

Volume 11, Number 2

ISSN 2150-511X

**Allied Academies
International Conference**

**Las Vegas, Nevada
October 10-13, 2012**

Academy of Strategic Management

PROCEEDINGS

Copyright 2012 by the DreamCatchers Group, LLC, Arden, NC, USA

All authors execute a publication permission agreement taking sole responsibility for the information in the manuscript. The DreamCatchers Group, LLC is not responsible for the content of any individual manuscripts. Any omissions or errors are the sole responsibility of the individual authors.

The Academy of Strategic Management Proceedings is owned and published by the DreamCatchers Group, LLC, PO Box 1708, Arden, NC 28704, U.S.A., (828) 507-9770. Those interested in the *Proceedings*, or communicating with the *Proceedings*, should contact the Executive Director of the Allied Academies at info@alliedacademies.org.

Copyright 2012 by the DreamCatchers Group, LLC, Arden, NC

Table of Contents

**IS THERE A REAL PIONEER’S ADVANTAGE?
LESSONS LEARNED AFTER ALMOST THIRTY YEARS OF RESEARCH 1**
 Jorge Eduardo Gómez-Villanueva, Tecnológico de Monterrey
 Edgar Rogelio Ramírez-Solís, Tecnológico de Monterrey

**SERVANT LEADERSHIP, HUMANE ORIENTATION, AND
CONFUCIAN DOCTRINE OF JEN 3**
 Mary Jo Hirschy, Taylor University
 Doris Gomez, Regent University
 Kathleen Patterson, Regent University
 Bruce Winston, Regent University

**2012 MISSION STATEMENTS:
A TEN COUNTRY GLOBAL ANALYSIS..... 13**
 Darwin L. King, St. Bonaventure University
 Carl J. Case, St. Bonaventure University
 Kathleen M. Premo, St. Bonaventure University

**WHAT DO VALUES HAVE TO DO WITH IT?: AN EXPLORATION INTO
THE MODERATING IMPACT OF WORK VALUES ON THE RELATIONSHIP
BETWEEN LEADER-MEMBER-EXCHANGE AND WORK SATISFACTION..... 15**
 Kelly Monahan, Regent University

CROSS CULTURAL STRATEGIC ETHICS AND INCOME 17
 Karra Overholt, Indiana Wesleyan University
 Jordon Easley, Indiana Wesleyan University
 Austin Doerr, Indiana Wesleyan University

**THE POSSIBLE PERMANENCE OF SOCIAL RESOURCE DESTRUCTION
AND THE ASYMMETRIC IMPACT ON HUMAN AND SOCIAL CAPITAL 21**
 Ing Chok, Keck Graduate Institute

IS THERE A REAL PIONEER'S ADVANTAGE? LESSONS LEARNED AFTER ALMOST THIRTY YEARS OF RESEARCH

Jorge Eduardo Gómez-Villanueva, Tecnológico de Monterrey
Edgar Rogelio Ramírez-Solís, Tecnológico de Monterrey

ABSTRACT

Previous studies on the pioneer market entrance effects have found favorable results, others find mixed evidence and some even find disadvantages of being first in the market. After more than two decades of research. What are the advances in this field of knowledge? Which are the main theoretical and empirical contributions? What lines of investigation appear for the future? This article is intended to give answer to these questions.

Keywords: Pioneer Advantage; First Mover Advantage; Order of Market Entry Effect.

Purpose: The purpose of this article is to present a model that presents the findings in benefits of first mover strategy along 27 years of empirical research.

Design/methodology/approach: This meta-analysis indicates that, after years of study in favor and against the pioneer's advantage, the balance goes in favor of empirical evidence that supports the benefits in the order of entry.

Research limitations/implications: The results help to reinforce the view that first movers have advantages over the followers firms.

Practical implications: This study provides interesting managerial implications on the importance to launch new products more effectively and on time.

Originality/value: Three empirical generalizations can be established after the analysis:

- 1) For industrial or consumer goods in mature industries, there is a negative relationship between order of market entry and market share.
- 2) For consumer goods of often purchase, the relative market share of entrants following the pioneer is equal to one divided by the square root of the order of entry.
- 3) In mature markets of industrial and consumer goods, early entrants have advantages in market share declining slowly over time and that define the initial market share

Acknowledgements: The authors acknowledge the support received from Tecnológico de Monterrey to carry out the research reported in this article.

SERVANT LEADERSHIP, HUMANE ORIENTATION, AND CONFUCIAN DOCTRINE OF JEN

Mary Jo Hirschy, Taylor University
Doris Gomez, Regent University
Kathleen Patterson, Regent University
Bruce Winston, Regent University

ABSTRACT

An emerging body of literature suggests servant leadership is a global style of leadership positioned to meet the unique challenges facing leaders in diverse cross-cultural communities (Irving, 2010; Winston & Ryan, 2008). In their seminal work, House, Hanges, Javidan, Dorfman, and Gupta (2004), found correlations between cultural values, cultural practices, and leadership preferences that led to the development of Cultural-Endorsed Implicit Leadership Theory (CLT). Of the six archetypes presented as a part of CLT, Winston and Ryan (2008) posit servant leadership closely ties to humane-oriented leadership as defined by House et al. (2004) and House et al. found humane-oriented leadership to be valued in Confucian Asian culture. Yuan (2002) maintains that the concept of jen undergirds the teachings of Confucius, which according to Winston and Ryan (2008) closely parallels the constructs of servant leadership. This study empirically investigates whether or not a relationship exists between servant leadership, humane-oriented leadership, and the Confucian doctrine of jen.

SERVANT LEADERSHIP

The term *servant leadership* was coined by Greenleaf (1977) when he put forth the revolutionary idea that leaders assume the position of servant in their relationship with followers. Since then, there has been an increasing amount of literature emphasizing the leader as servant (Barbuto & Wheeler, 2006; Farling, Stone, & Winston, 1999; Laub, 1999; Linden, Wayne, Zhao, and Henderson, 2008; Page & Wong, 2000; Patterson, 2003; Russell & Stone, 2002; Sendjaya, 2003; Sendjaya & Sarros, 2002; Sendjaya, Sarros, and Santora, 2008; Spears, 1995; Winston, 2003, Wong & Page, 2003).

HUMANE ORIENTATION

Humane orientation defined as “the degree to which an organization or society encourages and rewards individuals for being fair, altruistic, friendly, generous, caring, and kind

to others” (Kabasakal & Bodur, 2004, p. 569). The GLOBE study (House et al., 2004) suggests this construct is manifested in how people treat one another and varies by culture. The notion of humane orientation dates back to ancient times and can be found in the writings of Aristotle as noted by Kabasakal and Bodur (2004) who referenced Aristotle’s ideal of friendship and love in support of their definition of humane orientation when they stated “a person becomes a friend when he is loved and returns that love, and this is recognized by both people in question” (p. 565).

Fu, Wu, Yang, and Ye (2008) note “being humane is consistent with Confucian principles of moderation and human heartedness” (p. 892). Findings from the GLOBE study (House et al., 2004) show China’s score of 4.36 was among the higher ranking countries (17) on the practice (“as is”) of humane orientation; however, their relative score (5.32) and rank (39) dropped significantly for the value (“should be”) of humane orientation. These results suggest participants in China valued, or desired, more humane orientation than they were experiencing in practice.

