE researchers allow researchers across disciplines to refine their understanding of the differences in people across societies. It is important to have these foundations of differences, otherwise we venture into unknown territory without any sense of the terrain and can easily misstep.

WHAT OD NEEDS TO CONTINUE TO LEARN ABOUT PRACTICING GLOBALLY

To be effective at having an impact across multiple cultures, an organizational development consultant needs to first know who he or she is and take the time to acknowledge their own internal biases. Every consultant has their own biases that can easily color their own judgement and lead to assessments of organizational phenomena that are not in fact the case.

You must know yourself, in order to work Globally. Take the time to reflect on what your own culture is and where you learned how to interact. Do you prefer eye contact, a high-power distance, or are you more performance oriented in your values? Recall that Hofstede speaks to the definition of culture similar to that of Schein in that culture is an expression of shared values. Therefore, these values may be those which are not unique to you but that you have learned throughout the course of your life and your career. Organizational consultants should take the time to use their own tools of assessment on themselves first to understand where there might be flaws in simple things such as item level face validity. Not only will the tools help you to understand yourself, they will give you a greater sense of empathy for those who might participate in your interventions. Spend focused time asking yourself:

- What is my culture?
- What are my biases?
- Where might I misstep with another culture?

In addition to personal reflection and understanding, spend time getting to know the group you will be working closely with. Get to know the values of the culture and how to effectively respect those values as a part of the intervention you believe needs to be run. As a consultant, contract for the right amount of time to get to know the group you will be working with. If there is time that needs to be built in to first enhance and refine relationships, spend that time. In South American cultures such as Brazil, it is important to have drinks and food with your business associates prior to doing any business. Planning the additional time and effort is critical and will pay off both in terms of developing the relationship but for the utility of the project and hopefully the long-term returns for the organization.

To be more effective across cultures, OD should continue its journey of sound research. This research should be inclusive of understanding situations in practice where Schein’s art of humble inquiry might play an important role. OD needs to further work to ask questions about practices within cultures that work, finding interventions that are developed in cultures outside of the American, individualistic focus. Perhaps it will be important to have a toolbox filled with slightly different emicically derived OD approaches, rather than one or two major approaches that can work in broad situations. Think carefully about what you want to achieve in an interaction with another culture. What is it that you hope to achieve for yourself and for your client?

Lastly, a more challenging ask of organizational development practitioners, specifically those from the United States, learn their language. Learn the language to understand some of those cultural components that are below the surface. It is those components, the metaphors, the stories that are told across generations that offer insights that survey tools and research on samples of managers cannot. Learn that language to find what interventions might make more sense based on what words people use on a regular
basis. To some degree, I’m proposing that Global Organizational Development practitioners leverage the lexical hypothesis and begin to develop their own set of unique tools across languages.

Above all else, do not fear making those cultural mistakes. Step out into the unknown, meet those new people with new ideas and ways of working. Share a meal with them. Learn how they interact and what they need. Learn their story.

CONCLUSION

Organizational Development takes time and there is a lot of potential and development in the global organizational development field. The key for the future of organizational development, and OD worldwide is to appreciate first the need for organizational development practitioners to recognize their own biases and less than diverse practices. As a field, we have a choice to look internally first and find new ways to remove barriers and biases as much as we can to help impact organizations around the world. Thus, the mantra of Ancient Greek Philosophers, know thyself, is important for the practice of global organizational development today. Once we know ourselves, our biases, our challenges and we seek to understand others, only then can our interventions have the broader impact we desire.

REFERENCES


Additional Resources:

Lewis model of culture types:

GLOBE: on-going research
http://globeproject.com/study_2004_2007#data
http://globeproject.com/study_2004_2007#data