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# LEADERSHIP THEORIES AND TEAM RESEARCH: AN INTEGRATIVE FRAMEWORK BASED ON LEVEL OF ANALYSIS AND TYPE OF CONTROL

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## ABSTRACT

*Leadership has long been a primary area of research in organization studies. More recently teams and teamwork have also gained the attention of researchers. Both leadership and team phenomenon are examined from multiple theoretical perspectives, however there has been limited integration or cross development of the literature streams. We maintain that team research can benefit by including ideas from the leadership literature. To facilitate this integration we utilize a leadership framework that segments the leadership research by level of analysis (macro and micro) and by type of control used (controlling and inspiring). Various leadership theories can be placed within this framework. Using the same two dimensions as the leadership framework, four team research orientations, (team-utilizing, team-based, standard team, unique team) can be identified. We suggest that team researchers should consider their research orientation and use our framework to identify leadership theories that have the potential to inform and develop their research. The paper concludes with a summary and discussion of implications for both researchers and practitioners.*

## INTRODUCTION

Leadership and team phenomenon are important and relevant topics in organizational studies. These two distinct areas of research address many of the same constructs and processes while dealing with productivity, communications, motivation, and other organizational issues. With such commonalities, researchers in each area can benefit from each other.

This paper starts with a brief description of leadership and then proceeds to discuss the importance of levels of analysis and types of control. A leadership framework is then presented followed by a discussion of teamwork research providing a linkage to the way in which various leadership theories can augment study in this area. The paper concludes with a summary and discussion of implications for both researchers and practitioners.

## LEADERSHIP

Leadership is complex. Nearly 50 years ago Warren Bennis (1959:259) wrote that "probably more has been written and less known about leadership than any other topic in the behavioral sciences." Since that time, thousands of empirical studies have been conducted in an attempt to clarify our knowledge of leadership. To our dismay, many of the leadership studies have found unclear, inconsistent, and even contradictory results (Bass & Stogdill, 1990). Disparities among these results are in part due to the assorted ways studies have been constructed and because much of the research is targeted to address only a very limited aspect of the entire phenomenon (Yukl, 1989). More clarity and an overall integration are needed (Yukl, 1989).

**Leadership and Levels of Analysis.** Due to its complexity, some theorists have focused at the individual level (Lord, DeVader & Alliger, 1986) where others look at dyadic and group interactions (Dansereau, Graen & Haga, 1975; Hollander & Julian, 1970), while other researchers have emphasized the organizational and/or societal level (Chen & Meindl, 1991; Biggart & Hamilton, 1987; Selznick, 1957). To help understand the relationships between these fragmented research streams, we suggest that leadership theories should be clustered into two main groups - micro (individual, dyadic, group) and macro (organizational, societal) levels.

**Leadership and Control.** Ever since Zaleznik (1977) asked if leaders and managers were different, researchers have been wrestling with various aspects of leadership versus management (Black & Westwood, 2004; DeMent, 1996). Some use these two terms interchangeably (Yukl, 1989) while others stress a difference between leaders and managers (e.g., Bennis & Nanus, 1985; Peters & Austin, 1985; Zaleznik, 1977). We agree with the distinction and argue that these the two terms describe very different phenomenon. Bennis & Nanus (1985:21) add that "managers are people that do things right while leaders are people who do the right thing."

To help clarify our thinking and provide further guidance to the field, we propose an integrative framework of leadership theories split along the two dimensions of level of analysis and type of control (see Table 1).

TABLE 1 An Integrative Framework of Selected Leadership Theories	
Micro Level of Analysis	Macro Level of Analysis
Conforming Management Control	Path-Goal Theory, Social Exchange, Out-Group Management, In-Group Management, Transactional Management Institutional Theory, Implicit Theories, Transactional Management
Inspiring Leadership Control	Self-Leading Teams, Management Substitutes, In-Group Leadership, Transactional Leadership, Transforming Leadership Charismatic Leadership, Transactional Leadership, Transforming Leadership

## AN INTEGRATIVE FRAMEWORK OF LEADERSHIP THEORIES

**Micro Level and Conforming Management.** This quadrant illuminates theories that deal with managers who engage in transactional, conforming processes between themselves and with a small number of subordinates (Dionne, Yammarino, Atwater & Spangler, 2004; Bass 1985). To this point, path-goal theory focuses on the behavior of a leader and its influence on the satisfaction and performance of subordinates (House, 1971). Consistent with conforming management, social exchange theory stresses the exchange of benefits and favors between leader and follower leading to their mutual attraction of each other. Social exchange can include not only material benefits, but also psychological benefits as well (Prati, Douglas, Ferris, Ammeter & Buckley, 2003; Blau, 1974).

Also in this quadrant, LMX (leader member exchange) or vertical dyad linkage or keys on the idea of a leader having an in-group and an out-group. The relationship between the leader and the out-group is a conforming management relationship. In the in-group, the leader's relationship with any particular in-group member may be as a manager or as a leader depending on the nature of the goals, procedures and rewards involved. We will refer to the former as in-group management and the latter as in-group leadership.

**Macro Level and Conforming Management.** This quadrant focuses on theories which highlight overarching structures and norms as well as the implicit theories of leadership. Following Barnard (1938), Selznick (1957), and Katz & Kahn (1978), leadership is embedded and legitimized within the social context of an institution's structure and its meanings. Finally, we have included

transactional management at both the micro and macro levels of analysis. Indeed, many contingent reward systems for lower level employees are approved by and set up under the direction of upper management.

**Macro Level and Inspiring Leadership.** Central to this quadrant is the idea of charismatic leadership, which describes leaders who inspire others and who have a profound and extraordinary effect on followers, enabling them to accomplish outstanding feats (Gillespie & Mann, 2004; House, 1977). Warren Bennis argues that we are moving away from charismatic individuals and towards 'great groups' (Bennis & Powell, 2000). However, others argue that transformational leadership is even more necessary in providing guidance and a shared vision in an environment that is allowing more and more worker autonomy (Druskat & Wheeler, 2004; Dionne, Yammarino, Atwater & Spangler, 2004).

**Micro Level and Inspiring Leadership.** This quadrant illuminates inspiring leadership at the individual, dyad, and small group levels. Theories here emphasize that the current emphasis on employee empowerment and reduced hierarchical control allow many of the organization's members have an opportunity to become an inspiring leader. We argue that inspiring self-leadership and substitutes for external leadership are concerned with behaviors which raise the level of achievement beyond the organizations existing goals and expectations (Roberts, 1985).

## A DIVERSITY OF TEAM RESEARCH ORIENTATIONS

Following the large amount of theory and research on groups and group processes during the 1950s and 1960s, and the subsequent temporary hiatus during the 1970s and 1980s, the 1990s brought a revitalized interest in teamwork that continues to flourish. Initially this resurgence in interest in teamwork was brought about by changes in the nature of work enabled by information and communication technology. As the technologies evolve, so does the role of teams and teamwork in organizations (DeRosa, Hantula, Kock & D'Arcy, 2004; Taborda, 1999).

Micro Level of Analysis	Macro Level of Analysis
Conforming Management Control	Standard Team - studies common teams with well established practices and clearly established goals Team Utilizing - studies the occasional use of teams in traditional hierarchical organizations
Inspiring Leadership Control	Unique Team - studies special purpose teams that are self-managed and whose goals are initially undefined Team Based - studies teams in contemporary organizations where teamwork is the norm

We believe that a linkage between the leadership and team literatures can further enhance our understanding of both areas. In order to facilitate this integration, first we consider the level of analysis and propose that researchers interested in teamwork can split the phenomenon at the macro and micro levels (see Table 2).

**Standard Team Research Orientation.** The standard team orientation applies to teams where the structure, the methods and procedures, and the function, goal or purpose of the team are fixed or easily determined. Within this area are teams with both a short-term and a long term nature. These are the primary types of teams found in traditional organizations with command-and-control type hierarchies (Callanan, 2004; Brodbeck, 2002; Taborda, 1999).

Researchers with a standard team orientation can gain considerable insight into team leadership by considering path-goal theory. Path-goal emphasizes the ways managers can get subordinates to attain existing goals but not toward the ways a leader can stimulate extraordinary subordinate performance (Miner, 1980). Social exchange and transactional management also deal with moving subordinates towards attaining existing goals through the use of material and psychological rewards.

**Unique Team Research Orientation.** Leadership, or self-leadership, is clearly a key component of self-managed, self-organizing teams. In many contemporary organizations, self-leading work teams are a group of interdependent, highly skilled employees responsible for directing the work that they do (Ray & Bronstein, 1995). Even in organizations dominated by traditional command and control hierarchies there is a call for self-organizing teams or 'pockets of excellence' (Brodbeck, 2002). In this regard high performing teams are a catalyst for growth (Wang, 2005) and facilitate organizational change (Brodbeck, 2002). Empowered employee teams combine individual expertise in order to create more innovative solutions (Wilson, 1995). The concept of a self-leading team does not mean a lack of leadership. Instead of a leader being appointed by someone outside the group, it emerges, or comes about through election by the team's membership (Hollander & Julian, 1970). We believe that by incorporating transforming leadership into the self-leading team research it will add insight into the role of the emerging leader and in the act of building group commitment.

The LMX model, may also provide insight into unique teams. Virtual teams (DeRosa, Hantula, Kock & D'Arcy, 2004) and R&D (Gillespie & Mann, 2005) show a particular link between trust in leaders and team effectiveness. Does in-group and out-group formation take place in these situations? Is there an increased role for in-group leadership, allowing a small core of highly trusted, capable individuals to use unusual procedures to reach unique goals? In fact, little research has been done on the external management of semi-autonomous self-managed teams (Druskat & Wheeler, 2004; O'Connell, Doverspike & Cober, 2002).

**Team Utilizing Organization Research Orientation.** In many organizations the use of teams is the exception rather than the rule. The teams that do exist in these organizations may be permanent, such as standing committees, or temporary, as in task forces. Much is known regarding the advantages of teams (Nurmi, 1996). The study of transactional management at the macro level, through the setting up of wide-spread contingent reward policies, may add insight into actions such as social loafing. Moreover, institutional theory may be helpful toward further understanding when and how teams can be effectively used particularly if this is the accepted norm within the organization. Finally, the internal dynamics of work teams may also be affected by their assumptions about the views and functions of top management. Examining the implicit theories of leadership held by group members would give the researcher insight into their behavior.

**Team Based Organization Research Orientation.** In the team-based organization the use of teams is regarded as the organization's best way of utilizing its human capital and in developing long-term competitive advantage (Calanan, 2004; DeMent, 1996; Barney 1991). To this point, Manz & Sims (1987) suggest that increased productivity is typically the reason to implement a team system. The assumption is that teams are capable of dealing with rapid changes, various constituent needs, heterogeneous skills and knowledge, and are able to develop unique and valuable products. Moreover, it is believed that these self-directed teams, which are based on shared knowledge and understandings can dramatically increase organizational productivity and efficiency (Ray & Bronstein, 1995).

In team based organizations traditional leader attention to individual power and achievement needs to be replaced by collaboration and communication skills (Calanan, 2004) and emotional intelligence (Prati, Douglas, Ferris, Ammeter & Buckley, 2003). For the widespread use of teams to be effective in an organization the members must be convinced of its feasibility and management's commitment to its success. This approach requires a shift from transactional to

transformational leadership, DeMent, 1996). By incorporating the important notions of charismatic and transformational leadership much insight can be gained of commitment and beliefs of employees. Unfortunately, the specific link between transformational leadership and team performance has received little attention (Dionne, Yammarino, Atwater & Spangler, 2004).

## **CONCLUSIONS**

In this paper we have pointed out the complex natures of both leadership and teamwork. We have also shown how the leadership literature can be used to inform academic research and practitioner decisions regarding teamwork. To help organize and make sense of these complex areas, a split was made to differentiate between the ideas of leadership and management and another split along level of analysis. We propose an analytical framework that combines these two ways of splitting the field. This framework allows us to categorize and differentiate between various leadership theories, and match them up with team and teamwork related concerns.

We believe that our approach to leadership can be especially fruitful in better understanding the growing literature on teams. To organize and shed light on different perspectives and issues we propose four orientations towards team research. These orientations are split along the same lines as the leadership framework.. By using the same dimensions we can match leadership theories from the leadership framework with the team research orientations.

The leadership literature should bring new ideas and issues into team research which in turn may provide insight into unexplained phenomenon and poorly understood issues. Practitioners also may benefit from this approach. They may be interested in the overall role of teams in their team-utilizing or team-based organizations. Their interests may lie in the processes within unique or standard teams. Their interests determine their orientation and the matching leadership theories may provide insight into the specific workings of his/her organization or teams.

To effectively integrate the leadership literature into team research it is important to find the proper match between the interests of the researcher and the leadership theories that they consider. We believe the use of the leadership framework together with the concept of team research orientation to be the keys to matching leadership theories with team research. We hope our approach helps in building bridges to the future by spanning the gap between these important streams of research.

## **REFERENCES (available on request)**



# INDEPENDENT CONTRACTOR: THE CHALLENGE OF DOING IT RIGHT

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## ABSTRACT

*At a recent White House Conference on Small Business, attendees rated independent contractor (IC) classification disputes as the most pressing small business issue. The Internal Revenue Service (IRS) claims it loses billions of dollars each year in employment and income taxes due to improper classification. Over 8 million independent contractors are in use in the US and this number is expected to double within the next ten years. The current rules are complicated, confusing, and subjective; clarification and simplification of the existing worker classification guidelines is necessary. A survey of small businesses was conducted in a southeastern state concerning determination and use of independent contractor status. A second study was conducted with educational institutions with a slightly modified survey. We found that a third of the universities and colleges had policies in place for determining status of workers whereas smaller employers did not have a procedure to follow and appeared to be unconcerned with this lack of procedure. Both groups reported confusion in classifying workers properly.*

## INTRODUCTION

The General Accounting Office estimates that the government loses \$20 billion annually to employees misclassified as independent contractors (IC). The Internal Revenue Service (IRS) estimates that only 15% of ICs pay the proper amount of taxes but 90% of W-2 employees pay their proper share. Many firms are unaware that they may be violating the law. The Acting Commissioner of Internal Revenue testified before Congress, stating, "One of the most difficult and controversial issues in the employment tax area is the definition of 'employee'....The rules are confusing to employers." But at an IRS audit, the company has the responsibility to support, by a preponderance of evidence, the independent status of their ICs (Independent contractor/returning retiree issue, 2005).

