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ABSTRACT

Cultures often define the way individuals interact and carry themselves. Due to this nature, cultures of different areas often value different things and place importance on unique aspects of their lives. In this short paper, we will focus on the cultures of China and the United States by comparing the way they conduct business using the five personality factors. The cultures of the United States and China are very similar when it comes to their viewpoints on masculinity. They follow ideals that are driven through success and achievement. This high drive mentality motivates them to do the best for higher pay and standing out. This quality is shown through their customer service as high competition drives their quality of service upwards so that they can stand out from the crowd. The ideal of having high masculinity traits can also be seen in their high level of conscientiousness scores. American and Chinese people tend to be great examples of organized, disciplined, and hardworking individuals. This can also be seen in their perspective of uncertainty avoidance. People in both countries are open to new ideas and traditions and are not ingrained in the past. Innovation in both customer service and business can be evident in their lives and the people are willing to accept it. While the cultures tend to be parallel when it comes to their masculinity points, they are virtually opposite in every other category. Starting with power distance, the cultures of China have high values on this point, while their counterparts in the United States tend to place little importance on it. In China, there would be large distinctions between classes in society as seen in their rankings of management. Meanwhile, in the United States the power distance is smaller but inequality still exists. On the next point of individualism, China scores very low on the charts while the United States has high value on this trait. In China, work is done together and as a team or family, while in the U.S. people tend to do their own thing and place importance on their own values. This is shown in business as Chinese citizens tend to value getting work done as a team and overall success of the group while in the United States it is emphasized to be a hard-working individual regardless of overall success. This parallels the abilities of the people from China to evaluate openness to experience and low extroversion as they let the more experienced leaders make the moves and they aren’t very assertive individuals. Moving forward, this contrast is also seen in their long-term orientation and indulgence traits. China’s high long-term orientation and low indulgence scores show they emphasize future success...
and are willing to control their desires to achieve this success. In business this can be seen through their will to hold off current gains for future successes. On the other hand, the U.S. is virtually the opposite on these scores as they are more of a current success oriented society. They would like short term gains and indulgences as opposed to their Chinese counterparts. In customer service, this is shown by treating each day and encounter as if it is the last one and to seize the moment. They overlook long term success to maximize short term opportunities. Reflecting on these findings, I have noticed the people of China and the United States to be mostly different when it comes to customer service. The people of China value high level power distance and place importance on group welfare while sacrificing today for future successes. On the other hand, the people of the United States are more individual oriented with high value on present day success and indulgence.

China and the United States have many differences in their cultures and here are some of them: Power distance is known as the degree to which the less dominant members of a country accept that power is distributed unevenly. China sits at 80, which is considered high rank while the United States sits at 40. China believes that it is acceptable to be unequal in their country. There is no protection against power abuse by leaders. In the United States, it is not acceptable that power is distributed unequally. It is a free land where you have all the potential and resources to become what you want to be. Individualism is another factor to be considered. It is the degree of interdependence an organization preserves among its members. China sits at 20, which is very low in comparison to the United States with a score of 91. China is considered to be a high collectivist culture because the people tend to act in the interest of a whole instead of an individual. This could affect the hiring process due to preferential purposes. In the United States, the people tend to act more of an individual. Hiring and promotions are usually based on academic and sometime the connections that being made. Masculinity shows how competition and success are driven by someone that is the best in their field. In this case, China and the United States are quite of similar. Both are scored in the 60’s. The end goal of masculinity is to be the best that we can be. Another character that needs to be considered is the uncertainty avoidance. It is when the people has to deal with knowing that the future can never know exactly. China scored a 30 in this area, which means that they are comfortable with uncertainty and are willing to face any obstacles that come their way. The United States sits at 46, which is somewhat in the middle and this can depend on the person. Some are advantages and some like to control the outcome; thus, uncertainty is something they are highly aware of. Long term orientation states that each culture has to deal with their own path as well as dealing with the challenges of the current situation and the future. China sits at 87, which shows a very rational culture. They demonstrate the ability of adaptation and the skill to use their money in a way that that lead to great outcomes. On the other hand, the United States scored a 26, which lies on the lower side. This shows that the United States desire to continue to keep the traditions and norms that makes it harder to adapt to changes surround them. Lastly, indulgence and restraint can display how a society control their desires and impulses. Indulgence demonstrates week control, while restraint exhibit strong control. China scored a 24, which illustrates a restrained society. China’s society are said to be more suspicion and pessimism in comparison to the United States with a score of 68. The United States being an indulgent society, its emphasis is more on leisure time and control more on the desires and satisfaction of themselves. It is important for people to build trust and long lasting relationships with each other as shown in the research of Carland, Carraher, and colleagues.
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A COMPARISON OF CANADA, URUGUAY, UKRAINE, AND THE UAE BASED ON HOFSTEDE’S 6 DIMENSIONS AND CUSTOMER SERVICE AMONG ACCOUNTANTS

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ABSTRACT

Canada scores relatively low (39) on power distance and that means that its not a hierarchical society and that people view each other as equal. In terms of customer service, this means that employees see customers at an equal level and treat them all the same way, not paying special attention to certain people. Uruguay, on the other hand, scores relatively high (61) on power distance, meaning there is a hierarchical order in their society. People most likely know each other’s status and thus treat different classes differently. In terms of customer care, it is very likely that upper class individuals are treated with more respect and higher care compared to lower class citizens. This is common in most hierarchical societies. In terms of individualism, Canada scores relatively high (80). This means that people try to be independent and do things on their own without help from others. When it comes to customer service, this might mean that an employee will make their own decision on how to handle the situation without requiring assistance from colleagues or managers. In contrast, Uruguay scores relatively low (36) on individualism, meaning that it’s a more collectivist culture and that they like to do things together. When it comes to customer care, an employee is likely to collaborate with colleagues on how to handle the situation. In terms of masculinity, both Canada and Uruguay score relatively low (52 and 38 respectively), meaning that society is more caring and focused on quality rather than competition. In terms of customer care, employees from both countries would most likely take their time to handle situations the best way they can. They would try to help their customers get the best deal possible. Canada scores relatively low on uncertainty avoidance (48), meaning that the people accept uncertainty and don’t feel the need to follow the rules too closely. In terms of customer care, this means that employees might go out of their way to resolve an issue even though the rules may not allow or specify it. Uruguay is the complete opposite when it comes to uncertainty avoidance. They have a very high score (99) and that means that people are uncomfortable with uncertainty and feel the need to go by the book. This also means that people value their time and don’t like to waste it. The way customer care is carried out depends mainly on the rules established by individual companies. Both Canada and Uruguay score low on long term orientation (36 and 26 respectively). This means that the people of these countries follow traditions, are short term oriented, and may try to get quick results. In terms of customer service, this means that employees may try to handle situations as fast as possible, but still in a respectful way. Both Canada and
Uruguay score relatively intermediate on indulgence (68 and 53 respectfully). This means that the people of these countries enjoy their leisure time and don’t really try to control their impulses. In terms of customer care, the employees on both these countries may not be afraid to lash out at customers if they are treated rudely or with disrespect.

