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SHOULD LAP-BAND TIGHTEN LINKAGE WITH SUTTER HEALTH And ALLERGAN, INC?

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ABSTRACT

An overview of market for obesity interventions, Lap-Band device, and Sutter Health organization is provided. Lap-Band device, a surgical obesity intervention patented by Allergan, Inc., although fraught with risks, is safer than most surgical interventions. FDA citation (2011) stirred bad publicity for Allergan/Lap-Band product itself. Consumers look to Sutter Health for their 'Lap-Banding services.' Lap-Band surgery increases hospital's risks and expenses due to complications, hospital readmissions, and patient deaths. Can Allergan diffuse its negative image? Can Sutter Health/healthcare organizations reduce risk in offering Lap-Band system? Should Allergan increase its ties with healthcare organizations/ insurers to increase sales of Lap-Band?

OVERVIEW OF ALLERGAN, INC.

Business Description And Vision

The company is based in Irvine, California (Allergan, 2011; (Terhune, n.d.). Allergan appears to primarily make 'beauty'/aesthetic products – Latisse, Juvederm (BOTOX® product for facial parentheses) (Allergan, 2011), eye care products, dermatology products, obesity interventions, and now breast implants, since the company acquired Inamed. The acquisition of Inamed in 2006 was an important addition in the company's product line. This acquisition allowed Allergan to gain an obesity intervention product and turn its focus towards minimally invasive obesity interventions (Allergan, n.d).

Allergan's Mission is "committed to responding to patients' needs and creating innovative and useful therapies and devices with speed and agility" (Allergan, 2010). The underlying mission in each specialty (eye care, obesity interventions, and aesthetics) is to enable patients to live life to its fullest potential (Allergan, 2010). Allergan's goal is to surround each specialty with a variety of treatment options (Allergan, 2010). For example, Allergan's obesity intervention products include Lap-Band and Orbera; in addition, the company provides a variety of eye care products for mild to severe conditions.

Definition Of The Market

Allergan is focused on generating multi-specialty pharmaceuticals, biologics, and health care products. They focus on targeting these specialty products in high growth markets. The company sells eye care products, neuroscience products, medical aesthetics and dermatology products, urologics and obesity interventions. For obesity intervention products, the market is comprised of gastroenterologist practitioners and bariatric surgeons, hospitals, health plans, and obese patients. Allergan has identified a market over the years of its operation, and continues to create innovative pharmaceuticals.

Allergan also has skin care and urologic products, while they continue to produce eye care products that originally helped it gets its name. The company recently got approval to use BOTOX ® in Canada to treat migraines, and approval in the U.S. and Canada to treat urinary incontinence associated with detrusor overactivity with BOTOX® (Allergan, 2011).
Allergan's product line also includes the Lap-Band System. There are several leading adjustable gastric banding products, but the two main systems are the Swedish Adjustable Gastric Banding (SAGB system) and the Lap-Band system (Fried, Miller, and Kormanova, 2004). Allergan, the company behind Lap-Band, controls 80% of the market for gastric banding products (Terhune, n.d.).

Direct Competitors

Johnson and Johnson (JNJ), Novartis AG (NVS), and Bausch and Lomb (Privately held). Allergan falls behind all of its Direct Competitors:

Biotech Competitors (Ranked By Sales) (Yahoo Finance, 2012)

Amgen Inc.(AMGN)
Genentech, Inc. (Privately held)
Biogen Idec Inc. (BIIB)
Genzyme Corporation (Privately held)
Merck Serono S.A. (Privately held)
Gilead Sciences Inc. (GILD)
Med Immune, L.L.C. (Privately held)
Life Technologies Corportation (LIFE)
Teva Pharmaceutical Industries Limited (TEVA)Sandoz International GmbH (Privately held)

Competitors: Drug Manufacturers (Ranked By Sales) (Yahoo Finance, 2012)

Watson Pharmaceuticals, Inc. (WPI)
Panbaxy Laboratories Limited (Privately held)
Mylan, Inc. (MYL)
Pfizer Inc. (PFE)
Johnson and Johnson (JNJ)
GlaxoSmithKline plc (GSK)
Sanofi (SNY)
Novartis AG (NVS)
Roche Holding AG (RHHBY PK)
AstraZeneca PLC (AZN)
Abbott Laboratories (ABT)
Bristol-Meyers Squibb Company (BMY)

Competitors With The Lap-Band System

Obese patients have many alternatives to the Lap-Band surgery, and these companies are Allergan's Main Competitors (Yahoo Finance, 2012):
Ethicon Endo-Surgery, Inc. (Johnson and Johnson)
Helioscopie SA
Medical Innovation Development SAS
Agency for Medical Innovation
Cousin Biotech
Bariatric Solns
Silimed
Realize Personal banding solution from Ethicon competes with Allergan's Lap-Band system (Allergan, 2011). *Realize* was approved by the FDA in 2007 for sales. The Lap-Band's competition outside the United States includes Heliogast by Helioscopie SA, *Midband*^{TM} by Medical Innovation Development SAS, *Soft* Gastric Band by Agency for Medical Innovation, Cousin Biotechs's *Bioring*, Bariatric Solns's Minimizer Extra, and Silimed's Adj Gastric Band (Allergan, 2011).

Description of Products/Services

Allergan has its products in specialty high growth markets (Allergan, n.d).

Eye care

Allergan initially started as a pharmaceutical company providing eye care products. The company manufactures pharmaceuticals for dry eye, including *Restasis, Refresh* lines of eye drops (Allergan, 2011).

Neurosciences/Neuromodulators

The *BOTOX*® cosmetic (also known as *BOTOX*®, *BOTOX*® Cosmetic, *Visitabel*, *Vistabex,* or *BOTOX*® *Vista*) was approved in over 75 countries, including Japan, China and by the FDA in U.S. to Reduce The Appearance Of Glabellar Lines In Adults Under The Age Of 65 (Allergan, 2011).

Medical Dermatology/Skin Care Products

Allergan's Skin care products focus on the acne, psoriasis, eye lash growth, and physician dispensed skin care products market (Allergan, 2011). Allergan manufactures an anti-aging crème know as *Vivite* in the United States. *Latisse* is Allergan's product for insufficient/inadequate eyelashes (Allergan, 2011).

Urologics

Allergan treats urologic disorders and incontinence with their urologic products. *Sanctura XR was* approved for use in the U.S. and Canada. Allergan acquired the rights for *Sanctura* in Canada from Indevus and Madaus GmbH . Allergan has exclusive license through Indevus Pharmaceuticals, Inc. (Indevus was acquired by Endo Pharmaceuticals) (Allergan, 2011). *Sanctura* has been facing generic competition in the United States since 2010 (Allergan, 2011).

Facial Aesthetics

Allergan's facial aesthetic products are *Juvéderm* dermal injections, using Allergan's own *Hylacross* and *Vycross* technologies (Allergan, 2011).

Medical Devices

Allergan's medical devices segments include breast aesthetics and obesity intervention products.

Breast Implants

Allergan implants have been available to women for over 30 years in close to 75 countries, and consist of a variety of shapes, textures, and sizes (Allergan, 2011).

Obesity Intervention

Obesity intervention products sales have decreased in 2011, compared to the 2010 sales, due to reduced net sales in the United States, Australia, and Spain. In the United States, this decrease could be due to the general economic trends, increased copays, as well as third party payor resistance for reimbursement of the Lap-Band system (Allegran, 2011). The resultant reduced revenue was partially compensated by increased sales in Latin America, and Europe. This trend of decreased obesity intervention sales was evident even in previous years, with reduced sales in 2010 compared to year 2009. A similar trend of partial recovery by sales was also noted in Europe, Latin America, and Canada (Allergan, 2011).

On another note, the increase in competitive products in the market has reduced Lap-Band sales. In addition, SG&A expenses have reduced due to decreased direct- consumer promotion of Lap-

Band (Allergan, 2011). The Lap-Band system and Orbera system are suited for the obesity epidemic in Latin America (Allergan, 2011).

Orbera Weight Loss System

Allergan manufactures the Orbera weight loss system, which is an intragastric balloon gastric system (Allergan, 2011). Orbera is a non-surgical alternative for obesity interventions. A silicone elastomer balloon filled with saline is inserted into a patient's stomach, to induce fullness; it is removed endoscopically after six months. Orbera is only approved for sale outside the United States (Allergan, 2011).

Lap-Band System

Lap-Band and *Lap-Band AP system* is a minimally invasive laparoscopic surgery meant to induce a sensation of fullness and reduce food consumption (Allergan, 2011). It consists of a silicone band placed around the upper area of the stomach with a tiny incision, creating a small pouch for food. The *Lap-Band AP system*, the next generation of Lap-Band, includes the 360-degree *Omniform* technology, allowing an equal distribution of the pressure from saline in the silicone band. Lap-Band has been approved by the FDA for use in individuals with a BMI of over 40, and individuals with a BMI of 30 and at least one co-morbid condition (Allergan, 2011).

OVERVIEW OF OBESITY AND THE LAP-BAND SYSTEM

Obesity in United States

Majority of our modern population perceive that we as individuals should lose at least 20 pounds. The popular media is saturated with flashy images of thin girls as reminders of beauty, and offers us recipes for quick weight loss; pounding us with staggering statistics of the weight of our nation. Those last few pounds are different from the physiologic condition known as obesity. Obesity is defined as a pathologic condition when an individual's Body Mass Index (BMI) is 30 or higher. The health consequences of obesity are substantial. Obesity plays a role in hypertension, diabetes, and various forms of cancer, premature death and severe chronic disease (WHO, n.d.). Obesity is classified as a global epidemic. As of 2000, there are 300 million obese individuals worldwide (WHO, n.d.). For 20 years, obesity has steadily increased; 35.7% of the U.S. adults and 12.5 million children are obese in the United States (Centers for Disease Control - CDC, 2012).

In California alone, the prevalence of obesity has increased from 10-14% to 24% since the 1980s (The Center for Disease Control's - CDC's Behavioral Risk Factor Surveillance System). Without proper interventions, the obesity epidemic can seriously affect the nation's health. Several companies are capitalizing on the high growth market of the obesity epidemic.

Alternative Weight Loss Options

Non-Surgical Medical Therapy and other types of Obesity Surgery are alternative procedures available for obese patients.

Patients have the option to begin Non-Surgical Medical Therapy, such as making lifestyle changes as dictated by their doctor or nutritionists. In addition, there are several treatment options for obesity prevention and intervention such as exercise, healthy diets, and weight loss products. Weight loss products include pills, surgical interventions, and diets, some of which are not approved by the Food and Drug Administration. Patients can turn to commercialized diet plans, such as Weight Watchers, which are the next big trend in obesity prevention and interventions.

There are two major types of Obesity surgery (FDA, n.d.). Restrictive surgeries limit the amount of food consumed by reducing the stomach area. Malabsorptive surgeries focus on bypassing the intestines to reduce the quantity of food absorbed (FDA, n.d.). **Roux-en-**Y gastric bypass (RYGB) surgery is the most common restrictive-malabsorptive obesity surgeries performed. In this surgical procedure, a small gastric pouch is created; this pouch is connected to a branch of the small intestine. The surgery bypasses majority of the stomach, duodenum, and the small intestine. Vertical Banded Gastroplasty (VBG) is a restrictive obesity surgery, where a surgeon places a row of staples on the lesser curvature of the stomach in order to reduce the food consumed by the patient. The opening of the stomach is reinforced by a silicone or metal band (FDA, n.d.).

Literature supports that Lap-Band surgery is less invasive and more simplistic than RYGB, and safer than RYGB and VBG, in terms of reduced mortality rates (Galvani et al, 2006); (Conley, 2011). In addition, Galvani (2006) found that Lap-Band patients lost weight more steadily than the RYGB patients. However, the Galvani study was comprised of only 120 RYGB patients, compared to 470 Lap-Band patients; which increases the probability that the results (i.e. all RYGB patients had complications) were due to chance. Such a scenario is untrue in real life. In addition, comparison of six follow-up studies, led to the conclusion that Lap-Band was only effective for up to four years, whereas RYGB and VBG could be effective for ten years (Conley, 2011).

This paper will focus on the Lap-Band surgical system, as a treatment for obesity. Healthy eating and exercise, although important after weight loss surgery, will not be the main portion of this discussion.

Overview of Lap-Band System

The Lap-Band system is an obesity intervention device that was patented by Allergan, Inc. The Lap-Band device is a long-term implantable silicone band, intended to curtail food consumption

by reducing the opening of the stomach and creating a small gastric pouch (FDA, n.d.). The device consists of a silicone kink resistant band and a metal access port. Lap-Band surgery is a type of laparoscopic (open) surgery. It is an option available for individuals with a BMI of over 30 who have one or more co-morbid conditions, and over 100lbs above ideal weight. This surgery is also recommended for individuals over a BMI of 40 who cannot lose weight after continued healthy eating and exercise efforts for weight loss (FDA, n.d.). Lap-Band is a high pressure, low volume system (Fried, Miller, and Kormanova, 2004).

Lap-Band has been approved for use in Europe since 1993 (FDA, n.d.). Lap-Band has been distributed worldwide and has obtained regulatory approval in Australia (1994), Mexico (1996), Canada (1997), and in Israel (1998). Patients who undergo the Lap-band surgery have 89% chance of at least one adverse effect, and 40% of patients have peri-operative side effects (FDA, n.d.). Lap-Band systems lead to an extensive range of morbidity, and mortality rates.

TAKING A 'LAPAROSCOPIC' VIEW OF LAP-BAND

Food And Drug Administration (FDA) 2011 Broader Approval

The Lap-Band was approved by the FDA in 2001 for use in "severely obese patients with a body mass index (BMI) of at least 40, those with a BMI of at least 35 and who also have an existing severe condition related to their obesity, such as heart disease or diabetes, or those who are at least 100 pounds overweight" (FDA, 2011a).

In early 2011, the FDA approved the Lap-Band system for a wider category of American population. According to Allergan, this allowed 27 million more Americans to be eligible for the Lap-Band system (Allergan, 2011). On the Allergan annual report, the approval was misquoted, although the results were similar. The FDA approval "expands the use of the LAP-BAND to include obese individuals with a BMI of 30 to 34 who also have an existing condition related to their obesity" (FDA, 2011a)).

Allergan's Eyes Are Bigger Than Its Mouth

The Lap-Band system contributes to less than 5% of Allergan's revenues (Pfeifer, 2011). The company was aggressively battling to increase the revenue in this sector. Allergan needs to focus on expanding the market for this obesity intervention product. Allergan started to target overweight teenagers (Pfeifer, 2011). However, since the Lap-Band device is not approved for minors, the company cannot promote the benefits of the device for children; thus the company has requested the FDA approval for a clinical study of Lap-Band implantation in teenagers 14 yrs and older [6]; (Pfeifer, 2011). Until FDA approval of the Lap-Band for teenagers under the

age of 18, doctors can provide treatment off label; but minors must have their parent's permission to undergo Lap-Band Surgery [6]; (Los Angeles Times, 2011).

Unrealistic Advertisements And Photographs

The Lap-Band system should only be used for severely obese individuals (FDA, n.d.). Unrealistic advertisements are portrayed of Lap-Band surgery, without emphasis on health risk. Advertisements continuously pound on potential patients, stating that the Lap-Band is risk free and could allow an individual to lose 100+ pounds. Thus, the Lap-Band surgery has succeeded in attracting yet another population. Articles and advertisements in popular magazines, such as Glamour, has gained the attention of women who are around 20 pounds overweight, who cannot lose the last 15 pounds due to lack of willpower or other factors, and this population is turning to Lap-Band and related surgeries (Dutton, 2012).

The marketing strategy employed by Allergan prior to December 2011 de-emphasized the risks of the surgery and failed to provide information on "warnings, precautions, possible side effects, and contraindications" (FDA, 2011b). Thus, in December 2011, six months after the FDA approval, the Food and Drug Administration released warning letters to Allergan regarding their marketing. The press release stated that the font size of the risk information was in fine print, and that the font size was too small for customers to notice. Thus, patients who underwent gastric banding were unaware of the severity of complications, and were caught by surprise. This measure taken by the FDA will provide patients with the required information to weigh the benefits and risks of surgery prior to considering the surgical procedure (FDA, 2011b). The FDA went a step further and warned the company that if they did not provide information on risk, the FDA would be willing to consider product seizure or civil money penalties (FDA, 2011b). Currently, a majority of the billboards have been removed (Pfeifer and Blankstein, 2011).

Unrealistic media promotions that lack evidence have altered perceptions of individuals at a healthy weight, creating a new 'explosive' La-Band culture. This has lead to individuals at acceptable BMI levels gaining weight in order to qualify for the Lap-Band surgery. Women who could not meet the FDA guidelines of being over 100lbs over their ideal weight, overeat to put on more weight, and qualify to meet the guidelines for the Lap-Band surgery (Jio, 2011). Glamour magazine has inadvertently reinforced such practices, and has failed to take the initiative to overtly and explicitly rebuke such behavior. Women could continue such behaviors, perhaps with the motive that 'well, my insurance plan covers it!' There are endless web pages of online forums and discussions as to how to 'cheat' and get the Lap-Band surgery without qualifying. It is a sign that our nation's health care system is broken (Jio, 2011); insurances and hospitals are needlessly providing services without proper verification. If customers are allowed

to have Lap-Band surgery unnecessarily, complications would be more likely to occur, leading to increase in health care costs for insurances and hospitals. Lap-Band could continue advertising in popular media, but should clearly incorporate the limitations and safety concerns as well.

FDA Clinical Safety Tests And Clinical, Comparative, And Cost Effectiveness Tests

Allergan, Inc. states that the Lap-Band has been used internationally since 1993. The FDA approval of Lap-Band was based off a 1995 clinical study that included only 299 participants. In the clinical trial, 25% of the participants had to have their gastric band removed due to complications. The company cites on its product labeling that participants of their study lost significant weight. However, 25% of the clinical trial participants had to have their gastric band removed due to complications. (Terhune, n.d.). This is not a large enough sample size to be representative of the entire population in the United States of over three million. With such a small sample size, there is a greater chance that the results were affected by chance. In addition, the company did not weigh the complications experienced by the participants in the equation.

A few of the comparative studies, such as the one that compared vertical gastric banding and laparoscopic surgery, are limited by their sample size (van Mastrigt, van Dielen, Severens, Voss, and Greve, 2006). This study determined the cost effectiveness of the Lap-Band surgery versus vertical gastric banding surgery. Their findings indicated that there was only 2% mortality, and that the Cost and Quality of life were found equal (van Mastrigt, van Dielen, Severens, Voss, and Greve, 2006). Long-term complications were more prevalent with increased reoperation rates in the Lap-Band system than in the SAGB system (Fried, Miller, and Kormanova, 2004). Both studies had a small sample size of 100 patients (50 patients in each group), which compromised the generalizablity and significance of the study. One retrospective study concluded that Lap-Band had a 30 percent chance of complications; yet the study had only 36 patients in the sample (Holéczy, Novák, and Králová, 2001).

Studies have attempted to standardize Lap-Band procedures in order to minimize complications. Reports indicated that a transverse subcutaneous positioning in a straight line could prevent most complications (Furbetta and Coli, 2003). The researchers in 2003 coded procedures for groups with most common complications. This information is essential for successfully treating such complications and reducing hospital cost and risks, relieving the burden of our already taxed health care system. Retrospective analyses indicated that most complications were preventable by the use of antibiotic prophylaxis, drainage of port site, proper band, port placement, and fixation, thorough psychological evaluations and follow up (Holéczy, Novák, and Králová, 2001).

SUTTER HEALTH IN CALIFORNIA

Overview of Sutter Health

A Sutter Health location will be used as an example of an average hospital that would provide gastric banding. They are a network of providers and hospitals in Northern California (SutterHealth, n.d.). The Sutter Health mission, vision, and values are stated below:
Mission*:* We enhance the well-being of people in the communities we serve through a not-for-profit commitment to compassion and excellence in health care services.
Vision*:* Sutter Health leads the transformation of health care to achieve the highest levels of quality, access, and affordability.
Values*:* The following are the values that are implicit in Sutter Health's organizational culture are listed in Figure 3.

Sutter Health and Lap-Banding

Sutter Health has monopolized the healthcare system in Northern California. The company charges 40-70% more than its competitors charge, and has required its insurers to keep their price a secret (Stewart, n.d.). Sutter Health has managed to stare their insurers down and offer such prices since it houses most populate hospitals, testing facilities, and provider network in Northern California. The organization has recently acquired twenty hospitals across Northern California and has a provider network of 3,500 providers (Stewart, n.d.).

Sutter Health offers gastric banding/Lap-Banding services, as advertised on their website. Consumers are constantly looking for providers and hospitals who offer the Lap-Band services. Sutter Health will draw consumers to their organization. However, the Lap-Band surgery can increase Sutter Health's risks and expenses due to hospital readmissions. The Lap-Band surgery itself is prone to complications, and patient deaths have been reported. During post-operative reevaluation, if the Lap-Band system is found to be improperly placed, the hospital will have to perform unnecessary procedures that will increase costs for the hospital, and reduce revenues.

CONCLUSIONS

As a whole, the Lap-Band is slowly becoming popular again within its designated market, and Allergan took a step in the right direction by ending their contract with their marketing group that began the fiasco. The FDA may view Lap-Band favorably because it is now adhering to rules; but that does not imply that consumers outlook of the publicity of Lap-Band risks is sympathetic. Allergan needs to target *all* of its consumers, and continue its efforts to provide a

safer product, from manufacturing to distribution, all the way to the consumer(s). The following are recommendations for Allergan and healthcare organizations to increase revenues, deflect publicity, and alleviate risk.

RECOMMENDATIONS

The FDA's marketing fiasco was a good wake up call for Allergan to keep its internal and external customers in mind at all times. Now that Allergan has dropped its marketing strategy, what else can it do to gain back the trust of it customers? Should it collaborate with major healthcare organizations or health plans? Should it continue its direct to consumer advertising strategy? Should it retrench or harvest the Lap-Band Product entirely? Can it recover from this negative publicity?

APPENDIX: INSTRUCTORS MANUAL

1. Case Synopsis

An overview of the market for obesity interventions, the Lap-Band device and Sutter Health organization is provided. The obesity epidemic in the United States has a profound effect on the health of the residents. The health effects of obesity include diabetes, hypertension, and even premature death. This epidemic has expanded the market for new obesity interventions. The Lap-Band device is a surgical obesity intervention patented by Allergan, Inc. The Lap-Band, although fraught with risks, is safer than most surgical interventions. The Lap-Band device contributes to less than 5% of the company's sales. The sales have been hampered by lack of health insurance approval in the United States. As an attempt to increase sales, Allergan has attempted to target teenagers. The Lap-Band intervention has been the subject of marketing issues, and the Food and Drug Administration cited Allergan in 2011. This has stirred up bad publicity for Allergan and for the Lap-Band product itself.

Sutter Health is a household name for health care in Northern California. The organization has monopolized health care in the region. Sutter Health is an example of an average health care organization, and it offers the Lap-Band system. Consumers look to Sutter Health because they offer 'Lap-Banding services.' The Lap-Band surgery can increase a hospital's risks and expenses due to complications, hospital readmissions, and patient deaths.

How can Allergan diffuse its negative image, and increase sales for Lap-Band? How can Sutter Health and other healthcare organizations reduce their risk in offering the Lap-Band system? Should Allergan increase its ties with health care organizations and insurers nationwide in order to increase sales of the Lap-Band?

2. *Case Learning Objectives*

This case has applications in Strategic Management for both advanced undergraduate and graduate level courses. Students will be able to analyze concepts in Business Strategy, Safety & Compliance, Marketing, and Organizations.

a. Business Strategies and Strategy Assessment – Students can familiarize themselves in applying and classifying business strategy (Miles & Snow, or Porter). Students can grasp how strategy plays a role in normal operations and in turnarounds, setting the means to accomplish the goal.

b. Health and Safety – Students can comprehend the extent to which threats of health and safety violations can affect a healthcare organization. Students can understand the importance of catering both to internal and external customers, while still maintaining a profitable business. Health and safety is a major landmark that organizations, especially healthcare organizations need to pass; failing which legal action can ensure.

c. Marketing and Organizations – Students can evaluate the product in terms of its strategic importance to the organization, and its presence in the product life cycle. The importance of public relations and advertising in healthcare is a major issue that students will be able to grasp. Students can analyze how strategic alliances/joint ventures can avert bad publicity, and ensure customer sales.

3. Discussion Questions

a. Provide a brief marketing strategy for Allergan. Include creative measures to this non-programmable problem.

b. Think about the Lap-band situation. What are some recommendations that Allergan can take to rectify these problems? What are some new target markets that Allergan can take on? How can Allergan prevent further unlawful practices and increase beneficial practices towards the success of the company?

c. Think about the Lap-band situation. What are some recommendations that Sutter Health can take as proactive measures?

4. Research methods

The case was compiled using secondary data and publicly available information. Since it was not possible to obtain primary data from the company's website, CEOs, store managers, and/or employees, the limited available data about Allergan and Sutter Health was used. The author was not affiliated with either of these companies. Names or data have not been disguised.

5. Experience teaching with the case

This case was not class tested.

6. Conceptual analysis

a. Strategic Analysis – students could analyze the forces in play that pertained to future change in practices at Allergan, providing an sound basis for Marketing, Strategy formulation, Organizational changes. A SWOT analysis such as the one below could be constructed:

SWOT Analysis of Allergan Inc.

Strengths: The Lap-Band system is safer than most surgical obesity interventions, although the product has had its share of risks and complications. Obesity is increasing in the United States, so the Lap-Band product is positioned in the correct market. More individuals are turning to the Lap-Band system, when healthy eating and exercise do not have the desired results. Lap-Band has an above average rating in the popular media; however, Allergan needs to continue and improve on its image as a 'Kick the Band' type of product.

Weaknesses

Allergan, as a company has not been reaching out to all of its consumers. Their marketing plan has been reaching out only to obese patients, rather than to hospitals and health insurance plans. In addition, costs are a major weakness to the Lap-Band system, as insurers are less likely to cover payment for the surgery. Patients are hesitant because the surgical procedure may guarantee financial loss/burden on them, in addition to possible weight loss.

Opportunities

Allergan has an opportunity to gain public trust by re-iterating to the people that the Lap-Band instrument would indeed be safe, as the company would guarantee their commitment to informing their customers of the limitations of their implant surgical procedures. This would show the public, that although the FDA approved the product with only one clinical trial, the product has been used safely for over 20 years. With Allergan's commitment to strict adherence to guidelines, their product would be an option to lose weight in patients who meet the criteria and would benefit medically to remain healthy by fighting obesity and its associated complication of morbidity and mortality.

The FDA approval expansion is another opportunity point for Allergan; currently, Lap-Band has been approved for individuals with a BMI of 35. In addition to the expansion, Allergan could target obese teenagers, without excluding the possible consequences of the procedure. If Allergan targets teenagers without indicating risks, the marketing fiasco will resurface.

Threats

Health insurance plan approval has detracted sales. Risks involved with the surgery have been a threat to the organization. Providers and the hospitals often decline to offer the high-risk

surgeries that lead to post surgical complications. The marketing fiasco with the FDA and deaths associated with the Lap-Band surgery has created bad publicity for Allergan and their product.
If Allergan does not try to cool down the marketing fiasco, and fails to thoroughly evaluate their future marketing strategy, the Lap-Band system may face serious consequences from the FDA. Allergan will lose their chance to capitalize on the obesity epidemic in the United States. Their Orbera system is not approved in the United States.

A BCG analysis of the strategic worth of the Lap-Band product can be conducted, as below:

BCG Matrix
Using, the statement of operations, a student can evaluate Allergan's products.
There has been a huge growth in the market for obesity intervention products, due to the obesity epidemic in the United States. If obesity trends continue, Allergan would be able to target over 35.7% of the U.S. adults and 12.5 million children with their obesity products (Centers for Disease Control - CDC, 2012). Yet, Allergan's obesity intervention has raked in less than the rest of their products ($203.1 million in 2011).

TABLE 1. ALLERGAN INC. STATEMENT OF OPERATIONS HIGHLIGHTS

In millions, except per share data	2011	2010	2009	2008	2007
STATEMENT OF OPERATIONS HIGHLIGHTS (As reported under U.S. GAAP)					
Product net sales	$ 5,347.1	$ 4,819.6	$ 4,447.0	$ 4,396.7	$ 3,873.0
Total revenues	5,719.1	4,919.4	4,509.0	4,401.4	3,933.0
Research and development	902.8	801.6	706.0	737.9	715.1
Earnings from continuing operations	938.1	4.9	629.8	564.7	497.0
Loss from discontinued operations	—	—	—	—	(1.7)
Net earnings attributable to noncontrolling interest	3.6	1.3	2.5	1.3	3.5
Net earnings attributable to Allergan, Inc.	$ 934.5	$ 0.6	$ 621.3	$ 563.1	$ 484.8
Net basic earnings per share attributable to Allergan, Inc. stockholders	$ 3.07	$ 0.00	$ 2.05	$ 1.85	$ 1.59
Net diluted earnings per share attributable to Allergan, Inc. stockholders	$ 3.01	$ 0.00	$ 2.00	$ 1.84	$ 1.57
Dividends per share	$ 0.20	$ 0.80	$ 0.80	$ 0.20	$ 0.20
ADJUSTED AMOUNTS[a]					
Adjusted net earnings attributable to Allergan, Inc.	$ 1,131.8	$ 974.9	$ 848.8	$ 798.1	$ 672.9
Adjusted net basic earnings per share attributable to Allergan, Inc. stockholders	$ 3.72	$ 3.2	$ 2.80	$ 2.64	$ 2.21
Adjusted net diluted earnings per share attributable to Allergan, Inc. stockholders	$ 3.65	$ 3.16	$ 2.76	$ 2.67	$ 2.18
NET SALES BY PRODUCT LINE					
Specialty Pharmaceuticals:					
Eye Care Pharmaceuticals	$ 2,520.2	$ 2,262.0	$ 2,100.6	$ 2,308.1	$ 1,775.6
BOTOX®/Neuromodulator	1,594.9	1,419.1	1,309.6	1,310.9	1,211.8
Skin Care	260.1	229.5	200.0	113.7	110.7
Urologics	56.8	62.6	66.6	68.5	5.0
Total specialty pharmaceuticals	4,432.0	3,973.4	3,683.0	3,502.3	3,105.0
Medical Devices:					
Breast Aesthetics	349.8	319.1	287.5	310.3	293.4
Obesity Intervention	203.1	244.3	258.2	281.1	277.1
Facial Aesthetics	362.7	283.8	218.1	201.4	202.8
Core medical devices	915.1	847.2	763.8	817.4	773.3
Other	—	—	—	—	2.7
Total medical devices	915.1	847.2	763.8	337.4	774.0
Total product net sales	$ 5,347.1	$ 4,810.6	$ 4,447.6	$ 4,396.7	$ 3,879.0

(Allergan, 2011)

Thus, the Lap-Band product has been in a high growth market (with new competitors) and a low market share. Considering a BCG matrix for the Lap-Band product and *the Obesity intervention division, this department has been a 'problem child.'*

7. Possible answers to discussion questions

a. Provide a brief marketing strategy for Allergan. Include creative measures to this non-programmable problem.

Answers may vary, but can include the following:

Allergan should consider the following recommendations for their marketing plan.

TABLE 2. An ADAPTED MARKETING STRATEGY FOR ALLERGAN INC.

Category	Strategy
Target Market	Obese adults with BMI of 30, with obesity-related medical conditions (Type II diabetes and hypertension), OR Patients with BMI of 40 or over with or without obesity-related medical condition Individuals who are 100 lbs over their ideal weight Individuals who tried unsuccessfully, non-surgical weight loss methods (supervised diet, exercise and behavior modification) Insurance Plans and Hospitals Expand market to teenagers, after demonstrating that it is safe for this population by pilot study
Positioning Statement	Our Pursuit. Life's Potential The best of medicine would look like Allergan.
Offering to Customers	Allergan, Inc. is a multi-specialty health care company focused on discovering, developing and commercializing innovative pharmaceuticals, biologics, medical devices and over-the-counter consumer products that enable people to live life to its greatest potential — to see more clearly, move more freely, express themselves more fully (Allergan, n.d)
Price Strategy	Focus on Affordability Price 10% below our closest competitor, Novartis AG In 2012, Allergan will focus on private payer reimbursement barriers, citing newly published health economics data
Distribution	Lap-Band' bariatric surgeons, medical practitioners hospitals, insurance plans, surgery centers, ambulatory centers, plastic surgery and reconstructive surgery (aesthetic) centers, pharmacies, clinics, mass merchandisers, food stores, hospitals, group purchasing organizations, integrated direct hospital networks, ambulatory surgery centers
Sales Strategy	Expand sales by 10% for this product line Start direct to consumer promotion again
Service Strategy	Increase Connection with insurance plans Increase Availability through insurance plan, health education and programs

Promotion Strategy	New campaign focusing on company's positioning Emphasize ill effects of obesity and high risks of gastric bypass surgery, while still indicating Lap-Band's risks and complications Promote Health Health Education Programs and Materials through Physicians and Bariatric Surgeons, Hospitals, and Insurance Plans Promote Lap-Band product in: Professional meetings, journals, sales brochures, and national media Promote to Customers via mass media, social networking, advertisements on social networking sites (to teenagers), magazines, prime time TV, etc
Marketing Research	Conduct Customer Audit Identify new market opportunities for the Lap-Band
Other Marketing Plan Components	Ultimately, Allergan needs to prove that the Lap-Band system has minimal risks for hospitals, providers, and insurance plans. It can achieve this by: • Working with major hospitals, for better publicity and consumer support • Focusing on the Lap-Band training system, and work on risks. After all, the main detractor is insurance plan approval, and Allergan needs to increase its revenue to meet competitors (Johnson and Johnson, Novartis, Bausch and Lomb). • Reducing Insurance Risk and Increasing Sales: o Increasing the link between Allergan and hospitals/insurance companies to ensure 'Best Practices' for Lap-Band surgery. • Private Payer Reimbursement: o Emphasize Technology Evaluation Center of the Blue Cross/Blue Shield National Association. • Target Lap-Band system internationally, especially in Latin America and Asia, as these areas are a major source of revenue for Allergan, and prone to the obesity epidemic. • Promote Lap-Band system to Minors: o Conduct clinical study on 'Teenagers and Lap-Band'.

