

Volume 12, Number 1

ISSN 2150-511X

**Allied Academies
International Conference**

**New Orleans, Louisiana
March 27-30, 2013**

Academy of Strategic Management

PROCEEDINGS

Copyright 2013 by Jordan Whitney Enterprises, Inc, Arden, NC, USA

All authors execute a publication permission agreement taking sole responsibility for the information in the manuscript. Jordan Whitney Enterprises, Inc. 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 Jordan Whitney Enterprises, Inc, PO Box 1314, 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 2013 by Jordan Whitney Enterprises, Inc, Arden, NC

Table of Contents

THE IMPACT OF PAST PATTERN OF STRATEGIC CHANG ON FIRM’S FUTURE STRATEGIC CHANGE IN THE US MOTOR CARRIER INDUSTRY 1
Woohyun Cho, University of New Orleans1

INFORMALLY YOURS: PROPOSITIONS REGARDING THE ROLE OF INFORMAL SOCIAL NETWORKS IN LEADERSHIP AND POWER IN ORGANIZATIONS..... 7
Tobias M. Huning, Columbus State University
M. Kenneth Holt, Austin Peay State University
Phil M. Bryant, Columbus State University

DOES COMPANY SIZE AFFECT MISSION STATEMENT CONTENT? 13
Darwin L. King, St. Bonaventure University
Carl J. Case, St. Bonaventure University
Kathleen M. Premo, St. Bonaventure University

HOW GREEN ARE THEY? A SNAPSHOT OF WHAT FORTUNE 500 COMPANIES POST ON THEIR WEBSITES 15
Michelle B. Kunz, Morehead State University
Janet M. Ratliff, Morehead State University
Marlene Blankenbuehler, Morehead State University
Traci Bard, Morehead State University

ORGANIZATIONAL ADAPTATION: INTERORGANIZATIONAL RELATIONSHIPS AND ENVIRONMENTAL UNCERTAINTY 17
Paula W. Potter, Western Kentucky University

MORAL LEADERSHIP FACTOR 19
Amber Quarles, Regent University

COMPARING SOCIAL MEDIA ADOPTION: FORTUNE 500 VERSUS INC. 500 CORPORATIONS..... 25
Janet M. Ratliff, Morehead State University
Michelle B. Kunz, Morehead State University

THE IMPACT OF PAST PATTERN OF STRATEGIC CHANG ON FIRM'S FUTURE STRATEGIC CHANGE IN THE US MOTOR CARRIER INDUSTRY

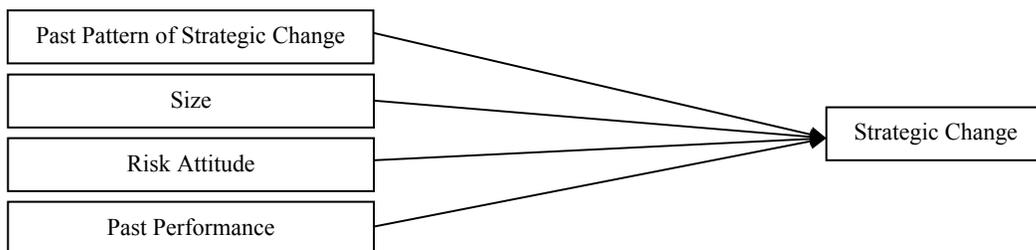
Woohyun Cho, University of New Orleans

ABSTRACT

The factors that influence a firm's strategic change are well discussed in previous literature. This paper extends Feitler (1997) by examining how a past pattern of a firm's strategic change affects a firm's future strategic change behavior. Thus, this study tests if the accumulated firm's pattern of strategic change continues in the future.

INTRODUCTION

Feitler et al. (1997 and 1998) examined the driving factors of a firm's strategic change. Among the factors, Feitler (1997) observed a firm's annual frequencies of strategic changes to predict a magnitude of next year strategic changes. In this study, we wonder whether a longer period of strategic change observation may also be effective in predicting a firm's strategic change because strategic change behavior may be formed and better measured over a longer period time rather than over a short term such as a year. We will use the frequency of strategic change over multiple years in the past to predict the magnitude of strategic change in future. Organization learning theory argues that the profile of prior firm action will predict future firm action (Barnett et al. 1996). While we test the same relationship of Feitler's study (1997) (Figure 1), the major difference from Feitler's study (1997) is to replacement of annual strategic change size with firm's past pattern of strategic change over a longer period (9 years).



[Figure 1] The framework of the hypotheses

THEORIES AND HYPOTHESIS

The motivation of strategic change is to optimize a firm's position in response to industry change by aligning a firm between its internal fit and external fit. It is necessary to orient a firm's

strategy by adjusting strategic dimensions that contribute to differences among firms (Thomson (1967; Smith and Grimm, 1997), that is strategic change. Feitler (1997) identified two groups of drivers affecting a firm's strategic change. They are internal drivers and external drivers. The external drivers are macro level factors such as environmental changes, industry turbulence and legislative framework. This is consistent with that firm's change should be coinciding with changes in business environment (Zajac et al., 2000). The internal factors are firm's characteristic such CEO characteristics, firm age, inertia (past strategic change pattern), prior performance and size. Feitler (1997) argues that internal factors driver can also predict firm's strategic changes. This study develop hypothesis to complement Feitler's papers (1997).

Firms with the previous pattern of greater strategic change in the past are more likely to have greater incumbent strategic change. Amburgey et al (1993) supported the idea that an organization with the greater number of prior changes is more likely to change in the newspaper industry. In the transportation industry, Kelly and Amburgey (1991) noticed that airlines that made strategic change continued to change their strategy. Feitler (1997) tested the relationship with the frequency of strategic change as measured by the average number of yearly strategic changes of previous year. Firms that are both able and willing to change strategy in the past tend to change their strategy continually in the future (Hannan and Freeman, 1984). Hannan and Freeman (1984) define ability as flexibility and willingness as agreed desire among organization members. Both of them are a firm's long accumulated characteristics over a long period. Firm's characteristics that formed over a long time are hardly discontinued over a day. In this research, we argue that the magnitude of strategic changes over a longer period rather than a previous year's frequency is used to predict the magnitude of future strategic changes.