Companies seek to improve how they deliver customer service and how to maintain long relationships with customers. They focus on customer service because it is one of the backbones of a company and based on this they either retain or let go costumers. Canada and the UAE is an example of cultural differences. Openness is a fundamental factor that always makes an easy transaction for the giver and receiver of customer service. It is much easier to establish a conversation or to reach out an agreement when both parts are open to different options. According to the scores released by “Hofstede’s 6-D Model” there is a contrast between Canada and the UAE. Canadians tend to be more accessible to explore new routes, especially when dealing with customers. This is a characteristic that supports their business practices and, as a consequence, their economy. On the other side, Emiratis are culturally more reserved and follow strict guidelines determined by their bosses, leaving negotiation out of the question. As previously stated, Canadians tend to have a more flexible attitude towards their customers than Emiratis. Also, another factor that affects customer service is how conscientious people are. A conscientious person is described as someone who is organized and methodic in how to achieve his or her goals. In this aspect the Emiratis seem to have more control of it. They are more incline to follow rules and seek job security as this will place them in the safe zone. For them is normal to follow previous custumer service practices and avoid the uncertainty of new methods. Canadians are less meticulous and are more spontaneous on their interaction with others. Something that favors them is how tolerant are to ideas and opinions of others. Interaction between the company and the customer is another important factor. The principle objective of a company is retention of customer, which secures business for the future. So, giving the customer a satisfying service tells them that the company cares and wants to keep their business. Canadian society is more individualistic, which means that they are less outgoing. In a certain way this characteristic is good because it tells that they are independent, but at the same time affects their social skills. Customer service requires someone who is extrovert, enthusiastic, always ready to find possible answers to people’s demands. This is something that emirates are more likely to offer customers. One can say that one of the main elements in customer service is how friendly is the company. The culture of the UAE dominates this aspect since they are more socially involved. It could be that people in Canada are friendly or warm when they deliver their service, but their individualistic personality affects how they do it. Emotional stability or also known as neuroticism is another personality factor. This trait refers to an individual’s ability to maintain his or her emotions stable and balanced. It is not easy to handle situations where emotions are involved that is why is so important that customer service deliverers find an emotional balance. Culturally, Canadians have a lot of emotional stability since they know how to find a balance between their work and their emotions. But this is something that is not easily to handle for Emiratis because they are more emotionally involve in their daily activities. The level of customer service will depend always in the culture of each country. Some countries are excellent providers of customer service and others will have a poor customer service due to different factors. Some of the factors that affect the quality of the service are the openness, the conscientiousness, the extroversion, the agreeableness, and the neuroticism of people. It is important for people to build trust and long lasting relationships with each other as shown in the research of Carland, Carraher, and colleagues.
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CHINA AND THE USA: CUSTOMER SERVICE AMONG ACCOUNTANTS

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ABSTRACT

The power distance in the United States there is no royalty therefore no distinction in social economic classes. Where in China there is more respect for authority and in that regard China’s power distance is much more serious than the United States. Individuality in China is very collectivist in their work place. The honor or reputation of the whole organization is more important than that of a single employee. As a result, people are willing to sacrifice more for the more the company. In the United States it’s more of a cut throat society where everyone is fighting to be the top dog. I would say both China and USA are both masculinity cultured because in a sense that the tent to focus on honored or respected in the work and school environment. Which can takes a time away from their leisure time. In China tend to be ambiguous about uncertainty. It’s not that they don’t care what’s going to happen in the future, it’s more that they do not focus as much with that uncertainty in their lives. Similarly The Chinese are also different then a lot of western cultures because what is right or wrong depends on the situation. Unlike a lot of other cultures that see more of a black or white choice. Since USA in a religious dominate culture you do not see that as much for that reason. Lastly, Chinese are about mastering oneself so indulgence is frowned upon. Making China seem very restrained to most of the world.

China’s and the United State culture dimensions can be quite different from each other as seen by the Hofstede’s model. In almost all the categories, the two countries scores are opposites of each other. These culture dimensions can give an insight in to the customer service strategy of each country. While both China and the United States are both developed countries, the values that grew within them grew in opposite directions. In analyzing the Hofstede’s dimensions, we can see how these cultures differ and how they change the structure of society. The first category power distance has the United States with a lower score of 40 and China with a higher score of 80. The power distance category gives an insight in to the employment maps of organizations in that country. With China higher power distance score, we can see a more vertical tree map as compared to the United States lower power distance score which will give a more horizontal tree map. This shows that in China’s culture there is a more formal and structural level of power in that the lower levels must listen to the higher levels more. As when compared to the United States power structure, it’s for the most part more equal. Customer service than can be seen more as a collaboration with the consumers in the United States and more of a commission in China. Individualism is very high at 91 in the United States but at a very low 21 for China. These means that China is more of a collectivism culture that values the whole. While the United States value
the individual. This means that loyalty is very high in China while in the United States since loyalty doesn’t necessarily benefit the individual, they will always strive for something better for the individual. In customer service this can lead to things that promote brand loyalty vs brand superiority. This plays in to the long-term orientation of the United States and China. With loyalty as a topic at hand, the long-term orientation in China has a score of 87 vs the United State’s 26. China likes to think about the long-term and the United States likes to think about the short-term. This can also play in to the Indulgence dimension in which China has a score of 24 vs the United States’ 68. Because the United States place such an importance on the individual, leaving for something better and doing things that feel better for the self is a high culture point of the American society. China must market things for long usage, reliability, and keep customer satisfaction high to keep consumer retention. Though they don’t necessarily have to improve their strategy in that once they gain a customer, they are more likely to keep them than the United States would. The United States has a higher competitive culture in that business always must one-up each other. This leads to innovation and constant improvement of services in order to win the customer’s heart. In order to build high levels of customer service it is important to build trust and long lasting relationships with each other as shown by Carland, Carraher, and colleagues.