The reclassification by the IRS of workers from independent contractors to employees can be devastating to small business owners. Such reclassification often subjects a business to payment of back federal and state taxes, penalties and interest. And, if the IRS thinks that the employer actually knew better or should have known better, the taxpayer, its employees, and its tax advisors could be faced with criminal charges (Sbarbaro, Reese, and Miller, 1990). Independent contractors who are reclassified as employees may also be eligible to receive back benefits including insurance, retirement, profit sharing and stock options. This could be very costly to a small business, possibly leading to liquidation or bankruptcy.

The purpose of our research is to investigate tests for worker classification and determine employer usage of independent contractor policies. We were interested in employers' usage of ICs and their perceived ease of use of this classification.

## **INDEPENDENT CONTRACTOR OR EMPLOYER**

According to the Bureau of Labor Statistics (2005), at least 60% of all businesses use independent contractors and over 8 million ICs are in the work force. This is in sharp contrast to the 1950's "organization man" who worked for one organization full time for the balance of his career (Brady, 1998).

Determining the status of a worker goes well beyond referring to him or her as an independent contractor, arranging a written contract, or having the payment methods set up correctly. The important factor in determining worker status is identifying the relationship between the worker and the organization (Morfeld, 2002).

ICs are people who contract to perform services for others but do not have the legal status of employees. An individual may be classified as an IC if the employer has the right to determine the quality of the work but not the means or method of accomplishing the work (IRS Publication 539). In contrast, an employee works at the direction and control of an employer on a regular basis. The employer dictates the tasks to be accomplished and the process by which the result is obtained.

## **ADVANTAGES AND DISADVANTAGES IF IC USE**

There are many advantages for businesses to use ICs. If an organization has cyclical demands, contracting on a one-time or short-term project can be cost effective. The IC is paid to complete a task at a predetermined fee, without associated benefit costs which average 30 - 40% of a typical employee's salary. ICs have a specialized skill or expertise that may not be available within the organization and may be used as a neutralizer to resolve difficult situations. ICs can provide a level of flexibility to an employer that cannot be obtained with employees.

Misclassification can have serious financial consequences for the organization. The burden of proof is on the employer. Both state and federal agencies determine worker status; each has different legal tests and different reasons for concern with worker classification.

## **CURRENT IRS TEST**

The Internal Revenue Service uses the common law right of control test as an analytical tool for determining worker status as outlined in Revenue Ruling 87-41 (The 20 Factor Test). This 1987 ruling developed a list of 20 factors to use as guidelines in measuring control under the common law test. No one factor is decisive; in fact, all 20 factors will rarely be met. The stipulations in these guidelines generally refer to the required independence of IC's. Reference is made to an independent contractor's freedom from an employer's mandates; for example, training and instructions, set hours of work, requirement of full time status, and typical controls of how the work is to be performed.

## **SAMPLING OF INDUSTRIES**

Every industry has a different set of issues concerning the determination of IC or employee status. Because the 20 Factor Test developed by the IRS is subjective, a consistency in application is difficult and there is great disparity in the frequency of hire and the types of positions under scrutiny. Also even different courts vacillate about classification of occupational categories. For example, between 1955 and 1975, the IRS and the courts issued six conflicting rulings concerning the classification of "gypsy chasers." (Gypsy-chasers are individuals who contract with a truck driver to unload furniture or other freight. Final verdict: they were ICs) (Sbarbaro, 1990). And our survey found that regardless of industry, it is an issue for all employers.

## **RESEARCH METHODOLOGY**

A survey was conducted with sixty organizations in a rural county in a southeastern state. This was a convenience sample where one of the researchers was friends with a business person in that area. The majority of the surveyed organizations (60%) were in the manufacturing and engineering field. Each participating organization had less than 500 employees, with 87% having 100 or less. The atmosphere of the workplaces and the business style of each organization differed significantly as some 32% (19) companies were very small (<30) employees.

## **COLLEGES AND UNIVERSITIES**

The same short survey modified for education institutions was sent to colleges and universities in the same southeastern state with 31 usable surveys returned. Respondent's business practices and personal experiences were reflected in the ten-question survey. Thirty-seven percent of the respondents confirmed the hypothesis that proper classification of independent contractors is difficult.

## **RESULTS**

The survey reveals that the majority of those surveyed (69%) handle the independent contractor issues on a case-by-case basis with little structure in the process other than a subjective analysis of the IRS 20 Factor test. The decision to employ and the responsibility of classification usually fell with the hiring department (57%); human resources department (38%); and 5% with joint responsibilities. Only 7% of those surveyed have ever requested determination of classification from the IRS, citing the process too slow to be practical. The IRS had audited 21% of the organizations surveyed, with some penalties and damages incurred. Thirty-seven percent believed the independent contractor/employee classification to be a significant issue within their organization.

## **DISCUSSION**

Adjunct faculty members' primary employment is usually elsewhere. They teach one or more courses per term. The college or university determines curriculum, provides materials and sets the class schedule. The university has the relationship with the student, not the adjunct faculty member. The faculty member has an ongoing relationship, only until the end of the term, with the university. A course may be cancelled or either party may terminate the relationship without liability. It does not matter that the university allows the employee considerable discretion and freedom of action, as long as the university has the legal right of control of services delivered. Universities surveyed viewed adjunct faculty as employees.

## **DISCUSSION OF SMALL BUSINESS**

The 1995 White House Conference on Small Business called for Congress to require that only one of four criteria, along with a written agreement, be required for making the IC designation. This group recommended the four criteria to be the realization of a profit or loss; separate principal places of business; making services available to the general public; and paid on a commission basis. Small business owners' perception and definition of an IC are quite different from that of the courts or the IRS. Small business owners' misunderstanding of the IRS's interpretation of its 20 Factor Test criteria may explain much of the misclassification that occurs. Our business sample surprised us with the lack of information and subsequent lack of concern over worker status. In interviewing

some of the participants, the common refrain was that they were trying to stay in business and that worker status was not on the front burner for them.

Some of the educational institutions did have a better procedure for worker status. We found it troubling that colleges and universities who teach business practices are not following the appropriate procedures. The human resource managers at the educational institutions considered worker status to be a serious issue for them. Perhaps the fact that several had been audited and paid penalties for their mistakes made them more cognizant of the issue.

## CONCLUSIONS

Misclassification is a significant and complex problem for employers and for the IRS. Companies need not shun the use of ICs. The best way to avoid errors resulting in extra costs and penalties is to develop proactive employment policies and procedures. Conduct a self-audit of independent contractor practices within your organization. Focus on workers' classification based on the criteria used by the IRS, the Department of Labor, and other government agencies that the courts rely on. Determine where independent contractors are working within your organization, for how long, under what circumstances, and the type of work they are doing. If an IRS audit is performed at a later date, the organization's exposure to penalties can be reduced if good faith effort to comply can be demonstrated. If you prefer an impartial opinion of your employment practices, hire a tax accountant, tax attorney or other expert to review case by case positions within your organization. Prevention remains the best cure.

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## **NOT FEELING WELL, WHY ARE YOU HERE?**

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### **ABSTRACT**

*Most of the research has focused on absenteeism and its associated costs. Recently, however, researchers have begun to look at an invisible, yet potent threat to productivity, presenteeism. It is the “health-related productivity loss while at paid work,” or coming to work with the cold, headache, or allergy that keeps an employee from performing at his best (Loeppke et al, 2003). Hemp (2004) suggests the cost of this relatively unrecognized factor is \$150 billion dollars. Considering potential economic impact of this phenomenon, the authors decided to explore the awareness of presenteeism and its associated issues and challenges with companies in central Texas. In addition, these findings are compared to university students who also work and go to school to determine if younger workers present the same profile as those already in the full-time workplace. This presentation reports the findings from this exploratory study. Further research needs to be done to determine the impact that presenteeism has on the overall performance of these companies.*



# AN EXAMINATION OF EMPLOYEE CULTURE-BASED PERCEPTIONS AS A PREDICTOR OF MOTIVATION

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## ABSTRACT

*A critical element to increasing productivity is employee motivation. This task of understanding and influencing the employee's motivation is often made easier, if the company attempts to select employees with specific values, beliefs and needs that align with those of the company. This study explores the relationship between the Hofstede cultural dimensions (as a predictor of values) and Vroom's expectancy theory (valence, expectancy, instrumentality) for the purpose of determining whether Hofstede's instrument can be used to predict an individual's motivation potential in a given organizational environment. A variety of hypotheses were tested using a web-based survey of US and German workers. Although the hypotheses concerning the relationship between culture-based perceptions and expectancies and instrumentalities were not heavily supported, several of the relationships between an employee's cultural values and valences were supported. This suggests that motivation, to some extent, can be predicted by knowledge of an employee's culture-based values. Additionally, this research presents some interesting findings on motivation across various demographic categories (e.g., nationality, gender) and suggests some issues for future research on selecting for motivation.*

## INTRODUCTION

As worldwide competition continues to increase, corporations are feverishly seeking ways to increase productivity. A critical element to increasing productivity is employee motivation. Most researchers believe that to enhance employee motivation, one must understand the motivation process. In other words, one must understand how an employee processes his or her environment to make choices. The most popular of the motivation process theories is Victor Vroom's Expectancy Theory (1995). The Expectancy Theory suggests that a person's motivation is based on the product of his or her valence (the value of an individual goal), expectancy (probability of successfully accomplishing a task), and instrumentality (probability that the successful accomplishment of the task will result in achieving a desired goal). This task of understanding and influencing the employee's motivation is often made easier, if the company attempts to select employees with specific values, beliefs and needs that align with those of the company. More specifically, a company should consider the candidate's perceptions of expectancies, instrumentalities, and valences against the organization's environment for the best "motivational fit."

The Hofstede's (1984) instrument for identifying a society's cultural dimensions may be an appropriate tool to describe an individual's culture-based perceptions. In other words, identifying an applicant's Hofstede profile might help predict an employee's potential motivation for a given organizational environment (e.g., policies and procedures). For example, an employee with high "uncertainty avoidance" might be more easily motivated in highly structured organizations (e.g., rules and procedures). An employee high in "power distance" might be less likely to speak out against inequities or to volunteer ideas. An employee high in "collectivism" might be more easily motivated with group-based financial rewards.

The purpose of this study is to explore the relationship between the Hofstede Cultural Dimensions and the elements of Vroom's Expectancy Theory (valence, expectancy, instrumentality). If a significant relationship exists between an individual's cultural characteristics and the way they perceive key motivational factors, it is logical to suggest that Hofstede's Cultural Dimensions may predict a person's motivational profile

## RESEARCH MODEL AND HYPOTHESES

The literature indicates that an individual's motives are influenced by his or her perceptions and value system (Hofstede, 1994; Maslow, 1987; Vroom, 1964). Specifically, Vroom (1964) indicates that motivational potential is the product of an individual's perception of *expectancy* times *instrumentality* times *valence*. Since a person's perception is influenced by one's value system, it seems reasonable to believe that culture-based values might moderate the values of an individual's *expectancies*, *instrumentalities* and *valences*.

Expectancy is an individual's perception of (the probability) whether he/she can successfully accomplish a task (Vroom, 1964). It is proposed that Hofstede's dimensions influence the expectancy of an individual in many ways. For example, individuals with a low *power distance* score have a higher expectancy for getting promoted than people with a high *power distance* score. Employees with a high score in the *individualism* dimension have a high expectancy regarding the truth of their own decisions. Individuals with a high *uncertainty avoidance* believe that there is only one way of doing things and therefore have reduced expectations of success under dynamic environments. Individuals with high *masculine* values are more likely to persist in the face of early task failures. Employees with a *long-term view of time* are more apt to exhibit patience when confronted with failure. As such, the following hypotheses are proposed:

- 1a. The employee's power distance index (PDI) will significantly predict the employee's expectancy.
- 2a. The employee's uncertainty avoidance index (UNC) will significantly predict the employee's expectancy.
- 3a. The employee's individualism index (IDV) will significantly predict the employee's expectancy.
- 4a. The employee's masculinity index (MAS) will significantly predict the employee's expectancy.
- 5a. The employee's time orientation index (LTO) will significantly predict the employee's expectancy.

Instrumentality is an individual's perception (of the probability) that the successful completion of a task will lead to desired rewards or valences (Vroom, 1964). For example, individuals with high *masculinity* are more likely to believe that hard work results in job promotion. Employees with high *uncertainty avoidance* require rules stating the relationship between accomplishments and rewards. The average worker with high *power distance* scores believes that he or she will be rewarded or not rewarded at the discretion of top management. Individuals with a *long-term view of time* are more likely to believe in the connection between task accomplishment and reward. As such, the following hypotheses are proposed:

- 1b. The employee's power distance index (PDI) will significantly predict the employee's instrumentality.
- 2b. The employee's uncertainty avoidance index (UNC) will significantly predict the employee's instrumentality.
- 3c. The employee's individualism index (IDV) will significantly predict the employee's instrumentality.
- 4d. The employee's masculinity index (MAS) will significantly predict the employee's instrumentality.
- 5e. The employee's time orientation index (LTO) will significantly predict the employee's instrumentality.

The valence is the value an individual places on a particular outcome or reward/need. One would expect that valences are significantly affected by one's learned or culturally-based value system. For example, employees high on *masculinity* generally favor pay increases, job titles and promotions over time off or better working conditions. Employees, with low *uncertainty avoidance* value autonomy and flexibility. Employees with a high degree of *individualism* value individual

recognition. Individuals with a high sense of *power distance* are more comfortable with inequities of rewards. Individuals with a *long-term orientation* place a higher value on security and pension benefits. As such, the following hypotheses are proposed:

- 1a. The employee's power distance index (PDI) will significantly predict the employee's valences.
- 2a. The employee's uncertainty avoidance index (UNC) will significantly predict the employee's valences.
- 3a. The employee's individualism index (IDV) will significantly predict the employee's valences.
- 4a. The employee's masculinity index (MAS) will significantly predict the employee's valences.
- 5a. The employee's time orientation index (LTO) will significantly predict the employee's valences.

## METHODOLOGY

The essence of this study was to determine whether culturally-biased perceptions influence or predict an employee's perceptions of motivational factors. As such, a three part, 61-question survey was developed to test the hypotheses. The first part was used to measure an individual's cultural-based perception. It consisted of 26 questions (5 MAS, 5 IDV, 5 UNC, 5 PDI, 6 LTO) and was taken directly from Hofstede's Value Survey Module (1994). The second part measured a worker's perception of typical organizational expectancies, instrumentalities and valences. This section consisted of 27 questions (6 valence-related, 11 expectancy, and 10 instrumentality) and was adapted from Vroom's (1995) listing of typical work-related perceptions of motivational factors. The third part consisted of 8 questions to measure various the samples various demographic characteristics (e.g., management level, gender, age, nationality, earnings, and work experience with their current organization). Additionally, it was believed that the questionnaire should be administered across two nationalities to control for and identify variations in work-related values that weren't captured by the Hofstede Value Survey Module. Further, any supportive evidence obtained across the two cultures would provide a stronger case for a generalization of the findings.