CONFUCIAN VIRTUE JEN

Chan (1955) suggests the concept of Jen is one of the most important—and most complex—in Chinese thought. According to Chan, jen is “the backbone of Confucianism;” however, it also “ranks high in the Buddhist and Taoist scales of value” (p. 295). Buddhists have long used the word jen as an “honorific for the Buddha, a worthy person, a temple, or a pagoda” and Taoist view jen as a “cardinal virtue” of their ethical system (p. 295); however, it was Confucius who was the first to consider jen as a general virtue, elevating it to a place of significance in Chinese culture.

Jen Defined

Jen is a complex notion that has been translated into scores of English terms including “benevolence, love, altruism, kindness, charity, compassion, magnanimity, perfect virtue, goodness, true manhood, manhood at its best, human-heartedness, humaneness, humanity, hominity, and man-to-manness” (Chan, 1955, p. 295). Chan suggests the numerous translations demonstrate just how difficult it is to define the true meaning of jen and there is no perfect English equivalent.

Confucius speaks to jen as a “particular virtue, benevolence, and also the general virtue, the basis of all goodness” (p. 788). Chan (1975) notes there are a few instances in which Confucius followed the ancient understanding of jen and discussed it as a particular virtue, or desirable quality, meaning benevolence, kindness, love, or humanity. This is evidenced by the fact that in *The Analects*, Confucius lists jen as one desirable quality, among others. In Chan’s analysis of jen (1975) he highlights, regarding wisdom Confucius states, “The man of jen is naturally at ease with jen. The man of wisdom cultivates jen for its advantage” (*Analects*, 4:2).

Regarding courage, Confucius suggests, “A man of jen necessarily possess courage but a man of courage does not necessarily have jen” (14:5). Furthermore, Confucius presents jen as one of the three great virtues when he states, “The man of wisdom has no perplexity; the man of jen has no worry; the man of courage has no fear (9:28, 14:30) and also discusses it as one of the six virtues and six obscurations when he states “one who loves humanity but not learning will be obscured by ignorance. One who loves wisdom but not learning will be obscured by lack of principle. One who loves faithfulness but not learning will be obscured by heartlessness. One who loves uprightness but not learning will be obscured by violence. One who loves strength of character but not learning will be obscured by recklessness” (17:8).

RESEARCH METHOD AND DESIGN

This exploratory study collected data from Chinese leaders to see if a relationship exists between servant leadership, humane orientation, and jen. The sample was drawn from junior, middle, and senior level Chinese leaders. Participants in this cross-sectional research were asked to complete questions pertaining to the aforementioned constructs using a web-based, self-administered, on-line survey.

The survey consisted of (a) Winston and Fields' (2011) measure Essential Servant Leadership Behaviors (10 items), (b) House's et al. (2004) measure of humane orientation (8 items), and (c) a newly constructed two-factor measure of jen (12 items measured Jen-Professoinal and six items measured Jen-Personal).

Winston and Field's Measure of Essential Servant Leadership Behaviors

Winston and Fields' (2011) new parsimonious 10-item scale was used to measure Essential Servant Leadership Behaviors distinct to servant leadership. While a relatively new instrument, Winston and Fields' measure suggests strong scale reliability, construct validity in its measure of servant leadership, convergent validity with existing multi-dimensional measures of servant leadership, and explanation of the variance in leadership effectiveness beyond that which is explained by assessing multiple dimensions of servant leadership; thus, providing an appropriate instrument for measuring of those behaviors unique to servant leadership in the current study.

GLOBE study's measure of Humane Orientation

The current study included questionnaire items utilized in the GLOBE (House et al., 2004) research to assess societal humane orientation by measuring both cultural practices (as things are) and values (as things should be).

New Measure of the Confucian Doctrine of Jen

No reliable scale for measuring the Confucian construct jen existed; therefore, the current study developed an instrument to measure jen. The scale was created using DeVellis (2003) eight steps for scale development.

DATA COLLECTION AND PROFILE OF PARTICIPANTS

Given the nature of this study, prospective participants were asked to confirm their citizenship (i.e. either Chinese or non-Chinese). The responses of respondents who indicated that they were “non-Chinese” were discarded. Furthermore, prospective participants were asked to confirm the highest level management position held (i.e. either junior management, middle management, senior management, or never been a manager). The responses of respondents who indicated they had “never been a manager” were also discarded. If respondents indicated they were either non-Chinese or had never been a manager, the web site was programmed to automatically deny the prospective participant access to the body of the questionnaire. Rather, these respondents were directed to a message apologizing for the inconvenience and indicating that the research was limited to junior, middle, and senior level Chinese leaders only. The message also included a follow-up e-mail address if individuals still believed they were entitled to complete the questionnaire; however, no follow-up enquiries were received.

A total of 170 web-based questionnaires were received in the data collection process. During the subsequent process of data cleansing, respondents who submitted surveys that were incomplete were discarded, resulting in 163 usable questionnaires. Based on Boggs (2002) and Kerlinger and Lee’s (2000) sample size recommendations, this research sample achieved a .05 level of significance with a level of power of .80. Furthermore, based on DeVellis (2003) and Kerlinger and Lee’s (2000) recommendations for scale development, this sample size surpassed the 105 respondents necessary for the development of a new parsimonious measure of jen.

(Insert Table 1 About Here) (all tables available from the contact author)

EVALUATION AND OPTIMIZATION OF JEN SCALE

A principle component analysis, using oblique rotation (direct oblimin), was performed on the 21 original items in order to analyze all sources of variability and optimize the number of items included in the scale. The initial analysis extracted three components with Eigenvalues greater than 1.0. Table 2 shows the Pattern Matrix of the principle component analysis. Table 3 shows the variance explained. Scale reliability analysis was then conducted on each component. The researcher simultaneously tested each item based on the “alpha if deleted” score to

determine if the scale's reliability would increase if one or more items were deleted. As presented in Table 4, the coefficient alpha score for the first component was remarkably high, suggesting, with a coefficient alpha score of .961, that the scale has a very high degree of reliability.

(Insert Table 2 About Here)

(Insert Table 3 About Here)

(Insert Table 4 About Here)

Twelve of the 13 items were retained in order to create an efficient and parsimonious scale of the first component. The Cronbach alpha reliability of the scale consisting of the 12 retained items was .963. The retained items for component one are noted in Table 5.

(Insert Table 5 About Here)

Component two consisted of six items with a Cronbach Alpha score of .920. The six retained items are shown in table 6.

(Insert Table 6 About Here)

FINDINGS

The purpose of this exploratory study was to determine whether or not a relationship exists between the constructs of servant leadership, humane orientation, and Confucian doctrine of jen. Pearson r correlation was used to analyze the relationship between these variables. In light of the guidelines put forth by Guilford (1956) and Kerlinger and Lee (2000), an r value of $\geq .20$ was set for supporting the hypothesis. Conversely, an r value of $< .20$ was set for rejecting the hypothesis; thus, if the hypothesis was rejected, the null hypothesis was accepted. Finally, a p value of $\leq .05$ was set for determining the statistical significance of the data.

The Pearson r for the relationship between servant leadership and humane orientation was $-.033$ and the p value for this Pearson r finding was $.673$, indicating a weak correlation that was not statistically significant. Next, the Pearson r for the relationship between servant leadership and jen professional was $.523$ and the p value for this Pearson r finding was $.000$, indicating a strong positive correlation that is statistically significant. The Pearson r was then calculated for the relationship between servant leadership and jen personal. The Pearson r was $.599$ and the p value for this Pearson r finding was $.000$, indicating a strong positive correlation that is statistically significant. Next, the Pearson r for the relationship between humane orientation and jen professional was $.012$ and the p value for this Pearson r finding was $.881$, indicating a weak correlation that was not statistically significant. The Pearson r for the relationship between humane orientation and jen personal was $.054$ and the p value for this

Pearson r finding was .495, indicating a weak correlation that was not statistically significant. Finally, the Pearson r for the relationship between jen professional and jen personal was .678 and the p value for this Pearson r finding was .000, indicating a strong positive correlation that is statistically significant. Table 8 depicts the correlations between each of the research variables.