H1: The greater magnitude of past strategic change firm has, the greater will be the strategic change.

Firm's size is often considered to influence a firm's change (Hannan and Freeman, 1984). Haveman (1993) discussed that extra resource that often increases with firm's size would let a firm to change more. In contrast, when a firm becomes larger, firm's organizational bureaucracy increases and its responsiveness to environmental changes decrease (Grimm et al 1993). One of the benefits that a firm increases its size is the economy of scale to achieve efficiency in its operation. This method often encourages a firm to own fixed assets. Once a firm is heavily involved with specific fixed assets, it is costly to adjust its strategy that is constrained by the immobility of those assets (Gulati and Singh, 1998). Nickerson and Silverman (2003) argued that firms with specific assets change small and slow. In fact, it is argued that larger firms are less likely to change than smaller firms (Kelly and Amburgey, 1991; Grimm, Corsi and Smith, 1993). However, the same relationship was not supported in Feitler et al (1997). With these arguments, it can be hypothesized as following.

H2: The smaller a firm size is in a previous year, the greater will be the strategic change

A firm's attitude toward risk signals firm's willingness and capability to change its strategy. Firm's financial leverage reveals firms' aggressive willingness and capability to change its strategy with more financial investments. The prospectors defined as the most innovative firm in Miles and Snow's typology (1978) are more responsive. In the same reasoning, higher risk is often employed by firms that are willing to change its strategy and to produce better performance. Risk has a positive relationship with organizational change (Kanter, 1983). Firms with a risk-taking attitude often have higher performance (Bromiley, 1991). Galbraith and Schendel (1983) found that low risk attitude was associated with firms following a 'continuity' strategy. Thus, when a firm is more risk taking, it is more likely to have more strategic changes.

H3: The greater risk taking attitude in a previous year a firm has, the greater will be strategic change

Poor performance motives firm to correct and reorient firm's strategy. The past history was identified as the key factors driving the firm's strategy change (Cyert and Grunberg, 1963). Psychological persistence based on its good performance in the past less motivates firms to change its strategy. Firms with successful performance tend to be persistent with their current strategy that produced the successful performance (Audia, Locke and Smith, 2000, Oster, 1982). In the same idea, when the current strategy doesn't produce good performance, firms intend to replace the current strategy with new strategy (Ginsberg, 1988; Boeker, 1989; Zajac and Shortell, 1989). This is because poor performance in the past motivates or forces a firm to alter the incumbent strategy that produced the poor performance (Ginsberg, 1988). Based on these arguments, it can be hypothesized as following.

H4: The poorer performance in a previous year a firm has, the greater will be the strategic change.

SAMPLE AND MODEL

The source of the sample data is the Motor Carrier Annual Reports of American Trucking Association. These reports are the nationwide collection and include both operational and financial information on motor carriers. The observation unit is an individual motor carrier and the final number of the observation is 151 motor carriers that are categorized as truck load (TL) general freight carriers. TL trucking firm is defined as a firm whose LTL revenue is less than 40% of its total revenue, which is consistent with Feitler's work (1998). The dependent variable is a firm's strategic change between 2002 and 2003 (SCI0203). The first independent variable is a firm's strategic changes between two end points, 1994 and 2002 (SCI9402). The other variables are the firm's previous year's characteristics such as size, risk and past performance. Time lag is used to allow an enough time between the independent variable strategic change (1994~2002) and the dependent variable strategic change (2002~2003).

$$\text{SCI0203} = \beta_0 + \beta_1 \text{SCI9402} + \beta_2 \text{Size02} + \beta_3 \text{Risk02} + \beta_4 \text{PastPerform02}$$

SCI9402: it is firm's past pattern of strategic change. It is measured by magnitude of strategic changes (SCI). This magnitude of strategic change was measured in the same way it was in Feitler's paper (1997), which is SCI (Strategic Change Index). In her research, firm's yearly strategic position calculated by comparing a firm's standard deviation to an industry's mean for all six dimensions respectively (cost, efficiency, price, product niche, risk, service and size). For the observation of nine-year period strategic changes, we subtracted each dimension in 1994 from its counterpart dimension in 2002 to obtain the difference between these two years. Then, the absolute values of each dimension's differences were summed up to produce a firm's unique SCI. If SCI is measured between 2002 and 2003, it is called SCI0203.

-

- Size02: it is a good proxy for various firms' characteristics (Corsi et al. 1991) and measured by operation revenue.
- Risk02: it is supposed to measure firm's intention to improve their business through financial leverage (Smith et al., 1990, Corsi et al., 1991). Each year's ending liability divided by equity was used as risk indicator.
- PastPerf02: the performance change of trucking carriers is measured by the difference of operating ratio (= operation expense / operation revenue) between two years. Operating ratio has been used as an indicator to show the profitability of trucking firms in the previous literature (Corsi et al., 1991; Feitler, 1998). Smaller ratio indicates better performance.

RESULTS

The result of the empirical test is summarized in Table 1.

Variables	Coefficient	Std. Error	t-Value
SCI9402	.18	0.37	4.89
Size02	-4.21	5.15	-0.82
Risk02	0.32	0.12	2.57
PastPerf02	4.42	2.26	1.95
Number of Observation = 151, R-squared = 0.2190, Adj R-squared = 0.1976			

H1 tested the impact of the past pattern of strategic change over the nine-year period from 1994 to 2002 (SCI9402) on the strategic change that happened between 2002 and 2003 (SCI0203). The regression results supported the idea that the 9 year pattern of firm's strategic changes affects a firm's future strategic change. H2 examined the impact of another form of

inertia, firm's size, on firm's strategic change (SCI0203). While the result showed a negative sign as expected, it wasn't statistically significant because t value is very low. Thus, H2 was not supported. H3 tested the relationship between the previous year's firm's risk (risk02) and the next year's strategic change (SCI0203). The result showed that risk is still a good indicator signaling a firm's willingness and capacity to change its strategy. H4 tested the impact of previous year's poor performance (PastPerf02) on a following year's firm's strategic change (SCI0203). As expected, the result supported its negative relationship with t value 1.67.