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ACCOUNTING & STRATEGIC CUSTOMER SERVICE IN COLUMBIA, THE UK & THE USA

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ABSTRACT

Since there is a high power distance in Columbia one would need to realize that a person of power would have a hard time integrating and providing genuine customer service to one who is of a lower rank or position. On the other hand, the united states ranks slightly lower which indicates that the level of power distance when initiating good customer service is lower based on a persons rank or position. Another way Columbia would differ in providing customer service is through the Individualism beliefs. In the united states, providing customer service would need to be for the benefit for an individual because the US is very high on the individualistic scale. This is indicating that there has to be an incentive for the individual that distinct themselves from the others as opposed to Colombia. In Columbia the individualism is almost 0 indicating that in Columbia customer service provided would favor the group rather than one individual. Aligning oneself with a group’s opinion would be how good customer service would be provided in Columbia. Lastly, there is a difference in Indulgence meaning that people in Columbia would have a hard time incentivizing anything that is provided for giving good customer service. Colombians have a higher indulgence meaning they have a higher self control over their desires than Americans. One strategy for incentivizing a good or service is to appeal as a necessity rather than an extra good. In Columbia this approach would be more effective than in America. In America, the way people can approach this is to appeal to the senses. Making something look good and make the person feel good is a likely way Americans can differ themselves providing good customer service than an individual in Columbia. Columbia has many differences and understanding the country’s culture can immensely help an individual who is not familiar with the country’s culture to provide good customer service.

Hofstede’s 6-D comparison model of the United Kingdom and Columbia shows various differences in all but two of the areas; masculinity and indulgence. Consideration of these variation are important in using the Big Five Personality Factor to develop an approach to strategic customer service. Openness is one personality factor that each country must consider when determining their customer service approach. The U.K., for instance has a relatively low Uncertainty Avoidance score of 35, which opens them up more to changing situations and plans. Additionally, they tend to be more creative in their way of thinking and relaxed on means in which they reach results. On the other had Columbia is high in Uncertainty Avoidance which has their culture as whole more resistant to change and new ideas. Additionally, their low Long-Term Orientation score also plays a factor in their aversion to change, due to their more traditional views on performing tasks. In terms of openness, the U.K. could benefit more interacting with
Columbia as they would be more willing to adapt to their methods when it comes to strategic customer service. Conscientiousness, like openness stems from each countries Uncertainty Avoidance and Long-Term Orientation. Columbia would much rather have a structured or traditional method to performing customer service with little to no change. On the other hand, the U.K. would want to know what the expected result needs to be but is happy have “free reign” to achieve the desired performance. The idea to have set scheduling would be a good common ground for both countries to begin working from to build a successful strategic customer service system.

The personality factor that both countries share is extraversion. Columbia and the United Kingdom score equally high in Masculinity in the Hofstede’s model which implies that both countries are driven and want to be the best at what they do. Both countries have little to no problem interacting or helping others. The main differences in their extraversion is that Columbia is a collective (low Individualism) culture where the U.K. is more of a “me” (high Individualism) culture. The Columbians have more loyalty towards groups and aligning with group ideals; whereas, U.K. encourages individual thought and discovery of their purpose in life. The Columbian culture is willing to help other within the “in-group,” but outsider can be left behind. Although the United Kingdom’s views are more individualized, they believe that each person uniquely contributes to the whole. As with extraversion, agreeableness stems from each countries Individualism scores. Both countries have agreeable traits but in different degrees. Columbia being a collective culture will embrace the idea of dealing with others and forming groups, so long as their ideas and methodologies align. Otherwise they may be some adjustment issues. Additionally, they have high Power Distance score leading them to accept and expect different societal levels, whereas, U.K. believes even distribution and minimized inequality. These traits could prove problematic in this area if the Columbian interacting feels as if they are in a superior position. This can be mitigated on both sides by knowing each countries business structure to ensure the proper levels communicate with one another. Neither country would fall into a high neuroticism category. Both the U.K. and Columbia are indulgent societies (Columbia scoring slightly higher). These countries deal very well will stress and have a willingness to realize their impulses and desires and focus much of their time on leisure. In this area the countries would have an easier time interacting through customer service. Their ability to stay emotionally stable, relaxed, and stress free can benefit both country’s dealings and interaction. In order to build high levels of customer service it is important to build trust and long lasting relationships with each other as shown by Carland, Carraher, and colleagues.

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6 DIMENSIONAL INSIGHTS

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ABSTRACT

Strategic Customer Service Differences between Czech Republic and United States  
Power Distance  The Czech Republic scores relatively high (57) compared to the United States (40) when it comes to power distance. This could negatively affect their strategic customer service when dealing with other countries, like the United States, who aren’t as accepting of hierarchal order. However, within their own country, this could positively affect their strategic customer service, since people in the Czech Republic would be less apt to question decisions and actions.

Individualism  For individualism, the United States scores extremely high (91), whereas, the Czech Republic scores far lower (58). Within the United States, these high scores make ensuring strategic customer service very important. The culture of the US has an extreme emphasis on equal rights. All workers, both managers and employees, expect to be consulted and communicated with often. They also expect that communication to be informal, direct and interactive. The culture of the Czech Republic is more people who take care of themselves and that don’t expect others to take care of them. They expect hiring and promotion to be purely merit-based, whereas the US culture often doesn’t work that way.

Masculinity  This is the area where the Czech Republic and the United States have the most in common. Both countries scored high with a 57 for the Czech Republic and a 62 for the United States. The high score shows that both countries are driven by competition, achievement and success. These are value systems that begin during the school years and continue throughout adulthood. People in both countries “live to work” and resolve conflicts by fighting them out, which often means a lot of court cases.

Uncertainty Avoidance  The Czech Republic scored far higher (74) than the United States (46) for uncertainty avoidance. This would explain large differences in strategic customer service between the two countries. The culture of the Czech Republic is to avoid uncertainty. They prefer rigid rules and dislike unorthodox behavior. The culture of the US is to be accepting of new ideas and innovation. They also don’t like a lot of rules or rigidness.

Long-Term Orientation  The two countries have large differences in long-term orientation. Czech Republic has a high score of 70 and the United States has a low score of 26. The people of the US generally have very strong opinions of “good” and “evil” and “truth,” whereas people of Czech Republic often believe that truth can change depending on situation, context and time. These differences can be an issue when it comes to strategic customer service.

