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INTEGRATING LEADERSHIP THEORIES AND TEAM RESEARCH: A CONCEPTUAL FRAMEWORK BASED ON LEVEL OF ANALYSIS AND TYPE OF CONTROL

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ABSTRACT

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

INTRODUCTION

Leadership and team phenomenon are important and relevant topics in organizational studies. These two distinct areas of research have streams that address many of the same constructs and processes while dealing with productivity, communications, motivation, and other organizational issues. With such commonalities, researchers in each area can benefit from each other. Specifically we propose that our understanding of team phenomenon can be enhanced by incorporating many key concepts from the leadership literature.

We propose a leadership framework that segments the leadership research by level of analysis and by type of control used. Four distinct orientations toward teamwork research are proposed, also using the two dimensions of level of analysis and type of control. We propose that the leadership theories associated with each level of analysis and type of control can be used to provide much needed insight to those studying teamwork in contemporary organizations.

Furthermore, it provides a guide for practitioners as to which leadership perspectives can provide insight and guidance, taking into consideration their organization's use of teams and attitudes towards teamwork.

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

LEADERSHIP

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

Leadership and Levels of Analysis

Among the ways leadership research can be divided is along levels of analysis. Specifically, leadership is usually studied at only one level of analysis. Due to its complexity, some theorists have focused at the individual level (Lord, DeVader & Alliger, 1986) where others look at dyadic and group interactions (Dansereau, Graen & Haga, 1975; Hollander & Julian, 1970), while other researchers have emphasized the organizational and/or societal level (Chen & Meindl, 1991; Biggart & Hamilton, 1987; Selznick, 1957). To help understand the relationships between these fragmented research streams, we suggest that leadership theories should be clustered into two main groups -- micro level and macro level. Micro level theories are targeted toward individual, dyadic and small group phenomenon. Macro level theories are targeted toward organizational and societal level phenomenon.

Leadership and Control

Ever since Zaleznik (1977) asked if leaders and managers were different, researchers have been wrestling with various aspects of leadership versus management (Black & Westwood, 2004; DeMent, 1996). Some use these two terms interchangeably (Yukl, 1989) while others stress a difference between leaders and managers (e.g., Bennis & Nanus, 1985; Peters & Austin, 1985; Zaleznik, 1977). We agree with the distinction since we argue that these the two terms describe very different phenomenon. For example, consider that a person can be a leader without having the formal position of manager or, a person can have the formal position of manager and not really perform as a leader. To further exemplify this point, Zaleznik (1977) suggests that leaders are individuals who take fresh approaches, are not intimidated by high risk situations, and have a keen sense of who they are. Managers on the other hand, are mostly concerned with how things get done. Bennis & Nanus (1985:21) add that "managers are people that do things right while leaders are people who do the right thing."

Following this discriminating perspective, management is more rooted in the administrative theorist's notion of command and control (Fayol, 1949). A manager is most concerned with enforcing rules, having subordinates conform to existing policies, and exchanging rewards for the accomplishment of subordinates' tasks (Calanan, 2004; Brodbeck, 2002; Bass 1985). Leadership, on the other hand, is about meaningful interpersonal exchanges strengthened by subordinates who are willing to accept and actually cherish influence from their leaders in hopes of raising each other to greater levels of performance (Conger & Kanungo, 1987). This notion reflects the importance of leadership as being a process of influence between leader and follower (Hollander & Julian, 1970). Therefore, leadership is more inspirational. Leaders motivate, encourage and are instrumental in helping subordinates attain higher levels of accomplishment through inspired, intellectual stimulation geared to the individual's specific needs (Burns, 1978).

In our view, inspirational leadership refers to the process of influencing major changes in the attitudes of the organization's members and in building commitment for the organization's mission and objectives (Dionne, Yammarino, Atwater & Spangler, 2004; Yukl, 1989; Yukl & Van Fleet, 1982). This notion is consistent with what is referred to as transformational leadership. Berlew (1974) calls transformational leadership organizational excitement while House (1977) calls it charismatic leadership. Roberts (1985) believes that despite the different labels, the meanings are similar. Roberts (1985:1029) defines transformational leadership as "a vision of what could be and gives a sense of purpose and meaning to those who would share that vision, it builds commitment, enthusiasm and excitement". Further, transforming leadership is a leadership that facilitates the redefinition of a people's mission and vision, a renewal of their commitment and the restructuring of their systems for goal accomplishment. It is a collective process involving heightened activity (Roberts, 1985). Thus, transforming leadership fits very nicely with our description of leadership not management.

In contrast, the notion of transactional leadership has characteristics of both leadership and management. Transactional leadership is based on a social exchange process between the leader and his/her followers where the leader exchanges benefits to followers, in the way of direction and rewards, in turn for responsiveness (Hollander & Jullian, 1970). Similarly, transactional leadership is an exchange of rewards for compliance (Bass 1985). Here, the leader and followers agree on what needs to be done in order for the followers to be rewarded. Unfortunately, this style is limited in its motivational ability and in its power to raise subordinates to greater levels of achievement (Yukl, 1989). To this point, Bass, Waldman, Avolio & Bebb (1987) state that the transactional leader stresses contingent rewards and management-by-exception. The transactional leader, through an exchange with subordinates, emphasizes the giving of rewards if the subordinate meets agreed upon performance standards (contingency rewards). The transactional leader also practices the avoidance of corrective action (management-by-exception) as long as standards are being met (Bass, Waldman, Avolio & Bebb, 1987). However, the transactional leader may be a manager or a leader depending on the nature of the goals, procedures and rewards involved. If the leader stays within the excepted norms and precedents of the organization, using previously existing and accepted procedures and rewards to reach standard goals then he/she is a manager. If the leader uses (or more importantly, allows subordinates to use) unusual procedures and individualized and non-standard rewards to reach unique goals, then he/she is a leader. Therefore, in the remainder of this paper we will refer to the former as a transactional manager and the latter as a transactional leader.

In this section we have argued that a clear distinction can be made between leadership and management. Leaders exhibit inspiring behaviors while managers conform to existing rules, procedures and policies. To help clarify our thinking and provide further guidance to the field, we propose an integrative framework of leadership theories split along the two dimensions of level of analysis and type of control (see Table 1). Later this proposed framework will facilitate our discussion directed toward linking the ideas of leadership with team research orientation.

TABLE 1
An Integrative Framework of Selected Leadership Theories

	Micro Level of Analysis	**Macro Level of Analysis**
Conforming Management Control	Path-Goal Theory Social Exchange Out-Group Management In-Group Management Transactional Management	Institutional Theory Implicit Theories Transactional Management
Inspiring Leadership Control	Self-Leading Teams Management Substitutes In-Group Leadership Transactional Leadership Transforming Leadership	Charismatic Leadership Transactional Leadership Transforming Leadership

AN INTEGRATIVE FRAMEWORK OF LEADERSHIP THEORIES

Micro Level and Conforming Management

This quadrant illuminates theories that deal with managers who engage in transactional, conforming processes between themselves and with a small number of subordinates (Dionne, Yammarino, Atwater & Spangler, 2004; Bass 1985). To this point, path-goal theory focuses on the behavior of a leader and its influence on the satisfaction and performance of subordinates (House, 1971). According to House (1971:324) "the motivational functions of the leader consists of increasing personal payoffs to subordinates for work-goal attainment and making the path to these payoffs easier to travel by clarifying it, reducing roadblocks and pitfalls, and increasing the opportunities for personal satisfaction en route". Thus, the key criteria for path-goal are subordinate satisfaction and effort directed at attaining existing goals rather than stimulating effort beyond existing goals and expectations.

Consistent with conforming management, social exchange theory stresses the exchange of benefits and favors between leader and follower leading to their mutual attraction of each other. Social exchange can include not only material benefits, but also psychological benefits as well (Prati, Douglas, Ferris, Ammeter & Buckley, 2003; Blau, 1974). A leader who fails to show initiative and deal decisively with serious problems will lose esteem and influence, just as the leader who proposes actions that are unsuccessful (Yukl, 1989).

Also in this quadrant, LMX (leader member exchange) or vertical dyad linkage theory keys on the idea of social exchange and suggests that the leader has different types of relations with subordinates. Vertical dyad linkage not only involves downward relationships between leader and subordinate, but also includes upward relationships between that leader and his/her boss. Results of studies suggest that a leader's ability to establish favorable in-group relationships with subordinates was affected by his/her ability to establish favorable relationships with his leader (Cashman, Dansereau, Graen & Haga, 1976). Moreover, leaders having favorable upward relationships with their bosses were described by their subordinates as being more technically competent, providing more valuable information and being more permissive in participative decision making, and providing more support and consideration to subordinates (Cashman, et al., 1976). Thus, vertical dyad theory is most concerned with dyads between certain individuals within the organization's structure. The leader has two basic types of relationships with subordinates, an in-group and an out-group. In-group exchanges are characterized by reciprocal influence, mutual trust, respect, liking and a sense of common fates (Duchon, Green & Taber, 1986). The in-group is usually a small number of trusted employees who serve as advisors, assistants and confidants (Dansereau, et al., 1975). The out-group exchanges fail to exhibit the level of trust, respect or common fate that characterize in group exchanges (Duchon, Green & Taber, 1986). The in or out-group relationships are established very early in the history of the dyad between leader and subordinate and is usually based upon personality compatibility and subordinate expertise (Graen & Cashman, 1975). This special type of relationship with the in-group is very important and often proves beneficial by providing the leader with commitment and assistance in attaining goals. The exchange relationship established with the remaining subordinates (out-group) often has a relatively low level of mutual influence and is more based upon the exercise of authority. To satisfy the terms of the relationship, out-group members merely comply with formal role requirements (e.g., rules).

We believe that the relationship between the leader and the out-group is a conforming management relationship. The relationship between the leader and the in-group is not as clear. There, the leader's relationship with any particular in-group member may be as a manager or as a leader depending on the nature of the goals, procedures and rewards involved. If the leader stays within the excepted norms and precedents of the organization, using previously existing and accepted procedures and rewards to reach standard goals then he/she is a manager. On the other hand, if the leader uses (more importantly, allows subordinates to use) unusual procedures and individualized and non-standard rewards to reach unique goals, then he/she is a leader. We will refer to the former as in-group management and the latter as in-group leadership.

Macro Level and Conforming Management

This quadrant focuses on theories which highlight overarching structures and norms as well as the implicit theories of leadership. Following Barnard (1938), Selznick (1957), and Katz & Kahn (1978), leadership is embedded and legitimized within the social context of an institution's structure and its meanings. According to Selznick (1957:39), the organization is "a technical, rational, impersonal, task oriented formal system...infused with values". Barnard (1938) emphasized the overarching influence organizations have as social structures and therefore, the need for those managing these institutions to lead within these overarching structures and norms. Moreover, Barnard (1938) viewed the organization is a tightly linked social system requiring cooperation between managers and followers.

Following this thinking, Biggart & Hamilton (1987) argue against individual attributes and small group phenomenon which we have defined as micro level. They argue instead for a Weberian approach which links leadership to the legitimating norms of the overarching social structure (Weber, 1947). Chen & Meindl's (1991) study of People Express support this position by suggesting that leadership is socially constructed. In the Chen & Meindl (1991) study, the media constructed images and expectations for People Express' top manager. This social construction of management often reflects our own implicit theories regarding the roles management should perform. Implicit theories tend to bias and distort an individual's perception and description of a leader's behavior. Most organizational members believe that it is management's task to motivate and drive organizational members to conform to policies and toward attainment of established goals (Bass 1985).

Finally, we have included transactional management at both the micro and macro levels of analysis. Fixed contingent rewards cross several organizational levels. A policy of giving division-wide bonuses for reaching a goal is a good example of transactional management at a macro-level. Indeed, many contingent reward systems for lower level employees are approved by and set up under the direction of upper management. This often leaves the employees' immediate superior little discretion regarding rewards. Similarly to that of rewards, the procedures used by employees and the goals they strive for may be set by those several levels above them in the hierarchy.

Macro Level and Inspiring Leadership

This quadrant refers to leadership which is inspiring and has a wide ranging impact at the level of the organization and with society. Central to this quadrant is the idea of charismatic leadership, which describes leaders who inspire others and who have a profound and extraordinary effect on followers, enabling them to accomplish outstanding feats (Gillespie & Mann, 2004; House, 1977). There is strong empirical support with regard to powerful, inspiring leaders and their ability to shape the attitudes and behaviors of subordinates. For example, Yukl and Van Fleet (1982) conducted a multi-situational, multi-method study to identify effective patterns of leadership behavior between Air Force officers and their newly trained cadets. They found that inspiration is especially relevant when a high degree of subordinate effort and commitment are needed for successful completion of a group's mission. An effective leader was one who was able to motivate subordinates to risk their lives and put forward the special effort needed to succeed against overwhelming odds. They conclude that this kind of commitment can be obtained with skillful inspirational behavior which appeals to subordinate values and ideals and is critical in building strong commitment to the organization's mission.

Charismatic leaders possess certain traits, such as extremely high levels of self-confidence, and employ various behaviors such as vision articulation and excitement about their vision (House, 1977). This ability to arouse deep emotional attachment between themselves and their followers enables charismatic leaders to become the key catalyst in creating a powerful, shared strategic vision for the organization. In doing so, charismatic leaders create organizational excitement and inspiration (Yukl, 1989). Charismatic leaders advance a radical vision of change which urges followers to break free from the constraints of existing organizational norms. Paradoxically, once radical change has been accomplished, a new set of routines and norms are established. As a result of their twenty year study, Trice & Beyer (1986) concluded that charismatic leadership is a wide-spread phenomenon, embedded within and subsequently routinized by the entire organization. That is, at the macro level, an administrative apparatus along with thoughtful rites and ceremonies are needed to put the leader's vision and mission into practice.

The role of transformational leaders in modern organizations is more complex than in the past. The ‘heroic leader’, that inspirational figure that has all of the answers, has given way to shared responsibility (Dutton, 1996). Warren Bennis argues that we are moving away from charismatic individuals and towards 'great groups' (Bennis & Powell, 2000). However, others argue that transformational leadership is even more necessary in providing guidance and a shared vision in an environment that is allowing more and more worker autonomy (Druskat & Wheeler, 2004; Dionne, Yammarino, Atwater & Spangler, 2004).

Micro Level and Inspiring Leadership

This quadrant illuminates inspiring leadership at the individual, dyad, and small group levels. Theories here emphasize that many of the organization's members have an opportunity to become an inspiring leader. The current emphasis on employee empowerment and reduced hierarchical control makes these opportunities more numerous. Thus, a subordinate's ability, training, education, experience, and professional identification enable them to lead themselves (Kerr & Jermier, 1978). A cohesive group, interesting tasks, and tasks which supply immediate feedback also reduce the need for external leadership pressures (Druskat & Wheeler, 2004; Manz & Sims, 1987). Unfortunately, the literature fails to differentiate between leadership and management, or specify the role of transformational management (Dionne, Yammarino, Atwater & Spangler, 2004). We argue that inspiring self-leadership is not concerned with directing oneself or with directing others to merely conform to established processes and norms. Rather, self-leadership and substitutes for external leadership are concerned with behaviors which raise the level of achievement beyond the organizations existing goals and expectations (Roberts, 1985).

A DIVERSITY OF TEAM RESEARCH ORIENTATIONS

Team Work

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

We believe that a linkage between the leadership and team literatures can further enhance our understanding of both areas. In order to facilitate this integration, first we consider the level of analysis and propose that researchers interested in teamwork can split the phenomenon at the macro and micro levels (see Table 2). The split we make separates those who study organizations that use teams (the macro level) and those who study team processes (the micro level). At the micro level we also consider two orientations toward team work: i) The 'Standard Team' orientation describes researchers investigating teams whose purpose and procedures are pre-determined and/or easily established. ii) The 'Unique Team' orientation characterizes those researching teams whose purpose and procedures are initially ill defined and where their processes are new to the organization. At the macro level we propose two orientations: iii) The 'Team Utilizing' orientation is where the researcher is exploring teamwork in organizations where the use of teams is occasional. iv) A 'Team-Based' orientation characterizes where the researcher is interested in organizations where team work is widespread and a core component of the organizations' strategy. In the following sections we integrate selected leadership theories into these four distinct team orientations in order to provide additional insight on ways to improve research on organizational teams (see Table 3).

TABLE 2: Linking the Four Team Research Orientations to Leadership & Management

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

TABLE 3: A Map of Four Team Research Orientations to Selected Leadership Theories

Team Research Orientation	**Leadership Theories**
Standard Team Research Orientation	Path-Goal Theory Social Exchange Out-Group Management In-Group Management Transactional Management
Unique Team Orientation Research Orientation	Self-Leading Teams Management Substitutes In-Group Leadership Transactional Leadership Transforming Leadership

TABLE 3: A Map of Four Team Research Orientations to Selected Leadership Theories	
Team Research Orientation	**Leadership Theories**
Team Utilizing Research Orientation	Institutional Theory Implicit Theories Transactional Management
Team Based Research Orientation	Charismatic Leadership Transactional Leadership Transforming Leadership

Standard Team Research Orientation

The standard team orientation applies to teams where the structure, the methods and procedures, and the function, goal or purpose of the team are fixed or easily determined. Within this area are teams with both a short-term and a long term nature. These are the primary types of teams found in traditional organizations with command-and-control type hierarchies (Callanan, 2004; Brodbeck, 2002; Taborda, 1999). The short-term or temporary teams are formed for a specific task or time period and disband when the time period or task is completed. The long-term team stresses the more permanent nature of work teams compared to previous notions of occasional, ad hoc committees or informal groups (Paulus, 1989).

Researchers with a standard team orientation can gain considerable insight into team leadership by considering path-goal theory. Path-goal emphasizes the ways managers can get subordinates to attain existing goals but not toward the ways a leader can stimulate extraordinary subordinate performance (Miner, 1980). The research on path-goal theory has yielded mixed results, but many of the studies have found some support, particularly that directive leadership can increase subordinate satisfaction (Miner, 1980). Social exchange and transactional management also deal with moving subordinates towards attaining existing goals through the use of material and psychological rewards.

Long-term team researchers might consider LMX theory, where the in-group and out-group are established early and remain relatively stable over long periods of time. LMX can add insight into the establishing and maintaining of roles within teams, subgroup formation and the difficulties associated with joining and leaving teams.

Leadership has already been linked to groupthink. Groupthink is a "mode of thinking that people engage in when they are deeply involved in a cohesive group, when the members striving for unanimity overrides their motivation to realistically appraise alternative courses of action" (Janis, 1972:8). To avoid group think, team leaders must serve as critical evaluators and apply techniques such as devil's advocacy and dialectical inquiry (Janis, 1972). It often occurs in the same situations where LMX is particularly applicable, permanent work team assignments with the same members. Therefore, LMX may add insight into the groupthink phenomenon.

Unique Team Research Orientation

Leadership, or self-leadership, is clearly a key component of self-managed, self-organizing teams. In many contemporary organizations, self-leading work teams are a group of interdependent, highly skilled employees responsible for directing the work that they do (Ray & Bronstein, 1995). Even in organizations dominated by traditional command and control hierarchies there is a call for self-organizing teams or 'pockets of excellence' (Brodbeck, 2002). In this regard high performing teams are a catalyst for growth (Wang, 2005) and facilitate organizational change (Brodbeck, 2002). Empowered employee teams combine individual expertise in order to create more innovative solutions (Wilson, 1995). The concept of a self-leading team does not mean a lack of leadership. Instead of a leader being appointed by someone outside the group, it emerges, or comes about through election by the team's membership (Hollander & Julian, 1970). Manz & Sims (1987) found that leaders emerged in what were intended to be leaderless groups and these leaders served to provide encouragement and inspiration to team members. We believe that by incorporating transforming leadership into the self-leading team research it will add insight into the role of the emerging leader and in the act of building group commitment. Likewise transactional leadership can be helpful by highlighting the use of unusual procedures and non-standard rewards to reach unique goals.

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

Team Utilizing Organization Research Orientation

In many organizations the use of teams is the exception rather than the rule. The teams that do exist in these organizations may be permanent, such as standing committees, or temporary, as in task forces. Much is known regarding the advantages of teams (Nurmi, 1996). For example, groups tend to perform better than individuals when the complexity of the task is high since individuals are bounded by intellectual and information-processing capabilities (March & Simon, 1958). Groups have the advantage since they offer a diverse pool of skills and information (Ray & Bronsein, 1995). We know, however, that groups take more time to make decisions than do individuals. This is especially true when groups rely on normative, rational decision making processes compared to individuals who often rely on more timely, heuristically based processes (Allison, 1971; March & Simon, 1958). There is also the danger that individuals in work teams may not expend as much effort in the group setting as they would have if they were working alone (Latane, 1981). However, this dysfunction of social loafing can be remedied if individual effort can be identified (Latane, 1981). The study of transactional management at the macro level, through the setting up of wide-spread contingent reward policies, may add insight into actions such as social loafing. Moreover, institutional theory may be helpful toward further understanding when and how teams can be effectively used particularly if this is the accepted norm within the organization.

Finally, the internal dynamics of work teams may also be affected by their assumptions about the views and functions of top management. For example, the members of a work team may think that top management is generally unsupportive of team approaches and is not living up to its obligation to provide resources and guidance in determining goals and procedures. The members of another team may view management as being supportive, see it is a responsibility of the team to find their own resources, and appreciate the flexibility that they have in determining their direction and methods. The performance of these two teams will be different. Examining the implicit theories of leadership held by group members would give the researcher insight into their behavior.

Team Based Organization Research Orientation

In the team-based organization the use of teams is regarded as the organization's best way of utilizing its human capital and in developing long-term competitive advantage (Calanan, 2004; DeMent, 1996; Barney 1991). To this point, Manz & Sims (1987) suggest that increased productivity is typically the reason to implement a team system. The assumption is that teams are capable of dealing with rapid changes, various constituent needs, heterogeneous skills and knowledge, and are able to develop unique and valuable products. To this point, team-based organizations are groups of organizational actors combined to create a "collective mind" (Weick & Roberts, 1993:359). Compared to the solitary, individualistic approach, a collective mind implies that there is an intense interrelationship between actors creating shared understandings and knowledge, useful for dealing with organizational uncertainty (Weick & Roberts, 1993). Moreover, it is believed that these self-directed teams, which are based on shared knowledge and understandings can dramatically increase organizational productivity and efficiency (Ray & Bronstein, 1995).

In team based organizations traditional leader attention to individual power and achievement needs to be replaced by collaboration and communication skills (Calanan, 2004) and emotional intelligence (Prati, Douglas, Ferris, Ammeter & Buckley, 2003). For the widespread use of teams to be effective in an organization the members must be convinced of its feasibility and management's commitment to its success. This approach requires a shift from transactional to transformational leadership, DeMent, 1996). By incorporating the important notions of charismatic and transformational leadership much insight can be gained of commitment and beliefs of employees. The specific link between transformational leadership and team performance has received little attention (Dionne, Yammarino, Atwater & Spangler, 2004)

Groups in team based organizations are becoming functionally more diverse as organizations seek more synergistic solutions to problems. Work teams are also becoming much more culturally, racially, and gender diverse (Wilson, 1995). Institutional and social pressures continue to push organizations to embrace a multicultural and multi-gender workplace, therefore, work teams will continue to be more heterogeneous. Thus reward systems must respond to these various inter- and intra-group differences. Transactional leadership, which deals with the use contingent rewards, can be particularly powerful in shedding light in this area.

CONCLUSIONS

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

We believe that our approach to leadership can be especially fruitful in better understanding the growing literature on teams. The current emphasis on teams demands more insight and better research approaches. There is a wide variety of team research. Researchers differ in the perspectives they take and therefore in the aspects of leadership that they explore. To organize and shed light on these different perspectives we propose four orientations towards team research. These orientations are split along the same lines as the leadership framework.. By using the same dimensions we can match leadership theories from the leadership framework with the team research orientations, which we believe is the best way to use leadership theories to advance team research.

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

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

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GENDER BIAS AND COMPENSATION IN THE EXECUTIVE SUITE OF THE FORTUNE 100

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ABSTRACT

The current study examines two gender-related phenomena, the existence of a glass ceiling and the magnitude of a gender pay gap, with respect to the upper echelons of management in the Fortune 100 companies. The results show that the glass ceiling is far from being shattered in the executive suite of the nation's largest companies as women currently hold only 5.8 percent of the top positions. However, the glass ceiling is showing signs of weakness as this represents twice the rate from just a few years ago. For women having reached the top levels of management, no gender pay gap exists as females overall are paid virtually the same as their male counterparts. These findings suggest that, when appointing and rewarding key executives, many corporate boards rightfully recognize that employee value and ability trump gender. Perhaps this gender-neutral tone at the top will serve as a beacon for the elimination of gender bias at all levels of employment.

INTRODUCTION

Three terms, the glass ceiling, comparable worth, and the gender pay gap, have commonly been used to describe some of the challenges women face in the workplace. The glass ceiling represents a "metaphorical barrier preventing women from rising to the highest organizational levels (Daily and Dalton, 1999, p. 4)." Catalyst, a New York based organization dedicated to the advancement of women in business, notes that only 61 (2.5 percent) of the 2,458 most highly paid executives in the Fortune 500 companies are women (*Women's International Network News,* 1998). Male executives surveyed by Catalyst noted that lack of experience is the primary reason women are advancing to top management positions in such low numbers. Although female managers responding to the same survey stated that lack of experience is a stumbling block for women, they believed it was secondary to "male stereotyping" of women as the top impediment to corporate advancement for women (Leonard, 1996).