CONCLUSION

We test the past pattern of firm's strategic change, which is another organization's embedded pattern of incessantly orienting its strategy to business environmental changes. The result successfully supported the idea that firms tend to maintain its behavior of strategic change that is formed over multiple years and may imply that firms actually benefit from changing their strategy (positive feedbacks encourage firms to maintain this pattern). This is consistent with the organization learning theory arguing that the profile of prior firm action will predict future firm action (Barnett et al. 1996). The relationship between size and strategic change was not supported. Being not consistent with most of previous literature (Grimm et al., 1993), this outcome is consistent with Feitler's finding (1998) that smaller size firms' change was overwhelmed by larger size firms' change. For the future research, including external factors can extend this study. This study wasn't able to test the impact of external factors such as the number of competitors and economic situations as suggested in Feitler's study (1997).

REFERENCES

- Amburgey TL, D Kelly, WP Barnett - Resetting the Clock: The Dynamics of Organizational Change and Failure Administrative Science Quarterly, 1993
- Audia PG, EA Locke, KG Smith - The paradox of success: An archival and a laboratory study of strategic persistence following, Academy of Management Journal, 2000
- Barnett WP, TH Morten - The red queen in organizational evolution, Strategic Management Journal, 1996
- Barney JB, RE Hoskisson - Strategic groups: Untested assertions and research proposals, Managerial and Decision Economics, 1990
- Boeker W - Strategic change: The effects of founding and history, Academy of Management Journal, 1989
- Corsi TM, CM Grimm, KG Smith, RD Smith - Deregulation, strategic change, and firm performance among LTL motor carriers, Transportation journal, 1991
- Cyert RM, E Grunberg - Assumption, prediction, and explanation in economics, A behavioral theory of the firm, 1963
- Feitler JN, TM Corsi, CM Grimm - Strategic and performance changes among LTL motor carriers: 1976-1993, Transportation journal, 1998
- Feitler JN, TM Corsi, CM Grimm - Measuring firm strategic change in the regulated and deregulated motor carrier industry: An 18 years of study, Transportation Research Part E, 1997
- Galbraith C, D Schendel - An empirical analysis of strategy types, Strategic Management Journal, 1983
- Ginsberg A, N Venkatraman - Contingency perspectives of organizational strategy: a critical review of the empirical research, Academy of Management Review, 1985

- Grimm CM, TM Corsi, RD Smith Determinants of strategic change in the LTL motor carrier industry: A discrete choice analysis, *Transportation Journal*, 1993
- Gulati R, H Singh -The Architecture of Cooperation: Managing Coordination Costs and Appropriation Concerns in Strategic change, *Administrative science quarterly*, 1998
- Hannan MT, J Freeman - Structural inertia and organizational change, *American sociological review*, 1984
- Haveman HA - Organizational size and change: Diversification in the savings and loan industry after deregulation, *Administrative Science Quarterly*, 1993
- Kanter RM - The change masters, New York, 1983
- Kelly D, TL Amburgey Organizational inertia and momentum: A dynamic model of strategic change, *Academy of Management Journal*, 1991
- Miles RE, CC Snow, AD Meyer, HJ Coleman Jr - Organizational strategy, structure, and process, *Academy of Management Review*, 1978
- Miller D, H Mintzberg - The case for configuration Beyond method, *Strategies for social research*, 1983
- Nelson RR, SG Winter - The Schumpeterian tradeoff revisited, *The American Economic Review*, 1982
- Nickerson JA, BS Silverman, Why firms want to organize efficiently and what keeps them from doing so, *Administrative Science Quarterly*, 2003
- Oster S – Intraindustry structure and the ease of strategic change, *The Review of Economics and Statistics*, 1982
- Smith KG, CM Grimm - Environmental variation, strategic change and firm performance: A study of railroad deregulation, *Strategic Management Journal*.1997
- Smith RD, TM Corsi, CM Grimm - Motor carrier strategies and performance, *Transportation Research A*, 1990
- Venkatraman N, JC Camillus - Exploring the concept of " fit" in strategic management, *Academy of Management Review*, 1984
- Zajac EJ, MS Kraatz, RKF Bresser - Modeling the dynamics of strategic fit: A normative approach to strategic change, *Strategic Management Journal*, 2000
- Zajac EJ, SM Shortell - Changing generic strategies: Likelihood, direction, and performance implications, *Strategic Management Journal*, 1989

INFORMALLY YOURS: PROPOSITIONS REGARDING THE ROLE OF INFORMAL SOCIAL NETWORKS IN LEADERSHIP AND POWER IN ORGANIZATIONS

Tobias M. Huning, Columbus State University
M. Kenneth Holt, Austin Peay State University
Phil M. Bryant, Columbus State University

ABSTRACT

Informal social relationships have been discussed with scant attention in the literature. Researchers recognize their importance for organizational success. Yet it is the formal relationships that we know most about and not the informal ones. This paper uses Blau's (1964) theory of social exchange and offers an analysis of the importance of informal social relationships for the formation of social capital, knowledge transfer, organizational learning, communication, and leadership and power.

Network theory examines the notion of an informal organization and demonstrates the importance of people's networks of relationships (Burt, 1995; Krackhardt & Kilduff, 1990). We assert that a large part of the work in an organization is done through social relationships and hence suggest that informal social structures offer much explanation of organizational phenomena such as social capital, knowledge transfer, organizational learning, communication, leadership and power. Informal social networks can potentially enable, but also constrain behavior at work through informal sub-communities of organizational members.