## RESULTS

The results of the hypothesis testing for the relationship between culture-based perceptions and *expectancies* revealed that none of the U.S. employees' *expectancies* were significantly related to culture-based perceptions and values. The German employees, however, had two culture-based value systems that related to perceptions of *expectancies*. The uncertainty avoidance dimension was significantly related to their perception of successfully accomplishing the tasks ( $r=.28 @ p<.05$ ). Most striking in this area was *the belief that organizational change was not a positive influence to increasing performance* ( $-.50 @ p<.01$ ). Also, the power distance dimension was significantly related to *how they perceived their ability to successfully accomplish tasks* ( $r=.31 @ p<.06$ ). The question that was the most striking in this area was that *a close working relationship with their supervisor was important to successfully accomplishing tasks* ( $.50 @ p<.01$ ). There were, however, several other *expectancy-related* questions that provided some expected and unexpected results. As expected, the power distance dimension index was negatively correlated ( $-.29 @ p<.06$ ) with their *willingness to voice dissatisfaction with unsatisfactory working conditions*; this was only significant for US workers. Unexpectedly, however, the individualism dimension index was negatively correlated ( $-.27 @ p<.08$ ) with the employees' *belief that performance is best performed in groups*; this, however, was only significant for the German workers. One might have expected this result for US workers, since the US has the highest cultural index of individualism in the world.

The results of the hypothesis testing for the relationship between culture-based perceptions and *expectancies* revealed that none of the German employees' instrumentalities were significantly related to culture-based perceptions and values. The US employees, however, had two culture-based value systems that related to perceptions of instrumentalities. The masculinity dimension was

significantly related to their perception of the probability that *successfully accomplishing the task would lead to rewards or desired outcomes* ( $r=.34 @ p<.02$ ). Most striking in this area was the belief that *competition is more likely to result in better performance and rewards* ( $r=.63 @ p<.01$ ). Additionally, and most surprisingly, the individualism dimension was negatively related to the workers' perception that *the successful completion of tasks lead to rewards* ( $r=-.44 @ p<.01$ ). The question that was most striking in this area was their belief that *promotions were based on skills and abilities* ( $r=-.53 @ p<.01$ ). Also, interestingly, there was a significant disconnect between how the US and German workers' perceived the influence of power distance on instrumentality. The German workers believed that *if they voiced dissatisfaction with unsatisfactory working conditions, the conditions would be changed* ( $r=.39 @ p<.02$ ). The US workers, however, had the opposite reaction ( $r=-.28 @ p<.07$ ). In other words, the Germans believed that the higher the power distance, the more likely their voice would be heard. On the other hand, the US employees believe that the lower the power distance, the more likely their voice would be heard.

The results of the hypothesis testing for the relationship between culture-based perceptions and valences revealed that three of the culture-based perceptions were related for the US workers; *uncertainty avoidance* ( $r=-.26 @ p<.06$ ), *individualism* ( $r=-.39 @ p<.01$ ) and *masculinity* ( $r=.55 @ .01$ ). On the other hand, only one dimension of culture-based perceptions was related to the German's desire of valences; *masculinity* ( $r=.46 @ p<.01$ ). As expected, employee scores on *power distance*, *individualism*, and *masculinity* had the most correlation with their desire for certain outcomes. In addition, there were several interesting relationships worth noting. For example, higher scores on *individualism* were inversely related to the need for personal time in both cultures. Also, particularly noteworthy was that the need for personal time was negatively correlated for US workers on each dimension. As expected, both cultures had a negative correlation between the need for a good working relationship and *power distance*. Unexpectedly, however, the need for variety and adventure on the job were oppositely correlated for the cultures on the *individualism* dimension. In other words, the US employees high in *individualism* preferred not to have adventure on the job whereas the German employees high on IDV preferred to have it. One might expect this type of dichotomous result to occur in the relationship between the need for variety/adventure on the job and the *uncertainty avoidance* dimension. Hofstede's (1984) findings suggest that the US is significantly lower on the *uncertainty avoidance* dimension and therefore one might expect that they would have significant differences about adventure on the job; however, none existed. Lastly, the need for job security was surprisingly correlated with the *masculinity* dimension for both cultures.

## CONCLUSIONS

Most managers will agree that the essence of management is to influence employees to accomplish organizational goals. In other words, the job of motivating one's employees to satisfy the needs of internal and external customers. As such, there is an increasing need for organizational research on employee motivation.

This study was designed to examine the question of whether Hofstede's cultural dimensions can predict an individual's preference for certain motivational environments. If an individual's motivational needs can be accurately profiled using Hofstede's cultural dimensions, it would be a significant advancement to employee selection methods. Unfortunately, most of the hypothesized relationships between culture-based value systems and *expectancies* and *instrumentalities* were not supported. At first glance, this suggests that the Hofstede survey is not a particularly good instrument for predicting an individual's motivation within an organization. However, one's motivation is the product of three factors ( $E * I * V = Mp$ ) and many of the relationships between culture-based values and valences were supported. This is important because it suggests that an organization that has knowledge of an individual's valences can create a better employee-organization fit through selection and improve motivation and productivity by offering a tailored

or cafeteria style rewards system. As such, this research underscores the role that culture-based selection might play in improving motivation.

Further, the findings present an interesting puzzle. Some of the results were significant by country, but not by Hofstede's cultural dimensions. This seems to suggest that some other national influences are being picked up that aren't measured directly by the Hofstede dimensions. Likely candidates might be the country's views on labor (e.g., unions) or various organizational cultures. For example, the German sample had a much higher regard for the purpose of labor unions than the US (South Carolina-a right to work state) sample. Additionally, the sample of 18 organizations (10 US and 8 German) may not have been large enough to reduce the effect of organizational culture on employee perceptions. In any case, the study points out that the Hofstede instrument isn't 'fine grained' enough to have much of a value in predicting motivation.

Future research should continue to examine the relationship between culturally-driven values and perceptions and the factors of motivation. While the Hofstede instrument proved ineffective at predicting an employee's motivation, the notion of predicting motivation through a candidate's expectancies, instrumentalities and valences remains sound. As such, future research might develop an instrument that measures an employee's Es, Is, and Vs in various work scenarios.

### **REFERENCES**

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# COMMUNICATION COMPETENCIES: VIEWS OF BUSINESS COMMUNICATION STUDENTS

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## INTRODUCTION

*For years, research studies and articles have emphasized the importance of communication skills. Today these communication skills have become that much more essential in obtaining employment and advancing in a business career. What business communication skills are needed by university business graduates? There has been an abundance of literature in recent years concerning needed business communication skills and abilities. What business communication competencies do business communication students believe are most important? Are colleges and universities providing these students with the needed business communication competencies required in the business world?*

## PROBLEM STATEMENT

The problem of this study is to determine which business communication competencies business communication students perceive as most essential. The business communication competencies studied include:

1. writing and speaking competencies
2. intrapersonal competencies
3. interpersonal/collaborative competencies and
4. global communication competencies.

## METHODOLOGY

Communication skills used for this study were derived from the following sources: various research studies identifying critical management skills, a locally developed College of Business and Technology advisory group listing of skills and knowledge essential for a business major, and from various journals and business communication textbooks. After the business communication skills were identified, a questionnaire was developed and distributed to business communication students during the fall 2005 and spring 2006 semesters at Texas A&M University-Commerce.



# EFFECTIVE HR STRATEGIES FOR ENHANCING THE ORGANIZATIONAL COMMITMENT OF HIV-POSITIVE EMPLOYEES

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## ABSTRACT

*A study was undertaken to provide insight into the effective management and retention of employees who are HIV-positive. The first step involved identifying the HR policies thought to positively influence their organizational commitment. Thirteen HIV-positive employees were interviewed and asked to identify things their respective organizations do or could do to positively influence their commitment to that organization. Responses were analyzed for content and pared down to 18 distinct HR policies. Although this research is limited somewhat by sample size, the findings are generalizable to most service organizations. The findings should be of practical value to most organizations and/or managers. Many of the policies reported to be most influential (e.g., confidentiality and non-discriminatory treatment) can be implemented at little or no cost.*

*This paper is one of a handful to address the issue of enhancing the organizational commitment of a specific group of employees; it is also the first, to our knowledge, to specifically address the HIV-positive employee population. It offers something for both academic and practitioner audiences.*

## INTRODUCTION

Since the discovery of the HIV virus and AIDS in the early 1980's, the issue of employing those who are HIV-positive in the hospitality industry and other high-customer- contact service industries has been a controversial one. On the one hand, co-workers and customers have a fear (unwarranted) of becoming infected through casual contact with HIV-positive employees. On the other hand, HIV-positive employees already play a significant role in service organizations, a role which these organizations can no longer afford to ignore. While recognizing that not all HIV-positive individuals are gay or lesbian, a recent Nation's Restaurant News article discussing the employment of gays and lesbians says "hospitality companies must realize that the same gays and lesbians who patronize their businesses also make up an extremely valuable segment of their workforce. Those companies must assure that their workers are treated equitably and given paths to promotion that help reflect the growing diversity of their markets. It's not just profitable; it's good employment practice" (Allen et. al.; p. 20). For those organizations seeking to more effectively manage diversity, increasing the organizational commitment of all employees should be the goal.

## ORGANIZATIONAL COMMITMENT

Organizational commitment refers to the psychological state of identifying with and involving oneself with their organization (Angle & Perry, 1981; O'Reilly & Chatman, 1986; Steers, 1977). Research has shown that organizational commitment is positively related to employee retention; simply stated, employees committed to an organization are less likely to leave. Such commitment benefits both employees and organizations. Employees achieve greater job stability;

the organizations achieve experienced, motivated workers, higher levels of service quality, and reduced employee turnover costs (Cohen, 2000; Hartline & DeWitt, 2004; Rhoades & Eisenberger, 2002).

While there exists a vast body of literature on alternative sources of labor, and substantial literature on enhancing the organizational commitment of employees in general (see Ricketta, 2005), there is relatively little published information on enhancing the commitment of specific employee groups (e.g., women, teens, ethnic minorities, gays) or of alternative labor sources (e.g., seniors, legal immigrants, the physically and mentally disabled, including HIV-positive employees).

There are several reasons why HIV-positive employees in particular have been neglected in this regard:

- HIV-positive employees are not readily identifiable. Many do not divulge their condition for fear that other employees will react negatively or that they will be terminated by their employer. Thus, it is difficult for researchers to learn much about the employment/management of HIV positive employees.
- Many service-sector organizations do not feel that HIV is a serious factor for management and staffing issues. They have ignored the demographic factors which indicate the growing significance of HIV-positive employees to their operations.
- Many service-sector organizations hesitate to hire and/or retain candidates who are HIV-positive for fear they will infect customers or other employees.

Yet, there are many reasons which give HIV-positive employees undeniable importance for future staffing needs, and why service organizations should make every effort to retain their HIV-positive employees:

- **Lack of risk.** HIV cannot be transmitted to customers or other employees through casual contact.
- **Ability to perform.** The symptoms of HIV may take as many as 12 years (if at all) to appear, during which time employees who carry the HIV virus are still able to fulfill their duties and responsibilities without compromising their performance.
- **Legal obligation.** Under the Americans with Disabilities Act (ADA), hospitality and other organizations may not discriminate against HIV-positive employees on the basis of their condition as long as the employee can adequately perform the "essential functions" of the job, either with or without reasonable accommodation(s).
- **Changing demographics.** The shrinking qualified labor pool, coupled with the expected growth in service sector employment, will make full utilization of alternative sources of labor a necessity.
- **Cost/benefit.** Significant increases in the organizational commitment (and subsequent decreases in turnover and associated costs) of HIV positive employees may be made at relatively no or little cost to the organization.

### THE STUDY: PURPOSE AND METHODOLOGY

The first step in the research process was to determine which HR policies were important to HIV-positive employees, i.e. which would enhance their organizational commitment. A review of the relevant literatures on HIV and employment and on organizational commitment was conducted. A wealth of information on the biology of HIV was discovered, along with a moderate amount of information on the legal aspects of AIDS and the ADA. However, there is a dearth of information regarding the effective management of HIV-positive employees. Because of this, it was also necessary to gather data on HIV-related organizational policies directly from HIV-positive employees.

## FOCUS GROUP

A total of 13 employed HIV-positive individuals were interviewed concerning their organization's actions and attitudes toward HIV. They were asked the following basic questions:

- What are your organization's current policies regarding HIV?
- Which of these policies do you like the most?
- Which of these policies do you like the least?
- How would you change your organization's culture regarding HIV?
- What could the organization do to enhance your organizational commitment?

The responses to these interviews and the findings from the literature review were used to compile an initial list of 72 human-resource strategies expected to enhance the organizational commitment of HIV-positive employees. A content analysis revealed that many of these were duplicative or irrelevant to the problem at hand, and the list was eventually pared down to 18 items. The focus group of thirteen interviewees plus five academicians then reviewed this list for accuracy, completeness, and appropriateness of phraseology. The list was revised accordingly and the final version was used to create a survey to gather primary data.

## RESULTS

The table below contains the list of the 18 HR policies identified by HIV-Positive employees as having a positive influence on their organizational commitment.

1. Develop a culture that accommodates the special needs of HIV infected employees.
2. Give employees the opportunity to be open about their infection.
3. Offer employee assistance programs for infected and non-infected employees and their loved ones.
4. Develop orientation, training and team building programs and workshops to help infected and non-infected employees work together.
5. Offer the same medical benefits to all employees and their domestic partners regardless of their HIV status.
6. Allow infected employees to take medical leaves of absence so they do not use up all of their sick leave for treatment and recovery.
7. Allow infected employees a greater range of medical benefits options.
8. Let infected employees work with a committee of their choice to develop flexible work strategies for their mutual benefit.
9. Schedule infected employees for a maximum 5/day/40 hour work week with two days off in a row.
10. Allow infected employees a greater range of work options to meet their needs, including part-time, flex-time, and work at home.
11. Allow infected employees to transfer positions as required by their illness.
12. Allow infected workers to take sabbaticals (for example, one out of every six years) to focus on other aspects of their lives.
13. Provide full medical benefits to infected employees who were full-time but are forced by their illness to work part-time.
14. Promote infected employees strictly on the basis of job performance rather than possible future health considerations.
15. Ensure responsibilities are not taken away from infected employees unless the employee willingly renounces them or can no longer perform.
16. Empower infected employees to address issues of possible discrimination, harassment, or hostile co-workers.

17. Audit managers to ensure non-discriminatory treatment of infected employees.
18. Ensure confidentiality regarding HIV related issues.