(Allergan, 2011) The obesity epidemic is a market trend that Allergan should target, before competitors attack and take advantage of the foreseen revenue.

b. Think about the Lap-band situation. What are some recommendations that Allergan can take to rectify these problems? What are some new target markets that Allergan can take on? How can Allergan prevent further unlawful practices and increase beneficial practices towards the success of the company?

Answers may vary, but can include the following:
Recommendations for Allergan Inc

There has been an increased advertising effort over the past two years for the Lap-Band system. Although major promotional materials have been removed, misinformation about Lap-Band and its risks still exists (Pfeifer and Blankstein, 2011). This has brought on an onslaught of bad publicity for Allergan. As indicated in Figure 1, Allergan's sales hit a steep drop, on the day before and the day of the FDA press announcement about Lap-Band.

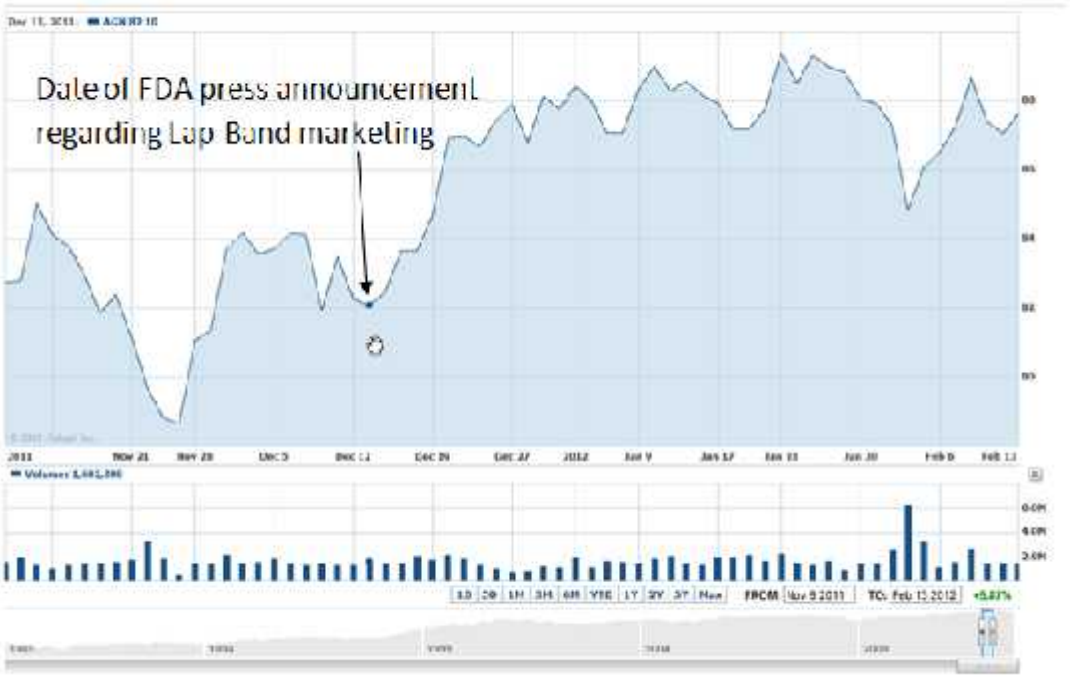
Recently, Allergan's sales have slowly increased, since the promotions have been removed, but common stock is still hitting low patches. Although many variables could have caused the drop in common stock, the FDA warning is important for Allergan as a reminder to update their marketing plan. The company has to adapt their Lap-Band product to address the potential for additional utilization with the new FDA approval for usage in wider categories of obese population. To revoke the bad publicity, Allergan needs to emphasize safety in their measures.

Lap-Band has seemed to be Allergan's main detractor to sales. Overall, the bariatric surgery market has been facing high copays and resistance from health plans (Allergan, 2011) due to soaring unemployment rates. Also, the current position of Lap-Band in the market may have tempted Allergan to continue such sales strategies to gain market share. Perhaps, in an effort to increase sales, the company's marketing agency had used unethical strategies to push sales. At the present, after Lap-Band's marketing fiasco, it is recommended that Allergan, Inc. has to update their marketing plan to effectively address the potential for more utilization with the new FDA approval for wider usage. Allergan needs to incorporate safety measures in the marketing of Lap-Band, or else bad publicity could negatively affect the sales. In addition, the criteria for selecting individuals for Lap-Band surgery needs to be standardized in order to provide safe care. Because, individuals perception of not losing enough weight by exercise and healthy diet, could be due to their lack of commitment or effort into the process.
The Lap-Band obesity intervention system should be targeted towards insurance companies, hospitals, bariatric surgeons, gastroenterologists, and obese patients. The product itself can be marketed to hospitals and insurance plans, which are the main detractor in Lap-Band Sales. Health plans, hospitals, and practitioners strive to reduce risk incurred by providing Lap-Band system. Allergan can ensure safety by working with hospitals and health plans, who are their

main focus point. The company should ensure that the contracted physicians are current with procedural details involved in the training program. Allergan can update its Lap-Band training program to include additional precautions such as antibiotic prophylaxis. In order to increase the sales of Lap-Band systems and reduce bad publicity, Allergan needs to present insurance companies with standardized procedures for Lap-Band qualification. Allergan must include scientifically measured precautions and treatments in the Lap-Band mandatory training. The company should clearly indicate in its instructional manuals, trainings, and promotional materials, the importance of post-surgical care, as well as healthy eating. This would ensure safety and good publicity, eventually leading to increased utilization.

The product needs to be marketed to patients as a user-friendly product, while still informing them of the associated risks. Potential patients should be encouraged to view advertisements targeted to their size, with before and after pictures. The new approval of the Lap-Band system for people with BMI over 30 opens up a new market for the product. Taking advantage of this expanding new market must be done by responsibly addressing Lap-Band risks, and informing potential patients. If advertisements fail to meet such requirements, the FDA would revoke false claims. New innovative media channels could be used to target this new population.

FIGURE 1. ALLERGAN INC. COMMON STOCK CHART
(November 2011-February 2012)



Yahoo Finance. (2012

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c. Think about the Lap-band situation. What are some recommendations that Sutter Health can take as proactive measures?

Answers may vary, but can include the following:

Recommendations for Sutter Health and other/similar health care organizations.

Eventually, Sutter Health will be at risk if patients continue to face complications from gastric banding surgery. Thus, Sutter Hospital has to ensure that the contracted providers participate in

the Lap-Band training program and strictly follow FDA guidelines. There has been an extensive online discussion as to how patients could get Lap-Band surgery without qualifying for the surgery. In addition, physicians are compelled into recommending the Lap-Band system. Thus, hospitals must have a robust disease management program to combat costs and increase utilization management programs.

Sutter Health needs to properly educate consumers about the risks of the surgery, as many patients enter the operating room without knowledge of the risks involved in the procedures. In addition, patients can adjust the Lap-Band, without visiting their provider (FDA, 2011a); (FDA, 2011b); this often occurs as patients feel visiting their provider is a burden or do not understand the potential for post surgical complication. With patient self-adjustment of the silicone band, the Lap-Band may over-restrict the stomach passage, leading to potential complications. Patient education may alleviate some risks incurred to the organization by preventable surgeries.

In addition, the hospital and insurance plan's Human Resources (HR) department must work on training physicians for proper utilization management of the Lap-Band product. The HR department needs to mandate that only an experienced bariatric surgeon who has had Lap-Band system training should perform the laparoscopic surgery (FDA, n.d.). Allergan and Sutter Health needs to address as to how the HR department could work with provider contractors who in turn would increase provider training for proper Lap-Band surgery and replacement. Health care organizations nationwide can apply the above recommendations to their business, as well.

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TO GROW OR NOT TO GROW: CHALLENGES OR CHOICES FOR FEMALE ENTREPRENEURS?

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ABSTRACT

It has been widely recognised that the growth of entrepreneurial ventures is central to wealth creation, innovation and economic development. However, it has been noted by many authors that women-owned ventures are not capitalising on growth potential or economic returns. This paper presents the case of women entrepreneurs in Ireland and investigates whether growth is affected by institutional or normative factors or whether preference plays an important role in this decision. Within the service sector in Ireland, 33 female entrepreneurs were chosen to participate in depth interviews as part of a case study methodology. These businesses demonstrated varying levels of growth which ensured a maximum variation sample for identifying barriers they share in the growth process. The results indicated that preference or personal choice was strongly recognised as a key factor which impacted upon business growth. However, it was noted that a number of factors also inhibited the growth of women-owned firms when female entrepreneurs opted for growth. These factors were found to be both structural (access to capital, lack of government support, lack of skilled staff, and access to appropriate childcare) and normative (inability to delegate, lack of management skills, lack of self-confidence, gender role orientation and guilt related to parenthood).

This study provides new evidence to illustrate that female entrepreneurs have individual preferences, which result in a spread of legitimate growth strategies to include limited or capped growth.

INTRODUCTION

Over the last two decades, female entrepreneurs have played a crucial role of within the worldwide expansion of entrepreneurship, in creating and building high-growth firms (Deakins and Freel 1998; Starr and Yudkin 1996, Mueller and Conway Dato-on, 2013). Whilst both regional and global evidence presents a positive picture of increased entrepreneurial activity among women and the statistics for female entrepreneurship start-up activity have continually improved, it appears that a significant percentage of women-owned organisations still remain small in size (Still and Timms 2000; Mitra 2002). Hence, if entrepreneurship is accepted as a key driver of economic growth, then a better understanding is needed of those factors which may inhibit women from growing their firms (Amine and Staub 2009). Of particular concern is that female-owned businesses also exhibit relatively higher closure rates and poor prospects for growth (Henry and Johnston 2003). Encouraging more women to engage in entrepreneurial activity and to grow their ventures is a significant global challenge (Carter and Marlow 2007). Even in entrepreneurially orientated countries such as Canada and the USA, recognised as global leaders in

business start-up rates for women (Orser 2007), the majority of female-owned firms, like other OECD member countries, are on average significantly smaller, less profitable and less likely to grow compared to those firms owned by men. O'Gorman (2001) in his study of firms in Ireland which explores the strategic choices of entrepreneurs explains that women are likely to face challenges that in turn, impacts on growth, particularly in the post start-up phase.

A number of authors have begun to challenge the traditional notion of growth as a naturally occurring phenomenon, proposing instead that the growth of an organisation can be the result of the entrepreneur's motivations and intentions for the business (Cliff 1998; O' Reilly and Hart 2004; Blackburn & Brush 2009). Lerner and Almor (2002) commented that these types of firms i.e. small, privately-held, with modest growth, are very common for women business-owners, given that they often set out with different objectives and goals for the future of their business. Indeed, O'Reilly and Hart (2005) revealed that the majority of women in their study were found to be intrinsically motivated; they cared more about achieving personal goals rather than financial, profit-driven goals. This leads us to question *whether the growth of women-owned firms is impeded by normative and structural factors, or whether business growth, or indeed non-growth, is a personal choice for female entrepreneurs*.

Carter et al. (2001) noted that although there had been significant expansion in the field on the topic of the growth of female-owned businesses, there has been a lack of theoretical focus which may have limited our understanding of female entrepreneurs and thus their attitude to organisational growth. Indeed, entrepreneurship cannot be investigated from a gender-neutral perspective (Marlow et al. 2009) signalling the need for adopting an approach, which views women as a heterogeneous group. Using women exclusively as the unit of analysis (Ahl, 2006), facilitates the investigation of variances within this heterogeneous group (Ahl and Nelson, 2010). By considering individual preferences as a legitimate option for women entrepreneurs, it is possible to obtain an understanding of the different choices and pathways of business growth that women entrepreneurs follow. In this paper we seek to ascertain the key barriers which impeded business growth. In allowing for preference as a key factor in the growth process, a clearer understanding of the structural and normative challenges impacting upon business growth can be achieved.

It is also recognised that growth has predominantly been addressed using quantitative methodologies, which fail to provide insight into the underlying mechanisms pertaining to the growth of female-owned organisations. Hence De Bruin et al. (2007) called for more rigorous in-depth studies. Such insights into the multi-faceted and *processual* behaviour of entrepreneurs (Down and Warren 2008) can be obtained through a qualitative case approach which explores certain themes through in-depth interviews. Welter and Lasch (2008) further argue that using a

qualitative design provides valuable insights in the field of entrepreneurship. A qualitative approach has therefore been adopted in this study

The paper commences by considering the two theoretical approaches namely, limitations theory and preference theory, in order to identify a research gap. Section 3 outlines the methods used in the study and profiles the sample. Section 4 presents the empirical evidence documenting the underlying mechanisms of growth for female entrepreneurs operating in the Republic of Ireland and Northern Ireland. Section 5 discusses the findings on why women opt for growth from which conclusions and implications are drawn in section 6.

USING A THEORY- DRIVEN ANALYSIS TO INVESTIGATE GROWTH INHIBITORS

Fischer et al. (1993) argues that theory driven research allows for a systematic development of knowledge, which can provide a firmer base for managerial and policy decisions to be made and it is under this premise that the current study has been conducted. In this study we draw on two theoretical perspectives in order to develop a broader understanding of the growth challenges faced by women entrepreneurs. The perspectives are macro- and micro-level perspectives that fit in with limitations and preference theory respectively. From a macro perspective, much previous research has examined how institutions (structural and normative) act as inhibitors to female entrepreneurial business growth. However, given that there is limited empirical evidence to show that structural barriers constitute the single or most important factors inhibiting women's entrepreneurship (Madsen et al, 2008); more recent attention has focused on the micro level – investigating how a woman's agency (McAdam and Marlow, 2011) and individual preference (Madsen et al., 2008) can impact upon process. Given this, we turn to preference theory to understand whether to grow the business or not, is a legitimate choice for women. It is argued that by adopting both a micro level approach that uses the woman as the unit of analysis it is possible to gain a better understanding of the impact of gender (Bradley, 2007) upon business growth decisions.

Accuracy of 'limitations theory'

Limitations theory is the term given to the theory reflecting upon structural and normative barriers. According to Ulhoi (2005), adopting an institutional perspective moves the focus away from the entrepreneur as an individual towards the social, cultural, legal and economic factors, which impact a woman's capability to participate within the labour market. Notwithstanding the research illustrating that most entrepreneurs, regardless of gender, face similar inhibiting factors to the growth of their business; extensive research has identified

particular structural barriers to women's entrepreneurship (Carter et al. 2007; Madsen et al., 2008; Shaw et al., 2001). Firstly, it has been confirmed that women approach the entrepreneurial experience with gender disadvantages rooted in education, training and employment e.g. female entrepreneurs often lack the required human capital such as business knowledge and management skills required to develop a viable business opportunity beyond a certain level (Ettl and Welter 2010; O'Gorman 2001; Still and Timms 2000; Walker and Joyner 1999; Mirchandani, 1999).

Secondly, financial capital as a key factor in the growth process has been investigated thoroughly and the lack thereof identified as a significant barrier to start-up and growth among female entrepreneurs (Carter et al. 2007; Hamouda and Henry 2005; Shaw et al. 2001; Mitra 2002). This is evidenced in a number of studies as outlined below:

(a) women tend to be disadvantaged in their ability to raise start-up capital required for external financing (Koper, 1993; Johnson and Storey, 1993; Schwartz, 1976, Hisrich and Brush, 1984; Neider, 1987);
(b) guarantees were often beyond the scope of many women's personal assets and credit track record (Riding and Swift, 1990),
(c) finance for ongoing businesses was less available for female owned firms (Aldrich, 1989), and
(d) the relationship between a woman and her bank manager suffered because of stereotyping and discrimination (Buttner & Rossen, 1989; Hisrich and Brush, 1986). Indeed, Koper (1993) found that women, in their credit applications, were asked different questions than their male counterparts regarding martial status, plans to have children and how intentions concerning balancing the demands of both family and a business.

However, more recent work in the field suggests that these issues are less common given females have a stronger track record in repaying loans (Irwin and Scott, 2010). Nevertheless, finance may still indirectly constitute a stumbling block, which Madsen et al., (2008) describe as an *'informal social barrier developed or reinforced during the process of institutionalisation',* the result of which can potentially affect a woman's interpretation of entrepreneurial opportunities. To illustrate, it has been noted that female entrepreneurs do not seem *willing* to access the required levels of finance (for capital equipment) nor approach the appropriate professional services – assuming their availability – to actively pursue capital investment that would be required for significant business growth because they tend to be risk averse when seeking financial funding with a propensity to rely more on informal sources of funding and boot strapping (Brush et al. 2007; Hill et al. 2006). Consequently, women tend to found businesses

that do not require substantial levels of initial investment (Marlow and Carter 2004) which has obvious funnel implications for the growth of such firms.

Many authors (Davidson et al., 2009; Mazzarol et al., 2009; Still and Timms, 2000) also assert that we must look towards normative limitations i.e. self-confidence; self-perception which curtail the uptake of potential business opportunities by women. Still and Timms (2000) found that women often lack the necessary *self-confidence*, are more cautious and have low expectations regarding their business's profitability and Davidson et al., (2009) argue that this is because women often have to deal with the prejudicial attitudes of others with regards to their intellectual capability. Hamm (2002) proved that many female entrepreneurs fail to adapt their leadership capabilities to their growing business as evidenced in their inability to lead a larger workforce. In contrast, Mazzarol et al., (2009) found that growth orientated entrepreneurs were more likely to be confident in their ability to lead change within their firm. Those that fail to adapt tend to be more cautious about forecasting profits and employing and delegating to staff as a result of their skills base (Still and Timms 2000) and therefore make a strategic decision to purposely limit the natural expansion of the organisation (Anna et al. 2000; Cliff 1998). According to Walker and Joyner (1999), this negative cycle may be rectified by appropriate training, especially through previous job experience. Anna et al., (2000) assert that gender has a significant impact on women in that it influences *self-perception*. This includes personal perceptions of their own abilities (inadequate skills or opportunities) and their business environment, as well as a wider perception of the receptiveness of society. These negative self-perceptions or low self-efficacy can restrict their ability to recognise opportunities therefore reducing the potential for business growth (Kickul, 2007). Moreover, it has been established that a person can have high self-efficacy in one area of their lives and low in others (Bandura, 1992), for example, a woman can feel confident as a mother or care giver but inadequate as business owners (or indeed vice versa).

Many authors agree that more weight should be given to these normative limitations as potential explanatory factors for the slower growth rate of female-owned ventures. For instance, O' Reilly and Hart (2004) confirmed that the likelihood of a woman setting up in business in Ireland was strongly related to knowing an entrepreneur (role model), believing that there are good business opportunities and believing she has the right skills. However, encouraging women to enter new sectors and create sustainable ventures is a significant challenge and one which is often overlooked. Marlow and Carter (2004) remind us that there is a tendency to stick with what you know and since women tend to be economically active in sectors with poorer business prospects, they are more likely to be disadvantaged as the constraints experienced in waged work transfer into self-employment and entrepreneurial activity.

Accuracy of preference theory driven analysis

It has been argued that if we are guided by economic and institutional theories, female entrepreneurs are rendered as the weaker comparative and 'the interloper in the entrepreneurship domain' (Carter et al., 2007, p.). Whilst economic theory is likely to be an accepted norm - women have an opportunity to make an economic contribution, - women-owned ventures consistently do not meet the normative standards for successful business operation (in size, scale and turnover). Madsen et al., (2008) argue that it has not been proven that these structural barriers constitute the single most influential factor inhibiting women's entrepreneurship. Thus, if we refer to social theory, women-owned businesses may not reach these normative standards simply because they prefer or chose not to. Indeed, Long (2003) posits that the reasoning for a lack of growth among female-owned ventures lies with the entrepreneurs themselves, who have modest aspirations for organisational growth. Taylor and Newcomer (2005) also found that female entrepreneurs continue to struggle with the conflicting demands between their professional and personal lives and this dictates how they interact in the economy.

In her work on preference theory, Hakim (2006) fully recognises that the structural and normative factors exert influence on women's choices to some extent, but argues that these factors are of declining importance. Her work on preference theory allows us to challenge existing economic theories, which are considered to have two major flaws;

(a) Economic theory does not take into consideration the historical changes in the 21st century which have had a significant impact on the lives of women (Hakim, 2000), and;
(b) Economic theory is primarily based on comparisons with men so that entrepreneurial behaviour and action is a masculine gendered form, associated with men as the norm or the benchmark (Ahl 2006).

Preference theory is concerned primarily with the innate characteristics which influence women's choice between family and work, Hakim (2000) argues this is a genuine choice for women in modern affluent societies. Her work is based on four main tenets: firstly, that changes in society have created new options for women; second that women are heterogeneous in their preferences in relation to employment and family life; third that different preference groups have conflicting interests the impact being that women do not agree on how to achieve equality (or even if it is needed); and fourth that heterogeneity is the main cause of variable responses to social engineering policies (Hakim, 1998; 2000; 2004, 2006, 2009). She argues that preference theory is a historically informed, empirically-based, multi-disciplinary approach to explaining and predicting women's choices which illustrates that in modern society sex and gender are redundant concepts which are being replaced by lifestyle preferences as the crucial differentiating characteristic (Hakim, 2000, 2003) i.e. a firm which does not grow based upon the choice of a woman and her preferred state within the home. To illustrate, Hakim links female preferences to dispositions and values identifying three approaches to the woman's role in the family (Hakim, 2006):

1. 'Home Centred' women who prefer not to work as family life and children are the main priorities throughout their life. In terms of entrepreneurial intentions, these women use business ownership as a

method of remaining economically active, often through necessity, as illustrated in the research conducted by O'Reilly and Hart (2004.
2.'Adaptive' women, approach their choice based on conflicting values i.e. they want to work but desire to find balance between their role within the home and the workplace. These are often the largest and most diverse group of women who are attracted to the option of entrepreneurship as a flexible system to combine these conflicting roles (See also Still and Timms, 2000).
3. 'Work Centred' women are focused on their career in terms of employment or self employment. These women are often childless and are motivated by achievement, profit and excellence in their chosen field (Hakim, 2000).

Table 1 outlines how these preferences can impact on the decision to become an entrepreneur and growth intentions.

Table 1: The Impact of Preference on Entrepreneurial Activity

	Home Centred	Adaptive	Work Centred
Decision to become an entrepreneur	Women have been forced into entrepreneurship through necessity. Family life and children are the main priorities throughout life.	This group is the most diverse and includes women who want to combine work and family, plus drifters and unplanned careers. There is significant compromise between their two conflicting sets of values These women will gravitate towards careers offering a work-life balance and flexibility. Entrepreneurship is chosen as it allows them to work part-time and unite the two competing factors of work and motherhood.	Women focused on entrepreneurship as a chosen career path. Childless women are concentrated here.
Growth intentions of the business	They fully prioritise their family and would prefer not to work therefore they are content to run a small business on the premise that it will not interfere with their role within the home. Business growth is not a priority.	This a highly diverse group of women and growth intentions can change on a regular basis according to personal circumstances and lifecycle..	These women are motivated by achievement orientation, individualism, profit and excellence within their chosen industry.

Source: Inspired by Hakim (2000)

Hakims work highlights the most likely paths or choices a female entrepreneur may take, and therefore in understanding the barriers to the entrepreneurial growth process, preference

theory provides a sound basis given that the focus is not on the structure of the economic system itself, but rather the choices of individuals within that structure (Hakim, 2003).

Research Gap

Under the premise that choice cannot be predicted by macro-level analysis alone (See Hakim, 2007), in this study we adopt a multi-level approach to investigating factors that hinder the growth choices of female entrepreneurs in Ireland and elucidate the extent to which these are structural, normative or preference-related.

METHODOLOGY

This section addresses sample selection (of sector and cases) and details the analytical methods employed. Since case selection has a profound effect on the quality of research findings (See Neergaard, 2007) the process of selecting cases for in-depth analysis carried out on multiple levels (See Yin 1989) and was rigorous.

With regards selection of sector, since previous studies (Cately and Hamilton, 1998; Hisrich et al., 1997) have indicated that growth variances occur across sectors, selection was limited to one sector which was female-dominated in Ireland, the service sector as Marlow et al. (2008) suggested that female entrepreneurs remain in feminised occupational sectors such as catering, caring, personal and business services.

With regards selection of cases, there was no single database of female-owned businesses in Ireland therefore a database was constructed with the assistance of organisations (See Tashokkori and Teddlie, 2003) in the service industry which included local enterprise agencies, councils, and other relevant bodies that maintained publicly available records in both jurisdictions. The selection criteria used to develop this database were as follows:

(a) The organisation was founded (or part- founded) by a woman.
(b) The organisation was at least 50% owned by one or more women, or, in the case of any publicly owned business, at least 50% of the stock was owned by one or more women; and the management and daily business operations were controlled by one or more women.
(c) The organisation must be at least two years old in order to eliminate organisations still experiencing start-up behaviour.
(d) Organisation must be deemed to be a service sector company. 'Wholesale and retail trades, travel and tourism, hotel and restaurants, transport and communication, financial and computer services, real estate, business support, government and other services'. (Invest NI 2014)

This process identified 224 organizations in Ireland which met the criteria. In order to glean further information about the companies and identify a sample for the case studies, a mail survey was sent to the entrepreneurs. The constructs in the survey were heavily based on those in the work of Carter (2000), who analyzed the performance of female-owned firms in the UK. The survey achieved a response rate of 25% (57 respondents) after 4 weeks. The survey data confirmed that the Irish sample was typical of women entrepreneurs in developed countries (Henry and Kennedy 2003). To illustrate, the average age of the respondents was 43 years old, 68% were married and the majority had children (61%). Most of the firms demonstrated moderate performance i.e. the majority (57%) had pre-tax profits less than $90,000 and limited growth in terms of an increase of less than 10% turnover per year (58%).

Thirty-three organizations were then selected among the 57 respondents to participate in the next level of analysis (in-depth interviews). Of the 24 firms rejected, some were displaying characteristics of firms still within the start-up phase of business and access to others was limited. Table 2 provides an overview of the salient characteristics of the 33 entrepreneurs within the sample and the varying levels of growth of their organizations as measured through number of employees and annual turnover. Note that whilst this study was limited to only one sector, those interviewed were asked if this sector was new to them but all 33 had gained some experience working as an employee in this sector. What resulted was a maximum variation sample (MVS). The advantage of a MVS is that '*any common patterns that emerge from great variation are of particular interest and value in capturing the core experiences and central, shared aspects'* (Patton 1990: 172). This strategy is beneficial since it allows for documenting the uniqueness of each case but yet allowing for identifying any shared patterns that derive their significance from having emerged out of heterogeneity (Patton 1990). The maximum variation sample provides robustness to the findings (Herriott and Firestone 1983).

Table 2: Illustrating the Heterogeneity of the Sample

	Organisational Factors				**Entrepreneurial factors**		
	Service Business	**Trading (years)**	**Annual Turnover (£/€)**	**No of employees**	**Ent Age (Years)**	**Education Attainment**	**Family situation**
1	'Other' Architect	8	£80,000	3	52	Third level	Married, 2 children
2	Business Consultancy	4	£27,000	0	43	Second level	Married, 3 children
3	'Other' Consultancy	3	£15,000	0	62	Third level	Not married, no children
4	Business Consultancy	5	£58,000	2	38	Post Graduate degree	Not married, no children
5	Business Consultancy	8	£60,000	0	37	Business Degree	Not married, 2 children
6	Consultancy	4	£18,000	0	28	Third Level	Not married, 1 child
7	'Other' Travel and Tourism	16	£26,000	0	60	Second level	Not married, no children
8	Retail	7	£68,000	2	38	Third level	Married, 1 child
9	Wholesale and Retail	18	£350,000	12	68	Second level	Married, 2 children
10	Retail	10	£280,000	7	40	Second level	Married, 2 children
11	Business Consultancy	3	£72,000	0	26	Post Graduate Degree	Married, no children
12	Retail	4	£20,000	0	32	Arts Degree	Married, 2 children

13	Retail	28	£750,000	14	51	Arts Degree	Married, 3 children
14	Travel and Tourism	14	£7million	26	56	Second level	Married, no children
15	Communication	10	£1million	12	50	Degree	Married, no children
16	'Other' Drugs Testing	9	£1.8million	25	41	Degree	Married, 2 children
17	Wholesale	9	£10million	100+	42	Business Degree	Married, 4 children
18	Distribution	4	£90,000	3	41	Degree	Married, 3 children
19	Retail	25	€350,000	5	55	Arts Degree	Married, 3 children
20	'Other' Therapist	10	€30,000	0	40	Specialist Diploma	Married, 1 child
21	'Other' Designer	5	€16,000	0	53	Second level	Married, 4 children
22	Retail	4	€36,000	1 PT	35	Second level	Married, 2 children
23	'Other' Therapist	3	€18,000	0	27	Specialist Diploma	Not married, no children
24	Restaurant	3	€65,000	3 FT, 2 PT	32	Second level	Married, 1 child
25	'Other' Therapist and Retail	5	€75,000	1 FT, 1PT	47	Specialist Diploma	Married, 3 children
26	Communication	8	€75,000	1FT, 1PT	35	Marketing Degree	Married, no children
27	Retail	12	unknown	23	45	Arts Degree	Not married, no children
28	Financial Services	10	€150,000	2	41	Professional qualifications	Married, 2 children
29	Retail	13	€28,000	0	28	Arts Degree	Not married, no children
30	Wholesale and Retail	13	unknown	40	unknown	Second level	Married, 5 children
31	Travel and Tourism	17	€5million	14	42	Second level	Married, 2 children
32	Travel and Tourism	7	€250,000	4-7 Seasonal	40	MBA	Married, 2 children
33	Travel and Tourism	30	€20million	115	47	Minimal- did not complete 2nd level	Divorced, no children

Data collection and analysis

Data collection, through in depth interviews, was conducted over a 3-month period in using 1-hour semi-structured interviews with all 33 women. These interviews were recorded and field notes taken (See Reveley *et al.*, 2004). The interviewing document was guided by two main sections, providing the researcher with a control mechanism to ensure consistency across the population as well as simplifying the analysis (Patton, 2002). In the first section, entrepreneurs were questioned about their entrepreneurial background including education, experience and family commitments. The second section dealt specifically with examining the current business growth and development, and future growth aspirations for the business. This section more specifically attempted to identify any barriers during this process. The interview data was transcribed within a 48-hour period and compared to the field notes. The data was rigorously and independently analyzed by two members of the research team (advocated by Carter *et al.*, 2007) during the research process to limit subjective bias. The process used was content analysis and the key aim was to draw out the key factors whilst maintaining richness of the dataset (See Easterby-Smith *et al.*, 2002). A matrix format was used to identify core constructs and the frequency of their occurrence. From the evidence provided by the in-depth interviews, the emergent data was firstly categorised into 16 core constructs as listed in Table 3. Through a lengthy process of data convergence, data reduction and inter-rater analysis, twelve key themes were then identified which accurately reflected the qualitative data provided by the women entrepreneurs. This analytic process generated transparency ensuring that content analysis remained an objective method of analysis and maintained data richness since quotations were coded based on their location (See Anderson 2007). These themes were then grouped into three

categories, (a) structural barriers (b) normative barriers (c) preferences. An example of the analysis is presented in Table 3.