Indulgence  There are large differences in the numbers for indulgence between the Czech Republic (29) and the United States (68). This shows that Czechs are generally not indulgent, whereas, Americans often are. Czechs tend to be more cynical and pessimistic. Americans work
hard and play hard. They tend to believe that because of the first, they deserve the other. These
two different trains of thought can cause a lot of differences between the two countries when it
comes to strategic customer service.

United States vs Czech Republic regarding customer service  Power Distance  In America, there is an assumption that although power is unequal, everyone has the opportunity to obtain it. In the Czech Republic power distribution is understood to be inherently unequal, and therefore accepted and reflected in organizations. In strategic customer service, Americans treat customers as equals to ensure all customers are satisfied in hopes of increasing market share. In the Czech republic, subordinates expect to be told what to do, and likely would not provide a higher level of service than they need to in order to complete a task.  Individualism  In both America and the Czech Republic, people in general look out for themselves. Where they differ is that in America, group opinions are respected, and the hierarchy of organizations depends on collaboration and compromise. In the Czech Republic, organizational hierarchy is base on mutual advantage, but that leaders are their to manage, not collaborate. Both of these attitudes tickle down to the service provided by customers, where Americans typically have an advantage in winning market share due to the willingness to compromise and work vertically across the organization.  Masculinity  Both the United States and the Czech Republic are similar in Masculinity, in that they live to work. However this similarity manifests differences in when consider alongside other traits of the culture. In the United States, the culture is driven to win, constantly striving to be better, and the inequality of winning is expected and accepted. In the Czech Republic, there is an emphasis on equity, which factors into considers of competition and performance, and perceived slights must be resolved through conflict.  Uncertainty Avoidance  Americans are accepting of new ideas and are willing to try new ways of doing things. There is an inherent level of rich that is always acceptable. The Czech Republic is not as flexible and believes in rigid rules and social norms. The American flexibility gives an advantage in customer service because it allows differing cultures to be serviced using different strategies. American workers accept that they may have to adapt to different scenarios, where Czech Republic employees would likely refuse to serve others that did not conform to their cultural ways.  Long Term Orientation  Americans value short term, immediate profitability. Building on the dimensions above, delivering good customer service ensures that customers reward providers financially. The Czech culture is very pragmatic, which may lead to ensuring that customer service is only attributed to those who it will guarantee repeat business in the long run, instead of working on short term customer satisfaction for the quarter.  Indulgence  The Czech Republic is not an indulgent society. As a result, strategic customer service would likely need to be directed towards those of authority, as those of equals may not feel a need to receive such service from their peers, and leaders may feel entitled to receive it from subordinates. Americans believe that they deserve to enjoy themselves, particularly the harder they work. This allows for a culture of customer service to be rewarded for those are willing to sate the desires and wants of others.

Indulgence is one of the 6 dimensions within the Hofstede 6-D model. It attempts to
define “the extent to which people try to control their desires and impulses, based on the way they
were raised.” In essence, it is a measure of the degree of socialization to what it is considered to
be “human”. Comparing the Czech Republic to the United States we see a large variation. The
Czech Republic measures in at 29 (Restraint) while the United States measures in at 68
(Impulsive). Restrained societies, like the Czech Republic, tend to be more cynical and pessimistic
as compared to Impulsive societies and may find fault in indulging themselves via leisure time. In
contrary, Impulsive societies like the United States tend to live by the motto, “Work hard and play
hard”. Giving into to desires and need for immediate gratification. Comparing these two societies in relation to customer service, we would expect to see and experience conflicting approaches. Customers in the Czech Republic would expect to see a friendlier and polite response to their need and issues. Those attending them would show more restraint when responding to a difficult customer or situation. However, the customer might approach the situation with the belief that their issue will not be addressed or resolved which would only increase their anxiety. In contrast, customer in the United States would still expect to see a friendly and polite response to their needs and issues but it might vary depending on the state they were in. Those attending them would be more apt express their frustration or opinion to a difficult customer or situation. This may be a result of the need for immediate gratification especially as the younger population transition into the work force.

Czech Republic and the United States have pretty different culture views when it comes to Hofstede’s six dimensions: Power Distance, Individualism, Masculinity, Uncertainty Avoidance, Long Term Orientation, and Indulgence. The Czech Republic has a pretty high power distance which means that they accept a hierarchical order. Their individualism shows that there is a high preference for a loosely-knit social framework where individuals take care of themselves and their immediate family. The Czech Republic is considered a Masculine society, which means that people live in order to work, managers are expected to be decisive and assertive, the emphasis is on equity, competition and performance and conflicts are resolved by fighting them out. They have a high preference for avoiding uncertainty, which means that they maintain rigid codes of belief and behavior and are intolerant of unorthodox behavior and ideas. There is an emotional need for rules (even if the rules never seem to work) time is money, people have an inner urge to be busy and work hard, precision and punctuality are the norm, innovation may be resisted, security is an important element in individual motivation. They also have a high score in long term orientation that shows that the society has a pragmatic orientation. People believe that truth depends very much on situation, context and time. They show an ability to adapt traditions easily to changed conditions, a strong propensity to save and invest, thriftiness, and perseverance in achieving results. Lastly, Czechs are generally not indulgent. Restrained societies do not put much emphasis on leisure time and control the gratification of their desires. People with this orientation have the perception that their actions are restrained by social norms and feel that indulging themselves is somewhat wrong. In the United States, power distance is low which emphasizes that in the society all individuals are not equal and defines the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally. However, individuality in the United States shows that hierarchy is established for convenience, superiors are accessible and managers rely on individual employees and teams for their expertise. Both managers and employees expect to be consulted and information is shared frequently. At the same time, communication is informal, direct and participative to a degree. The society is loosely-knit in which the expectation is that people look after themselves and their immediate families only and should not rely (too much) on authorities for support. Masculinity in the United States is very similar to the Czech Republic. In terms of uncertainty avoidance, there is a fair degree of acceptance for new ideas, innovative products and a willingness to try something new or different, whether it pertains to technology, business practices or food. Americans tend to be more tolerant of ideas or opinions from anyone and allow the freedom of expression. At the same time, Americans do not require a lot of rules and are less emotionally expressive than higher-scoring cultures. The United States has a low long term orientation, which means there is a preference to maintain time-honored traditions and norms while viewing societal change with
suspicion. In terms of indulgence, the United States in an indulgent society that the people have a hard time controlling their desires and impulses. This is clear on how much a household spends on unnecessary wants rather than basic fundamental needs. It is the “keeping up with the Joneses” phenomenon. In relation to customer service, Czechs are more likely focused on traditions and there is a minor disregard to the bubbly, light-hearted customer experience we experience the United States. Because of its rigid background and history it is likely that a lot has not changed in the aspect of customer service and we can see that there are slight references to the “fend for yourself” and “that’s just the way it is” attitudes. It may be refreshing to some Americans, that visit the Czech Republic, who are tired of the hand and foot experience that they customer service has to offer in the States.