## **SUMMARY AND IMPLICATIONS FOR THE SERVICE INDUSTRY**

As the workforce continues to become older, more diverse, and less skilled, and as the 25 to 44-year-old age group traditionally used to fill line-level positions within the service industry continues to shrink, service organizations will look more and more to alternative labor pools such as seniors, the physically and mentally challenged, legal immigrants, and HIV-positive individuals to staff their operations. HIV-positive employees already represent a workforce to be reckoned with; today there may be as many as 1,550,000 HIV-positive individuals employed by U.S. hospitality organizations alone (using estimates outlined by Stine, 1993), a figure which is expected to grow exponentially as more individuals contract the virus.

Overall, the survey showed that what most concerns HIV-positive employees is fair and equal treatment in the workplace, i.e. the opportunity to fulfill the duties and responsibilities of one's job to the best of one's ability, without regard to medical condition. This applies as well to other alternate labor pools in the service industry. Accommodating workforce diversity is already a significant issue in the industry, where people of diverse age, race, color, religion, and sexual orientation must work together in harmony to deliver a quality service experience. By utilizing the human-resource strategies in this study to support their HIV-positive employees, service organizations also send a message of support to other alternate employee groups and in turn enhance their commitment. After all, the needs of the single mother who requests flextime in order to be able to pick up her children from school, and the needs of the HIV-positive employee who requests flextime to go for medical treatment, are basically the same. In both cases, the effect of organizational support is the same: greater organizational commitment. This is consistent with the findings of Day & Schoenrade (2000), who found that gay and lesbian employees who reported their organizations adopted anti-discrimination policies which included sexual orientation and those whose top management teams supported equal rights were significantly more committed to their organizations.

Service organizations can gain numerous other benefits by implementing the human-resource policies described in this study. They can for instance promote workforce harmony by creating a more supportive environment for diverse labor sources. They can help enlighten managers who think HIV-positive employees cannot be productive and are not worth the effort to retain (most HIV-positive employees remain productive for many years before showing signs of debilitation). Finally they can show good corporate citizenship and social responsibility. Ultimately it will be enlightened service organizations which will survive.

## **CONCLUSION**

Service industry managers can implement the policies identified in this study within the financial and other constraints of their organization to enhance the commitment of HIV-positive employees. At the same time, by supporting good performers regardless of their medical condition, the organization can also enhance the commitment of those employees who do not have HIV, reduce turnover across the board, and ensure stable, motivated workforces. Only such workforces can deliver the levels of service quality necessary to survive in today's competitive marketplace.

## **REFERENCES**

Available upon request

# DEMOGRAPHIC DIFFERENCES IN EMPLOYEES' KNOWLEDGE OF OFFICE POLITICS

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## ABSTRACT

*Office politics, which actually is a game, goes on in most work environments. Employees need to learn rules of politics so they can reap the rewards to which they are entitled. To determine demographic differences in employees' knowledge of office politics, a survey that included seven statements related to office politics and that requested four types of demographic information was administered to 264 employees. ANOVA results revealed significant differences (<.05) between employees' responses and three of the four demographic factors.*

## INTRODUCTION

Office politics involves the strategies people in various types of organizations use to gain a career advantage (Rozakis & Rozakis, 1998). This political maneuvering, usually referred to as office politics, is actually a game; and employees who do not play the game pay the price (Hawley, 2001). The game of office politics has specific rules and boundaries. While these rules will vary with the company, some rules are invariant; they include behaving ethically and treating people fairly rather than behaving in a deceitful, unethical manner. Another rule of office politics is that of being loyal to and showing support for the supervisor. Making one's supervisor look good could result in a move up the corporate ladder as the supervisor moves up (Hawley, 2001). Employees who have issues with some of the concepts of office politics need to understand that favoritism exists in every firm and that their ability or inability to use office politics effectively can advance or impede their careers (Beagrie, 2004).

## LITERATURE REVIEW

Office politics involves self-promotion; perceptive employees know that they must make sure that their efforts and accomplishments are recognized. Tooting one's own horn, when done in a low-key manner, is highly recommended especially when trying to convince a supervisor that a raise or promotion is deserved. Tooting one's horn too loudly, however, may result in being called a braggart, which may fail to impress influential people. The best advice for self-promotion is to document all accomplishments; this will add strength when making a case for promotions and salary increases (DuBrin, 1990; Hawley, 2001). In addition to personal attributes, office décor, including a display of awards and certificates of achievement can be used for self-promotion. Displays and office furnishings, however, should be business related; pictures of a child's artwork or lamps and other accessories that belong in one's home are inappropriate for the office. One's office décor should convey a message that is congruent with the person's business image and with the manner in which he or she wishes to be perceived.

Part of playing the game of office politics is making decisions on the extent to which one feels compelled to tell the truth in all situations. Honesty and truth telling, according to Cole (1999), should be a way of life in the workplace; however, being ruthlessly honest to the extent of trampling

on other people's feelings is not recommended. DeLuca (1999) points out that telling an employee in the presence of others that his job will be eliminated by the end of the year is demoralizing and serves no useful purpose. In some cases, employees may find that total honesty is less important than telling supervisors what they want to hear.

Compliments, defined as giving sincere praise in recognition of the efforts and accomplishments of others, are always appreciated. Flattery, defined as excessive or insincere praise, has not traditionally been viewed in a positive manner. When it comes to the office politics game, however, Rozakis and Rozakis (1998) maintain that "flattery will get you everywhere--if it's used properly" (p. 171). One of the most effective ways of using flattery is perhaps giving a compliment on another person's behalf, which is then passed on. Thus a person's ulterior motive is less obvious, and the compliment is perceived as more sincere.

While office gossip in years past has not been considered in a positive light, it is currently being taken more seriously. According to DuBrin (1990), gossip is definitely "a vehicle for building peer relationships" (p. 96). Further, it is seen as a socializing force which improves employee morale. People who spread gossip must remember, however, that it is unwise to pass along negative information about someone unless it is factual and would soon be public knowledge (DuBrin, 1990). Employees who gossip, according to Beagrie (2004), may have hidden agendas so office colleagues should take such information at face value. The desire to gossip is often fueled by the human need to fit into a group. Rather than fitting in, however, employees may find themselves ostracized when they spread gossip that maligns another person (Dobson & Dobson, 2001). Gossip may be personal or professional. Responses to personal gossip and back-stabbing should be noncommittal; silence is an even better response. Such gossip should not, of course, be repeated. While personal gossip should not be given attention, professional gossip should be given attention since it is a technique for become skilled in office politics and is approximately 80 percent accurate. The most valuable professional gossip includes job changes, while the least valuable gossip is related to office romances or extramarital affairs (DuBrin, 1990). Sharing professional gossip with one's supervisor is simply part of office politics (Rozakis & Rozakis, 1999). Employees should keep in mind that information should be shared with one's supervisor before one's colleagues. The supervisor should never be the second person to know (Hawley, 2001).

When it comes to favors in the office, Cole (1999) maintains that they are "the absolute bottom line of what politics is all about" (p. 484). DuBrin (1990) states that "quid pro quo arrangements with others in the workplace are a standard way of getting things accomplished" (p. 93). DuBrin (1990) adds that exchanging favors is especially effective when favors are done with no expectation of receiving anything in return. Such generosity is usually remembered later when promotion decisions are made. Requests for favors must be made wisely and should never be used to create win-lose circumstances in which the person requesting the favor wins and the person granting the favor loses. Sometimes when a person does a favor for someone, the recipient of the favor may question the other person's motives. The best advice is to remain friendly toward the person until a determination can be made regarding a hidden agenda. Holden (2003) recommends being open in one's dealings with other people; otherwise, people may sense a lack of complete honesty and may be reluctant to trust others. Regardless of the hidden motives of the person granting the favor, doing favors is implicit in the workplace politics game. When people go out of their way to do favors for other people, they are making a deposit in the "favor bank" that they can cash in later when the need arises (Rozakis & Rozakis, 1998).

Clothing is a powerful communicator and makes a difference in the way individuals are perceived (Cole, 1999). One connection people often make is between a person's manner of dress and performance: "sloppy dress, sloppy mind, sloppy work" (Holden, 1998, p. 70). The implication is that someone who is considering a large investment in an organization would question the advisability of doing so when dealing with someone wearing frayed jeans and sandals (Holden, 1998, 2003). Dressing appropriately for the job enhances one's corporate image and lends credibility

to one's ideas and accomplishments. Clothing should be selected that reflects the company culture and that is appropriate to the stage in one's career (DuBrin, 1990). If the corporate culture is casual, employees should remember that it is wise to invest in high-quality casual clothing with high-quality accessories as well (Rozakis & Rozakis, 1998). According to Dobson and Dobson (2001), employees can make themselves more promotable by following the dress standards set by their organizational leaders. Employees on the way up should, however, avoid dressing better than their supervisors (DeLuca, 1999).

The people with whom one socializes in the organization can affect career advancement. Networking with people during business meals can cement relationships (Rozakis & Rozakis, 1998). One should remember, however, not to bring up business at social events as they would be considered pushy (DeLuca, 1999). Business lunches provide employees with opportunities for showing their good manners and can, therefore, afford some political edge in the future. Using good table manners during business meals can send positive nonverbal messages about a person. Poor table manners, on the other hand, call attention to the person in a negative way. Important reminders when dining out include avoiding foods that are difficult to eat neatly, eating lightly, ordering coffee only after the meal, permitting the host to pay for the meal, and waiting to discuss business until the end of the meal (DuBrin, 1990). In addition to dining etiquette, displaying good manners in other situations can project a positive image of oneself and the organization (DuBrin, 1990). Remembering names is important when attending corporate mingling events (Rozakis & Rozakis, 1998). Standing when visitors who come by infrequently is still considered good manners. In addition, making appointments with persons of higher rank, rather than dropping in unannounced, is the mark of a well-mannered person. Being diplomatic, being sensitive to other people's feelings, and using bias-free language are just as important for people with career aspirations as are dressing appropriately and using proper table manners (DuBrin, 1990). To play the office politics game successfully, knowing and using both company and social etiquette is essential (Hawley, 2001).

## RESEARCH PURPOSE AND SURVEY PROCEDURES

The purpose of this research was to determine the demographic differences in employees' knowledge of office politics. A survey was developed which included ten statements related to office politics. These statements were based on self-assessment exercises developed by DuBrin (1990) and Rozakis and Rozakis (1998). The 264 respondents consisted of a convenience sample of employees from selected companies in the Mid-South area, primarily employees from business and education. The sample was nonrandom and purposive, which is considered appropriate in situations in which a larger population cannot be easily accessed. Employees surveyed were asked to indicate the extent of their agreement or disagreement with each of the statements provided using a 5-point scale with 5 representing *Agree* and 1 representing *Disagree*. Demographic information on gender, age, classification of organization, and position in organization was also requested. The .05 level was used to determine statistically significant differences between employees' responses and demographic factors.

## FINDINGS AND DISCUSSION

Slightly over half (51.9%) of respondents were female, 38.6% were under 25, 68.6% were classified as working in business organizations, and 27.7% classified themselves as manager/supervisor. Employees were asked to indicate the extent to which they participated in office politics using a 5-point scale with 5 representing *Always* and 1 representing *Never*. The largest percentage (33.7%) indicated that they sometimes participated in office politics; only 13.3% said they never participated.

Statistical analysis was run using SPSS, Version 12. Mean responses and standard deviations were calculated. The statement with which the largest number of employees agreed was *Dressing appropriately for the job is important since appropriate attire lends credibility to your ideas and accomplishments*. The statement with which most employees disagreed was *Helping someone who cannot help you in return is a waste of time*. (Both responses are in agreement with office politics mavens.) The statement with which employees were in greatest agreement with office politics' authors was related to *Always telling the supervisor the truth rather than what he or she wants to hear*. Supervisors typically want a positive response, especially when asking about the status of a project. The determination of whether statements were correct or incorrect was based on books on office politics by authors Dobson and Dobson (2001), DuBrin (1990), Holden (1998, 2003), and Rozakis and Rozakis (1998).

ANOVAs were conducted to examine the differences between mean responses and demographic factors. The results revealed significant differences ( $<.05$ ) between employees' responses and three of the four demographic factors: two factors varied significantly by age, one by classification of organization, and two by position in the organization. None varied significantly by gender.

*Always tell your supervisor the truth rather than what he or she wants to hear* showed significance by age group: employees under 25 years of age (mean of 3.59) vs. the 40 or above group (mean of 4.17) and between the Under 25 group (mean of 3.59) vs. the 25-39 age group (mean of 4.07); thus (since office politics mavens disagreed with the statement) younger respondents were more in agreement with the experts than older respondents. Significance was also indicated between Administrative Support (mean of 4.23) and Customer Service (mean of 3.47) and between Manager/Supervisor (mean of 4.08) and Customer Service (mean of 3.47) in the category of position within the organization. Thus, employees in Customer Service were more in agreement with authors of office politics books than employees in Administrative Support and those in Manager/Supervisor positions.

*Think of doing favors for your supervisor as an investment that you can cash in when the need arises* showed significance by age. Those under 25 years of age showed greater agreement with the statement (mean of 3.20) than those 40 or above (mean of 2.63). Thus, younger employees agreed with office politics mavens more than older employees. *Practicing self-promotion is simply good office politics; make sure your supervisor knows of your accomplishments* was significant for Classification of Organization. Those in Business (mean of 3.56) showed greater agreement with the statement than those who were Self-employed (mean of 2.59); in addition, employees in Education (mean of 3.70) showed greater agreement with the statement than those who were Self-employed (mean of 2.59). *Using flattery to get in a supervisor's good graces is recommended as flattery when used properly creates a pleasant work environment* showed significance for position in the organization; however, while this behavior showed significance, Scheffe's post-hoc analysis revealed that no two groups differed significantly at the .05 level.

## SUMMARY AND CONCLUSIONS

In summary, areas of office politics with which employees were most knowledgeable related to dressing appropriately; employees were less knowledgeable about truth telling and gossip. When responses were compared to demographic factors, younger respondents in Customer Service positions in business and education were more in agreement with authors of office politics books than were older respondents in Administrative Support and Managerial/ Supervisory positions who were self-employed.

While some individuals are comfortable with the game of office politics, others are unwilling to participate in it. Individuals who are uncomfortable with office politics must realize that a certain amount of "office politicking" is necessary for them to receive promotions and get along with

supervisors, co-workers, and clients (DuBrin, 1990). To reap the rewards to which they are entitled, employees would be wise to recognize that working hard and performing well on the job may not be enough to gain career advancement. Playing the office politics game, especially in some organizations, could mean the difference between career stagnation and advancement.