Informal networks are those channels that carry information and connect organizational members through routes not prescribed by the organization. Networks provide their members with many opportunities such as tracing task information, work standards and expectations, rumors, and social norms.

According to Lamertz and Aquino (2004), an informal network position analysis considers the dyadic relationships and adds information to the direct relationships in the network. This aids in the explanation of informal status and social power. Further, they indicate the distribution of resources and the relationships with potential partners in resource exchanges as well as members' associations with popular members of the network (Bonacich, 1987; Burt 1976; Freeman, 1979; Lamertz & Aquino, 2004).

People associate with each other and are drawn to each other through interpersonal attraction, common tasks, common schedules and geography, shared interests, and common backgrounds. But members of such a shared network also pursue self interested motives. A basic view point in informal network formation is a common understanding that the whole is greater than the sum of the individual members' contributions. This is how the formation of an informal social network becomes desirable in the eyes of the members, or potential members, of the network. Jackson and Wolinsky (1996) bring up the issue whether a network is efficient or will

form in the first place if individual members can leave it. This certainly presents a threat to the stability of a network, when individual members have an incentive to leave the network. However, stability in networks can potentially create inefficiencies. This hints at the trade-off between network flexibility and stability. Networks need to be stable in their entirety to make relationships reliable and predictable for the individual players in them, but at the same time the members need to have some flexibility in order for them to have opportunities to create new beneficial relationships. In other words, there is a cost-benefit logic that underlies membership in informal social networks in that there ought to be an incentive for the members to be a part of the network that outweighs the cost of not being a member or, alternatively, become a member in another social network. The basis for the creation and dissolution of informal social relationships lies in the social exchanges between the members of a network or an organization.

Solidarity and loyalty as group phenomena are important outcomes of social exchange that have a significant impact on the flexibility and stability of the informal social relationships. This makes collaboration, cooperation, and trust essential in these types of social exchanges which are important for relationships at work. They are the foundation of any informal social relationship in that the exchange, tangible or not, creates the connection between the actors and facilitates future interactions through the building of trust and experiences of exchanges. The congregation of the connections forms the informal social network (Uehara, 1990). There are many important implications and consequences of informal social networks which will be discussed in the next sections followed by our articulation of research propositions.

According to Bouty (2000), social capital appears to be a key factor in organizational success, because of the fluent exchange of resources that underlies the exchanges between individuals. Social capital is regarded as the cohesive glue that bonds together the individuals to each other (Stephenson, 1998), and the organization (Baker, 2001). Organizational capital is viewed as comprising the elements of financial, human, and social capital of individuals, which aggregates to the social capital of the organization (Morton, Brooks, Smart, Backhouse, & Burns, 2004). Dess and Shaw (2001), conceptualize social capital as the network structure and social resources therein, while Nahapiet and Ghoshal (1998) posit social capital as the sum of actual and potential resources embedded within, available through, and derived from the network of relationships possessed by a social unit. Social capital can be fruitful for innovation and organizational development if it is harvested accordingly. Maximizing the utilization of social capital means the optimal use of the organization's collective memory and knowledge.

Knowledge transfer via informal social networks is likely the most common and most important form of knowledge transfer, yet it remains the least understood. Lahti, Darr, & Krebs (2002) suggest that exiting employees take their explicit and tacit knowledge with them which affects organizational performance and costs the organization money in retraining new employees. They also say that the channels through which people learn informally are relationships with peers, colleagues, and mentors. Lahti, et al. (2002) go on to say that informal knowledge transfer is critically important for organizational performance as it has the potential to erode the organization's social capital.

Moreover, coworkers create the climate and culture of the organization and transfer role knowledge to their colleagues. The organizational climate and culture contain information on

organizational norms and values as well as role knowledge that are important for employees. Knowledge transfer needs to be appropriately channeled to ensure an understanding of individual performance measures and to discourage excessive idle talk and gossiping.

Informal social relationships can also potentially impact organizational learning. According to Boud (1999), informal interactions with peers are predominant ways of learning. The key to informal learning lies in social participation with the community (Wenger, 1998). According to the research of Boud and Middleton (2003), there are two important findings; the first concerns the interaction between context and the type of learning that occurs, while the other concerns the significance of learning in informal networks. Educational planners, which are sometimes present in organizations, say that sharing knowledge in an informal manner is now characteristic of many organizations.

Communication, whether informal or formal, exists within patterned networks, and has a strategic aspect that can create conflicts between the common and separate interests of network members (Bonacich, 1987). Informal social networks as well as formal organizational networks emphasize the importance of network position. The result of this may be that participants in informal social networks may either communicate freely or possibly withhold information from other network positions.

Informal social networks will have an impact on leadership emergence and selection. Leadership implies that there are power differences inside the informal social network. Leaders emerge, or are chosen, based upon friendship, liking, and interpersonal respect. The difference between formal respect structures and informal respect structures affects leadership in particular ways. Interpersonal interactions as well as nominations for leadership play an important role for the emergence of leaders in an informal social network (Rees & Segal, 1984). The research by Fernandez (1991), finds evidence that informal friendship ties have the strongest influence on respect relations. Yet he recognizes the nature of organizational leadership and says that the emergence of leaders through interpersonal interactions usually is followed by formal recognition of a leadership position. The evidence provided by Fernandez (1991) supports the idea that informal social relationships predict the leadership and the differing respect relations. Hence, friendship based relationships are more likely than instrumental ties to link people who are similar with respect to both personal characteristics and organizational affiliations and who are thus more likely to have consistent interests. Additionally, the frequency of interaction is higher for friendship ties than it is for instrumental relationships (Granovetter, 1973).

- Proposition 1: Informal social networks lead to the formation of social capital.*
- Proposition 2: Informal social relationships have a positive relationship with knowledge transfer.*
- Proposition 3: Informal social relationships have a positive relationship with an organization's culture and climate.*
- Proposition 4: Informal social relationships positively influence organizational learning*
- Proposition 5: Informal social relationships have a positive relationship with the flow of communication inside an organization.*

Proposition 6a: informal social relationships influence the emergence of leadership in an organization.