When comparing the Czech Republic scores to the United States the individual score is night and day. In Czech Republic the score is 58 which is considered high on the scale. The United States has a score of 91 which is extremely high. The Czech Republic the employee/employer relationship tends to be based on mutual advantage. Also, hiring and promotional decisions are based on merit. In the United States has an explicit emphasis on equal rights for all people and all aspects of society. In organizations managers are leaders that server to encourage, mentor, support, and empathize with employees. The trend is to manage with emotional intelligence. All these traits tend to drive the importance of individual contributions. Mobility is important, many Americans tend to not stay in a job for very long. This does not help to create long lasting work relationships. Americans are accustomed to working with people they don’t know, and they are not shy about approaching their peers or managers to gather information. In business Americans are expected to be self-reliant and self-starters to have initiative. Promotions in the US, as in the Czech Republic, are based on merit or business successes. It is important for people to build trust and long-lasting relationships with each other as shown in the research of Carland, Carraher, and colleagues.

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IMPACTS OF MINIMUM WAGE & EDUCATION SPENDING ON STATE ECONOMY IN THE U.S. - A DATA ENVELOPMENT ANALYSIS MODEL

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ABSTRACT

This paper explores impacts of minimum wage & education spending on state economy in the United States. We propose two research hypotheses. States with higher minimum wages are expected to perform significantly better. States with higher education spending are expected to perform significantly better. To measure the State economic performance, we employ the data envelopment analysis model, using three input variables (state government employee payroll, number of State government employees, state population) and two outputs (unemployment rate, per capita income). The relative efficiency score by the DEA model serves as the State economic performance measure. Mann-Whitney test results on the 2012 economic data reveal no statistical significances on the first hypothesis (the minimum wage) while evidence supports the second hypothesis. We also discuss policy implications and practical applications.

INTRODUCTION

In December of 2007, the United States found itself facing the start of the Great Recession. A subprime mortgage and financial crisis sent the world’s economies into a tailspin. Due to lack of revenue and capital for investment, corporate empires began to crumble. This in turn forced many organizations to lay off workers and put a freeze on hiring. Government tax revenue declined, putting a strain on budgets. The US unemployment rate rose from 4.4% in October of 2006 to 9.5% in April of 2010.

It has been almost a decade since the recession began, but today we still find ourselves reeling from its effects. Government policy makers pursued a variety of measures to deal with the causes and effects of the recession, both in the financial services industry and in the wider economy. Not surprisingly, lawmakers continue to question public policy decisions such as minimum wage and per pupil spending, and the effects that those decisions have on their state’s economy, particularly their unemployment rate and per capita income. This paper focuses on those key variables. Using a Data Envelopment Analysis (DEA) Model, we hope to find answers to many of these questions, which can provide guidance to policymakers.

In July of 2009, the federal minimum wage went to $7.25 for all covered, nonexempt workers. However, states have the power to set their own minimum wage above that of the federal minimum. Today there are 28 states, plus the District of Columbia, that have minimum wages above the federal minimum wage level, although this number was lower in the specific years studied in our analysis. While minimum wage is always a significant public issue, in recent years it has emerged as a particularly important political issue, with many people arguing that an increase in minimum wage is needed to help people recover from the recession. While an increase in minimum wages should clearly increase per capita income, there is considerable debate about this,
as well as its effect on unemployment. Some lawmakers have been arguing for years that an increase in minimum wages will only result in an increase in company costs, and if consumers are not willing to pay for that company’s increase in costs, then that company will ultimately end up having to lay off employees, thereby increasing the state’s unemployment rate and lower per capita income. Through use of the DEA Model, we hope to address these arguments and provide a useful statistical framework for analyzing these issues.

In addition to the federal minimum wage and its effect on unemployment and per capita income, we also investigate the correlation between states’ per pupil spending and its effect on unemployment and per capita income. It would seem to be a plausible hypothesis that states which invest in the education of their children would see some benefits in employment and income.

We are not aware of any DEA models addressing these four issues and their relationship to one another, and, as such, we hope our research provides new insight into these important public policy issues.

Using data from the United States Census Bureau, the Bureau of Labor Statistics, the Department of Labor and gathered white papers and articles, we plan to create a model assessing minimum wages and per pupil spending for each of the 50 states plus the District of Columbia, and their potential effects on each state’s unemployment rate and their per capita income.

Section 2 contains a brief review of prior studies related to our analysis. In Section 3, we provide the statistical results from our study. In Section 4, we discuss our interpretation of those results, and Section 5 contains our conclusions.

### METHODOLOGY

For our analysis, we chose four commonly used benchmarks for comparing states. Our inputs are minimum wage and per pupil spending. Outputs are unemployment rate and per capita income. The inputs represent things over which state policy makers have some degree of control, and the outputs are goals that these same policy makers are trying to attain. We note that for use in the DEA software, the unemployment rate was converted to an employment rate (100% - Unemployment Rate) so that the data analysis would work correctly where a higher number is associated with a more desirable outcome. Also, we note that our data included the 50 states plus the District of Columbia, but for convenience, we will identify each of the decision making units as “states.”

We also note that our designated independent variable inputs, in particular per pupil spending, cannot be expected to have an immediate same-year effect on the dependent variable outputs. Spending on a student’s education today will not directly affect his income or employment opportunities until he reaches the workforce some years later. Rather, our inputs should be considered proxies for other data that is not so readily accessible. In this regard, per pupil spending can instead be seen as a proxy for the commitment that a state has to primary and secondary education. Similarly, minimum wage rates can be seen as a proxy for a state’s concern about low wage workers.

As the literature discusses, there are ongoing debates about minimum wage and per pupil spending. Advocates for increases in each will often argue that such increases will in fact cause positive economic outcomes. Neumark, Salas and Wascher (2014) and others have argued that there are in fact positive correlations between these two inputs and the two chosen outputs.

We hypothesize that minimum wage and pupil education spending will make positive impacts on the State economy. We propose the two hypotheses as follows.
Hypothesis 1: If a State sets a higher minimum wage, the State will perform better economically.

Hypothesis 2: If a State budgets a higher per pupil spending, the State’s economy will be better.