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# AN EMPIRICAL EXAMINATION OF THE DETERMINANTS OF CEO PENSIONS

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## ABSTRACT

*CEO compensation has attracted a good deal of attention lately. A relatively new line of research scrutinizes executive pensions, which can be very sizable. Similar to bonuses and stock option compensation, pensions can potentially be used to attract talented employees and to mitigate the principal-agent problem. This may be especially true for larger firms that, in principle, are more prone to the principal-agent problem. In this paper, we examine a number of factors that may influence a firm's decision to offer their CEO a pension plan. In general, our results show that of all the examined variables, firm size has the strongest impact on the likelihood that the firm's CEO has a pension plan.*

## INTRODUCTION

Shareholders, unions, and employees have become more concerned about CEO compensation, regardless of its form. A relatively new line of research scrutinizes executive pensions, which can be very sizable. For example, Hank McKinnell, CEO and Chairman of Pfizer Inc., will receive a pension payout of over \$6 million dollars a year, with a total estimated pension payout of over \$71 million (Barrett, 2006). McKinnell's yearly pension benefits are over twice as much as his current annual compensation. While this value is relatively large, numerous other companies have retirement plans that pay over 50% of salary and bonuses (Barrett, 2006). Agency theorists, such as Jensen and Meckling (1976), Rosen (1990), and Brookfield and Phillip (2000) suggest that the increase in executive compensation, including pensions, will help to improve employee performance by evading the potential principal-agent problem. By increasing executives' vested interest in the company, e.g., in the form of future pensions which can be tied to long-term firm performance, some companies may create an incentive for the managers to maximize shareholder wealth instead of their own private income, fringe benefits, and executive perks. Thus, long-term pensions may increase manager productivity by attracting the best people, increasing the value of the firm and earnings. This may be especially true for larger firms that, in principle, are more prone to the principal-agent problem. In this paper, we examine if a company's firm size influences their decision to offer their CEO a pension plans.

## DATA

In our analysis, we use annual compensation data from Standard and Poor's ExecuComp database from 1992 to 2000. One advantage of the ExecuComp database is its large size. It follows a total of 2,412 companies that are or were a member of the S&P 1,500 (consisting of the S&P 500, the S&P MidCap 400, and the S&P SmallCap 600). Since companies are required to provide information about the top five executives in each year, the overall number of records is substantial. The data set is restricted to CEOs, which results in individual-year 12,164 observations that are

included in our regression. Table 1 presents summary statistics of the variables that are used in the analysis.

Variable	Mean	Standard Deviation
Pension plan dummy	0.209	0.406
Market Value (\$ millions)	5,389.7	18,245.2
Sales (\$ millions)	3,797.6	9,756.1
Net income (\$ millions)	221.0	774.2
Return on assets	3.913	12.089
CEO salary (\$ thousands)	567.5	309.4
CEO bonus (\$ thousands)	603.8	1,739.4
CEO stock options (\$ thousands)	2,001.8	9,517.1

In addition to the variables listed in Table 1, we include variables that capture the size of a firm in the following way: Based on the number of employees, we assign all firms in our data set into one of nine size classes (or quantiles). The average firm size, measured by number of employees, for all size quantiles is shown in Table 2.

Size quantile	Mean number of employees	Standard deviation
1	410	215.1
2	1,288	277.9
3	2,372	354.5
4	3,795	466.9
5	5,822	737.7
6	8,876	1160.2
7	14,462	2096.1
8	26,894	5930.0
9	100,905	107023.5

For each of the size quantiles, a dummy variable is constructed to indicate to which quantile a firm belongs.

## ESTIMATION

In order to identify the factors that influence the existence of a pension plan, we carry out a logit estimation. The dependent variable is a binary variable that takes on the value of 1 if a pension plan exists, 0 otherwise. As possible factors for the existence of a pension plan, we include several firm characteristics. In particular, we control for a firm's market value, sales, net income, and return on assets. These variables are included because they may have an impact on the probability that a firm's CEO has a pension plan. For example, it could be that firms with larger net income or higher return on assets are in a better position to give their CEO a pension plan. Additionally, individual-level controls capture other dimensions of a CEO's compensation package. It could be that a pension plan is more likely to be available to a CEO whose other compensation components are rather generous, but the opposite may also be the case.

## RESULTS

3. The results of the logit estimation described in the previous section are presented in Table 3.

Table 3			
Logit Regression Results for Pension Plan Dummy			
Variable	Odds Ratio	Standard Error	
Market value (\$ millions)	0.999997	0.00000205	
Sales (\$ millions)	0.999997	0.00000312	
Net income (\$ millions)	1.000024	0.0000426	
Return on assets	0.998390	0.0025149	
CEO salary (\$ thousands)	1.000751	0.000093**	
CEO bonus (\$ thousands)	1.000007	0.0000187	
CEO stock options (\$ thousands)	0.999908	0.00000992**	
1 <sup>st</sup> size quantile	0.236	0.034**	
2 <sup>nd</sup> size quantile	0.575	0.062**	
3 <sup>rd</sup> size quantile	0.822	0.082*	
4 <sup>th</sup> size quantile	0.978	0.095	
6 <sup>th</sup> size quantile	1.106	0.105	
7 <sup>th</sup> size quantile	1.218	0.114*	
8 <sup>th</sup> size quantile	1.562	0.145**	
9 <sup>th</sup> size quantile	2.401	0.242**	
Number of observations = 12,164			
Pseudo R-Squared = 0.07			
*Statistically significant at 5%			
** Statistically significant at 1%			

The effects of the control variables—both at the firm and the individual level—are rather small. For example, a \$1-million increase in a firm's net income increases the probability that the CEO has a pension plan by only 0.0024 percent. Similarly, an additional \$1,000 in salary is associated with an increase in the probability that a pension plan is in place of only 0.075 percent. Overall it seems fair to say that all seven included firm- and individual-level control variables are, for practical purposes equal to zero, i.e., they do not impact on the probability of the existence of a pension plan. Moreover, the firm- and individual-level control variables are estimated with little precision. Of the seven estimates for the controls, only two are statistically significant at conventional levels.

Contrary to that, six of the included eight dummies that capture a firm's size are statistically significant (the middle quantile is the omitted category). Note that the estimates exhibit an interesting pattern in that they are strictly monotonically increasing from the smallest to the largest quantile. In addition, the magnitude of the estimates is quite remarkable. For example, a firm in the smallest size quantile is 76 percent ( $1 - 0.236 = 0.764$ ) less likely to have a pension plan for its CEO than a firm in the middle-size quantile. At the opposite end, firms in the largest size quantile are 2.4 times more likely to have a pension plan than firms in the omitted category.

## CONCLUSIONS

There has been a tremendous increase in executive compensation during the 1990s. The main focus until recently has been on salaries, bonuses, and, in particular, stock options. However,

executive pensions have recently also come under scrutiny. In this paper, we analyzed the factors that determine whether a CEO has a pension plan. Even after controlling for numerous factors both at the firm and the individual level, we find that the dominant factor is the firm's size.

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# ENHANCING COLLEGIALITY IN ORGANIZATIONS: AN EXAMINATION OF THE DIMENSIONS AND THE DEVELOPMENT OF COLLEGIALITY

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## ABSTRACT

*Collegiality is growing as an acknowledged criterion for promotion, merit, and retention evaluations. It has become a somewhat controversial “fourth” criterion in tenure and other faculty evaluations in higher education. The “three pillars” of teaching, research, and service have their own ambiguities, but the debate over the appropriateness of explicitly adding collegiality has driven research relating to the concept. A recent conceptual paper suggested that there are three primary dimensions found in the literature relating to collegiality. These three dimensions are explored in this paper and used to suggest possible approaches toward developing employees toward greater success in collegiality. Developmental ideas are suggested for both academic and other organizational settings using the concept.*



# STICKS AND STONES: VERBAL ABUSE IN THE WORKPLACE

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## ABSTRACT

*The great silent secret of the American workplace is that verbal abuse is a far more pervasive problem than most people realize. More than 90% of adults experience workplace abuse sometime during the span of their work careers and the larger the company, the more likely verbal abuse occurs. Verbal abuse is intended to cause distress to the target. Verbal abuse is overt or subtle verbalizations ranging from profanity and openly hostile remarks about competency to double-edged comments, gossip and rumors. And, the costs are high from low staff morale to high staff turnover. This paper will look at a definition of verbal abuse, describe who abuses, delineate the causes and the costs of verbal abuse, and discuss what companies can do to eliminate this problem thus increasing performance and enhancing their bottom lines.*

## INTRODUCTION

“Anger is a brief lunacy.”

Homer

“How stupid can you be?” “You’re an idiot.” “Can’t you do anything right?” “My kids could work faster than you do.” The great silent secret of the American workplace is that verbal abuse is a far more pervasive problem than most people realize. While people acknowledge that workplace violence exists, no one wants to openly look at chronic verbal abuse and the toll it routinely takes. While it may be much easier to be outraged by physical violence, verbal abuse does exist in the workplace and it exacts a huge penalty (Estrin, 1996). Verbal abuse can be buried in corporate layers, and if bosses don’t dig deep, they won’t find it. And, no matter where we work or volunteer our time, verbal abuse is an unavoidable consequence of doing business. While the sources may vary -- abusive bosses, combative customers, heavy workloads, and impossible deadlines – the result is often the same: people disconnect from work, morale sinks, performance drops, and turnover increases (Brillinger, 2003).

The supervisors who inflict psychological abuse on subordinates represent one of the most frequent and serious problems confronting employees in today’s workforce. Verbal abuse is repetitive, targeted, and destructive and is communicated by more powerful members toward less powerful members in the workplace. It is costly, widespread, and may be the precursor to workplace aggression and violence (Lutgen-Sandvik, 2003).

More than 90% of adults experience workplace abuse sometime during the span of their work careers and the larger the company, the more likely verbal abuse occurs (Elias, 2004). This paper will look at a definition of verbal abuse, describe who abuses, delineate the causes and the costs of verbal abuse, and discuss what companies can do to help eliminate this problem thus increasing performance and enhancing their bottom line.

## DEFINITION

“There are more pleasant things to do than to beat people up.”  
Mahatma Gandhi

There is a difference between a strong manager and a verbal abuser. A strong manager listens to a staff's concerns, lets people know that they are being listened to, and offers only constructive criticism on work matters. A verbal abuser doesn't listen, offers destructive criticism, uses insults about appearance, race, or gender, uses abusive language, and intimidates others (Sparrow, 2005). And while it is no longer acceptable to treat women as sex objects, it is still acceptable in this politically correct age to verbally batter and humiliate employees. To compound the silent conspiracy, these browbeating techniques are excused and forgiven by many as “just part of the job” (Estrin, 1996).

Verbal abuse can be defined as language intended to cause distress to the target. Verbal abuse is overt or subtle verbalizations ranging from profanity and openly hostile remarks about competency to double-edged comments, gossip and rumors (Brennan, 2001). Being the target or victim of verbal abuse can prove to be a traumatic experience. The word trauma comes from the Greek, meaning “to pierce – to breach something once intact.” When verbal abuse does “pierce” that protective psychological barrier, it “bruises” the victim psychologically, challenges self-esteem, and impairs resistance. When this happens, coping skills are seriously undermined. People who experience verbal abuse are unlikely to forget the sense of fear, anxiety and terror. And, although there are training courses aimed at addressing physical violence, there appears to be almost no attempt by employers to deal with the damage caused by verbal abuse (Brennan, 2001).

## WHO ARE THE ABUSERS?

“No man can think clearly when his fists are clenched.”  
George Jean Nathan

Both men and women are equally likely to be verbal abusers. However, most abusers are bosses who are empowered to fire their victims. Over time, targets may suffer from post-traumatic stress disorder, depression, exhaustion, and insomnia (Prasad, 2003). Almost anyone can become abusive under certain circumstances. Personality, stress, family history and specific events play roles in sparking verbal abuse (Rivenbark, 2005). Research indicates that although workers are at times abusive to their coworkers, the overwhelming majority, from 70%-90% of abusive communication is perpetrated by superiors toward subordinates (Lutgen-Sandvik, 2003). Yet, surprisingly, managers are also abused by their subordinates. Not delivering messages, hiding notes, changing documents, excluding people from social groups and not delivering papers for meetings in time can be designed to make the manager seem incompetent (Hall, 2005).

## CAUSES OF VERBAL ABUSE

“Violence is the last refuge of the incompetent.”  
Francis Jeffrey

Verbal abuse is a repetitive, targeted, and destructive form of communication. One study estimated that approximately one in four managers abuse their employees and this abuse was found in a wide variety of organizations, universities, and hospitals (Lutgen-Sandvik, 2003).

And, verbal abuse occurs for many reasons, ranging from frustration over a perceived failure of a service to situations where it is used to cause emotional or psychological distress to the target.

Other triggers include anger, confusion, alcohol/drugs, perceived injustice, poor communication skills, means of domination, and “because they can” (Brennan, 2003). In addition, external pressures on organizations such as heightened diversity in the job arena, increased pressure posed by the global economy, the decline in unionism, and the development of the contingent workplace increase internal pressures and contribute to verbal abuse (Prasad, 2003).

Employees learn to accept being screamed at, harshly criticized or threatened with job loss. If they do not accept this kind of behavior, it is construed as the employee’s weakness. Employees are taught to “take the heat” and receive positive feedback for doing so. So repetitive and constant are the incidents that it is almost impossible to distinguish between a manager letting off steam and abusive behavior. Unfortunately, many companies resolve these problems by avoiding them which eventually just makes the situation worse (Estrin, 1996). Although many workers report that although they didn’t feel they were in any physical danger when being verbally abused, they experienced anxiety, an urge to cry, a sense of freezing up and a sense of inadequacy, a desire to run away, and they described themselves as being tearful and unable to get the experience out of their thoughts (Brennan, 2003).

A national survey of more than 1,300 workers conducted by Opinion Research Corporation found that 42% of respondents experienced yelling and verbal abuse and 29% admitted to yelling at coworkers (Brown, 2001). Overwork, stress, doing “more with less,” and lack of job security all lead to verbal abuse whether it is between boss and subordinate or between coworkers.

### **COSTS OF VERBAL ABUSE**

“How much more grievous are the consequences of anger than the causes of it.”  
Marcus Aurelius

Physical attacks are obviously dangerous, but serious or persistent verbal abuse can be a significant problem too, as it can damage employees’ health through anxiety and stress. This can represent a real financial cost – through low staff morale and high staff turnover. This, in turn, can affect the confidence of a business and its profitability. Further costs may arise from expensive insurance premiums and compensation payments (How to . . . deal, 2004).