Comparable worth is a term frequently used inappropriately to describe the general notion of equal pay for equal work. In reality, comparable worth does not deal with equal pay for equal work but rather equal pay for equivalent, yet different, work. Comparable worth implies that differential wage rates for predominantly male occupations (e.g., construction work) and female occupations (e.g., clerical work) are a subtle form of wage discrimination that undervalues traditional female occupations (Jennings and Willits, 1986). Advocates of comparable worth argue that salaries should be equal for jobs that provide equivalent value to an organization, despite differences in skills, education, working conditions, or responsibility. The problem with comparable worth is how does one determine the equivalent value to an organization?

Implementing comparable worth pay scales typically requires government intervention and the results often lead to surpluses in some fields and shortages in others. Weidenbaum (1999) notes that the most extensive use of comparable worth has been in the public school systems where teachers are paid not according to the subject areas taught but according to their seniority and level of education. Thus, science teachers are paid the same as gym teachers, which results in a shortage of science teachers and a surplus of gym teachers. Although a noble concept, opponents of comparable worth believe that market forces, not government intervention, are best suited for setting the value of occupations.

The gender pay gap refers to the notion that men on average earn more than women. Blau and Kahn (2000) note that the weekly earnings ratio of full-time female workers to male workers was constant at about 60 percent from the late 1950's to 1980. This gender pay ratio began to rise in the early 1980's and by 1995 it had climbed to about 75 percent. However, the ratio's upward progression appears to have stalled around 1995, and significant gains have not occurred since that time (Blau and Kahn, 2000). The gender pay gap and gender pay ratio typically relate to the overall population of female and male workers and not to workers in specific occupations.

The current study examines two of the above issues, the glass ceiling and the gender pay gap, in relation to one very important subset of the U.S. workforce (i.e., executive officers for Fortune 100 companies). Being a top executive in a Fortune 100 company represents the zenith in terms of workplace accomplishments. If women have penetrated this elite group of corporate management in significant numbers, then a strong argument could be made that the glass ceiling has been shattered. Similarly, the size of the gender pay gap within this group would send an important message to the rest of Corporate America. A significant gender pay gap would suggest that women, even though they hold key positions within an organization, are not valued by the organization as highly as their male counterparts. A relatively small or nonexistent gender pay gap within this group would suggest that women executives are viewed on an equal footing with their male counterparts in terms of their value to the company.

LITERATURE REVIEW

Much of the literature on gender issues in the workplace addresses the moral and social consequences of comparable worth programs. A similar line of research examines gender pay inequality due to labor market segmentation caused by males and females filling traditional roles (e.g., males earning more as construction workers than women do as clerical staff). Some of the studies examining comparable worth issues and labor market segmentation include Solberg, (2004), Altman and Lamontague (2003), Le and Miller (2001), Wooden (2000), Blau and Kahn (1999), Hall et al. (1999), Grider and Shurden (1987), and Jennings and Willits (1986). More relevant to the current study, however, is research examining the glass ceiling and the gender pay gap.

Glass Ceiling Literature

Perhaps the most significant research concerning the glass ceiling was performed by Morrison et al. (1992) through the Center for Creative Leadership. In 1987, they concluded a three-year study of female executives in Fortune 100 sized companies and published their results in a book entitled *Breaking the Glass Ceiling: Can Women Reach the Top of America's Largest Corporations?* Their research made the phrase "glass ceiling" almost a household term. Morrison et al. (1992) note that many women have paid their dues for a top-level position only to find a glass ceiling between them and their goal. This glass ceiling is not a barrier based on one's ability to handle a job. "Rather, the glass ceiling applies to women as a group who are kept from advancing higher *because they are women* (Morrison et al., 1992, p. 13)." Fueled partly by the results of the Morrison et al. study, legislation now exists to alleviate the glass ceiling problems. For example, Congress passed the Civil Rights Act of 1991 to increase protection of women and people of color against prejudices in promotion, hiring, and workplace relations. The Department of Labor's "Glass Ceiling Initiative" provides guidelines for federal contractors to ensure that barriers into management for women and people of color are eliminated. These guidelines have been enforced since early 1992.

The question remains, though, whether the glass ceiling has been cracked. A 1998 Catalyst census of outside directors for Fortune 500 companies showed that 86 percent of these corporate giants had at least one woman serving as a board of director, and more than 37 percent of the companies had more than one female director (*Christian Science Monitor*, 1998). Still, however, the overall percentage of women board members had reached only 11 percent, despite the fact that more than half the work force is now female.

A more telling sign of the glass ceiling's existence can be determined by examining women's membership in the elite inner circle of corporate executives and vice presidents. As noted earlier, a 1998 *Woman's International Network News* article reporting on 1997 data revealed that women held only 2.5 percent of the 2,458 executive officer positions in Fortune 500 companies. These results are somewhat dated and lead to the first research question addressed in the present study. That question is:

> *Does it appear based on current data that the glass ceiling has been broken and women are making significant inroads into the echelons of top management at major corporations?*

Gender Pay Gap Literature

The literature provides conflicting results concerning the current status of the gender pay gap. For example, Brewer (1998) notes that a survey of 4,585 members of the American Management Association revealed that the number of women in policy-making positions increased at more than twice the rate of men since 1990. However, the female managers' salaries stilled lagged far behind their male counterparts, and the gap was even wider at senior levels of management.

Philpott (2002) noted that the gender pay gap for workers overall widened from 18.4 percent in 2001 to 18.8 percent in 2002. He noted that the gap widened in 2002 largely because male workers were given more generous bonuses than were their female counterparts. Lips (2003) reported on a 2001 General Accounting Office (GAO) study focusing on managers' salaries within a group of ten industries between 1995 and 2000. The GAO study, which controlled for education, age, marital status, and race, found that women earned less than men in both 1995 and 2000. In seven of the ten industries studied, the gender pay gap actually increased between 1995 and 2000. Daily and Dalton (1999) reported on a Catalyst study of male and female executive officers of Fortune 500 companies and noted that the female officers earned only 68 percent of their male counterparts' salaries. This pay differential existed even after controlling for size of company and years of service.

Despite the above studies reporting the existence of a significant gender pay gap at virtually all levels of employment, other studies suggest that the gap has narrowed substantially in recent years. For example, Weidenbaum (1999) states that the gap has almost disappeared, especially for males and females with equal education and levels of experience. As a case in point, he states that women aged 27 to 33 with no children earn 98 percent of the wages of childless men in the same age category.

An *HR Focus* (2000) article cites two studies suggesting that the gender pay gap has been largely eliminated. One study reported that, when educational choices are considered, women earn 94 percent of men's salaries. Another study showed that childless women made 95 percent of men's wages. Renner et al. (2002), in a study based on 1997 data on compensation of executive officers for Fortune 500 companies, found that annual executive pay was a function of company performance, company pay scale philosophy, company size, industrial sector, and executive responsibility. Executive pay, however, was not related to gender.

The results of the Renner et al. (2002) study run counter to those of the Catalyst study presented by Daily and Dalton (1999) and provide the primary motivation for the second research question in the current study. More specifically, the two studies provided conflicting results concerning gender-based pay inequities for corporate executives working for the nation's largest companies. The Renner et al. (2002) study reported that no gender pay gap existed at the highest levels of corporate management, while Daily and Dalton (1999) reported that a significant gender pay gap existed for this same group. Thus, the second research question in the present study asks:

Based on current data, does a gender pay gap exist in the upper echelons of management at the nation's largest corporations?

METHODOLOGY AND DATA COLLECTION

To answer the two research questions posed above, the gender and compensation of the top management team for the Fortune 100 companies were collected for 2001, 2002, and 2003. The Fortune 100 companies were chosen because they represent the nation's largest companies. Since the purpose of this study was to examine gender issues at the highest level of employment, the executive officers of the Fortune 100 companies represent a unique and fairly consistent data set. It is consistent in that the officers would be quite similar in terms of experience and education.

The Securities and Exchange Commission (SEC) requires that each registrant publish in its proxy statement the compensation of at least the five highest paid executives. For each of these five highly paid executives, the proxy statement contains annual compensation broken down into three components (i.e., base pay, bonuses, and other compensation). Because chief executive officers (CEOs) are typically paid much more than the other members of the top management team, the sample was stratified into two subsets, with one containing CEOs and the other containing non-CEO executive officers. For statistical analyses, these groups were further subdivided by gender. To determine if a gender pay gap exists, comparisons were made between the summary statistics of the male and female groups of officers using both parametric and nonparametric tests.

RESULTS

Table 1 provides summary statistics on compensation for the CEO and non-CEO groups that include both men and women. The sample includes 100 CEOs and 416 non-CEO officers. Three interesting points emerge from the descriptive statistics in Table 1. First, notice how much more highly paid the CEOs are than their non-CEO counterparts. For example, the median total compensation package for CEOs in 2003 was $3,690,344 compared to a median of $1,354,210 for non-CEOs. Second, a great deal of diversity in pay exists even within each pay group. As an example, for CEO total compensation in 2003, the pay ranged by over $3,000,000 just between the 25th percentile and the 75th percentile (i.e., from $1,990,210 to $5,121,420, respectively). Third, notice the significant impact bonuses have on the total compensation package for both CEOs and non-CEOs. For example, the median base pay for non-CEOs in 2003 was $559,359, but this figure jumped to $1,312,999 when bonuses were included.

Table 1: Descriptive Statistics of Annual Compensation for CEO and Non-CEO Officers of Fortune 100 Companies

	2001a	2002a	2003a	2001b	2002b	2003b	2001c	2002c	2003c
CEOs:									
Mean	$1108	$1182	$1228	$3352	$3623	$4111	$3522	$3904	$4375
75 % tile	$1267	$1328	$1430	$4354	$4581	$4985	$4457	$4862	$5121
Median	$1000	$1042	$1118	$2505	$3081	$3449	$2629	$3568	$3690
25 % tile	$ 914	$ 981	$ 995	$1475	$1850	$1891	$1525	$1933	$1990
Non-CEOs:									
Mean	$ 525	$ 569	$ 625	$1452	$1694	$1854	$1503	$1872	$1947
75 % tile	$ 602	$ 662	$ 700	$1450	$1625	$1937	$1578	$1739	$2101
Median	$ 475	$ 500	$ 559	$1006	$1103	$1313	$1062	$1177	$1354
25 % tile	$ 399	$ 425	$ 460	$ 667	$ 772	$ 850	$ 694	$ 735	$ 889

All amounts are in thousands.
a=Base pay
b=Base pay plus bonus
c=Base pay plus bonus plus other (i.e., c=total compensation)

The Glass Ceiling

Determining whether the glass ceiling has been breached can best be evaluated by examining both the number of women currently holding key executive positions and how this number has changed in the recent past. The data in the current study revealed that only three of the Fortune 100 companies were led by women CEOs in 2003. The three companies were Hewlett Packard, Mirant, and Lucent Technology. Obviously, this represents a very small minority of women in the top spot among the nation's largest companies, and it suggests that women still have a long way to go before the glass ceiling is shattered. However, this small number of women CEOs does not tell the whole story.

To determine if significant inroads have been made by women into the rank of CEO, the current level must be compared to a prior year. Although no previous studies were located that examined CEOs for the Fortune 100 companies, Daily and Dalton (1999) reported on CEOs for the Fortune 500 companies for several periods. Only two of the Fortune 500 companies were led by women in 1987; by 1996, almost a decade later, that number had not changed as only two Fortune 500 companies had female CEOs.

Even though the current study examined Fortune 100 companies (not the Fortune 500), a comparison can be made of the percentages of women CEOs in the two sets of data. More specifically, both groups represent the largest companies in the country, and there is no *a priori* reason to believe that one group (i.e., Fortune 100 or Fortune 500) would have a different proportion of women CEOs than the other group at a given point in time. The Daily and Dalton (1999) study reported that two female CEOs (or .4 percent of the total) led the largest 500 companies in 1996. In 2003, three women (or 3 percent of the total) led the top 100 companies. A two-sample proportions test of these two percentages revealed that they differed at a statistically significant level (alpha=.009). Thus, even though women do not currently hold the rank of CEO in large numbers, the rate at which women hold this position has increased significantly since 1996.

Excluding CEOs, women held 24 (5.8 percent) of the 416 executive officer positions reported in the 2003 proxy statements of the Fortune 100 companies. Again, this suggests that the glass ceiling is far from being shattered; however, a comparison with the number of female representatives in the executive suite from just a few years ago reveals significant improvement. For example, Renner et al. (2002) examined the highest paid non-CEO officers reported in the proxy statements for the Fortune 500 companies in 1997 and found that only 51 (2.6 percent) of the approximately 2000 officers were women. Note that the percentage of women non-CEO executives for the Fortune 100 companies in 2003 of 5.8 percent was more than double the percentage (2.6 percent) of female officers for the Fortune 500 companies in 1997. A two-sample proportions test revealed that these percentages differed at a statistically significant level (alpha=.0006). Thus, even though the vast majority of top management positions continue to be held by men, the glass ceiling seems to have slight crack, and more importantly that crack appears to be growing at a significant pace.

The Gender Pay Gap

To determine the existence of a gender pay gap at the top levels of corporate management, the groups of Fortune 100 CEOs and non-CEO executives were subdivided according to gender. Table 1 shows that the 2003 median total compensation for all 100 CEOs was $3,690,344. The 2003 total compensation amounts for the three female CEOs were $4,481,282 (Lucent Technology), $3,426,477 (Hewlett Packard), and $970,017 (Mirant). Thus, one female CEO earned almost $800,000 more than the median for the group; a second one earned very close to the median, while the third woman CEO earned substantially less than the median. Obviously, no statistical analysis could be performed on a sample of three. However, given the diversity of the three amounts, there is no reason to believe that the compensation awarded to the female CEOs was related to their gender or materially different from the amounts earned by the male CEOs

A more meaningful analysis could be made of the compensation for the non-CEO executives because of the larger number of females in this group (i.e., 24 women and 392 men in 2003). Table 2 provides the means and medians for the total annual compensation for the male and female non-CEO groups for all three years (2001, 2002, and 2003). Also provided in Table 2 are the gender pay ratios based on the means and medians for each year. For a given year, the gender pay ratio simply represents the female compensation amount divided by the male compensation amount. Notice for the means that the gender pay ratio was slightly less than one for each of the three years; thus, based on the means as a summary measure of the groups, women executives were paid less than their male counterparts. Interestingly, when using medians to represent the groups, the gender pay ratio exceeded one for all three years, which suggests that female executives, overall, earned somewhat more than their male counterparts. However, other than simply an interesting result, these gender pay ratios provide little useful information because the differences in the ratios do not lend themselves to testing for statistical significance.

Table 2: Descriptive Statistics of Total Compensation for Male and Female Non-CEO Officers of Fortune 100 Companies

	2001	2002	2003
Panel A (data for means):			
Mean female non-CEO compensation	$1,301,003	$1,780,731	$1,792,394
Mean male non-CEO compensation	$1,514,020	$1,876,763	$1,956,002
Gender pay ratio based on means	.859	.949	.916
t-statistic	.5225	.1467	.3141
(alpha level)*	(.6013)	(.8833)	(.7009)
Panel B (data for medians):			
Median female non-CEO compensation	$1,163,334	$1,335,577	$1,432,709
Median male non-CEO compensation	$1,043,626	$1,166,000	$1,354,210
Gender pay ratio based on medians	1.115	1.145	1.058
Number of times female compensation was:			
less than male median	7	8	12
greater than male median	12	13	12
(alpha level)**	(.1796)	(.1917)	(.5806)

* alpha level is for a parametric unpaired t-test of the mean female compensation compared to the mean male compensation.
** alpha level is for a nonparametric one-tailed median test.

More important than the gender pay ratios, Table 2 also presents the results of tests conducted to determine whether the summary measures (i.e., means and medians) differed between the groups of female and male executives at statistically significant levels. A parametric unpaired t-test of the differences between the female and male mean compensation amounts within each year revealed that the means did not differ at statistically significant levels for any year (i.e., alpha levels for 2001, 2002, and 2003 were .6013, .8833, and .7009, respectively). A nonparametric test must be used when comparing medians between two groups. In this case, a one-tailed median test was used to determine the number of times the actual compensation of female executives fell either above or below the median compensation amount for the male group. Unlike the t-test for means, which examines magnitude or size, the median test simply measures the direction or randomness of occurrences.

Table 2 presents the results of the median test and shows that a statistically insignificant difference existed in each of the three years. For example, in 2003, notice that the median total compensation for male non-CEO officers was $1,354,210 and that 12 female non-CEOs earned less than this amount while the other 12 female non-CEOs made more than the male median. The alpha level of .5806 corroborates what is intuitively obvious from the data. That is, there is no distinguishable pattern. Similar results existed in 2002 and 2001.

The mean and median tests above suggest that a gender pay gap in the top ranks of corporate management does not exist, at least with respect to the Fortune 100 companies. The t-tests of means revealed that there is virtually no difference in the amount or magnitude of compensation paid to male and female executives. Furthermore, the median tests showed that female executives are just as likely to be paid more than their male counterparts as they are to be paid less. These findings lend credence to the work of Renner et al. (2002) who reported that pay in the executive ranks of major corporations is not a function of gender but rather of factors such as industry classification, company performance, and company pay scale philosophy. Although representing only a very small subset of the workforce, the results in the current study also support Weidenbaum's (1999) contention that the gender pay gap has virtually disappeared for men and women with comparable education and experience working within the same job function.

CONCLUSION

This study attempted to answer two gender-related questions with regard to the upper echelons of management in the nation's largest 100 companies. First, have women shattered the glass ceiling and penetrated the key executive ranks in significant numbers? Second, for the women who have reached the executive ranks in these large companies, does a gender pay gap exist?

Regarding the glass ceiling, this study shows that the vast majority of high-ranking positions continue to be held by men. Only three (3 percent) of the Fortune 100 companies were led by female CEOs in 2003; of the 416 non-CEO executives for these same companies, only 24 (5.8 percent) were women. Thus, the glass ceiling is far from being shattered; however, in time it likely will be. Forbes et al. (1988) reported that the percentage of female corporate executives doubles approximately every 10 years. The current study, though, suggests that the rate of increase may be even greater as a doubling in the percentage of female non-CEO executives in major companies occurred in just six years (i.e., from 2.6 percent in 1997 in the Renner et al. (2002) study to 5.8 percent in 2003 in the present study). A couple of factors may help women shatter the barrier even more quickly than anticipated. First, the pool of women qualified for these top positions should increase dramatically over the next several years as more women now receive college degrees than men and women currently start businesses at twice the rate of men (Weidenbaum, 1999). Second, today's economy is no longer manufacturing based but rather is knowledge based, and as Catalyst president Sheila Wellington notes, women are just as capable as men in a knowledge-based economy (*Christian Science Monitor*, 1998).

Concerning the gender pay gap, the current study indicates that it is nonexistent in the top levels of management at the nation's largest corporations. This finding does not imply that gender bias in the workplace has been eliminated. Quite the contrary, Lips (2003) provides a number of references to relatively recent research in the social psychology field demonstrating that both men and women are biased against women in evaluating their contributions and in promoting them to higher positions. She suggests that education of current and future decision makers about this bias is crucial to its eradication. Eliminating the bias is a slow process, though, because the "biases are often subtle and the organizations complex (Lips, 2003, p. 106)."

The results of the present study do imply, however, that these gender biases may be lessening, at least in the executive suites of the nation's largest companies as men and women in these top positions appear to be rewarded equally. This suggests a mindset by top management and outside boards that equal work deserves equal recognition and pay, regardless of gender. Hopefully, this mindset will trickle down and eventually eliminate all vestiges of gender bias in the workplace.

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THE CHANGING BOARD OF DIRECTORS: BOARD INDEPENDENCE IN S & P 500 FIRMS

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ABSTRACT

With the enactment of the 2002 Sarbanes-Oxley Act, more attention has turned to the composition and size of corporate boards of directors. With the new regulations, we have seen an increase in the number of independent board members and a decrease in the average size of boards. This study of S & P 500 firms shows that firms with the most independent boards in the sample perform significantly better than firms with less independent boards. Also, the inverse relationship between board size and firm performance, found in earlier studies using samples before the new regulations, is not found using our recent sample. With the overall increase in independence levels, it appears that boards have become more objective and efficient in their monitoring of management, irrespective of board size.

INTRODUCTION

Stricter regulations concerning boards of directors have brought about significant adjustments in the structure, practices, and sizes of boards. The Sarbanes-Oxley Act of 2002, the SEC, NYSE, NASDAQ, and AMEX have created more rules and guidelines in an attempt to restore investor confidence in that monitoring body, the corporate board of directors. Several regulations are still pending but corporations have scrambled to comply with relatively new rules and guidelines. In order to rebuild investor confidence, one focus of study is board independence. The directors are responsible for ensuring that management acts in the best interests of the shareholders. Many corporations have made board changes to increase the independence of their board composition. Sixty-four percent of Standard & Poor's Super 1,500 companies currently "have boards that are at least 2/3 independent, as compared with only 57% of that group just last year" [IRRC, 2003, p.14].

Many believe that independent directors would be more likely to monitor and perhaps challenge management if needed. The presence of outside or independent directors may decrease agency costs experienced by most firms, and should increase the overall performance and value of the firm. Individuals affiliated with the corporation may make decisions that promote their own best interests rather than shareholder wealth. The Sarbanes-Oxley Act of 2002 has specifically addressed the independence of audit committees, and under the pending governance changes at the NYSE, NASDAQ, and AMEX, boards are to have at least a majority of independent directors. In addition, these regulations may require total independence of audit, compensation and nominating committees.

Several studies have addressed the question of outside directors and their effect on firm performance, but the findings are mixed [Hermalin and Weisbach (1991), (2002)]. Dahya and McConnell (2002) study firms that recently increased their board's independence and find that those boards are significantly more likely to replace the CEO after a record of poor firm performance.

Included in the new guidelines are some stricter definitions of what constitutes an "independent" director. Due to the guidelines set forth in Sarbanes-Oxley, the NYSE, AMEX, and the NASDAQ have proposed strict independence definitions, but they all vary. In this study, we adopt the "independence" definition set forth by the Investor Responsibility Research Center which is stricter than that of the exchanges. For example, the NASDAQ states that if the severance of an employee was at least three years ago, then he/she can be considered an "independent" board member.

The IRRC does not consider a board member "independent" if he/she is:

1. a former employee of the company or of a majority-owned subsidiary,
2. a provider of professional services to the company or an executive,
3. a customer of or supplier to the company, unless the transaction occurred in the natural course of business,
4. a designee under a documented agreement between the company and a group, such as a significant shareholder,
5. a director who controls more than 50% of the company's voting power.
6. a family member of an employee,
7. a director who is part of an interlocking directorship, or
8. an employee of an organization or institution that receives charitable gifts from the company. [IRRC, p. 2]

Based on these guidelines for being an "independent" board member, the level of independence on boards has increased. The IRRC reported an independence level of about 67 % in 1999 for S & P 500 firms. This study examines Standard & Poor's (S & P) 500 firms which show an independence level of over 72% as of the end of 2003. Has this change been good for shareholders of large U. S. firms? Do firms with higher percentages of independent directors perform better than firms with less independent boards? This is one of the two major areas that we examine in our study.

The other focus of our examination pertains to the size of boards and its effect on firm performance. It appears that the recent changes in composition of boards of large firms have brought about a decrease in the average size of the boards. In order to be in compliance with the new regulations pertaining to independence levels, many directors that would be considered an affiliated, or nonindependent member have stepped down. In addition, the perceived risk and responsibilities of serving on a corporate board (post-Enron) may have contributed to the decrease. The average size of S & P 500 firms as of the end of 2003 was eleven members, down from twelve members just two years earlier.

Several studies have examined the relationship between the size of the board of directors, and firm value and performance [Bhagat and Black (1996; Yermack (1996); Eisenberg et al. (1998)]. Is board size an important determinant of the board's quality of monitoring and decision-making? If so, what is the effect of these inefficiencies on the profitability and value of the firm? Yermack (1996) and Eisenberg et al.(1998) both conclude that there exists an inverse relationship between board size and firm value. In a discussion on corporate governance, Lipton and Lorsch (1992) state that larger groups or boards are less efficient, where individuals are apt to be less open in corporate policy discussions. People tend to be more reserved and polite in larger groups. This type of behavior by board members reduces the effectiveness of their monitoring role of management. Jensen (1993) agrees with this point, "when boards get beyond seven or eight people they are less likely to function effectively and are easier for the CEO to control." As pointed out by Monks and Minow (1995), in many corporate restructurings (after successful tender offers), the boards of directors were reduced in number.

Yermack (1996), using a sample of large firms taken from *Forbes* magazine's rankings of the 500 largest U.S. public corporations, finds an inverse relationship between firm value and the size of the board of directors. Most all of the boards in his sample had between six and 24 members on the board. The mean number of directors on any one board was 12 in his sample. Yermack's findings hold when controls for variables such as company size and board stock ownership were made.