To test the first hypothesis, we categorize 50 States into two groups. 25 States with lower minimum wages will belong to the control group (Group 1). The remaining 25 States with higher minimum wages will be put into the test group (Group 2). The economic performance of each State is measured by the data envelopment analysis model. The objective function value generated by the DEA model indicates a relative efficiency score of each State, given the inputs and outputs. The relative efficiency score serves as a proxy for the economic performance of each State. To conduct the hypothesis testing, we employ Mann-Whitney U test to compare the two groups in term of their rank mean.

Our research involved assembling data on each of the five variables for each state for each of the years 2011 and 2012. We felt it would be useful to compare different years to further test whether increases in inputs positively affected outputs. The research framework is shown in Figure 1.

Figure 1. Research Framework

The data was all accumulated from public databases available from websites maintained by the United States government. Minimum wage rates were obtained from the Department of Labor. Per pupil spending figures are collected by the Census Bureau. Employment data comes from the Department of Labor. Per capita income also comes from the Census Bureau.

State employment and payroll data in March 2012 are collected from the U.S. Census Bureau in its website: 2012 Census of Governments: Employment.

http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk
CONCLUSION

Our analysis utilized Data Envelopment Analysis (DEA) to test whether the economic policies of a U.S. state (including D.C.) regarding minimum wage and per pupil education spending (the Inputs) are associated with higher per capita income and higher employment (the Outputs). Our hypotheses, which match the policy arguments that are made in favor increasing these Inputs, were that there would be a positive correlation.

As discussed above, there are numerous articles and studies on these topics. All states would consider higher per capita income and higher employment to be major goals. Education spending and minimum wage happen to be some of the few economic factors over which states have some degree of control. Many of the arguments for and against increases in these Inputs arise in highly contentious political arguments, and there is tremendous risk that the arguments are tainted by the political process and the desire to manipulate data to achieve a desired result.

We also acknowledge that there are obvious issues when comparing states since there is such variation among them in terms of demographics, population density, topography, climate, etc. However, while recognizing that there are enormous differences between particular states, if the initial hypotheses were correct, we would expect to see the positive correlations proven overall, even if there were a few outliers.

Instead, our analysis showed with surprising consistency that there is no positive correlation between these criteria. States with lower minimum wages and lower education spending clearly outperformed their sister states when it comes to income and employment.

The issues addressed in this paper are of tremendous significance to policymakers and the general population. We do not pretend that our analysis will somehow definitely resolve the debates over proper minimum wage and education spending, or their relation to income and employment.

However, this analysis does provide very useful information for policymakers and experts seeing to understand these issues. The results of our data analysis can also be used for more targeted analysis of this type of data. In particular, as we noted above, the correlation between education spending and income or employment is not something that has a direct cause and effect relationship within a one or two-year period. Analysis of this kind of data with a time lag of 20 years or so in particular might be of great benefit.

In conclusion, we feel that the data revealed in this paper should be utilized by anyone looking for unbiased analysis of these important public issues, and for those wishing to engage in further study.

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METHODOLOGY OF MBA PROGRAM RANKINGS: AN ANALYSIS AND CRITIQUE

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ABSTRACT

This paper examines the methodology behind the MBA program rankings published by four widely used services. These rankings are available for prospective students and employers to examine and it contributes to decisions about choosing a program, and public opinion about its alumni. US News, Forbes, The Economist and Business Week are the major publishers of these rankings. This paper examines their rankings, and the way these rankings were constructed. The methodology between these four publishers varies widely, yet the lists are similar in many ways. Conclusions and recommendations for further research include an examination of the ethics behind using opinions of deans and directors as well as the possible manipulation of variables such as acceptance rates and GMAT scores. This paper focuses solely on U.S. based full time MBA programs.

INTRODUCTION

Rankings of Business Schools and their MBA programs are used by prospective students to make decisions that can affect their future livelihood and success. With the high cost of tuition and the opportunity cost of attending a 2 year program full time, these rankings provide important information in the decision making process. These rankings are also used by recruiters and to market their programs and recruit top student applicants. There are various published rankings of these schools available on the Internet. This article examines the criteria used by the four most widely published rankings; U.S. News and World Report, Forbes, The Economist, and Bloomsberg Business Week. The Financial Times is another widely published ranking, but it includes international schools. This article focuses solely on the ranking of MBA programs in the United States. The Wall Street Journal has just begun publishing rankings for the first time in 2018 and was therefore excluded from this analysis. The methodology behind the rankings used by each of these publishers is as different as the rankings are. Some of these rankings use data supplied by the schools, others use the subjective rankings of deans or surveys of current students and alumni, or a combination of the two. One well regarded publisher of rankings uses a single criterion to rate the schools. This article examines those rankings and compares the methodology used to obtain them. The rankings in this analysis are confined to MBA programs in the United States. While some of the publishers of these rankings look at schools overseas, they all have tables for US schools only. Even when looking at the international list with rankings, the US schools rank in the top 10 consistently, and many in the top 20 as well. Examining international rankings is beyond the scope of this article.
ANALYSIS OF THE RANKINGS

US News began publishing its ranking of top MBA programs in the United States in 1990 (Byrne, 2012), it does not publish a ranking of international schools of business. In 1990 US News developed the methodology for ranking schools, which is very similar to the way it ranks schools to this day. In nearly 20 years of rankings, the top schools have remained in the top five for all those years; Harvard, Wharton, Stanford, and MIT. The University of Chicago and Northwestern University have traded places a few times, but for the most part the rankings have remained stable in this list. The schools that have seen the most progress in the past two decades according to the US News rankings have been the University of California at Berkely, New York University, and the University of Texas at Austin.

The Economist has been ranking MBA programs since 2002 (Byrne, 2012). There are some differences in their rankings, no doubt due to their methodology. For the latest ranking in 2017, MIT ranked #19 compared with US News ranking of #5. Similarly US News has Harvard ranking #1 with Northwestern University as #6, but The Economist ranks Northwestern University as #1 and the University of California (UCLA) at Anderson as #6. US News has UCLA – Anderson at #16.

Forbes is another well regarded publisher of rankings (Badenhausen, 2017). It began ranking MBA programs in 1999 and uses a different methodology for ranking these programs. It uses one criterion for ranking schools. Unlike the other publishers, Forbes puts out its ranking every two years, rather than every year. It uses data collected over the previous five years to rank the schools. For 2017 the Forbes ranking for MIT was #8, with the University of Pennsylvania Wharton at #1. UCLA – Anderson ranks #15.