Proposition 6b: informal social relationships influence power relationships in organizations.

CONCLUSION

Analyses of social networks reveal that the actual informal structure in an organization is almost always different from the one that is displayed on the organizational chart. Herman (2003) reminds us that it is secretaries and administrators that run the day-to-day activities in most organizations.

We discussed how informal social networks form, and how they are relevant to many issues in organizational behavior and management. Informal social networks drive the institutionalization of acceptable behaviors and norms, and potentially change the organizational chain of communication and command structure.

Informal social networks are expected to influence social capital, knowledge transfer, organizational learning, communication, and leadership and power within organizations.

Recent studies indicate that culture and cross-national (Berry, 2011; Boenisch & Schneider, 2010; & Garmann & Ingrid, 2011) and industry (Robinson & Stubberud, 2010) differences may moderate the effects of informal social networks. Future research along these lines is likely to prove enlightening.

Informal social relationships drive organizational practices and everyday operations. However, researchers continue to place more emphasis on the formal reporting relationships. We made the case herein for continued and increased research in informal social relationships to gain a better understanding of the way that organizations operate and develop.

Future research should address how technology impacts social networks and organizational outcomes. While there are many electronic platforms for people to interact within and between organizations, there is little knowledge about the effectiveness or perhaps even the potential to be harmful to individual and organizational performance.

REFERENCES

- Baker, W. 2001. Social capital: help your people expand their networks. *Executive Excellence*, 18:8.
- Berry, S. 2011. Identity economics: Social networks and the informal economy in Nigeria. *Progress in Development Studies*, 11:2, 178-180.
- Blau, P.M. 1964. *Exchange and Power in Social Life*. New York: Wiley.
- Boenisch, P. & Schneider, L. 2010. Informal social networks and special mobility: The enduring impact of communist history in Eastern Germany. *Post Communist Economics*, 22:4, 483-497.
- Bonacich, P. 1987. Power and centrality: A family of measures. *The American Journal of Sociology*, 92:5, 1170-1182.

- Boud, D. 1999. Situating academic development in professional work: Using peer learning. *International Journal for Academic Development*, 4:1, 3-10.
- Boud, D. & Middleton, H. 2003. Learning from others at work: communities of practice and informal learning. *Journal of Workplace Learning*, 15, 194-202
- Bouty, I. 2000. Interpersonal and interaction influences on informal resource exchanges between R&D researchers across organizational boundaries. *Academy of Management Journal*, 43:1, 50-65.
- Burt, R.S. 1976. Positions in networks. *Social Forces*. 55, 93-122.
- Burt, R.S. 1995. *Structural Holes: The Social Structure of Competition*. Harvard University Press, Boston, MA.
- Dess, G.G. & Shaw, J.D. 2001. Voluntary turnover, social capital, and organizational performance. *Academy of Management Review*, 26:3, 446-456.
- Fernandez, R.M. 1991. Structural bases of leadership in intraorganizational networks, *Social Psychology Quarterly*, 54:1, 36-53.
- Freeman, L.C. 1979. Centrality in social networks: Conceptual clarification. *Social Networks*, 1, 215-239
- Garmann, J, & Ingrid, H. 2011. Formal project organization and informal social networks: Regional advantages in the emergent animation industry in Oslo, Norway. *European Planning Studies*, 19:7, 1165-1181.
- Granovetter, M. S. 1973. ["The strength of weak ties"](#). *The American Journal of Sociology* 78:6, 1360–1380.
- Herman, J. 2003. Small world networks in your organization. *Business Communications Review*. 33:8, 16-19.
- Jackson, M.O. & Wolinsky, A. 1996. A strategic model of social and economic networks. *Journal of Economic Theory*. 71:1, 44-77.
- Krackhardt, D. & Kilduff, M. 1990. Friendship patterns and culture: the control of organizational diversity. *American Anthropologist*.
- Lamertz, K. & Aquino, K. (2004). Social power, social status and perceptual similarity of workplace victimization: A social network analysis of stratification. *Human Relations*, 57(7), 795-822.
- Lahti, R.K., Darr, E.D. & Krebs, V.E. 2002. Developing the dynamic workforce: The impact of informal knowledge transfer. *Journal of Organizational Excellence*, 21:2, 13-21.
- Morton, S.C., Brooks, N.J., Smart, P.K., Backhouse, C.J., & Burns, N.D. 2004. Managing the informal organization: Conceptual model. *International Journal of Productivity*, 53, 214-232.
- Nahapiet, J. & Ghoshal, S. 1998. Social capital, intellectual capital, and the organizational advantage. *Academy of Management Review*, 23:2, 242-266.
- Rees, C.R. & Segal, M.W. 1984. Role differentiation in groups: The relationship between instrumental and expressive leadership. *Small Group Behavior*, 15, 109-123.
- Robinson, S., & Stubberud, H.A. 2010. An analysis of informal social networks by industry. *International Journal of Entrepreneurship*, 14, 1-12.
- Stephenson, K. 1998. What knowledge tears apart, networks make whole. *Internal Communication*. 36, 22-25.

Uehara, E. 1990. Dual exchange theory, social networks, and informal social support. *The American Journal of Sociology*, 96:3, 521-557.

Wenger, E. 1998. *Communities of Practice: Learning, Meaning and Identity*, Cambridge University Press, New York, NY.

DOES COMPANY SIZE AFFECT MISSION STATEMENT CONTENT?

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

ABSTRACT

Mission statements are probably the most important communication issued by a firm to all of its many 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 twelve years. Previous studies have reviewed mission statements from the largest corporations in countries including Canada, United Kingdom, France, Germany, Australia, Japan, China, Brazil, and India. This study considers United States' businesses only. The intent of the authors is to determine if the size of the company affects the content of the mission statement.