This study, from an analysis of S & P 500 companies, examines two areas: 1) Do firms with more independent boards perform better than firms with less independent boards? and, 2) Do larger boards possess inefficiencies and less effective monitoring skills resulting in worse firm performance than corporation with smaller size boards? This study, using recent data on the largest U.S. firms, contributes to the discussion of the effectiveness of boards since the enactment of new regulations in this area of corporate governance.

DATA

We examine the board characteristics and firm performance of firms included in the S & P 500 companies as of the end of their respective fiscal 2003 year. For each firm, we collect data on board size, independent percentages of the board, total assets, total revenue, return on assets (ROA) measures, industry average return on assets measures, and insider stock ownership percentages for each firm. Firm ROA, industry ROA, total assets, and total revenue measures are collected from the *Compustat* tapes. Board sizes and insider holdings percentages are identified from the IRRC *Board Practices 2004 Edition,* and later confirmed in the firm's 10K report on the SEC Edgar Database. An industry-adjusted return on assets (ROA), as used by Eisenberg, Sundgren, and Wells 1999, is used as a firm performance measure for the fiscal period ending in 2003. In other words, [Firm ROA – Industry Average ROA] is used as a relative firm performance measure, and is referred to as an industry-adjusted ROA in this study. The resulting sample size with complete board data and firm performance measures was 427 firms.

Table One shows the breakdown of the sample firms by industry, including the mean board independence percentage and mean board size. Thirty-six of the sample firms are from the electrical services industry with a mean of 77% board independence and mean board size of eleven. The average independence level for our sample is 72%, which is up from 67 % just four years earlier. The firm with the most independent board in the sample is MeadWestvaco with 94%, and the firm with the least independent board is Comcast with 0% independence. Firms with the most independent boards also included Target, Allstate, Caterpillar, and Honeywell International. The firms with the least independent boards also included Dreyer's Grand Ice Cream, Plantronics, and Bed, Bath, and Beyond.

Table 1: Companies by Industry with Level of Board Independence and Board Size

Industry(2-digit SIC)	N	Board Indep %	Board Size
Electrical Services (49)	36	77%	11
Commercial Banks (60)	33	72%	14
Pharmaceuticals (28)	32	74%	11
Accident and Health Insurance (63)	29	73%	12
Business Services (73)	26	70%	8
Radio, TV, Broadcast Equip (36)	25	70%	9
Construction Machinery (35)	21	78%	9
Motor Vehicles (37)	19	72%	11
Industrial Measurement Instruments(38)	19	76%	9
Crude Petroleum & Natural Gas (13)	15	74%	10
Radio Broadcasting Stations (48)	14	58%	12
Department Stores (53)	11	69%	11
Securities, Brokers, Dealers (62)	9	56%	11

Table 1: Companies by Industry with Level of Board Independence and Board Size			
Industry(2-digit SIC)	N	Board Indep %	Board Size
Newspaper Publishing (27)	8	70%	11
Bottled & Can Soft Drinks (20)	7	73%	12
Paperboard, Convertible Paper (26)	7	78%	11
Steel Works and Blast Furnaces (33)	7	77%	11
Drug & Proprietary Stores (59)	7	65%	11
Other Industries	109	73%	11
Total 434	Mean 72%	Mean 11	Total 434

The board independence percentage variable represents the number of "independent" directors, as strictly defined by the Investor Responsibility Research Center divided by the total number of directors on the board as of the end of 2003. The board size represents the total number of directors on the firm's board at the end of 2003. "Other Industries" contains 6 or fewer sample firms in its respective industry.

As mentioned earlier, the average board size for S & P 500 companies has decreased from twelve to eleven over the last two years, and is shown in Table One. The industry with largest average board size is the insurance agents and brokers industry with an average of 15 board members and the industry with the smallest average board size is the auto dealers and gas stations industry with an average of eight board members. The sample firm with the smallest board is Ebay with seven members and the sample firm with the largest board is SBC Communications, with 21 members.

As shown in Table Two, the mean firm size (as measured by total assets) is $43.46 billion. The smallest firm in the sample is Power-One Inc. in the electronic components industry, and the largest is Citigroup in the financial services industry. When ROA measures were industry-adjusted, nearly half of the sample companies underperformed the average company in their respective industries. The industries of those firms ranged from energy to computer software to the banking industry.

Table 2: Descriptive Statistics of Full Sample Divided by Level of Board Independence					
Level of Board Independence	Total Assets($mill)	ROA(2003)	Industry-Adjusted ROA (2003)	Board Size	Insider Holdings %
≥ 90% Mean	$ 22,495	5.61%	0.7842 %	11.16	0.72%
N	47	48	48	49	47
Std. Deviation	29,237	3.99	3.21	1.57	1.22

Table 2: Descriptive Statistics of Full Sample Divided by Level of Board Independence					
Level of Board Independence	Total Assets($mill)	ROA(2003)	Industry-Adjusted ROA (2003)	Board Size	Insider Holdings %
80%≤ x < 90%	$ 42,512	3.83%	0.3593%	10.98	0.89%
N	115	116	116	119	113
Std. Deviation	89,892	5.03	3.55	2.69	1.40
70%≤ x < 80%	$ 42,063	4.59%	0.3932%	10.45	3.04%
N	107	109	109	110	108
Std. Deviation	145,101	8.98	5.97	2.33	5.78
60%≤ x < 70%	$ 42,804	2.72%	-1.3296%	11.21	3.04%
N	70	77	77	77	71
Std. Deviation	122,572	8.15	7.15	3.09	5.28
50%≤ x < 60%	$ 54,052	2.58%	-1.6873%	10.63	5.98%
N	49	51	51	51	47
Std. Deviation	122,751	15.27	14.73	2.75	8.09
40%≤ x < 50%	$ 75,583	4.81%	0.6633%	12.53	3.34%
N	16	15	15	17	14
Std. Deviation	249,381	3.03	1.48	2.83	4.54
30% ≤ x < 40%	$106,635	4.83%	-0.4020%	9.60	2.72%
N	5	5	5	5	5
Std. Deviation	216,897	4.78	1.42	2.10	4.60
0% ≤ x < 30%	$ 41,202	7.11%	2.33%	11.33	7.09%
N	6	6	6	6	5
Std. Deviation	8 806	6.60	0.62	2.45	5.74
TOTAL (Mean)	$ 43,456	4.18%	-0.1218%	10.94	2.60%
N	415	427	427	434	410
Std. Deviation	121,846	8.42	7.01	2.63	5.09

Table 2 contains descriptive characteristics of boards of directors of companies in our sample, consisting of 2,113 observations for 434 companies. Companies were included in the sample if they were identified as being in the S & P 500 at the end of fiscal year 2003. The table represents the mean, number of observations, and standard deviation for each variable.

METHODOLOGY

We analyze the data using several approaches to determine any relationships between board independence, board size, and firm performance. Our initial analyses divides the sample by level of board independence by deciles (i.e., firms with board independence of 90% and greater, firms with independence of 80% but less than 90%, and so on). The variable means for each decile of independence are included in Table Two. To compare firms with the most independent boards to the rest of the sample, the firms were also divided into just two subsamples with 75% independence (i.e., the upper quartile) as the cutoff. In Table Three we see that firms with board independence of 75% or more totals 235 of the 434 firms, or over 54% of the sample.

Table 3: Tests of Difference in Means of Variables between Board Independence Levels

Sample Divided into Percentage of Board Independence Deciles (e.g., boards with 90% and higher independence, boards with independence between 80% and less t han 90%, ….): This tests if the mean of the variable is significantly different between firms with different levels of board independence.

Variable	F Statistic	Level of Significance	
Industry-adjusted ROA	0.815	0.602	
Firm Size (Total Assets)	0.541	0.845	
Board Size	2.892	0.002 **	
Insider Ownership	7.108	0.001 **	

Means of variables per decile are shown in Table Two

Sample Divided into Two Samples of Board Independence: Firms with board independence of 75% and higher, and firms with board independence lower than 75%. This tests if the mean of the variable is significantly different between the two samples.

Variable	Means 75% and Up	Means Below 75%	F Stat
Industry-adjusted ROA	0.4557%	-0.8024	3.3436 *
Firm Size (Total Assets) in millions	$42,897	$43,914	0.007
Board Size	10.97	10.90	0.076
Insider Ownership	1.33%	4.17%	34.262 **

** Significant at the 1% level
*   Significant at the 10% level

To test for significant differences in variable means between different subsamples, analysis of variance (ANOVA) tests are performed. We test whether the industry-adjusted ROA is significantly greater for the firms with the higher levels of board independence, using a one-tailed t-test. The hypotheses are as follows:

Null Hypothesis
H_0: (Adjusted ROA of $\geq$ 90%) = (Adjusted ROA of 80%$\leq$ x < 90%) =
....=(Adjusted ROA of 10%$\leq$ x < 20%)= (Adjusted ROA of 0%$\leq$ x <10%),
Alternative Hypothesis
H_1: (Adjusted ROA of $\geq$ 90%) > (Adjusted ROA of 80%$\leq$ x < 90%)>
…>(Adjusted ROA of 10%$\leq$ x < 20%) > (Adjusted ROA of 0%$\leq$ x <10%.

For the other variables, board size, insider ownership, and total assets (proxy for firm size), two-tailed t-tests are performed to determine if there are any significant differences between the subsamples of firms with different levels of board independence.

H_0: Differences in (Board Size, Insider Holdings, Total Assets) between firms with different board independence levels = 0,
H_1: Differences in (Board Size, Insider Holdings, Total Assets) between firms with different board independence levels $\neq$ 0

To further examine the possible relationship board size and firm performance, we test for significant differences in mean adjusted ROA's between firms with different board sizes.

H_0: Differences in industry-adjusted ROA's of firms with different board sizes = 0,
H_1: Differences in industry-adjusted ROA's of firms with different board sizes $\neq$ 0.

If firm performance is significantly affected by the size of its board of directors, then the hypothesis should be rejected. Following the methods used by researchers noted in section 1, we also estimate least-squares regressions, using the industry-adjusted ROA as the dependent variable, and the explanatory variables include log of board size, insider holdings percentage, log of total assets (for firm size), and percentage of independence on the firm's board. We would expect a significant positive relationship between the firm performance measure and the level of board independence. As noted earlier, studies have shown an inverse relationship between board size and firm performance. However, with the downsizing of boards and the new requirements on higher percentages of independent directors, this relationship may not currently exist (post Sarbanes-Oxley 2002).

RESULTS

It appears that when comparing variables between different deciles of board independence, there are significant differences in insider ownership and board size of firms with different levels of independence. Results of the testing of the difference in means between deciles are shown in Table Three. Firms with the least independent boards have the highest insider ownership holdings. The mean insider ownership for firms with board independence between 20% and less than 30% was over 10%, and almost 6% insider ownership for firms with board independence between 50% and 60%. On the other hand, firms with board independence of 60% or higher have mean insider holdings of 3% or lower, with the most independent category, firms with board independence of 90% and above, have the lowest insider ownership of about 0.7%.

We find significant differences in board sizes between different levels of board independence also. For boards with less than 50% independence, the highest mean board sizes are found. For example, for firms with 20% to 30% board independence there is an average of fifteen members on the board of directors. Perhaps "insiders" who have substantial equity ownership in the firm want to maintain control through the board of directors also. When comparing the "deciles" of board independence, there are no significant differences found between the industry-adjusted ROA's and the firm sizes, as measured by total assets.

The literature addresses the possible benefits of having very independent, objective boards, and new regulations require high levels of independence. Therefore, we divide the sample into firms with board independence of 75% and higher vs. the other firms in the sample. These results are also presented in Table Three. It appears that firms with boards composed of the highest level of outsiders in this sample have significantly *higher firm performance*, significantly *lower insider ownership* holdings, but insignificant differences in board size and firm size. Table Three shows that the mean industry-adjusted ROA for the upper quartile of the most independent boards is 0.4557% whereas the industry-adjusted ROA for the lower three quartiles of less independent boards is a negative 0.8024%. The difference in mean adjusted ROA's was significant at the 6% level. This provides evidence that the more objective boards with higher proportions of outside directors may perform their monitoring job more effectively, thus improving the performance of the firm.

Also shown in Table Three, insider ownership is significantly lower for firms in the upper quartile of board independence. A mean of 1.33% insider ownership is found for firms with boards of 75% or higher independence. On the other hand, firms with boards of less independence had a mean insider ownership of 4.17%. This difference was significant at less than a 1% level. This is consistent with our examination dividing the sample into deciles of independence earlier. Under the IRRC guidelines of what is an "independent" director, it states that the director cannot control more than 50% of the voting power. The guidelines do not prohibit a director from owning stock of the company. Therefore, it appears that the more independent boards have directors who choose to hold significantly less stock of that company than directors with less independent boards. From our analyses of testing for differences in the means of variables between these two samples (the upper quartile of board independence and the lower three quartiles), we find that *firms with the most independent boards have better firm performance, lower insider ownership, but somewhat equal board size and firm size*.

In addition, we examine the independence levels of some key board committees such as the audit, compensation, and nominating committees. Pending regulations are moving toward requiring 100% independence on such committees. We find that firms in the lower "less independent boards" sample have a long way to go. In that sample the audit, compensation, and nominations committees are comprised of 100% independent directors in 65.32%, 69.85%, and 46.23%, respectively of the firms in that subsample. On the other hand, in the sample with firms with the "most independent boards" (i.e., independence of 75% or more) 89.36%, 89.79%, and 82.55%, respectively, have 100% independent members on their audit, compensation, and nominating committees.

Results of our regression analyses did not prove significant. However, when Yermack (1991) used a similar sample, he found a significant negative relationship between firm performance and board size. The log of board size variable was not significant in the determination of the industry-adjusted ROA in our model. The inverse relationship between board size and firm performance as found in earlier studies is not found in our recent sample. Therefore, it appears that the increase in independence levels of boards, as mandated by the 2002 Sarbanes-Oxley Act, (and followed by the exchanges), and the decrease in the overall size of boards in S & P 500 firms, has eliminated the inefficiencies and ineffectiveness of having a large board size. Existing studies discuss the possible weak monitoring of large boards where organization is vital and where directors may not be willing to "speak their minds". With the change in the composition of boards, many affiliated board members have stepped down, either leaving the board smaller, or making room for an independent member. It appears that the presence of more objective, outside members has strengthened the board's role in corporate governance, thereby improving firm performance.

We are currently looking at board characteristics and firm performance of mid-cap and small-cap firms. Due to the size of the firm, the agency relationships are different than those of large firms, such as in the S & P 500. The average board sizes of mid-caps and small-caps were about nine members and eight members, respectively, at the end of fiscal 2003. Our analyses of smaller firms, as it relates to board independence and board size, should prove interesting and provide more evidence on this timely topic.

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THE INFLUENCE OF TEAM-BUILDING EXERCISES ON GROUP ATTRACTION

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ABSTRACT

Miller (2003) states that synchronized teamwork, supported by a healthy communication environment, is a primary means by which organizational decisions are made, strategy is developed, and performance is measured. In order to experience high-performing teamwork, individuals need to feel understood and comfortable when communicating and working with their teammates. This investigation explores the influence of team-building exercises on group attraction. Using an adaptation of Byrne's [1969] original Interpersonal Judgment Scale, the current study proposes that group attraction increases after individuals engage in team-building exercises. The results and implications of the findings for future research and application are discussed.

INTRODUCTION

Synchronized teamwork, supported by a healthy communication environment, is a primary means by which organizational decisions are made, strategy is developed, and performance is measured (Miller, 2003). However, research has shown that simply the presence of communication infrastructure and employee programs to foster communication skills will not guarantee successful communication and subsequent organizational success (Luthans & Sommer, 2005).

Surprisingly, given the enormous amount of resources and attention devoted to improving communication aptitude, very little empirical research links team-building efforts to group outcomes. Research in the communication field has investigated the link between communication and the outcomes of job performance (Pincus, 1986), organizational commitment (Putti, Aryee, and Phua, 1990, Varona, 1996), productivity (Clampit and Downs, 1993), and job satisfaction (Petttit *et al*., 1997; Pincus, 1986). This study attempts to fill the gap by providing empirical research on the impact of communication on group attraction.

Social categorization theory suggests that member's perceptions of group characteristics influence group performance (Tajfel & Turner, 1990; Hogg & Terry, 2000; Abrams & Hogg, 1999). Empirical studies show that people tend to evaluate information cues from their own group members as being correct (Turner, 1991), and highly relevant (Mackie, Gastardo-Conaco, & Skelly, 1992). People tend to regard members of their own social category as more attractive on dimensions relevant to the group; for instance, accountants tend to think that most accountants are intelligent (Abrams & Hogg, 1990). Seeing others as attractive or adding value could facilitate the exchange of ideas and opinions and increase the degree of success the team experiences. In fact, a recent study by Johnston et al. (in press) links group attraction to financial performance. But the question still remains, what factors influence group attraction?

LITERATURE REVIEW

The current study specifically focuses on the factors that affect group attraction. "Attraction refers to any direct orientation [on the part of one person toward another] which may be described in terms of sign [+ or -] and intensity" [Newcomb, 1961, p. 6]. Newcomb's definition has been employed by most researchers studying attraction [Duck, 1977]. Researchers have also agreed that attraction is a multifaceted activity [Duck, 1977]. For example, if one regards attraction or liking as an attitude about someone, then one would expect to be able to measure the dynamics of the three traditional components of attitudes: cognitive, affective, and behavioral. That is, someone's liking for another person is a function of what he knows about the person, how he feels about it and what he does about it [Kelvin, 1970]. However, one consistent finding from research is that these three parts are relatively independent and what people say does not predict what they will do [Duck, 1977].

Researchers frequently assume that effective communication skills facilitate the development and maintenance of successful, satisfying relationships [McCroskey, Daly, Richmond & Cox, 1975]. People engaging in interactions look for cues/feedback from others to let them know what kind of impression they are making [Bandura, 1977; Carver, 1979]. For instance, if a conversational partner looks involved and attentive, a person is likely to infer the partner finds the conversation interesting, which would increase the attraction with the interaction. On the other hand, if the partner seems uninvolved and inattentive, a person is likely to infer the partner finds the conversation uninteresting, which may promote a lack of attraction.

Several articles provide direct support for a relationship between communication behavior and attraction. In fact, Norton and Pettegrew [1977] found that a certain style of communication behavior is positively associated with interpersonal attraction. In their research, they found that the dominant/open style of communicating was the most attractive and had the best communicator image. The not-dominant/not-open style was the least attractive and had the worst communicator image. Besides identifying specific communicator styles, the research results also found the attentive, friendly, and relaxed domain of communicator style to be the best predictor of attraction.

Taking a different approach, McCroskey, Daly, Richmond, and Cox [1975] investigated communicator apprehension and its affects on interpersonal attraction. They found that behaviors characteristic of high communication apprehensives have a significant, meaningful, negative impact on a person's perceived social attractiveness by the opposite sex and on the degree to which a person is perceived by the opposite sex as an attractive potential communication partner. They found that generally, the more communication apprehensive a person is, the less the person will be perceived as attractive to another person in a communication situation. Individuals low in communication apprehension are perceived as more desirable potential communication partners than individuals high in communication apprehension [McCroskey, Daly, Richmond, & Cox, 1975]. The results indicate that persons who talk more are perceived as more attractive and better adjusted than persons who talk less.

Along the same vein, McCroskey, Daly, and Richmond [1975] examined the impact of high and low verbal behavior on interpersonal attraction and desirability as a communication partner. Consistent with predictions, the results found that persons who exhibit high verbal behaviors are viewed positively on the dimensions of social attractiveness, task attractiveness, and desirability as a communication partner [McCroskey, Daly, & Richmond, 1975].

In another study on communication apprehension and attraction, Baker and Ayres [1994] tested whether behavior associated with communication apprehension had an effect on a person's interaction partner. Specifically they were interested in whether persons interacting with a partner exhibiting high communication apprehension behavior would experience higher levels of communication apprehension and whether they would judge these partners as less interpersonally attractive. Consistent with predictions, the researchers found that the interaction partners experienced higher state communication apprehension and reported lower attraction levels when interacting with persons exhibiting high communication apprehension behavior than with persons exhibiting behavior associated with low communication apprehension.

In the small group arena, Montgomery [1986] went one step further to investigate the relationship of the communicator style of openness [both verbal and nonverbal] on interpersonal attraction. Open communication was defined as the process by which personal information is inferred from verbal and nonverbal behavior. Persons who exhibit behaviors associated with a moderate or high openness style are liked significantly more than persons who exhibit behaviors consistent with a low-openness style of communicating.

Also in a small group setting, McCroskey, Hamilton, and Weiner [1974] investigated the relationship between interaction behavior and the resulting perceptions group members have of one another. Results indicated that the behavior of high interest is positively associated with task attraction but negatively associated with social attraction. The behavior of high verbosity is positively associated with social attraction, but negatively associated with task attraction.

Research has demonstrated that teambuilding interventions have positive effects on group cohesion (Carron and Spink, 1995; McClure and Foster, 1991). Carron and Spink (1995) suggest that team building should focus primarily on uniting committee members regarding group goals and tasks and nurturing cooperation among members, particularly when faced with challenges (Carron and Spink, 1993). In addition, Lindsley et al. (1995) suggest that groups experiencing a decline in their team performance and effectiveness can correct the decline by allowing groups to experience success at smaller tasks. And Doherty and Carron (2003) studied group cohesion in volunteer sport executive committees. They found that task aspects predominantly keep a group together. Group integration around the task, in particular, was a consistently important aspect of cohesion.

In summary, research suggests that communication and attraction are positively related. Attraction has been linked with dominant, open, attentive, friendly, and relaxed styles of communicating [Norton & Pettegrew, 1975; Montgomery, 1986]; increased vocal behavior [McCroskey, Daly, Richmond, 1975; McCroskey, Hamilton, & Weiner, 1974]; low communication apprehension [McCroskey, Daly, Richmond, & Cox, 1975; Baker & Ayres, 1994] high interest (McCroskey, Hamilton, & Weiner, 1974) and task cohesion (Doherty & Carron, 2003; Carron & Spink, 1995).

Research also shows that teambuilding interventions have a positive effect on group outcomes (Carron & Spink, 1995; Lindsley et al., 1995; Doherty & Carron, 2003). Communication is the medium used to solve problems in team-building exercises. It seems vital for team members to be involved and attentive when trying to communicate with each other which should, in turn, increase attraction to the other team members. As a result, the following prediction can be made:

H1: Team attraction will significantly increase after the individuals participate in team-building exercises.

METHOD

Female [n=68] and male [n=61] undergraduates at a private Southern university participated in the study. The majority of the respondents were freshmen [61%] enrolled in an introductory business class that is a curriculum requirement for all business majors; others were enrolled in management classes [39%] [see Table 1 for complete demographic details]. Data were collected during the spring 1999 academic semester before team concepts were discussed in the course.

Table 1: Participant Demographics

Gender	Age	Year	Ethnic Origin
47% Male 52% Female	.8%<18 Years 49%=18 Years 16% =19 Years 8.7%=20 Years 11%=21 5.6%=22 1.6%=23	60.5%=Freshman 8.5%=Sophomores 10.9%=Juniors 20%=Seniors	3.1%=Asian 63.5%=Caucasian/Non-Hispanic 12.4%=African American 15.5%=Hispanic 5.4%=Other

All testing took place during regular class periods and involved five separate classes. Instructors asked for voluntary cooperation from students for the purpose of filling out an anonymous questionnaire. Their names were not on the questionnaire, but they were asked to keep a record of the number that was computer generated on the bottom of their questionnaire for future matching purposes. Participants recorded their responses on a computer scan form.

During the first week of class, before the students had time to get to know each other, the instructor arranged each class into teams of four or five people. The instructor then asked the students to make introductions and exchange phone numbers for the purpose of a team project later in the course. After this initial interaction, the students filled out a questionnaire assessing initial team attraction and demographic variables.

Approximately one month later, the students engaged in two team-building activities during a class period, working in the same teams as were assigned during the first week. These team activities were: "Blindfolded Triangle," and "Paper and Tape Building" [see Appendix A for description of exercises]. These exercises were chosen because they rely on both verbal and nonverbal communication to reach the desired goal. Each activity was set up and debriefed by the researcher.

After completing the team exercises, the participants then completed a second questionnaire assessing the dependent variable of group attraction.

Items 1-4 assessed group attraction, measured by two questions adapted from Byrne's [1969] original scale and two questions created by the author [Table 2] [Appendix B]. Two additional questions were added to increase the reliability of the scale. Byrne's Interpersonal Judgment Scale [IJS] consists of two seven-point scales on which evaluations of another's likability and desirability as a work partner are made. In the original scale, the subjects were asked to indicate how well they felt they would like this person and whether they believed they would enjoy working with him [or her] in an experiment. Substituting the word "group" for "person" and "group exercises" for "experiment," the current questions asked the subjects to indicate on a five-point scale, ranging from "strongly agree" to "strongly disagree" how well they felt they would like this group. Students responded to such questions as "I feel that I like this group" [GA1] and "I could get something accomplished with this group" [GA3].