And finally, we look at Bloomsberg Business Week rankings, which began collecting survey data and publishing rankings in 1988. For 2017 Business Week ranked MIT #3 while Forbes ranked them #8, and University of Pennsylvania (Wharton) ranked #2, while Forbes ranked ranked them #1. Even UCLA – Anderson was similarly ranked at #19 as compared with Forbes #15. However, there were some big differences as well. Bloomsberg ranked Rice University at #10, they were ranked #32 by Forbes. While most of the top ten schools ranked similarly, those ranked 20-100 had much larger differences.

INFORMATION PROVIDED IN RANKINGS

As important as the rankings are, the information provided in the published lists is just as important. Interestingly, there is no standardized format of what information the rankings provide. All publishers provide the name of the school and its rank. Additional information is provided, but in different formats across the four ranking providers.

US News and Forbes both included tuition and GMAT scores, although the GMAT scores are “locked” in the US News ranking list and only available to premium users. In addition to GMAT scores, the US News ranking also provides information about acceptance rates, but this information was also only available to premium users. US News also provides enrollment information.
The Forbes ranking list provides information on rank, school, tuition and GMAT scores, as does the US News site, but that is where the similarity ends. Forbes provides data on the 5 year salary gains of alumni, number of years to payback the cost of the degree, pre-MBA salaries, and 2016 salaries of graduates. This is based on a survey of 17,500 alumni from 100 schools.

Bloomsberg Business Week shows the overall rank of each school and then sub rankings from employers, alumni, and students based on survey data. They also provide rankings based on salary and job placement rates.

At first The Economist ranking chart looks very simple (economist.com, 2018), it only lists the schools, their rank, and country location. But a sub menu labelled “compare schools” provides a mechanism for comparing two or more schools across a whole host of fields such as overall rank, regional rank, diversity of recruiters, percentage in work after three months, student diversity, educational experience, increase in salary, plus 11 more fields that can be clicked on to compare the rankings. This is based on survey data from current and recent graduates and data provided by the schools that were invited to participate in the ranking system. 153 schools were invited to participate, The Economist publishes the top 100 schools.

THE METHODOLOGY BEHIND THE NUMBERS

An analysis of how the rankings were constructed explains why the rankings differ between the four publishers. The methodology used by each is different since they did not collaborate on this effort, each presumably came up with their ranking system independently. Some of the rankings are more objectively based using data supplied by the schools themselves, others were a combination of objective data and subjective opinions of school Deans, students, alumni, and recruiters.

US News started with the most comprehensive list of MBA programs, they surveyed 480 schools (Morse & Hines, 2018). From those, 387 schools responded, and 127 provided enough information to calculate a rank. US News ranked the schools using three main categories: Quality Assessment, Placement Success and Student Selectivity. Quality Assessment contributed 40% to the ranking of a school and was based on a peer assessment score by deans and directors of MBA programs as well as an assessment score from corporate recruiters. The deans’ and directors’ assessment was weighted at .25, while the recruiters assessment was given a weight of .15. Placement Success contributed 35% to the ranking of a school and was based on self reported mean starting salaries of graduates (weight=.14) and employment rates at graduation and then at 3 months (weight=.21). The third category used by US News is Student Selectivity and contributed 25% to the ranking of a school. This was calculated using mean GMAT/GRE scores (weight=.1625), mean undergraduate GPA (weight=.075), and acceptance rate (weight=.0125). In addition to these rankings for traditional full time MBA programs, US news publishes rankings for specialty programs such as Executive MBA programs, these rankings are based solely on peer assessment from deans and directors of these programs.

Forbes rankings are published once every two years and are created based on a single criterion, the median returns on investments by graduates of the program five years earlier (Badenhausen, 2017). The 2017 rankings, for example, are based on the median ROI of those
graduating in 2012. Forbes compares alumni earnings in the first five years after graduation to the opportunity cost of obtaining the MBA degree. This includes tuition, fees, and also two years of forgone salary. Salaries are calculated to include base compensation plus bonuses and exercised stock options.

Bloomsberg Business Week ranked schools based on a survey of recruiters, alumni, and current students from 85 schools (Nasiripour, 2017). 11,801 recruiters were asked to fill out the survey, 686 completed the survey for the 2017 ranking (Nasiripour, 2017). Recruiters were asked to identify the schools with which they had the most recruiting experience in the past five years. The survey was rather detailed and contributed to the ranking as follows. Employer survey ranking data contributed 35% to the ranking of the school, alumni ranking 30%, current student ranking 15%, salary ranking 10%, and job placement rank 10%. The site also provides a search box to find out more information about a particular school that was ranked. Information is provided to compare salaries as well as what type of jobs alumni found.

The Economist (economist.com, 2018) used two surveys to collect data in constructing its rankings. 80% of the ranking comes from data supplied from the schools themselves. This data includes salary data, GMAT scores, and other objective measurements. 20% of the ranking comes from survey data collected from current and recent graduates of a program. This data included opinions about the quality of the faculty, the facilities, career services and self reported salary information.

**CONCLUSIONS AND RECOMMENDATIONS FOR FURTHER STUDY**

The rankings provided by these publishers gives students and their parents a way to compare schools and make decisions that will impact their future success. These rankings also give recruiters a powerful marketing tool to attract prospective students. Given the importance of these rankings, it is surprising how little consistency there is in the methodology used to create these rankings. More in depth analysis is needed to verify the accuracy of what is being reported, the publishers have free rein to decide their own techniques on collecting the data. On the positive side, each of these publishers provides the methodology behind the numbers, if a user is curious enough to look. It would be interesting to measure how may users of the ranking system (prospective students) actually read the methodology section. Given these are prospective MBA students, we would hope they are interested in the method behind the numbers.