Verbal abuse at work fosters depression, insomnia, and alcohol and drug abuse. This lowers productivity, motivation and job satisfaction (Elias, 2004). In addition, 80 million working days are lost as a result of verbal abuse in the workplace, with half of all workplace stress resulting from abuse or relationship difficulties (Beating the bullies, 2005). In addition, verbal abuse refocuses employee energy from productivity to self-protection, it results in staff turnover, increased medical claims due to occupational stress, and leads to out of court settlements, legal fees, and litigation. And, finally, the organization loses credibility and suffers the loss of its good reputation (Lutgen-Sandvik, 2003).

Besides potential legal liability, studies show companies suffer in other ways from workplace abuse. Rather than “gang up” on the verbal abuser or report his or her behavior to their superior, which tends to escalate the conflict, most victims punish their employer by consciously reducing the quality of their work, not coming to work, or leaving their jobs (Prasad, 2003).

Two out of three people who tried to defend themselves against demeaning behavior said it drew retaliation. Mistreated people may be afraid to complain, particularly if the verbal abuser is a favorite of the supervisor or the abuser is the supervisor. Job insecurity also squashes protest, because if the target doesn’t have options, s/he figures this beats the unemployment line (Elias, 2004). Avoiding or denying abusive behavior reinforces its pattern and promotes tolerance of unacceptable behavior. Occasionally, a higher-up will mediate or consult with these troublemakers but the general tendency is to create solutions that fail to address the real causes. Rarely is the

offending behavior made the focus or the offender forced to change. In addition, employees participate in the conspiracy by refusing to speak up (Estrin, 1996).

### WHAT COMPANIES CAN DO TO HELP

“Holding on to anger is like grasping a hot coal with the intent of throwing it at someone else; you are the one who gets burned.”

Buddha

Trying to sell the idea that verbal abuse can be very distressing is often a major problem. Many senior executives, in various professions, still believe that because it isn't physical it cannot, or should not, hurt the person. But verbal abuse can and does hurt. Training courses aimed at addressing the problem need to be highly interactive and should aim to expose attendees to verbal abuse in a safe and controlled way, while teaching positive stress, and anger and anxiety management techniques (Brennan, 2001). Other techniques for managing verbally abusive situations include:

- ! Develop administrative policies and procedures to guide staff in handling verbal abuse.
- ! Track and note trends in verbal abuse to best provide intervention and support for the involved individuals (DelBel, 2003).
- ! Ensure clear communication throughout the organization so that problems can be identified at the root before they escalate (Sparrow, 2005).
- ! Recognize and reward managers for constructive behaviors.
- ! Hire for attitude and interpersonal skills, as well as technical requirements.
- ! Maintain a fair-minded workplace with consistent values.
- ! Build a culture of community to foster productivity and human well-being (Brillinger, 2003).
- ! Train managers to deal with people who verbally abuse others.

### CONCLUSION

“He who angers you conquers you.”

Elizabeth Kenny

Verbal abuse is not just something that happens in a few workplaces; rather, it is widespread. While verbal abuse can be expensive for an organization, particularly in terms of absenteeism, low productivity, and turnover, it is the individual costs that must always remain at the forefront of employers' minds. Verbally abused people can't sleep, they can't eat, and they'll cry for no apparent reason. An organization needs a clear policy that commits the organization to treating employees with dignity and respect.

At the present time, less than five per cent of training courses deal with verbal abuse, yet verbal abuse makes up 90 per cent of all reported incidents of violence. Despite including verbal abuse within the Health and Safety Executive's definition of workplace violence as “any incident where staff are abused, threatened or assaulted in circumstances related to their work,” the reality is that verbal abuse continues to be disturbingly under-acknowledged and poorly addressed.

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# **KNOWLEDGE MANAGEMENT: A VALUE CREATION PERSPECTIVE**

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## **ABSTRACT**

*The knowledge economy has sparked considerable interest in knowledge management [KM] over the last decade. This interest has encouraged numerous scientific disciplines to address knowledge issues in a variety of different ways. The result is the proliferation of models and concepts developed by different schools of thought. Effective intra-organizational KM suggests: 1- a need for the integration of these various models, concepts and perspectives to service the overall knowledge needs and interests of organizations and 2- a holistic approach to KM that leverages the different human and technical aspects presently under consideration in many organizations. Since all of these concepts and models aim to increase the value of goods and services produced by organizations, we need to assess them using value creation measurement tools and techniques. Such an approach will help in the achievement of a certain level of maturity in KM through which the appropriate choice of KM tools and mechanisms support the integration of organizational resources. In this article, we propose to review the literature on KM and value creation to determine possible connections among the various models and concepts and determine how KM can be assessed from a value creation perspective. By establishing a relationship between knowledge concepts, which form the basis of individual skills, and organizational competencies and value creation concepts, which measure the value of organization, we will provide a foundation upon which to build an integrated organizational model for KM.*



# **INTEGRATING GLOBAL CUSTOMS AND ETIQUETTE INTO BUSINESS COURSES**

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## **ABSTRACT**

*Knowledge about global customs and etiquette can be very beneficial to students since the number of U.S. students who travel abroad is increasing and the number of foreign workers in U.S. firms continues to escalate. Understanding the customs of people of different cultures is helpful in the classroom as well as in the work world. This paper will provide instructors with the resources necessary to make students aware of differences in customs and etiquette around the world. An instructional module that teachers may use in a variety of courses, a self-check exercise, and recommended instructional resources are included.*

## **INTRODUCTION**

When interacting with persons of other cultures, it is important to know their customs to assure that the intended meaning is conveyed and to avoid unintentionally offending them. For example, in some cultures, people shake hands as part of the introduction, while in other cultures bowing when being introduced is customary. In addition, dining customs vary with the culture. In some countries, for example, cleaning one's plate is customary, but in other countries leaving food on the plate to signify that you have had enough to eat is expected (Martin & Chaney, 2006).

Integrating knowledge of global customs into business courses can be very beneficial to students as they graduate and enter the workforce and as they travel abroad. The purpose of this paper is to provide professors with information on global customs and etiquette that can be included in a business communication course or management communication course by an instructor. This information is provided through an instructional module on global customs and etiquette that teachers may include in a variety of courses, a self-check exercise that may be used as a pretest and/or posttest, and a list of recommended instructional resources.

## **INSTRUCTIONAL MODULE – GLOBAL CUSTOMS AND ETIQUETTE**

The following instructional module provides information on dress and appearance, greetings and introductions, business cards, dining and tipping customs, and gift-giving customs of people of other cultures. Even before introductions are made, people form impressions of others based on their dress and appearance. These impressions are related to assurance, competence, credibility, and a respect for others. Negative initial impressions conveyed through inappropriate attire and inattention to grooming can hamper effective communication and can impede the relationship-building process. Wearing conservative business attire with a classic, traditional look and choosing conservative accessories of high quality is recommended when conducting business with people of other countries. Since dressing casually would send a negative message in some countries, checking with someone who has traveled to the destination country prior to departure is recommended (Martin & Chaney, 2006). Dressing guidelines include knowing that in European countries good grooming and wearing conservative attire are important. Jeans and shorts are inappropriate attire in public

areas. In Africa, conservative dress is recommended. In many Asian countries, especially in Korea, Japan, and Hong Kong, Western-style dark suits are common. Women would wear conservative dresses and suits in muted colors; pantsuits are inappropriate. U.S. travelers should remember to respect cultural customs in dress and should not attempt to dress in native attire as this may be viewed as offensive. While wearing native dress may be acceptable on some occasions, it is wise to ask whether such attire would be appropriate for a U.S. person (Yager, 2001).

Customary greetings vary from culture to culture and are important for building relationships in all cultures. When greeting someone for the first time, it is better to use a person's title with their last name rather than using their first name, a common practice in the United States.

Introductions are part of making a positive initial impression when interacting with others in business and social settings. A difference between cultures is the use of titles when making introductions. In such countries as Germany and Italy, as well as in African countries of Nigeria and Kenya, titles are used with the last name when introducing people to show respect. Since surnames are reversed in such Asian countries as China and Japan, you would be expected to address Sung Lo Chang as Mr. Sung. In Latin American countries people add their mother's maiden name to their surname, so you would address Teresa Gomez Sanchez as Señorita Gomez (Chaney & Martin, 2007). Introductions are accompanied by a handshake, an embrace, kiss, or bow, depending on the culture. Russians are famous for their bear hug often followed by a strong handshake between male friends. People of Latin America, the Mediterranean, and parts of Africa embrace, often accompanied with a slap on the back. In Japan and China, the bow, rather than the handshake, is customary; the handshake though is often combined with a bow during international business encounters so that each culture shows the proper respect (Sabath, 1999, 2000, 2002; Samovar & Porter, 2004). Because of cultural variations in introductions and greetings, it is advisable to research the expected behavior before visiting the country.

Exchanging business cards is an important part of encounters with businesspersons in other countries. Since the business card plays such an important role in relationship building, it would be wise to have cards for every country you plan to visit printed in the local language on the back of your cards. Although it is permissible in the United States to glance at a business card and place it in a pocket, this practice is not universally accepted around the world. In countries like Japan, for example, the examination of the business card is done with great deliberation. The Japanese will examine the card carefully for clues to hierarchy within the firm and will make a comment about your position with the company or ask a question about some other information on the card before putting it away. In addition, it is customary to use both hands when presenting your card in Japan or South Korea and to position the card so that the other person can read it (Chaney & Martin, 2007). In the Middle East, Southeast Asia, and African cultures (except Israel), use only your right hand to present and accept business cards as the left hand is reserved for taking care of bodily functions (Axtell, 1993). Because of the negative associations with certain colors in many countries, use white paper with black ink for your business cards. In addition to rank, title, and profession, include your degrees, all phone numbers (with international codes), and e-mail address on your cards (Chaney & Martin, 2007).

Since many business and social encounters involve dining, it is important to be aware of cultural variations in eating styles and mealtime customs. In addition, it is important to learn the nuances of tipping, especially restaurant and travel tipping, when visiting another country.

While people of the United States use the American "zigzag" style of eating, in European and Latin American countries, as well as in many other parts of the world, the Continental or European style of eating is used. When using this style, the fork remains in the left hand, tines down, during cutting and eating the food. The arrangement of the plates, glasses, and eating utensils will vary somewhat with the culture. However, the rule that is followed regardless of the culture is that silverware is arranged so that the utensil to be used first is placed on the outside farthest from the plate. Diners then only have to remember to select utensils from the outside and work their way

toward the center. Napkins may be placed either on the plate, in the coffee cup or wine glass, or to the left of the place setting. While knives, forks, and spoons are commonly used eating utensils in many countries of the world, they are uncommon in China, Japan, Korea, and Vietnam where chopsticks are used. When eating with chopsticks, one should remember that they should not be placed on the table or upright in a bowl of rice; they are placed on a chopstick rest or positioned together across the top of the dish. Other variations in eating styles include use of the fingers of the right hand in Middle Eastern countries and India to eat from a common container. Refusing to join others in this practice would be an insult (Chaney & Martin, 2007; Martin & Chaney, 2006). Other customs related to dining involve whether or not you are expected to clean your plate and the appropriateness of making noises while eating. In some countries of South America (such as Bolivia, Peru, Panama, and Guatemala), you are expected to eat everything on your plate; in Costa Rica and Colombia, on the other hand, you are expected to leave food to indicate you have had enough to eat. While slurping or making other noises while eating is considered rude in the United States, in Japan and Hong Kong, making noises while eating is considered appropriate as this indicates enjoyment of the food. Saudi Arabians, as well as people of the Philippines, belch and make other noises during a meal, which is intended to express appreciation for the food (Sabath, 1999, 2000, 2002; Turkington, 1999).

Tipping is expected in many countries; this is especially true in the United States. People who do not tip sufficiently, or those who do not tip at all, are considered stingy. Knowing and observing tipping customs in other countries, including tipping in restaurants, hotels, and other travel-related situations, can affect your personal and corporate image. In many European countries a tip of 10 to 15 percent is typically included in the restaurant bill; taxis are tipped about 10 percent. In Singapore and Japan, tipping is not customary. A service charge is added to bills in most restaurants and hotels; additional tips are not expected. Tipping in other parts of the world varies. In India, for example, tipping is a necessity if you want to get things done. Rather than a reward for good service, a tip is more like a bribe to open doors. In Egypt you will want to carry a lot of tip money for porters, taxi and tour bus drivers, restaurant servers, hotel maids, and guides at historic sites. Since tipping is one of many customs that can positively or negatively affect the success of your relationship with people of other cultures, researching tipping customs in the country you plan to visit is recommended (Axtell, 1993; Braganti & Devine, 1992; Devine & Braganti, 1995, 1998, 2000; Sabath, 1999, 2000, 2002).

Since gift giving is an integral part of building global relationships, understanding the subtleties of the gift-giving art, including appropriate and inappropriate gifts, is important. For example, visitors to France should avoid giving California wines, as fine wines are that country's specialty. In addition, avoid gifts of liquor or wine in all Islamic cultures as alcohol is forbidden by their religion. Other gifts to avoid include a knife or handkerchief in South American countries as the knife would be interpreted as wanting to end a relationship, and a handkerchief is associated with tears. Gifts to avoid in India are those made of cowhide because the cow is sacred. Be aware of superstitions and taboos related to gifts. For example, when giving a gift in China or Saudi Arabia, avoid anything with an eagle on it as the eagle in these countries signifies bad luck. Also, avoid giving a clock in China as the clock is considered a symbol of bad luck. Further, be aware of the significance of numbers in gift giving: Three is a lucky number in Thailand; eight and nine are considered lucky in Hong Kong; but four is the most negative number in China so do not give four of anything (Axtell, 1993; Dresser, 2005).

While flowers make appropriate gifts in most cultures, learning cultural taboos related to color and variety is important. Red roses, for example, are associated with romance in many countries and would be inappropriate for business gifts. In China white is the color of mourning, and gladioli are often used in funeral sprays; thus, a gift of white gladioli is inappropriate in that country. In most European countries, carnations are used in cemeteries only and would make inappropriate gifts. Since chrysanthemums are associated with funerals in Belgium, Japan, and

Italy, they would be an inappropriate choice in those countries. A local flower shop is probably the best source of information concerning customs about giving flowers as gifts (Martin & Chaney, 2006).

### SELF-CHECK EXERCISE

The following self-check exercise can be used as a pretest or posttest to determine students' knowledge of global customs and etiquette.

1. Wearing native dress may be offensive in some countries.
2. Pantsuits are appropriate business attire for women in Korea.
3. In Latin America, the handshake is often accompanied by a slap on the back.
4. In the Middle East use only the right hand to present and accept business cards.
5. In Middle Eastern countries, eating with one's fingers is customary.
6. Belching and making other noises during a meal is bad manners in all cultures.
7. In many European countries, the tip is often included in the restaurant bill.
8. In India the tip is more like a bribe to open doors than a reward for good service.
9. An appropriate business gift in South American countries is a set of knives.
10. In Saudi Arabia gifts may feature the head of an eagle as the eagle signifies good luck.