Table 3: Exemplifying the development of the analysis

Sample Evidence	Core constructs	Key Themes	Categories
"I know that if I could get a company to invest in my company there is fantastic potential for growth but I have had to work within the confines of my turnover. I have been offered opportunities to expand but need the financial backing." (8)	I don't have access to core capital for growth/ The business is in the wrong industry to access capital from traditional sources	Access to growth capital	Structural barriers
"When I decided to grow the business and the paperwork became more intense I asked my local enterprise board for advice to reduce the time spent but they told me that that was just the nature of business in Ireland." (33) "We are constantly hampered by red tape. Every time I turn round there is a new piece of legislation that we have to incorporate into our terms and conditions." (15)	I find the legislation/ paperwork in terms of business growth too complicated	Lack of Government Support	
"I never got any help from anyone and when I tried to get support I was slapped down by the people who now are there to advise young business people." (28)	There is no funding and/ or training from local government		
"Finding good staff is very difficult and we have always had problems in getting good staff. Staff I can trust to keep working when I am not in the office"(19)	It is difficult to find good/ reliable staff	Lack of Skilled Staff	
It is so difficult to find staff who have the right training. Some (staff) we have trained have left us and taken the skill with them so we have had to start all over again."(9)	It is difficult to find technically skilled staff		
"What am I supposed to do if I need to meet my customers after 5pm? Being a business owner isn't a 9-5 job….There just aren't enough suitable childcare facilities available for women who don't work regular hours" (10)	There are a lack of suitable childcare alternatives	Childcare	
"In 1999 we moved premises and we were growing so I took on more staff. I was good at juggling many tasks and I enjoyed being a part of every aspect in the business but I was taking on too much and everyone was dependant on me. I had reached the stage where I was sinking and I realised I was holding the company back." (14) *"I have been accused in the past of not being able to delegate… that I feel that I have to be in the middle of everything but that's because of the way I started the business". (9)*	I cannot relinquish control of the business	Frightened to relinquish control	Normative Barriers
"Cash flow is a real problem for me and slow payments are one of the worst things I have to deal with. I am in the red practically every month which is ridiculous because my business has a good turnover. By the time I get paid, all of my bills have come out of the account and I am constantly paying interest charges on my	I find it difficult to manage cash flow and other areas of the business- I don't have the business skills	Lack of management skills	

overdraft" (7)			
"The biggest barrier I have is in my own confidence and ability and so it is a barrier of self rather than an external one. One day you are feeling very confident and successful can make incredible decisions but the next day you feel that you can't take your business forward so I think there should definitely be some recognition of that." (5)	I lack the managerial competency and leadership skills needed to grow	Lack of confidence	
"It has taken me a long time to think of myself as a real business, in fact only in the last year. Sometimes I look at them and think that the products are fantastic but at other times I wonder why people would spend all that money." (12)	Concern regarding quality of product/ service		
"When I was first involved with the business, we were trying to do many mail-shots for promotion and I remember one winters evening standing at a post-box trying mail hundreds of letters in the rain. As I was standing there, an older gentleman passed me and he said, "I wish I had a secretary like you". He had just assumed that I was a secondary player and didn't think that I might have been a director in the company." (17)	I am concerned that I will be overlooked because I am a woman	Gender role Orientation	
"I think that it is much harder for a woman to be taken seriously in business. It is usually very subtle and it is hard to pinpoint exact incidents but people would come in and ask me could they speak to the boss." (30)	I wonder if I am taken seriously in business because I am a woman		
"It is more difficult for a woman to be in business especially if you have children because your responsibilities lie with them as well as with the business. If they are sick, the responsibility seems to come to you (rather than their father) because you are the person they want." (20)	I experience significant guilt regarding spending time with family	Guilt related to Parenthood	
"I would like to earn lots of money! However, I would be happy with flexibility in my life, to take as many orders as I can cope with and not be swallowed up by orders". (29) "I am young, have no responsibilities and no mortgage- I can afford to spend all my time and energy in developing this business. At the same time, if I don't want to take a contract and go on 4 holidays a year, I will do that too!" (24) "I've got the stage in my life where I want to sail the Atlantic! My business is shrinking by choice." (1)	I want to develop my business in line with my personal circumstances	Flexibility	Preferences
"I don't want to grow too quickly- I won't be able to manage the business. I like to be in control of every aspect and make the decisions. Not because Im scared of what will happen, but because this is my life, and I love it!" (22)	I want feel in control of my business and this limits my business growth	The desire to Control	
"I want to have a family, and this business will allow me to do that- creating balance in my life is what is important to me" (8) "I don't work during the summer holidays, it was too important to be there for my children when they were growing up. I am self-employed because I wanted my work to fit around my family life, not interfere with it." (2)	I chose to prioritise my role as a mother over my role as a business owner	Parenthood-choosing family over business	

Table 4: Occurrence of Key Themes

Key themes	**Access to growth capital**	Lack of government support	Lack of skilled staff	Lack of suitable childcare	Delegation of staff	Lack of Managerial Skills	**Lack of confidence**	Gender Role orientation	Guilt related to Parenthood	Flexibility	Desire to Control	**Parenthood**
# of times theme was recorded*	**38**	31	16	21	30	51	**71**	52	16	27	37	**41**
Thematic grouping	**Structural**				**Normative**					**Preference**		

* Note, each interviewee may have mentioned the key theme more than once, therefore, the recorded figures do not total to the number of interviewees.

FINDINGS

Structural factors inhibiting growth

Structural factors are defined as those factors within the macro environment, which are outside the control of the entrepreneur and include aspects within the operational, legal and societal environment that can potentially influence and have an impact upon business growth. Through the data analysis, it was found that the four structural factors impacting on the growth of these entrepreneurial firms were (a) lack of access to growth capital, (b) lack of government support (c) lack of skilled staff and (d) lack of suitable childcare for women who are parents. However, as shown in Table 4 the lack of access to growth capital was mentioned most frequently by the sample and thus could be considered the most significant structural barrier to the growth of the female entrepreneurial firms in the sample.

Indeed, when we separated out the data into those opting for some form of business growth versus those who did not, a lack of capital came out as a factor of utmost importance to those seeking growth. These women sought investment capital from two main sources; banks and the government and when refused funding the women recognised that in most cases, funding was not available because of the low turnover industries in which they operated i.e. service sector. They argue that sector choice not only reduced their options for bank lending but prevented them accessing government support as they did not meet the stipulated criteria.

The majority of the entrepreneurs in the sample felt that not only was there a lack of constructive government support, but it was also incredibly difficult to access. The women did not know where to

source the necessary information and many noted that information given to them was too generic and did not apply to their business. It was also found that the eligibility criteria to access support are set at a turnover level these women could not reach, and within sectors they did not trade for instance, high technology. The entrepreneurs with growth aspirations argued that more emphasis should be placed on assisting micro firms in reaching this level and boosting their ability to access mainstream support.

Accessing appropriate childcare was also a major issue for the women opting to grow their businesses. Many of the women cited a lack of suitable, affordable and extended childcare provisions as a factor which inhibited the amount of time they could spend at work and therefore dedicate to business growth. Seven interviewees in the study opted for rapid business growth but fewer than half of these were parents. Notably, in all three cases where high growth was exhibited, the women explained that they were not the primary parent and were therefore were able to stack up their time in favour of professional life rather than personal life. The women who were parents argued that the current government policies, which supports employed women (addressed by the National Childcare Strategy and the tax credit system using the traditional 9-5 model), did not meet their needs or that of their business and they often had to turn to friends and family for additional support which they recognized was not a long-term solution. Consequently, the results indicate that the structural barriers surrounding parenthood was a huge constraint on the potential growth of these organizations.

Conversely, sourcing appropriate staff was the greatest challenge for non-growth businesses. The entrepreneurs argued that not only was it difficult to source skilled staff, but that they had experienced losing employees to larger organizations, once they had been trained in-house and this had a major impact on their 'bottom line'. This naturally influenced their inclination not to hire 'untrained staff'.

Normative barriers inhibiting growth

Normative barriers can include aspects such as management knowledge, business skills and personal competency that can potentially influence the women's decisions for business growth. The key normative factors identified in the study as having an impact on business growth included (a) the ability to delegate responsibility to others, (b) lack of managerial skills (c) a lack of confidence (d) internal concerns regarding their gender and (e) guilt related to parenthood. The majority of the women stressed that these normative factors were a *greater* inhibitor to the growth of their organizations than the structural barriers and were especially challenging and more difficult to surmount because there is no externally visible rationale these barriers i.e. the limitations often existed in their own minds.

Firstly, in many cases the lack of growth of the organization was aligned with a lack of confidence. Although the women contended that they were confident people in their daily lives and had the confidence to operate their business day to-day, it was evident that in the most part, they often doubted their abilities to develop beyond a 'controllable' level and sometimes failed to treat their business as legitimate. This low self-efficacy had a negative impact on any potential growth opportunities as the women lacked confidence for fear of failure. This was highly linked to their managerial skills, or lack thereof.

Another key issue extracted from this theme was the women's ability to relinquish control of decisions. By their own admission, most of the women in the sample found it difficult to delegate,

however, in order to grow, many have learnt this skill and developed the business. This is a key problem in terms of organizational growth as the women retained the 'my baby' attitude and thus restricted the potential development of the company. In addition, the majority of women with low growth organizations admitted that they lacked leadership skills, which potentially influenced the direction of their business and growth aspirations. They recognized this skills deficit had a limiting effect on business size and explained why they continued to operate micro-scale ventures.

Gender role orientation, as a normative factor became evident through analysis of the data when women began to describe how they felt uncomfortable in certain business situations, and felt that they were not being taken seriously. For a small portion of the sample (n=2), there were specific incidences where they were discriminated against because of their gender. To illustrate, one women described how she has been turned down for funding in the 1970s and the bank did not believe she would be able to pay it back as she was *"married and could shortly have a family"*. However, this was not the norm and this theme developed from the women's internal thoughts regarding their gender. However, in this study, the author refers to Mueller and Conway Dato-on (2013) who illustrate that gender-role orientation is a personal trait or value system that affect ones attitudes, beliefs, self- identification and career choices consistent with socially constructed stereotypes. In this sample, some women described how they found it difficult to assert their authority in business meetings even though they viewed themselves as being self-assertive in non-business environments. Some argued that they have been disregarded as a legitimate 'business person' because of their gender however, the extent to which gender influenced the business was decided by individual reactions and changed according to the business situation.

At the normative level, guilt surrounding parenthood also acted as a barrier to business growth. The women with children indicated that they often performed an *emotional* balancing act between their professional and their personal life and between their entrepreneurial role and their parent role. Personal life often took precedence over the business, which had a significant impact on potential business growth. Some entrepreneurs suggested that there was a tendency to stretch oneself too thin and over-compensate for missed opportunities in both personal and professional life. For example, the interviewees signaled that the balancing act could have detrimental effects on the entrepreneur (health, stress) and on the business (lack of interest and commitment) and lead to a negative personal and working environment. They also felt that perhaps their male counterparts would not 'feel as guilty' and that male entrepreneurs therefore were at an advantage. However, they recognized that this self-made 'guilt trip' was more related to gender than gendered entrepreneurship.

Preferences

When the research was conducted, it was obvious that a large number of women who had very small organizations (micro and sole traders) wanted to justify the rationale behind their decision not to grow the business. They addressed some of the structural and normative factors outlined above and contended that although these did have an impact on their decision not to grow the business, it was their personal choices which had more influence than any other factor on this decision. Categorized as

'Preferences', these factors are within the control of the entrepreneur and include (a) the desire for flexibility, (b) the desire for control and (c) the ability to spend time raising a family.

The desire to spend time raising a family, as a priority over business growth, was noted as the primary reason for non-growth and was considered a 'preference' rather than a barrier. These women identify firstly with their 'gender role' as a parent and secondly as a business owner, making no apologies for doing so. They view entrepreneurship as a flexible alternative to employment which affords them the ability to raise their children whilst contributing to the family income. Given the opportunity to change their situation through better childcare provisions or business prospects, these entrepreneurs would choose their family first and for their businesses to remain small in size. This has significant implications for policy makers in identifying which women will benefit from intervention mechanisms and support, and those who will not.

Flexibility was also a key factor related to the decision to become an entrepreneur both those women who were parents and also those who not. Previously constrained by employment and recognizing that entrepreneurship was a viable alternative, these women are using their skills, often acquired during employment, to develop a business. They seek financial rewards within their business but are content in earning the equivalent of a salary as this affords them the flexibility to do other things in their lives rather than focusing on a long term strategy for business growth.

Desiring control over their business was a factor for some of the women who chose to keep their business at this level. The women in this category are different in that they expressed the desire to control day to day operations and so although it is a 'preference' not to grow, it may be a question of learning to 'let go'….

DISCUSSION

Undoubtedly business growth is a complex process, which is impeded by multi-level factors. In terms of structural barriers, the findings concerning financing issues largely correspond to those found in many other studies (Marlow et al 2008; Carter 2002), and it is hence not surprising that the cases presented in this study indicate that structural barriers such as lack of capital constitute one of the most significant barriers to growth. However, it must be recognized that the choice of sector may directly impact on growth in that lenders may have a reluctance to supply capital to businesses in certain sectors (Fairlie and Rob 2008; Watson 2003). Indeed, small businesses in Ireland have faced a long history of problems in accessing bank credit, as these institutions perceive small businesses as high risk regardless of gender. Female business owners in Ireland are heavily reliant on government grants as a source of growth capital (Hamouda and Henry 2005). A lack of government support was, indeed, found to compound the problem faced by the entrepreneurs and although the Irish government appears to be developing specific mechanisms to support women in growing their businesses, the findings suggest that they have not succeeded yet, particularly in providing real alternatives for entrepreneurial women in terms of childcare options. To illustrate, Bell and La Valle (2003) found that self-employed parents are more likely to report unmet childcare needs than employee parents, indicating a tension between expectation and reality of combining childcare with trading. Given this, women entrepreneurs with children face the

issue of 'babystrapping' (Neergaard and Thrane, 2011) or piecing together their childcare 'jigsaw' (Baines et al, 2003), particularly as their needs fall outside the traditional nine to five structure.

In terms of normative factors, the evidence indicates that lack of confidence, which is exemplified by the difficulty in asserting authority in business meetings, is particularly important as this was mentioned most often by the women interviewed. This factor is very closely related to self-belief and self-efficacy. Indeed, numerous studies have shown that women consistently score much lower on self-efficacy measures than men do (Kickul, 2010), which limits their careers aspirations as they believe they lack the necessary skills to succeed (Wilson et al., 2007). We submit that this is also a matter of socialization (Bandura et al., 2001), and that girls are not exposed to the same situations as boys, where self-efficacy is developed in some situations more than others - Leaper (1994) noted that it is more likely for boys to participate in competitive activities whereas girls tend to engage in co-operative activities. This leads to question whether self-efficacy can be developed or trained at a later stage, which would then support the development of high growth firms among women. Social cognitive theory links self-efficacy to the exercise of personal control (Bandura, 2000). We therefore suggest that women's general failure to grow their businesses has intrinsic origins and may be related to a high need for being in control, which again depends on a) a low risk preference and b) low level of self-efficacy. Power-control theory argues that there are gender differences in risk-taking behavior and self-efficacy and that these originate from the mother-father relational power within the family. Women have a significantly lower preference for risk than males if they are raised in patriarchal families (Grasmick et al., 1996, p.177), and as women they may therefore be more likely to exhibit controlling behaviour themselves.

Further, we see that women who enter into business partnerships are much more likely to embrace organizational growth; this is an under-researched issue but it is thought to be a potential solution to the lack of growth of female-owned businesses. Juggling the responsibilities of running a household and a business simultaneously is a demanding task, and women may have to learn to loosen the reins in both worlds. This is supported by the evidence that those women, who were not the 'primary caretaker', did actually grow their businesses.

A lack of business related skills is a matter of possessing the correct human capital, and again, other studies have pointed out that women's human capital in terms of education and experience often does not match that required in running a business (Carter et al 2001; Watkins and Watkins 1984). We submit that this is a gender issue that arises from women's traditional choices of occupation – and that those choices have not provided them with the necessary education or experience. The female entrepreneurs under investigation here were aware of their skills deficits and this factor is of less importance considering women are entering non-traditional areas of study and work which will feed into self-employment and entrepreneurship activities in due course.

Interestingly, parenthood (in some form) falls into all three categories for institutional, normative and preference-related challenges to growth. Yet it has a more significant influence on preference than the other two categories. This in itself reveals that choosing to become a parent affects previous decisions taken in the business as well as future choices for developing the business. It seems the potential for growth in Ireland is therefore weighted in terms of favourable structural and normative factors - these factors must stack up before growth can be considered if female business owners have a family. That is,

in the first instance there must be a positive regulatory environment for the female entrepreneur to operate and she must feel confident in her own ability to lead the change that this growth stage will require, for growth to be even considered as an option – and this decision is ultimately affected by the choice to develop/maintain the business or develop/maintain the family. Growth positioning could be said to be reliant on the family-business lifecycle being in sync thereby assisting female entrepreneurs in Ireland to maintain the desired balance between professional and personal life. This study provides some tentative evidence to suggest that favourable normative and institutional factors for female entrepreneurs would make the decisions for growth easier.

CONCLUSION AND PERSPECTIVES

Using a theory driven approach to study the case of female-owned businesses in Ireland, and controlling for sector, the author argues that women interact in a unique manner with the economy which is impeded by structural and normative barriers. However, although Sarasvathy (2004) highlighted the importance of understanding the barriers to entrepreneurship, de Bruin et al (2006; 2007) contend that the removal of these barriers may not directly lead to greater levels of growth among female owned organizations. Consequently, this study also recognises that women may choose not to act in an economically driven manner due to personal preference thus providing new evidence in understanding the factors which contribute to the lack of growth evidenced among women-owned firms.

This study has confirms deBruins work by provided tentative evidence that female entrepreneurs have also individual preferences, which result in a spread of legitimate growth strategies to include limited or capped growth. Although preference theory has its critics (Procter and Padfield, 1999; Crompton and Harris, 1998) it has allowed us to consider alternative explanations for the proposition that women may not meet the normative standards of business size because they may choose not. The evidence presented suggests that the various strategies *could* lead to business growth but usually along a different trajectory for female-owned firms in Ireland. The author believes that although Hakims approach (2000) of choosing a family-centred or work-centred life accurately describes many of the women in the sample, her scope for alternatives is potentially too narrow. For example, women may change their approach during different stages of their lives and/or business life cycle. In addition, women in the sample have demonstrated the ability to find different alternatives to achieve balance. This enables them to embrace organisational growth whilst sharing the responsibility of the business and their family.

Finally, the author agrees that structural and normative barriers (limitations theory) may shape preferences but this does not actually take away women's freedom to break out of the mould and that these limitations affect women differently. If female entrepreneurs are to change the way that 'things are' and the way they are socialized into acting, it will invariably involve choosing to do so. Indeed, the suffragette movement resulted in a change in how women perceived themselves, their roles in the home and their rights – we argue that female entrepreneurs also need to change the way they perceive themselves, their roles in the business and their rights in the business world, and that they have a choice whether to grow or not to grow.

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FOUNDATION ANCHORS FOR MANAGEMENT AS A CALLING

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ABSTRACT

To determine what factors lead to a calling in management, the author explores the definitions of calling and management. The question "Does business management expertise mean that management is a calling?" is addressed. A case study in 'management as a calling' is presented. The foundational anchors leading to management as a calling are identified. They are: honesty, integrity, promise-keeping, loyalty, fairness, caring, respect for others, law-abiding, commitment to excellence, leadership (honorable and ethical), reputation and morale and being accountable. The characteristics of a professional called to management are cited. Managers who are called are compelled to discuss issues, are intentional during ethical discussions, introduce innovation, and engage in the pursuit of excellence while moving colleagues to a higher moral standard. Lastly, five questions to determine if management is your calling are presented for consideration.

INTRODUCTION

Once upon a time, long, long ago in the far away land of 'soon to be retired', a small business co-founder and CEO pondered the question, "What do I want to do with the last third of my life?" She expected at the end of this career, she would have ample time to devote to serving others in her church and community. And so she did. And time marched on. Although retirement offered an opportunity to "give back" to her community, it was too loosely structured and did not provide a rigorous enough framework for her to be as productive as she knew she would be if engaged in the serious work of the business world.

So she re-thought her retirement decision. After a bit of soul-searching and a re-read of her old dog-eared, all exercises completed copy of *What Color Is Your Parachute?,* she decided that the life of an academician in the School of Business might be her next calling. Would this life's work prove challenging enough, engaging enough and provide the required vital outlet for sharing business ideas, management talents, experiences and time? She read the LATEST version of the very same book, *What Color Is Your Parachute?* After a great deal of research, prayer and pondering, she quietly made her decision and heeded the call. The entrepreneurial spirit found her applying to several business schools in the region. She was soon hired as Strategic Management Professor and continued her life long journey toward fulfillment. She was intent on pursuing her calling in the field of management.

So what exactly is a 'Calling'?
The first known use of the word "calling" was in the 14th century. The Merriam-Webster Dictionary standard definition of calling is "a strong desire to spend your life doing a certain kind of work (such as religious work). I believe this definition carries with it a principled component to the "calling". There is a greater good or a common good that is important to the action. A calling will take you on a journey up on the high road seeking moral high ground.

The second definition is "the work that a person does or should be doing". It is not a hobby dabbled with occasionally. It is not an after-thought or work performed on a whim. A calling is a personal, directed, purposeful part of life's mission or career that is carried out on a daily basis.

I believe the three-prong full definition of "calling" cited in Merriam-Webster's Dictionary best defines the term for our purposes. First, it is "a strong inner impulse toward a particular course of action especially when accompanied by conviction of divine influence". Secondly, it is "the vocation or profession in which one customarily engages". Lastly, and perhaps the most visually descriptive definition of calling is "the characteristic cry of a female cat in heat". This best describes the required commitment to the profession. If you have a "calling", you wait in great anticipation, for the opportunity to present itself. When that moment arrives you move intentionally like the principled, resourceful feline you are. You confront the situation head-on and take the necessary actions to restore harmony and good will to the universe. This is your life task. This is your mission and purpose. This is your Call to Action!

And… What is Management?
After reviewing several sources defining the term "management", I settled on the generic Free Dictionary by Farlex definition and Business Dictionary.com's definition with an added twist. Farlex defines management as "the act, manner, or practice of managing, handling, supervision, or control; a skill in managing; executive ability". Business Dictionary.com defines management as "the organization and coordination of the activities of a business in order to achieve defined objectives".

I also discovered that 'manage' was once a noun meaning "age at which one becomes a man". This implies to me 'executing' management was once viewed as an age dependent right of passage carrying with it great responsibility, privilege and power. Google defines management in much the same way adding that management is the process and responsibility of dealing with and controlling people or organizations. I found the minor archaic definition of management, "trickery; deceit" presented by Google the most interesting. The example given reads, "If there has been any management in the business, it has been concealed from me". This definition leads

me to believe unsavory behavior and untruthful business transactions are not new to this century.

Anchors are Signs a Management Calling is in Play

Hitt, Ireland & Hoskisson (2013) state: "when making decisions related to using the strategic management process, managers (certainly top level ones) often use their discretion (or latitude for action)…. How managers exercise discretion when making decisions is critical to the firm's success and affects or shapes the firm's culture."

In everyday decision-making when dealing with people and business matters, managers are in the unique position of decision-making. Managers are deciding whether to employ ethical guideposts such as honesty, justice, forthrightness and reverence for others OR unethical behaviors such as fraud and deceitfulness. It is a conscious decision made by managers routinely. A manager will consciously or unconsciously ask this question, "Will I use a sliding scale of ethical behavior as the situation presents itself or act in a manner that is "right and true and pure" no matter the circumstance or consequences?".

Managers deprived of a robust set of ethical rules and guidelines, who easily slide along the scale, find decision-making more difficult and variable with each new situation. Schermerhorn, in his textbook *Introduction to Management*, points out "managers with strong ethical frameworks, ones that provide personal rules and strategies for ethical decision-making will act more consistently and confidently. The foundations for these frameworks rest with individual character and personal values that give priority to such virtues as honesty, integrity, fairness and respect. These moral anchors can help us make ethical decisions even when circumstances are ambiguous and situational pressures are difficult." Michael Josephson, identified 12 ethical principles for business executives. I include them in this list of moral or ethical anchors. They are: honesty, integrity, promise-keeping, loyalty, fairness, caring, respect for others, law-abiding, commitment to excellence, leadership (honorable and ethical), reputation and morale and being accountable.

Moral anchors provide the foundation, the underpinning, for our ethical frameworks. These anchors make managerial decision-making more consistent across each new situation that arises in the workplace. These anchors also allow managers to act more confidently in their decision-making roles. We owe it to colleagues and future business partners to identify and demonstrate moral anchors so there can be no doubt what these values should be while conducting business as usual. It is our responsibility to support our fellow management team and future managers in recognizing the value of moral anchors within the ethical framework. It is our obligation to assist them with sound business judgments in their critical decision-making roles.

If Management is a Calling, you WILL DO THIS.

Does Having Business Management Expertise Mean that Management is a Calling?

As a business consultant, business owner or manager, you can instruct students on the business skills associated with organizational behavior and design, human resource management and policy management. You might dispense the Tools and Rules for Engagement in strategic management in a world marked by intense competition and globalization with ease. Operational management formulations and computations are possibly child's play. You may have countless case studies and practical experiences to share related to executive and corporate leadership. *Characteristics Associated With Entrepreneurial Success* could be found resting on your bed stand for night time reading. You may be qualified to disseminate information and work according to Bloom's Taxonomy beginning at recall working through to comprehension , practical application, analysis, synthesis and up to the very top of the critical thinking spectrum: evaluation and creating. You can engage in critical thinking with students, colleagues and business leaders alike. Does having this level of business management expertise mean that management is a calling? No.

A Case Study

I arrived at my Personnel Management Lecture Hall with an ethical-human resource management dilemma weighing heavily on my mind. It goes like this:

Professor: "So Class. Class! Are you ready?! Ok. Ok. This morning I had an unbelievable event happen to me and it really did happen!"

Class: Laughs.

Professor: "I feel compelled to share it with you. I still can't believe it really happened! But it did. This morning at 5:35 AM I am waiting in my car in a long line at a familiar fast food restaurant waiting to order my egg muffin hold the cheese and diet coke. I am snaking my way slowly toward the order monitor. I can see there were some very intense people up ahead waiting to collect their much needed coffee fix. Being unfamiliar with this early morning crowd, I am not too sure of the accepted protocol for splitting into Lane 1 or Lane 2."

Class: Laughs and leans in to listen.

Professor: "It appears one lady is guarding the entrance to BOTH lanes and she is not about to relinquish her position. Not wanting to be rude at 5:45 in the morning and unable to get her attention, I wave down a young employee hanging out behind an old car in the parking lot. As I roll down my passenger side window, I say, "Excuse me sir. Excuse me sir."

He approaches my car. I explain my dilemma. I smile and say, "Can you please answer my question?" He moves closer. "I'm sorry but I don't know the accepted protocol here for Lane 1

and Lane 2 and I certainly don't want to cut in front of anyone, especially at this early hour. Am I okay sitting here and waiting for the next order monitor to come available?"
Class: Laughs louder, harder, leans in and waits for what is going to happen next.
Professor: He walks over to the side of my car, looks at me, smiles, and says, "Yes, mam. This is the right spot. I am sorry I am backing away from your car but I'm smokin' weed and don't want to blow smoke in your car and disrespect you.".
Class: Laughs hysterically and hangs on my every word!
"What happened?!", the class shouts.
Professor: "I am stunned. I am in early morning disbelief and shock! Did he really just say what I thought I heard him say?! I re-wind the discussion in my head and decide he really did say what I heard! He just admitted to me he is smoking marijuana in the parking lot of his place of employment! And this is a Marijuana in a 'Not Legal for Sale or Consumption State' in the Deep South! I don't know what to do! I don't know what to say! I don't know what to do next! I mean what do you do?! What do you say?! Here is this very nice young man assisting me with my very inconsequential situation and he presents me with this hugely, "OH NO! What do I do now?" dilemma!
Class: Hysteria!
Professor: "So Class: I'm the customer. I think this young man is telling me the truth! It sure SMELLS like he's telling me the truth! He sure is HOLDING THE PRODUCT like he is telling me the truth! What DO I do!? What would YOU do?!"
Class: Laughter and Excited Discussion.
Professor: "So Class, What do you think I DID!? …" (Honest Answer Given.) "What could I have done?! What would YOU have done!? What would I do or what would YOU DO NEXT time?!"
Class: Laughter and Honest Discussion.
Professor: "What if I am the manager and know the policies of the restaurant? What if there are no policies? What if this is a multiple offense situation at the restaurant? What if I am an employee and not a customer and see this happening?"
Class: Honest Discussion.
Serious Discourse on remedies and actions for consideration takes place.
Students are riveted to their seats. The discussion is lively, funny, real, honest, and relevant. The multiple consequences of action related to this young employee, his family and community, his employee buddies, the employer, and the establishment are examined.
Visible ethical awareness, perhaps a moral value shift, takes place in the Lecture Hall.

Management is a Calling When…

Management is a Calling when as you are compelled to discuss the sometimes difficult aspects of a dilemma such as personnel issues, management policies, principled values, organizational behavior and the law. There is intentionality and purpose to the discussion that leads to a recognizable positive moral values shift. As manager/leader practitioners or academicians, we have a calling when we introduce innovation and engage others in pursuing excellence within our workplace, community and beyond. This pursuit or calling will most importantly look to move business colleagues to higher ground. A calling will involve engaging others in discussions requiring morally sound, ethically principled business practice decision-making.

We may begin to see new behavior, morally sound judgments taking place before our eyes. If YOUR honest discussions lead future managers to face real challenges and share mistaken perceptions, judgments, and decision-making rules for review and resolution in the pursuit of excellence, management is your calling. If YOU explore ethical ways to resolve dilemmas and discover how to act ethically given a similar set of circumstances, Management is a Calling. When moral anchors and ethical frameworks weave seamlessly through assigned readings, ethical behavior and management challenges appear in critical essays, and Bloom's Taxonomy is at work at every level of engagement in the classroom, Management SHOULD BE Your Calling.

The dilemma was a very real life learning experience. This was an ethical and moral dilemma across multiple management levels for each person in the Lecture Hall. I was given an opportunity and a platform to share, discuss and help shape the life choices of each member in the Lecture Hall managing their personal and professional lives. "Halleluiah! Management is MY Calling!"

If Management is a Calling, you will KNOW THIS:

Management faculty have the responsibility to deliver a path and process to aid future managers in making right decisions even when outcomes may be unpopular or perhaps financially less advantageous. These are the tough decisions being made every day in management and their impact may be long lasting and super-cede decisions related to operational management or strategic competitive advantage. We might be responsible for guiding a socially responsible corporate manager toward ethical decision-making or by omission, spawn a self-serving Ponzi-schemer.

The future businessmen and women in the Lecture Hall that morning were challenged to address multiple issues requiring strong character qualities in making a right choice. It is my belief this shared experience will positively influence future management decisions they are called to make

during the life of their careers. Should a similar circumstance present itself, these students are equipped to recognize the dilemma and confidently respond with appropriate, ethically sound, professional behavior.

It is our role and responsibility, our Calling, to share not only our principles of management expertise. It is our duty to present ethical frameworks for consideration as well as our successes AND failures dealing with moral dilemmas. These are lessons learned in the pit; some wins and some losses. With moral anchors, ethical foundations in place, managers will be less ambivalent and more confident in making critical life and business decisions. Failures and successes seen through a moral filter serve to embolden ethical decision-making and remind managers of the impact their decisions will have on people's lives and the company culture. Remember, if Management is a Calling, you will KNOW THIS.

Success is Measured Differently

Michael Novak (1996) in his text entitled, *Management is a Calling* points out that a "strictly economic business language had grown up without including within itself the moral, religious, even humane language appropriate to its own activities…The virtual monopoly on ways of thinking about business life…has an unfortunate affect upon on the moral and religious dimension of economic life. It has tended to focus exclusive attention on material things, on the bottom line, on instrumental matters, on means and methods rather than on ends and purposes."

In business school Lecture Halls across the country, experts tout the advantages of winning at all costs. What is being neglected in this dialogue is the understanding that the cost may in fact be too high. Deep personal and spiritual satisfaction is part of the equation for happiness and success. Success is not always measured in terms of the bottom line. Ask teachers, community volunteers, successful businessmen and women who have conquered the landscape with their ethical-moral standards still in place, still walking on the high road. They would tell you the measure is a much different scale. They would tell you the path is a much different path and the everlasting outcome is not the same.

The Characteristics of a Professional Called to Management

When you are willing to consider placing the higher good and well- being of people and values equal to or above the financial bottom line of the company, you have a true calling in management. Most leader-managers and business educators eagerly share and mentor the next generation of business leader managers with tested recipes for operational success. However, Management as a Calling is populated by managers willing to:

- Risk exposure and seek a higher road.
- Live and teach the moral anchors of the ethical framework.
- Develop the character of the next generation of leader-managers through modeling by example and demonstrating moral/ethical value judgments.
- Explore ethical challenges and invite discussion exploring ethical solutions to potential dilemmas in the Lecture Hall and within the community.