Table 2: Group Attraction: Items, Means, and Standard Deviations

	Statement	M	SD
GRPAT1	I feel that I like this group.	3.79	0.74
GRPAT2	I believe that I will like working with this group in group exercises.	3.81	0.70
GRPAT3	I could get something accomplished with this group.	3.96	0.72
GRPAT4	I have confidence in the group's ability to get the job done.	3.95	0.77

Table 3: Dependent Variables-- Group Attraction: Items, Means, and Standard Deviations			
	Item	M	SD
GRPAT1	I liked this group.	4.34	.64
GRPAT2	I enjoyed working with this group in group exercises.	4.37	.60
GRPAT3	I have confidence in the group's ability to get the job done	4.33	.59
GRPAT4	I got something accomplished with this group.	4.33	.61

Other researchers have employed similar changes to Byrne's IJS scale. Norton and Pettegrew [1977] changed the seven-point scale to a five-point scale ranging from "much above average" to "much below average." Previous reliabilities for Byrne's original scale assessing interpersonal attraction were approximately .83 using Cronbach's alpha. The current study found the internal reliability for group attraction to be .90 using Cronbach's alpha.

Items 5 through 12 assessed the demographic variables of sex, age, year in college, and ethnic origin [Appendix B]. In order to control for past communication and group experiences items 13 through 14 asked the students whether they had participated in group exercises before, what their group exercise experience was [excellent, good, average, bad, horrible], and whether they had formal communication training before. To control for the fact that many of the subjects were not from the United States, Item 15 asked whether they were U.S. Citizens.

Preliminary Analyses

All items were averaged to form composite scores for each variable. Scales were recoded so that high scores reflect more of the communication trait. Missing data were left blank, and unmatched surveys were not used in the analyses.

RESULTS

Our hypothesis predicted a positive increase in attraction after the team members participated in the team-building exercises. Results were analyzed using a paired-samples $\underline{t}$ test. This analysis revealed a significant difference between mean levels of attraction observed in the two conditions, $\underline{t}$ [129] = 8.00; $\underline{p}$ <.0001. The sample means are displayed in Table 4, which shows that mean attraction scores were significantly higher after the team exercise treatment [$\underline{M}$ = 3.87, $\underline{SD}$ = .63] than before the team exercise treatment [$\underline{M}$ =4.34, $\underline{SD}$ =.54]. Therefore, our hypothesis was supported.

Table 4: Mean Scores for Group Attraction Before and After Group Exercises			
Group Attraction	M	SD	N
Before	3.87	.63	129
After	4.34	.54	129
Note: $p < .05$			

DISCUSSION

The current study proposed that group attraction would increase after individuals engaged in team-building exercises. The prediction was supported. Team members were more attracted to their groups after they engaged in team-building exercises. Once the individuals had the opportunity to communicate with one another in team-building activities, they liked their teams more.

The finding that group attraction increases after engaging in team exercises has business and pedagogical implications. Businesses today need employees who can work well with others to pursue common organizational goals. Perhaps organizations that rely on teamwork to achieve their goals need to design team-building programs for their employees. These teambuilding programs would provide an opportunity for employees to work on their communication skills and gain a greater ease of comfort when working in teams. When conducting seminars on communication and/or teamwork skills, trainers could engage the participants in team activities to overcome some of the resistance that exists with individuals who see themselves as non-team players or people who are from other cultures. Once people engage in exercises where it's necessary to communicate, they will like the team more, and could ultimately be more satisfied with the learning experience and more productive.

In the pedagogical arena, university professors (particularly in the areas of communication and business) are encouraged to teach "teamwork" to prepare the next generation of students for the business world. But the question has arisen, how do you teach teamwork? Most professors who employ teamwork do so with a final team project. This is adequate and beneficial, but the current findings suggest an alternative approach. If professors give the teams at least one class session to engage in team exercises, without the pressure of being graded, then the students may end up feeling more cohesive as a team and more positive about the team experience. During the team exercises, they are allowed to practice their communication and team skills without the risk of being punished or penalized with a bad grade. Having accomplished goals with teammates and refined team and communication skills, the teams could ultimately perform better in the end when their grade counts.

This rationale follows the well-known stages of team development: forming, storming, norming, performing [Tuckman, 1965]. If educators introduce students to their groups in the beginning of the semester, it would allow them to form a group identity. Then the groups could be brought together later in the semester to engage in exercises that rely on communication and allow them to storm. Finally, the groups can spend the rest of the semester focusing on the final group project while developing team norms and ultimately performing. Perhaps students would be more adept at team projects and have increased confidence in their team skills. This new confidence and competence would be beneficial to organizations that need employees with effective team skills.

Future research needs to continue assessing small group communication using the group attraction concept and its affects on group and organizational outcomes. While our research illuminates the function of teambuilding exercises in relation to Group Attraction, the empirical assessment should be interpreted in light of limitations resulting from trade-off decisions of the research design. The use of student subjects in a cross-sectional research design, while ideal for expedient theory exploration, limits the generalizability of the results.

In summary, social categorization theory suggests that member's perceptions of group characteristics influence group performance (Tajfel & Turner, 1990; Hogg & Terry, 2000; Abrams & Hogg, 1999). Having the opportunity to communicate and work with teammates increases the level of attraction. Seeing other team members as attractive or adding value could facilitate the exchange of ideas and opinions and increase the degree of success that teams experience. The findings of the current study are grounded in theory and application and provide useful insight into how communication, through team-building exercises, influences team attraction.

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Appendix A **Description of Team-building Exercises**	
Exercise 1: Blindfolded Triangle	
Goal/Purpose:	To get newly formed groups to communicate and interact with each other in a non-graded exercise.
Steps for Researcher:	
1.	Divide the class into the groups they have been assigned to work on their group projects. [4-5 people each]
2.	Give blindfolds and one long piece of rope to each group.
3.	Ask each group to help each other put the blindfolds on.
4.	Ask the groups to make an equilateral triangle.
5.	When a team verbally comes to consensus that they have made an equilateral triangle, they may take off their blindfolds and observe other groups.
6.	Hold a discussion on how each team communicated to reach the goal.
Exercise 2: Paper and Tape Building	
Steps for Researcher:	
1.	Hand each team a roll of tape [any kind] and 50 pieces of paper.
2.	Tell each group to make the best building possible with the resources allocated to them.
3.	Give a time limit of 15-20 minutes.
4.	After time is up, go around the room and ask each group how they defined “best building.”
5.	Lead a discussion on the importance of setting goals and communicating them before you begin a project.

RELATIONSHIPS BETWEEN FREQUENCY OF USE OF CAREER MANAGEMENT PRACTICES AND EMPLOYEE ATTITUDES, INTENTION TO TURNOVER, AND JOB SEARCH BEHAVIOR

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ABSTRACT

A questionnaire measuring the frequency in which employees used various career management practices, as well as employee attitudes and behaviors was administered to employees in divisions of a southern state's government departments of revenue, auditing and education. Results show that frequency of use of career management practices was positively related to job satisfaction and organizational commitment, and negatively related to perceived job stress and job insecurity. Further frequency of use of career management practices was significantly and inversely associated with turnover preparation activities.

INTRODUCTION

There is substantial evidence of a link between human resource management practices and important work related outcomes such as employee attitudes and behavior and firm financial performance. However, one set of human resource management practices has not been fully examined in this line of research. Few organizational *career management* practices (e.g., career counseling, training, mentoring, career paths, career planning workshops) have been examined for their relationships with employee attitudes and behaviors (Eby, Allen & Brinley, in press).

Researchers have linked a number of human resource management practices to employee attitudes and behaviors, as well as to organizational performance (Boudreau, 1991; Jones & Write, 1992; Huselid, 1995; Collins & Clark, 2003; Barte, 2004). Human resource management practices may improve organizational performance through employee attitudes and behaviors by providing a qualified pool of applicants, improving employee knowledge and skills, increasing employee motivation and organizational commitment, and reducing employee absenteeism and turnover. Jackson and Schuler (1995) argue that human resource management practices are one means to develop and sustain a firm's competitive advantage.

A number of studies have found HR practices (e.g., training, performance appraisal, compensation, and incentives) are connected to various employee attitudes and behaviors and to organizational performance. Olgilvie (1987) produced evidence that employee perceptions of the organization's human resource practices were correlated to organizational commitment. Kinicki, Carson and Bohlander's (1992) results suggest that employee perceptions of their organization's human resource management practices (e.g., employee training, advancement opportunities, and hiring qualified employees) were positively correlated with several employee attitudes including job satisfaction, pride in working for the company, and attitude toward providing good customer service).

Lambert (2000) found the perceived utility of work-life benefits was positively correlated to organizational citizenship behavior. Huselid (1995) produced evidence that combinations of human resource management practices (called "HR bundles") were positively associated with lower employee turnover, greater productivity, and higher firm financial performance. Terpstra and Rozelle (1993) produced a positive relationship between the extensiveness of recruiting, selection test validation, and the use of formal selection procedures and organizational profitability. A similar positive link was found by Russell, Terborg and Powers (1985) between employee training programs and firm profitability.

Firm profitability has also been linked to the use of formal performance appraisal systems (Borman, 1991), and to linking performance appraisals with compensation (Gerhart & Milkovich, 1992). More recently, Bartel (2004) produced evidence in retail banking firms that employee satisfaction with the quality of performance evaluation, feedback, and recognition were all positively related to branch bank performance.

Career management is defined as "the process by which individuals develop insight into themselves and their environment, formulate career goals and strategies, and acquire feedback regarding career progress" (Greenhaus, Callahan & Godshalk, 2000, pp. 423-424). Career management practices are aimed at helping employees develop new skills or improve old ones, make sound job and career choices, and prepare them for higher levels of responsibility within the organization (Greenhaus, et al., 2000). Career management practices may also communicate to employees that the organization values employee contributions and is interested in helping them succeed.

Sturges, Guest, Conway and Davey (2002), in a longitudinal study of employees early in their careers found that high organizational commitment was related to the extent to which employees reported receiving organizational career management help, both formal (e.g., being taught things they needed to know, being given a personal development plan) and informal help (e.g., being given career advice, being introduced to people who might help their career development). Low organizational commitment was correlated with career management activities aimed at furthering their career outside their current employer.

Eby, Allen and Brinley (2002) examined relationships between career management practices and career rated attitudes. A factor analysis of a list of sixteen career management practices (coded 0 = not provided, 1 = provided) resulted in five career management "bundles," which were labeled "Skill Assessment/Self Exploration," "Skill Development/Future Planning," "Information Services," "Formal External Training," and "Formal Internal Training." After controlling for organization size, industry and type of organization, Skill Development/Future Planning and Information Services was positively correlated, and External Training was negatively correlated, to satisfaction with promotions. Skill Development/Future Planning was negatively related to "job content plateauing" (i.e., job skills will become routine for the employee in the future). Finally, Formal External Training was positively associated with job content plateauing.

Eby, Allen & Brimley (in press) provide evidence that career management practices that focus on future strategic planning within the organization (e.g., succession planning, outplacement) were connected to greater satisfaction with the promotion process and lower perceptions of job content plateauing. Thus, career management practices may influence many of the same employee attitudes and behaviors as do more general human resource management practices.

THEORETICAL BASE

Eby, Allen and Brimley (in press) suggest two theories which explain how career management practices affect employee attitudes and behaviors. Pfeffer's (1981) theory of symbolic action suggests that organizational practices can influence employee attitudes and behaviors through the messages they send to employees. Organizations that provide discretionary programs, such as career development programs, for employees may be interpreted by employees that the organization values their contributions and is concerned for their welfare.

Social exchange theory (Blau, 1964) also provides a partial explanation for how career management programs may affect employee attitudes and behaviors. Social exchange theory suggests that when one party provides a benefit to a second party, a sense of obligation is created which requires the recipient to reciprocate the benefit. Since career management practices are discretionary, employees may feel an obligation to reciprocate the organization for these benefits. This sense of obligation may translate into improved attitudes and behaviors.

Previous studies have assessed the relationships between employee attitudes and behaviors and the *presence of career management practices*. However, the mere presence of a career management practice may not exert as much effect on employee attitudes and behaviors as the employees' actual use of these career management programs. The purpose of this research is to extend our understanding of the relationship between career management practices and employee attitudes and behavior by assessing relationships between the *frequency with which employees have used these practices in the previous 12 months*, and their job satisfaction, organizational commitment, perceived job stress, job security, intention to turnover, and actual job search behaviors.

Previous research has linked the availability of career management practices to job satisfaction (Eby, Allen & Brinley, 2002; in press), and organizational commitment (Sturges, Guest, Conway & Davey, 2002). We expect to find a similar pattern of relationships between the frequency of use of career management practices and these employee attitudes and behaviors. Other research has linked more general HRM practices with voluntary turnover (Shaw, Delery, Jenkins & Gupta, 1998; Terpstra & Rozelle, 1993) and organizational citizenship behavior (Lambert, 2000). While turnover intentions have long been related to actual turnover, there is substantial decay between turnover intent and actual turnover behavior. Therefore, we also included a measure of a more direct form of turnover behavior, frequency of job search behaviors (e.g., sending resume to a potential employer). In addition, we expect the use of career management practices to be associated with lower perceived stress and increased job security. Organizations which provide these voluntary programs for employees may be perceived as being less likely to lay off employees in whom they've made such an investment. Thus, symbolic action theory may be used to provide a rationale for including perceived stress and job security.

Several control variables were also included in the analysis. Since larger organizations may have greater resources to provide a more extensive array of career management practices, organizational size (total number of employees) will be included as a control variable. Employee age is also likely to be related to job satisfaction, as employees generally rise in the organization and receive greater rewards over time. Eby, Casper, Lockwood, Bordeaux & Brinley (2004) suggest that women may not be able to benefit as much as men from career management programs due to greater non-work demands. Thus, gender was also included as a control variable.

METHOD

Questionnaires were administered by managers within the state's central offices of the auditing department, revenue department, and department of education of a southern state government. Managers sent an email approximately a week in advance of questionnaire administration, advising the employees that a questionnaire assessing the departments "human resources practices" would be forthcoming. Approximately one week later, questionnaires were distributed to employees through each department's internal mail system. Questionnaires were returned to managers in the same manner. A highlighted sentence at the top of the questionnaire instructed respondents to not identify themselves in any way, and guaranteed their anonymity.

The average age of respondents was 36.61 years, and 67.6% were female. Average organizational tenure for the sample was 6.99 years, 70% were Caucasion, 22.2% were African American, and 5.2% were Hispanic. Thirty-three percent of the respondents had completed high school, 28.7% had one to two years of college, 29.4% had a bachelor's degree, and 5.8% had completed college work beyond a bachelor's degree.

The first section of the questionnaire asked respondents to rate the frequency they used 16 career management practices identified by Eby, Allen & Brinley (2002) within the last 12 months. Scale responses were 1 for never to 5 for regularly. The second section of the questionnaire contained a four-item job satisfaction questionnaire (e.g., "Generally speaking, I am very satisfied with this job," and "All things considered, I am quite happy with this job."), a five-item job stress questionnaire (e.g., "I work under a great deal of stress in this job," and "This job causes me to feel a lot of stress.:), and a four-item job security scale (e.g., "I am worried about my overall job security," and "I am concerned about losing my job.").

The third section of the questionnaire contained a 14 item organizational citizenship behavior (OCB) scale (e.g., "Helps others who have been absent," "Takes underserved breaks," and "Complains about insignificant things at work."). Most of these items came from the Fahr, Podsakoff and Organ (1990) OCB questionnaire.

The fourth section of the questionnaire contained nine items which measure affective organizational commitment (e.g., "I find that my values and the organization's values are very similar," "I really care about the fate of this organization," and "I am proud to tell others that I am part of this organization."), and 15 items which tap intention to turnover (e.g., "I am actively seeking an alternative job," "I often think about quitting my job," and "I am constantly searching for a better job.").

The fifth section of the questionnaire contained 13 items which tapped specific job search or turnover preparation behaviors (e.g., "I prepared/revised my resume," "I filled out a job application," and "I have sent my resume to potential employers."). Finally, typical demographic information (age, gender, educational level, and organization size) were collected. Gender was dummy coded (0 = male, 1 = female) for statistical analysis purposes.

Due to organizational limitations, all measures were collected at a single point in time. Thus, common method variance is a potential issue in interpreting the results (Podsakoff & Organ, 1986). Common method variance stems from a number of sources, including common sources and raters, implicit theories, social desirability, test item ambiguity, scale format, and item priming effects (Podsakoff, MacKenzie, Lee & Podsakoff, 2003). Researchers disagree about the magnitude of the problem and the method of resolving it (Avolio, Yammarino & Bass, 1991; Kline, Sulsky & Rever-Moriyama, 2000; Lindell & Whitney, 2001).

The most common approach to assessing the magnitude of common method variance is Harmon's single-factor test, in which researchers load all the variables in their study into an exploratory factor analysis and examine the unrotated factor solution to determine the number of factors required to account for the variance in the variables (Anderson & Bateman, 1997). The underlying assumption is that if a substantial degree of common method variance exists, then (1) a single general factor will account for the majority of the variance, or (2) a single factor will emerge.

The results of the Harmon Single Factor Test on the present study data revealed that the first factor explained only 27.25% of the variance. Sixteen factors had an eigenvalue greater than 1.0, and the cumulative variance explained by the sixteen factors was 79.71%.

A further, more traditional exploratory factor analysis was also performed on the data. The scale which asked respondents to rate the frequency with which they used career management practices was factor analyzed with each of the outcome scales in separate factor analyses. Traditional acceptable sample size to number of scale item ratios call for ratios of 10 to 1, or even 5 to 1. The sample size would not support including all outcome scales in a single factor analysis. Principal components extraction and varimax rotations were employed. Each outcome scale resulted in two factors (career management practice frequency and an outcome variable) and displayed relatively clean factor patterns after the varimax rotation. Thus, while there may be some level of common method variance in the data, there is evidence that it may not be substantial (Schriesheim, 1979). The Harmon single factor test showed that the first factor explained only 27.25% of the variance. In contrast, after sixteen factors were extracted, they explained 79.71% of the variance. In addition, based on the traditional exploratory factor analysis with varimax rotation, respondents clearly distinguished between the various scales and their ratings of the frequency in which they used career management practices.

In addition, several scale design techniques suggested by Podsakoff and Organ (1986) and Podsakoff, et al. (2003) were employed which may serve to reduce common method variance. We guaranteed respondent anonymity in the introduction to the questionnaire and reminded respondents that they were not being asked for any identifying information. The section that asked respondents to rate the frequency in which they used each technique appeared in the first section of the questionnaire and was clearly separated from the remaining sections. Each of the following sections had a separate instruction section which prepared the respondent for the nature of the questions which would appear in that section. This may serve to break the respondents' thought patterns from the subject of the previous section and focus their attention on the questions in the subsequent section.

Finally, Podsakoff, MacKenzie, Lee and Podsakoff (2003) and Cote and Buckly (1987) suggest that the extent of common method variance depends on the type of construct being measured. It may be particularly troublesome in single source studies which relate attitudes to attitudes, or attitudes to self-report personality, or attitudes and ratings of supervisor behaviors such as leadership effectiveness. We might, however, expect somewhat less common method variance between employee attitude measures and a simple report of the frequency in which they used a particular career management practice offered by their organization.

RESULTS

Scale characteristics, reliability estimates, and a correlation matrix appear in Table 1. All reliability estimates exceeded traditional standards.

Table 1: Scale Characteristics, Reliability Estimates and Correlation Matrix

	Mean	SD	1	2	3	4	5	6	7	8	9	10	11
CMPU	1.97	.79	.95	.46**	-.30**	-.27**	.32**	.17	-.18	-.38**	.16	.15	.05
JS	3.26	.78		.91	-.47**	-.55**	.74**	.42**	-.40**	-.18	.18	.22*	.04
JI	1.93	.68			.92	.66**	-.39**	-.18	.34**	.28**	-.02	-.14	-.04
JS	2.21	.80				.92	-.41**	-.25*	.50**	.33**	-.15	-.15	-.03
OC	3.39	.69					.93	.66**	-.46**	-.19	-.32**	.21*	-.02
OCB	3.46	.49						.78	-.23*	-.17	.41**	.13	-.09
ITO	2.38	.48							.84	.47**	-.28**	-.31**	-.10
TOP	1.66	.48								.91	-.14	-.37**	-.09
G	na	na									na	.10	-.04
Age	36.61	9.74										na	.00
OS	669	1050											na

*p < .05 **p < .01 n = 135

Legend: CMPU: Career Management Practice Use; JS: Job Satisfaction; JI: Job Insecurity; JS: Job Stress; OC: Organizational Commitment; ITO: Intent to TO; TOP: TO Preparation; G: Gender; AGE: age; OS: Organization Size

An exploratory factor analysis of the career management practices scale did not support the use of "career bundles" as suggested by Eby, Allen and Brinley (in press). While three factors with eigenvalues greater than 1.0 emerged, the resulting factor structures were not interpretable and there were several items with cross-loadings. Most items either loaded on the first general factor, or split loaded. Therefore, a single, overall measure of frequency of career management practices use was used in the subsequent analysis. Responses to the 16 item career management practices scale were averaged for analysis.

The results of the regression analysis of the frequency of use of career management practices on employee attitudes and perceptions appear in Table 2. After controlling for the effects of age, gender, and organizational size, career management practices use frequency was significantly and positively correlated to job satisfaction and organizational commitment, and inversely correlated to job stress and job insecurity. Of the control variables, only gender was significantly and positively related to organizational commitment. Females reported higher organizational commitment than males.

Table 2: Results of Regression Analysis of Career Management Practices on Employee Attitudes and Perceptions				
	R^2 Values			
	JobSat	JobStress	JobInSecure	Org Commit
Step 1: Control Variables	.972	.041	.021	.136**
Step 2: Career Management Practice Use	.241**	.093*	.100*	.201**
	Beta Coefficients of Dependent Variables			
Control Variables	JobSat	JobStress	JobInsecure	Org Commit
Age	.20	-.11	-.11	.16
Gender	.16	-.10	.04	.26**
Organization Size	.01	-.00	.01	-.03
Independent Variable				
Career Management Practice Use	.42**	-.24*	-.29**	.26**
* p < .05 ** p < .01 n = 135				

The results of the regression analysis of the frequency of use of career management practices on OCB, turnover intent and job search are presented in Table 3. After controlling for the effects of age, gender, and organization size, the frequency of use of career management practices did not significantly contribute to explained variance in OCB. Only gender was significantly related to OCB, with females reporting higher levels of OCB than males.

Both age and gender were significantly and inversely associated with turnover intention. Females and older employees more frequently report lower levels of intention to turnover. Career management practice use did not contribute significantly to explained variance in turnover intent. Age was significantly and inversely related to turnover preparation, with older employees less likely to engage in turnover preparation behaviors. After controlling for the effects of age, gender, and organizational size, frequency of career management practices use was significantly and inversely related to turnover preparation.

Table 3: Results of Regression Analysis of Career Management Practices on OCB, Employee Turnover Intentions and Turnover Preparations

	R^2 Values		
	OCB	TO Intent	TO Preparation
Step 1: Control Variables	.177**	.163**	.143**
Step 2: Career Management Practices Use	.199**	.172**	.243**
	Beta Coefficients of Dependent Variables		
Control Variables	OCB	TO Intent	TO Preparation
Age	.08	-.25*	-.31**
Gender	.36**	-.25*	-.05
Organization Size	-.07	-.07	-.01
Independent Variable			
Career Management Practice Use	.15	-.10	-.32**
* p < .05 ** p < .01 n = 135			

DISCUSSION

Recent research has shown "bundles" of career management practices to be connected to career related attitudes such as satisfaction with promotions (Eby, Allen & Brinley, in press). However, these bundles were created based on a factor analysis of whether a particular career management practice was offered by the organization. While useful, a different perspective is whether the employees themselves actually use the career management programs being offered. The purpose of the present research is to examine the frequency in which employees actually used specific career management programs offered by their organizations in relation to work-related attitudes and behaviors or behavioral intentions.

The results suggest that, after controlling for employee age and gender and organizational size, frequency of use of career management practices was positively correlated to job satisfaction and organizational commitment, and inversely associated with perceived stress and job insecurity. Further, after controlling for employee age and gender and organizational size, the frequency of use of career management practices was inversely related to turnover preparation activities. No significant relationships were observed between the frequency of use of career management practices and organizational citizenship behavior or turnover intentions. It is interesting that use of career management practices would be significantly correlated with turnover preparation but not turnover intentions.

A limitation of the study is the possibility of common method variance. Harmon's single factor test suggests that the common method variance effects on the data may not be substantial, but the results must be interpreted in light of the possibility of such influence.

Future researchers may wish to consider three approaches to assessing the effects of career management practices on employee attitudes and behaviors. Eby, Allen and Brinley (in press) have provided evidence that the extent to which career management practices are offered by their employer affects employee career-related attitudes. Additional research along this line is needed to assess the effects on employee behaviors and behavioral intentions.