The authors have conducted research on mission statements in 2001, 2008, 2010, 2011, and 2012 that has been published in various Allied Academies' journals. The majority of the articles have appeared in the Academy of Strategic Management Journal (ASMJ). The mission statement comparisons have emphasized two distinct areas, namely, the stakeholders mentioned in the mission statements and the named goals and objectives of the company. The stakeholders and goals/objectives emphasis is continued in this paper.

The authors again used the Fortune 500 list to determine the largest firms in the United States. In this study, the largest 100 firms are compared with the last 100 companies in the Fortune 500 list (numbers 401-500). The authors hope to determine if size does affect the stakeholders and goals/objectives mentioned in the firm's mission statement. Stakeholders identified included communities, customers, employees, stockholders/stakeholders, and suppliers/partners. Identified goals and objectives included affordability of products or services, following core values, striving for diversity, maintaining efficient operations, concern for the environment, maintaining ethical operations, striving for global operations, maintaining innovation, maintaining a leadership position, an emphasis on profitability/profits, desire to produce a quality product or service that provided value to customers, producing a safe product, an emphasis on teamwork, and the desire to gain the trust of stakeholders. Significant differences were identified in the mission statement content of these two groups of firms and are discussed in this paper.

HOW GREEN ARE THEY? A SNAPSHOT OF WHAT FORTUNE 500 COMPANIES POST ON THEIR WEBSITES

Michelle B. Kunz, Morehead State University

Janet M. Ratliff, Morehead State University

Marlene Blankenbuehler, Morehead State University

Traci Bard, Morehead State University

ABSTRACT

An exploratory study of the sustainable information posted on Fortune 500 corporate websites found differences in the sustainable actions of these companies based upon industry, and the size of the firm. Findings of the study also indicate that more than three-fourths of the companies examined engage in one or more sustainable actions. Additionally, researchers present suggestions for future analysis and review of publicly available corporate sustainability information and present the following questions for consideration in future research:

- 1) *Which Fortune 500 companies appear in the GRI Sustainability Disclosure Database (<http://database.globalreporting.org>)?*
- 2) *Which Fortune 500 companies appear in the CorporateRegister.com database?*
- 3) *Which Fortune 500 companies have been rated on the Pacific Sustainability Index on the Roberts Environmental Center website?*
- 4) *Is there consistency in the individual reports of corporations which appear on one or more of these databases?*
- 5) *Is the stage of sustainable adoption influenced by industry, and/or size of the corporation (based upon rank), on the Fortune 500 list?*
- 6) *How many clicks (pages deep) from the home page?*
- 7) *What title/subject is used to identify the sustainability information*
- 8) *Is there a section on the website for sustainability?*
 - a. *or is the information contained inside an annual corporate report, such as a Corporate Sustainability Report?*

Clearly, sustainability has become a part of corporate operations and strategy, and emphasis is expected to increase. In addition, it appears consumers continue to express concern for the environment, as well as the role their consumption plays in growing sustainable efforts. Therefore, continued observation and review of corporate actions, the reporting of these actions and research associated with these actions will remain important to corporate success.

ORGANIZATIONAL ADAPTATION: INTERORGANIZATIONAL RELATIONSHIPS AND ENVIRONMENTAL UNCERTAINTY

Paula W. Potter, Western Kentucky University

ABSTRACT

Researchers have advanced organizational adaptation theory arguing that the interaction of strategic choice and environmental determinism provides explanations for the adaptation process (Hrebiniak & Joyce, 1985). Recent research indicates that the organizational adaptation research domain still contain gaps (Abatecola, 2012). Although the research literature expands over several decades, the question of how organizations change remains to be one of importance to scholars. Organizational adaptation theory may be extended further by the proposal that environmental uncertainty and choice of interorganizational relationships may influence the adaptation process. Milliken (1987) differentiates the three types of environmental uncertainty, which are state, effect and response. Each type of environmental uncertainty holds implications for organizations in general and influences administrators' strategic choices in particular. Under each of the three different types of environmental uncertainty, state, effect and response, organizations may be more likely to enter interorganizational relationships depending on the fundamental contingencies of relationship formation.

MORAL LEADERSHIP FACTOR

Amber Quarles, Regent University

ABSTRACT

Leadership attributes and guiding moral principles were compared and contrasted throughout this paper based on the actions demonstrated by former Secretary of State, Condoleezza Rice and current Secretary of State, Hillary Clinton. While each of these prominent female figures possess different qualities that make them stand out, they seem to have a winning combination of common factors that enable them to excel in leadership strong desire to lead morally is displayed through their actions, as will be examined and demonstrated throughout this paper.

MORAL LEADERSHIP FACTOR: THE RICE-CLINTON COMPARISON

History has produced some interesting leaders for us to study. In the more recent years more and more of our political leaders have been female than in the past. While contemplating two prominent leaders of our time to compare and contrast, the fact that the children of the current generation have most frequently known the “Secretary of State” position to be held by a female, came to mind. Since my son was born eight years ago, the United States of America’s Office of the Secretary of State has been held almost exclusively by women. While Madeleine Albright, one woman “in pursuit of the American Dream” may have been the first female to hold this office, Condoleezza Rice and Hillary Clinton have broken even more barriers and have made momentous marks in this country’s history. What makes these two women remarkable? This paper will compare and contrast the personal attributes and characteristics of each of the women in an effort to answer the question, what sets them apart and makes them the President’s go-to woman in a world of such volatile foreign policy.

Condoleezza Rice

Rice is a soft-spoken African American female from “1950’s segregated Alabama” (Dallek, 2012). Although her early years took place in an era where Jim Crow Laws restrained her rights, her parents instilled in her a passion to dream big and that anything and everything she wished to accomplish was within reach (Harris, 2012). As Condoleezza’s parents inspired her to dream big they also taught her that leading a Christ centered life was also key. Her father, an ordained minister, raised her to have strong values and principles and to lead with those values close at heart, and that’s what she has always done making her one of the great moral leaders in America (Blunt, 2003).