Managers with ethical anchors in place who shape the future of potential and newly minted business leaders have a Calling to the field of Management. Management consultants, business leaders, and academicians who are willing to lead by example and dedicate their business practice and teachings to ethical business management and excellence in the field demonstrate the character of Management as a Calling.

Five questions to determine if management is YOUR calling.

Ask yourself these five questions to determine if YOU have a Calling in Management.
1. Are YOU willing to pursue excellence and tackle the great challenge, the important role, of shaping the ethical and moral judgments of young and mature student minds?
2. Are YOU willing to step out and honestly share ethical dilemmas you have faced; some tackled triumphantly and others lost?
3. Equipped with greater conviction, moral resolve and a possible arsenal of ethical solutions, can YOU face down a dilemma when it once again raises its ugly head?
4. Are you willing to share the experience and move forward with a greater sense of urgency knowing this is the work YOU should be doing in the classroom or in the business workplace?
Lastly,
5. Do YOU let out a characteristic cry of "Yes! Success!" when you have met the mark and accomplished the task? That is, when your intentionally principled, resourceful self finds the courage to confront an unethical situation and you gently guide an imprudent soul to foundationally anchored action, do YOU recognize the difference you have made?

This is a life task. This is a mission and purpose**.** If your answer is yes to these five questions, YOU have a Calling in Management.

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SOME UNRESOLVED ISSUES IN THE PERSON-CENTERED APPROACH TO ORGANIZATIONAL COMMITMENT WITHIN THE MEYER/ALLEN PARADIGM

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ABSTRACT

Within the Meyer/Allen work commitment paradigm, important issues remain unresolved, specifically, (a) the value of using a 'person-centered' versus a 'variable centered' approach to modeling combinations of commitment, (b) the challenge to the Meyer and Allen paradigm posed by Klein and colleague's recent work arguing that commitment is a unidimensional construct, (c) the role employee demographic characteristics should play in modeling profiles, and (d) the measurement of commitment constructs in profiles research. In this conceptual paper, each of these issues is examined and proposals are developed as to how future empirical profiles research should address them so as to further our understanding of commitment profiles.

INTRODUCTION

Recently, researchers working within the Allen and Meyer (1990) three-component model (TCM) paradigm of work commitment have begun to move away from a *variable-centered* analysis of independent - linear relationships between affective, continuance, and normative commitment and theorized outcomes, typically via the use of multiple regression or structural equation modeling - and towards the use of cluster analysis and latent profile/transition analysis (LPA/LTA) to study the combined effects of these three mindsets on outcomes (e.g., Somers, 2009, 2010; Meyer, Stanley, & Parfyonova, 2012; Stanley et al. 2013; Kam et al., 2014). Meyer, Stanley, and Vandenberg (2013) call this a *person-centered* approach because rather than assuming that observed relationships between mindsets and correlates are homogeneous across a sample, and by inference, the sample's population, person-centered methods purport to explore whether sub-groups of people within a sample experience different commitment profiles (high or low levels of affective, normative, and continuance mindsets simultaneously) and whether these profiles impact differently on outcomes.

While this person-oriented stream of research has succeeded in showing that different profiles do exist (or at least can be observed absent the need for overt statistical creation by the researcher), have reasonable temporal stability (Kam et al., 2014) and have different impacts on outcomes such as absenteeism and turnover (cf. Stanley et al., 2013), there are issues that merit further development. The purpose of this paper is to advance the commitment profiles research stream by identifying key issues that should be resolved via empirical research so as to improve our

understanding of how employees experience commitment profiles. First, controversy persists over the utility of a person-centered approach to studying commitment versus the traditional variable centered approach (cf. Johnson, Groff, and Tang, 2009), specifically, over whether one approach is superior to the other, and the research questions for which each is best-suited. In its current form, this debate is centered on whether a profiles approach or an assessment of interaction effects is the best way to study combinations of commitment mindsets. Second, within the person-centered approach, existing studies have not focused on defining commitment profiles in terms of demographic characteristics such as age, gender, marital status, and tenure. To date, studies have either ignored demographic factors altogether (e.g., Wasti, 2005; Somers, 2010) or else have included them as control variables (e.g., Meyer et al., 2012; Stanley et al., 2013) subordinate to substantive analyses of profiles and outcomes, which seems to violate the spirit and purpose of adopting a person-centered approach.

Third, this paper will address challenges to the TCM person-centered approach raised by Klein and colleagues (Klein, Molloy, & Brinsfield, 2012; Klein et al., 2013), who have recently developed a unidimensional and target-free concept of work commitment. These implications have not been addressed by existing TCM profile research. Finally, while the profile stream of research has been characterized by improvements in analytical methods (from profile creation via mean splits to more advanced cluster-analytic and more recently still, LPA/LTA methods (cf. Stanley et al., 2013), similar advances have not been made with regards to the measures utilized to capture the TCM constructs (Jaros, 2009; Bergman, 2006). Therefore, we will discuss measurement issues that could be affecting the interpretation of statistical relationships among TCM constructs and correlates.

We believe these four issues are the most critical ones that future empirical research should tackle so as to advance our understanding of commitment profiles. Each is discussed in detail so as to provide guidance to future empirical research into the nature and impact of commitment profiles.

PERSON VS VARIABLE CENTERED APPROACHES TO COMMITMENT

The idea of evaluating the nature of employee commitment via the use of commitment profiles dates to the introduction of the Three Component Model. The notion that an employee's experience of work commitment is not unidimensional, but rather that employees simultaneously experience three distinct commitment mindsets naturally gave rose to thinking about how they might combine to influence behavior. In their seminal article, Allen and Meyer (1990: 15) speculated that "In future research, it may be possible to identify 'commitment profiles' that differentiate employees who are likely to remain with the organization and to contribute positively to its effectiveness from those who are likely to remain but contribute little". But, with few exceptions (e.g., Jaros, 1994), for many years little effort was made to assess these three commitment mindsets simultaneously in the form of profiles, rather the typical conceptual and

empirical approach was to treat each form of commitment as an independent entity, and study their relative strength using multiple regression or later, structural equation modeling (cf. Hackett, Bycio, and Hausdorf, 1994; Powell & Meyer, 2004), a situation which persisted until Meyer and Herscovitch (2001) outlined theoretical rationales for why employees might experience different kinds of commitment profiles. Since then, several papers have used various methods (mean splits, cluster analysis, latent profile analysis) to compare and contrast profiles consisting of high and/or low levels of each organizational commitment mindset on various antecedents and outcomes (cf. Wasti, 2005; Somers, 2010; Meyer et al., 2012; Stanley et al., 2013).

But, this post-2001 stream of profiles research was also preceded by a handful of 1990s studies that examined the simultaneous experience of affective, normative, and continuance commitment by assuming that these combinations took the form of interaction effects, and were thus evaluated using moderated multiple regression (cf. Randall, Fedor, & Longnecker, 1990; Somers, 1995; Jaros, 1997). Rather than conceptualizing that employees experience profiles of high or low combinations of different forms of commitment, interaction studies still treated each form of commitment as a discrete psychological entity, with their combination taking the form of influencing each other's impact on outcomes. Since both interaction and main effects are tested for, this approach assumes that commitment mindsets may be related (they may moderate each other's effects on outcomes) or may not be (e.g., if only main, not moderator, effects are detected by the multiple regression analysis). Thus, this research is a kind of hybrid between traditional commitment research, which conceptualizes each commitment mindset as separate and independent, and the profiles approach, which assumes that they are inherently imbricated. While these studies found some evidence for interaction effects, there number was limited by the same lack of a theoretical basis for interaction effects as there had been for profiles (cf. Jaros, 2009), and these efforts, with a few exceptions (cf. Gellatly, Meyer, and Luchak, 2006) soon faded out**.**

However, recently, Johnson, Groff, and Taing (2009) provided a theoretical rationale for hypothesizing interactions among the TCM commitment constructs, and also offered a comparison of the strengths and weaknesses of their interaction-moderator approach to evaluating commitment combinations with the emerging profile approach, but highlighted the weaknesses of the profile approach. Johnson et al. note that at least some profile methods (e.g., creating high and low commitment profile groups via mean splits) involve discarding useful data, while methods such as cluster analysis (and via inference, LPA) that allow profiles to 'emerge' naturally from the data are atheoretical and result in findings that are difficult to compare across studies/samples. They also note that "profile approaches (e.g. cluster analysis) assume that there are pre-existing, psychologically meaningful subgroups in the data …" (p. 443), but that this assumption is questionable because specific hypothesized profiles frequently fail to emerge. But,

as of yet the Johnson et al. approach has not sparked renewed interest in assessing interaction effects, and the last five years of TCM research investigating combinations of commitment constructs has proceeded along profile lines**.**

Taking note of these developments, Meyer, Stanley and Vandenburg (2013) identified an advantage of the profile approach over the interactions approach to studying combinations of commitment: The great bulk of commitment research is field research, and it is very difficult to find greater than two-way interactions in the data outside of experimental conditions. Also, the interactions approach makes the opposite assumption of the person-centered approach in that it presumes that "observed relationships among variables generalize to the entire sample and the population from which it is drawn (i.e., the sample and population are homogeneous)" (p.195). Meyer et al. cite the fact that profile studies have found that some profiles do exist as evidence that this assumption is itself highly questionable.

Importantly, while touting their favored approaches, both Meyer et al. (2013) and Johnson et al. (2009) assert that the interaction and profile approaches are compatible, that they provide different but not contradictory information about commitment, and that therefore both can provide useful information about how employees experience multiple commitments. Meyer et al. agree that the person-centered approach can "complement" the traditional interactions approach, while Johnson et al. agree that for "applied purposes", tests of mean differences across profiles can provide information that is more relevant to practitioners than are tests of "relationship strength" of the kind provided by the interactions approach.

However, while it is certainly possible to conduct person-centered (profiles) and variable-centered (interaction effects) analyses in a single paper, we question the view of both Johnson et al. (2009) and Meyer et al. (2013) that these approaches are fundamentally compatible. In our view, they are two different and thus competing ways, of viewing how employees experience commitment. For example, Meyer et al.'s description of the advantages of the profile approach over the interactions approach are primarily practical in nature, e.g., the notion that anything beyond two-way interactions are very difficult to detect in field research, and since the TCM involves an analysis of three forms of commitment, triple-interactions must be tested for. While this claim has some validity, it is not prohibitive. For example, advances in latent modeling methods, such as partial-least squares structural modeling, and latent curve modeling, which account for the measurement error inherent in continuous scales, have substantially improved our ability to detect complex interactions in field research (cf. Song & Lee, 2009; Preacher, Curran & Bauer, 2006) over traditional multiple regression approaches. Also, to the extent that interaction effects are difficult to detect in field research, this suggests the need for more experimental studies to investigate these effects, not a dismissal of the study of interaction effects altogether.

A further problem relating to compatibility is that the interactions approach and profile approach differ in their assessment of time factors in how commitment mindsets combine to influence behavior. The profiles approach conceives of this process as contemporaneous, i.e., as an employee experiences a high level of affective commitment and a high level of normative commitment, this has "X" effect on a given behavioral outcomes. In contrast, while the interactions approach can be used to assess contemporaneous moderating effects, it also allows for the assessment of the moderating impact of one form of commitment on how another form of commitment impacts on outcomes unfolds over time.

Finally, and perhaps most importantly for the compatibility issue, the interactions approach and profiles approach have fundamentally different views of how employees experience commitment. The interactions approach theorizes that this experience is as distinct, independent mindsets. The "combination" occurs only in the sense that one form of commitment might influence how another form affects outcomes, but this approach does not contemplate that one form of commitment impacts on how the employee experiences the other form of commitment. In contrast, the profiles approach theorizes that when, e.g., affective and normative commitment are both experienced at high levels, this results in a *new commitment mindset*, something Meyer and colleagues (2013) call a mindset of "moral obligation" which reflects the melding together of these two mindsets. Thus, from the profile perspective, it is not possible for affective and normative commitment to 'moderate' each other's impact on outcomes, because their simultaneous experience results in an undifferentiated and qualitatively novel, not separate/independent, distinct experiences of divergent forms of commitment(s).

The existing empirical record does not provide solid grounds for concluding that either viewpoint has been proven correct. Thus, we adopt the view that researchers should not assume that the organizations they study are either homogenous or heterogeneous, that is, whether psychologically meaningful subgroups exist or not or whether commitment forms are experienced as independent psychological states which may possibly temper each other's effects on outcomes. Therefore, we argue that researchers should use both techniques in their analysis. However, they should do so with the knowledge that they are testing competing, not compatible, approaches to how employees experience work commitment, and analyses should be designed to determine which view – person centered or variable centered – is more consistent with their sample.

DEMOGRAPHICS IN PERSON-CENTERED RESEARCH

Another issue in the profile literature is the discrepancy between the philosophy underlying the person-centered approach and its implementation in empirical research. According to Meyer et al. (2013: 191, our emphasis):

The person-centered approach is so labeled because it takes into account intra-individual variation within a system of variables. That is, *it acknowledges that variables can combine*

differently for some types of individuals than they do for others. Thus, rather than focusing on the variables per se, and how they relate within the population as a whole, person-centered research identifies and compares *subgroups of individuals sharing similar patterns of variables within a population*. Individuals are assigned to subgroups based on a configuration of variables and are therefore viewed from a more holistic perspective than is the case in variable-centered research.

On one hand, there is a slight contradiction in this description, in that it seems to conflate an analytical focus on individuals with a focus on subgroup~~s~~, because the variable-centered approach also recognizes that different individual people can experience different levels of commitment. It just regards those individual differences as analytically uninteresting [in] ~~by~~ comparison with what is characteristic of the entire sample, and and hence abstracts the commitment characteristics of interest -while ignoring all other individual aspects - that can then be used to test the strength of relationships among dependent and independent variables using methods like regression and SEM – hence the presumption that a sample (and its population) are "homogenous" with respect to the variables of interest.

Similarly, the person-centered approach smooths out differences among individuals by using mean splits, cluster analysis, or latent profile methods to create commitment profiles, which, as the second part of the quote above indicates, reflect sub-groups of people sharing patterns such as a High-High-High or Low-Low-Low combinations of commitment. Both methods smooth out individual differences, the distinction between them is that the variable approach does so at the sample level, whereas the person-centered approach does so at the sub-group level. So perhaps a more accurate label for the "person-centered" approach might be the "sub-group" approach, in that it attempts to assess/analyze what's going on, i.e., epistemologically - rather than in the way it theorizes what is going on.

Nevertheless, even with this modified understanding of the person-centered approach as really a sub-group approach, the analytical methods still seem somewhat discordant with the underlying philosophy of adopting a more "holistic" approach to understanding commitment as experienced by people. This is because in identifying these subgroups, analysts typically include only the commitment constructs being investigated. More fundamental descriptors of the people involved – such as their age, gender, tenure, veteran status – are either omitted entirely from the analysis (cf. Somers, 2010) or else are included only as control variables (cf. Stanley et al., 2013; Meyer et al., 2013). In these analyses, demographic factors are not regarded as integral characteristics of the profiles themselves, rather they are viewed as statistical confounds to be controlled for.

This is surprising, because one of the purported advantages of the person-centered approach is that it enables us to identify sub-groups of *people* who may experience commitment mindsets differently (Meyer et al., 2013; Morin et al., 2011). But absent the substantive inclusion of demographics, the existing stream of research has tended to de-center the people involved, arguably treating profiles themselves as abstract "variables" to predict outcomes**.** Recent research

has even combined these profiles into ordinal variables that can then be entered into regression equations to predict outcomes (cf. Stanley et al., 2013). While there seems to be nothing wrong with doing this per se, and such analyses can be insightful on their own terms, it does seem like the original promise of the person-centered approach is being somewhat compromised by a move towards treating profiles as "variables". What we tend to end up with are subgroups of different profiles of commitment, not subgroups of people who experience those different commitment profiles.

This occurs because heretofore, regardless of whether cluster analysis or the more advanced LPA methods are used, no prior study has included demographic factors in the clustering/profile algorithms. To address this, we recommend that in future profiles research, demographic variables that are relevant to that organizational context also be included as clustering variables alongside of the TCM constructs. The results of this analysis can then be used to determine if information about the people who are experience commitment profiles is lost when demographic factors are treated as controls rather than as an aspect of the holistic experience of commitments. Not only would this better serve the philosophy underlying the person-centered approach, it would also make the research findings of more interest to managers, since the researcher would be able to identify holistic profiles of employees who are more or less likely to experience certain commitment profiles, and open up opportunities for researchers to figure out why.

THE KUT CHALLENGE TO THE PERSON-CENTERED APPROACH

Recently, Klein and colleagues (Klein, Molloy, & Brinsfield, 2012; Klein et al., 2013) have developed and tested a unidimensional concept of work commitment, one that they argue can be used to tap any foci of commitment, such as commitment to teams, change initiatives, and the organization. Klein and colleagues specifically designed this concept as a replacement for the TCM, which they argue consists of constructs that lack commitment content. Klein and colleague's work thus represents an existential challenge to the TCM, as it asserts that TCM mindsets actually reflect bonds between the employee and organization that are not bonds of 'commitment'.

For example, Klein et al. (2012) argue that the construct that Meyer and colleagues call "continuance commitment" actually reflects an instrumental bond between the employee and the organization, not a commitment bond. Klein et al. define commitment as a bond between the employee and the organization that is characterized by volition, dedication, and responsibility; in contrast, an instrumental bond is characterized by the employee's focus on the losses or costs that would be suffered should the bond be broken. In this case, the bond lacks the 'caring' aspect characteristic of commitment and is merely tolerated as a condition of economic benefit. Since continuance commitment is defined in terms of costs and investments made in the organization, Klein et al. argue that it is not a mindset of commitment. Klein et al. also argue that aspects of

Meyer and colleague's concept of normative commitment is actually an *acquiescence* bond, as it reflects an employee's passive acceptance of their ties with the organization in the face of a lack of any real alternatives. Thus, since the Klein et al approach argues that commitment is unidimensional it challenges the validity of the purported existence of profiles consisting of multiple forms or dimensions of commitment.

Our position on this controversy is that first, the Klein versus Meyer controversy is probably ultimately unresolvable, either by logic or empirical research, because at its core it is a matter of competing definitions. If one believes that 'commitment' should be defined in Klein et al.'s terms of volition and responsibility, and accept their definitions of acquiescence and instrumental bonds as well, then you will adopt their perspective that the TCM is invalid. However, if one adopts Meyer and colleague's definition of commitment, the TCM is valid. We know of no way – logically, theoretically, or empirically, to definitively prove or disprove these kinds of fundamental definitional assertions.

Second, even if we grant the Klein et al.'s position, there is still knowledge to be gained by examining commitment in the context of "bond profiles", profiles that consist of, in Klein and colleague's terms, commitment, acquiescence, identification, and instrumental bonds between the employee and organization, hence justifying the analysis of profiles consisting of affective, normative, and continuance factors which Klein et al. argue reflect those different bonds. Essentially, we are arguing that for the purposes of this research, whether the employee-organization bond tapped by what Meyer and colleagues call the continuance commitment construct is a bond of "commitment" or a bond of "instrumentality" is a semantic, not substantive issue. Indeed, one can argue that our approach (and the approach of TCM profiles research more generally) is more psychologically holistic, in that on Klein et al.'s terms we are examining profiles of a broader range of psychological bonds between the employee and organization rather than just commitment bonds.

MEASUREMENT PROBLEMS IN PROFILE MODELS

A final issue that is of import to TCM profiles research is that of measurement. The TCM is typically evaluated with affective, continuance, and normative commitment scales developed by Meyer and Allen (1984) and Allen and Meyer (1990). However, while subsequent research has revealed significant construct validity problems with aspects of these scales (Culpepper, 2000; Bergman, 2006; Jaros, 2009), these measurement refinements have not found their way into TCM profiles research, which by and large has uncritically adopted the use of the original scales (cf. Somers, 2010; Meyer et al., 2013). One area of concern is the use (in all existing TCM profiles studies) of "low alternatives" items and measures to tap the continuance mindset, despite compelling evidence that these items assess do not assess continuance commitment but rather an employee's perceptions of employment alternatives, and that the continuance mindset should be

tapped solely with "high sacrifice" items, which have been shown to far more validly reflect the concepts of commitment based on sunk costs and side-bets that continuance commitment is based on (Jaros & Culpepper, 2014; Powell & Meyer, 2004). Stanely et al. (2013) even test a profile model that consists of four profile components – affective, normative, high-sacrifice continuance, and low-alternatives continuance, disregarding that the low alternatives subscale simply does not capture continuance commitment content but rather reflects the employee's perception about the availability of other jobs in the labor market. Note that this issue is different from the one raised by Klein et al.'s (2012) argument about the validity of TCM constructs since perceived employment alternatives is not any kind of 'bond' between the employee and the organization and thus cannot be validly included in profiles analysis with commitment constructs on the grounds of capturing a spectrum of such bonds.

Similarly, there is substantial evidence (cf. Bergman, 2006) that the normative commitment scale (Allen and Meyer, 1990) used to measure normative commitment in profiles research is also seriously deficient in that (a) it contains items that significantly overlap with affective commitment scale items, and (b) the scale's items have not been revised to keep up with conceptual refinements in the normative commitment concept, which is now believed to reflect the employee's sense of obligation to remain based on reciprocal support from the organization, rather than on pre-organizational socialization that reflects cultural beliefs about being loyal to one's employer.

Measurement issues of these kinds are not trivial, as the use of different scales and scale items can result in different statistical relationships being reported between commitment profiles and predicted outcomes (cf. Jaros & Culpepper, 2014). For example, the one existing profiles study that utilized a sacrifices-only measure of continuance commitment (Wasti, 2005) fond that different profiles emerged from the data and that there were significant differences with work withdrawal and some citizenship behaviors compared to a prior study by the same author that used a combined sacrifices-low alternatives scale. Thus we argue that going forward, researchers should be sensitive to issues of commitment construct measurement and (a) utilize continuance commitment items that reflect solely "high sacrifices" content, and (b) use modified versions of the normative commitment scale that have been purged of affective commitment items and reflect conceptual development of that construct.

CONCLUSION

Research into Meyer and colleague's TCM has been revitalized in recent years by an analysis of how these constructs are experienced in employee's minds in the form of profiles of commitment. One can argue that this stream of research has re-validated the study of commitment in the face of newly-emergent competing constructs, such as work engagement and psychological contracts that had stolen much of its predictive thunder (cf. Jaros, 2009). And, this

stream of research has been resulted in findings that have improved our understanding of how commitments combine to impact important outcomes such as job performance, absenteeism, and turnover attitudes and behavior. Nevertheless, important issues remain to be addressed, and we hope this paper will be of help to profiles researchers moving forward.

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ORGANIZATIONAL STRUCTURE: PRACTICAL EXAMPLE OF TIME WARNER INC. IN 2012

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ABSTRACT

Organizational structure must be able to fluidly adapt to organizational needs, context and culture. This organizational skeleton can inadvertently affect and be affected by project management, control systems, mergers/acquisitions, financials, leadership and corporate strategy. Changes in Time Warner Inc.'s (TWX) organizational structure and the industry made such important organizational behavior and theory concepts relevant in this case study. As of 2012, the organization had four subsidiaries - Home Box Office, Time Inc, Turner Broadcasting, and Warner Bros; now, there are only three subsidiaries. Organizational structure had practical importance for TWX, as the company had more employees than most competitors.

ORGANIZATIONAL STRUCTURE

Definition, Importance, Historical Trends, Fit and Types

Organizational structure is the framework for the organization to accomplish goals that adhere to the company's mission, vision and values[10,18]. In essence, the skeleton supports the organization's ability function consistent with its purpose. Embedded within this structure are various factors that influence the organization's success. It is defined as, "…a formal system of task and reporting relationships that coordinate and motivates an organization's members so that they can work together to achieve the organization's goals"[18]. At the heart of the organizational structure is the division and distribution of authority and labor[10, 18]. The adopted structure must drive the ability to fulfill strategies, leading to desired outcomes[10, 18].

There are various types of organizational structures that can be utilized based on the organizational needs and culture. The three basic types are functional, divisional and matrix[3, 18]. The functional structure categorizes an organization by particular purposes; for example, Human Resources, Marketing, or Finance. The divisional structure is primarily utilized by large organizations and divides the structure into various work products or markets; grouping by product, customer or geographic location. The matrix structure incorporates both the functional and divisional types[3, 18]; it is a hybrid of the vertical and horizontal hierarchy[18]. Employees report

to both the functional and project structure. The matrix structure does not change the actual departments; it promotes flexibility and coordination between departments[3, 18].

The organizational structure defines the chain of command/line of authority/hierarchy. "Management chooses how to distribute decision-making authority in the organization. It chooses how to divide labor in the organization and group organizational tasks"[10]. Span of control indicates the number of employees reporting to one manager[10, 18]. An organization can have a tall or flat hierarchy. Tall organizational structures have a long chain of command that involves many levels of management, and a narrow span of control, with few employees reporting to one manager. A flat organizational structure has fewer management levels, empowers staff to accomplish goals, and has a wide span of control. Tall organizational structures have a vertical distribution of power, whereas flat organizational structures have a horizontal distribution of power[10,18].

Organizational structure defines the inner working of the corporation and aligns the expectations and ability of the organization to do business successfully[3, 10, 18]. The right structure is vital in supporting the organizational strategy. To maintain viability, an organization must be self-aware of the internal and external factors that affect its balance. This environmental scanning, allows the organization to survive and thrive in an ever changing global economy[3,9,18].

An example of a tall organizational structure is Time Warner Inc. The TWX is a media and entertainment mogul[22,31]. Mr. Jeff Bewkes, was the Chief Executive Officer, in 2012**.** The TWX is vertically integrated through its distribution and production, as confirmed by a TWX investor relations employee. In early 2000, TWX merged with America Online (AOL Inc). The new AOL-TWX Corporation consisted of an equal number of AOL and TWX Board of Directors [4, 23]. The AOL owned 55% of shares, while TWX owned the remaining 45%[4,23]. The AOL-TWX used a product oriented organizational structure, focused on content, advertising and commerce, and subscription services[9]. The merger with AOL did not last long, but even after the split, TWX maintained quite the pecking order[4,9, 23]. Even after its separation from AOL,-TWX continues to use a tall organization structure.

The organization has used a unrelated diversification strategy in the entertainment industry, to classify itself into three business reporting units: Networks, Filmed Entertainment, and Publishing [22,31], continuing the use of a product oriented organization[5,18]. The TWX's four subsidiaries are Home Box Office (HBO), Time Inc (TI), Turner Broadcasting (TB), and Warner Bros (WB). Each subsidiary coordinates their services across various strategic business units/products[5]. The Network business unit comprised of products from TB and HBO, the

Filmed Entertainment business is primarily conducted by subsidiaries of WB, and TI conducts the Publishing business[31]. Each diversified subsidiary had its own structure that promoted cost cutting and allowed it to focus on the strengths of each product[31].

The HBO's multiple distribution units in its structure allowed the company to reach more of its target market, and increased revenues[31]. The TB further divided its structure by location – with global executives, and executives for Asia Pacific, Latin America, and Europe, Middle East, and African locations[34]. This is a market-oriented structure, as each of TB's international markets had its own organization[5].

Within the TWX structure, TI is an example of product oriented organizational structure, focusing itself around its products. The TI classifies itself into Style and Entertainment, Lifestyle, News and Sports[31]. This organizational structure allows each product to expand into digital content, the parent company's corporate strategy. Also, organizing international publishing operations into three business entities ensures proper target audience content[31]. In comparison to other TWX subsidiaries, TI has a flatter corporate structure, with fewer layers of top management. This increases the speed of communication and decision-making.

The international infrastructure of WB, allowed for a global distribution of videogame products[30, 31]. The strong infrastructure and large library of films allowed the film entertainment business unit to provide consistent results. In addition, WB's strategic alliance with CBS Corporation and Netflix Inc. was important to increase viewership of several scripted series[31]. The WB divided its structure by department, with several main operating executives overseeing the business[35].

The overall Board of Directors structure of TWX included three standing committees for Audit & Finance, Compensation & Human Development, and Nominating & Governance[32]. The Lead Independent Director facilitated communication between Chairman of The Board and Independent Directors of Time Warner. The corporate governance policy was to have an annual evaluation of Board structure and leadership by the Governance committee. The 2012 Board Structure review indicated the current structure with a unified CEO and Chairman was effective[32]. The Board Chairman and Management both had roles in establishing business strategy & plans, budget, & transactions; a unified position allowed for better decision making and flow of information[33].

The company had 34,000 employees worldwide, throughout its tall structure, at the end of 2011[31]. The TWX had more employees than most competitors[22]. Also, there was greater CEO

tenure/reduced CEO turnover in comparison to the entertainment industry, leading to a greater sense of solidarity and reduced organizational restructuring costs[22]. Longer CEO tenure reduced ineffectiveness of constant turnover at the executive office, which trickled down through the chain of command[22].

Snapshot of SWOT Analysis of TWX Organizational Structure Fit

Strengths:

- Tall, structure that is moderately decentralized, allowing each subsidiary to determine its own structure.
- Tall structure allowed for vertical integration.
- Narrow span of control reduced the number of employees who reported to one manager; tall structure allowed for standardization of business conducts and internal controls.
- Decentralized structure allows for faster decision making and reduces employee resistance.
- As the country is just recovering from a recession, the demand is for cheap entertainment. The TWX's contract with Hulu (HuluPlus) product provides consumers with television episodes on the "free, advertising-supported Hulu website"[31].
- Multiple products and international distribution structure increased growth prospects[8].
- The TWX's distribution contract with Disney, allowed TWX to continue its expansion into digital media. Disney bought out George Lucas films and the rights to Star Wars film industries. The TWX should form another strategic alliance with Disney; growth in the film and movie industry as an important strategic maneuver[8].
- Adapting to the digital age, TWX is expanding Time Magazine circulation on the internet and on apps.
- Growth in the advertising industry can be capitalized on if TWX focused on internet advertising[8].

Weaknesses:

- The disadvantage of a tall structure is that communication must pass through several levels of management.
- TI/publishing business unit and WB/filmed entertainment, as the change in management affects the organization[8].

Opportunities:

- The growth of pay television and advertising is an opportunity for TWX to cater to consumer demand[8], and thus increase its market share in the entertainment industry.
- The TWX should shift more of its decision making authority to TI, TB, and WB, to ensure that these subsidiaries have the proper authority to generate products that cater to consumer demand.

Threats:

- Reducing demand for print circulation.
- Increasing competition for the entertainment industry – movies and print[8].
- The parent organization should evaluate its strategy to deal with intense competition, and weigh the cultural and financial effects of downsizing TI (reduced demand for print circulation) just to meet customer demand.
- The TWX should consider if it could truly follow an environmental creating organization, rather than following reduced consumer demand for print circulation.

- Adapting To the Environment and Dynamic Changes in Relation to Product/Industry, Lifecycle, Downsizing, Effects on Human Resources, Financial Changes.

There are four phases in a product/industry lifecycle and, with each phase, there is additional growth and managerial challenges[18]. The first stage is the birth or non-bureaucratic stage. It is the creation and development of the organization. The youth or pre-bureaucratic stage consists of new growth and expansion of the organization. In the third/midlife stage, continued growth leads to organizational stability. An organization in the maturity or very bureaucratic stage outgrows its original blueprint. The fourth stage causes the most managerial issues because the organization is less flexible and too large to exist with its original infrastructure. An organization can move in any direction within the life cycle and is not subject to a controlled set of expectations. Organizations have to reassess and accommodate changes to their structure based on sustained, stimulated declined growth[18].

There are many facets of organizational change and the net effect is felt within all areas of the organization[16, 18]. The Human Resources Managers (HRM) communicate in organizational structure change[16,18]. The HRM is comprised of "… activities that managers perform to plan for, attract, develop and retain in an effective workforce" to support the organizations end results[18]. The HRM needs to establish clear communication between line and staff members, mediate employee turnovers and control the effects of changes within the chain of command. Human Resource Reengineering [HRR], which is "redesigning the systemic core processes starting with desired outcomes and then establishing the most efficient possible processes to achieve those outcomes", is important in restructuring[16]. The HRR helps human capital adapt to

restructuring changes. The HRM promote labor relations, compensation and benefits, health and safety, and equal employment opportunities and instill values to the front line and leaders[16,18].

Financial changes affect the viability of an organization[5,18]. There is a positive financial impact if an organization is in growth. However, when an organization experiences a decline in its growth and economies of scale, there are setbacks in market share/position. The organization will use a consolidation strategy, such as divestment, selling off a product or business line in its structure. It can consider pruning, reducing the depth of its product line, retrenchment, removing itself from certain markets, or harvesting, gradually reducing financial support for a product line or specific product in its structure, by market demand[5]. Financial changes within the organization ultimately stabilize or break the organizational structure[5, 18].