Answers: 1. T; 2. F; 3. T; 4. T; 5. T; 6. F; 7. T; 8. T; 9. F; 10. F

### INSTRUCTIONAL RESOURCES

Resource materials include electronic media and reference books. Suggested videos include *Doing Business in Asia* (1990), videos on Japan, Hong Kong, Taiwan, and South Korea; *Doing Business in Latin America* (1997), videos on Argentina, Brazil, Chile, and Mexico; and *Doing Business in Southeast Asia* (1998), videos on Malaysia, Singapore, and Indonesia. All videos are available from Big World Media ([www.bigworldmedia.com](http://www.bigworldmedia.com)).

Reference books related to global customs and etiquette include books by Devine and Braganti, Sabath, and Turkington. The five books by Devine and Braganti include country-specific information on Africa (1995), Asia (1998), Europe (1992), Latin America (2000), and the Middle East (1991). The three books by Sabath on *International Business Etiquette* cover Asia and the Pacific Rim (1999), Europe (1999), and Latin America (2000). Bosrock's three books (*Put Your Best Foot Forward*) feature Asia (1997), Europe (1995), and South America (1997). Turkington's book, *The Complete Guide to Cultural Etiquette* (1999), contains country-specific information on global etiquette. Other books addressing global customs and etiquette include Axtell's *Do's and Taboos around the World*, Dresser's *Multicultural Manners* (2005), and Samovar and Porter's *Communication between Cultures* (2004).

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# ORGANIZATIONAL CULTURE AS POETRY

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## ABSTRACT

*Ritual, dance, song, and other types of ceremonial activities are a significant part of the practice of many of the world's religions. The religion called capitalism, which pervades the modern, westernized business organization, involves similar ceremonies. The symbolic actions of business actors also emanate from the human requirement for the spiritual. Many of these spirit-based symbolic actions are founded in a paternal order, that is, they are distinctively male. Perhaps, the same archetypes that incite poetry create angst enough to inspire the organization of human activity. Perhaps for these reasons, poetry can be seen as implicit to culture as prose is explicit to law.*

## INTRODUCTION

Organizational cultures can be seen as poetry waiting to be written, much as Manhattan was poetry waiting for Walt Whitman. Poets are history's first responders. Poetry surrounds us now in our families, cities and organizations, asking to be written, but we are mostly too busy living. Consider these thoughts on Manhattan from Walt Whitman:

*What do you think endures?  
Do you think a great city endures?  
Or a teeming manufacturing state?  
or a prepared constitution? or the  
best built steamships?  
Or hotels of granite and iron? or any chef-d'oeuvres of engineering,  
forts, armaments?  
Away! these are not to be cherish'd for themselves,  
They fill their hour, the dancers dance, the musicians play for them,  
The show passes, all does well enough of course,  
All does very well till one flash of defiance.  
A great city is that which has the greatest men and women,  
If it be a few ragged huts it is still the greatest city in the  
whole world.  
From Leaves of Grass, 81 stanza 4. Song of the Broad-axe, by Walt Whitman*

The line "one flash of defiance", is almost chilling in light of what happened on September 11, 2001 in one of the world's great cities, the city that was the subject of Whitman's reflection in the poem.

## POETRY AS IT RELATES TO CULTURE

Poetry takes many forms. It appears in words, music, dance, paintings, rituals, sacraments, an attitude -- it may be intentional or unintentional, clear or opaque, slippery or rock steady. Poetry is a shadow or a reflection, satisfied to blend into the scenery, to serve as a backdrop, unpretentious, undemanding, demure and sometimes coy.

Poetry is the space between the object and thought. Not all thinking is poetry but nothing is poetry without thinking. Organizations give off poetry the way high-voltage wires hum in moist

air. It's not all rhyme, some is free verse, -- but it is always available, usually just outside our awareness.

If organizational cultures are poetry, who are the poets? Who writes culture? The answer is no one. No one writes poetry. We just live it. Then a few fortunate, aware souls, capture it for the rest of us in language.

Henry David Thoreau said, "When we read that Bacchus made the Tyrrhenian mariners mad, so that they leapt into the sea, mistaking it for a meadow full of flowers, and so became dolphins, we are not concerned about the historical truth of this, but rather a higher poetical truth." (A Week on the Concord and Merrimack Rivers, p. 50) Ralph Waldo Emerson said, "Words are a sign of natural fact." (from his essay entitled Nature). Organizational culture is the higher poetical truth of coordinated human interaction.

Defining current attitudes, values, beliefs, goals and practices (terms often used to define organizational culture) can require one to be presumptuous, since it may take time for these to be thoroughly revealed. Therefore, many may try, but few will give clear voice to the poetry that surrounds events. Making definitive statements about current culture is nearly impossible. Culture gives off signals piecemeal, and combined they can create a type of poetry.

They are always too much for prose, although it would be most helpful if the history of a nation, city or organization could be written in prose. But in the present, the best way to capture the essence of organizational events is through poetry. Later, somebody may write it into history, in prose.

Poetry is everywhere waiting to be discovered, even in the trappings of organizations. Organizational cultures give off the stuff of which poetry is made, e.g. mission and vision statements, strategies, advertisements, public court decisions, web page rhetoric, speeches given by leaders, annual reports, and the more private stuff, such as emails, interoffice memos, conversations in meetings, in short, virtually anything the organization communicates, intentionally or not, could serve as the raw material for poetry.

What makes organizational culture (OC) a good place to find material for poetry? Because poetry is best drawn from intensity, complexity, action, significance—from drama. Corporations have long been a source of material for Hollywood movies. Movies are more profitable than poetry, but they share sources.

Marianne Moore in her famous poem "Poetry" suggested that poets should include "business documents" from the list of possible sources of material, even though it is perhaps not the most obvious source. Perhaps it is from their contrast to the "usual" sources for poetry that business documents get their value.

Organizations do not really do what we say they do. Organizations do not do anything, they have no "structure" although we pretend they do, they do not "move forward" toward goals or "defend" themselves against competition or legal problems. We just like to say they do.

We should give ourselves more credit for being poetic about organizations. We make up accounts of what they are, do, act like, believe, and represent; with the straightest of faces, claiming to be literal and free of flights of fancy. We talk of organizations in poetic terms, usually ignoring that we do so, unaware of the irony.

If by poetry we agree to mean in part, a heavy reliance on metaphor, then poetry is often embedded in everyday prose. The no-nonsense quality Engineer who speaks in literal terms, as far as he knows, says "that machine was spitting out bad products like it was crazy". He has anthropomorphized the machine, imputed to it the human capacity to spit (a metaphor), declared some products are "bad", which can have more than one meaning, and then turned to the simile of the "insane" person to complete his statement. And he will be perfectly understood by his fellow "literal-minded" quality-Engineering colleagues.

Ritual, dance, song, chanting and other types of ceremonial activities are a significant part of the practice of many of the world's religions. Such activities engage the body, mind and spirit

so deeply the experiences feel sacred, as if one is raptured from reality. Reliance on spirit-transforming experiences is likely to be directly proportional to the extent to which what the person is being asked to believe is unbelievable, or the extent to which what the condition from which the person is being transformed, is abhorrent. Ceremonies occupy the mind to keep it from “doubting the miracle”. The religion called capitalism (George & Sabelli, 1994) involves similar ceremonies, no doubt for similar reasons.

Poetry might be said to have a similar function (“religion and poetry are neighbors”, Perloff & von Hallberg, 2001, p 89), except that it is more purely cerebral and less often tied to public, social, activities (although “poetry slams” may be a challenge this statement). The reasons for reading or writing poetry must surely emanate from the same region of the soul as those for attending church, meditating or praying. Poetry and religion share a spiritual connection.

Marianne Moore in her poem “Poetry”, suggests that while “business documents and school books” may appear to be dull, even these may be fitting subject matter for poetry. Secular schools and for-profit businesses serve as natural contrasts to religious academies and charitable organizations. Organizations with goals more material than spiritual operate at a competitive disadvantage if spiritual engagement of its members is considered a valuable resource. This makes it more understandable when societies that rely heavily on free enterprise reify capitalism into religion.

### **PATRIARCHY, OC AND POETRY**

The history of organizing, whether it has occurred in nation-states, religions, or private businesses, is linked to the history of the human male. Robert Bly’s (2000) appeal to Jungian archetypes of gender, death, birth, as eternal attributes of the human mind, seems to come close to an acknowledgement that the business of men, which tends to be most of business, represents attempts to deal with inner conflict brought on by the universal unrest emanating from time immemorial, from our “fathers”. Perhaps, the same archetypes that incite poetry, create angst enough to inspire the organization of human activity. It is for this reason that I assert that poetry is implicit to culture as prose is explicit to law.

As people organize themselves they do so explicitly using prose, but those unintentional events that transpire among them, that which is implicit (I suppose connotative) is closer to poetry than prose. The male orientation to business privileges prose, but in the interstices among prose-oriented episodes of communication, poetry can be inferred. The part of masculinity that has to do with suppression of emotion, desire or vulnerability, works its way up through the organizational surface in the rising cloud we call culture.

Consider the fledgling entrepreneur’s inbox. It is apt to include communications from numerous people representing scores of other organizations essential to the life of the one the entrepreneur is trying to establish. If one were to capture an audible audit of these affairs and string them together without connecting explanation, the result would be something on the order of poetry, poetry generated by purposeful activity centered around the exchange of hard currency, tangible products, thoughts out loud, the making of sense, the expression of frustration, the acknowledgement of defeat, the sounds of triumph. There is a reason American footballers appear unable to suppress individual and collective celebratory exercises, and it is that the spiritual part of the human reacts against the forces that would contain it. “Spirit don’t know business from bees wax”.

### **POETRY AND PROSE**

Where does that leave prose and what then is its macro-level counterpart? I will argue that prose has its sociological or anthropological counterpart in laws, rules, plans procedures and the like, and I say this not simply because prose is the form of choice for such documents, but rather because

the two are invariably produced by similar rational processes and are held to similar standards of meaning availability. The masculine component of this can be seen in the contrast between the rules-dominated workplace and the generally rules-indifferent arrangement between the matriarch and her family.

One bit of evidence for and also a consequence of the fact that culture exists in something like the realm of poetry, is the fact that interpretation of either can lead to multiple and varied inferences depending on who is doing the reading (Barton, 2000). Another indicator that poetry/song and culture share space on the psychological landscape, is that both have a tendency to play hide and seek with the audience, that is, meaning available at one time may not be as clear at another. And finally, even those writing the poetry or participating in key symbolic events within a society (culture creators, if you will) are not always certain of the meaning of what is produced.

Prose (its authors actually) does (do) a better job than poetry (the authors of) of hiding the fact that meaning is always local to the writers and readers of texts, whether these texts be literal or figurative (e.g. a string of events in the life of a corporation or nation). Similarly, laws, rules, regulations, procedures all do a better job of hiding the ambivalence that pervades the minds of the social actors producing and consuming them, than do norms, myths, symbols and artifacts.

Organizational culture, with all its poetic ambiguity, is just as deeply embedded in a roomful of people when Roberts Rules of Order are invoked as when the conversation proceeds haphazardly, it is just more difficult to excavate. A stenographer is needed to record in prose the flow of a highly-organized assemblage. A poet would better serve the recording function when the flow of a meeting features the spontaneous generation of thoughts and feelings. As Rorty (1989) has put it, all descriptions of the world are poetic. However, prose as it is usually employed in organizations, is an overt attempt to reify certainty, to in essence, render meaning uncontested. And I would further submit, the result is what we have come to see as modern masculinity. The cave man likely spoke little on the hunt and when he did, it was not likely to be sentimental or emotion-laden. Such poetic adornments could only be inferred from his fluid actions, not from choppy, prosaic speech. We have not come that far from then.

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# LEADER-EFFECTIVENESS ACROSS CULTURAL BOUNDARIES: AN ORGANIZATIONAL CULTURE PERSPECTIVE

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## ABSTRACT

*This paper demonstrates that leaders need not adopt a dynamic or constantly changing style as suggested by some of the earlier research (Pierce and Newstrom, 2006). Leaders should create a strong organizational culture that has values and norms that supersede national culture values and norms in order to minimize the adverse effects of cultural diversity.*

## INTRODUCTION

In this paper, it is demonstrated that leaders need not adopt a dynamic or constantly changing style as suggested by some of the earlier research (Pierce and Newstrom, 2006). It is proposed that leaders should create a strong organizational culture that has values and norms that supersede national culture values and norms in order to minimize the adverse effects of cultural diversity. By following certain techniques, leaders should be able to "undo" the individual's previously held goals and orientations and create new ones that are close to how the organizational culture should look like (Gibson et al, 2003). In other words, this paper attempts to answer the following questions:

1. What role Organizational Culture plays in overcoming the obstacles created by differences in national cultures? (the importance of the socialization process)
2. The role of leadership in fostering, transmitting, and integrating an appropriate organizational culture that minimizes the adverse effects of national culture differences?

**National Culture and Leadership Styles** "Not only [management] practices, but also the validity of theories may stop at national borders" (Pierce and Newstrom, 2006, p.234). With this statement, Hofstede establishes that no one leadership style is fully applicable across all cultures, and that leadership as a practice can only be considered as part of a complex system of societal processes (1980). To Hofstede, culture is "the collective programming of the mind which distinguishes [one nation] from another" (Pierce and Newstrom, 2006, p.240). National culture differences, and thus cultural diversity in a group of people coming from different cultures, can be described and understood based on each culture's configuration on five bipolar dimensions (i.e. power distance, individualism, masculinity, uncertainty avoidance, and time orientation). Each configuration helps us predict and explain the behaviours, attitudes, and motivations of people who belong to the culture that has that particular configuration (Pierce and Newstrom, 2006). What Hofstede was trying to point out is that taking one leadership style that fits an American culture and applying it elsewhere wouldn't result in high performance, because other culture's different configuration on the five dimensions makes its members less at ease with the leader's practices.

Dorfman, Hibino, Lee, Tate, and Bautista further developed Hofstede's propositions by proposing that an effective leader would react to the different cultural configuration of the individuals working for him/her by displaying behaviours that result in higher motivations and positive attitudes in followers, which in turn are likely to foster better performance (Pierce and Newstrom, 2006). These authors viewed national culture of subordinates to be a situational factor to which a leader must respond in terms of behaviour. Whereas some leader behaviours proved to be universally applicable across cultures (i.e. across different situations), other behaviours need to

be tailored to appeal to the cultural differences of employees if they are to be effective (Pierce and Newstrom, 2006).