A second approach is to continue the line of the present research in examining the frequency in which employees actually use career management practices and the resulting impact on employee attitudes and behaviors/intentions. Researchers might be able to more objectively measure frequency by asking HR departments to record how often employees report to their offices to engage in some of these activities.

A third approach is to examine employee perceptions of the quality or usefulness of the various career management practices offered by their organizations and the result of these perceptions on employee attitudes and behaviors. While research on the effects of career management practices is in its early stages, there is growing evidence that these practices are related to important employee attitudes and behavioral intentions.

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DISCRIMINATION: WOMEN IN BUSINESS

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ABSTRACT

Although great strides have been made in the last 20 years in overcoming discrimination against women, there is still a very long way to go and a lot of perceptions to change along the way.

Discrimination in the business world toward women takes on many different forms and although they are all very destructive, some may be more visible than others. The glass ceiling is still an ever present obstacle in today's business environment. In only four sectors of the business world women seem to transcend this barrier. They are in consumer advertising and marketing, the beauty industry, local small businesses, and education (Peiss, 1998). Though this is a good start, it only represents a very small percentage of all business. Speculations exist as to why there are not more women in upper level management of companies, but when this question is looked at in a historical perspective, it is observed that 10 years ago women were having a difficult time just breaking into middle management (MacRae, 2005).

The purpose of this paper is to look at some areas of discrimination toward women in business, some areas of opportunity for women to overcome discrimination, and some ways for women to overcome discrimination and move forward.

STATISTICS OF WOMEN IN BUSINESS

In a recent study it was found that a whopping 66% of the United States workforce was made up of women, with only 21% at the middle management level and a dismal 15% at the senior management level (Veale & Gold, 1998). The women in today's workforce seem to still be going the way of their female predecessors, that is to say, they are concentrated most heavily within the caring or humanities industries (Veale & Gold, 1998). This could be because of the almost inborn caring nature of women or because that is what society at large has deemed to be the most acceptable positions for women in America.

Although the gap between men and women in management careers is closing, the glass ceiling is still very evident in today's business environment. The fact remains that there are still significantly more men in management positions than women (Wentling, 2003). The one exception to this can be seen in the educational arena where elementary school principals tend to be mostly women (Cai & Kleiner, 1999). In fact, the number of women in leadership roles within their career is less than 30%. Some people believe that this issue is linked to the fact that management in and of itself has been traditionally thought of as a male occupation and, thus, is not suitable for a woman as a choice of profession (Cai & Kleiner, 1999).

GENDER BASED STEREOTYPING

Gender based stereotyping is solely based on opinions and perceptions and not on facts. One of the most common stereotypes men put on women is that they are not as good at problem solving as their male counterparts. This is especially unfortunate when the fact is considered that this is one of the main objectives of successful managers (Catalyst, 2005).

A study reveals that stereotypically the difference between women and men is that women take care and men take charge (Catalyst, 2005). However, research shows that when people have preconceived notions about someone, they are more likely to find and remember those fallacies about those people. This is to say that if you believe that everyone from culture Y is a follower and not as decisive as you and your fellow culture Xers, then when you see someone from culture Y demonstrating one of these characteristics, that is what tends to be remembered. Women see this phenomenon more specifically in traditionally male professions such as construction. Although a man will make the same mistake as a woman, the men that she works with will hold her at a higher standard and remember that one instance of a shortcoming (Catalyst, 2005). In fact people will many times consciously reject any new information that goes against their preconceived notions of that group. It creates a system where women are almost expected to fail because the very people that they have been hired to lead will not follow them on the job.

When we look at the fact that of all Fortune 500 businesses in the United States today, only 15.7% of corporate officers are female, it is easy to see that women are just not making it to the top (Catalyst, 2005). In fact the number of female CEO's has actually decreased since 2003 (Catalyst, 2005). The hope would be that even if women are not reaching the ranks of CEO, they are at minimum reaching high level management, but the disappointing fact is that the numbers have stagnated in the last few years (Catalyst, 2005).

DISCRIMINATION LAW SUITS

Over the past thirty years there has been numerous law suits filed against corporate America on the basis of gender discrimination. For these suits to stand up in court, the Supreme Court has decreed that an aggrieved employee must have some personal loss or have suffered harm with respect to a term, condition, or privilege of employment (Cai & Kleiner, 1999). The plaintiff must also prove that they are a part of a protected group as stipulated under Title VII and prove that they have been treated differently from employees outside of their group. This is important to remember because not only must a plaintiff prove that they have been treated unfairly, but they must also prove that the percentages of women hired into management positions is not proportionate to that of the men (Cai & Kleiner, 1999). When the lack of women in an organization's management is brought up to its male managers, the usual response is lack of interest or feigned interest.

This, however, is a "futility doctrine" according to Cai and Kleiner (1999) because they say that the choices that humans make are formed by the job opportunities that have historically been available to them. The best way to see this is by speaking to a class of Kindergartners and asking them what they would like to be when they grow up. You will find that many times the children will lean more toward the traditional roles with the boys wanting to be doctors and firemen and the girls wanting to be teachers and nurses.

Lawsuits are not the only thing that change the way the world sees women in business but also the actions of other top managers. Neil French was recently quoted answering the question as to why there were not more female top level managers. He said, "they're crap… don't deserve to make it to the top" (Hymowitz, 2005). After his comments were brought to light, Mr. French promptly resigned from his post high atop the food chain at WWP Group (Hymowitz, 2005).

FACTORS AFFECTING WOMEN'S ABILITY TO EXCEL

According to Cai and Kleiner (1999) there are five major factors that affect women's ability to excel in their careers and get past the glass ceiling. They are:

- ♦ Stereotypes and perceptions
- ♦ Mentoring and networking availability
- ♦ Discrimination in the workplace
- ♦ Family issues
- ♦ Funding availability

Many changes are being implemented across the United States to fix these five problems and help working women transcend the glass ceiling that has plagued so many.

Stereotypes and perceptions

Changing the way that women are viewed by society as a whole is not an easy task to undertake. In the business world it is more the organizational culture that is preventing women from reaching the senior management positions. These cultures tend to be gender biased if for no other reason than women were simply not in the work force when many of them came into existence (Still, 1994). Most of the time in business, you will see the men making the decisions and the women helping them carrying them out (Still, 1994).

This phenomenon is one of the reasons that it is so hard for the men at the top positions to allow women into their elite echelon of the "guys" to become a member of senior management. For women who wish to climb the corporate ladder, they must adhere to the masculine model or standard of behavior to stand a chance in the consideration for the upper level jobs (Still, 1994). Len Boselovic states it best, “the persistence of outdated stereotypes and prejudices continues to make the playing field uneven for women in business” (Boselovic, 2006).

Mentoring and networking availability

The mentoring network for women is less than desirable at this time. Research shows that people who have received in-depth mentoring programs are more likely to receive more promotions and have higher incomes (Akande, 1994). This is just another example of why women are having a hard time breaking into top management. Mentoring for women has not been as relevant because of the lack of women who actually seek out mentors as well as a lack of skilled mentors who are willing to take women on as proteges (Akande, 1994).

Discrimination in the workplace

Within the workplace there is still a lot of discrimination that takes place despite Equal Employment Opportunity laws that have been in place for many years in the United States. In the business environment women are not seen as having the traditionally male traits that are “necessary” for being successful (Yin Yim & Bond, 2002). In fact, some female business students actually see themselves as being less qualified for management positions than their male classmates (Yin Yim & Bond, 2002). One of the ways that women at the University level have been trying to overcome their false sense of management deficiency is through education programs that help to dispel this myth (Yin Yim & Bond, 2002). Positive action training, which is training that teaches positive reinforcement and recognition methods to business persons, is most frequently women-only workshops which are very effective but only in the instance where they are implemented in conjunction with an overall program of positive reinforcement (Anderson, 2004). That is to say that to change the way the organization as a whole operated, everyone must be in on the change not just the women in the organization. Although the discrimination that women face may not be overt, it is none the less apparent in all facets of the business environment today.

Family issues

While both women and men in the workplace can and do have families, it usually falls on the woman to be the one to bear the burden of the family responsibilities. This is the reason why many times women must choose between having a family and having a high powered career. One of the best examples of this is displayed by female war correspondents. These women are part of a field that is dominated by men and still find a way to balance their family and professional lives

(Matloff, 2004). All of these women understand that there are huge risks each time they leave their children for assignment, but they do so with the knowledge that they will return, and by doing their work, they are making a better place for their children to live now and in the future (Matloff, 2004).

Another reason that is cited for women's family holding them back from promotions is coincidence that the prime child bearing years for a woman directly coincide with the prime career building years (Hymowitz, 2005). These years occur in the ages between eighteen years and thirty five years.

Funding availability

The last of the major hurdles that women face as they try to break through the glass ceiling is the lack of funding that is available when attempting to start up their own businesses. Women are seen as having unequal access to the necessary resources of obtaining financing for new ventures (Marlow & Patton, 2005). Most women turn to self employment to be able to work around their domestic issues. Sometimes it is harder to find willing investors for their businesses (Marlow & Patton, 2005). Regardless of this, women owned businesses are the fastest growing business segment in the United States today (Mates, 4004). Regardless of this, female owned start up businesses are only receiving 2% of all available venture capital funds. This is in direct opposition to men who list many investors and loans (Mattis, 2004). In a recent study, prospective investors were given the chance to invest in one of two companies. Each of these companies was of similar caliber and promised similar results. The only difference that came to light was the fact the one of the CEO's was a man and the other a women. This seemingly insignificant detail spurred a huge discrepancy in the funding that was offered to one company over the other (Boselovic, 2006).

INTERNATIONAL FEMALE MANAGERS

Although women are slowly beginning to become a bigger presence in the management ranks in the United States, the fact remains that their global presence is less than par. Women represent a dismal 13% of all managers that are sent abroad even though they represent a much higher proportion of all managers domestically (Misconceptions, 2000). One reason for this disparity is that women are not as internationally mobile as their male counterparts. However, 80% of women working abroad said that they have never turned down a relocation opportunity compared to 71% of their male counterparts that have turned the opportunity down (Misconceptions, 2000).

Another reason given for the lack of women that are sent abroad is that they have a harder time than men balancing the work-home life issue, but it has been found that this is just as big of a problem for men as it is for women (Misconceptions, 2000). The last and biggest reason that is given for women's absence globally is that international clients are not as comfortable doing business with a woman as they are a man. Although this may have been more of a truth 30 years ago, that is simply not the case in today's global economy. Women who are stationed globally report a 77% success rate in establishing successful business relationships with men of other cultures (Misconceptions, 2000).

MANAGEMENT OPPORTUNITIES FOR WOMEN

For the women who are in the management areas of their companies, many of them feel that it is hard, if not impossible, to break through to the next level through a promotion. One of the biggest reasons that they feel this way is although many companies in the United States have an equal employment policy, they do not have any procedures in place to implement this policy (Veale & Gold, 1998). For example, although the company will equally hire a man or a woman, they will not go out of their way to provide the training necessary for the women in the organization to be able to move up to the higher position. There is also evidence that women are not entering the workforce with a clear vision of their careers because of the lack of career planning advice they are receiving at their educational institutions (Veale & Gold, 1998).

Although women do represent a significant proportion of the overall workforce, they are often too concentrated in the humanities areas which lack the ties to the movers and shakers. This is to say that if you want to be up for the promotion, you must put yourself in front of the person that can make it happen and make a strong positive impression (Hymowitz, 2005). In her work, Hymowitz found that men felt that they were "superior to women at problem solving, inspiring, delegating, and influencing superiors…four critical leadership skills." This is an especially disturbing finding because these are the things that women have been trying so very hard to overcome. Women must be able to lead as well as influence those people who are superior to them in rank to be able to climb the ranks to the management levels (Hymowitz, 2005).

Some people argue that employment opportunities should be given out on an equal basis to both women and men. That is to say that the management teams of all businesses should be made up of half women and half men. However, the Glass Ceiling Commission has stated that the management team should accurately reflect the population as a whole (Jackson, 2001). So, if your population is 60% female then your management should also be at least 60% female (Cai & Kleiner, 1999).

MARKETING FOR WOMEN IN BUSINESS

Over the years companies have gotten to be experts in marketing to women– in the home environment, that is. One of the places that discrimination against women can still be seen is in the marketing campaigns of some of the biggest companies in America in the business or b to b environment. Companies fail to realize the sheer number of women business decision makers there are in the United States (Maddox, 2006). In fact, women own about half of all the small businesses in the United States, and this does not even include the decision makers at the many businesses that they do not own. What many marketers fail to realize is that women do not purchase things in the same way that men do (Maddox, 2006). Men will hear about something that they want/need and then go out and buy it. Conversely, women will hear about something that they want/need and begin doing research on it and any other alternatives that may be available.

When it comes to reaching these female decision makers, the traditional marketing system fails to recognize the fact that women in these positions simply do not have the time to take in the traditional forms of media, such as television and magazines (Maddox, 2006). However, there are companies that are trying to overcome this shortcoming and take advantage of the “world’s largest market.” One company that can be seen in the media currently making a conscious effort to reach female decision makers is American Express. In fact American Express started a new campaign in 2005 called OPEN which specifically targets female business owners (Maddox, 2006). This particular opportunity also has been aiding in increasing the levels of funding and credit that is available to women, which is very empowering.

LEADERSHIP SKILLS OR THE LACK THEREOF

Research has found that leadership skills tend to cluster themselves into skill groups. These specific leadership skills are what US businesses are seeking in their management personnel (Baack, Carr-Ruffino & Pelletier, 1994). Having said this, it is understood that women should thoroughly understand and embrace these skills before they begin their ascent to the top of the corporate ladder. The four skill sets that are looked for by employers are:

- Vision and Inspiration
- Entrepreneurial Skills
- People Skills
- Implementation Skills

The ability to visualize and inspire others is an absolutely essential skill for female managers because as a manager a woman must be able to see the future of the company and know how to get everyone there. Within this skill cluster, self confidence is a large portion of the skill set (Baack, Carr-Ruffino & Pelletier, 1994). When walking into a room having confidence can take you far. When people see how well a woman feels about herself, they are more likely to follow her just because she is confident.

Another skill within this cluster is the ability to conceptualize which allows managers to see the patterns of outcomes that are happening at the company. When problem solving this is especially important because the only data available are the actual events and not the order in which they can be changed to obtain a positive outcome (Baack, Carr-Ruffino & Pelletier, 1994). Logical thought is seen when managers make presentations to their coworkers. When a female manager walks into a presentation, she is already operating with a deficiency of respect from her peers. So, it is even more important to be able to clearly and decisively communicate her point in the presentation (Baack, Carr-Ruffino & Pelletier, 1994).

When looking at the entrepreneurialship cluster of leadership skills, she must be willing to take risks. Common to entrepreneurs and successful managers are their achievement and proactive drives. The achievement drive ensures that the manager pushes to be the best at everything that is undertaken, while the proactive drive actually pushes him/her forward to solve the problems that are plaguing the company (Baack, Carr-Ruffino & Pelletier, 1994). Although women do possess these characteristics, they suppress them many times because of the cultural norms that are embedded in their heads.

The entrepreneurial cluster also identifies the diagnostic use of concepts which is like the conceptualization that occurs within the vision and inspiring cluster because the manager is expected to come up with a pattern given a set of occurrences within the company (Baack, Carr-Ruffino & Pelletier, 1994). The concern with impact is the final skill in this cluster. Managers with this skill are very concerned with how they appear to others, as well as how their choices impact the people around them (Baack, Carr-Ruffino & Pelletier, 1994). This skill should be looked on as particularly important to women in business because it will allow them to impress the people that have the ability to promote them.

The people skills cluster gives women a place to truly shine because of their natural nurturing qualities. For most women the use of socialized power goes all the way back to the school yard when they had to build teams and alliances with their peers. School age girls use this skill more specifically to influence the other members of their peer group through behavior modeling (Baack, Carr-Ruffino & Pelletier, 1994).

Two of the skills in the people skills cluster really seem to go together well, and they are positive regard and leading group processes (Baack, Carr-Ruffino & Pelletier, 1994). With the positive regard managers must demonstrate a strong belief in others, more specifically the people that they lead. Extreme care must be taken to ensure that all cues, verbal and nonverbal, exude this belief in others. When leading a group, not only is it important to believe in the team members, but also to be able to establish a team that works well with one another.

Not only must a manager have belief in the team, but that belief must also extend to them (Baack, Carr-Ruffino & Pelletier, 1994). With this managers must be able to be very honest with themselves about their abilities and weaknesses. One way to do this is to elicit evaluations from superiors as well as inferiors and act on the findings.

The final cluster is the implementing skills cluster. It has been said that, "the two most direct methods a leader can use in guiding or controlling the activities of team members is to provide performance feedback and interpret the feedback and its consequences" (Baack, Carr-Ruffino & Pelletier, 1994). In the developing others skill set which helps the manager to not only provide feedback but also offer to have an open discussion about possible improvement opportunities. This is especially important in ensuring that workers are empowered to make the improvements that will help them improve their job skills in the long run (Baack, Carr-Ruffino & Pelletier, 1994).

The use of unilateral power is what gives managers the power to get their subordinates to follow their instructions. The failure to do this will have detrimental effects on the management of a team (Baack, Carr-Ruffino & Pelletier, 1994). Real life examples of this can be seen by looking at female CEO's who enter the job without the backing of those under her. This action creates a lack of unilateral power with her team members and, thus, begins the downfall of her rein as CEO.

The final skill set within the implementing skills cluster is spontaneity. It is imperative that all managers, especially female managers, exude this skill because they will be able to act quickly and freely on any opportunities that may arise (Baack, Carr-Ruffino & Pelletier, 1994). When co workers see this, a certain amount of respect is usually bestowed.

DISARMING DISCRIMINATION

Discrimination against women will still be in our workplaces for many years to come. However, there are steps that women can take for themselves to aid in the deflection of this discrimination. There are four main strategies that can be employed:

- Do Your Homework
- Negotiate at Every Opportunity
- Ask for Clarification
- Let it Go

Doing your homework means that as a prospective employee, it is your job to research the company and your specific boss to ensure that you receive the best possible outcome. Being informed will definitely increase the chances of getting the promotion. Studies have found that most women research a job or promotion before the initial interview so they know what the job should pay someone with similar skills. Regardless of this fact, most women still ask for less than they know they should be getting paid because of their internal fears of not being good enough (Aissatou, 2006).

When in the initial interview process, it is imperative that a woman learns the personality of the interviewer. This allows her to present the material to her prospective employer in the most meaningful and useful format possible (Aissatou, 2006). Men have the upper hand because of the way they network. Many times this happens on the golf course, where, just like top management, women are often nonexistent.

The golf course is the prime location for negotiations. For women to be successful, they must be ready and able to negotiate on their behalf at any time. Other than the golf course, a great way to get credentials in front of the people who can make the promotions happen is to provide them with actual testimonials from happy customers. Although your word is great, the actual experiences of the customers are much more powerful (Aissatou, 2006). If customer testimonials are not available, an alternative way to get your name in front of an employer is to have a mutual business associate make a call on your behalf (Aissatou, 2006).

Never be afraid to ask for clarification. Women tend to not want to rock the boat or cause waves, so when it comes to making a follow up call in reference to an earlier interview, women must tame these fears. The one thing to remember is that an interview never would have taken place had the employer not been interested. (Aissatou, 2006). Furthermore, when in an interview it is imperative that the interviewee ask plenty of questions to ensure that all aspects of the job and its requirements are understood.

Because women are naturally nurturing, they tend to get their emotions involved in everything that they do (Aissatou, 2006). Although this is the characteristic that allows women to excel at so many different activities and professions, it is also the characteristic that makes women hold on to losing battles longer than their male counterparts. What must be done to continue disarming the discrimination against women is that women must know when to call it quits.

SET UP FOR A FALL

A study done by the University of Exeter has found that although women are now slowly breaking through the glass ceiling, they are only doing so after a company has a poor performance. This means that when these women are reaching top management positions, they are in a very risky place and are there to try to fix many preexisting problems, which is being referred to as the glass cliff (Nutley & Mudd, 2005). This is a stark contrast to the way that most men reach the top. The women that are put into these positions are then held accountable for any negative outcomes that the company may experience even though these outcomes are only the consequences of poor management choices made by their male predecessors (Nutley & Mudd, 2005). It is therefore unfair to make the assumption that women in high level positions such as Chief Executive Officer are not good performers when they are being set up for a fall on the way in. Cornell University did a study of 500 companies that went public and found that the IPO's of the companies that did not have women in their upper echelon of management were infinitely more successful than their female counterparts (Boselovic, 2006).

EXPANDING THE GOAL

Once women finally do reach the top management positions that they so greatly have fought for, their next step is to become part of a Board of Advisors. This takes decidedly longer than just obtaining a top management position. The number of women on boards varies by the type, location, and size of the company with larger more northern companies having more female board members than their smaller southern counterparts (Flynn & Adams, 2004). This is best illustrated by looking at Fortune 1000 companies; in Chicago 50% of all companies in this category have women on the board; whereas, only 10% of Atlanta companies actually have a woman on their board (Flynn & Adams, 2004). So the goal appears to be to not only have women at the top levels of management, but also to have an equal presence on boards.

To conclude women in business still have a long way to go before they reach true equality. Regardless, if it is the glass ceiling or a glass cliff that is making it difficult for women to transcend and join the ranks, there may never be an end to the discrimination that is present in today's workplace. Most discrimination that is toward women is done in such a covert manner that it actually exists below the radar and thus is not recognized by many in the business world.

Not until the attitudes of men toward women and women about themselves can be changed will there ever been any kind of sustainable changes in American society. Many companies feel that by hiring more women into their workforce, the problem will eventually fix itself, but the evidence is against this theory. What must be done will take many years and the participation of many different individuals through education programs and sensitivity training seminars. This must be followed through for all levels of employees as well as both men and women in the company. Ultimately, within the next ten to twenty years, the hope is that today's children will not have to face these issues when they enter the workforce but only time will tell.

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THE EFFECT OF TRANSACTIONAL AND TRANSFORMATIONAL LEADERSHIP STYLES ON THE ORGANIZATIONAL COMMITMENT AND JOB SATISFACTION OF CUSTOMER CONTACT PERSONNEL

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ABSTRACT

Customer satisfaction depends, to a large extent, on the attitude of customer contact personnel. This study examines the effect of transactional and transformational leadership on the organizational commitment and job satisfaction of customer contact personnel in banking and food store organizations. The results indicate that the transformational factors of charisma, intellectual stimulation, and individual consideration are more highly correlated with job satisfaction and organizational commitment than the transactional factors of contingency reward and management-by-exception. Also, leader charisma, by itself, is an excellent predictor of employee attitude. As such, this factor appears to have value in leader selection and training programs within the service sector.

INTRODUCTION

Ever increasing competition has driven companies to focus on customer satisfaction. A major determinant of customer satisfaction within the service industry is the attitude of customer contact personnel (Heskett et al., 1990; Parasuraman et al., 1991). This relationship is succinctly summarized by John Smith, former CEO of Marriott Corporation, by the phrase, "you can't have happy customers served by unhappy employees" (Heskett, et al., 1997). Similarly, Heskett (1987) suggests the following sequential relationship to describe successful service firms: "great employee satisfaction begets high employee motivation begets high level of service quality compared with the level the customer expects begets high customer satisfaction begets increased sales volume." Along the same line, Schneider & Bowen (1985a) and Marshall (2001) report that service cultures with the highest organizational commitment and lowest employee turnover consistently report the highest levels of customer satisfaction. Further, Bowen & Schneider (1988) noted that a high percentage of the time when customers report unfavorable views of service quality, they also report having servers with bad attitudes or overhearing employees complain about their jobs and surroundings.

A major determinant of an employee’s attitude is his/her perception of their immediate supervisor (Yammarino & Dubinsky, 1992). As such, it seems reasonable to assume that some styles of leadership may be more effective than others at gaining the commitment of customer contact personnel. Heretofore, the vast majority of research on leadership, as an antecedent of employee performance, has been on the effect of task-oriented or people-oriented leadership styles. The purpose of this study is to examine the effect of transactional and transformational leadership styles on the performance (job satisfaction, organizational commitment) of customer contact personnel.

THEORETICAL ISSUES AND HYPOTHESES

The discussion of theoretical issues is divided into two sections. First, we will review some research on the relationship between two surrogates of employee attitude (i.e., organizational commitment and job satisfaction) and customer satisfaction. Second, the dimensions of transformational and transactional leadership are defined and examined in terms of their effect on employee attitude. Subsequently, hypotheses are developed to examine whether transformational leadership or transactional leadership is more correlated with a positive employee attitude.

Employee Attitude and Customer Satisfaction

Two of the more popularly researched components of employee attitude are organizational commitment and job satisfaction (Porter et al., 1974; Kanungo, 1982). One study found that organizational commitment reflects an employee's identification and involvement with a particular organization. More specifically, it embraces three dimensions: "(a) a strong belief in and acceptance of the organization's goals and values; (b) a willingness to exert considerable effort on behalf of the organization; and (c) a strong desire to maintain membership in the organization" (Mowday et al., 1979).