(Insert Table 7 About Here)

DISCUSSION

Implications of the Findings

There are five significant contributions of this study. First, servant leadership remains in its infancy; thus, the current study contributed to the current body of literature and research on servant leadership through the use of Patterson's (2003) and Winston's (2003) servant leadership model. Second, current multi-dimensional instruments designed to measure characteristics or dimensions of servant leadership have failed to establish reliability and validity for all dimensions included in their respective studies, are fairly time consuming, and often involve complicated interpretation; thus, the current study tested Winston and Field's (2011) newly developed instrument in order to further assess its use as a single-dimensional, psychometrically valid measure of servant leadership that is easy to complete and interpret. Third, Irving (2010) suggests additional research into the relationship between servant leadership and CLT dimensions within diverse, global communities is needed; thus, the current study empirically researched whether or not a relationship exists between servant leadership and the CLT dimension of humane-oriented leadership in order to further our understanding of servant leadership in the global context and determine whether or not servant leadership should be considered a viable leadership theory for use in humane-oriented cultures. Fourth, Winston and Ryan (2008) suggest servant leadership is more global than Western in nature; however, Irving (2010) notes the majority of servant leadership research has been completed in the North American or European context. Therefore, the current study empirically investigated the relationship between servant leadership and the Confucian doctrine of jen in an effort to further contribute to our understanding of servant leadership theory in the global context and, more specifically, determine whether or not servant leadership should be considered a viable leadership theory for use in Confucian Asian culture. Finally, the GLOBE study (House et al., 2004) revealed humane-oriented leadership is valued in Confucian Asia. The current study empirically investigated the relationship between humane orientation and the Confucian doctrine of jen in an effort to further contribute to our understanding of CLT's humane-oriented leadership (House et al., 2004) in the global context and, more specifically, whether or not it should be considered a viable theory of leadership in Confucian Asian culture.

Recommendations for Future Research

The current study provides several directions for future research. First, while this study provided an analysis of the relationship between servant leadership, humane orientation, and the Confucian doctrine of jen among Chinese leaders, the findings would benefit from confirmation in specific geographic regions as well as specific sectors including business, education, military, and government as a means of further understanding the implications of this research. Secondly, while reasons for why a positive relationship between servant leadership and the Confucian doctrine of jen emerged are suggested, additional research is needed to explore the qualitatively-oriented question of why the relationship between servant leadership and jen is a positive relationship. Such qualitatively-oriented research could provide additional insights into the use of servant leadership theory in Confucian Asia. While these recommendations for future research do not present an exhaustive list of suggestions, for those interested in furthering investigating servant leadership as a global style of leadership, a pathway in the research is recommended.

REFERENCES

- Barbuto, J. E., and Wheeler, D. W. (2006). Scale Development and construct clarification of servant leadership. *Group and Organization Management*, 31(3), 300-326.
- Boggs, W. B. (2002). An exploratory study of the relationship between organizational culture types and a balanced scorecard of effectiveness measures in the church. Retrieved from ProQuest Dissertations and Theses database. (AAT 3055392)
- Chan, W. (1955). The evolution of the Confucian concept of jen. *Philosophy East and West*, 4(4), 295-319.
- Chan, W. (1963). *A source book in Chinese philosophy*. Princeton, NJ: Princeton University Press.
- Chan, W. (1975). Chinese and western interpretations of jen (humanity). *Journal of Chinese Philosophy*, 2, 107-129.
- Chen, K. (2002). An exploratory case study of servant leadership in Taiwan Mennonite churches. Retrieved from ProQuest Dissertations and Theses database. (AAT 3077169)
- Chung, Y. (2004). The Biblical model of servant leadership: A paradigm for Seventh-Day Adventist ministers in Korea, Unpublished Doctoral Dissertation, Andrews University, Berrien Springs, MI.
- DeVellis, R. F. (2003). *Scale development: Theory and applications*. Thousand Oaks, CA: Sage.
- Dorfman, P. W., Hanges, P. J., and Brodbeck, F. C. (2004). Leadership and cultural variation: The identification of culturally endorsed leadership profiles. In R. J. House, P. J. Hanges, M. Javidan, P. W. Dorfman, and V. Gupta (Eds.), *Culture, leadership, and organizations: The GLOBE study of 62 societies* (pp. 669-719). Thousand Oaks, CA: Sage.
- Farling, M. L., Stone, A. G., and Winston, B. E. (1999). Servant leadership: Setting the stage for empirical research. *The Journal of Leadership Studies*, 6(1/2), 49-72.
- Fu, P. P., Wu, R., Yang, Y., and Ye, J. (2008). Chinese culture and leadership. In J. S. Chhokar, F. C. Brodbeck, and R. J. House (Eds.), *Culture and leadership across the world: The GLOBE book of in-depth studies of 25 societies* (pp. 877-908). Thousand Oaks, CA: Sage.
- Greenleaf, R. K. (1970). *The servant as leader*. New York: Paulist Press.
- Greenleaf, R. K. (1977). *Servant leadership: A journey into the nature of legitimate power and greatness*. New York: Paulist Press.

- Guilford, J. P. (1956). *Fundamental statistics in psychology and education*. New York: McGraw-Hill.
- Han, J. (2006). *Servant model of pastoral leadership: Toward an effective ministry in the Korean American church*. Retrieved from ProQuest Dissertations and Theses database. (AAT 3209910)
- Han, Y., Kakabadse, N. K., and Kakabadse, A. (2009). *Servant leadership in the People's Republic of China: A case study of the public sector*, *Journal of Management Development*, 29(3), 265-281.
- Hanges, P. J., and Dickson, M. W. (2004). *The development and validation of the GLOBE culture and leadership scales*. In R. J. House, P. J. Hanges, M. Javidan, P. W. Dorfman, and V. Gupta (Eds.), *Culture, leadership, and organizations: The GLOBE study of 62 societies* (pp. 122-151). Thousand Oaks, CA: Sage.
- Hean, L. L., and Tin, L. G. (2007) *Accentuating servant-leadership in Singapore leadership mentoring*, *International Journal of Servant Leadership*, 3(1), 177-188.
- House, R. J., Hanges, P. J., Javidan, M., Dorfman, P. W., and Gupta, V. (2004). *Culture, leadership, and organizations: The GLOBE study of 62 societies*. Thousand Oaks, CA: Sage.
- Irving, J. A. (2010). *Cross-cultural perspectives on servant leadership*. In D. van Dierendonck and K. Patterson (Eds.), *Servant Leadership: Developments in theory and research* (pp. 118-129). New York: Palgrave Macmillan.
- Jeong, B. G. (2005). *A study of structure, pastoral leadership and role of a community-based church in the context of social change in Korea*. Retrieved from ProQuest Dissertations and Theses database. (AAT 3202621)
- Kabasakal, H., and Bodur, M. (2004). *Humane orientation in societies, organizations, and leader attributes*. In R. J. House, P. J. Hanges, M. Javidan, P. W. Dorfman, and V. Gupta (Eds.), *Culture, leadership, and organizations: The GLOBE study of 62 societies* (pp. 564-601). Thousand Oaks, CA: Sage.
- Kerlinger, F. N., and Lee, H. B. (2000). *Foundations of behavioral research* (4th ed.). New York: Thomson Learning.
- Laub, J. (1999). *Assessing the servant organization: Development of the servant organizational leadership (SOLA) instrument*. Retrieved from ProQuest Dissertations and Theses database. (AAT 9921922)
- Li, C. (1994). *The Confucian concept of jen and feminist ethics of care: A comparative study*. *Hypatia*, 9(1), 70-89.
- Liden, R.C., Wayne, S.J., Zhao, H., and Henderson, D. (2008). *Servant leadership: Development of a multidimensional measure and multi-level assessment*, *The Leadership Quarterly*, 19(2), 161-77.
- McDermott, M. H. (2008). *Culture and leadership in transition: Comparing perceptions of cultural values, cultural practices, and leadership preferences across generations in Israel, South Africa, and the United States*. Retrieved from ProQuest Dissertations and Theses database. (AAT 3340924)
- Mertler, C. A. and Vannatta, R. A. (2005). *Advanced and multivariate statistical methods*. (3rd ed.). Glendale, CA: Pycszak Publishing.
- Moon, S. M. (1999). *A study of servant leadership in Korea*, *MAI*, 37(5), 1324.
- Morrison, A. J. (2000). *Developing a global leadership model*. *Human Resource Management Journal*, 39(2/3), 117-131.
- Page, D., and Wong, T.P. (2000). *A conceptual framework for measuring servant-leadership*, In B. S. Adjibolosoo (Ed.), *The human factor in shaping the course of history and development*, (pp. 141-109). Lanham, MD: University Press of America.
- Patterson, K. (2003). *Servant leadership: A theoretical model*. Retrieved from ProQuest Dissertations and Theses database. (AAT 3082719)
- Raskovic, M., and Krzisnik, S. (2010). *Cross-cultural comparison of leadership practices from Slovenia and Portugal using the GLOBE research program methodology*, *Portuguese Journal of Management Studies*, 15(1), 13-33.
- Russell, R. F., and Stone, A. G. (2002). *A review of servant leadership attributes: Developing a practical model*. *Leadership and Organization Development Journal*, 23(3), 145-157.
- Sendjaya, S. (2003, August). *Development and validation of servant leadership behavior scale*. Paper presented at Servant Leadership Research Roundtable, Regent University, Virginia Beach, VA.