During various times in the TWX corporate history, the Board structure changed[32]. During the AOL-TWX merger, the Board felt that a separate Board Chairman and CEO would better satisfy the needs of the merging companies. In addition, during times of management transition, separate roles were needed. The committee determined that during important strategic ventures, it was easier to combine the position of Board Chairman and CEO. For example, in 2008, Mr. Jeff Bewkes, assumed the position of both CEO and Chairman [32]. A couple years after the TWX and AOL merger, TWX divested its AOL Inc. business unit[30, 31]. Then TWX divested its Time Warner Cable Inc. (TWC) business unit[30, 31]. The separation of these business units from its parent company affected the tall hierarchy and finances of TWX from 2009 to 2011. The TWX recognized a total of $3 million due to the separation from TWC[31]. In 2009, TWX recognized $15 million in costs related to the separation of AOL Inc. from TWX, as related to the consents of debt holders to amend their debt securities[31].

Overall, restructuring efforts to downsize the company (terminations and other exit strategies) in 2011 resulted in costs of $113 million; a total of 1,200 employees were terminated[31]. These costs were comprised of $52 million from Networks, $41 million from Filmed Entertainment, $18 million from Publishing, and $2 million from the corporate segment. In 2010, five hundred employees were terminated across segments and related costs were $97 million[31]. As the number of employees terminated in restructuring efforts increased, the associated costs increased. The TWX had to be mindful of labor laws, such as the Civil Rights Act of 1964, during terminations. Selling and General Administrative (SGA) costs from 2010 to 2011 increased for several reasons, including increased acquisitions and restructuring ($60 million), and employee related costs ($41 million)[20, 31]. Restructuring has a large financial and cultural impact on companies; the new organizational structure must be effective to offset these costs.

Structural changes to TWX can be divided into three sectors – TWX (before 2000), the AOL-TWX merger (2000-09), the AOL-TWX split, and the TWX after the split. In 1999, there were 7,371 employees (non-bureaucratic)[22, 18]. From 2000 to 2008, TWX had close to 90,000 employees. In 2009, there was a steep drop in the number of employees. Revenue per employee has steadily increased, regardless of the organizational structure throughout the years[22]. Immediately after the AOL-TWX merger, in 2001-2, the quick ratio of the organization reduced substantially – from 1.77, at the end of 2000, to 0.52 in 2001[20, 22]. The organization did not have enough cash on hand to cover short term expenses, as the organization had to cover merger costs and costs for combining the two organizational structures (prebureaucratic). Currently, the quick ratio has stabilized at around 1.16, as TWX is past major restructuring (midlife phase) and is able to focus on balancing its liquidity and solvency[20, 22]. The TWX's debt-equity ratio of 0.65 is low[20, 22, 29], indicating that management reduced debt in the organization by cost cutting and restructuring.

Corporate/Business Strategy, Development, and Growth

Organizations assess their internal and external environment when devising their business/corporate strategy and potential for growth and development[17]. "The underlying logic here is that a company's strategic options are bound by the environment; in other words, structure shapes strategy"[17]. Considering the internal environment, the organization's strategy must coordinate with their differential advantage and structure. The organization's strategy is based on its preference, resources, and vision to change its internal environment/restructure based on the environment. An environment serving strategy dictates internal structure changes to adapt to the external environment[17, 18].

Since 2008, TWX has implemented a corporate strategy to be content focused and expand business into the digital era, with the emerging popularity of internet and iPads[32]. The TI has been especially successful in executing this strategy and has increased its presence in the digital media[31]. In 2000, TWX's spat with Disney about payment and future contracts, resulting in TWX pulling Disney channel off its networks[35]. The two companies reached a new contract; TWX stated the new contract demonstrated its commitment to its distributors[11]. This decision was important as Disney's rights to Star Wars was a leverage opportunity for TWX to further adapt into the digital era[8]. The WB and HBO could work with Disney to start a new scripted series; TI could work on online presence of Star Wars.

In 2008, TWX had to decide whether to combine the closely guarded turf of New Line Cinema and WB to cut costs[21]. The New Line Cinema business unit was parallel to WB in the corporate structure, a duplicate WB, so to speak, with New Line Cinema CEO reporting to the CEO of

Time Warner Inc. This decision affected the strategy of film entertainment business unit; once New Line Cinema was filed away under HBO, it would conduct only small budget movies; similar to Disney (competitor) and its ownership over Miramax[21]. Finally, in 2009, TWX reorganized its subsidiaries to have New Line Cinema to operate within HBO to increase efficiency[21, 30, 31]. This restructuring affected the culture and direction of the organization as a whole, especially WB and the New Line Cinema[21].

Decision Making and Communication

Decision making, by definition, is "the process of identifying and choosing among alternative courses of action"[18]. In general, there are five steps toward decision-making are: gathering information and setting goals, identifying the problem at hand, planning the solution steps, implementing the decision, and measuring results[18, 27]. One perspective of decision-making styles considers two dimensions of an individual's method approaching decision making, rational – evaluating if the data is logical or irrational[18, 27].

The rational model of decision making explains how managers should logically make decisions, not how managers actually make decisions[14,15,18]. It "neither describes actual decision-making processes nor can be used as an adequate guide to effective decision making as it ignores potent social, political and cognitive influences"[15]. In fact, it assumes managers have all situational information, do not consider emotion in their analysis, and make the best organizational decision[18]. There are four stages in rational decision making, which include identifying the problem, searching for alternatives solutions, selecting the best possible alternative and implementing the chosen solution[14, 15, 18]. The normative rational decision making model influences a company's diversification strategy, and thus performance[14].

Intuitive types process information as a whole [27]. People with low tolerance for ambiguity must have consistency and order in the way they structure information. On the other hand, those with high tolerance for ambiguity can process many thoughts at the same time. When these dimensions of decision-making are tabulated, four decision making styles are evident – analytic, conceptual, directive, behavioral[18, 27]. The Directive style of decision-making is characterized by low tolerance for ambiguity, and is rational, not intutive[18, 27]. Directive styles use logical, efficient problem solving and are task oriented. The Analytic style is characterized by a higher tolerance for ambiguity and is rational; these individuals carefully consider the entire situation before making a well-informed decision. The Conceptual style involves intuitiveness and high tolerance for ambiguity, allowing the decision maker to make effective long term decision. Finally, the Behavioral style is a combination of low tolerance for ambiguity and intuitiveness; these managers more often support team decision making and suggestions. These managers have a high emotional intelligence – they are responsive to the mood, and motivate team members.

The decision is communicated clearly. Most conventional economic theories assume individual rational behavior[18, 27].

As rational decision-making explains how managers should make decision, non-rational decision making explains how managers make decision in risky situations[18]. There are several models, but the two main non rational models are Satisficing and Incremental[14,18]. Satisficing do not spend unnecessary time and money to make an exhaustive search for alternatives; they decide on a solution that is satisfactory, not optimal. The incremental model dictates small steps, rather than a long-term solution[18]. In any organization, decision taking can be either a group or individual activity[18]. Group decision making is advantageous as there is a greater pool of knowledge, different perspectives, profound reasoning, and the group will take ownership over the decision. However, the disadvantage of group decision making is that is leads to domination, groupthink, satisficing, or goal displacement[18].

There are two major categories of problems/decisions. Programmable decisions are those that are routine in nature; non-programmable decisions are those that are new and uncertain[6,18]. In addition, organizations can opt for a centralized or decentralized process[18]. A centralized process maintains the decision authority to be at top level of management, dispersing operational level of authority to the middle management. A decentralized process delegates the decision authority to various management levels[18]. Decision-making is key for managerial success[6].The principles of decision-making are constant throughout the chain of command [6].

The TWX balanced centralized and decentralized decision-making. The tall organizational structure facilitated a perfect balance of centralization and decentralization for the parent company. The TWX company centralized its main business unit operations. In addition, the parent company decentralized the decision making power down to its subsidiaries, and allowed each subsidiary the freedom to generate an organizational structure that fits their products. It can be considered as moderately decentralized, as it still required each subsidiary to be able to mesh together.-Within TWX, TI has historically had a strongly decentralized organizational structure[1], such as editing powers[2].

The restructuring itself was not at odds with the culture; in fact, it was necessary for efficiency. The parent company's (TWX) CEO had to act, as he feared a "mass exodus" of executives[2, 25]. Already, several executives had left, out of their volition or because they were forced out[25]. The TWX's executive culture is based on the premise that group decision making is more effective[1, 2, 25].

The TWX Business Code of Conduct attempted to provide an ethical outline for employees to make decisions[33]. The standards served as a guide for all employees on how to interact with fellow employees, stakeholders, competitors, and government agencies for current business issues. The Code of Conduct provided specifications to ensure company confidentiality and protection of the electronic systems. Although the Standard Business Codes of Conduct do not address all situations that an employee may face, The TWX provided compliance center phone numbers for all TWX employees, by division[33].

In 2009, TWX created an intranet to connect employees from each of its business units – HBO, Time Inc., TB, and WB – into a boundary less organization[18, 26]. Adapting to social networking, TWX took a similar approach to increase communication and solidarity among its employees. The intranet virtual communications allowed employees in one branch or location to understand business and career opportunities at other departments, geographic locations, and business units (i.e. Time Inc to WB). The intranet provided a visual representation of each user's network. Employees were able to sync with the career site, receiving personalized information regarding jobs. Employees felt that TWX still had opportunities for internal mobility within the company[26]; even during a time of cost cutting ventures. The intranet provided a central network core to link each subsidiary, allowing TWX to function as a single organization – a network structure[18]. It also increases employee retention[26].

Project Management

Project management is essential in meeting the primary objective; projects themselves are self-limiting and are fulfilled in a time period[7, 18]. They are generated to meet a specific objective and initiative. Projects have increased disproportionately with demands versus resources[6]. Corporations are faced with the iterative evaluation and re-evaluation of the viability of their strategic ventures[7, 18]. Dynamic project management involves generating project resolution in a rapidly evolving environment[7]. It represents challenges in planning for uncertainty, balancing flexibility with reliability and accountability, balancing decision quality with speed, and time management[7]. Once a goal is established, it is accomplished by formulating and implementing a strategic plan. With challenges in regards to constant goal evolution, rapid cycle adjustments are necessary[7].

An example of project management in TWX would be the employee intranet[26]. The project initially got off to the wrong start. The project stopped and started so many times, the company felt it was unlikely to reach completion (lack of time management). This mindset changed after popularity of social networking sites increased (flexibility). The intranet transitioned into culture "for TWX employees" from a "for TWX" culture. This led to a collaboration between the IT,

recruiting technology, and communications departments – a matrix organizational structure. Due to constant goal evolution, the project took five and a half years (decision quality and speed) before the launch of the beta version of the intranet [26].

Control Systems

In order for organizations to achieve organizational goals and outcomes, they implement organizational control systems[18,19]. Controls should lead to better performance because an organization is able to execute its strategy better"[19]. Control is practiced at many levels in the organization and consists of four levels: Strategic, Structural, Operational, and Financial controls [18].

Strategic control focuses on the organizations structural elements and the identified purpose[18]. Structural control can be delivered in three ways or styles which are market, bureaucratic, and clan. The market style measures and rewards individual contributions, while the bureaucratic style focuses on individual evaluation and socially accepted objectives. The clan style is focused on the complete socialization process (team) level[18,19].

Operational control considers "transformational processes" that transform resources into products or services[18]. The three modes of operational control are feed-forward, concurrent, & feedback control. Feed-forward controls monitor the quantity and quality of resources *prior* to entering the process. Concurrent control is a screening mechanism concerning quality & service standards *during* the transformational process. Feedback/post-action control evaluates inputs & outputs *after* the completed process. Finally, financial controls regulate the flow of financial resource through the organization, using budgets, financial statements, ratio analysis, and internal & external audits[18].

Organizational control involves setting control standards, evaluating performance, comparing actual performance to standards, and taking necessary action[18]. Corrective action includes changes made to the performance standards, identifying new or additional standards, and changing the process. Organizational controls provide significant benefits, helping the firm stay with its strategic direction. External stakeholders, such as government agencies, investors, and public interest groups have an interest in seeing certain types or levels of control are in place[18,19].

Strong control systems aid in organizational efficiency and effectiveness by controlling costs, quality, and productivity[13, 18]. Control also helps organizations manage uncertainty and complexity. For example, financial controls help an organization navigate economic downturns. Without budgets and productivity controls, the organization might not grasp the loss of sales or increased expenses until it is too late. Another benefit of organizational control is related to

decentralized decision making. Performance is best when the portion of the organization interacting with customers and uncertainty have the information and authority to respond to them. Galbraith believes that "the greater the uncertainty of the task, the greater the amount of information that must be processed between decision makers during the execution of the task to get a given level of performance"[13]. Firms can reduce uncertainty through better planning and coordination, often by rules, hierarchy, or goals[13,18].

Time Warner's control system consisted of complementary internal and external control systems. The organization used self-monitoring as a means for internal control; due to the inherent limitations of internal control, there still was a chance for misrepresentation and mismanagement of finances[31]. Financial controls include their budgets and financial statements. The Board of Directors, to ensure the structure of the Board in relation to the organization is effective, performs structural controls. Operational control is performed by procedural codes of conduct. Senior executive employees must sign a code of ethics; while all employees must follow business codes of conduct. Internal control methods are dispersed throughout all levels of the chain of command. Even with the uncertainty of adapting to the digital era, the external audit by Ernest & Young LLP established TWX has sufficient internal control over its financial statements[31]. Sufficient organizational control was important for TWX to ensure stakeholder trust (investors, government, employees, etc), especially after the AOL financial fiasco.

Leadership and culture

Organizational culture and structure mutually influence each other[18]. Organizational culture and leadership play an integral role in an organizational structure as culture builds upon what works and what doesn't work[28]. The function of culture is "stabilizing the external and internal environment of an organization, it must be taught to new members"[28]. Culture invigorates leadership and brings outcome oriented leaders to the forefront. Leaders should be prepared with resources to create a path to help the organization adapt to expected changes seamlessly. Effective leadership aids in behavior change and acceptance of change. Without a platform that promotes leadership and an integrative culture to push the organization it in the right direction, you will encounter employee resistance to the organizational growth and change[28].

Regarding the AOL-TWX merger, the culture of the organizations did not fuse[23]. The leader did not inform nor provide tools for the organization to adapt its structure to the merger[23]. Employees felt the change was being pushed upon them and resisted[23]. The immediate increase in human capital in the organization also affected culture and communication. In a similar situation, to lead TWX towards innovation, the CEO attempted to create a clan corporate culture[12, 24]. Three WB executives were encouraged to work as a unit, rather than compete, for

the top spot, and have a vision of seeing past the horizon of WB. This change in the organizational structure has reduced morale at the WB office; the chance for succession brought out intense competition. Subordinates were pressured into taking sides and advertising strengths and rival shortcomings. The WB had kept a positive outlook, with $12.6 billion in revenue, and $1.25 billion operating income. However, corporate competitiveness is disruptive in contracts renewals with potential partners and companywide initiatives[12].

Similar to TWX, WB was known for decades of management stability, the culture of the studio based on values of continuity, the WB family, and the ritual of internal mobility[12, 24]. Change in the WB top management could affect TWX significantly, as 80% of the parent company's revenues are from television[12, 24]. The leader of TWX will affect the structure, which will in turn change the culture; executives may leave or TWX will bring in an outsider. The TWX corporation should figure out a way to increase integration[12].

CONCLUSION

The TWX provides examples of issues with organizational structure. The decentralized nature of the organization allows each subsidiary to use their strengths, without the parent company interfering. The merger and separation of AOL and TWX indicates that communication to employees is important in the outcome of the merger. The conflicts at TI and WB illustrates how organizational structure is affected by several factors, including decision making style, leadership, and culture. The effects of organizational structure can be evaluated in quantifiable terms, by ratio analysis and the impacts on financial statement categories. The financial impact of improper restructuring in an organization is significant. Despite its drawbacks, TWX's tall, moderately decentralized organizational structure should be able to adapt to internal and external environmental changes, as necessary.

Please turn over…

APPENDIX

Figure 1. Company and Industry Statistics on Employees[22]

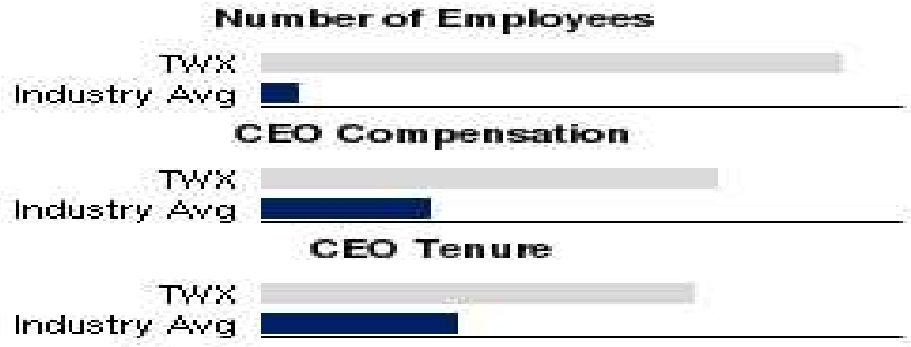
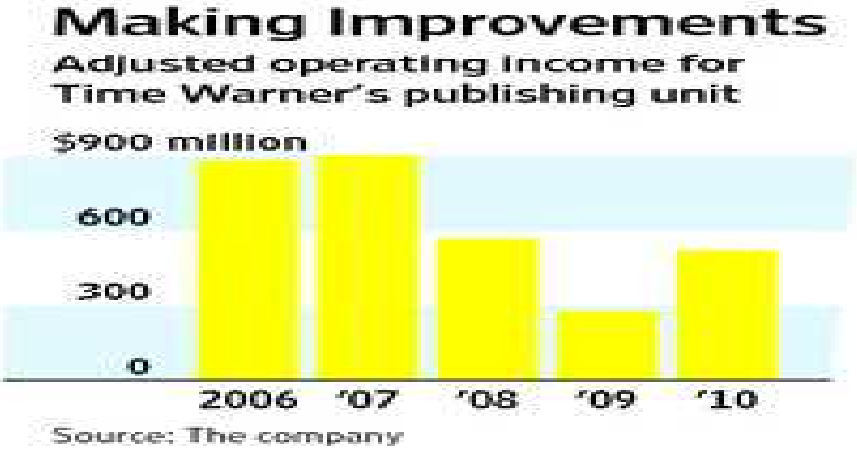


FIGURE 2. OPERATING INCOME RESTRUCTURING/ADJUSTMENTS TO TI [1]



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THE RELATION BETWEEN PERCEIVED JUSTICE AND SCHEDULE SATISFACTION: THE MODERATE ROLE OF TENURE

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ABSTRACT

Organizational justice theory and research suggests that perceptions of fairness may influence employee attitudes. As such, this study considered the relation between employee perceptions of justice in how work schedules are allocated and their schedule satisfaction. The sample included call center employees working in Argentina (N = 490), Brazil (N = 421), and Costa Rica (N = 502). The results indicate that perceptions of justice have a significant positive effect on employees schedule satisfaction with interactional and distributive justice being the most important predictors. In addition, tenure was found to moderate the relation between distributive and procedural justice and schedule satisfaction. The effect of procedural justice on schedule satisfaction was significantly higher for recently hired employees.

INTRODUCTION

Although there have been some shifts in terminology and focus over the past century, the basic functions of management proposed by Henri Fayol are still important today (Fayol & Gray, 1984). These functions include planning, organizing, leadership, and control. Planning includes identifying goals, setting strategy and performance objectives, and selecting resources to attain goals. Organizing puts plans into action. This includes creating a company structure, assigning tasks, delegating authority, and allocating resources identified in the planning process. Leadership techniques are used to motivate employees to work towards the goals set and to accept the tasks assigned. Employee motivation and socialization, establishing a positive corporate culture, and maintaining good personal relationships are all part of the leadership function. Lastly, the control function is a way to ensure that plans are achieved using the methods established during the organizing function. Employees are monitored and corrective action is taken as needed so that goals are achieved. The way these management functions are put into practice may influence the attitudes employees have about their jobs and organizations.

This study takes place in three international call centers located in Argentina, Brazil, and Costa Rica. These call centers are outsourced customer service locations contracted by large corporations to handle customer concerns. In a call center, one primary organization function is to maintain adequate staffing as needed to effectively handle incoming customer calls. Without adequate coverage, customer wait times become unreasonable and the contracted

Organizational Justice Theory

The study of organizational justice, in some form or another, dates back nearly 100 years (see Colquitt, Greenberg, & Zapata-Phelan, 2005 for a historical review). In all that time, we have come to accept that fairness or justice is of utmost importance to human beings. Perceptions of fair or unfair treatment from others shape our attitudes, intentions, and behaviors. Organizational Justice Theory suggests that employees consider workplace fairness from three dimensions of justice: interactional, distributive, and procedural. Interactional justice describes the dealings between individuals. How employees are spoken to and the interactions between supervisors and employees are part of interactional justice. Distributive justice describes how resources are allocated. Resources like pay, supplies, promotions, and work shifts can be considered as resources that are frequently distributed among employees. When such resources are not fairly allocated, with some receiving more than their fair share, feels of injustice are likely. Procedural justice includes the processes, policies, and procedures that are used in decision making. When there are more exceptions than rules, and some employees receive special treatment, feelings of injustice are likely (Greenberg, 1987).

A number of important findings concerning the relation between work attitudes and organizational justice have been reported in the literature. For example, MacFarlin and Sweeney (1992) studied 675 bank employees to measure employee work attitudes and their feelings about organizational justice. Their findings suggest that both distributive and procedural justice are significantly related to a number of work outcomes. However, the importance of the type of justice was dependent upon the type of work attitude. Attitudes about personal outcomes like pay satisfaction and job satisfaction were more closely tied to distributive justice. Whereas procedural justice was found to be a stronger predictor of attitudes concerning organizational outcomes like commitment and ratings of supervisors. These findings were not supported by Li-Ping Tang and Sarsfield (1996) in their study of 110 medical center employees. They concluded that reported feelings of distributive justice and reported feelings of procedural justice were both significantly related to a variety of satisfaction measures. Similar results were reported by Abekah-Nkrumah and Atinga (2012) who also considered the importance of justice perceptions and workplace outcomes. In their study of 300 hospital employees in Ghana, findings indicate

that interactional, procedural, and distributive justice were all significantly related to job satisfaction, with distributive justice having the strongest impact. Instead of an absolute difference in the type of justice likely to influence measures of satisfaction, it may be the relative strength of the relation that is of importance (Konovsky, 2010). For example, Folger and Konovsky (1989), in their study of 217 manufacturing employees, found that distributive justice was more closely tied to satisfaction with pay and procedural justice more closely tied to organization commitment. Thus, the following hypotheses are proposed:

Hypothesis 1: Interactional justice positively effects schedule satisfaction.
Hypothesis 2: Distributive justice positively effects schedule satisfaction.
Hypothesis 3: Procedural justice positively effects schedule satisfaction.

The definition of fairness in the workplace may also be dependent on the organizational context (Romaine & Schmidt, 2008). That is, perception of fair might be determined by equity, equality, or need. Equity is achieved when those who work harder gain more benefits over those who work less hard (i.e. bonuses) and equality is achieved when everyone receives exactly the same benefit (i.e. health benefits). In contrast a need based distribution is fair when everyone has the same opportunity for the benefit, but it is distributed as needed (i.e. sick leave). According to Romaine and Schmidt (2008), individual differences may play a part in how fair each method of allocating resources is judged.

Studies have reported the direct effects of individual differences on the perception of fairness. For example, Tang and Sarsfield-Baldwin (1996) reported significant negative relations between: age and distributive justice, tenure and distributive justice, and education and procedural justice. Significant positive relations were found between: education and distributive justice, and age and procedural justice. MacFarlin and Sweeney (1992) reported significant positive relations between age and both procedural and distributive justice. With these mixed results, it may be the relation between justice and individual differences is a bit more complicated than what is found when measuring a direction relation.

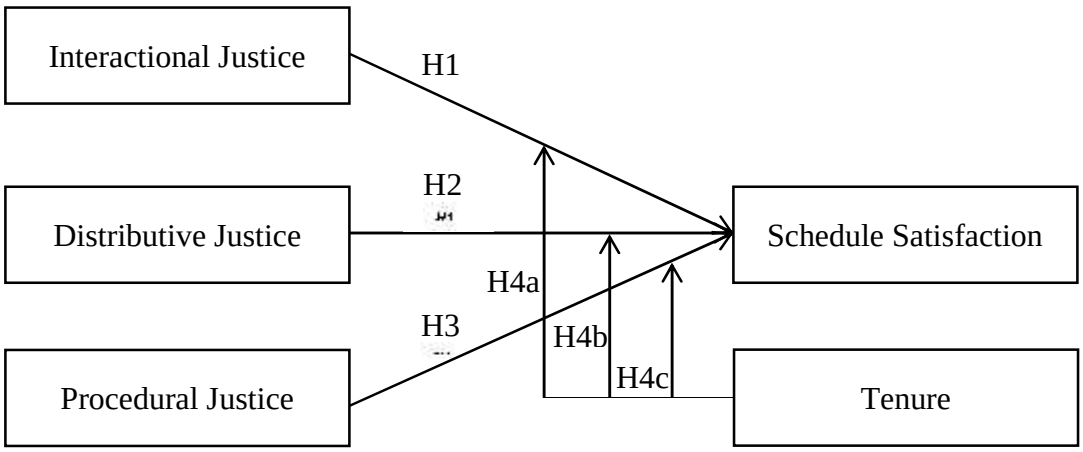
Liao and Rupp (2005) suggested that individual differences may moderate the relation between perceptions of justice and workplace outcomes. In their study of 311 employees across 9 organizations, Liao and Rupp (2005) controlled for the individual difference moderator of justice orientation. Their findings suggest that the individual difference construct of justice orientation was a significant moderator in some of the relations between different justice types and satisfaction. Lam, Schaubroeck, and Aryee (2002) also studied the impact of a moderator in the relation between justice and satisfaction. They studied bank tellers in Hong Kong (n = 218) and

the US (n = 180). Lam et al. found that power distance (individually measured) significantly moderated the relation between all three dimensions of organizational justice and job satisfaction.

Given prior research and theory, we proposed that individual differences may moderate the relation between justice and satisfaction. As we had only one individual difference measure available, we hypothesized tenure may play a moderate role in the relation between organizational justice and schedule satisfaction, see Figure 1.

FIGURE 1

Hypothesized Schedule Satisfaction Model



Since extant research found a negative direct relation between age and both distributive and procedural justice and a negative direct relation between tenure and distributive justice, we proposed the relation between justice and satisfaction would be stronger for those with less tenure.

Hypothesis 4: Tenure moderates the relation between a) interactional, b) distributive, and c) procedural justice and schedule satisfaction, such that the relation is stronger for those with less tenure.

METHODOLOGY

Procedures

Secondary data was provided by one large multi-national corporation with call center locations throughout the world. The corporation routinely surveys their employees to aid in management decision making. While corporate representatives were willing to share the employee attitude results, they were unwilling to share descriptive demographic values beyond tenure (i.e. length of employment with current company).

An ordinary Least Squares (OLS) regression model was used to test hypothesized relations between schedule satisfaction and procedural, distributive, and interactional justice. Additionally, the moderation effect of employee tenure was explored. Estimation was completed using IBM SPSS 21.0.0.0 statistical package.

Sample

Surveys were returned by 2590 employees working in Buenos Aires, Argentina. In order to balance the sample sizes between the three locations under study, a random draw of 700 employees were selected to represent Argentina and 490 surveys from this sample were complete. The average length of employment for the Argentina sample was 1.9 years (SD = 1.3). Complete surveys were returned by 421 out of 556 employees working in Sao Paulo, Brazil. The average length of employment for the Brazil sample was 2.1 years (SD = 1.6). Complete surveys were returned by 502 out of 725 employees working in San Jose Costa Rica. The average length of employment for the Costa Rica sample was 1.7 years (SD = 0.7).

Measures

Schedule Satisfaction. Four questions were selected from the company's questionnaire to measure schedule satisfaction. These included: 1) *I am satisfied with my schedule/roster,* 2) *My schedule/roster is compatible with my personal schedule*, 3) *My schedule/roster is consistent*, and 4) *My schedule/roster makes it difficult to achieve a work/life balance.* Respondents rated their level of agreement with the statements on a 5-point Likert scale: (1 = 'strongly disagree', 2 = 'disagree', 3= 'neither agree nor disagree', 4 = 'agree', 5 = 'strongly agree'). Item 4 was reversed coded so that higher scores are an indication of increased reported satisfaction with the work schedule. The schedule satisfaction construct returned a Cronbach's alpha of 0.83, average variance extracted of 0.70, and Dillon Goldstein's reliability of 0.90 suggesting satisfactory inter

item reliability and convergent validity.

Organizational Justice. A single item was used to measure each of the three dimensions of organizational justice. Respondents rated their level of agreement with the statements on a 5-point Likert scale: (1 = 'strongly disagree', 2 = 'disagree', 3 = 'neither agree nor disagree', 4 = 'agree', 5 = 'strongly agree'). Interactional justice was measured using the item *it is easy to make changes to my schedule/roster*. Distributive justice was measured using the item *I rarely get shifts I bid on.* Procedural justice was measured using the item *I feel shift bids are biased towards tenured employees*. The distributive and procedural justice items were reversed scored so that higher numbers indicated increased reported feelings of justice

RESULTS

Variable means, standard deviations and correlations are presented in Table 1. The estimated regression model of schedule satisfaction is presented in Table 2. The three dimensions of justice had highly significant relations (p-value < 0.01) with schedule satisfaction (*Model 1*) supporting hypotheses 1, 2, and 3. Interactional and distributive justice had a larger impact on schedule satisfaction than did procedural justice (standardized regression coefficients are: Interactional Justice = 0.398; Distributive Justice = 0.218; Procedural Justice = 0.074). Combined the three dimensions of justice explain 30% of the variance in employee schedule satisfaction (R^2 = .302).

TABLE 1

Descriptive statistics and correlations of variables in the study (n = 1413)

Variables	Mean	SD	1	2	3	4
1 Schedule satisfaction	3.55	.97				
2 Interactional justice	3.24	1.26	.47**			
3 Distributive justice	3.37	1.08	.37**	.25**		
4 Procedural justice	3.13	1.17	.24**	.19**	.37**	
5 Tenure	1.90	1.24	.09**	.03	.07**	.11**

** *p*-value < 0.01 a two-tailed test

The moderation effects of tenure and country location were investigated next (*Model 2*). From Model 2, there is a significant interaction between employee tenure and procedural justice (β=-0.055, *p*-value < 0.01) and distributive justice (β= 0.035, *p*-value < 0.10). The effect of procedural justice on schedule satisfaction was significantly higher for recently hired employees (supporting hypothesis 4c), while the effect of distributive justice was higher for tenured employees (not supporting hypothesis 4b). However, no significant interaction between employee tenure and interactive justice was found (see Table 2). Thus, hypothesis 4a is not supported.

Although not hypothesized, we did consider the potential differences due to country. The results indicate that call center agents in Costa Rico and Brazil reported significantly higher levels of schedule satisfaction than employees in Argentina (Costa Rico: β=0.252, *p*-value < 0.01; Brazil: β=0.260, *p*-value < 0.01).

TABLE 2

Estimated regression model of Schedule Satisfaction (*n* = 1413)

	Model 1		Model 2		Hypotheses results
	B	SE	β	SE	
Tenure	.039*	.02	.142*	.07	
Interactional justice	.308**	.02	.325**	.03	H1 supported
Distributive justice	.218**	.02	.161**	.05	H2 supported
Procedural justice	.061**	.02	.159**	.04	H3 supported
Tenure x Interactional			-.*009*	.02	H4a unsupported
Tenure x Distributive			.035†	.02	H4b unsupported
Tenure x Procedural			-.055**	.02	H4c supported
Costa Rico			.252**	.05	
Brazil			.260**	.05	
Intercept	1.579**	.09	1.214**	.17	
R^2	.302		.322		

All tests two-tailed; †*p*-value < 0.10; **p*-value < 0.05; ***p*-value < 0.01.

DISCUSSION

The results from our study suggest that perceptions of procedural, distributive, and interactional justice all play a significant direct role in the schedule satisfaction of call center employees. That is, when employees report increased feelings of justice, they also report increased schedule satisfaction. Interactional and distributive justice had a larger direct impact on schedule satisfaction than did procedural justice. These results are consistent with prior research which suggests that reported feelings about interactional and distributive justice in the workplace are more closely tied to a personal outcome like satisfaction than are reported feelings about procedural justice which are more closely tied to organizational outcomes like commitment. Thus, how employees are spoken to and the interactions between supervisors and employees (i.e. interactional justice) and how the schedule is actually set (i.e. distributive justice) are very important predictors of schedule satisfaction. Also important to schedule satisfaction, but less so, are the procedures which are followed that is used to set the shift schedule.