The relationship between organizational commitment and customer satisfaction has been fairly well established. For example, Morrow’s (1993) review of 20 studies on the relationship between organizational commitment and customer satisfaction indicates correlations ranging from .27 to .73, and averaging .56. Additionally, four studies of organizational commitment and organizational dependability indicated correlations of .38 to .66 (Dornstein & Matalon, 1989; Meyer & Allen, 1988). In turn, organizational dependability has been offered by numerous studies as a strong correlate with customer satisfaction (Czepiel et al., 1985; Garvin, 1987; Parasuraman et al., 1991).

Further, several studies have found a very positive relationship (.46 to .60) between a person's willingness to participate in quality improvement efforts and organizational commitment (Gaertner & Nollen, 1989; Meyer & Allen, 1988). In turn, organizational participation and a willingness to improve have been linked in several studies to superior customer service (Tornow & Wiley, 1990). Lastly, four studies of organizational commitment and work ethic indicated correlations of .21 to .43 (Brooke et al., 1988; Morrow & McElroy, 1987). In turn, the work ethic of servers or customer contact personnel has been identified as a strong correlate (.42 to .64) with customer satisfaction (Parasuraman et al., 1991). Therefore, based on both the direct and the indirect evidence of these correlational studies, it seems logical to assume that organizational commitment and customer satisfaction are strongly correlated.

Employee job satisfaction is often conceptualized as containing the following elements: the job itself, supervisor relationship, management beliefs, future opportunity, work environment, pay/benefits/rewards, and co-worker relationships (Morris, 1995). According to Morris's research, employee job satisfaction is a critical factor in delivering satisfaction to customers. In a study of the retail banking industry, Brown and Mitchell (1993) found that the job dissatisfaction of customer contact personnel was a key correlate with lower customer satisfaction. Similarly, in an examination of customer satisfaction at a major Midwestern hospital, the correlation between the nurses' job satisfaction and the patients' willingness to recommend the unit was .85 (Atkins et al., 1996). Job satisfaction as measured by Patricia Smith's Job Description Index (1969) has been indicated as a moderately positive correlate (.11 to .34) of customer satisfaction in a broad range of studies (Schlesinger & Zornitsky, 1991; Schneider & Bowen, 1985b). More recently in a longitudinal study, Koys (2001) found a significant positive relationship between employee satisfaction in year one and customer satisfaction in year two.

Transactional and Transformational Leadership

Burns (1978) was one of the first to conceptualize leadership styles in terms of transactional and transformational characteristics. He viewed a leader's behavior on a continuum between transactional and transformational. He suggested that transactional leadership is a style based on bureaucratic authority and legitimacy within the organization. Further, transactional leaders emphasize work standards, assignments, and task-oriented goals. In addition, he believed that transactional leaders tend to focus on task completion and employee compliance, and these leaders rely quite heavily on organizational rewards and punishments to influence employee performance. Al-Mailam (2004) described the transactional leader as an agent of change and goal setter; a leader that works well with employees resulting in improvements in productivity.

In contrast, Burns characterized transformational leadership as a style that motivates followers by appealing to higher ideals and moral values. Transformational leaders must be able to define and articulate a vision for their organizations, and the followers must accept the credibility of the leader. Transformational leadership can motivate and inspire employees to perform beyond expectations and transform both individuals and organizations. (Bass, 1985; Keegan & Hartog, 2004). Subsequently, Bass and Avolio (1987) proposed that transformational leadership is a behavior process comprised of three factors: charisma, intellectual stimulation and individualized consideration. They define the first factor or charisma, with respect to how followers perceive and act toward the leader. For example, followers are seen striving to emulate their charismatic leaders; they place a great deal of trust in their leader's judgment, as well as mission; they support the leader's values and typically adopt them, and frequently form strong emotional ties to the leader. It is important to note, however, that charisma and charismatic leadership have often been considered synonymous with transformational leadership (Conger & Kanungo, 1987). As in Bass and Avolio's (1987) previous research, this research considers that charisma is a testable subset of transformational leadership. Therefore, when the term "charisma" is used in this paper, it is a factor of transformational leadership and defined by the previously mentioned construct developed by Bass and Avolio (1987). For more information recent information on the construct jungle of charisma and charismatic leadership, you are referred to an article by Angelo Fanelli and Vilmos Misangyi, "Bringing out charisma: CEO charisma and external stakeholders," *Academy of Management Review* (2006) .31(.4), 1049-1061 and one by Kevin Groves, "Linking leader skills, follower attitudes, and contextual variables via an integrated model of charismatic leadership," *Journal of Management*, 31(2), 255-278.

As to the second factor, individualized consideration, transformational leaders demonstrate concern for the individual needs of followers, treating followers on a one-to-one basis. Using processes such as mentoring, transformational leaders also raise need perspectives and the goals of followers; that is, they not only identify individual needs, but also raise them appropriate to the challenges confronting followers. Intellectual stimulation is the third key component in the transformational leadership process. With intellectual stimulation, transformational leaders encourage followers to question their old way of doing things or "to break with the past." Followers are supported for questioning their own values, beliefs, and expectations and those of the leader and organization, which may be outdated or inappropriate for current problems. In sum, transformational leaders are able to get followers to perform at maximum levels. They achieve maximum performance because of their ability to inspire followers, to raise their followers' criteria for success, and to have followers think "outside the box" and explore alternative methods for solving problems (Bass, 1985).

According to Bass et al. (1987), transactional leadership can be conceptualized using a two-factor model, i.e., either *passive* or active. Passive transactional leadership, or management-by-exception (MBE), allows the status quo to exist as long as the old ways are working. If things go wrong, however, a leader practicing passive management-by-exception will take actions that often have a negative connotation. For example, "If this mistake happens again, I will have to write you up." In contrast, active transactional leadership involves an interaction between leader and follower that emphasizes a more proactive positive exchange; for example, providing appropriate rewards when followers meet agreed-upon objectives. The emphasis with active transactional leadership is on rewarding followers for achieving expected performance. Such leadership includes the acquisition of information to determine what the current needs of subordinates are, as well as helping them to address the task and role requirements that result in desired outcome(s). By linking individual needs to what the leader expects to accomplish, as well as to rewards desired by followers, the motivational levels of followers can be enhanced.

Leadership as a Correlate of Organizational Commitment

When the construct of organizational commitment (i.e., affective commitment) is examined in the context of Bass's view of leadership, some interesting possibilities emerge. For example, transformational leadership might exhibit strong positive relations to organizational commitment, given the strong feelings of emotional attachment it is expected to foster. In contrast, transactional leadership (management-by-exception) might foster reduced commitment because employees want to avoid superiors who appear only when things go wrong.

Hypothesis 1: *Customer contact personnel who perceive that they are managed via a transformational leadership style will have a higher level of organizational commitment than those managed via a transactional leadership style.*

Leadership as a Correlate of Job Satisfaction

When the construct of job satisfaction is examined in the context of Bass's view of leadership (Bass, 1985), several predictions are suggested. First, transformational leadership might intrinsically foster more job satisfaction, given its ability to impart a sense of mission and intellectual stimulation. Also, transformational leaders encourage their followers to take on more responsibility and autonomy. As such, the work tasks provide workers with an increased level of accomplishment and satisfaction. Additionally, since transformational leaders are focused on the individual development of their followers, employees should have a sense that someone is caring for their needs. Conversely, employees under the quid pro quo approach of transactional leaders might find fault or dissatisfaction with the equity of their reward systems. Further, in the management-by-exception approach, the transactional leader is more apt to be perceived as someone who is actively searching for deviations. Under this type of atmosphere, it is often perceived that one mistake outweighs ten successful contributions.

Hypothesis 2: *Customer contact personnel who perceive that they are managed via a transformational leadership style will have a higher level of job satisfaction than those managed via a transactional leadership style.*

METHOD

Participants and Procedure

The subjects were 77 branch managers from three regional banking organizations and 47 store managers from one national food chain. (Note: Two service environments were selected to test the hypotheses because some previous research suggested that the effect of leadership style might be moderated by an organization's contextual variables (e.g., degree of innovation). The branch and store managers were 43% and 85% male, respectively. These referent leaders were the participants' direct supervisors. The bank and food store respondents were 100% female, 55% married, and most (83%) had been in their current jobs longer than two years and reported to the referent manager for an average of 17 months. Additionally, most (74%) had at least some undergraduate college experience but only 5% were college graduates (mean education for bank respondents was 2 years past high school and one-half year past high school for the food store respondents). Also, the respondents were earning an average wage of $8.50 per hour in the food stores and $10.80 in the banks. The questionnaire was mailed along with a letter requesting participation by the parent company and a letter of introduction and instruction by our research team, to a random selection of four tellers at each bank and four checkout personnel at each store. All participants responded on a voluntary basis and were assured that their individual responses would remain confidential. Of the possible 308 tellers, 292 useable responses were received, for a 95% response rate. Of the possible 188 checkers, 97 useable responses were received, for a 50% response rate.

Measurement of Leadership Variables

An abridged version (Bass, 1985, pp. 209-212) of the MLQ-1 instrument was used to measure the constructs of transformational and transactional leadership. Twenty-seven items were used to measure transformational leadership: 18 for charismatic leadership, seven for individualized consideration, and three for intellectual stimulation. Although Bass's original research with the MLQ-1 suggests that transformational leadership can be partitioned into three factors, recent evidence indicates a high degree of correlation between these behaviors (Bycio et al., 1995; Carless, 1998). As such, we viewed the transformational leadership data from both a three-factor and a single factor standpoint.

Thirteen items were used to measure transactional leadership: seven for contingent reward and six for management-by-exception. A 5-point scale ranging from 0 to 4 was used for all items, with the higher numbers representing greater perceived amounts of the leadership attributes.

Measurement of Outcome Variables

This study used the most popular and valid measure to assess the organizational commitment of the customer contact personnel. This 15-item instrument was developed by Porter et al. (1974) and has demonstrated an average internal consistency reliability of .88 in over 90 samples (Mathieu & Zajac, 1990). The instrument consisted of statements (e.g., "I find that my values and the organization's values are very similar.") to which respondents indicate their level of agreement or disagreement on a seven-point scale.

The job satisfaction of the customer contact personnel was measured by a modified, 11-item version of the Smith et al. (1969) Job Description Index (JDI) that included only those items that would be directly affected by supervisor style. For example, this instrument consists of statements (e.g., "I feel very satisfied with the way company policies are put into practice.") to which respondents indicated their level of satisfaction on a five-point scale.

Data Analysis

The hypotheses were tested using a correlation analysis and comparisons were made between the banking and food store samples as well as with other demographics. Additionally, the expected differential relationships between the leadership scales and the outcome variables (commitment and job satisfaction) were assessed using the formula given by Cohen & Cohen (1983, p. 56) for comparing the size of dependent correlations.

RESULTS

Hypotheses 1 and 2 were tested using a correlation analysis. Tables 1 and 2 present the means, standard deviations, and intercorrelations of the Bass transformational and transactional scales and the outcome measures. The results from the correlation analysis support (in both service industry settings) the hypothesis that employees managed under a transformational style of leadership will have a higher organizational commitment (Hypothesis 1). Specifically, the three factors of transformational leadership, i.e. charisma, intellectual stimulation, and individual consideration, were significantly ($p <.01$) correlated with the organizational commitment of food store employees at $r = .426$, $r =.376$, and $r = .371$, respectively. With respect to the factors associated with transactional leadership, the correlation between contingency reward and organization commitment was r = .244 ($p < .01$), and for management-by-exception was r = -.153 ($p < .05$). Almost identical results were noted in the banking service sector.

Similarly, the results supported the proposition that employees managed under a transformational style of leadership will have higher levels of job satisfaction. Specifically, the factors of charisma and intellectual stimulation correlated with the job satisfaction of food store employees at r = .212 ($p < .05$), and r = .322 ($p < .01$), respectively. As for the transactional leadership style there was a negative correlation between job satisfaction and management-by-exception (r = -.244 ($p < .01$), and the correlation with contingency reward was non-significant. Again, the banking organizations provided similar results. Job satisfaction was positively correlated at r = .130 ($p < .05$) with intellectual stimulation and lacked significant correlation with the other factors. (Note: the low correlation between organizational commitment and job satisfaction indicates that these are, in fact, different constructs in the eyes of the employees.)

Table 1: Means, Standard Deviations, and Correlations of Variables for the Banking Organizations (N=292)

	M	SD	Charisma	IntStim	IndCon	ContRwd	MBE	OrgCom
Charisma	2.82	1.07						
IntStim	1.99	0.94	.693**					
IndCon	2.64	1.10	.896**	.654**				
ContRwd	1.92	0.95	.648**	.640**	.659**			
MBE	1.78	0.73	-.312**	-.068	-.296**	.028		
OrgCom	5.52	1.04	.390**	.264**	.386**	.259**	-.157**	
JobSat	8.04	5.13	.113	.130*	.100	.076	-.022	.160**

** Correlation is significant at the 0.01 level (2-tailed)
* Correlation is significant at the 0.05 level (2-tailed)

Additionally, stepwise and hierarchical regression analyses (Cohen & Cohen, 1983) were conducted to determine the predictive effect of the transformation and transactional factors on the dependent variables. As expected, in the stepwise analysis, charisma was the only factor needed to predict organizational commitment (R^2=.152, $p<.01$ for banks, and R^2=.181, $p<.01$ for food stores). Further, the stepwise analysis revealed that intellectual stimulation was the only factor that significantly predicted job satisfaction (R^2=.017, $p<.026$ for banks and R^2=.145, $p<.01$ for food stores). In a similar fashion, a hierarchical regression was used to initially enter the contingent reward style in the organizational commitment regression equation. Then charisma was added separately to the equation. The results indicated that charisma more than doubled the predictive powers of contingent rewards.

Table 2: Means, Standard Deviations, and Correlations of Variables for Food Store Organizations (N=94)

	M	SD	Charisma	IntStim	IndCon	ContRwd	MBE	OrgCom
Charisma	2.89	1.06						
IntStim	2.05	1.02	.732**					
IndCon	2.82	1.07	.882**	.696**				
ContRwd	1.98	0.91	.604**	.631**	.676**			
OrgCom	1.94	0.78	-.079	-.019	-.030	.255*		
MBE	5.32	1.08	.426**	.376**	.371**	.244**	-.153*	
JobSat	8.21	6.11	.212*	.322*	.159	.047	-.244**	.148

** Correlation is significant at the 0.01 level (2-tailed)
* Correlation is significant at the 0.05 level (2-tailed)

Also, a one-way ANOVA was conducted to determine whether there were any differences between the two organizations (banking and food stores) in terms of both their response means and the gender of their manager. The results indicated there were no significant differences in response levels (e.g., charisma, intellectual stimulation, individual consideration, MBE, contingent reward, organization commitment and job satisfaction) between the banking and food store organizations. Further, the results indicated that neither gender was more likely to use a particularly style or substyle of leadership.

DISCUSSION

This study attempted to examine the connection between transactional and transformational leadership and employee commitment and job satisfaction in two service industries. As predicted, transformational leadership was found to have a higher correlation with the dependent variables than transactional leadership. Further, these findings seem to support Bass's (1985) model that suggests that transformational leadership is more predictive of individual and group performance. Additionally, the results provide added support for prior research that has shown the use of managing-by-exception is an ineffective leadership style (Bass, 1985).

In the original conceptualization of his model, Bass (1985) suggested that certain contextual factors might moderate the impact of transformational and transactional leadership on performance. According to Bass, transformational leaders are likely to find more ready acceptance in organizational units, in which there is receptivity to change and a propensity for risk taking. In contrast, in organizational units bound by traditions, rules, and sanctions, leaders who question the status quo and continually seek improvement in ways to perform the job may be viewed as too unsettling and, therefore, inappropriate for stability and continuity of the existing structure (Bass & Avolio, 1990). Thus, units open to creative suggestions, innovation, and risk taking (i.e., units supportive of innovation) may be more conducive to transformational leadership than organizational units that are structured, stable, and orderly.

In the present study, it is reasonable to assume that both the banking and food store organizations have stable or mechanistic structures. As such, Bass's model suggests that a transactional leadership style might be more suitable. The data in this study, however, showed that the employees of both the banks and the food stores preferred transformational leaders. One plausible explanation for this interesting finding is that the system of reinforcement in mechanistic organizations is so thoroughly entrenched in the organizational structure, that the leaders themselves do not need to actively or overtly provide contingent reinforcement.

Additionally, the findings confirmed that charisma adds unique variance beyond contingent-reward behavior in relation to leader effectiveness. These findings are consistent with other research conducted in industrial settings that has demonstrated the importance of charismatic leadership (Hater & Bass, 1988; Waldman et al., 1987). On the other hand, the findings fail to support the propositions of Lundberg (1986) and Tichy and Devanna (1986) that charisma is only important at the highest management levels. Their contentions are based on the notion that at these levels there is the greatest need for change. Presumably, lower-level managers implement the decisions of the higher-level charismatic leaders by using contingent rewards.

Finally, it should be noted that two of the most important tests of transformational and transactional leadership on organizational performance were performed in organizations that had either exclusively male (Howell & Avolio, 1993) or exclusively female (Bycio et al., 1995) managers. Our banking sample represents a relatively even distribution between male and female managers and as such offers some insight to whether there are gender differences in terms of the magnitude and preference of particular leadership styles. The findings indicate that there is no difference. Female managers are equally as likely to use a transformational style as males, and when they use a transformational style it contains similar levels of charisma, intellectual stimulation, and individual consideration.

CONCLUSIONS AND IMPLICATIONS

This study provides evidence to support the use of transformational leadership to increase the job satisfaction and organizational commitment of customer contact personnel. These outcomes become more significant as service organizations attempt to empower their workers and strive to retain customers through relationship strategies. Further, this study provides a first-time look at the impact of a transformational leadership style on relatively low paid and high school educated customer contact personnel at multiple organizations. The results seem to indicate that transformational leadership and particularly charismatic is preferred by these employees. Additionally, the findings indicate the results can probably be generalized across similar organizational service structures.

Bass (1985) defined transformational leadership with respect to how followers perceive and act toward the leader. For example, followers are seen striving to emulate their transformational leaders; they place a great deal of trust in their leader's judgement, as well as mission; they support the leader's values and typically adopt them, and frequently form strong emotional ties to the leader. Further, it might be suggested that transformational leaders develop within their subordinates the attributes of charisma, intellectual stimulation and individual consideration. These personal characteristics directly support the dimensions of service quality (Parasuraman et al., 1988).

Further, these findings have implications for the training and development of service organization leaders. Given the discriminant validity of the MLQ, training programs could be developed to work on improving the behaviors and skills that result in effective transformational leadership. Preliminary findings from a supervisory training program developed to improve transformational leadership have already produced some promising results (Bass & Avolio, 1990). Additionally, the results indicate that leadership-training programs must continue to emphasize the ineffectuality of a management-by-exception style. Employees view MBE as disempowerment and micro managing. Also, it is important to note the contribution of intellectual stimulation to employee job satisfaction. The fact that it was particularly significant for the checkout personnel might suggest that its importance might increase as jobs become more routine and/or organizations fail to provide the stimulation contextually. Lastly, these findings should have an impact on the way we recruitment and promote leaders in the service environment.

Future research needs to bridge the gap between personnel selection and leadership theory (Kuhnert & Russell, 1990). Because the MLQ has been recommended as a possible selection tool (Waldman et al., 1990), it is worth examining the degree to which the questionnaire can augment or replace more traditional selection methods, including personality inventories (Hogan & Hogan, 1994). Additionally, since charisma is the most predictive of the transformational factors, future efforts are needed to further examine its makeup and whether it can be effectively learned.

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

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ABSTRACT

The purpose of this paper is to provide insight into the effective management and retention of employees who are HIV-positive. A focus group of employees who were HIV-positive was assembled and asked what HR policies would enhance their organizational commitment. A mail survey was then conducted asking HIV-positive employees to rank and rate the impact of each of the 18 policies resulting from the focus group on their organizational commitment.

Respondents felt that all 18 policies, if implemented by their respective employers, would enhance their organizational commitment. The policies felt to be the most influential relative to the others were ensuring confidentiality and non-discriminatory treatment; both of which can be implemented at little or no cost to the organization.

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

INTRODUCTION

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

ORGANIZATIONAL COMMITMENT

Organizational commitment refers to the psychological state of identifying with and involving oneself with their organization (Angle & Perry, 1981; O'Reilly & Chatman, 1986; Steers, 1977). Research has shown that organizational commitment is positively related to employee retention; simply stated, employees committed to an organization are less likely to leave. Such commitment benefits both employees and organizations. Employees achieve greater job stability; the organizations achieve experienced, motivated workers, higher levels of service quality, and reduced employee turnover costs (Cohen, 2000; Hartline & DeWitt, 2004; Rhoades & Eisenberger, 2002).

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

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

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

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

Lack of risk. HIV cannot be transmitted to customers or other employees through casual contact.

Ability to perform. The symptoms of HIV may take as many as 12 years (if at all) to appear, during which time employees who carry the HIV virus are still able to fulfill their duties and responsibilities without compromising their performance.

Legal obligation. Under the Americans with Disabilities Act (ADA), hospitality and other organizations may not discriminate against HIV-positive employees on the basis of their condition as long as the employee can adequately perform the "essential functions" of the job, either with or without reasonable accommodation(s).

Changing demographics. The shrinking qualified labor pool, coupled with the expected growth in service sector employment, will make full utilization of alternative sources of labor a necessity.

Cost/benefit. Significant increases in the organizational commitment (and subsequent decreases in turnover and associated costs) of HIV positive employees may be made at relatively no or little cost to the organization.

PRIVACY, FAIR TREATMENT, AND ORGANIZATIONAL COMMITMENT

Both employers and employees have a number of concerns regarding HIV status in the workplace. It is the employer's responsibility to provide a safe workplace; and although authorities maintain that HIV cannot be transmitted through casual contact, it can often be difficult for employers to mitigate employee and customer fear of contracting the virus. Employers are thus charged with the responsibility of ensuring a non-discriminatory work environment and protecting the health of all employees and customers, while at the same time tending to the fiscal health of the business. One of the key necessities to continued financial success is employee retention. The question must then be asked, "what steps can employers take to increase the organizational commitment of their HIV positive employees while ensuring the safety of the work environment and not causing undue business hardship?"

Although this situation might at first seem somewhat tenuous, this appearance is deceptive. In order to answer this question, employers must specifically address the needs of the HIV positive employees themselves. What could organizations do to increase the organizational commitment of HIV positive employees specifically that they might not already be doing? Misconceptions and stereotypes which surround HIV contraction and HIV positive individuals cause them to fear overreaction from coworkers, bosses, and clients, possibly leading to biased and unequal treatment in the workplace. Given that these are two primary concerns for HIV positive workers, it logically follows that confidentiality regarding HIV issues would be of utmost importance. The assurance of confidentiality regarding HIV issues has many implications. HIV positive employees are able to separate their personal lives from their work lives. According to Schoeman (1992), privacy protects us from social overreaching-and limits the control of others over our lives. Privacy enables the HIV positive individual to act with the same authority, autonomy, and freedom from bias as other workers. The commitment to worker privacy shows the company's respect for the individual and their support and confidence in their work.

Without confidentiality, it would be difficult to ensure unbiased treatment of HIV positive individuals during both the selection process and once on the job. Privacy ensures that not only will the HIV positive individual be treated in a non-discriminatory manner, but it also keeps employers from being subjected to inappropriate pressure from co-workers, employees, and customers regarding the treatment of such employees. Guaranteeing worker privacy is a tacit agreement of commitment between workers and their organizations. Working in a supportive environment which is free from bias will increase the workers' organizational commitment because they will be more able to identify with the goals of the organization. If their organization respects and trusts them, they, in turn, will respect and trust their organization.

Although privacy assists workers in ensuring fair and equitable treatment, room to be themselves, and control over their lives, oftentimes organizations have not implemented strict privacy policies for fear of losing control over their workers. As Bible & McWhirter (1990, p. 42) say, "when people disclose themselves to one another in privacy (*as an HIV positive employee might do with his/her boss)* a secret society comes into existence. This is discouraging to those running institutions that seek to control their members; such institutions prefer non-privacy." Organizations until this point might not have fully realized the implications of ensuring confidentiality regarding HIV related issues. In essence, attempting to maintain control over their workers, oftentimes organizations end up alienating them. Workers feel alone and distrustful of their organizations and are thus more likely to leave.

THE STUDY: PURPOSE AND METHODOLOGY

The purpose of the research was to identify the effects of various HR policies on the organizational commitment of HIV-positive employees. If, for instance, an employer were to allow an HIV-positive employee flextime or the option to work at home to facilitate their treatment process, would this increase the employee's level of organizational commitment? Or, if an organization were to redesign an HIV-positive employee's job to be less taxing, would this increase the employee's commitment to the organization? What HR strategies are more effective than others?

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

FOCUS GROUP

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

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

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

THE SURVEY

The survey consisted of three sections: Section 1 used a measure of organizational commitment developed and validated by O'Reilly and Chatman (1986); Section 2 listed the 18 human-resource policies generated by the focus group thought to be of importance to HIV-positive employees. For each of the 18 policies, survey recipients were asked (1) whether their organization currently followed such a policy, and (2) whether such a policy, if followed, would enhance their commitment to the organization. More precisely, recipients were asked to respond to the statement, "This policy or philosophy, if implemented by my organization, would increase my desire to remain with the organization," using the following scale: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree. Recipients were also asked to rank the 18 policies in descending importance, with 1 being the policy that would most enhance their commitment to the organization and 18 being the policy that would least enhance their commitment to the organization; and finally, Section 3 solicited demographic information such as age, gender, education, industry, job title, length of employment, and date of HIV/AIDS diagnosis.