- Sendjaya, S., and Sarros, J. C. (2002). Servant leadership: It's origin, development, and application in organizations. *Journal of Leadership and Organizational Studies*, 9(2), 57-64.
- Sendjaya, S., Sarros, J.C., and Santora, J.C. (2008). Defining and measuring servant leadership behaviour in organizations, *Journal of Management Studies*, 45(2), 402-424.
- Spears, L. C. (Ed.). (1995). *Reflections on leadership: How Robert K. Greenleaf's theory of servant leadership influenced today's top management thinkers* (pp. 1-14). New York: John Wiley and Sons.
- Winston, B. (2002). *Be a leader for God's sake*. Virginia Beach, VA: Regent University-School of Leadership Studies.
- Winston, B. (2003, August). Extending Patterson's servant leadership model: Explaining how leaders and followers interact in a circular model. Paper presented at Servant Leadership Research Roundtable, Regent University, Virginia Beach, VA.
- Winston, B. E., and Ryan, B. (2008). Servant leadership as a humane orientation: Using the GLOBE study construct of humane orientation to show that servant leadership is more global than western. *International Journal of Leadership Studies*, 3(2), 212-222.
- Winston, B. E. and Fields, D., (2011). Development and evaluation of a new parsimonious measure of servant leadership, Unpublished manuscript, School of Leadership and Entrepreneurship, Regent University, Virginia Beach, Virginia.
- Wong, P. T. P., and Page, D. (2003, August). Servant leadership: An opponent process model and the revised servant leadership profile. Paper presented at Servant Leadership Research Roundtable, Regent University, Virginia Beach, VA.
- Yuan, L. (2002). Ethics of care and concept of jen: A reply to Chenyang Li. *Hypatia*, 17(1), 107-129.

2012 MISSION STATEMENTS: A TEN COUNTRY GLOBAL ANALYSIS

Darwin L. King, St. Bonaventure University
Carl J. Case, St. Bonaventure University
Kathleen M. Premo, St. Bonaventure University

ABSTRACT

Mission statements are a vitally important communication from the firm to all of its stakeholders. Missions provide the reason why the firm is in existence. This paper is a continuation of the mission statement research that the authors have conducted over the last eleven years. This study is the most comprehensive conducted by the authors to date. Mission statements from large U.S. firms are compared and contrasted to those of nine other countries. These include both English speaking countries as well as non-English speaking. The nine other countries include Canada, United Kingdom, France, Germany, Australia, Japan, China, Brazil, and India. This broad study has allowed the authors to compare “reasons for existence” published by firms from around the world.

The authors reviewed the mission statements of these ten countries from two aspects. First, the stakeholders identified by the firm were analyzed. The stakeholders included customers, employees, stockholders, and others. Second, the authors summarized the goals and objectives of the firm that were discussed in the mission statement. These include ethical operations, concern for the environment, desire to produce a quality product that provided value to the customers, need to conduct global operations, desire to be a leader in the industry, and many others. Significant differences by country were identified in both the stakeholders identified and the reported goals and objectives. Trends were also identified in U.S. mission statements since the authors’ first study conducted in 2001.

This paper includes summary information from the authors’ studies in 2001, 2008, 2010, and 2011. The 2012 study is the most comprehensive with the largest 25 firms from the ten countries reviewed. These 250 mission statements provide insight into what the world’s largest firms consider their “purpose for existence.” A summary of the mission statement similarities and differences by country are presented in the final portion of this paper.

WHAT DO VALUES HAVE TO DO WITH IT?: AN EXPLORATION INTO THE MODERATING IMPACT OF WORK VALUES ON THE RELATIONSHIP BETWEEN LEADER-MEMBER-EXCHANGE AND WORK SATISFACTION

Kelly Monahan, Regent University

ABSTRACT

This study is an attempt to understand and clarify the moderating role of individual work values on the relationship between leader-member exchange (LMX) and work satisfaction within the American workforce. Data collected from a sample of 122 full-time working employees across various U.S. based organizations is assessed. A multiple regression analysis is used to determine the direct impact of leader-member exchange dimensions on extrinsic and intrinsic job satisfaction, and a hierarchical regression analysis is used to determine the moderating influence of self-enhancement and self-transcendence values. It is found that while LMX dimensions have a direct positive relationship with both facets of job satisfaction, LMX has a greater statistically significant influence on extrinsic facets of job satisfaction. The moderating analysis reveals that self-transcendence values significantly moderates the relationship between extrinsic work job satisfaction and LMX dimensions. These findings encourage managers to continue to develop the attributes of LMX, which in return will likely result in high employee extrinsic job satisfaction. The results also note the importance for managers to realize that they represent the organization for their employees, and their level of support and values are concurrent with how their employees view the entire organization.

Keywords: Leader-member exchange, job satisfaction, work values

CROSS CULTURAL STRATEGIC ETHICS AND INCOME

Karra Overholt, Indiana Wesleyan University
Jordon Easley, Indiana Wesleyan University
Austin Doerr, Indiana Wesleyan University

ABSTRACT

Due to differences in living expenses, technological differences, customer service differences, and economic differences expected incomes vary significantly. Different value systems and different ethical systems may also result in differences in income. In the current paper we examine differences in customer service, ethics, and personality and the impact that they have on income among Polish, Austrian, Canadian, and Japanese business people over time. The largest changes have occurred among the Japanese business people who have had a large change in the importance of income over the last two decades. There was also initially a large change in the Polish sample but it then leveled off.