However, the effect that these justice perceptions have on schedule satisfaction is contingent upon the length of employment. Based on extant literature on direct relations, we proposed that the relation between justice and schedule satisfaction would be stronger for those employees with less tenure. Our results for procedural justice do support that proposal, but only for procedural justice. That is, the relation between procedural justice and schedule satisfaction is significantly stronger for employees with less tenure than it is for employees with greater tenure. This is an especially interesting finding as procedural justice itself is of less importance in predicting schedule satisfaction. Prior literature and theory both suggested that procedural justice was of less importance in the personal outcome of satisfaction. What we are really learning here is that this relation is moderated by tenure. Given that this is a single study, we encourage future research to test the importance of tenure as a moderator in the relation between procedural justice and satisfaction to determine if these findings hold.

Our findings suggest that tenure moderates the relation between distributive justice and schedule satisfaction, in that the relation is stronger for those with more tenure. This finding was unexpected. Prior research suggested a negative direct relation between age and distributive justice and tenure and distributive justice. Instead, we found the relation between distributive justice and schedule satisfaction was stronger for those with more tenure. It is not that the relation between distributive justice and schedule satisfaction doesn't hold for those with less tenure, but instead those with less tenure are more influenced by procedural justice. Again a very

interesting finding which would benefit from additional research.

This study suffers from a number of limitations. First, we used secondary data. Secondary data has been collected by an outside party for their own purposes. As such, we were unable to influence the questions asked or even have access to commonly reported descriptive sampling measures. We were also unable to report response rates. Second, all data collected were self-report from a single time period. Self-report data collected at a single point in time may suffer from common method bias. We were unable to modify the data collection process or the survey design in order to reduce this potential problem.

The importance of employee views of organizational justice are well accepted in the management area. Researchers and managers alike accept that feelings of fair treatment can and do impact employee attitudes, feelings, and behaviors. The results from this study support those views. Nevertheless, our findings add greatly to our understanding of organizational justice. Our findings suggest that the relation between feelings of justice and satisfaction may be more complicated than originally considered. Individual differences in tenure were found to moderate the relations between distributive justice and schedule satisfaction and procedural justice and schedule satisfaction in opposite ways. These findings have important managerial implications. The satisfaction attitudes of the very newest employees seem to be swayed more by procedural justice while the satisfaction attitudes of those with greater tenure seem to be swayed more by distributive justice. This lends support to the proposal put forth by Romaine and Schmidt (2008) who suggested that individual differences may play a part in how fair each method of tenure base fairness on equity, those who work harder gain more benefits. Such beliefs would be to the advantage of those with the most to gain. It is often believed that tenure itself should be rewarded with greater distribution of resources. In addition, everyone has the opportunity to gain these rewards – it is just a matter of time. This differs from fairness judged by equality when everyone is treated exactly the same. Consistent enforcement of policies may be a function of procedural justice. It appears that the satisfaction attitudes of the most junior in our sample are more swayed by equality as indicated by procedural justice. This is also an areas which would benefit from future research.

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ATTRACTING AND RETAINING ENTREPRENEURS: THE ROLE OF CITY AND STATE-WIDE EMPLOYMENT NONDISCRIMINATION ORDINANCES TO PROTECT LGBTQ EMPLOYEES

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ABSTRACT

In order to attract the most innovative up-and-coming entrepreneurs, cities need to make sure that they publicly value diversity, creativity and people from a variety of backgrounds. This article argues that employment nondiscrimination ordinances at the city and/or state level will be a first step in showing the rest of the nation that they care about their citizens, and that they recognize the prejudice and discrimination faced by LGBTQ individuals on a daily basis. Passing such ordinances will be a public statement of support and will attract the "creative class," who will bring innovative ideas and new business plans, which will, in turn, increase economic development.

INTRODUCTION

With expanding globalization and outsourcing of American businesses, cities and states in the U.S. are trying to brand themselves as attractive places for up and coming entrepreneurs. The hope is that if these struggling cities and states can recruit and retain the best and most innovative new business leaders, their economies will rebound. In the early 2000's, Richard Florida (2002) did a nationwide study to determine what aspects helped cities of all sizes grow and thrive. He found that it mostly revolved around recruiting what he called the "creative class" of workers to live and work in a specific city. This class of workers is made of people of diverse ages, professions and jobs. However, they have a lot in common. They are highly educated, talented and work hard. They enjoy a vibrant and diverse city. They like art, music, nightlife and outdoor activities. Interestingly, Florida found that the presence of a high number of creative class employees was also highly correlated with Gary Gates' Gay Index, which was a measure of the cities that attracted a large number of gay people. However, it's not just about attracting gay people. It is about attracting talented people, and talented people want a city (and a company) that is open to differences and accepting of people with all types of backgrounds. Many U.S. cities are on the verge of losing strong, creative entrepreneurs to other cities that are more inclusive. Cities that are successful in attracting and retaining the "creative class" tend to

be cities that openly value fairness, and passing a city or state-wide nondiscrimination policy is a first step in achieving this goal.

Because there is no federal law to protect against harassment and discrimination based on sexual orientation and gender identity, LGBTQ (i.e., Lesbian, Gay, Bisexual, Transgender and Queer/Questioning) individuals can still be fired simply for being gay or transgender in most places in this country. Gender identity "refers to a person's innate, deeply-felt psychological identification as a man, woman or some other gender, (HRC 2014a)" as opposed to their biological sex, which is based on the reproductive organs the person was born with(for more information on definitions of terms, such as transgender and gender expression, please see http://www.hrc.org/resources/entry/transgender-faq.) There are only seventeen states (and Washington, D.C.) that have state-wide nondiscrimination policies, which include protections for both sexual orientation and gender identity (Human Rights Campaign (HRC), 2014b). Therefore, it is now prudent that the city governments stand up for the rights of the LGBTQ community. There are currently over 190 cities that have passed such inclusive legislation (HRC, 2013), and these have joined a progressive group of citizens around the nation who want to take a stand for human rights and nondiscrimination. While standing up for human rights, these citizens also open the door for more innovation, entrepreneurship and economic growth in their region of the U.S. This type of ordinance is important in our cities, states, and at the national level for a variety of reasons. It is good for business to value diversity and treat people fairly, there is still prejudice in our society, and it is just the right thing to do.

Employment Non-Discrimination Ordinances (ENDA's) are Good for Business

City and State-wide nondiscrimination ordinances are simply good for business. There is growing evidence that organizations that value diversity will profit more than companies that do not value diversity (Herring, 2009; Richard , Murthi, and Ismail, 2007). In addition, companies that have a climate that values diversity will experience less employee turnover than other companies (McKay et al., 2007) Granted, most of the research to date has focused on diversity climates based on race and sex. However, there is growing evidence that diversity based on sexual orientation has similar effects (Critcher & Ferguson, 2013; Day & Schoenrade, 2000). Specifically, employees who work for companies with inclusive nondiscrimination policies and who feel like top management supports inclusivity of all people will have higher job satisfaction and organizational commitment (Colgan et. al., 2007; Day & Shoenrade, 2000). There is a correlation between job satisfaction and employee performance (Judge et. al., 2001). Employees who are more satisfied are also more likely to stay on the job longer (Carsten & Spector, 1987), and give extra effort to the employer (Organ & Ryan, 1995). Therefore, companies that institute

human resource policies and programs which value inclusivity and allowing people to feel safe to be themselves at work will likely have better outcomes than companies that do not. Therefore, as new businesses develop in growing economies, entrepreneurs should keep this in mind as they make their first employment policies. Diversity is good for business.

On the other hand, companies that do not have climates that support openness and inclusivity are likely to have more negative consequences. Specifically, Colgan et. al. (2007) found that LGB employees who feel that the workplace environment is hostile towards diversity also feel a higher level of negative attitudes, such as frustration and fear, as well as report experiencing difficulty concentrating and a higher desire to leave the organization. Critcher and Ferguson (2013) found that when employees feel the need to hide part of their identity, such as their sexual orientation, they experience work-related deficits, such as cognitive and physical depletion. The depletion in cognitive and physical energy will likely translate into lower performance. In other words, it is imperative that businesses recognize that having a fair and inclusive environment will increase workplace outcomes and keep hard-working, exceptional employees doing their best work. Creating inclusive climates within growing businesses is an important issue, but it is often not done on a voluntary basis because prejudices and biases are still abundant in our society.

Prejudices Still Exist

The question may be asked, "Well, if it is in the business's best interest to have fair and inclusive policies, then why don't we just leave it up to them to do so?" The answer is that, even when executives understand the research on diversity initiatives, many are often plagued by individual-level prejudices, whether intentional or not. People often think that prejudices are a thing of the past. We have come so far, and surely there are not very many acts of discrimination anymore. Unfortunately, research doesn't support this view. Even in the area where most people would say that discrimination has declined, race relations, research still finds significant employment discrimination. There was a landmark study published in 2004 that showed that racial discrimination still happens in the US labor market regularly (Bertrand& Mullainathan, 2004). Specifically, the researchers sent out resumes as responses to over 1300 job ads in the Boston and Chicago areas. They randomly assigned a "black" sounding name (like Jamal) or a "white" sounding name (like Kevin) to the resumes. "White" applicants were called back 50% more than black applicants, even after controlling for all other possible differences. The only difference was the name. This is only one of many articles showing that prejudice and discrimination against blacks is still alive.

What about prejudices against the LGBTQ community? Is there evidence that discrimination exists in this arena as well? Of course there is. Browne, Bakshi and Lim (2011) surveyed over 800 lesbians and gay men and found that 55% of them had experienced some sort of abuse because of their sexual orientation. Most of the abuse experienced was related to negative comments and verbal threats, but some was also physical abuse. These researchers called for more recognition of LGBT discrimination beyond what the law calls "hate crimes." In addition to this survey, there have been numerous surveys specifically looking at the experiences of the LGBT community at work. Gates (2010) used the 2008 General Social Survey (GSS) to ascertain that 42% of a nationally representative sample of LGB people had experienced some sort of workplace discrimination. Specifically, 35% reported being harassed and 16% reported losing a job because of their sexual identity. In addition, it has been found that 47% of transgender individuals report being discriminated against in hiring, pay or promotions (National Transgender Discrimination Survey, 2013), and that gay and bisexual men earn 10%-32% less than heterosexual men (Sears & Mallory, 2011). For more information on nationwide surveys conducted on workplace discrimination, see Pizer, Sears, Mallory, & Hunter (2012) or visit the following website: www.williamsinstitute.law.ucla.edu. Because of fears of workplace discrimination, harassment and even violence, LGBTQ individuals are often scared to "come out" at work (Wright, et. al., 2006), and are therefore relegated to hiding their identities and all of the stress that accompanies that (Critcher & Ferguson, 2013).

Since it is obvious that discrimination still exists, and LGBTQ individuals are marginalized in our society, laws must be passed to protect LGBTQ individuals from being discriminated against in the same way that we protect individuals based on race, sex, religion, age, etc. In a recent discussion about instituting a city nondiscrimination ordinance in Shreveport, LA it became obvious that prejudice and discrimination is alive and well. City Councilman Ron Webb made an impassioned plea against the ordinance by saying that "the bible tells you that homosexuals is an abomination" and "I've worked with homosexuals before but I don't socialize with them, and I don't think that we should (Holmes, 2013)." It is this type of attitude that reinforces the need for an ordinance to protect against such discrimination.

In addition, a city which shows its commitment to protecting people from discrimination will lessen one of the big barriers to entry that LGBTQ entrepreneurs face. This outward show of tolerance will attract more diverse and talented individuals to the city and will drive innovation (Florida, 2002). More diversity in the city will likely lead to more entrepreneurship (Qian, 2013), and more entrepreneurship will lead to economic development of the region.

It is the Right Thing to Do

Finally, regardless of the business case for valuing diversity and regardless of the research on the "creative class," respecting and caring about social justice is simply the right thing to do. Secretary of State Hillary Clinton stated it best when she referred to LGBTQ individuals in a speech she gave at the International Human Rights Day in Geneva in 2011: "Today, I want to talk about the work we have left to do to protect one group of people whose human rights are still denied in too many parts of the world today. In many ways, they are the invisible minority" (Roy, 2011). She referred to gay rights as part of human rights, and this is the point. Everyone should feel free to be who they are, express themselves completely, access equally the rights and responsibilities of citizenship, feel safe to walk the streets, apply for a loan or a job, and know that they will be judged on their merits as a worker, and not based on some discriminatory judgment of their worth because of their sexual orientation. Everyone deserves basic human dignity and human rights. I applaud the cities and states that have taken an historic step in passing nondiscrimination ordinances already. I hope that the other states and the United States as a whole will follow suit and show that we value all of our citizens and that we are working towards true justice in our workplaces nationwide.

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Inside Social Constructs Practices: Concepts, Methodologies, Tools, and Applications

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ABSTRACT

The discourse presented in this paper is about alternative change management techniques hinged on pragmatic social construction ontology to upsurge productivity. All companies are designed and upshoot specific goals. In those entities, talented individuals can be hired to play exact roles in the production of goods and services valued by customers. In addition they understand social construction to construct a shared vision necessary in triumphant businesses. Data available show that companies that generate a collective strategic platform yield increased outputs. Astute footballers learn to play *a* game *a la mode* where rules and tactics are constantly changing. Playing to win implies re-aligning competences and experience where technology and the procedures of competition are constantly evolving. Efficiency can be enhanced by juxtaposing talent that has different scopes to craft meaning in the value-creation process. In efforts to facilitate efficacies individuals must be assessed and evaluated to match talent to tasks and to use the comparativeness to advance triumphant teams.

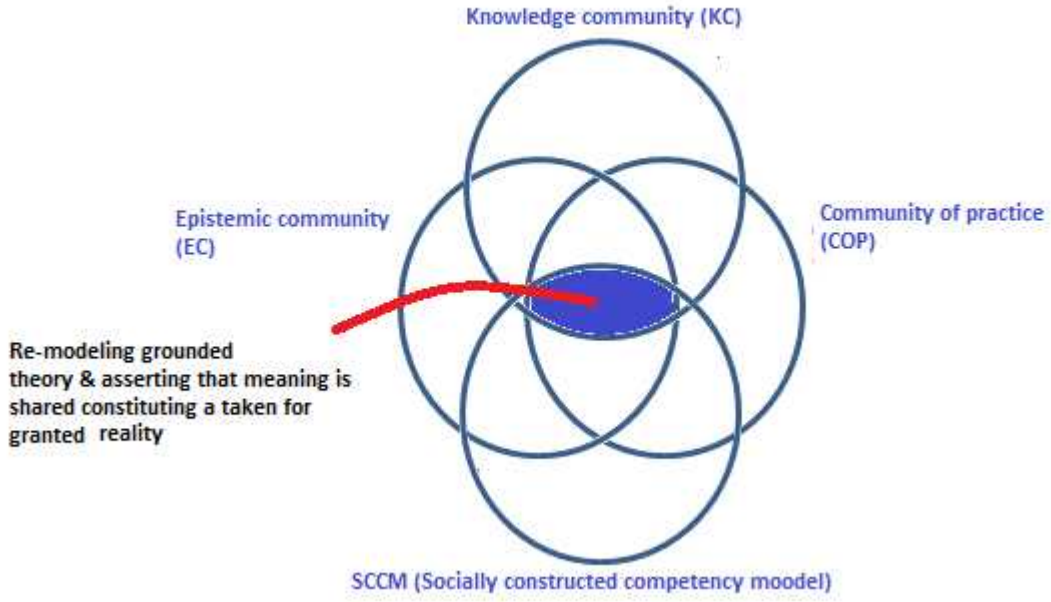
INTRODUCTION

The arguments presented in this debate are in four parts. The first part provides an introduction to social constructs and how they are defined and applied in framing successful enterprises. Some of the key terms used in the deliberation are also explained. The questions asked to progress the discourse are: What is a social construct? How is it applied in the context of business organization? In an effort to make the reading lucid, an examination of a value creation process using the Adam Smith pin-making factory is made. The design and implementation of useful business structures is illustrated in the pin-making enterprise. The second part reviews a carefully selected piece of literature and a case study to comprehend how winning enterprises can be designed and implemented. Different perspectives are drawn to aid the comprehension of

how collaboration forums can be utilized to make specialization real. The third part demonstrates how the construct of emotional intelligence (trait EI or trait emotional self-efficacy) provide a comprehensive operationalization of emotion-related self-perceptions indispensable in developing realistic metrics to support high performance. An example is drawn from the World Cup 2014 in which the German team lambasted the Brazilian side using intelligence and physical fitness. The last part draws a conclusion mentioning the limitation of the arguments presented.

What are social constructs?

Social constructs can be described in many ways. Two definitions are provided here: (1) Social constructs are methods and techniques derived from positive psychology. They can be applied to create the synergy necessary to make ends meet or solve problems in varied organizations. The process involves effective inter-personal communication and collaboration in creating diffusing and distributing the explicit practices necessary in triumphant companies. The alliance techniques can make it possible to create highly productive teams. (2) The second definition is



borrowed from Merriam Webster Dictionary (2014) “a social mechanism, phenomenon, or category created and developed by society; a perception of an individual, group, or idea that is *built* through cultural or social practice”. Social constructs are also viewed as the by-products of countless human choices, rather than laws related to human judgment. Mupepi & Mupepi

(2014)) propound that collaboration through the forums of a community of practice has re-modeled grounded theory. Berger & Luckmann (1966) draw on Alfred Schultz (1899-1959) to introduce the term *social construction* in organizational studies. They triggered an ongoing debate about the viability of social construction as an indispensable tool and technique that aid meaningful learning. Mupepi & Mupepi (2014) argue that the *centricity* of social constructs was on the capacity of groups to produce explicit knowledge necessary in growing winning organizations. In Andrews (2011) an assertion is made that companies exist both as a subjective and an objective reality. In this existence meaning is shared to create a situational reality.

Grounded theorists understand knowledge as beliefs in which people can have reasonable confidence; a common sense understanding and consensual notion as to what constitutes knowledge. In the discourse advanced by Andrews (2011) organizational reality can be projected and developed by a group of people from the same organization who are passionate about the business at hand. They can meet face-to-face in defined spaces at agreed times or in cyberspace at any time.

The centricity of organizational learning

The postulation made in organizational learning is that corporations are only interested in learning about activities contexts and culture in which the business operates. Soliman (2014) posits that "knowledge is not a substance or a thing but is highly symbolic in character and is not disjointed from reality". Soliman draws learning strategy from the ancient Greek philosopher Avicenna, who advances the notion that "the essence of knowledge is centered on wisdom". It suggested that maturity was positively equated to wisdom. In Soliman (2014:1), Avicenna suggests that the concept of wisdom was not antithetical or adverse to modern rational intellectual efforts such as those of a knowledge community. Building on Lave & Wenger (1991), many scholars such as Mupepi et al (2013) articulate the concept of a community of practice (COP) to the next level. They propound that the internet has enhanced business operations particularly that of a COP. Special web-portals can be created where specific knowledge is stored and is easily retrieved to enable authorized members to learn and improve their skillfulness at any time. On the same site, members can meet and cohere at any time and not only during normal business hours. Members of the community can access the portals and log-in to their site to participate in debating, learning and the sharing of ideas and portion to each other the things they are passionate about. Mupepi et al. argue that the community's social or business skills can be appreciated on the members' portals. The website can be built to support the capacity the business requires to be productive. Thus, internet learning technology can play a critical role in organizational strategy. Different stakeholders, such as a board of directors or workers' committees, can be trained to function like a COP and avail themselves to the modern telecommunication technologies to enhance what they need to know about their investment.

Purposeful Collaboration

Engineers such as Frederick Taylor introduced a scientific methodology to assess and evaluate capacity in socially constructed structures. Nelson (1979) propounds that Taylor's professional commitment in organization emphasized on scientific knowledge. They were able to measure and assess prevailing state of *knowing* in organization giving way to understanding any knowledge gaps that might have existed in the business. Nelson suggests that the scientific method in organization as rudimental as it was paved the way to systematically study and learn about organization. Mupepi et al (2013) propose that learning should not be viewed as simply the transmission of abstract and decontextualized knowledge from one individual to another, but a social process whereby meaning is made enabling explicit practice to be enacted. Explicit knowledge is a purposeful collaboration effort that occurs in the context of the environment in which the business operated. Thus most of the soccer teams that made it to Brazil had to re-align their competences and experience about how the game was played in environment characterized by changes in play rules as a result of constantly evolving live broadcasting technology. Each player who could have made it to the finals developed what he perceived to be the self-efficacy necessary for him to make it in the tournament. The team coaches also had perceived selection criteria of know-how a potential player could possess. The team, its fans and sponsors became a community of practice whose expectations were centered on winning each tournament. The COP can be instrumental in motivating the players or team to perfect the desirable skillsets, and explicit know-how about the game of soccer.

Observational learning

Bandura (1971) suggests that modeling is experienced as "If they can do it, I can do it too." Thus in the COP, self-efficacy can increase when one sees his or her own cohorts succeed. Mupepi (2010) asserts that seating-with-Nelly is a model of skills development espoused from Bandura (1971) observational learning. Much later Cornell et al (2012) argue that observational learning enabled bird species such as crows to assert that human beings were their enemies. They would synchronize their take-off upon the encroachment of Homo sapiens. In Lago-Rodriguez et al (2014) recent research in neuroscience implicates mirror neurons as a neurophysiological basis for observational learning. Lago-Rodriguez argue that these specialized visuomotor neurons fired action potentials when an individual performed a motor task and also fired when an individual passively observed another individual performing the same motor task. In observational motor learning, the process begins with a visual presentation of another individual performing a motor task, this acted as a model. Mupepi (2010) suggests that in emulating the practice of the master in apprenticeship or pupillage clerkships in law or accountancy the novice ended up even mastering their masters habits such "tea breaks" or "smoking cigarettes" while

talking on the telephone. Rizzolatti & Fogassi (2014) propound that the learner then needs to transform the observed visual information into internal motor commands that will allow them to perform the motor task, this is known as visuomotor transformation. In this ground breaking research Rizzolatti & Fogassi suggests that mirror neuron networks provide a mechanism for visuo-motor and motor-visual transformation and interaction. Similar networks of mirror neurons have also been implicated in social learning, motor cognition and social cognition.

A view from the terraces of the World Cup2014

Drawing from the practice sessions of the English World Cup 2014 reference was constantly made to how in 1966 the English won the final tournament (Chisari, 2006). The Germans drew explicit lessons from their mistakes made in the final tournament of the European Soccer Cup 2004. Vygotsky (1978) propounds that the Zone of Proximal Development (ZPD) was understood as the difference between what a learner can do without help and what he or she can do with help. In this situation team learning was dependent on the experience and knowledge each player brought from his club to add on new material during the practice sessions. The player had to learn to gel with his new team mates and to synchronize his play with that of his new mates. The team coaches had to re-live the socialization process illustrating the new rules of the game hoping that the players would quickly master the techniques needed to win the tournament. Knowledge and skills acquisition were then depended on the spur of the moment and the realization that they had made it to Brazil because they had outplayed other teams in the same group. In the semi-final and final tournament the moment had arrived where emotional intelligence and physical fitness endurance decided the winner.

A bird's eye view

In Lago-Rodriguez et al (2014) recent research in neuroscience implicates mirror neurons as a neurophysiological basis for observational learning. Lago-Rodriguez et al argue that these specialized visuomotor neurons fired action potentials when an individual performed a motor task and also fired when an individual passively observed another individual performing the same motor task. In observational motor learning, the process begins with a visual presentation of another individual performing a motor task, this acted as a model. Mupepi (2010) suggests that in emulating the practice of the master in apprenticeship or pupillage clerkships in law or accountancy the novice ended up even mastering their masters habits such "tea breaks" or "smoking cigarettes" while talking on the telephone. Rizzolatti & Fogassi (2014) propound that the learner then needs to transform the observed visual information into internal motor commands that will allow them to perform the motor task, this is known as visuomotor transformation. In this ground breaking research Rizzolatti & Fogassi suggests that mirror neuron networks provide a mechanism for visuo-motor and motor-visual transformation and

interaction. Similar networks of mirror neurons have also been implicated in social learning, motor cognition and social cognition.

***Re-engineering a team*.**

Re-engineering is a term used to explain the detailed analyses of work processes to understand the competences necessary to improve productivity. Re-engineering a football team creates new practices and allows a team to adapt various emotional intelligence and physical fitness to win a highly contested tournament such as the World Soccer Cup. The German World Cup (2014) squad had to change tactics and their understanding of the game in Brazil.

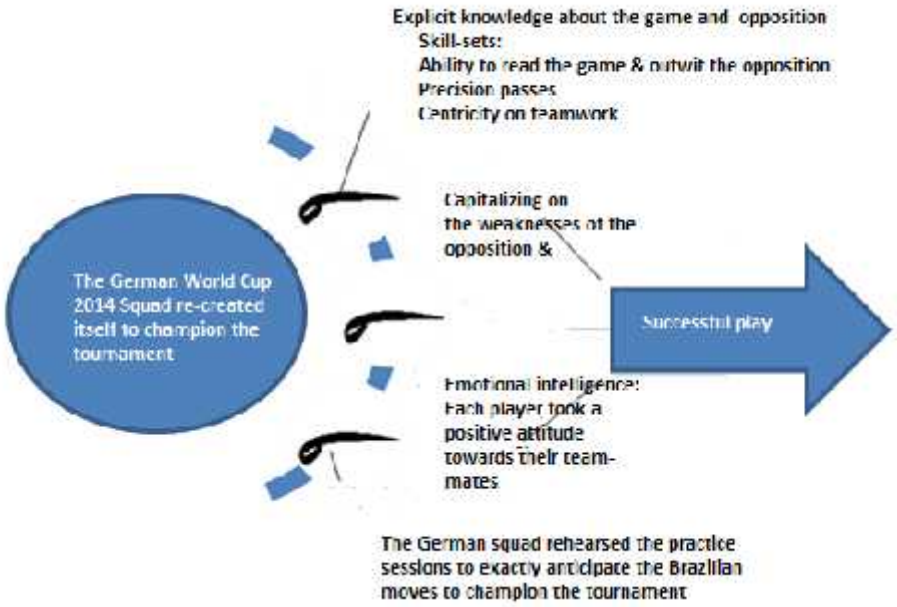


Figure 1: Re-creating the Pin-production factory

Different ways to skin a cat

The division of labor is not the only way to develop experts in organization. They can be hired from those who possess the talent required in effectiveness. But specialization can be focused on the pertinent practices and technologies used by a company or a team. It is also the dilemma of World Cup team managers who end up recalling players who do their work in clubs outside their own countries. In those countries the foreign players work like *mercenaries.* The working familiarity of *mercenaries* and that of a home grown team cannot be compared. Scahill (2007) views outsourcing teams to be the same as mercenary in outlook. He draws a definition from Italy in 1480: "Leonardo da Vinci's *Profilo di capitano antico,* also known as *il Condottiero,*

1480. Condottiero meant "leader of mercenaries" in Italy in the Late Middle and Renaissance Ages. This is a person who takes part in an armed conflict, who is not a national or a party to the conflict and is "motivated to take part in the hostilities by the desire for private gain. Scahill alludes to the fact that outsourcing could have its merits and demerits but it cannot be the same as a *homegrown team*. Thus there is economic sense in espousing specialists from the division of labor in organization.

Knowledgeable Teams

At the organizational level the pin-factory is analyzed by a knowledgeable community (KC) to enhance the gregariousness necessary for teamwork to happen and for all members of the team to understand the value-creation structure in which they will be stakeholders. Teams can teach each other how to effectively play to win, and in those lessons and practices each member can master the skillfulness and state of knowing required to increase output. The KC can practice to ensure each player achieves proficiency in his role. What is more practical are KCs that are composed of highly experienced personnel who could have started to develop their skills much earlier. Most apprentices in the steel industry at the time of Adam Smith could have started at the age of 16 or after high school. Others proceeded to university to learn and prepare for careers they were passionate about. Collectively, the KC can possess an enormous amount of tacit experience which can be contextualized to make the goods and services highly demanded by the customers. Mupepi (2014b) propounds that a KC can socially construct a competency model (SCCM) based on what gives life to the business. Social construction can provide the brick and mortar to build high performance organizations.

Establishing Values

Value creation in business organization is a ritual designed to co-create value statements perceived to justify the existence of the company. Values are what an organization stands for. A KC can be instrumental in the design and implementation of strategic plans. The use of KC forums is increasingly becoming important in strategizing successful entities for many reasons. The KC can enhance the ability of the company to compete and increase market share. The more elite the skills possessed by a KC are the better it is for the rest of the organization. The company can compete on what its people know. It can produce goods and services that are highly differentiated and can craft a unique drill to curve a bigger market slice. Business leadership is a collaborative experience. It is not about spreadsheets, or just the technology for that matter, in organization, but people can make the difference. The KC is a forum whose usefulness has already been proved essential in the creation, diffusion and distribution of the explicit practices the business needs to be successful.

A Systemic Account of Existence …Raison d'être

Establishing a systemic account of existence is part of strategy development. The KC can be deployed to produce a *raison d'être* of the business. Berger & Luckmann (1966) assert that the metrics necessary to guide activities in the value creation processes can be co-produced by a community of practice. The KC is viewed as the only forum that can authenticate the explicit knowledge required to progress the job. Mupepi (2006) suggests that the KC can assist in the creation of a shared mindset as individuals and groups co-construct the envisioned goal. A shared mind-set does not manifest itself among the people in the organization. It has to be created and is reflected in a people who share the same values and mission. Responding positively to the reason why the business exists is part of the strategy development. Giddens (1984) asserts that corporations are enacted as a means to an end and, as such, the owners will endeavor to find the resources to support the existence of their companies. In much later research, Campbell & Johnson (2013) recognize that in the healthcare industry, resources that support effective organization often arise from the efforts of an interdisciplinary collaboration network. The development of the technology to sustain patient care is often drawn from interdisciplinary caregivers. Campbell & Johnson contest that recognizing and understanding the needs of the patient compels the planning team to learn about a vast number of differences between home and clinical healthcare paradigms, differences that often lead to consequences that cannot be taken lightly, such as conflicting or poorly defined requirements, particularly when not well understood by all stakeholders.

The stakeholders will be able to use their skillfulness to sustain the enterprise. In a company, conditions of service do not really mean anything; job grades, qualifications and experience do not mean much until the company puts a monetary value to those grades or qualifications. Such plans only have meaning because the company gives them the gist of meaning. Social construction can be viewed as the software that makes collaboration happen and for society and groups to prefer certain assemblies over others.

A Selected Literature: Drawing Strategy from the Historical Past

In July 1966 England played the World Cup final brilliantly against West Germany winning 4-2. With this victory, England won their first FIFA World Cup title and became the third World Cup host to win the tournament after Uruguay in 1930 and Italy in 1934. Ever since the English taught the world to play the game of soccer they have struggled to beat their own students who seem to have taken the play to greater heights.

In the field of organizational development, the historical past is analyzed to understand how the job was perceived and done. Such knowledge can be applied to develop organizations that are necessary to advance productivity. DiMaggio & Powell (1983) consider that historical data too can be interpreted and deployed to implement practices than are difficult for similar companies

to mimic. Mupepi (2014a) argues that the pre-occupation of managers is to chart the business to minimize risk. Risk can exert vast influence over a company's success or failure. The KC can be made aware of the various huddles that exist in the way of the business. Part of a COP's mandate would be to find ways to minimize the risk. Past mistakes can be avoided by understanding how they were made in the first place and, most importantly, to draw positive lessons from those errors.

Two Similar Factors

Organizational efficiency and effectiveness are two words that are used interchangeably in the context of organizing the job. The ontology to advance efficacies can be drawn from many scholars, including Adam Smith and David Ricardo, among many others. In Buchan (2007), Smith explains the principles of the division of labor. In these rules, he envisions increased output by allowing the job to be divided into manageable chunks that make it possible for each worker to master his or her role in the work process. The concept, put into practice, could enable the company to grow specialized labor that could in turn increase productivity. It allows the new specialist to be effective at his job. His perception of how the job should be done enables efficiency in the use of resources and in producing the goods and services demanded by the customer. Buchan (2007) achieves his stated objective of illuminating Smith's thesis while employing a simplified economics to enable his readers to articulate the power of the *principles of the division of labor* in organizing successful corporations. The *principles* have remained one of the most used classical economics theory the world over. Neem (2012) suggests that new colleges, such as Governors University, Colorado Technical University, and many others, have translated the division of labor to create learning enterprises that are more efficient and can produce more graduates by focusing on the competences the student should master before graduating. Neem argues that competences constitute the skills, knowledge and disposition to do certain tasks such as accounting or medicine and as such, any students who reach proficiency in their chosen careers (most of the time earlier than their counterparts in traditional universities) should graduate. As more students increase in enrollment, wealth can be created by those institutions by not limiting the sizes of on-line classes and by splitting the teaching responsibilities among curricula development, learning technology, and assessment and evaluation specialists.