A total of 237 surveys were sent to contact persons at various HIV/AIDS advocacy organizations nationwide. These contacts distributed the surveys, along with prepaid return envelopes, to members of their organizations. A total of 64 surveys were returned (representing a 27% response rate), of which 78% (50) were from respondents who were HIV-positive. The 50

HIV-positive respondents comprised the population for this particular research. Respondents ranged in age from 21 to 70, with a mean age of 36; 33 (66%) were male, 17 (34%) were female. 92% of the respondents had attended college and 70% were currently employed. See Table 1 for a complete respondent profile.

Table 1: Profile of HIV-Positive Respondents	
Gender:	
Male	33 (66%)
Female	17 (34%)
Age:	
Mean	36 years
Range	21-70 years
Highest Education Level Achieved:	
High school diploma	8%
Some college	28%
Associates degree	14%
Bachelor’s degree	28%
Master’s/Professional degree	20%
Doctorate	2%
Currently employed:	
Yes	35 (70%)
No	15 (30%)
If not currently employed, left previous employer	Average 3.27 years ago
Length of time with current/most recent employer:	Average 4.15 years
Length of time in current/most recent position:	Average 3.13 years
Organization size:	Average 1,500 employees
HIV diagnosis:	Average 4.23 years ago
Diagnosed with full-blown AIDS	
Yyes	20 (40%)
No	30 (60%)
AIDS diagnosis:	Average 3.3 years ago

RESULTS

Section 2 of the survey listed the 18 human-resource policies and for each asked respondents to state whether their organization currently followed such a policy. For all but three of the 18 policies, the majority of the respondents stated that their organization did not currently have such a policy in place. For each policy, responses were used to determine mean commitment scores for employees in organizations that followed that policy and in organizations that did not. A statistical comparison of commitment scores for each policy was then conducted. The differences in mean commitment scores were significant for 10 of the 18 policies (tested at the significance level alpha < .10). Differences that were not statistically significant may have been affected by the relatively small sample size. In any case, it is important to note that *for each of the ten policies where a significant difference existed*, the commitment scores of employees whose organizations followed the policy were higher than those of employees whose organizations did not follow the policy. For a complete list of the policies and a comparison of the mean commitment scores, please refer to Table 2.

Table 2: Comparison of Mean Commitment Scores

	Policy	Have Policy	Do not Have	T Score	Sig. Level
1	Develop a culture that accommodates the special needs of HIV infected employees.	46.20 (10)*	36.12 (33)	-3.39	0.002
2	Give employees the opportunity to be open about their infection.	43.25 (20)	34.30 (23)	-3.61	0.001
3	Offer employee assistance programs for infected and non-infected employees and their loved ones.	44.14 (7)	37.36 (36)	-1.83	0.074
4	Develop orientation, training and team building programs and workshops to help infected and non-infected employees work effectively together.	44.85 (7)	37.62 (35)	-2.01	0.051
5	Offer the same medical benefits to all employees and their domestic partners regardless of their HIV status.	40.42 (21)	36.59 (22)	-1.38	0.174
6	Allow infected employees to take medical leaves of absence so they do not use up all of their sick leave for treatment and recovery.	42.92 (14)	36.31 (29)	-2.32	0.025
7	Allow infected employees a greater range of medical benefits options.	42.50 (4)	38.05 (39)	-0.92	0.363
8	Let infected employees work with a committee of their choice to develop Flexible work strategies to the mutual benefit of company and employee.	43.12 (8)	37.40 (35)	-1.62	0.113

Table 2: Comparison of Mean Commitment Scores

	Policy	Have Policy	Do not Have	T Score	Sig. Level
9	Schedule infected employees for a maximum 5/day/40 hour work week with two days off in a row.	40.06 (16)	37.51 (27)	-0.87	0.387
10	Allow infected employees a greater range of work options to meet their needs, including part-time, flex-time, and work at home.	42.10 (19)	35.58 (24)	-2.44	0.019
11	Allow infected employees to transfer positions as required by their illness.	42.25 (12)	37.00 (31)	-1.72	0.094
12	Allow infected workers to take sabbaticals (for example, one out of every six years) to focus on other aspects of their lives.	40.33 (6)	37.86 (36)	-0.61	0.547
13	Provide full medical benefits to infected employees who were full-time but are forced by their illness to work part-time.	40.30 (10)	37.46 (32)	-0.86	0.395
14	Promote infected employees strictly on the basis of job performance rather than possible future health considerations.	40.24 (25)	36.00 (18)	-1.51	0.138
15	Ensure responsibilities are not taken away from infected employees unless the employee willingly renounces them or, can no longer perform them.	42.25 (24)	33.68 (19)	-3.39	0.002
16	Empower infected employees to address issues of possible discrimination, harassment, or hostile co-workers.	41.75 (16)	36.51 (27)	-1.85	0.071
17	Audit managers to ensure non-discriminatory treatment of infected employees.	42.47 (17)	35.84 (26)	-2.44	0.019
18	Ensure confidentiality regarding HIV related issues.	39.40 (30)	36.30 (13)	-1.01	0.317

* indicates the # of organizations to which the commitment information is applicable
Shaded areas are not significant at the alpha < .10 level

Section 2 also asked respondents to rate each policy (based on the statement, "This policy or philosophy, if implemented by my organization, would increase my desire to remain with the organization") using a five-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree. Responses to this section were used to calculate mean ratings for each of the policies. Significantly, the respondents felt that *all 18 policies* would be influential in enhancing their commitment to their organizations. Even the policy rated the least influential (allowing HIV-positive employees to take sabbaticals) had a mean rating of 3.33 (above neutral). See Table 3 for a list of the 18 policies and their mean ratings (far-right column).

Table 3: Perceived Influence of HIV Related Policies on Respondents' Organizational Commitment			
	Policy	Mean Rank	Mean Rating
1	Ensure confidentiality regarding HIV related issues.	4.92	4.63
2	Audit managers to ensure non-discriminatory treatment of infected employees.	6.58	4.40
3	Offer the same medical benefits to all employees and their domestic partners regardless of their HIV status.	6.66	4.27
4	Provide full medical benefits to infected employees who were full-time but are forced by their illness to work part-time.	6.84	4.26
5	Allow infected employees a greater range of work options to meet their needs, including part-time, flex-time, and work at home.	7.56	4.17
6	Give employees the opportunity to be open about their infection.	7.74	3.67
7	Allow infected employees a greater range of medical benefits options.	7.84	4.07
8	Empower infected employees to address issues of possible discrimination, harassment, or hostile co-workers.	8.12	4.10
9	Ensure responsibilities are not taken away from infected employees unless the employee willingly renounces them or, can no longer perform them.	8.36	4.23
10	Promote infected employees strictly on the basis of job performance rather than possible future health considerations.	8.78	4.29
11	Allow infected employees to take medical leaves of absence so they do not use up all of their sick leave for treatment and recovery.	8.8	4.17
12	Allow infected employees to transfer positions as required by their illness.	9.04	4.06
13	Develop orientation, training and team building programs and workshops to help infected and non-infected employees work effectively together.	9.76	3.60
14	Develop a culture that accommodates the special needs of HIV infected employees.	9.8	4.17
15	Schedule infected employees for a maximum 5/day/40 hour work week with two days off in a row.	9.98	4.00
16	Offer employee assistance programs for infected and non-infected employees and their loved ones.	10.5	3.89
17	Let infected employees work with a committee of their choice to develop flexible work strategies to the mutual benefit of company and employee.	11.8	3.94
18	Allow infected workers to take sabbaticals (for example, one out of every six years) to focus on other aspects of their lives.	13.26	3.33

The information obtained from section 3 provides insight regarding the absolute influence of each of the 18 items listed. However, it was felt that in order for organizations to make effective managerial decisions, it would be helpful for them to know how HIV-infected employees felt concerning the relative importance of each of the 18 policies. Having this information would enable managers to evaluate which policies to implement, based on their perceived value as well as financial and other constraints of the organization. Accordingly, the respondents were asked to rank the 18 policies in order of descending importance, with 1 being most important in terms of organizational commitment and 18 being least important. A mean rank score was then calculated and the policies were listed in order of influence (see Table 3 and the column labeled “Mean Rank”).

The respondents felt that the policy which would most increase their desire to remain within their organization was ensuring confidentiality regarding HIV-related issues. The second most influential policy was to audit managers to ensure non-discriminatory treatment of HIV-positive employees, while the third most influential was to offer the same medical benefits to all employees and their domestic partners regardless of their HIV status. The policies which the respondents felt were least influential were: offering employee assistance programs for employees who have HIV, for those who do not, and for their loved ones; letting HIV-positive employees work with a committee of their choice to develop flexible work strategies to the mutual benefit of the organization and employee; and allowing HIV-positive employees to take sabbaticals to focus on other aspects of their lives.

DISCUSSION

The profile of the respondents was fairly representative of the HIV-positive population as a whole. Like most HIV-positive individuals, the majority of the respondents were male. However, the ratio of female respondents (34%) was substantially greater than the estimated percentage of HIV positive individuals in the general population who are female (15%; Centers for Disease Control, 2004).

The average size of the respondents' organizations was 1500 employees. This is significant in terms of the effect of an organization's size on its ability to effectively manage HIV-related issues. Larger organizations are more likely to have well-staffed human resources departments able to address HIV- related issues. They are also better able to allow flexible staffing for HIV-positive employees, since there are more workers to help fill in. Thus, as indicated in Table 2, it is possible that the number of organizations which have each policy is as large as it is due to the average size of the respondents’ organizations.

The majority of service industry organizations do not have 1,500 employees. The smaller an organization, the more difficult it is for the organization to be flexible in its benefits scheduling and the division of labor. Thus, the percentage of service organizations which employ these policies in theory should be smaller. Because most service organizations are currently employing relatively few of these policies, they have a greater opportunity to implement some of these policies and make significant increases in the organizational commitment of all of their employees.

Significantly, responses to the survey showed that *all 18 policies* had the power (more or less) to enhance organizational commitment. It is significant to note that the two policies respondents rated as most influential for enhancing employee commitment were also ranked as the most important relative to the other policies. These were "ensuring confidentiality regarding HIV-related issues" and "audit managers to ensure non-discriminatory treatment of HIV-positive employees." The policy with the third highest rating on the Likert scale was, "promote HIV-positive employees strictly on the basis of job performance rather than future health considerations." All these policies are not only important to HIV-positive employees but also impose no financial burden on the organization, making them easier to implement. Any organization, regardless of size, management structure, and financial constraints can implement these three policies without causing any undue hardship. These policies will have the greatest impact on the employees' desire to remain within their organization and can be implemented at little or no financial cost.

Two policies concerning full and equal benefits for HIV-positive employees and their partners were also rated as influential on organizational commitment and as important relative to other policies. These were: offer the same medical benefits to all employees and their domestic partners regardless of their HIV status; and provide full medical benefits to HIV positive employees who were full-time but are now forced by their illness to work part-time. This is understandable considering the financial implications of losing medical insurance due to having the HIV virus.

In short, what seems to concern HIV-positive employees most is fair and equitable treatment in the workplace, and the opportunity to fulfill their duties and responsibilities to the full extent of their abilities regardless of their HIV status.

SUMMARY AND IMPLICATIONS FOR THE SERVICE INDUSTRY

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

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

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

Although it may seem as though managers shouldn't care if HIV-positive employees turn over voluntarily because they will turn over involuntarily any way, this is not true. It is naive to think that although a worker is HIV positive that s/he is not able to be productive. Those employees who are HIV-positive can continue to be productive and contribute to the overall success of their organization for many years to come.

Increasing the organizational commitment of HIV-positive employees not only means increased retention of HIV-positive workers, but also benefits the organization in several other ways: with increased retention there is an increase in the consistency and quality of service. Because there are indirect and direct costs associated with turnover, by increasing retention, these costs are minimized. Showing support for those employees who are HIV-positive will help to increase employee morale and overall job satisfaction in both employees who are and are not HIV positive. In addition, increasing the organizational commitment of all employees will enhance the congruency between the workers' values and the organization's mission, helping to create a more tolerant and supportive work environment.

CONCLUSION

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

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DEVELOPMENT OF THE RELATIONSHIP MANAGEMENT SURVEY: A TOOL FOR ASSESSING PERFORMANCE AND CAREER SUCCESS OF PROFESSIONAL SERVICE PROFESSIONALS

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ABSTRACT

Professional service professionals (PSPs) -- such as management consultants, public accountants, and investment bankers -- must satisfy the increasing demands of their clients, the changing demands of their leaders, and the developmental needs of staff. Professional service firms (PSFs) are both creating and responding to the pressures faced by their professionals through enhanced performance management systems that use multisource feedback for assessment and professional growth. The development of the Relationship Management Survey (RMS) for PSPs is presented. The RMS dimensions are then used to generate hypotheses regarding how different stakeholder assessments of professionals' work-related performances can assist in performance management and contribute to their subsequent career success.

INTRODUCTION

A career in a professional service firm (PSF) can be very rewarding – personally, financially, and professionally – particularly if one survives to become a partner or managing director (Maister, 1997; Stumpf, 2002). Yet, PSFs are facing significant profitability challenges due to the costs associated with globalization, consolidation within their industries, and client demands for more differentiated and value-added services. The increased pressure to competently serve many diverse stakeholders has led to 70-80 hour work weeks, a sense of irresolvable conflicts among some stakeholders, and feelings of being overwhelmed. With up-or-out selection-to-partner rates below 10% at many of the most prestigious PSFs (Stumpf, 2002), young professionals must continuously examine their career potential and current success – accepting and understanding the perspectives of their clients, partners who are often the owners, peers, and direct reports. Since these stakeholders often have differing goals, and frequently have different expectations for the performance of young professionals, ones career development must be actively managed and shared by the PSF and the individual. The performance management system can assist in this regard by facilitating more effective career choices by both the individual and the organization.

Performance management in PSFs involves significantly different roles and competencies than are found in traditional work organizations such as banks, manufacturing firms, or retail organizations (Stumpf, Doh, & Clark, 2002). PSF work is that of a consultant to a client. The competencies necessary to be successful in professional services, beyond the expertise for which the PSF is retained, are closely associated with relationship building, more so than the traditional competencies associated with line management and task supervision. Before one can development measures of performance excellence for PSPs, it is necessary to understand the nature of PSF work.

PROFESSIONAL SERVICE WORK

Services generally possess four defining attributes relative to products: services are more heterogeneous, less tangible, more perishable, and more likely to be purchased and consumed simultaneously (Bessom & Jackson, 1975). Professional services -- such as business consulting, public accounting, investment banking, providing legal advice, and public relations/advertising -- share the attributes of services in general, and have additional defining attributes that make them distinct from other services such as retail, consumer banking, telecommunications, utilities, travel and entertainment. Professional services tend to involve the delivery of scarce expertise that is applied to a specific task. The work takes place over a limited time period (days, weeks or months) and involves extensive investigation and analysis (Maister, 1993, 1997). PSPs often have a college or graduate education and receive specialized training for their profession. PSFs generally agree to provide their services according to accepted professional practices and a code of professional ethics, sometimes codified through certification profession (e.g. Certified Public Accounting exam for accountants). Some professions seek to restrict entry through requirements for advanced education and state licensing. Most provide ongoing development for their professionals, encourage self-monitoring, require continuing educational activity, and espouse the use of sanctions for unethical behavior.

The work in PSFs is project oriented, serving the needs of the external client organization (or customer) as well as internal management (Maister, 1993). Terms used to describe this project work are engagements, deals, cases, and campaigns. Because project work is often interdisciplinary and complex, it may require a several PSPs to work as a team, often in collaboration with the client, for several weeks. The work is often done at a client's site for easy access to key information sources -- the client's employees and physical records. The research and analysis associated with completing the work creates opportunities to identify additional opportunities related to current work, or to extend that relationship to another project based on facts and situations discovered during the initial project. Upon completion of a project, the engagement or case team is disbanded and its members are considered for other projects. PSPs may be reassigned immediately or left unassigned (not billable) until suitable work is found.

Most junior professionals do not report to a single supervisor but to team leaders, partners, and mentors on a project-by-project basis. One might have from 1 to 10 upwardly reporting relationships in a given year, and peer relationships with from 2 to 20 depending on the number of different projects work on. A client manager or team leader may also provide direction and oversee the work of some PSPs – increasing the likelihood of changing and/or conflicting demands associated with one having more than one 'boss'.

The number and complexity of PSF reporting relationships suggests the need for and use of a performance management system that is able to capture the diversity of views and changing nature of these relationships. However collecting assessment information from many stakeholders does not address the issue of how to use the information when different stakeholders assess the same person differently – as they undoubtedly will as the 'stakes' associated with the stakeholders vary. Whose assessments should be used? Whose are most valid? Should assessments of different stakeholders averaged? If an average or weighted average is calculated, is the intended feedback by the different stakeholders being obfuscated? Taking a stakeholder approach suggests that one needs to consider the differences among stakeholder assessments as meaningful differences, not measurement error or situational biases.

A STAKEHOLDER FRAMEWORK FOR PSFS

Those interested in stakeholder theory often seek to understand how stakeholder relationships affect individual and organizational performance (Doh & Stumpf, 2005a, b; Freeman, 1984; Freeman & Gilbert, 1988; Post, Preston, & Sachs, 2002; Waddock, 2005). This paper examines how the relationships among the performance assessments made by different stakeholder constituencies that are part of the network surrounding one's work role -- i.e., self, direct report, peer, partner/owner, and client assessments – may provide valuable information for use in performance management and be differentially related to subsequent career success.

The importance of stakeholders to individual and organizational success (or failure) is well established (Freeman & Gilbert, 1988; Doh & Stumpf, 2005a). People that have a stake in what others do may act in a supportive or in a destructive manner towards these individuals (Mitchell, Agle, & Wood, 1997). The relationships that individuals have with their salient stakeholders may be career enhancing or damaging, depending upon how these stakeholders view and value their work-related performances (Ashford & Tsui, 1991; London, 1995). Performance is viewed as the level of effectiveness and skill exhibited on work-related activities as perceived and judged by different stakeholders. Career success is the extent to which (1) organizationally controlled rewards and benefits are provided to the individual in light of his or her performance (e.g., salary increases, bonuses, promotions), and (2) one is satisfied with the career progress and competency development experienced. Career success has elements that are objective (e.g., promotions, salary increases) and subjective (e.g., one's perceived satisfaction with his or her progress, perceived salary increase relative to peers).

Most leadership theories support the need for organizational leaders to obtain feedback from others on their skills, decision effectiveness, and the outcomes resulting from those decisions as perceived by these others (Doh & Stumpf, 2005a; McCall, 2002). Obtaining such assessments and feedback in a timely and productive manner is not easily accomplished. More often than not, only limited stakeholder feedback is solicited by leaders or their organizations and much of this is not fed back to those who might learn from it. The un-requested feedback provided is often viewed as biased, political, and critical of the decisions that were made. Such feedback tends to lead to defensiveness and resistance, rather than learning and professional development as might be the intention of the feedback giver. More proactive and systematic involvement by organizational leaders of key stakeholders in the discussion of key issues and subsequent decision making is a common suggestion found in the management literature. A process is needed for collecting assessments from key stakeholders – whether in person, by third-party interview, or by questionnaire. Once collected, the information needs to be synthesized and provided as performance feedback in a manner that maintains the integrity of the assessment, and often the confidentiality of the assessors as well.

MULTISOURCE FEEDBACK AS INPUT FROM STAKEHOLDERS

One methodology used to obtain feedback from stakeholders at the individual level of analysis is multisource feedback (MSF) (Bracken, Timmerck, & Church, 2001) – also known as multirater assessments (Nadler, 1977) and 360-degree feedback (Tornow, London, & CCL Associates, 1998; Waldman & Atwater, 1998). MSF entered the world of psychological assessment and performance management in the late 1960's, becoming popular as computer and web technology made the collection and analysis of complex sets of data more manageable (Goldsmith & Walt, 1999; Lepsinger & Lucia, 1997; London, 1995, 1997). While the literature on MSF abounds, few researchers have published articles which postulate linkages or directly link the psychological literature on MSF to the strategy and stakeholder literature. The roots of MSF have been in industrial psychology and performance management. Stakeholder theory has its roots in the management, strategy, and corporate social responsibility literatures. These fields of inquiry cited below as they relate to stakeholder views of one's performance, the performance management system, and subsequent career success.

MSF AS PART OF A PERFORMANCE MANAGEMENT SYSTEM

The multisource feedback literature has largely focused on whether feedback recipients improve over time (as reflected by better ratings over time) or on cross-sectional analyses (e.g., whether multisource ratings are related to supervisors' appraisals or assessment center performance, where all measures are collected concurrently). Linking MSF via a performance management system to subsequent rewards and career success has yet to be explored.

In developing a performance management (PM) system, one starts with a discussion of what should be measured (Campbell, Dunnette, Lawler, & Weick, 1970; Howard, Byham, & Hauenstein, 1994; Landy & Farr, 1983; London, 1997; Smither, 1998). Most PM systems assess one or more of the following: (1) outcomes and goal progress or accomplishments that are related to the organization or unit's mission, values, and strategy, (2) competencies and capabilities found to be essential to attain these goals and other desired outcomes, (3) behaviors and attitudes that reflect the organization's mission and values, and (4) personal attributes and developmental needs that link to individual and organizational success. Most MSF instruments tend to focus on points 1 and 2 – the assessment of progress on goals and the exhibition of competencies found to be essential for individual and organizational success (Bracken, et al., 2001; Tornow et al., 1998).

The more reliable, valid, and useful MSF systems also benefit from measures (items) that have the following characteristics (Ashford, 1989; Cleveland, Murphy, & Williams, 1989; London, Smither, & Adsit, 1998; Peters & O'Connor, 1985). They are…

- *more objective in nature (e.g., observable behaviors rather than perceptions of someone's intent).*
- *independent and converge or diverge consistent with the theory behind their use.*
- *meaningful, valued, practical, and convenient to collect.*
- *free of known and knowable biases (blind reviews, also helps if anonymous or confidentially collected).*
- *reliable over time and similar situations.*
- *valid with low measurement error – content, construct, predictive, concurrent, face.*
- *under the control of the individuals/units being assessed.*

A MSF system, designed for use in PSFs, is described below. In the development of this PM tool, care was taken to address each of the above characteristics.

DEVELOPING A MSF TOOL FOR PSF USE

As Campbell writes in the foreword to *The Handbook of Multisource Feedback* (Bracken et al., 2001: xiii):

"Multisource feedback, in its simplest form (which, as we shall see, is not so simple), has these basic components:

- *Some purpose for doing an assessment: "the project"*
- *Some person to be assessed: "the ratee"*
- *Some collection of people to do the assessing: "the raters"*
- *Some specific characteristics to be assessed: "the items"*
- *Some technique, either paper-and-pencil or electronic, for collecting the data: "the survey"*
- *Some method for aggregating the rater's responses: "the data"*
- *Some form for reporting the results: "the results"*
- *Some process for providing the report to somebody: "the feedback"*
- *Some actions to be taken, developmental or administrative or both: "the decisions"*
- *Some procedure for determining if all of this was worthwhile: "the follow-up""*

Each of the above components was addressed in the design and use of a new MSF survey. This development process was undertaken by a management consulting firm for its performance management system. The instrument, called the *Relationship Management Survey (RMS)*, has been in use for five years and is available to organizations and researchers through LearningBridge.com. The survey development process is discussed below.

DEVELOPMENT OF THE *RELATIONSHIP MANAGEMENT SURVEY*

The *Relationship Management Survey (RMS*) was developed over two years by a top-five management consulting firm in conjunction with faculty members at two universities and two industrial/organizational (I/O) psychology consulting firms. The impetus for the *RMS* came out of a change in the sponsoring firm's strategy, followed by a revision of its performance management system. The firm was facing significant profitability challenges due to the costs associated with its near-random globalization efforts, consolidation within the management consulting industry yielding larger competitors who could offer a wider range of services on a global scale, and client demands for higher value-added services. The strategy change moved the firm away from project work that often had a regional focus with mid-sized clients to doing major re-engineering and information technology transformation programs in the global market of multibillion dollar in revenue multinationals that were willing to spend $10's of millions of dollars for consulting expertise each year. The PSF's goal – bill and deliver an average of $30 million/year dollars of consulting service globally to each of 100 firms within 5 years.

The need to revise the performance management system was related to both the change in strategy and the escalating costs of attracting, developing, and retaining the best talent. The increased pressure to competently serve larger clients, globally, with major transformational programs involving even more stakeholders was leading the PSPs to 80 hour work weeks away from their home office, a sense of irresolvable conflicts among some stakeholders, and feelings of being overwhelmed. The majority of new PSPs were voluntarily leaving within 5 years, and nearly all females and minority professionals were leaving within 7 years. This PSF's human resource function planned to respond to these pressures which the firm's partners and clients were placing on the younger professionals, in part, through enhancing their performance management system. One of the enhancements was to be a more rigorous assessment and feedback process which could reflect the conflicting demands of different stakeholders in both performance assessment and professional development.