While we are most familiar with foreign ministry issues where Condoleezza Rice is concerned her actions as shaping American foreign policy have been strongly influenced by her early life experience, which “have become a cornerstone in Rice’s political convictions about the importance of human dignity and individual liberty for all people” (Blunt, 2003 p. 43). One of the many traits that make Rice so strong in her faith and convictions is her understanding of

suffering and prayer. “Among the many gifts Condoleezza Rice’s dad gave her was his own example of persevering in sorrow while clinging to the God he loved, ‘even in his sickbed, he was still the spiritual leader’” (Blunt, 2003, p. 44). Following the September 11 attacks, because of her strength in faith and her moral convictions, Ms. Rice was able to be a leader in the fight against terror. At the National Prayer Breakfast in February following the attacks, Rice stated, “terror and tragedy have made us more aware of our vulnerabilities and morality . . . We’re living through a time of testing and consequence, and pray that our wisdom and will are equal to the work before us” (Blunt, 2003, p. 45). Rice’s faith and fortitude in this moment demonstrated sound moral leadership that was vital.

According to many (Blunt, 2003; Harris 2012; Dallek, 2012), Rice’s history with both Bush administrations, not only provides evidence of her strength in faith but also her strong belief in empowering people. During the first Bush administration Rice was instrumental in supporting the combining of nations, between East and West Germany, on their own terms helping them to fulfill their own destiny (Dallek, 2012). She pulled Stanford University out of debt as Provost within a two-year timeframe and although she was often looked at as “cold and uninclusive” she proved to be business oriented while at the same time a person who cared for others (Dallek, 2012). Her time at Stanford truly helped to shape her ability to deal with criticism well and prepared her for the upcoming work she would have within the second Bush administration, which will never be dismissed as a minor feat. The accumulation of skill and leadership ability formed throughout Rice’s academic and political life heavily determined the amount of trust the president put in her ability to advise decisions of national interest, making her his go-to person.

Hillary Clinton

Hillary Rodham Clinton has been portrayed in many ways; in Byron York’s *Getting to Know Her*, she is described as “an intelligent woman endowed with energy, enthusiasm, humor, tempestuousness, inner strength, [and] spontaneity in private” (York, 2007, p. 20). It’s a well-known fact that Hillary Rodham Clinton has not been dealt a simple hand when it comes to marriage, media, and the spotlight but it has also become obvious that she handles the pressure well.

According to the National First Ladies’ Library (2012) early on Hillary Rodham came from the home of devout Methodist parents. She entered in to the world of politics as a young conservative Republican from Illinois, inspired and drawn to politics after hearing a speech given by Reverend Martin Luther King, and followed her calling by campaigning for Republican presidential candidate Barry Goldwater in 1964 (National First Ladies’ Library). While attending college Rodham had numerous jobs including babysitting, working in an Alaskan canning factory, working for the Children’s defense fund, just to name a few. Her start in politics eventually led to her working for Democratic Senator Walter Mondale on the migrant worker subcommittee prior to attending Yale Law (Carlson, 1992; York, 2007). During law school Hillary worked in multiple capacities concerning child welfare, providing free legal services for the poor, etc... Following graduation from Yale she returned to Washington D.C. to work on “the presidential impeachment inquiry staff advising the Judiciary Committee of the House of Representatives during the Watergate Scandal” (National First Ladies’ Library). Once Nixon resigned and the Watergate Scandal ended Hillary relocated to Arkansas, home to Yale classmate

Bill Clinton, and began teaching along his side at the University of Arkansas Law School (National First Ladies' Library).

After moving to Arkansas, marrying Bill Clinton, being appointed by Jimmy Carter to the board of legal services corporation in 1978, becoming the First Lady of Arkansas (for 5 terms), followed quickly by becoming a partner in the Rose Law Firm, co-founding the Arkansas Advocates for Children and Families, and so much more she then became the First Lady of the United States, for two terms. Hillary Rodham Clinton truly made her mark on our country, crusading for healthcare reform, globally advocating gender equity, among many other issues (National First Ladies' Library).

So from where did her drive to lead in so many arenas come? Clinton has been a devout Christian throughout it all; Clinton's testament to how her faith has gotten her through her ups and downs has been no secret in politics. Clinton has played a very active role in the Church, she has been part of a secretive Capitol Hill group known as the Fellowship along with many other left and right-wing party members alike, not in an effort to win more votes, just in an effort to stay in touch with her own personal Christ centered beliefs, in an effort to lead morally. Clinton has openly acknowledged that she turned to Tillich's sermon on grace during the trying time she encountered as she publically faced her husband's infidelity (Joyce, 2007, p. 48). The prayer group she joined in 1993, with many other conservative Washingtonians including Susan Baker, Joanne Kemp, Eileen Bakke, and Grace Nelson, were her support system in faith for the eight years she was First Lady. Clinton truly believes that the key ingredient in her power is her diligent faith. "Throughout her time at the White House, Clinton writes in Living History, she took solace from 'daily scriptures' sent to her by her Fellowship prayer cell, along with Coe's assurances that she was right where God wanted her" (Joyce, 2007, p. 50). Clinton has since become a New York Senator followed by her current position as the U.S. Secretary of State and attributes it all to a divine calling to public service, making her an instrumental part of the president's foreign policy decision process.

Rice-Clinton Comparison

While former Secretary of State Rice seems to embody many transformational leadership characteristics and the current Secretary of State, Clinton, seems to follow an Authentic Leadership model there are many common threads that are woven into each style as has been demonstrated through their actions while in each respective position.

Table 1: Rice-Clinton Characteristics Comparison	
Rice Characteristics	Clinton Characteristics
Female	Female
Educated	Educated
Foreign Policy Expert	Foreign Policy Expert
Leadership Style - Transformational	Leadership Style - Authentic

Rice - Example of Transformational Moral Leadership.