Mupepi (2014a) asserts that the division of labor allows innovation to happen across the new structure as each man/woman perfects his/her job performance. The divided labor advances specialized work structures where each specialist can develop new curricula to enable the novice to become expert at some stage, whereas, they can create new software or technology is created to aid productivity. The new on-line universities have an enrolment drawn from within and outside the country. They can tap into an international faculty who may not require visa and so

forth to do their jobs, instead of relying on local universities for the supply of experts. Students too, can be drawn from anywhere as long as they can afford to meet the costs. The result is an increased number of proficient graduating students. These principles have also made the development of new tools and processes possible. A KC can be innovative, particularly if what they need to do is very clear. Injection molding or electroplating plants could have been developed along this thinking. It was possible after specialization for the pin-making factory to take on orders of a variety of products such as safety, drawing, or draping pins. In Mupepi (2014a), David Ricardo took the division of labor to the next level and proposed that comparative advantages resulted when countries focused on the production of goods and services in which they had cost advantages. Thus the Industrial Revolution in Europe gave Britain a cost advantage in the production of technical goods and explicit knowledge in many fields, including engineering and commerce. The country (Britain) minimized risk by exchanging those technical goods and services for corn or wheat from the new world, which North America had comparative advantages in producing. In Powell & Maggio (1983), risk analysis is made easier by mimicking what has been proven in classic economics. There is no need to re-invent the wheel, but established facts can be adapted to minimize risk and increase shareholder value.

On the Shop-floors

Trahair (1984) argues that the goal of the Hawthorne Studies conducted at the Western Electric Corporation in Illinois was to determine how productivity could be increased. The experiment procedures included manipulating lighting, rest breaks and hours of work. Roethlisberger & Dickinson (1939) reported that the results of these experiments were intriguing in many ways. At times, when conditions were made worse by reducing lighting, production increased; when lighting was enhanced, production output dropped. Professor Elton Mayo, who was in charge of the Hawthorne experiments, proposed that the subjects (the workers) be interviewed to ascertain what was going on. This led to the discovery of the fact that workers' attitudes actually played a critical role in productivity. In much later reviews, Landy & Conte (2013) propound that in the context of the Hawthorne Studies, the very fact that someone was finally paying attention to the workers seemed to have affected behavior. A similar analog can be drawn from students participating in a sporting event at school. Their performance tends to excel when their parents or family members are watching and cheering them on. Such behavior change can be attributed to the *Hawthorne effect*.

Emotions Matter

Gardner (1983) proposed a novel theory of intelligence. Rather than a unitary approach to intelligence such as "g", he posited seven different types of intelligence: logical-mathematical, bodily-kinesthetic, linguistic, musical, spatial, interpersonal and intrapersonal. Gardner described

the latter two as follows: Interpersonal intelligence is the ability to understand other people, what motivates them, how they work, and how to work cooperatively with them; Intrapersonal intelligence is a correlative ability turned inward. It is a capacity to form an accurate veridical model of one-self and be able to use that model to operate effectively in life (Gardner 1983:9). Gardner made a major contribution to the literature of cognitive psychology by exposing multiple intelligences. His notion of inter- and intrapersonal intelligence was diffused and made popular by Goleman (1998) using the label emotional intelligence (EI). In this research, Goleman focuses on EI as a wide array of competencies and skills that drive leadership performance, and consists of five areas: Self-awareness – knowing one's emotions, strengths, weaknesses, drives, values and goals and recognizing their impact on others while using gut feelings to guide decisions; Self-regulation – managing or redirecting one's disruptive emotions and impulses and adapting to changing circumstances; Social skill – managing other's emotions to move people in the desired direction; Empathy – recognizing, understanding, and considering other people's feelings, especially when making decisions; and Motivation – motivating oneself and being driven to achieve for the sake of achievement.

Barrett (2006) probes two questions and is interested to understand whether EI is actually an intelligence system, a skill developed and honed with practice, or a personality characteristic. Barrett contests that the ability to express and control emotions in the workplace is important because it impacts productivity and human relations. To the manager, emotional intelligence translates to the ability to understand, interpret, and respond to the emotions of stakeholders, particularly customers and those who do the work. Rossen & Kranz (2009) have defined EI as the ability to carry out accurate reasoning about emotions and the ability to use emotions and emotional knowledge to translate concepts into practices that enhance productivity. Cherry (2010) argues that EI is the ability to perceive control and evaluate emotions in organization. EI is critical to one's professional development and promotion in the work situation.

Bradberry & Greaves (2009) propound that emotional intelligence is important in building highly productive teams. They argue that 58% of performance in nearly all managerial jobs could be attributed to EI. In Rossen & Kranz (2009) intelligence "g" is a very general mental capability that describes a person's ability to learn from experience. They argue that meta-analyses of the relationship between "g" and job performance demonstrated that the more complex the job, the stronger the predictive value of general intelligence tests.

Applied intelligence

The World Cup 2014 saw much competition in which teams applied emotional intelligence strategies to outplay the opposition. Smith (2014) asserts that the best in these performances was displayed by the German team.

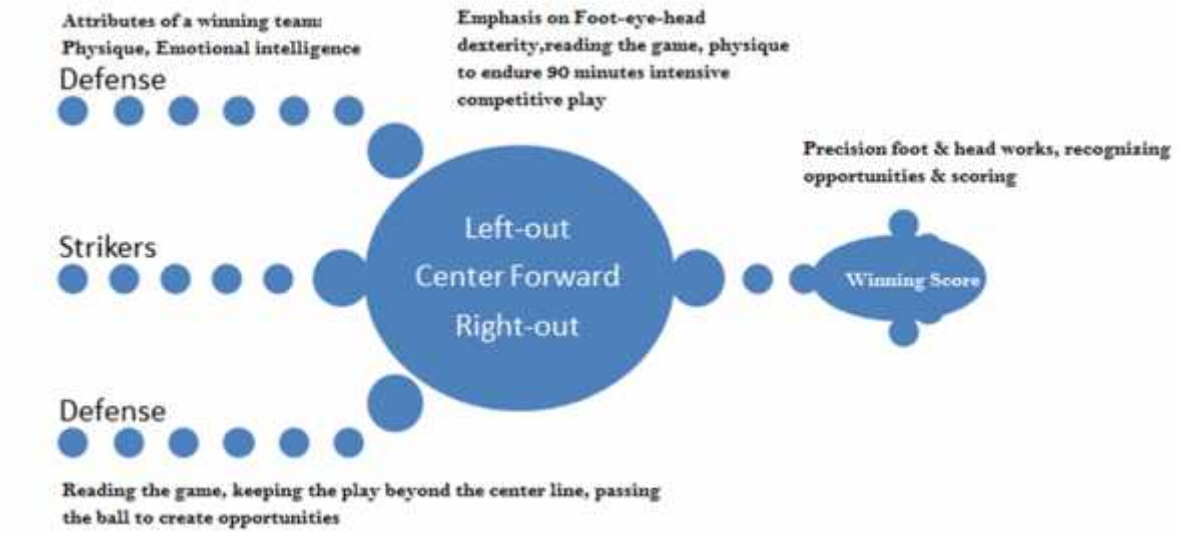


Figure 2: The German team outwitted the Brazil team on their own turf

Social Construction

In Mupepi (2003), social constructivism is also referred to as social constructionism, a theory of knowledge in sociology that examines the development of jointly constructed understandings of the world. Mupepi proposes that social construction has its roots in Emanuel Kant's idealism, which claims that we cannot know things in themselves and that knowledge of the real world is possible only by imposing pre-given categories with which we interpret and thus construct the world *a priori*. Social constructionism claims that knowledge in some areas, such as work, is the product of organizational practices or of the interactions and negotiations between relevant work groups. Mupepi et al. (2005) suggest that social construction assumes that meaning making, learning, and change happen successfully in the context of society or group. One person may not make organizational sense and this view is understood by many scholars such as Berger & Luckmann (1966) and Orton & Weick (1990) among others.

From Apprentice to Artisan

The principles of the division of labor made it possible to develop the knowledge, skills, and attitudes needed by apprentices, artisans and the master craftsman. It can be contested that these trades could have evolved during the European Renaissance of the 14th–17th centuries. Each had a guild to represent what its members needed to learn, the skills that could be developed and conditions of service, which eventually became part of the qualified artisan or master craftsman

conditions of employment. The guild had a hierarchy consisting of the apprentice, journeyman, and the master craftsman. The guild became part of a closed shop. One could only become a member by serving time in a defined trade as an apprentice. In clerical professions, pupillages existed for those who aspired to be lawyers or accountants. They could serve a pupillage of defined years of training to qualify as an accountant or solicitor. The London City and Guilds were founded in 1878 by a union of 16 livery companies – the traditional guardians of work-based training – to develop a national system of technical education (Braudel 1992). They were granted permission to do so by Queen Victoria under a royal charter. Thus, a guild could create specific knowledge and practices that were necessary to progress the business of its membership. Mupepi (2014a) suggests that the apprentice was attached to a journeyman and the method of knowledge transfer included "sitting by Nellie" or on-the-job training.

Creating Craftsmen and Specialists

To perpetuate their expertise, the guilds organized trade unions, workforce education, and skills development programs aimed at increasing the skillfulness of the apprentice, the artisan and the craftsman. A relatively recent development has been a number of more subtle attempts to understand the cultural aspects of being a skilled 'craftsman'. In Mike Rose's *The Mind at Work* (2005), Rose argues that, for a long time in the West, there has been a tendency among intellectual elites to distinguish between physical work and technical skill – labor, the mechanical arts, crafts and trades – and deliberative and philosophical activity, which emerges from leisure, or, at least, from a degree of distance from the world of work and commerce. Rose asserts that this distinction is well illustrated in Classical Greece, where they were part of a comprehensive philosophical system that celebrated the capacity of the human mind, but developed in a society reliant on slavery and forced labor. Some lessons can be drawn from Richard Sennett's *The Craftsman* (2008), which offers guiding intuition that "*making is thinking.*" The experiences of architect and builder Wittgenstein speak to this point, even in their combination of obsession and disappointment. Drawing from contemporary popular culture, John Lennon's *Working Class Hero* (1970) illustrates in music the process of turning a working class worker into a better paid middle class *specialist*. As one learns a trade it means taking pride to become a good tradesman, a *specialist.*

Epistemic Community

Epistemic community (EC) communities of practice (COP) or knowledge community (KC) are all the same in this debate. They can be applied to put knowledge into the context of the business. Foucault (1970) [1994] in Dillon (2008) develops propositions that can be applied to understand the relationship between the job at hand and the knowledge and practices required to effectively do that job. Foucault introduces the concept of an epistemic community (EC) akin to

the COP. He adds to the capacity of the EC to undergird the conditions of the *episteme* or *paradigm* whose discourse could change over time. Dillon (2008) proposes that both Foucault (1970) [1994] and Kahn (1970), writing almost at the same time, concur on the concept of changes in discourse in epistemology or paradigm as a distinct thought pattern. The changes in the structure of knowledge can be referred to as a *paradigm shift*. Soliman (2014) builds on the concept of universally recognized scientific achievements to provide a model that could be followed by a community of practice to grow innovation and to enable the entire organization to learn specified lessons. What is to be observed and understood in organization can become *lesson plans.*

Enhancing the Shared Mindset

Spradley (1979) propounds that the technique comparable to the original Kuhnian paradigm have been invoked in social sciences, particularly organizational studies. These include the idea of major cultural themes, worldviews, and mindsets, among many others. Mupepi & Mupepi (2013) suggest that mindset or cultural themes can be applied to understand the value creation processes and structures and to pin-point the efficacies needed to boost productivity. Spradely (1980) argues that worldviews have similar meanings that can be applied to define the thought discipline useful in the business. Much later, Creswell and Plano-Clark (2011) suggest that there is a need to examine research through mixed research worldviews. Michel Foucault used the terms *episteme* or *discourse*, for aspects of a "paradigm" in Kuhn's original sense. Mupepi & Mupepi (2014) proposes that those terms can be applied to understand the synchronicity of desirable literacies in building high performing organizations. Such literacies can result from analyzing both qualitative and quantitative research. Teleworks can be structured in such a way to project the usefulness in the value creation process. Belzunegui-Eraso et al. (2014) have given rise to organizational innovations, including the creation of connected networks, a key force in driving activities in the value-creation process as a whole. Networks have a critical role in establishing the response capacity of the value-creation process and structures. Belzunegui-Eraso et al. propound that telework promoted two dimensions of horizontal structures: on one hand, it reduced the number of intermediate hierarchical levels within an organization by making communications between the central operational nucleus and work designers and planners more direct; on the other hand, it reduced the hierarchies between organizations by creating collaborative networks of which they all formed a part, and by making increased and improved use of the capabilities and potentials of the organizations themselves.

Sense-making in Organization

Orton & Weick (1990) assert that an appreciation of the prerequisite practices necessary in organization can be framed successfully by an epistemic community. Common knowledge is not

necessarily communal but it can be a commodity that can be co-produced and shared within the *value creation process*. Epistemic community is derived from epistemic logic, implying the logical investigation of knowledge concepts and statements viewed as critical in triumphant entities. Epistemic community can also meet to conceptualize knowledge such as beliefs, justification, evidence, certainty, and related notions in modeling high impact organization. In much later research, Mupepi (2014b) shows that the internet technology had even brought a community of practice into much closer proximity. Electronically linked groups that share the same passion can meet at any time in cyberspace, instead of physical spaces that could be restricted in terms of rent or availability. Mupepi suggests that the internet has made it possible for businesses to create customized web-site portals where they could trade all the time not just during normal business hours. The stakeholders, too, can log onto the business's human development portals to learn and improve their skills.

Effectiveness, Efficiency and Innovation

A novelty in organization concerns the finding of best practices in the value creation process. It is about a better methodology of making goods and services that have more value to the business than before. Effectiveness and efficiency are two different words which are used inter-changeably but do mean two different things. Cameron & Quinn (1999) propose that *effectiveness* in organization can entail producing goods and services demanded by customers. Effectiveness is dependent on the quality of reasoning of the knowledge community. A *proficient* company is one that uses very little resources to produce the goods and services that are valued by customers. Positive attitudes are imperative in companies that lead by using innovation to take charge in competition.

A ripple effect on production lines

The essence of product specification is about detailed instruction regarding materials and how the value creation process should commence and end. Most of all, a specification or requisition is a legal document a contract for the supply of materials, goods, or services within a stated time frame. When that requisition is fulfilled, the producers of the services or goods submit an invoice which reflects the cost of the job done. Attention to detail in the execution of the requisition is imperative. A product specification can give rise to innovation as the production department and their teams of experts work out how the job could be done, and also give rise to social construction as different experts play their role in the execution of the order. New tools and techniques evolve and it can be argued that the toolmakers could have invented the guillotine press, injection molding equipment and many others. In the foundries, chemicals such as carbon can be added to iron ore to make carbon steel or wrought steel, useful not only for making pins of all sizes and purposes, but additional new products, such as heat resistant automotive parts,

can become part of the company's catalog. Adam Smith envisioned that the sky was the limit in creating wealth as long as the divided labor was given the opportunity to improve their act, all things being equal. The technology to aid productivity can be acquired or customized from the specificity of customer needs. Tools can be designed and used to make the job easier and to increase efficiency in the value creation process. Engineer Frederick W. Taylor made it possible to understand material science as a subject that could be included in engineering management. He advocated for data collection which could be interpreted by engineers to design products that were more durable.

A job specification gives rise to materials, defined performance standards and the basis on which absorption and standard costs are made. To the production manager, specifications give rise to requisitions of materials, human resources, technology, and know-how. Some of the existing technology can be re-configured, adapted, or invented. Empathy to how the job should be executed entails knowing the ins and outs of the value creation process.

Advancing Productivity

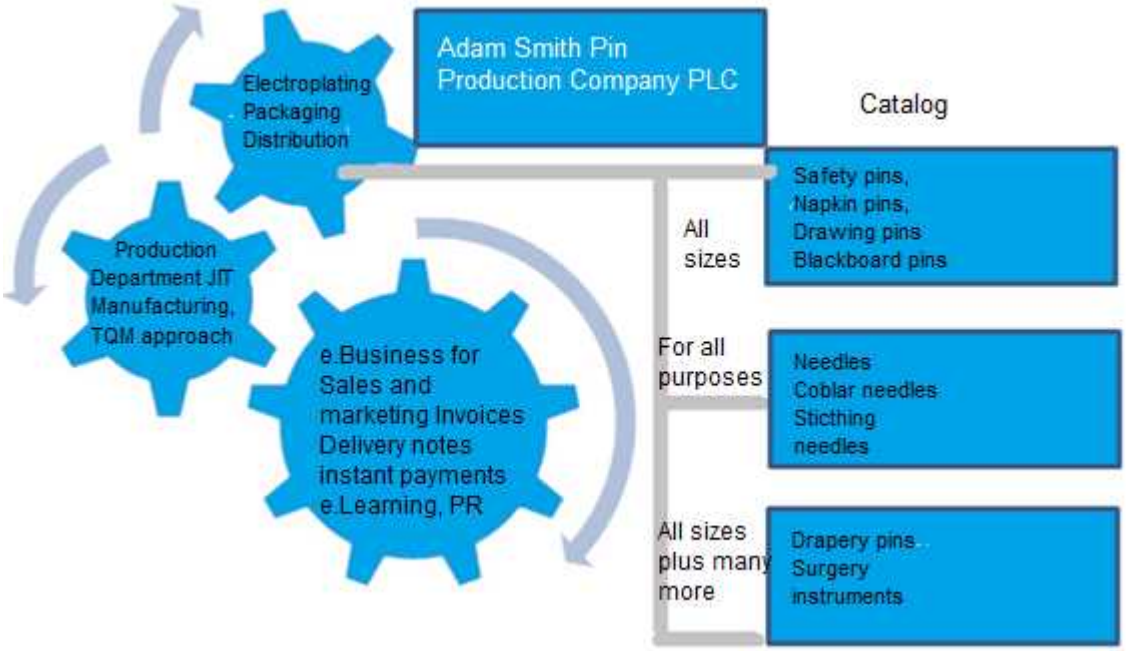


Figure 3: Organizational competency development

Perfecting the practice

The division of labor made it possible to define the attributes needed by the pin-maker to be a become specialist. Skills are practiced acts. The skill to hunt or shoot pheasants using a catapult comes after hours days and weeks of practice. Skills also depend on certain abilities such as eye-hand coordination, hand and finger dexterity, reasoning and memory, personality characteristics (agreeableness or persistence), and knowledge (understanding the elasticity of the catapult's rubber). Skills can be perfected through practice.

Explicit knowledge

Knowledge can be defined as a collection of discrete but related facts and information about a particular domain. Lave & Wenger (1991) contested that the collective experience of a community of practice could create diffuse and distribute explicit knowledge that could be used in the value creation process to make goods and services that had more value for the business. They argued that explicit knowledge could only be authenticated by a community of practice. Brown et al. (1998) concurred and added that only the COP could advance the practices needed by the businesses, customized to be functional in the situation and environment in which the business operated. In much later research, Mupepi (2014b) asserted that knowledge was closely associated to the skillfulness of the people who did the job (as opposed to psychomotor skills such as shooting pheasants with a catapult).

Knowledge supports skill development and it comes in many varieties. Mupepi argues that *tacit knowledge* for example is derived from the individual's experience. This type of knowing is difficult to impart to others for many reasons. For example, *tacit knowledge* can be described as action-oriented knowledge acquired without direct help from others, usually through experience. It is difficult to share because the individual possessing the tacit experience can only show it to others by doing his work. Mupepi argued that *tacit knowledge* could also be referred to as *know-how*. Job competencies include knowledge, skills and attitudes needed to effectively do the job. Below we discuss attitudes, skills, and explicit knowledge in the broad context of emotional intelligence (EI) in the modern *pin-making factory* and fruitful *sporting* activities.

Intelligence in teamwork

Measuring and assessing existing knowledge is critical in putting a monetary value to the business's social capital. Assessing the state of knowledge in the Adam Smith Pin Production factory can be a starting point to understand work processes and write meaningful job descriptions. In a different work context EI can be applied in competitive sports successfully. A different Smith (2014), illustrates how emotional intelligence was applied in the highly competitive World Cup 2014 games in which the German team won. Goleman (2005) propounds that EI can be applied to guide thinking and behavior in an organization such as a football team.

Explicit knowledge is demonstrated in the ability to read the game and to anticipate the opponents' next move. The ability to monitor their own emotions and those of the opposition enabled the German team excel and dominate play for most of the time. Smith (2014) posits that the German team struck a blow for intelligence in sport. Two snapshots stood out for their triumph. First in stark contrast to Brazil's emotional volatility before the semi-final, the Germans wore a look of calm preparedness. Even better they scored the cluster of first half goals that sent the Brazilians out of the games. The German team celebrated with caution and understood control. They had enough emotional intelligence to grasp that they were destroying a nation's dream ---an acknowledgement that tempered their exuberance without diminishing their excellent play. The Germans were able to fulfill and sustain two emotions in tandem.

Learning from the past

The Germans had come quite prepared with a team that was physically fit and knowledgeable about playing to win. First they had introduced top-down reform from humiliation at the European Soccer Tournament 2004. Those lessons were well-learnt. Practice and style became strategy at the World Cup 2014 in Brazil. The second emotional intelligence was based on mental and physical fitness. The Germans went to the gym and studied the play tactics of past world cup tournaments to develop a model that incorporated performance history, physiques, and tactical play. In the end the performance repertoire of the Germans won the World Cup 2014.

CONCLUSION

The main thrust of this paper is on effective organizational development strategy mediated by social constructs notably community of practice and emotional intelligence. Collaboration can be hindered by an uncooperative management limiting the sharing of business information. Positive scholarship enables effective learning to happen by drawing lesson plans from historical past from which tactics can be understood and applied to drive home the winning goal.

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A KNOWLEDGE BARRIER APPROACH TO HEALTH IT DIFFUSION IN NURSING HOMES: THE ROLE OF IT VENDORS

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ABSTRACT

Applying exploratory qualitative methodology, we examine the role of IT vendors in health IT adoption in nursing homes. We identify three roles pertaining to IT vendors in various adoption stages- *Information Sources and Financiers*, *Strategic Consultants*, and *Educators* in the initiation, implementation, and the institutionalization phases respectively. Thus, vendors could be a critical factor in the health IT adoption, but nursing home management must critically evaluate not only the services, but also the strategic partnerships offered by the vendors because their business interests may not address a nursing home's distinctive need, and may prevent integration and institutionalization of health IT.

INTRODUCTION

Health IT has the potential to improve healthcare, help patients obtain and renew their medications, assist in retrieving medical information during emergencies, and ensure access to medical histories (Shekelle et al. 2006). It may also play an important role in reducing medical errors (Armstrong 2000; Bates and Gawande 2003; Bates et al. 2001; Brown et al. 2005; Kaushal et al. 2003; Koppel et al. 2005) and improving health care quality (Liu et al. 2010). The adoption of health IT can promote better clinical outcomes, improve medication adherence, lower overall healthcare expenditures, and improve efficiency gains and cost savings (Balfour et al. 2009; Bates 2002; Chaudry et al. 2006; Dixon and Zafar 2009; Kaushal and Bates 2001; Wang et al. 2003; Possant et al. 2005). However, the results of health IT adoption and implementation are not uniform, and poor quality programs or implementation processes can negatively affect outcomes (Harrington et al. 2011; Spetz and Keane 2009; Pillemer et al. 2012). Some research suggests that health IT adoption and implementation may not have the desired results (Ford et al. 2010; Spetz and Keane 2009). No research has considered the role of health IT vendors in the

implementation process (McDonnell et al. 2010), although one study identified vendors as a reason for poor outcomes associated with health IT implementation (Spetz and Keane 2011). In this paper, we suggest that health IT vendors are critical to the dissemination of health IT and the success of the implementation process.

Hospitals and ambulatory care settings have increased their computerization rapidly over the past years, but long-term care facilities have been slow to adopt health IT despite some evidence suggesting it may be beneficial (Spinelli-Moraski and Richards 2013; Liu et al. 2010; Poon et al. 2006). However, as the population ages, it is likely that long-term care facilities, such as nursing homes, will play an ever-increasing role in the delivery of healthcare in the U.S., so it is important to understand the factors that improve health IT implementation process in this industry. Here, we contribute to this small literature by asking *what* role IT vendors play and *how* IT vendors speed up the process of diffusion of health IT in nursing homes. We draw on both traditional diffusion of innovation theory and the knowledge barrier approach to diffusion to advance knowledge about the role of IT vendors in the adoption and implementation process.

THEORETICAL FRAMEWORK

Traditional Diffusion Theory

Health IT is a broad term used to describe technology applications involving the design, development, creation, use and maintenance of information systems utilized in a variety of healthcare settings. Traditional diffusion theory (Rogers 1995) argues that the diffusion, or transfer and uptake, of an innovation within an organization occur as a somewhat rational and linear sequence of steps, which begins with an organization seeking information and ends with the institutionalization, or regular use, of the innovation. Diffusion of innovation occurs in two primary phases. The first stage - the adoption or initiation phase, consists of the organization engaging in information-seeking and innovation-matching. The organization begins by identifying needs, prioritizing them, and seeking information to identify an innovation that can address these problems. Once an innovation is identified as a fit to the organization, it decides whether to adopt, and the diffusion process begins upon adoption.

The second stage, or the implementation phase, begins with a process of redefining, then moves to a process of clarification, and ends with routinization or institutionalization of the innovation. After the decision is made to adopt, the organization attempts to customize, or reinvent it so that it better conforms to the organization's needs. Customization and redefinition are an important part of this phase, as it will most likely influence the outcomes associated with the innovation. After customization, clarification occurs where the innovation becomes more widely used within

the organization and uncertainties are eliminated leading to institutionalization when the innovation loses its distinctness and is fully assimilated within the organization.

Rogers (1995) paints diffusion as either a process of communication and/or a comparison of costs/benefits. As a process of communication, innovations are diffused through networks of users and *potential* users. As an efficiency measure, diffusion is heavily influenced by price. Higher the costs of innovation, slower is the diffusion, whereas greater the potential benefits, faster is the diffusion (Mansfield 1968).

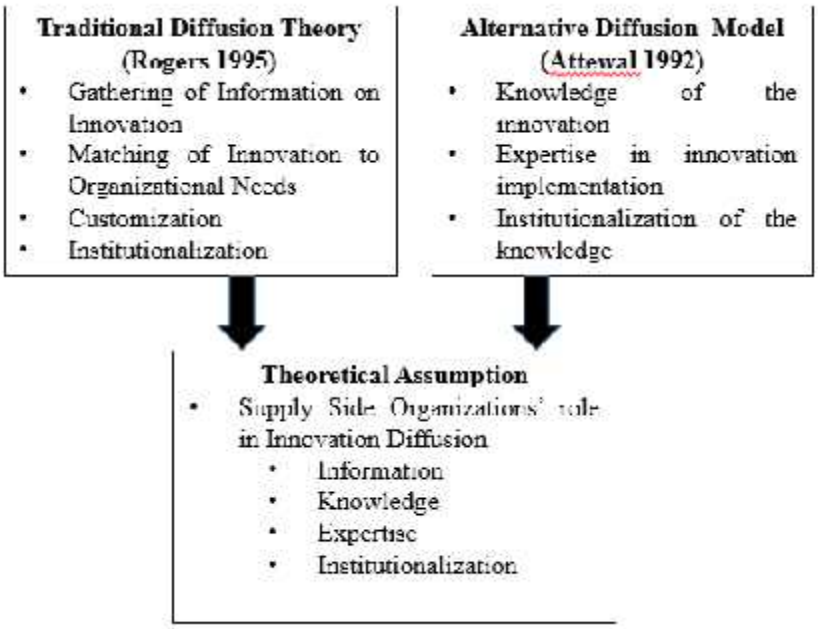
Diffusion as a product of communication and/or efficiency has been criticized as being too demand-centric and inadequate to fully explain the diffusion of more complex innovations (Eveland and Tornatzky 1990). Brown (1981) criticized this view as a product of communication and argued that too much emphasis was placed on the demand for innovation. He stressed that institutions that supply and push innovations influence their diffusion too. These supply-side institutions often push innovations into certain areas through marketing and education, thus limiting opportunities for diffusion to certain areas (Attewell 1992). Because these sorts of technologies require highly specialized knowledge, their adoption is determined largely by an organization's ability to adopt them (Attewell 1992).

Knowledge Barrier Approach to Diffusion

Attewell (1992) sketched out an alternative model of diffusion that stresses the role of expertise and learning as potential barriers to adoption and thus, as important factors in the diffusion process. Attewell argues that new institutions arise to meet the needs of those organizations without in-house expertise. Additionally, the relationship between supply-side organizations and user organizations develops into one that revolves around reducing hurdles to adoption and use, and developing expertise within users. Consultants, service bureaus, and simplification of the innovation are representative examples of this phenomenon.

This approach to diffusion can provide some useful insight into the diffusion of health IT in the nursing home industry. When viewed as supply-side institutions that do more than *just* make and/or sell technology, IT vendors become an important player in the diffusion of health IT. Figure 1 below shows how the two theories lead to our assumption that supply side organizations consisting of IT vendors can be important in the health IT adoption process. In this paper, we seek to understand the role of vendors in the spread of health IT in nursing homes.

FIGURE 1



METHODOLOGY

This study employs grounded theory in examining six nursing homes in Texas. These nursing homes represent a mix of for-profit and nonprofit nursing facilities that cater to the care of elderly and disabled persons. The primary sources of data are interviews with administrators, nurses, social workers, Directors of Nursing (DONs), case managers, kitchen staff, and administrative interns, as well as focus groups of Certified Nursing Assistants, Licensed Practical/Vocational Nurses, Registered Nurses, and health IT coordinators. These participants were primarily women (with a few men), and ranged in age from 18 to 60 years old. Most participants had been with their organizations for over a year.

Upon IRB approval, we contacted all nursing homes in the Dallas-Fort Worth-Arlington metropolitan area beginning June 2010, requesting them to participate in this research. Of our sample, 14 declined citing lack of time and/or non-adoption of health IT, and six nursing homes agreed to participate after several waves of follow-up requests via telephone and email. The participating nursing homes were primarily generalist service providers, with one specialist home

focusing on Alzheimer's and dementia. Our final sample was selected to reflect variation on multiple dimensions including nursing home size, stage of health IT adoption (including facilities that had not yet adopted health IT), type of health IT used, multi-facility ownership, profit status, patient socio-economic status and willingness to participate in the study.

We created two study instruments, one for administrators and one for staff, in consultation with previous literature. We carefully evaluated the questions and items on the questionnaires before administering them. The questionnaires served as guides that allowed free flow of conversations and discussions on topics related to the research questions but not anticipated by the researchers in advance. This assisted in garnering as much information as possible from the interviewees. We visited each nursing home over a period of a year and conducted in-depth semi-structured interviews with the administrators on the processes of the adoption and implementation of health IT. The interviews lasted between 60 and 120 minutes, with some respondents interviewed multiple times, in order to obtain supplemental or clarifying information. Modifications to the questionnaires were based on interviews, the responses, and the type of nursing home. In total, we interviewed 42 administrators and top managers. In addition to interviews with administrators, we conducted employee focus groups, which included approximately 40 participants were included in the floor staff focus groups.

The administrator interviews and focus groups were recorded and transcribed verbatim. The research team supplemented this with skilled observer notes on the aesthetics of the nursing homes including the physical layout, presentation for potential residents and their families, and external appearances of the facilities such as cleanliness. Furthermore, we observed employee dynamics during focus group discussions, their appreciation of health IT and/ or apprehension towards it, and the overall interest in implementing change and modernizing their operations. In addition to observing the physical layout, administrator interests, and motivation to acquire new technology, we also observed the living conditions of the residents to understand if they were predictors of technology adoption. Using more than one method of data collection allowed us to reinforce the findings through triangulation (Yin 2002). It is important to note that none of the nursing homes in our sample had implemented the full suite of the health IT system that includes integrated financial, clinical, and administrative software technologies for efficient care. Most of the nursing homes had some types of health IT, and were in the process of implementing the full suite. Following Patton's (2001) recommendation, we sent the drafts of each case study report to be reviewed by the administrators, who offered supplemental information based on the preliminary case report.

The four members of the research team read the interview transcripts, focus group transcripts and skilled observer notes individually, and identified emerging themes regarding the health IT implementation process in a group meeting. The individual identification of themes assisted in the triangulation of data by the investigating team. In cases where the research team could not arrive at a consensus over certain themes, the data were revisited and deliberated upon until there was agreement within the group. From these discussions within the team, one key theme that emerged was the importance of the role played by IT vendors in the dissemination of health IT during the adoption and implementation phases.