The consulting skills necessary to effectively implement and deliver on this global-transformational strategy were believed to be somewhat different than those currently possessed by many of the firm's senior PSPs, and significantly different that those then being taught in the firm's professional and partner development programs. Research was undertaken by a team of five senior partners, led by the president, to identify which competencies were critical for the implementation of the new strategy. These partners conducted hour-long interviews with all other partners (about 160 of them), the current clients in the target market (22 CEOs, 17 CFOs, and 11 CIOs), and a sample of CEOs/CFOs/CIOs from firms that were in the target market but not currently clients ($\underline{n}$ = 38 interviews). A content analysis of these interviews was performed by a separate team of four high potential, non-partner consultants. Based on the 240+ structured and documented interviews reviewed, the project team identified 16 competencies as necessary to sustain the new strategy. Each competency was defined in a short paragraph and given a label. These evolved into 17 of the subsequent 29 *RMS* competencies.

The internal human resource professionals, working with the external I/O psychology consultants, conducted an interview study of 164 of the highest performing non-partner PSPs (top 10% of associates, senior associates, and principals) based on the most recent two years of annual performance reviews. As it was already the practice within this PSF to conduct multirater annual reviews involving interviews with 8-15 stakeholders in each PSP's performance, it was not difficult to engage PSPs at all levels in the creation of a new performance measurement system. These interviews and their subsequent analysis led to six additional competencies that were believed to be relevant to these non-partner PSPs (three for coaching, two for collaboration, and one more for leadership).

The academic and I/O psychologist partners in the *RMS* development conducted a literature review to ground the competencies identified in the leadership and consulting literatures (e.g., Maister, 1993, 1997; DePree, 1997; Kouzes & Posner, 1987; O'Shea & Madigan, 1997; Rackham, Friedman, & Ruff, 1996; Schaffer, 1997). This led to a revision of language around some of the competencies.

A review by members of the leadership team (14 senior and lead partners) of the PSF resulted in the creation of six relationship outcome items. These items focused on the results desired, rather than the competencies likely to produce those results. Each competency was cast into a survey format, with high and low anchors for each. For example:

Circle the number below based on the following scale. 1 2 3 4 5 Needs Skill Development Moderate Skill Highly Skilled	
	Trust
Generates Confidence 1 2 3 4 5	*Highly Confident*: People feel comfortable allowing me to handle problems that are critical to them. They feel confident that results will follow from their discussions with me. *Not Very Confident*: People rarely allow me to handle problems that are critical to them. They refuse to let me have influence on issues that are important to them. They seem to doubt whether any results will follow from their discussions with me. They sometimes monitor my actions or check-up on my team.

Multifaceted anchors were preferred, in contrast to Likert-type anchors, as the competencies sought were complex and required stakeholder judgments regarding the entire competency, not separate judgments on discrete facets. While this decision was questioned by the I/O psychologist consultants, it was viewed as necessary to both avoid subsequent management decisions around how to weight or average the discrete facets, and to increase the likely response rates by partners and clients who were believed to be ‘put off’ by 100+ item surveys.

The *RMS* was web-enabled and subsequently powered by a contractor (LearningBridge.com) so as to secure the data off site and provide responders with anonymity. A web-based instrument was viewed as essential in order to reach the many different stakeholders likely to be invited to participate in the *RMS* process. People needed to be contacted, and be able to respond, 24/7/365 from almost anywhere in the world.

Individuals are invited to participate by the PSP being assessed via an email sent from LearningBridge.com. The PSPs are provided a user name (their email address), a security password, and directed to the LearningBridge.com web site to complete the survey. Upon logging in they are provided instructions regarding the survey, how to input stakeholder names and emails, and asked to complete the *RMS* themselves. LearningBridge.com has an automated process that handles all subsequent contacts with the stakeholders, and provides personalized customer service regarding any inquiries. PSPs are first asked to complete a few demographic items, after which the 29 *RMS* competencies are randomly presented to the user via 29 separate web screens. All screens permit open-ended write-in responses in addition to a quantitative response. The wording of each competency reflects either a self assessment or third-party assessment. One can stop, exit, and return to the *RMS* at any time with all responses saved. The randomization of the remaining items continues upon return.

The feedback report provides instructions on how to interpret the stakeholder assessments. It clusters the 29 items into 6 dimensions as noted in Table 1 and provides all write-in comments without disclosing the identity of the stakeholders. The six competency dimensions reflect the sponsoring organization's view of what are meaningful clusters. Each *RMS* report is made available to the participant as a confidential .pdf file.

The stakeholder classification used in the *RMS* parallels the one that the sponsoring PSF used in its internal performance and career management system – incorporating the opportunity for multiple partners and multiple client assessments as well as the traditional peer (team members) and direct report assessments. The *RMS* was piloted tested with 38 principals as part of two professional development programs. The currently reported response scales and items reflect the language and understanding that the partners, principals, senior associates, associates, and clients have regarding the development of consulting skills.

Table 1: Relationship Management Survey Items Clustered into Six Dimensions

1. 0	Leadership
1.1	Challenges the Situation
1.2	Inspires a Shared Vision
1.3	Empowers Others
1.4	Models Effective Behavior
1.5	Celebrates Achievements
2. 0	Building Relationships
2.1	Understands Others
2.2	Can Take Others' Perspective
2.3	Puts Others at Ease
2.4	Shows Concern for Others
2.5	Respects Others
3. 0	Trust
3.1	Generates Confidence
3.2	Engenders Mutual Trust
3.3	Is Dependable
3.4	Is Open to and with Others
4. 0	Collaboration
4.1	Communicates Well Across Boundaries
4.2	Learns from Others

Table 1: Relationship Management Survey Items Clustered into Six Dimensions	
4.3	Creates Synergies Across Boundaries
4.4	Seeks Win-Win Outcomes
4.5	Shares Useful Expertise
5. 0	Coaching
5.1	Doesn't Dwell on Failures
5.2	Encourages Others to Take Reasonable Risks
5.4	Rewards Achievement
6. 0	Relationship Outcomes
6.1	Achieves Impact
6.2	Builds Client Relationships
6.3	Develops Team Relationships
6.4	Collaborates Well with Clients
6.5	Fosters Information Sharing that Leads to Results
6.6	Develops Personal Relationships

RMS PSYCHOMETRIC PROPERTIES

While a detailed discussion of all the psychometric properties of the *RMS* is beyond the scope of this paper, summary statistics are reported below to reflect the analysis undertaken on a sample of 184 principals and new partners that participated in the *RMS* as a required part of a voluntary professional development program. A total of 1,451 *RMSs* were completed, with an average of 8 responders (9 including self assessments) per participant. The response rates of the different stakeholder classifications were 67% for partner responders, 73% for client responders, 84% for peer responders, and 88% for direct report responders. Data was missing from 1.3% of the responders possible responses, resulting in a decision to use pair-wise deletion of missing data. The sample demographics were: 58% U.S., 24% European, and the remaining Latin American/other; 90% male; mean age 38.3 years; and a mean firm tenure of 6.5 years.

1. Intra-rater correlations were calculated for direct report, peer, partner, and client ratings to determine the degree to which these stakeholders agreed in their assessments on each of the 29 competencies. A minimum of three stakeholders per category was used in this analysis. Item agreement was modest to good, ranging from intra-class correlations of .23 to .74, with a median $\underline{r}$ of .48. While the lower correlations may be interpreted as an indication of measurement error, it is also possible that different individuals within a stakeholder classification assessed PSPs differently based on accurate observations of different behaviors

in different engagements with different clients, team members, and leadership. The way engagements are staffed, and the short term nature of many projects, raises ambiguity as to whether different assessments by members of a stakeholder group are meaningful indicators of different behaviors or measurement error (Yammarino & Markham, 1992).

2. While the *RMS* was developed as a 29-competency MSF tool, the competencies are clustered into six dimensions for feedback purposes. The logic of this clustering reflects the literature on the dimension competencies (e.g., leadership, trust, etc.) as well as the views of the sponsoring PSF. Coefficient alpha estimates of internal consistency were calculated for each stakeholder classification (n=5) for each dimension (n=6), yielding 30 coefficient alphas. These ranged from $\underline{r}$ =.26 to .69, with a median correlation of .47. This suggests caution in using the summary dimensions in lieu of the actual items for some stakeholder-dimension combinations.
3. Convergent validity estimates were calculated by examining the extent to which different stakeholder assessments on each item correlated highly with other stakeholders (a multitrait-multirater matrix). An average assessment was calculated for each stakeholder group. These average assessments were then correlated with each other across stakeholders and competencies. Of 116 correlations, 24 were below $\underline{r}$ =.25 (none were negative), 56 were above $\underline{r}$ = .40, and seven were above .60. The evidence for convergent validity is mixed. This, in part, led to the consideration of reasons for different stakeholder assessments discussed below.
4. In addition to convergent validity, discriminate validity estimates were calculated. Discriminate validity examines the extent to which items purported to be different have near zero correlations with each other. The evidence here was also mixed with some items relating modestly with other items that conceptually were viewed as distinct. While none of these relationships were large (e.g., none were higher than $\underline{r}$ = .40), some were statistically significant at the .05 level, with 80% ranging from $\underline{r}$'s of .10 to .24.
5. The concurrent validity of the items was assessed by calculating the correlations of the *RMS* competencies with the most recent year's annual performance assessments which had summary ratings of "1" – below average performance, "2" – average performance, "3" above average performance, and "4" – exceptional performance. For the year in question, those rated "1" received no bonus and were often 'councilled-out'. Those rated "2" receive a minimum bonus, typically 5%. Those rated "3" received a 15% bonus. Those rated "4" received a 30% bonus. The $\underline{r}$'s ranged from .32 to .57 ($\underline{p} \leq .01$). The *RMS* stakeholders were in significant agreement with those who conducted the annual performance reviews. The overlap of these groups, based on a random sample of 30 participants where the names of the annual reviewers were compared to those who provided *RMS* responses, was only 37%. The *RMS* stakeholders often included clients and partners not interviewed as part of the annual review multirater process.

Following traditional psychometric theory guidelines, one might conclude that the *RMS* is a marginally adequate assessment tool – reliability, internal consistency, and validity indices are modest, and in some cases weak (Conway & Huffcutt, 1997; Murphy, Cleveland, & Mohler, 2001). However, such guidelines are primarily based on a model of work performance in manufacturing or financial service organizations. This work model assumes much more consistency in work and stability of assessors than is present in many PSFs – particularly the sponsoring PSF. The value and relevance of the *RMS* within the performance management system, and to potentially predict subsequent career success, needs to be explored before conclusions about the *RMS's* psychometric quality are reached.

RMS ASSESSMENT USE IN PERFORMANCE MANAGEMENT

In order to assess the value and relevance of the *RMS*, the sponsoring PSF was in consultation with nine other non-competing PSFs to discussion its generalizability and application. This consultation took the form of a forum of PSF senior human resource professionals who met quarterly for 1 to 2 days each time over two years to "share ideas in order to develop the best professional workforce possible." Participants included a senior HR professional from A. D. Little International, A. T. Kearney, Bain & Company, Booz|Allen|Hamilton, The Boston Consulting Group, Deloitte Consulting, Ernst & Young/Cap Gemini, Korn Ferry, KPMG Consulting, and Mercer-Delta Consulting.

These forums led to the sharing of human resource practices believed to be germane to the development and assessment PSPs by each PSF. They provided a sounding board for new ideas and an opportunity to develop shared understandings of important issues within the PSF industry. What follows is the 'collective wisdom' of the forum members that was summarized in meeting notes, as such wisdom relates to MSF and its use in performance management.

Face validity of *RMS* items and dimensions: There was strong agreement that the dimensions and items were germane to PSF work. While some PSFs would place a greater emphasis on some dimensions over others, or cluster the items differently into dimensions, all felt that the *RMS* reflected many of the competencies believe to be relevant to PSF work.

Convergent assessments among stakeholders: When different stakeholders agree in their assessment of an individual on a dimension (which averages the item responses) or a competency, using this assessment as a performance measure for reward allocation or professional development is uncomplicated. If most stakeholders generally agree that a competency is strong, the organization should reward it, encourage the individual to leverage the talent, and possibly even arrange for the individual to mentor or train others in this area. If the assessments converge around the belief that competency development is need, training and/or staffing to develop the competency should be undertaken. A mentor that exhibits this competency strongly might be identified and paired with the person needing development.

Different assessments by different stakeholders: An appropriate course of action is less clear when different stakeholders hold different assessments – some believing that they are observing a strength, others a weakness, and still others may not observe the behavior at all. In such situations it is necessary to understand the nature of the competency and the likelihood of it being exhibited and relevant to different stakeholders. For example, the leadership competencies -- challenges the situation, inspires a shared vision, empowers others, models effective behavior, and celebrates achievements) -- that direct reports look for in their bosses may be different competencies than looked for by partners in their subordinates or by clients in an engagement team leader. Similarly, an individual may exhibit different leadership behaviors to direct reports than he or she exhibits to partners or clients. Which ratings are most relevant to the performance management system must reflect the views and values of the PSF leadership. We present the forum members' perspectives on this issue – research examining the efficacy of these views is needed.

IMPORTANCE OF DIFFERENT COMPETENCIES TO DIFFERENT STAKEHOLDERS

The members of the forum provided their subjective assessments of which *RMS* competency dimensions would be most relevant to which stakeholder groups within their PSF. Table 2 summarizes the results using a low (L), medium (M), and high (H) index of value. A low rating means that the majority of the forum professionals rated this constituency's assessment of low value to their organization – they would not use this information in annual performance reviews. A high rating means that the majority of the forum professionals rated this constituency's assessment of high value -- they would use this information in annual performance reviews. Medium ratings of value indicate that forum members were equivocal or near equally split in their beliefs that their firms would use or not use the dimension-by-stakeholder assessment.

Self ratings: Self ratings on all competencies were viewed as valuable only in that they could help an individual understand his or her performance relative to the assessments by others. This was viewed by the forum members as more of a self-awareness measure than a performance measure (Ashford, 1989). Self ratings would rarely be used in a quantitative manner in annual reviews or for annual bonuses.

Direct report ratings: The assessments of direct reports on leadership and coaching competencies were highly valued. Direct reports were viewed as most affected by these behaviors and were in the best position to assess the value to them and the firm (or team). The rationale was that most direct report observations take place at the client's facilities within a team room, where few if any senior PSPs are routinely present.

Peer ratings: Peer assessments of building relationships, trust, and collaboration were highly valued and would be used in performance management. Building relationships and trust with peers was viewed as an early indicator of being able to do so with clients. It was the peer assessment of collaboration that was most valuable to several of the PSFs as collaboration was considered 'voluntary' and beyond the demands of an engagement – unless it was so directed by a senior PSF – then it was no longer viewed as collaboration but as part of the revised engagement assignment. Peers could avoid collaboration if they wanted to do so by noting that he/she was already over-committed and working 80 hours per week.

Partner and client ratings: Partners and clients were viewed as the most important assessors of building relationships, trust, and relationship outcomes – subject to the individuals being assessed having ample contact with these stakeholders. If was recognized that junior PSPs might not have sufficient exposure to either partners or clients for such assessments to be made. For the senior PSPs, including partners, the other partner and client assessments were the highly valued and would be a prime source of assessment information for annual reviews and bonuses.

Table 2: Expert Opinion of the Relative Value of Skill Dimensions by Stakeholder Constituency for Use in Performance Management

Skill Dimension	Self	Direct Reports	Peers	Partners	Clients
Leadership	L	H	M	M	L
Building Relationships	L	M	H	H	H
Trust	L	M	H	H	H
Collaboration	L	M	H	M	M
Coaching	L	H	M	L	L
Relationship Outcomes	L	L	M	H	H

HYPOTHESIZED PERFORMANCE DIMENSION: STAKEHOLDER LINKAGES TO CAREER SUCCESS

In addition to considering stakeholder assessments of competencies for use in annual reviews and performance management, these assessments are potentially related to future career success. Based on over 240 partner and clients interviews and 164 associate/senior associate/principle interviews done in the creation of the *RMS,* it was possible to define career success for PSFs and summarize the relationships proposed during the interview process.

A "career success team" of 6 PSPs reviewed and discussed the interview reports for indications of how the *RMS* competency dimensions might predict career success. Career success was viewed as having both objective and subjective aspects – ranging from increases in salary and promotions, to satisfaction with one's career progress and competency development. While not a comprehensive list, the items in Table 3 reflect the conceptualization of career success considered by this team in its analysis of the host PSF interviews. Each of the items in Table 3 could become a measure used in subsequent research.

Table 3: Career Success Measures	
1.	How has your skill proficiency changed over the past three years? (1=skills are atrophying, 2 - 3 = no real change, 4 - 5,=much more skilled)
2.	How many promotions have you earned in the past 3 years including promotions associated with a change in employer? (number)
3.	How satisfied are you with your career progress over the past 3 years? (1=not satisfied, 2 - 3,= moderately satisfied, 4 - 5 =,very satisfied)
4.	How satisfied are you with your career success as defined by you over the past 3 years? (1=not satisfied, 2 - 3 = moderately satisfied, 4 - 5 = very satisfied
5.	How satisfied are you with your personal success over the past 3 years? (1=not satisfied 2 - 3 = moderately satisfied, 4 - 5 = very satisfied)
6.	How do you view your career progress relative to your peers over the past 3 years? (1=less progress, 2 - 3 = about the same progress, 4 - 5 = much greater progress)
7.	How do you view your career success relative to your peers over the past 3 years? (1=less success, 2 - 3 = about the same success, 4 - 5 = much greater success)
8.	How satisfied are you with your salary progression over the past 3 years? (1=not satisfied, 2 - 3 = moderately satisfied, 4 - 5 = very satisfied)
9.	Assess your salary progression relative to your peers over the past 3 years? (1=less, 2 - 3 = about the same, 4 - 5 = much greater)
10.	How satisfied are you with the employer perks provided and your quality of work life over the past 3 years? (1=not satisfied, 2 - 3 = moderately satisfied, 4 - 5 = very satisfied)
11.	Assess the employer perks provided and your quality of work life relative to your peers over the past 3 years? (1=less 2 - 3 = about the same, 4 - 5 = much greater)
12.	How much has your total annual compensation changed over the past 3 years? (numbers in $5,000 increments starting with $0 up to $50,000 or more)
13.	On a percentage basis how much has your total salary and bonuses increased cumulatively over the past three years? (0% to 40% or more in 2% increments)
14.	Relative to your peers how has your industry marketability – ease of getting a position in another firm within your industry -- changed over the past three years? (1=less marketable, 2 - 3 = about the same, 4 - 5 = much more marketable)
15.	Relative to your peers how has your overall marketability – ease of getting a position in any firm -- changed over the past three years? (1=less marketable, 2 - 3 = about the same, 4 - 5 =,much more marketable)

Based on the *RMS* dimensions and stakeholder constituencies identified, the suggested or implied linkages (hypotheses) reported by the career success team are summarized in Table 4. A low (L) strength of relationship is defined as a simple correlation between the dimension by stakeholder constituency aggregate measure and a measure of career success (e.g., annual salary increase, promotion, etc.) of .150 or below. A medium (M) strength of relationship is a correlation of .151 to .350. A strong (S) correlation is one of .351 or above. These subjective definitions parallel the level of relationships typically found with performance measures at one time with outcome measures two or more years later. As all dimensions are worded and scaled such that a higher response is 'better', all expected relationships would be positive.

Table 4: Hypothesized Strength of Relationship with Career Success Measures By Stakeholder Constituency

Skill Dimension	Self	Direct Reports	Peers	Partners	Clients
Leadership	L	H	M	L	L
Building Relationships	M	L	H	H	H
Trust	M	L	M	H	H
Collaboration	L	M	H	M	M
Coaching	M	M	L	L	L
Relationship Outcomes	L	M	M	H	H

RATIONALE FOR THE HYPOTHESIZED RELATIONSHIPS

All stakeholder groups spoke of the importance of leadership. However, it was the leadership competencies of their immediate boss that were most salient to them. Given the significant use of project teams that involved many peer relationships, the leadership competencies of one's peers was also noted as key to career success. Based on these interview notes, it is hypothesized that one's direct report assessments of leadership competencies will have the strongest relationship with subsequent career success, with peer assessments having the next strongest relationship.

The need to build relationships is essential to one's success in a PSF environment. This need becomes increasingly important as one is advanced – ultimately becoming a client service partner and leaving the more technical and analytical duties for less senior professionals. Based on the nature of the work at different career levels (Maister, 1997; Stumpf, 1999), it is hypothesized that the perspective of the more senior roles (peer, partner) and the clients' perspective will be the best predictor of subsequent career success. Since relationships are 'mutual', the individual self-report might also be a reasonable predictor of the quality of the relationship, and hence career success.

Trust is one of the most valued attributes within a PSF relationship. If the leaders (partners) or clients do not perceive one as trustworthy, career success is severely limited. Similarly, but somewhat less importantly, a perception of mistrust among one's peers can be damaging. And, as with relationship building skills, trust is something around which one should have some self-understanding. The trust-career success relationship is hypothesized to be high for partners and clients and moderate for both peer and self-report assessments.

Due to the project nature of the work, often involving different people on each project, and the frequent time-related pressures to produce results within agreed upon billable hours, collaboration with others over which one has no direct control or authority is important. Peers are most likely to be the best judge of how well one collaborates – are others there when needed with useful ideas and assistance? The peer assessed collaboration-career success relationship is hypothesized to be the strongest. The effects of collaboration may be seen by direct reports, partners, and clients – suggesting that a moderate strength collaboration-career success relationship.

Coaching is a skill predominantly experience by oneself along with one's direct reports (those being coached). The importance of coaching stems from the apprenticeship model of career development common to many PSFs. Learning the craft involves getting advice and guidance from a more senior person. It is the coachee's view of that competency that is hypothesized to be most strongly related to the career success of the coach.

The relationship outcomes items address the results of one's work. The clients and partners are in the best position to both observe these outcomes and use this information for career management purposes – hence the hypothesis of a high correlation. More moderate relationships with career success are hypothesized with peer and direct report assessments as both these stakeholder groups would also have some knowledge of the competencies exhibited.

No self-rating assessment is hypothesized to be a strong predictor of career success (Yammarino & Atwater, 1997). This reflects the findings in the MSF literature cited above, and was confirmed by the interview reports done as part of *RMS* development. Only the dimensions that involve a mutual experience between the individual and different stakeholders were considered likely to have a moderate relationship with career success – i.e., relationship building, trust, and coaching. The subjective perceptual bias of one's self-reported leadership, collaboration, and relationship outcome competencies seemed probable – leading to the hypothesized weak relationships of these perceptions to subsequent career success.

DISCUSSION

The key ideas proposed are that stakeholder assessments can be used as valued input into a PSFs performance management system, and might also be used to predict subsequent career success.

Stakeholder assessments are not, *a priori*, expected to agree – different stakeholders constituencies may value different behaviors and have different goals that they are pursuing via the relationship. This suggests that in using stakeholder assessments for performance management, the users take time to understand the nature of the stakeholder relationship to the focal PSP, and incorporate this understanding in to the PM process. Similarly, if PSPs use stakeholder assessments as input into their career development activities, they should do so with an understanding of the different goals and expectations of the different stakeholder constituencies.

Both uses of the *RMS* assessments have implications for incorporating feedback from stakeholders in one's career management. Research supporting these hypotheses would be particularly relevant for identifying high potential professionals and determining whether stakeholder judgments are indicators of advancement. Research exploring these hypotheses will determine differences among stakeholder groups in predicting career success and whether selected performance dimensions from different stakeholders are more or less important to future career success. This has both theoretical and practical relevance. It will advance our understanding of how stakeholders' perceptions affect later judgments of those making personnel decisions. Such research can inform the design of succession management and career development programs. They may lead to stakeholder training in evaluating high potential professionals and to target PSPs improved use of stakeholder ratings in shaping their career plans.

Research exploring these hypotheses should contribute to the stakeholder research literature and the professional development literature on MSF practices in several ways. It can:

(1) provide an enhanced understanding of what different stakeholder groups value in the PSP's behaviors, thereby supporting the importance of involving stakeholders in organizational issues.

(2) add an alternative perspective with respect to measurement issues in MSF whereby different stakeholder assessments are expected to correlate (converge) as a sign of construct validity. Statistical independence (low correlations) among different stakeholder assessments may be a more meaningful sign of validity than their co-variation.

(3) provide individuals receiving MSF with guidance on what different assessments by different stakeholders may mean with respect to their career success, and suggest how to interpret differences in these assessments as function of the likely importance of a competency to the stakeholder.

(4) provide work organizations, particularly the human resource function, with more information on which to base their design of MSF surveys and from whom to solicit feedback on which MSF items/dimensions.

(5) provide PSFs with a better idea of what performance competencies really matter to their stakeholders as these competencies relate to the future success of their leaders and other professionals.

ENDNOTE

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