REFERENCES

- Buckley, M.R., Carraher, S.M., Carraher, S.C., Ferris, G.R., & Carraher, C.E. (2008). Human resource issues in global entrepreneurial high technology firms: Do they differ? *Journal of Applied Management & Entrepreneurship*, 13 (1), 4-14.
- Buckley, M., Fedor, D., Carraher, S., Frink, D., & Marvin, D. (1997). The ethical obligation to provide recruits realistic job previews. *Journal of Managerial Issues*, 9 (4), 468-484.
- Buckley, M., Fedor, D., Veres, J., Wiese, D., & Carraher, S.M. (1998). Investigating newcomer expectations and job-related outcomes. *Journal of Applied Psychology*, 83, 452-461.
- Buckley, M., Mobbs, T., Mendoza, J., Novicevic, M., Carraher, S.M., & Beu, D. (2002). Implementing realistic job previews and expectation lowering procedures: A field experiment. *Journal of Vocational Behavior*, 61 (2), 263-278.
- Budd, J. & Carraher, S. (1998). Validation of an inventory to measure attributes of strategic management. *Psychological Reports*, 82 (3 Pt 2), 1220-1222.
- Carland, J. & Carland, J. (1993). The role of personality in new venture creation. *Entrepreneurship, Innovation and Change*, 2(2), 129-141.
- Carland, J & Carland, J. (1995). The case of the reluctant client. *Journal of the International Academy for Case Studies*, 1(2), 76-79.
- Carland, J. & Carland, J. (1997). A model of potential entrepreneurship: Profiles and educational implications. *Journal of Small Business Strategy*, 8 (1), 1-13.
- Carland, J. & Carland, J. (2003). Pawn takes queen: The strategic gameboard in entrepreneurial firms. *Academy of Strategic Management Journal*, 2, 93-104.

- Carland, J. & Carland, J. (2004). Economic development: Changing the policy to support entrepreneurship. *Academy of Entrepreneurship Journal*, 10(2), 104-114.
- Carland, J. & Carland, J. (2006). Eminent domain: What happens when the state takes part of your land? *The Entrepreneurial Executive*, 11, 95-113.
- Carland, J.A.C., & Carland, J.W. (1991). An empirical investigation into the distinctions between male and female entrepreneurs managers. *International Small Business Journal*, 9 (3), 62-72.
- Carland, J.A., Carland, J.W., & Stewart, W.H. (1996). Seeing what's not there: The enigma of entrepreneurship. *Journal of Small Business Strategy* 7 (1), 1-20.
- Carland, J., Carland, J.A., & Abhy, C. (1989). An assessment of the psychological determinants of planning in small businesses. *International Small Business Journal*, 23-34.
- Carland, J., Carland, J., & Carland, J. (1995). Self-actualization: The zenith of entrepreneurship. *Journal of Small Business Strategy*, 30-39.
- Carland, J.W., Carland, J.A., & Hoy, F. (1992). An entrepreneurship index: An empirical validation. Babson Entrepreneurship Conference, Fontainebleau, France.
- Carland, J.W. III, Carland, J.W., Carland, J.A., & Pearce, J.W. (1995). Risk taking propensity among entrepreneurs, small business owners and managers. *Journal of Business and Entrepreneurship*, 7 (1), 12-23.
- Carland, J.W., Hoy, F., Boulton, W.R., & Carland, J.A.C. (1984). Differentiating entrepreneurs from small business owners: A conceptualization. *Academy of Management Review*, 9 (2), 354-359.
- Carraher, S.M. (1991). A validity study of the pay satisfaction questionnaire (PSQ). *Educational and Psychological Measurement*, 51, 491-495.
- Carraher, S.M. (1991). On the dimensionality of the pay satisfaction questionnaire. *Psychological Reports*, 69, 887-890.
- Carraher, S. (1993). Another look at the dimensionality of a learning style questionnaire. *Educational and Psychological Measurement*, 53 (2), 411-415.
- Carraher, S. (1995). On the dimensionality of a learning style questionnaire. *Psychological Reports*, 77 (1), 19-23.
- Carraher, S.M. (2003). The father of cross-cultural research: An interview with Geert Hofstede. *Journal of Applied Management & Entrepreneurship*, 8 (2), 97-106.
- Carraher, S.M. (2005). An Examination of entrepreneurial orientation: A validation study in 68 countries in Africa, Asia, Europe, and North America. *International Journal of Family Business*, 2 (1), 95-100.
- Carraher, S.M. (2006). Attitude towards benefits among SME owners in Eastern Europe: A 30-month study. *Global Business and Finance Review*, 11 (1), 41-48.
- Carraher, S.M. (2008). Using E-Bay to teach global and technological entrepreneurship. *International Journal of Family Business*, 5 (1), 63-64.
- Carraher, S.M. (2011). Turnover prediction using attitudes towards benefits, pay, and pay satisfaction among employees and entrepreneurs in Estonia, Latvia, & Lithuania. *Baltic Journal of Management*, 6 (1), 25-52.
- Carraher, S.M., Buchanan, J.K., & Puia, G. (2010). Entrepreneurial Need for Achievement in China, Latvia, and the USA. *Baltic Journal of Management*, 5 (3), 378-396.
- Carraher, S.M. & Buckley, M. R. (1996). Cognitive complexity and the perceived dimensionality of pay satisfaction. *Journal of Applied Psychology*, 81 (1), 102-109.
- Carraher, S.M. & Buckley, M.R. (2008). Attitudes towards benefits and behavioral intentions and their relationship to Absenteeism, Performance, and Turnover among nurses. *Academy of Health Care Management Journal*, 4 (2), 89-109.
- Carraher, S.M., Buckley, M.R., & Carraher, C. (2002). Cognitive complexity with employees from entrepreneurial financial information service organizations and educational institutions: An extension & replication looking at pay, benefits, and leadership. *Academy of Strategic Management Journal*, 1, 43-56.
- Carraher, S.M., Buckley, M.R., & Carraher, C.E. (2008). Research challenges in sustainable strategic management: Change and sustainability. *International Journal of Sustainable Strategic Management*, 1 (1), 2-15.