RESULTS AND DISCUSSION

The primary objective of this study was to understand the process of implementation of health IT in nursing homes. During the study, the importance of health IT vendors were underscored by the administrators, employees, and nursing staff. Upon analysis of the interview transcripts, we find that vendors played multiple roles in the adoption and implementation of health IT. The following are the main themes pertaining to the role of health IT vendors:

IT Vendor as Information Source and Financier—Initiation Phase

Health IT vendors often have an informational and financier role during the adoption or initiation phase of the diffusion process. For example, in one nursing home, a pharmacy representative brought them information about a new health IT system. The administrator said, "*An IT vendor was looking for a guinea pig facility willing to try out their system.*" Since this nursing facility was dissatisfied with their existing software system, they decided to accept the offer from the new vendor. They sent top-level managers to another state to meet with the developers and other users of the system. They found that it was the most user-friendly system they had encountered, and that by adopting the system, they would be able to provide inputs in the design and customization. The nursing home administrator continued, "*the IT vendor would install the software for free in exchange for help with development and serving as a "show" facility. So, it was a very attractive offer. The system was initially set up to do physicians' orders and MARs and then progressed to assessments, nurses' notes, incident reports, MDS 3.0."* Start-up fees are prohibitively high for many nursing homes (DesRoches et al. 2008; Cherry et al. 2008; Gin et al. 2011), but this IT vendor eased that burden by installing the hardware at no cost and provided free laptops, with the expectation of recouping the cost from the monthly service charge of around $1000. In exchange, the quality control nurse at the facility provided the vendor with invaluable feedback on the system. Consistent with Attewell (1992), the role of the vendor evolved into one of reducing hurdles to adoption of health IT. The floor staff, though

disappointed at not being consulted in the initial planning phase, was satisfied with the new health IT system as well as the training and support provided by the vendor.

IT Vendor as Strategic Consultants—Implementation Phase

The nursing home industry is very diverse. Some homes are part of corporations with multi-site operations, some are stand-alone facilities with a single owner, some are nonprofit entities controlled by boards of directors, and some are government owned. Providers differ in the extent to which federal payers differ (Shin et al. 2012). Depending on the characteristics of the nursing home, the role of the vendor also changes, which may reflect the diversity in implementation processes and outcomes. Due to the variety of organizational forms in the industry, customization of the software and implementation process are important, and is a key role of the vendors. For example, an administrator stated that, "*We are a small facility. We are just by ourselves; we are not part of an organization, most nursing homes are owned by corporations. Well they have that program which supports all their facilities so we had to find someone who would deal only with us because we are a one home corporation, ok? And that's how we determined these people.*" This facility adopted a software system the vendors tailored to meet the requirements of a small facility. Conversely, the Director of Nursing of a large corporatized nursing facility complained that, "*It seems to me like it was written by someone who doesn't know anything about medicine or medical needs as far as our day to day basis. It looks pretty on a technological aspect, you've got these screens with all this information but you're just overloaded with information, it's just too much.*" The administrators stated that the corporate headquarters funded the health IT system and although the system is supposed to be customized to the facility, but actually is standardized. The users felt that it is overly technical and disconnected from the field of nursing, and not customized to deal with the details and nuances of medical care.

In all nursing homes, there was an expectation on the part of nursing home administrators and staff that the health IT vendors act as strategic partners during implementation. Administrators relied on health IT vendors to assist making implementation decisions that were in the best interest of the nursing homes, an expectation that was not always met. A better strategy would be strategic partnerships between suppliers and users that involve feedback from end-users of the health IT. Indeed, Nazare et al. (2013) found that technical support, clinical content adequacy and availability, system usefulness and user interface design were among the factors that have lead to the abandonment of health IT systems in nursing homes. All of these problems could have been reduced had the vendors provided more customization and served as implementation process consultants.

IT Vendor as Educator—Institutionalization Phase

During the institutionalization phase, the vendor often acts as an educator. In one nursing home, an administrator stated, "*we do not recruit new staff for the IT systems. The training was primarily provided by a company representative*." Another reported that their employees received three weeks of training from the vendors. In this institution, we found that higher satisfaction with the system compared to the previous organizations that relied on a peer-to-peer training dissemination. Increasingly, company representatives will train one mid-level manager from a facility, and then that person trains the other employees. There are several drawbacks to this method. First, the employee representative may not fully understand the system, and therefore may not pass on most efficient and effective ways to use the software, resulting in employees not using the software optimally. Second, the employee receiving training may be technologically proficient, but they may not be able to convey complex technologies to others who have little technological background. In homes where training was conducted this way, employees had more difficulty adapting to health IT.

Floor staff in some homes complained that training was too brief and inadequate when imparted by vendors, especially for those with little prior computer experience. Consequently, they could not take full advantage of the system. They were forced to learn slowly by practicing on the floor, while simultaneously carrying out their other duties. Floor staff informally sought support and training from their peers. In contrast, in another nursing home, the management stated that the vendor sent a trainer to help initially with the implementation and training, and that "*the trainer was present almost constantly doing training.*" In addition, whenever they needed any help, they could request more training. At another facility, the administrator reported that the vendor company ran monthly online staff training modules, which reduced the costs of ongoing training. Administrators scheduled the classes, choose the modules, and recommend extra training to employees with limited IT knowledge. Nursing homes that had minimal training for nursing staff faced the most employee resistance to change.

TABLE 1

Phases	Role	Activities
Initiation Phase	• Information Source and Financier	• Disseminates information about heath IT innovations • Product & service demonstrations

		• Provides financial assistance to potential clients
Implementation Phase	• Strategic Consultants	• Consults with clients on the usability, feasibility, and utility of the innovation implemented • Assists in implementation decisions
Institutionalization Phase	• Educator	• Provides training and maintenance • Long term educational partnerships

Throughout all of these phases as depicted in Table 1, it is clear that the role of the health IT vendors has been to anticipate and attempt to overcome organizational barriers to the adoption and implementation of health IT, which is consistent with the Knowledge Barrier Approach to Diffusion, where supply-side institutions often push innovations through marketing and education (Attewal 1992). Although our sample is small, our study could inform future large-scale research on the role of supply side organizations in implementing organizational change.

PRACTICAL IMPLICATIONS

Our findings underscore the importance of the choice of health IT vendor as an informant, financier, strategic partner and educator. Nursing homes that utilized the vendors in these ways were more successful in their implementation of health IT than other nursing homes. We advise administrators and managers to put a lot of time into gathering the information necessary to make the best possible vendor choice, and to use unbiased sources during this information gathering. We advise that administrators and managers pay particular attention to customization of IT programs and its user interface. Administrators should also ask vendors for assistance in making strategic decisions regarding the implementation process. Most importantly, administrators need to inquire about the nature and quality of training offered by the vendor, both during implementation and afterwards. Given the negative outcomes associated with training only one organizational representative, we advise against this strategy. Lastly, we recommend making decisions about user interface and employee training in consultation with the end-users of the program (see also Lipsky and Agvar 2011). From the perspective of health IT vendors,

participation with the nursing home in a process of co-production of the software would be an excellent market strategy to improve customer satisfaction.

CONCLUSIONS

Blacker and Brown (1986) argued that there are two implementation styles in IT projects: people oriented and technology oriented. A people-oriented approach implies explicit consideration of the experiences of end-users as well as organizational impacts and opportunities. Conversely, a technology-oriented style involves a planned and rational strategy centered on technological considerations, with a relative exclusion of wider social and organizational concerns. In this study, we find that the people-oriented approach is at least as important as the technologically oriented style. Additionally, we find that supply-side organizations could play a very important role in the diffusion of technology by balancing the people and technology orientation.

As predicted by Attewell (1992), we find that the relationship between nursing home administrators and IT vendors is not one focused solely on buying and selling. Vendors are important for breaking down hurdles to adoption and implementation of health IT. First, health IT vendors act as information sources for nursing homes, supplying them with information prior to purchase decisions. Some vendors even assist nursing homes with the up-front costs associated with the adoption of health IT, expecting to recoup these costs through the nursing home's monthly charges. This is important, as administrators frequently lack the information necessary to make informed choices regarding health IT (Bezboruah et al. 2014), and the vendors could fill this gap. Unfortunately, the information provided by vendors could be biased and suffer from information asymmetry (Hansmann 1980), with their own business interests in mind. Second, vendors act as strategic consultants for nursing homes, recommending customized options and implementation strategies. Having the right options, especially the right user interface, is critical for the success of the health IT initiative (Yuan et al 2013). Third, health IT vendors are the most commonly used source of health IT training for employees. This alone would highlight the importance of the health IT vendors, since the proper initial and ongoing training of employees is key to the successful implementation of health IT. Although most public policy initiatives have focused on mandating the adoption of health IT, given the importance of health IT vendors in the adoption process, perhaps some policy should address vendor incentives to properly customize software and train employees.

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MINDFUL MANAGEMENT: LEVERAGING SPIRITUALITY IN THE WORKPLACE AS A MANAGERIAL RESOURCE

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ABSTRACT

Management in a global and dynamic environment requires innovation, creativity, self-assuredness, empathy and as far as possible, freedom from stress. In light of these fluid requirements, researchers in the past have suggested that the process of management and various aspects of business be reviewed from differing angles and inter-disciplinary approaches. The present paper addresses this need and suggests a management model based on the fast growing area of spirituality and religiosity in the workplace (SRW). Its objective is to examine spirituality as a managerial resource that could enable outcomes which could in turn have implications for organizational performance. A model to explore three such outcomes (innovation, stress reduction, and connectedness) is reviewed in this study, and further implications and model extensions are also suggested.

INTRODUCTION

Tune yourself with the creative power of Spirit – Paramahamsa Yogananda

The present study is a response to the call for papers sent out by the Southwest Academy of Management, wherein the practice of management is envisaged as a "calling". While the field of management has been extensively researched for over 100 years, this call provides researchers an opportunity to examine the field afresh and in the light of newer developments within and outside its traditional boundaries.

In view of this invitation, the specific purpose of the current paper is to explore and present the process of management as viewed from the lens of spirituality in the workplace. This is an area that alongside religiosity (SRW), has gained extensive attention in recent times (Neal, 2013; Giacalone & Jurkiewicz, 2010; Miller & Ewest, 2013; Lund Dean & Fornaciari, 2007). One of the aims of this paper is to present some of the possible benefits of spirituality to the manager. As such, the paper focuses on how spirituality might be considered as a resource for managers, especially as an enabler of individual outcomes such as creativity and innovation, stress reduction, and connectedness. These outcomes have in the past been associated with organizational performance, job satisfaction, job involvement and stakeholder relationships (Kolodinsky et al, 2008; Gupta and Singh, 2010) and the present study is an attempt at bringing to light new information to the current field in a similar vein.

The above call from SWAM is indeed timely; for the environment within which organizations function, both immediately and in terms of the larger picture, has seen tremendous upheavals

over the past decade or so. This includes a state of flux in the external environment that few could have envisaged in the boom period of the mid-nineties. Consequently the immediate environment in its various facets too has seen the rise of numerous phenomena worthy of scientific attention such as social entrepreneurship, sustainability, ethics, social justice and, of course, spirituality. It is interesting to note that Professor Judy Neal of the Sam Walton School of Business (2013), suggests that it is in fact spirituality that can be considered as the main driver to other movements such as that of sustainability that have caught public and academic attention over the past few years.

Whether the increased interest in spirituality in the workplace can be attributed solely to the tumultuous environment or to other factors would make an interesting topic for another study, however, it can be said that attention to this area has certainly received an impetus and SRW is now regarded an important issue in organization management (Wong and Hu, 2011).

Researchers point out that possible contributors from the macro environment include social upheavals (Mitroff & Denton, 1999), globalization (Giacalone & Jurkiewicz, 2003), and downsizing (Kinjerski & Skrypnek, 2004). Marques et al. (2007) also suggest that the looming finality of death for a large section of the population (baby-boomers) might also be contributive to the increased interest in spirituality in the past decade. In terms of the task environment, these authors also point out that the increased amount of time spent at the workplace might also motivate the interest of spirituality in the workplace. Moreover, Zsolnai et al. (2011) suggest workers' need for personal development, the democratization of the workplace and demands by stakeholders as possible factors as well. Miller (2007) also argues that employees' need to integrate all aspects of their lives, including the spiritual with the professional, might also be another reason for this dramatic interest in the phenomenon.

Fifteen years ago, Mitroff and Denton (1999) made a bold assertion in their article, 'A Study of Spirituality in the Workplace' in the Sloan Management Review, asking that "spirituality be integrated with management". The present call for papers viewing management as a calling allows for a perfect canvas wherein to reexamine this connection. The current paper is organized in the following sections:

First, we conduct a review of the literature related to spirituality in the workplace. Next, we explore the various facets within management which might be impacted by spirituality. We then present a spirituality based model for management with a special emphasis on innovation, stress reduction and stakeholder relationships. Finally, propositions are presented for further research.

REVIEW OF LITERATURE

What is spirituality and how might it be related to the workplace?

The idea of spirituality has to be clearly understood if meaningful research is to be conducted (Giacalone and Jurkiewicz, 2010). This includes clarity in definitions, which, not unlike other

areas in their initial stages of development such as entrepreneurship or leadership, seems to be quite elusive (Gotsis & Kortezi, 2008). Despite numerous and laudable efforts in trying to understand the concept of spirituality, authors within the management area are still not entirely decided as to what it actually means. Gotsis and Kortezi (2008) in an excellent review of the literature explain that much of the understanding tends to be particularistic emphasizing one aspect of spirituality or another without bringing forth the universal characteristic of the term. Other authors have argued that it is virtually impossible to have consensus regarding the definition of spirituality (Ashforth & Pratt, 2002).

Nevertheless, the importance of having some consensus in understanding this concept is important (Giacalone & Jurkiewicz, 2010) if the field has to be advanced any further. In an effort to move a step forward in this direction, we use the broad definition developed by Shinde (2014) to clarify this ambiguous concept. Spirituality is defined as "*an individual's journey towards finding a Higher Power (irrespective of how this Higher Power is conceptualized, whether as God or as a Higher Self), supplemented by consistent efforts made towards this purpose and characterized by a universal outlook*"

This definition is non-controversial in the sense that it neither excludes a religious viewpoint, nor emphasizes it. In other words, an individual can be religious and spiritual simultaneously; at the same time non-affiliation to religion does not prevent one from being spiritual. Furthermore, this definition is supported by quantitative and qualitative research that the author conducted with subjects who represented three major world religious traditions[1]. The above definition presents spirituality as a multi-dimensional concept and further conceptualizes three main aspects of spirituality – a) Belief in a Higher Power that is beyond sensory perception, b) Consistent efforts to realize and actualize this Power, and c) A universal outlook that characterizes individual spirituality.

Gotsis & Kortezi (2008) in an examination of the field of SRW suggest that most studies in the area can be classified as based on either particular frameworks or viewpoints (such as a religious context) or on consequences of SRW such as the impact of spirituality on various outcomes. Further, Kolodinsky et al. (2008) suggest that most of these studies can be grouped under the main areas of individual spirituality, organizational spirituality and interactive spirituality. Individual spirituality refers to the spiritual values and affiliations that an individual brings to the workplace, organizational spirituality refers to the spiritual culture of the workplace and interactive spirituality is concerned more with the individual and organizational spirituality "fit". The last conceptualization is based on the concept of the person-organization (PO) fit which examines how well individual spirituality might align with organizational spirituality and the

[1] See 'Towards a Universal Definition of Spirituality' (Shinde, 2014)

possible outcomes of such a fit (or a lack thereof). Wong and Hu (2011) contend that workplace spirituality involves the effort to find one's ultimate purpose in life, to develop a strong connection to coworkers and other people associated with work, and to have consistency between one's core beliefs and the values of their organization (Mitroff & Denton, 1999). Further, it includes the recognition that there is an inner life that nourishes and is nourished by meaningful work in the context of community (Ashmos & Duchon, 2000). The emphases here, in line with the previous understandings, are the relational and social aspects.

As the present study is particularly concerned with the association of spirituality with managerial needs, it could be said that it is more concerned with the consequences (rather than any particular context) and under the individual spirituality stream with possible outcomes for organizational spirituality as well.

To understand the consequences of spirituality for managers as individuals, let us examine some possibilities. Many studies related to SRW tend to focus on the impact of various aspects of spirituality upon the individual. For example, Kolodinsky et al (2008) examine the impact of spirituality on employee outcomes such as job involvement, organizational identification, work rewards satisfaction, and organizational frustration; Karakas (2009) examines the impact of spirituality on related aspects such as stress and well-being. A larger number of studies in neighboring disciplines such as psychology and mental health further corroborate the stress reducing impact of spirituality on individuals be they students, professionals or those involved in typically high stress occupations e.g. health care professionals (Hobfoll & Arie, 2012; Holland and Neimeyer, 2005).

Some studies also suggest a link between spiritual practices and increases in brain coherence as well as creativity (Holzel,et al,, 2011; Travis, 1979). A large body of literature further suggests that aspects of spirituality (such as various spiritual practices) can be linked to outcomes such as empathy and connectedness (Delaney, 2005; Holzel,et al., 2011; Koenig, 2008). In a follow up to their study of 1999, Mitroff et al., (2009) further point out that spirituality can result in a leadership and managerial style that is self-assured and secure as opposed to a style that is focused on the avoidance or anxiety. This reorientation towards the "Self" can lead to a better understanding of others (stakeholders) needs.

Based on these studies, it might be suggested that spirituality, especially when viewed as a whole (belief, practice and universality together) could be positively linked to a number of factors which are related to effective management – stress management, compassion and empathy for co-workers and employees (and other stakeholders), and quite importantly creativity and innovation.

Spirituality, stress and management: Managing from a calm center

It has been widely agreed that the amelioration of stress could improve a manager's life and general satisfaction (Albrecht, 2010; Kapoor and Khanka, 2013). Moreover, in dealing and reducing stress levels, numerous studies in the areas of health and medicine suggest that meditation can have a positive effect on stress and anxiety related disorders (Miller et al, 1995). A recent meta-analysis published in the Journal of American Medical Association – Internal Medicine suggests that spiritual practices such as meditation can reduce psychological stress at moderate levels (Goyal et al., 2014). This work has also been supported by authors in the medical field such as Sisley et al., (2010) and Schneider et al. (2005) who illustrated how an effective relaxation practice, such as transcendental meditation can reduce stress levels significantly, in the workplace.

Importantly, low levels of stress could very well be related to pertinent managerial outcomes such as better job satisfaction (through need fulfillment); greater involvement through value attainment (Kreitner and Kinicki, 2012) and organizational citizenship (Kutcher et al., 2010). Considering that spirituality and the associated practices with this is said to be inversely related to stress, it behooves interested parties to explore this connection as it could further managerial efficacy and act as a managerial resource.

Spirituality, connectedness & management: Transcend the self to realize the Self

It seems as though scholars as well as practitioners have forever been making a case for managers to be more concerned with the human and perhaps not so bottom-line oriented aspects of business. Whether it be the classic case of the Hawthorne Studies or the theories of Maslow and McGregor or even the popularly accepted ideas of Carnegie and later, those of Covey; there is an emphasis that management has to be viewed from a holistic perspective that takes into account "soft skills" that can motivate greater performance. Indeed, the latest work by Macky and Sisodia (2013) corroborates the notion of a higher purpose in building strong management teams and businesses.

It is with this in mind that we explore the possibility that spirituality could become a resource for managers to increase performance levels. A number of studies point to spirituality as increasing feelings of compassion, connectedness and empathy towards others. In fact, there is a debate amongst researchers whether connectedness is a definitional aspect of spirituality itself. Some researchers consider this quality as part and parcel of spirituality (Delaney, 2005; Jurkiewicz & Giacalone, 2003; Hicks, 2003) and others consider it more of an outcome of spirituality (Koenig, 2008; Shinde, 2014). Irrespective of these differing views, it is well accepted that spirituality is intimately associated with feelings of empathy and connectedness towards others.

Using the theory of attachment (Ainsworth et al., 2008) as their framework Mitroff et al., (2009) suggest that this is indeed the case because spirituality allows the individual to transcend self-orientation, which is characterized by narrow thinking, self-anxiety and individual aggrandizement and ultimately, function at a more holistic level, characterized by empathy and a genuine desire to understand others. Spirituality therefore, could promote feelings of security and wellbeing that allows managers to broaden their focus and work with lesser regard to individual goals and a greater regard to organizational and stakeholder benefit.

Spirituality, creativity, and management: Meditate to create and innovate

Innovation and creativity can be regarded as two aspects of the same coin, colloquially they may even be considered synonymous. However, technically they are sometimes separated by a fine line – while creativity is the ability to come up with new ideas; innovation can be regarded as the ability to apply new ideas (Scarborough, 2010) Be that as it may, the two qualities are intrinsically related in that one can hardly be innovative if one is not creative. Even if the creativity comes from another source it is still a core requirement for innovation. So what does creativity and innovation have to do with management? And where does spirituality as a management resource fit in?

There is no debate that management in a highly unstable and rapidly changing environment demands innovation and that innovation is the key to social and economic development (Van de Van, 1986). Indeed, numerous high profile cases highlight the danger of not being innovative (Daft, 2014; Gustin, 2013). Whether it is the case of Kodak or Blackberry, both of which are said to have suffered the consequence of being non-innovative, the need for innovation in organizations today can scarcely be overemphasized. And of course, managers are expected to be the drivers of such innovation. From a managerial viewpoint, Van de Van (1986) argues that to understand the process of innovation is to understand the factors that facilitate innovation to include ideas, people, transactions and context over time. Problem is – how can managers act in an innovative manner? And how can they promote innovation? And how can they manage that process successfully?

In Van de Van's article (1986), he outlines 4 factors central in the management of innovation.

1) Human problem of managing attention
2) The process problem of managing good ideas in good currency
3) The structural problem of managing part-whole relationships
4) The strategic problem of institutional leadership.

We propose that perhaps spirituality can provide some answers to two of these core problems associated with developing and managing the process of innovation.

First, Van de van (1986) argues that more successful organizations find it difficult to trigger peoples' action thresholds to pay attention to new ideas, needs and opportunities. Indeed, many organizations are designed to focus on, harvest and protect existing practices thus innovation is lost due *"the limited capacity of human beings to handle complexity and maintain attention"* (pg 594). Many studies since have supported this in concluding that most people have short attention spans and an inability to retain data in the long-term which is reinforced through a culture of distraction in the workplace (Van Dusen, 2008).
However, recent studies suggest that spiritual practices such as meditation can promote brain coherence, which is associated with cerebral cortex stimulation, which in turn is associated with creative behaviors (Colzeto et al., 2012). Lutz et al., (2008) also illustrated that people who meditate where better at completing tasks, had longer attention spans and better sensory-motor skills. Thus, can the practices of spirituality support the human problem of managing attention?

Secondly, the structural problem of managing part-whole relationships (as outlined by Van De Van, 1986) is a key factor in transforming innovative ideas into realities. Van De Van argues that *"innovation is not an individual activity"* (pg 597) but a complex process involving a proliferation of people. Given this, we reemphasize the importance of spirituality in management connectedness towards others as a way of managing the innovation process in bringing ideas to fruition through connecting people.

Keeping in mind the associations suggested above, the present paper constructs the following model for a managerial style that is rooted in the idea of spirituality. The model suggests the following propositions, which the authors intend to test empirically:

Proposition 1

Managers who use spirituality as a resource will show lesser levels of stress.

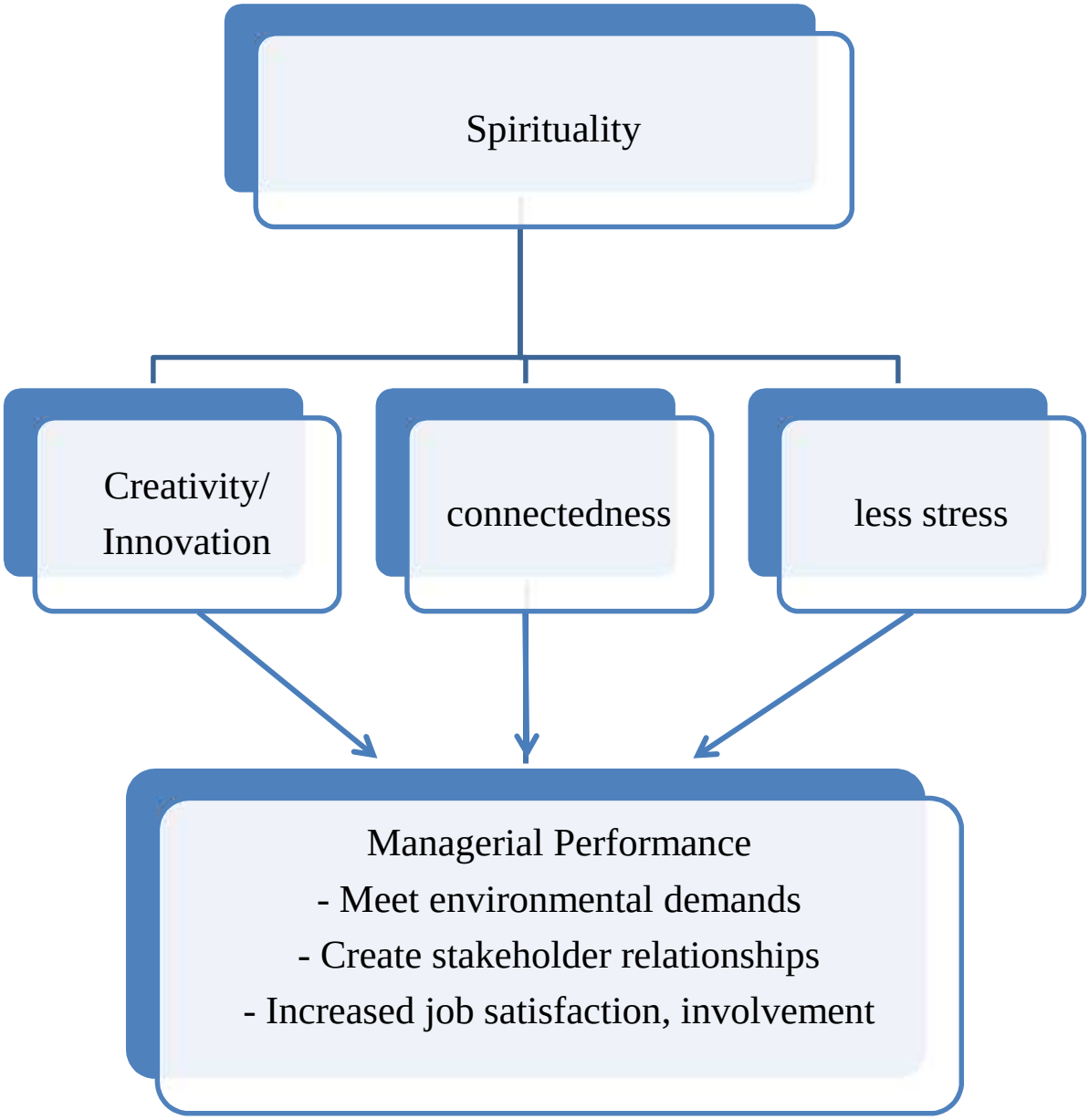
Proposition 2

Managers who use spirituality as a resource will show greater empathy and connectedness towards stakeholder groups

Proposition 3

Managers who use spirituality as a resource will show greater levels of creativity and innovation.

FIGURE 1: A Model to Examine the Spiritual Resource

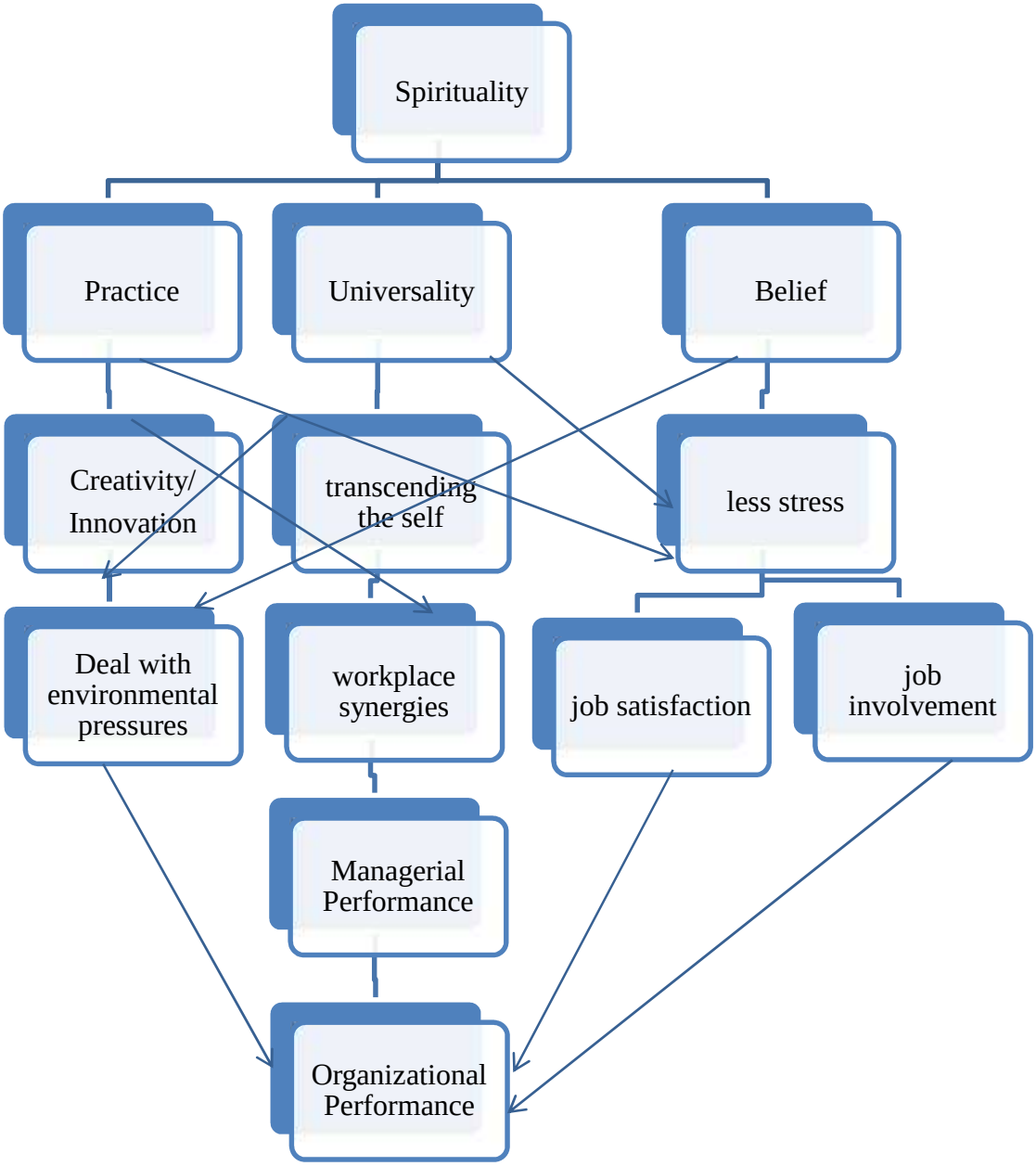


Implications and Model Extensions

These are initial propositions; however, extensions to the model are possible in the foreseeable future. For example, if spirituality is associated with stress reduction, and stress reduction is related to job satisfaction, is there the possibility that spirituality can via the mediating variable of job satisfaction influence organizational or even managerial performance? A similar role may be played by variables such as job involvement and organizational citizenship. Can such relationships be measured via multiple research designs and instruments?

Similarly, what dimensions of spirituality are more or less effective in generating specific outcomes? Most studies emphasize spiritual practices such as meditation, what about other practices such as chanting, prayer, rituals etc.? Is spirituality overall more significant from a resource based view or are individual dimensions of greater value to the organization? Some research suggests that all the three dimensions of spirituality can have an impact on outcomes such as coping behaviors and stress (Koenig, 2000). Figure 2 outlines some of these further implications and avenues for future research.

FIGURE 2: Extended Model for SRW as a Managerial Resource



POTENTIAL METHODS FOR INVESTIGATION

To further the present paper and to test its proposed models, a number of methods could be used.

Method 1:

Participants: Managers and supervisors from multiple organizations that can be divided into two groups: a) Organizations that can be considered "spiritual" based on their mission statements (should correspond to the definition of Spirituality as used in the article), and
b) Organizations that can be considered as "spiritually-neutral".
Each group takes a survey for each of the variables involved Spirituality (independent) and stress, creativity, and connectedness (dependent). Testing would involving measuring and comparing mean scores of each group (spiritually committed group vs. spiritually neutral group)? Comparison of mean scores for each variable can be conducted via an independent samples T-test. A correlation analysis can also be conducted to see if there are significant correlations between the variables.

Method 2

Participants: Managers and supervisors from multiple organizations
Again, subjects will be required to take measurement surveys for each of the variables outlined above. A regression analysis can then be conducted to check if dependent variables are correlated to the independent variable of spirituality.

Method 3:

For testing the extended model, figure 3, a path analysis can be conducted to analyze the role of mediating variables such as job satisfaction. The subjects will again remain managers and supervisors from numerous organizations.

CONCLUDING REMARKS

In this paper, we have presented some initial thoughts on how spirituality can be used as a managerial resource to reduce stress, support the development of connectedness and improve innovation and creativity. In developing this work and testing of our proposed hypothesis, we believe that we will provide new evidence in the field of management as it is related to spirituality and religiosity in the workplace.

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