Both studies stress the fact that national culture differences call for different leadership styles that are more suitable to each particular culture. Thus, as markets move more into globalization, and companies respond by following multinational, international, or global strategies, the workforce of most of the companies would continuously diverse. Companies are faced with the need to employ indigenous workers, while sending staff from the home country. In addition, opening the doors of immigration between countries as part of the globalization era makes the workforce even more diverse, as companies find themselves employing third-country nationals not only in the countries of international operations, but also in their own home country (Gibson et al, 2003). Therefore, a leader in today's world should be able to lead while being sensitive to the radically different cultural needs of a Japanese engineer, a European finance manager, and Arab marketing executive, an African owner, and Chinese employees, as an example. Unless these needs are assimilated and dilute it somehow, the leader's task is rather a very complex one.

**Organizational Culture** The concept of culture is a complex topic that evolved throughout history. At the beginning, this concept was defined from a sociological and anthropological perspective as the group of characteristics that human held in common. As Edgar Schein suggested, culture was related to “the customs and rituals developed by societies over the course of their history” (2004, p7). Later, the concept of culture took another perspective when organizational researchers and managers started to use it. At the early attempts to apply the term culture to the world of organizations, culture was defined simply as “the unconscious shared beliefs at work in organizations” (Shankleman, 2000, p.7). Later, when theorists discovered the relationship between culture and performance, the concept of organizational culture was taken seriously, especially with the discovery of its complexity and its power in framing a successful organizational strategy”.

In the present, organizational culture has become a standard vocabulary of management because of its importance in understanding the practices that organizations should develop to deal with their people as a way to increase the effectiveness of their performance.

**Types of Organizational Culture** Gibson asserts that employee-culture fit is extremely important, because if an employee has orientations radically different from those of the work environment, stress results, eventually possibly causing the employee to leave the organization (Gibson et al, 2003). The orientations the employee brings with him/her to the work place, we believe, are likely to be the product of his configuration on Hofstede's cultural dimensions discussed in the previous section. In clarifying his point, Gibson identifies 4 types of organizational culture: Bureaucratic, Clan, Entrepreneurial, and Market cultures. This typology is consistent with Lund's typology of Hierarchy, Clan, Adhocracy, and Market respectively (Lund, 2003).

**Influencing Organizational Culture** Very rarely are leaders engaged in creating organizational culture from scratch. Most of the time, leaders are hired to take over existing organizations and achieve effectiveness targets. Therefore, we are primarily concerned with ways by which leaders can influence an existing culture as opposed to creating culture. Whereas creating culture is generally viewed as a complex task, influencing or changing it is even harder (Gibson et al, 2003). In fact, organizational culture evolves over time as described by Schien:

*The culture that eventually evolves in a particular organization is... a complex outcome of external pressures, internal potentials, responses to critical events, and, probably, to some unknown degree, chance factors that could not be predicted from a knowledge of either the environment or the members (Gibson et al, 2003, p.27).*

Given this complexity of culture formation, several arguments against attempts to change organizational culture include considering it to be too elusive and hidden for leaders to identify and change (Harris & Ogbonna, 1998). Also, the very function of organizational culture is to be stable

and sustaining so that it could unify employees and provide guidelines for action in different situations. This necessitates unique skills on the parts of leaders and a long time frame for making changes, making such attempts impractical (Sathe, 1983). In fact the amount of research on the issue of organizational culture change is rather very limited (Duck, 2001). However, evidence exists that culture can be changed. When viewed as a process, organizational culture is "continually renewed as changing circumstances force assumptions to be reassessed, and recreated as new members are introduced to, and question, old assumptions" (Shankleman, 2000, p.12).

**The Role of Socialization** Socialization, in terms of its dictionary meaning, refers to the "process by which an individual learns the appropriate modifications of behaviour and the values necessary for the stability of the social group of which he is a member" (Danielson, 2004, p.354).

**Transmission and Integration of Organizational Culture** It is seen that leaders can influence organizational culture through certain intervention points. In this section, the "how" aspect is examined through which leaders reinforce the adaptation of intended beliefs, values, and assumptions. In other words, the *mechanisms* are examined that leaders use to foster and integrate an effective organizational culture.

Leaders can communicate their beliefs, values, and assumptions to their group members by mechanisms. However, the primary embedding mechanisms are considered to be the more efficient because they enable leaders to "communicate both explicitly and implicitly the assumptions they actually hold" (Schein, 2004, p.270). As for the secondary mechanisms, they are efficient in the articulation and reinforcement of the primary mechanisms if the leader can use them efficiently, as they are obviously more complex and difficult to use. In other words, changing organizational design or business process procedures is not as simple or fast to implement as a change in reward policy, or recruitment criteria.

In addition to these transmission techniques, Bennis suggested four competencies that leaders must have to transmit and integrate a new organizational culture (1998). According to Bennis, the first competency that leaders must have is the *management of attention*. In fact, leaders must create a vision and arouse the enthusiasm of their subordinates about this vision. The second competency that leaders can use is *the management of meaning*. This competency represents the way that leaders use to communicate their vision to their subordinates which can be summarized in leader's actions and behaviours in demonstrating their vision. The third competency to have is the *management of trust*. "Management of trust rests on the way that leaders and managers demonstrate reliability and consistency" (Bennis, 1998; Hennessey 1998). By being Honest, leaders can gain the trust of their subordinates who will "know always where they stand" (Hennessey, 1998, p.525). Finally, leaders must use *the management of self*. This competency consists of "knowing one's skills and deploying them effectively" (Valentino, 2004, p.399). Also, by being confident, leaders can easily confront all the problems and crises. They can also engage in risky operations and make successful decisions across organizational departments. Therefore, by possessing all these competencies, leaders can translate and integrate successfully the new organizational culture.

**Utilization of Organizational Culture in Handling Culturally Diverse Situations** The interventions examined could be tailored in such a way to change people's configuration on power distance, uncertainty avoidance, masculinity-femininity, and individualism-collectivism in a manner that creates a workforce characterized by homogeneity and the absence of cultural clashes and inefficiencies. This proposition is based on the assertion that an employee's preferences, possibly resulting from his/her national culture influences, affects the employee's fit and harmony with the organizational setting and colleagues (Gibson et al, 2003).

Influencing the value set of organizational members as suggested by Schein, is an attempt to reduce the effect of national culture values that create collision with the organizational climate and its constituents (i.e. other members and groups). The kind of culture change needed is an *incremental* one, wherein one can reach to the deepest level of culture (i.e. values and assumptions). That's why there is a need to audit the existing culture so that any proposed changes do not clash

totally with existing values and assumptions. In other words, it's not revolutionary change that is sought. Rather an incremental one wherein members and subcultures in the organization incorporate new values and assumptions of cultural tolerance and awareness. The steps in the model are as follows:

### 1. Audit the Existing Organizational Culture

This could be done by such tools as Organizational Culture audits and history mapping and value mapping (Owen and Lambert, 1998). These auditing tools would help the leader identify the type of culture that exists in the organization.

### 2. Identify the Best-Fit Cultural Configuration

How can leaders determine the employee-organization fit in the first place? According to Jackofsky, Slocum, and McQuaid (1988), social settings that prefer less centralization, flatter organizational structures, less control, equity of compensation, and equity in recognition are characterised by low power distance orientation. Meanwhile, preferring less structure of task assignments, less formalization, general directions, and variety of tasks reflects low uncertainty avoidance orientation. Also, viewing the group as a family, caring for the welfare of members, and preference for participation reflect low individualism (i.e. high collectivism) orientation. Finally, preference for self-management, social benefits and rewards, and focus on soft skills are an indication of low masculinity orientation (i.e. high femininity). All of these characteristics or conditions are available in a Clan Culture. This means that people with these cultural orientations are most comfortable working in a clan organizational culture.

Jackofsky, Slocum, and McQuaid (1988) tell us that social settings characterized by low power distance would have less supervision and thus higher autonomy. Meanwhile, settings characterized by very low uncertainty avoidance would have very low structure, flexible and few rules and constraints to respond for dynamic change, general directions that allow people a space for innovation, and a tendency to take high risks. Also, social contexts characterised by high individualism would give people space and power to act as they please, and would employ practices that encourage personal initiatives. Finally, settings characterized by high masculinity encourage aggressiveness in work accomplishment and a competitive spirit.

Explained also by the study Jackofsky, Slocum, and McQuaid (1988) are social settings that are characterized by high power distance emphasize greater centralization, hierarchy, more supervision and control, huge differences in compensation, and structure. In addition, settings of high uncertainty avoidance would be reflected in more structure, rules, division of labour, standard procedures, conservativeness, and low risk taking. Individualism would manifest in "impersonal" organizations, while masculinity would cause the organization to interfere to protect its interests.

Jackofsky, Slocum, and McQuaid (1988) tell us that social settings relatively high on power distance would emphasize formal authority and stress contractual agreements. Also, settings that are characterized by relatively low uncertainty avoidance would specify general guidelines and objectives, and then define less structure for work procedures and activities, which enables people to choose the most appropriate level of cooperation for goal achievement. In addition, social settings characterized by high individualism would have impersonal communication, less collaboration and cohesiveness, little feelings of teamwork. Finally, social settings characterized by high masculinity would place less emphasis on the quality of work relationships, more emphasis on achievement and end results, and material achievement. This is consistent with Gibson's definition of a market culture. Thus, one can believe that employees who have this configuration on the four cultural dimensions would be best fit to market organizational cultures.

### 3. Identify New Values:

Identification of new values is important because "they influence behavioural choices as people are motivated to act in a manner that is consistent with those things that are valued ... values motivate behavior by providing direction and emotional intensity to action." (Grojean et al, 2004, p.225-226). The major value that needs to be emphasized and transmitted is *sensitivity to cultural differences* as well as *awareness of one's own cultural configuration or personal profile*. Such values and the resulting awareness is more likely to make employees more tolerant to other people's behaviours and attitudes. In addition to those two values, *culture-type-specific values* need to be identified.

### 4. Implementing Change

In fostering the new cultural sensitivity and personal awareness values as well as strengthening the culture-type specific values, leaders can use the *embedding mechanisms* discussed earlier in this paper. We believe that Schein's approach of moving from inside to outside of culture is more effective. If only artefacts re changed such as dress and rituals, the effect of the initiative would be limited. Through their reactions to critical incidents and crises, leaders create norms, values, and ways of doing things that transmit to the employees important assumptions that in turn direct their own behaviour. Resource allocation decisions, informal messages, reward distribution, promotions, performance evaluations, and recruitment, selection and socialization are all tools through which the leader can communicate and embed the new or emphasized values at the deepest levels of the enhanced organizational culture (i.e the underlying assumptions and values and beliefs).

## CONCLUSION

"Organizational leaders are expected to be sensitive to local cultures and traditions, yet at the same time become initiators of change" (Kbasakal and Dastmalchian, 2001). The change introduced in this paper is one that is incremental and enforcing so to speak. To minimize the adverse effects of national culture differences in the ever diversifying workforce of today's global business environments, leaders need to focus on and strengthen organizational culture with the purpose of making its values supersede to an extent those diverse values that employees bring with them to the job. Values need not only be consistent, but also cohesive across the organization if work is to proceed with minimum disruption. In addition, incremental change is opted for incremental rather than radical change in organizational culture, as radical transformations destroy rather than enhance organizational cultures (Harris & Ogbonna, 1998).

The model provided has few limitations that can be tackled by future research efforts. For instance, it is not shown how the matrix for determining the employee-culture fit and the subsequent implementation tips could be used at the level of sub-cultures (i.e. orthogonal, enhancing, and counter subcultures). Also, the attempt to identify the dominant cultural configuration on Hofstede's dimensions under each type of organizational culture was limited to 4 dimensions out of Hofstede's 5 dimensions due to the lack of evidence, caused by time limitations, on the time orientation dimension. Finally, the steps of disseminating values and implementing change could be further developed and elaborated for each type of culture. Again, this could not be accomplished within the scope and time of this project.



# HUMAN RESOURCE MANAGEMENT PRACTICES AND ORGANIZATIONAL PERFORMANCE IN THE SULTANATE OF OMAN

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## ABSTRACT

*This study attempted to replicate the well-established relationship between high-involvement human resource management practices and organizational performance with a sample of organizations from the Sultanate of Oman. Results from the survey of 100 Omani organizations indicated that after controlling for size, type of firm (publicly traded or closely held) and nature of business activity, human resource development practices (highly selective staffing, extensive training and performance management) were positively related subjective organizational performance. Empowerment practices were not related to organizational performance. Implications of the findings for future research and for human resource management practice in the Arabian Gulf were discussed.*

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# **PROCEDURAL JUSTICE, VOICE EFFECTS AND SHAM: EXAMINING THE DECISION MAKER FROM A RESEARCH CONTEXT PERSPECTIVE**

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## **ABSTRACT**

*Procedural justice pertains to fairness judgments based on norms of social process involving acceptable behavior and allowance for proper treatment of people (Lind & Tyler, 1988). Research has clearly documented that people perceive procedures are fair when they are given the opportunity to voice their opinions and preferences. While studies clearly support positive effects of voice, there is a gap in the literature regarding negative voice effects. Sham, a negative voice effect, is a procedure that appears to provide the opportunity for voice prior to a decision, but the voice preferences and values are never really considered. Although defined, there was little to no research that shed light on sham and in fact, scholars generally dismissed the notion that organizational decision makers would engage in such a practice. Recent research has established the existence of sham in an organizational context (Potter, in press) and found that perceptions of sham occur prior to the announcement of the decision. This paper discusses how differences in research contexts may have contributed to prior assumptions that sham rarely occurs in organizations. These differences will be discussed by following the Leventhal (1980) framework that outlines six justice rules for determining procedural fairness. Original studies of procedural justice were conducted in courtroom settings that grounded findings in a legal context. Due to the popularity of justice research, the focus shifted from the legal arena to organizations. This paper makes new contributions to the literature by examining decision makers and contrasting the legal and organizational research contexts in order to increase understanding of organizational justice, voice effects and sham.*



## **CULTURAL VALUES AS MODERATORS OF ORGANIZATIONAL CHANGE EFFORTS**

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### **ABSTRACT**

*This article discusses the ability of the OD practitioner to use intervention techniques across different cultures. It is proposed that a contingency approach must be employed in prescribing the appropriate technique, and that certain cultural typologies are helpful in deciding which intervention is most appropriate. In particular the article uses the frameworks provided by Hofstede, Kluckhohn and Strodtbeck, and Trompenaar, to show how change management must be adapted to various cultural parameters.*