- Carraher, S.M., Buckley, M. & Cote, J. (1999). Multitrait-multimethod information management: Global strategic analysis issues. *Global Business & Finance Review*, 4 (2), 29-36.
- Carraher, S.M., Buckley, M., & Cote, J. (2000). Strategic entrepreneurialism in analysis: Global problems in research. *Global Business & Finance Review*, 5 (2), 77-86.
- Carraher, S.M. & Carraher, C. (1994). ISO 9000 - theories of management. *Polymer News*, 19, 373-376.
- Carraher, S.M. & Carraher, C. (1996). ISO environmental management standards: ISO 14,000. *Polymer News*, 21, 167-169.
- Carraher, S.M. & Carraher, C. (1996). ISO 9000. *Polymer News*, 21, 21-24.
- Carraher, S. & Carraher, S.C. (2005). Felt fair pay of small to medium, sized enterprise (SME) owners in Finland and Latvia: An examination of Jaques' equity construct. *Journal of Small Business Strategy*, 16 (1), 1-8.
- Carraher, S.M. & Carraher, S.C. (2006). Human resource issues among SME's in Eastern Europe: A 30 month study in Belarus, Poland, and Ukraine. *International Journal of Entrepreneurship*, 10, 97-108.
- Carraher, S.M., Carraher, S.C., & Mintu-Wimsatt, A. (2005). Customer service management in Western and Central Europe: A concurrent validation strategy in entrepreneurial financial information services organizations. *Journal of Business Strategies*, 22, 41-54.
- Carraher, S.M., Carraher, S.C., & Whitely, W. (2003). Global entrepreneurship, income, and work norms: A seven country study. *Academy of Entrepreneurship Journal*, 9, 31-42.
- Carraher, S.M., Hart, D., & Carraher, C. (2003). Attitudes towards benefits among entrepreneurial employees. *Personnel Review*, 32 (6), 683-693.
- Carraher, S.M., Gibson, J. W., & Buckley, M.R. (2006). Compensation satisfaction in the Baltics and the USA. *Baltic Journal of Management*, 1 (1), 7-23.
- Carraher, S.M., Mendoza, J, Buckley, M, Schoenfeldt, L & Carraher, C. (1998). Validation of an instrument to measure service orientation. *Journal of Quality Management*, 3, 211-224.
- Carraher, S.M. & Michael, K. (1999). An examination of the dimensionality of the Vengeance Scale in an entrepreneurial multinational organization. *Psychological Reports*, 85 (2), 687-688.
- Carraher, S.M. & Parnell, J. (2008). Customer service during peak (in season) and non-peak (off season) times: A multi-country (Austria, Switzerland, United Kingdom and United States) examination of entrepreneurial tourist focused core personnel. *International Journal of Entrepreneurship*, 12, 39-56.
- Carraher, S.M., Parnell, J., & Spillan, J. (2009). Customer service-orientation of small retail business owners in Austria, the Czech Republic, Hungary, Latvia, Slovakia, and Slovenia. *Baltic Journal of Management*, 4 (3), 251-268.
- Carraher, S.M. & Paridon, T. (2008/2009). Entrepreneurship journal rankings across the discipline. *Journal of Small Business Strategy*, 19 (2), 89-98.
- Carraher, S.M., Scott, C., & Carraher, S.C. (2004). A comparison of polychronicity levels among small business owners and non business owners in the U.S., China, Ukraine, Poland, Hungary, Bulgaria, and Mexico. *International Journal of Family Business*, 1 (1), 97-101.
- Carraher, S.M. & Sullivan, S. (2003). Employees' contributions to quality: An examination of the Service Orientation Index within entrepreneurial organizations. *Global Business & Finance Review*, 8 (1) 103-110.
- Carraher, S.M., Sullivan, S. & Carraher, S.C. (2005). An examination of the stress experience by entrepreneurial expatriate health care professionals working in Benin, Bolivia, Burkina Faso, Ethiopia, Ghana, Niger, Nigeria, Paraguay, South Africa, and Zambia. *International Journal of Entrepreneurship*, 9 , 45-66.
- Carraher, S.M., Sullivan, S.E., & Crocitto, M. (2008). Mentoring across global boundaries: An empirical examination of home- and host-country mentors on expatriate career outcomes. *Journal of International Business Studies*, 39 (8), 1310-1326.
- Carraher, S.M. & Welsh, D.H.B. (2009). *Global Entrepreneurship*. Dubuque, IA: Kendall Hunt.
- Carraher, S.M. & Whitely, W.T. (1998). Motivations for work and their influence on pay across six countries. *Global Business and Finance Review*, 3, 49-56.

- Carraher, S.M., Yuyuenyongwatana, R., Sadler, T., & Baird, T. (2009). Polychronicity, leadership, and language influences among European nurses: Social differences in accounting and finances. *International Journal of Family Business*, 6 (1), 35-43.
- Chait, H., Carraher, S.M., & Buckley, M. (2000). Measuring service orientation with biodata. *Journal of Managerial Issues*, 12, 109-120.
- Crocitto, M., Sullivan, S.E. & Carraher, S.M. (2005). Global mentoring as a means of career development and knowledge creation: A learning based framework and agenda for future research. *Career Development International*, 10 (6/7), 522-535.
- Deng, F.J., Huang, L.Y., Carraher, S.M., & Duan, J. (2009). International expansion of family firms: An integrative framework using Taiwanese manufacturers. *Academy of Entrepreneurship Journal*, 15 (1), 25-42.
- Hart, D. & Carraher, S. (1995). The development of an instrument to measure attitudes towards benefits. *Educational and Psychological Measurement*, 55 (3), 498-502.
- Huang, L.Y. & Carraher, S. (2004). How effective are expatriate management and guanxi networks: Evidence from Chinese Industries. *International Journal of Family Business*, 1 (1), 1-23 .
- Lester, D., Parnell, J.A. & Carraher, S.M. (2010). Assessing the desktop manager. *Journal of Management Development*, 29 (3), 246-264.
- Lockwood, F., Teasley, R., Carland, J.A.C., & Carland, J.W. (2006). An examination of the power of the dark side of entrepreneurship. *International Journal of Family Business*, 3, 1-20.
- Paridon, T. & Carraher, S.M. (2009). Entrepreneurial marketing: Customer shopping value and patronage behavior. *Journal of Applied Management & Entrepreneurship*, 14 (2), 3-28.
- Paridon, T., Carraher, S.M., & Carraher, S.C. (2006). The income effect in personal shopping value, consumer selfconfidence, and information sharing (word of mouth communication) research. *Academy of Marketing Studies Journal*, 10 (2), 107-124.
- Parnell, J. & Carraher, S. (2001). The role of effective resource utilization in strategy's impact on performance. *International Journal of Commerce and Management*, 11 (3), 1-34.
- Parnell, J. & Carraher, S. (2003). The Management Education by Internet Readiness (MEBIR) scale: Developing a scale to assess one's propensity for Internet-mediated management education. *Journal of Management Education*, 27, 431-446.
- Scarpello, V. & Carraher, S. M. (2008). Are pay satisfaction and pay fairness the same construct? A cross country examination among the self-employed in Latvia, Germany, the U.K., and the U.S.A. *Baltic Journal of Management*, 3 (1), 23-39.
- Sethi, V. & Carraher, S.M. (1993). Developing measures for assessing the organizational impact of information technology: A comment on Mahmood & Soon's paper. *Decision Science*, 24, 867-877.
- Sturman, M.C. & Carraher, S.M. (2007). Using a Random-effects model to test differing conceptualizations of multidimensional constructs. *Organizational Research Methods*, 10 (1), 108-135.
- Sullivan, S.E., Forret, M., Carraher, S.M., & Mainiero, L. (2009). Using the kaleidoscope career model to examine generational differences in work attitudes. *Career Development International*, 14 (3), 284-302.
- VanAuken, H. & Carraher, S.M. (2012). An analysis of funding decisions for niche agricultural producers. *Journal of Developmental Entrepreneurship*, 17 (2), 12500121-125001215.
- Welsh, D. & Carraher, S.M. (2011). *Case Studies in Global Entrepreneurship*. Kendall Hunt P.
- Williams, M.L., Brower, H.H., Ford, L.R., Williams, L.J., & Carraher, S.M. (2008). A comprehensive model and measure of compensation satisfaction. *Journal of Occupational and Organizational Psychology*, 81 (4), 639-668.

THE POSSIBLE PERMANENCE OF SOCIAL RESOURCE DESTRUCTION AND THE ASYMMETRIC IMPACT ON HUMAN AND SOCIAL CAPITAL

Ing Chok, Keck Graduate Institute

INTRODUCTION

Accordingly to Hall (2005), many recent studies in comparative politics that analyze public policy are conducted from a resource redistribution perspective. But resource redistribution is only one part of the equation. Another part of the equation that is often overlooked is how public policy alters relations among individuals (Hall, 2005). Hall (2005) argues that the structure of social relations can affect both the community's and the individual's capacities for solving problems. Because the abilities to solve problems are durable and applicable to many types of issues and thus have the potential to improve well-being on a continuous basis, these capacities should be viewed as social resources (Hall, 2005).