Transformational leaders embody the 4 I's of transformational leadership which include: idealized influence, individualized consideration, inspirational motivation, and intellectual stimulation (Yukl, 2010). Rice is tied formidably to transformational leadership as a leader and as a committed follower. The idealized influence transference that took place during the Bush

administration while Rice stood watch as the Secretary of State was evident through her actions. Simultaneously the high correlation of trust that was also made evident through increased measures of self-efficacy demonstrated through performance during a volatile time was apparent.

Pioneered Transformational Diplomacy – An effort to advance democratic reform globally.

VPPs (Virtual Presence Posts) – Enables the U.S. to have a diplomatic presence in a foreign country without physically being there. A mixture of knowledge and proficiency among foreign and civil service officers abroad.

Clinton.- Example of Authentic Moral Leadership.

Authentic leaders are generally motivated, confident, and energetic; they are generally very driven toward a particular cause and are unwavering when it comes to mission fulfillment (Yukl, 2010). They are typically optimistic leaders that can overcome adversity and challenges set before them (Yukl, 2010). Their sense of values and integrity can often be traced to their own personal history and tied back to convictions established in the natural developmental process that occurs through life experience. Demonstrated through internalized values and beliefs Clinton's commitment to moral leadership is often seems to "transcend left and right with an ecumenical faith that rises above politics" (Joyce, 2007, p. 50). Some examples are as follows:

Children's Health Insurance Program – A federal initiative that provides health insurance for children whose parents are not afforded health insurance coverage on their behalf (.

Creation of "Vital Voices" – An initiative to support and promote women's involvement within their nation's political process (National First Ladies' Library).

CONCLUSION

Although Rice and Clinton are separated by party lines and take different approaches to leading, they are seemingly united in the fight to follow Christ's calling to help others. These two prominent female leaders have truly touched the lives of many in need and have encouraged many to follow in their footsteps. They have broken through barriers and have set the stage for many young Christian women to follow, not because they have a political appetite for glory but because they rejoice in following the path God has set for them. Because of them, many of our youth will not know, other than in history books, the glass ceiling that has been broken in the process of their triumph through Christ, but will instead see the power and fulfillment of Christ-centered leadership. "In asking God to guide her decisions, Rice told Newsweek. 'It's not as if you ask God, Should we try to take down the Taliban?' Rather, when Rice kneels at night, she often asks that God help her to 'walk in your way and not my own'" (Blunt, 2003, p. 45). It is obvious that each of these women are still actively fulfilling the path Christ has set for them and in doing so continue to make themselves the "go-to" female leaders they are today through moral leadership.

REFERENCES

Blunt, S. (2003). The unflappable Condi Rice. (Cover story). *Christianity Today*, 47(9), 42-48.

- Burke, J. P. (2005). The contemporary presidency: Condoleezza Rice as NSC Advisor: A case study of the honest broker role. *Presidential Studies Quarterly*, 35(3), 554-575. doi:10.1111/j.1741-5705.2005.00264.x
- Carlson, M., & August, M. (1992). A different kind of first lady. (Cover story). *Time*, 140(20), 40.
- Dallek, R. (2007, December 27). A woman of ambition, neither hero nor villain. *New York Times*. p. 11.
- Daniel, W. L., & Holladay, M. (2008, Winter2008). Church, state, and the presidential campaign of 2008. *Journal of Church & State*. pp. 5-22.
- Drezner, D. W. (2008). Twice as good: Condoleezza Rice and her path to power/Condoleezza Rice: an american life/the confidante: Condoleezza Rice and the creation of the Bush legacy. *Foreign Affairs*, 87(6), 166-167.
- First Lady Biography: Hillary Clinton. *National First Ladies' Library*. Google Scholar, n.d. Retrieved from <http://www.firstladies.org/biographies/firstladies.aspx?biography=43>
- Harris, P. (2012). Condoleezza Rice: heading for the White House? *The Observer* Retrieved from <http://www.guardian.co.uk/theobserver/2012/sep/02/observer-profile-condoleezza-rice>
- JACOB, H. (2008). Consent and advise. *New York Times Book Review*, 10.
- Hawkins, B. D. (2002). Condoleezza Rice's secret weapon. *Intercessors for America*. Retrieved from http://www.ifapray.org/archive/ScienceArtCulture/Science_Art_Culture_Archives/Condoleezza%20Rices%20Secret%20Weapon.html
- Joyce, K., & Sharlet, J. (2007). Hillary's prayer. *Mother Jones*, 32(5), 48-93.
- Rice, C. (2011). Best. deal. ever. *Newsweek*, 158(18), 33-35.
- SBC cheers Rice's speech on freedom. (2006). *Christian Century*, 123(14), 14.
- Sunderji, N. (2011). U.S. foreign policy in Africa: a public address by Condoleezza Rice. *Harvard Journal Of African American Public Policy*, 1775-77.
- York, B. (2007). Getting to know her. *National Review*, 59(11), 20-22.
- Yukl, G. (2010). *Leadership in organizations* Upper Saddle River, NJ: Prentice Hall.

COMPARING SOCIAL MEDIA ADOPTION: FORTUNE 500 VERSUS INC. 500 CORPORATIONS

Janet M. Ratliff, Morehead State University
Michelle B. Kunz, Morehead State University

ABSTRACT

This study examines the adoption of social media by Fortune 500 and Inc. 500 companies. Statistically significant differences were found regarding adoption of multiple social media, corporate ranking and gender influences. Fortune 500 companies have a higher adoption rate of social media than the Inc. 500 companies, with the exception of LinkedIn; 100% of the Inc. 500 companies while 90% of the Fortune 500 companies have adopted LinkedIn. The results indicate that 60% of the corporations have adopted multiple social networking sites/social media. Fortune 500 companies with larger revenues, (higher rank on list) were more likely to have adopted social media; rank was significant only for LinkedIn with the Inc. 500 corporations. Thus the overall size of the corporation is a positive influence in the adoption of social media. Gender of C-suite officers was significant in specific applications. Female Chief Marketing Officers were the only individual executive position which positively influenced social media adoption. Multiple female executives also positively influenced social media adoption.