Hall (2005) commented that social relations are not randomly distributed but are "structured in ways that *condition the capacities of the individuals operating within them*" and that it is necessary to understand the structure of relations before one can understand how policies affect individuals. Hall (2005)'s fundamental thesis is that social resources can be created by changing the structure of social relations (among individuals or between different groups of actors). This is an important point because "social resource creation" does not emphasize trade-offs and do not necessarily require redistribution of resources. Indeed, Hall (2005) argues that progressive redistribution of resources per se does not create social resources and that it would constitute "social resources creation" only if the redistribution of resources positively affects the structure of social relations among different classes of people. That is, shifting the balance of power among classes can generate tangible benefits related to trust, health and productivity.

He subsequently proceeds to provide several examples that arguably do not involve a simple redistribution of material resources. These examples range from social capital to different varieties of class relations. Examples related to social capital include cultivating face-to-face relationships (Putnam, 2000), providing universal benefits (as opposed to means-tested benefits (Kumlin and Rothstein, 2005), expanding access to higher education and giving voluntary associations key roles in delivering social services (Hall, 1999), which all promote generalized trust and mutual reciprocity in the community. Examples related to class relations include the extension of human rights (civil, political, social & educational) that provide opportunities for individuals to maximize their potential (Marshall, 1965), flattening status hierarchies that are

distributed along classes and ethnicities (Lamont, 2000; Marmot, 2004, Miguel, 2004), respecting and treating individuals even-handedly (Hall, 2005). Examples related to social networks include how individuals with connections to people different from themselves find jobs more easily (Granovetter, 1974; Perri, 1997) and how workers who have a wider network of relationships find it easier to relocate than workers who rely on a small number of close friends and neighbors.

Hall (2005) emphasizes that understanding the structure of social relations can be useful to understanding the economy as well. He argues that a given level of social benefits does not only affect benefits recipients but also affect the overall structure of competition. In non-competitive markets with a small number of players, national policies that induce effective strategic coordination can improve economic performance and create social resources at the national level (Hall and Soskice 2001; Przeworski and Wallerstein 1982; Culpepper 2003).

EXTENDING THE MODEL

In this research proposal, I want to extend Hall (2005) by considering (1) the destruction of social resources and (2) when are social resources created (destroyed) temporarily versus permanently.

First, the process for destroying social resources should parallel the process for creating social resources. Both processes result from changing the structure of social relations, which then affect the individual's capacities. But I differ from Hall (2005), who maintained that durable abilities to solve problems should be viewed as social resources. I argue that even temporary improvement (deterioration) constitutes social resource creation (destruction). Social resources should therefore be considered a dynamic concept.

Second, I argue that the mechanism that explains major differences in the degree of permanence lies in the impact on these capacities. The question therefore is what is most likely to have a permanent impact on individual's capacities. I argue that any individual's capacities that are associated with human capital are relatively more likely to be permanent. Human capital can be defined as any variables that contribute to a person's productivity capacity to be industrially efficient (Blandy, 1967) or productive in some economic contexts; formal or informal. Human capital is also inalienable (Becker, 1994) since problem solving abilities that resides in an individual cannot be transferred.

Arguably, any individual's capacities that are associated with social capital are relatively more likely to be temporary. We need to be careful not to confuse human and social capital. Human capital refers to the individual's attributes that help the person to be productive whereas social capital refers to the social context that the individual is embedded in such as family structure and social networks.

There are several implications with my formulation, which are summarized in table 1 below.

Table 1: Main effects		
Social resources	Human capital	Social Capital
Creation	Somewhat permanent	Most temporary
Destruction	Most permanent	Somewhat temporary

First, both social capital and human capital are affected by the structure of social relations. Second, it should be easier to destroy (build) social capital because it is continuously reconstituted (Giddens, 1986). Third, damage or enhancements to human capital could potentially be irreversible. Fourth, destruction and creation are asymmetrical. Destruction is more likely to be permanent while creation is more likely to be temporary.

But which is relatively more temporary: the creation of human capital or the destruction of social capital? This is an interesting conundrum. On one hand, I argue that destruction is relatively more permanent compared to creation. On the other hand, I also argue that social capital, by its nature, is relatively more temporary compared to human capital. I believe that precisely because social capital needs to be reconstituted and reproduce by periodic activities, the destruction of social capital should be more transient than the creation of human capital.

HOMELESSNESS AS THE CASE STUDY

I would like to use homelessness to demonstrate how the logic works. There was a major increase in the level of homelessness in the early 1980s in the midst of a deep recession. Based on the NBER records on business cycles, there were two recessions (Jan 1980 to July 1980 & July 1981 to November 1982) in the early 1980s followed by a years of prosperity in the 1980s and 1990s, which was interjected by a nine-month recession¹. If unemployment was only cyclical, homelessness would have fluctuates around business cycles. Because it is often assumed that the rising tide of economic growth in the mid-1980s could have reduced poverty levels (Freeman, 2001) and thus the level of homelessness, it is surprisingly to find homelessness to be a visual fixture on the streets.

According to the U.S. Department of Housing and Urban Development (HUD)², prior to the early 1980s, the homeless population was mainly composed of single men. In the early 1980s, for the first time, there were a substantial numbers of unaccompanied women, women with children, and two-parent families that sought homeless services. Since then, the demand for homeless services and the nation's capacity to house homeless persons increased considerably.

On the surface, there appears to be a variety of factors responsible for homelessness. HUD state that there was a confluence of factors including increased unemployment, changing labor market opportunities for people with less than a high school education, decreased supplies

of affordable housing, and insufficient support for the mentally ill that account for the increase in the level of homelessness. According to a 2004-05 winter fact sheet published by the Chicago Coalition for the Homeless, the causes of homeless are broader. Besides unemployment/under-employment, low wages, high cost of housing and the lack of support for the mentally ill, factors such as welfare reforms, lack of health insurance, substance abuse, domestic violence, youth runaways, veterans returning to USA, and prison releases are also pathways to homelessness.

These factors of homelessness can be accounted for using the model I developed in section 2. We first consider asymmetric impact with regard to destruction and creation.

An example would be to examine human and social capital in relation to substance abuse. In a recent study on substance abuse, O'Toole et al (2004) found, using multiple logistic regression, that substance-abusing homeless persons are more likely to have low educational attainment than non substance-abusing homeless persons. In another study on substance abuse, Vangeest and Johnson (2002) investigates whether substance abuse directly affects homelessness or indirectly affects homelessness via damages to human and social capital. Using various nested models of homelessness, they found that substance abuse operates indirectly but only via social and institutional disaffiliation. They report that contrary to expectations, substance abuse did not indirectly affect homelessness by decreasing human capital. This suggests that ***it is more difficult to break down human capital relative to social capital.***

But it can be difficult to build up human capital once it is damaged. For example, with the lack of appropriate skills in the changing labor market, it can be difficult to retool and rebuild human capital (Freeman, 2001), which means homeless adults may find it difficult to find jobs that pay a living wage and exits homelessness; this is particularly so within the context of rising housing costs (Burt, 1982; Quigley, 1999; Quigley and Raphael, 2004). A good example would be the homeless veterans. According to media reports³, many veterans suffer from post-traumatic stress disorder (PTSD) after they came back from war, engage in substance abuse and end up unemployed and homeless on the streets. Veterans are overrepresented in the homeless population even though veterans are, compared to the general population, on average, more educated, more likely to be employed and have a lower poverty rate (Cunningham et al, 2007). It also tends to take years before veterans break down and ultimately lose social support after which it can be very difficult to rebuild the human capital to exit homelessness⁴ (Wenzel et al, 1993).

By contrast, homeless people may end up reconstituting social capital, willingly or unwillingly, even after some erosion of social capital. Hill (1991), in an ethnographic study at the Sisters of Mercy Shelter, found that women who had experienced a loss of support from friends and families and became homeless ended up developing patterns of interaction with other homeless women and the workers at the Mercy Shelter that resemble a family structure. However, exiting homelessness often requires building up the human capital so that the homeless person can get a job (Burt, 1982; Freeman, 2001). This suggests that ***it is more difficult to build up human capital relative to social capital.***

In addition, the preceding analysis suggests that entering homelessness represents a precarious stage. First, there can be serious health implications. For example, Hwang (2001) reports that in Canada, homeless people have a higher risk of premature death, suffers from a variety of health problems including seizures, chronic obstructive pulmonary disease, musculoskeletal disorders, tuberculosis, and skin and foot problems, and face significant difficulties in accessing health care services. Second, there is often a catch-22 situation wherein homeless people need proper housing to get a job and rebuild their human capital but are expected to first get a job to pay for housing (Burt, 1982; Freeman, 2001; Quigley and Raphael, 2004). The urban poor is therefore constantly at risk of being homeless. Third, although social capital can be reconstituted in the homeless shelter, these new social relations are often unstable not only because homeless shelters discourage overstaying and dependency but also because relations among individuals are inherently dynamic and fraught with conflicts (Hill, 1991). ***This suggests that destruction of social resources can potentially be more permanent compared to creation of social resources.***

CONCLUSION

Although the United States have experienced reasonable economic growth in the mid-1980s and strong economic growth throughout the 1990s, the level of homelessness and urban poor has increases rather than fluctuates around the business cycles (Freeman, 2001). What explains the conundrum? Why doesn't the economic tide raise the homeless boat and why were individuals not able to look for jobs? I believe that the structure of social relations may have worsened such that the social and human capital of a major segment of the homeless population may have been permanently damaged.

FUTURE RESEARCH AND LIMITATIONS

Future research could examine interaction effects. For example, health conditions may be more likely to be damaged permanently and difficult to fortify when there is a lack of social support. The reverse may be true if there is strong social support. By contrast, individual members with poor employment prospects may be viewed as a drag in the family and fragile social capital arising from family relations could potentially be destroyed permanently with a few economic shocks and only fortified temporarily in times of prosperity. The reverse may be true if individual members in the family have high employment prospects. And what happens when social capital precedes human capital or vice versa? Two potential interaction effects may be possible as indicated in table 2 and 3.

Table 2: Interaction effects with human capital as the prior condition		
Prior condition: Human capital	Social Capital	
	Destruction	Creation
High	Somewhat temporary	Somewhat permanent
Low	Most permanent	Most temporary

Table 3: Interaction effects with social capital as the prior condition		
Prior condition: Social capital	Human Capital	
	Destruction	Creation
High	Somewhat temporary	Somewhat permanent
Low	Most permanent	Most temporary

In the first set of interaction effects, (1) the destruction of social capital is most permanent in the presence of low human capital and somewhat temporary in the presence of high human capital and (2) the creation of social capital is most temporary in the presence of low human capital and somewhat permanent in the presence of high human capital. In the second set of interaction effects, (3) the destruction of human capital is most permanent in the presence of low social capital and somewhat temporary in the presence of high social capital and (4) the creation of human capital is most temporary in the presence of low social capital and somewhat permanent in the presence of high social capital.

A key limitation is whether homelessness would serve as an appropriate case study to demonstrate these asymmetric impacts of destruction versus creation with respect to human and social capital. There may be better case studies or other social contexts where this concept applies better. This is therefore a potential limitation.

ENDNOTES

- 1 <http://www.nber.org/cycles.html>
- 2 U.S. Department of Housing and Urban Development. 2002. Evaluations of Continuums of Care for Homeless People. Washington D.C.: HUD Office of Policy Development and Research, p. 2.
- 3 http://www.usatoday.com/news/nation/2007-11-07-homeless-veterans_N.htm &
http://www.boston.com/news/local/articles/2007/08/07/shelters_take_many_vets_of_iraq_afghan_wars/
- 4 <http://www.nytimes.com/2007/11/08/us/08vets.html>

REFERENCES

- Becker, G. (1994). *Human Capital: A Theoretical and Empirical Analysis, with Special Reference to Education*. Chicago, IL: University Of Chicago Press.
- Blandy, R. (1967). Marshall on Human Capital - Note. *Journal of Political Economy*, 75(6), 874-875.
- Burt, M. R. (1992). *Over the Edge: The Growth of Homelessness in the 1980s*. New York: Russell Sage Foundation.
- Culpepper, P. D. (2003). *Creating Cooperation: How States Develop Human Capital in Europe*. Ithaca: Cornell University Press.

- Cunningham, M., Henry, M., & Lyon, W. (2007). *Vital Mission: Ending Homelessness Among Veterans*: National Alliance to End Homelessness.
- Freeman, R. B. (2001). The rising tide lifts: National Bureau of Economic Research. Unpublished working paper
- Giddens, A. (1986). *The Constitution of Society: Outline of the Theory of Structuration*: Univ. of California Press
- Granovetter, M. (1974). *Getting a Job*. Cambridge, MA: Harvard University Press.
- Hall, P. A. (1999). Social Capital in Britain. *British Journal of Political Science* 29(3), 417-461.
- Hall, P. A. (2005). Public policy-making as social resource creation. *Newsletter - The Organized Section in Comparative Politics of the American Political Science Association*, 16(2).
- Hall, P. A., & Soskice, D. (2001). *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*. Oxford: Oxford University Press.
- Kumlin, S., & Rothstein, B. (2005). Making and Breaking Social Capital: The Impact of Welfare State Institutions. *Comparative Political Studies* 38, 339-365.
- Marshall, T. (1965). Citizenship and Social Class. In *Class, Citizenship and Social Development*. New York: Anchor.
- O'Toole, T. P., Conde-Martel, A., Gibbon, J. L., Hanusa, B. H., Freyder, P. J., & Fine, M. J. (2004). Substance-abusing urban homeless in the late 1990s: How do they differ from non-substance-abusing homeless persons? *Journal of Urban Health-Bulletin of the New York Academy of Medicine*, 81(4), 606-617.
- Perri, G. (1997). *Escaping Poverty: From Safety Nets to Networks of Opportunity*. London: Demos.
- Przeworski, A., & Wallerstein, M. (1982). The Structure of Class Conflict in Democratic Capitalist Societies. *American Political Science Review* 76(215-238).
- Putnam, R. (2000). *Bowling Alone: The Collapse and Revival of American Communities*. New York: Simon & Schuster.
- Quigley, J. M. (1999). A Decent Home: Housing Policy in Perspective: University of California, Berkeley. Unpublished working paper
- Quigley, J. M., & Raphael, S. (2004). Is Housing Unaffordable? Why Isn't it More Affordable? *Journal of Economic Perspectives*, 18(1), 191-214.
- VanGeest, J. B., & Johnson, T. P. (2002). Substance abuse and homelessness: Direct or indirect effects? *Annals of Epidemiology*, 12(7), 455-461.
- Wenzel, S. L., Gelberg, L., Bakhtiar, L., Caskey, N., Hardie, E., Redford, C., et al. (1993). Indicators of Chronic Homelessness among Veterans. *Hospital and Community Psychiatry*, 44(12), 1172-1176.