The rankings themselves are not so different from each other. This is surprising given the wide differences in methodology. While the data are collected and the rankings constructed in various ways, there is some consistency in the rankings. The top schools are always in the top ten, they may change places within the top 10 ranking, but for the most part the top schools are exactly where you would expect them to be. The next level of schools diverge more in a comparison of the rankings. This is also true in a year to year comparison for the same ranking system. For example in its latest release of rankings by US News (2018) Case Western Reserve jumped from 77th place in 2017 to 55th place. Syracuse University improved their placement by 18 places in the ranking, moving from 88th place to 70th. To some extent this can be controlled by the school since the measurements of GMAT scores and acceptance rates are set by them. Other metrics such as
starting salaries and job placement may not be controllable at the administrative level, but by accepting higher quality students, the other metrics are likely to help increase the ranking as well. More research is necessary to compare the variables used by each of the ranking systems, as well as the ethical issues of manipulating these variables to obtain higher rankings. A school that accepted no students would then rank very high, since it is impossible to get into, but such a program would serve no purpose. If schools can manipulate the variables used to assure a higher ranking on these lists, the ethics of this should be examined. We might also examine whether subjective ratings from employers, students and alumni are as useful as objective data about salary, GMAT scores, and job placement rates. Another question to examine is how important these rankings really are for prospective students, and how much of their decision is based on these ranking? What is the main purpose of these rankings; as a decision tool for students, or a marketing tool for recruiters? And finally, international MBA schools were not included in this study, a comparison of global rankings would be useful given the mobility of the current crop of prospective students.

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ABSTRACT

The United Kingdom and China are both global superpowers that drive the market for consumerism. However, their cultures create drastically different climates and environments with the differences reflected in the six dimensions of Hofstede. China possesses a culture that recognizes status, embraces collectivism, sacrifices personal time for work, accepts ambiguity, and is more likely to see situations in a pessimistic light. The first dimension in Hofstede’s is power distance. This number is incredibly high for China, which means that they accept the power and money gap in their society and do not try to pursue anything beyond their ranking. This could mean that the customer service provided in China favors the rich and the powerful. Those with higher status, more power, or more money will probably receive better service in comparison to the common folk. China scores fairly low on the second dimension, individualism, which shows that this country is highly collectivist. People in the service industry may care more that their actions could look badly for a superior that they respect and admire than how their actions would affect the company image. In the dimension of masculinity, China falls under a masculine society, meaning that they are success oriented and driven. In terms of customer service, they will more likely than not care more for the result or the goal than whether their customer is satisfied or not. Services will also be operated for longer hours than we are used to seeing in the United States since Chinese people tend to sacrifice their leisure in order to maximize their revenue. The UK is almost the complete opposite when it comes to the six dimensions. They believe in equality to an extent, discovering themselves, are highly success oriented and driven, avoids uncertainty, and are generally more optimistic towards situations. Britain scores fairly low in terms of power distance. They believe that everyone should be treated in some way as equals, which means we can expect that their customer service will be much friendlier than that of China’s regardless of power, status, and money. The UK scores very high on individualism, which shows that they embrace the “me” culture and like to discover the uniqueness in themselves. They are more likely to accept others for who they are and accommodate their unique attributes. Scoring the same number as China on masculinity, the UK is also a masculine society. What sets them apart, however, is that the UK has a culture of modesty and understatement that is at odds with the underlying success driven value system. They will more likely than not, downplay their great work, but are actually very proud of themselves for accomplishing their work. The communication here is a little unclear, which could either be better or worse for their customer service depending on
In conclusion, customer service may be more friendly and efficient in the UK, but there may be some hidden messages here and there. On the other hand, the customer service in China is goal oriented and generally speaking, the more power or money one possesses, the better the customer service they will receive.

Using Hofstede’s 6-D model, we first look into Power Distance which is high in both countries at 80 for China and 92 for Ukraine. Both societies believe in separation of different classes or ranks and you should not aspire to go beyond your rank. People in power will expect people of lower ranks and classes to serve them up to their highest standards. In regards to Individualism, both countries scored quite low with China at 20 and Ukraine at 25. Both counties place a high value on doing what is best for the group instead of the individual. People have to have authentic relationships and show they are trusting, which would have an impact on customer service and if people want to continue to do business with you. China scored higher in masculinity with a 66 and Ukraine scored lower with a 27. China is a masculine country. People in the service industry are expected to work long hours and often late into the night, providing excellent customer service upon request. Otherwise, people in Ukraine focus more on the quality of life and not standing out in a crowd. Ukrainian people often talk modestly about themselves and try not to boast. In regards to Uncertainty Avoidance, China scored a 30 and the Ukraine scored a 95. People in China are adaptable and entrepreneurial, with the majority of the businesses being small to medium sized and family owned. Chinese people are comfortable with there being ambiguity when it comes to laws and rules, they are able to be flexible. On the other hand, the Ukraine scored very high in Uncertainty Avoidance. Ukrainians are very threatened by ambiguity. Presentations must be either detailed and prepared and are unprepared if they are being brought up for the first time. Ukrainians are very formal and distant with people they find to be strangers. With so many small businesses, competition would be huge and you would want to gain the most market share possible. The Ukrainian point of view may seem off-putting and may have a negative effect on customer service. The whole point of customer service is to be nice and accommodating to strangers. For Long Term Orientation, China scored very high with an 87 and Ukraine scored about average with a 55. China’s high score means that they are a very pragmatic culture, which means that the truth depends on the situation and they are very adaptable. They are very money conscious and savvy, they also are very thrifty and like to invest their money. The Ukraine on the other hand had no preference to long term orientation. If people are being overly thrifty, they won’t want to spend their money. Customer service would be important in convincing people that they want to spend their money. Finally, in regards to Indulgence, both companies scored low with China having a 24 and Ukraine at an 18. China and Ukraine are both very cynical and pessimistic countries, especially in regards to indulgence. They do not believe in having too much fun or free time and you need to be in control of your wants. This means that people in both these countries believe in hard work and that would definitely reflect in higher levels of customer service. In order to build high levels of customer service it is important to build trust and long lasting relationships with each other as shown by Carland, Carraher, and colleagues.

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STRATEGIC CUSTOMER SERVICE IN CHILE, THE UK & THE USA

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ABSTRACT

Strategic Customer Service between Chile and the United Kingdom   According to Hofstede, Power Distance is defined as, “the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally.” For instance, in low power distance, people try to equalize power and demand equality. High power distance is the opposite of this, people accept the power differences within the social hierarchy. Chile has dealt with an authoritarian past therefore they have a 63 on power distance. This is actually low for Latin American countries, but it’s still a high score. Especially compared to the UK who sits at 35. According to Hofstede website research has shown that PD is lower among high class than the working class. This seems to go against the culture of the monarchy, but Britain’s level of power distance shows that the people have a belief that they should be treated as equals. Individualism is the ‘I or we’ mentality that a country maintains. With a score of 23, Chile maintains a ‘we’ mentality in line with most other Latin American countries. This means their society is that of a group mentality. However, it is noted that Chile seems to be pushing more towards individualism in recent times. The UK is again on the other side of the scale with a score of 89. This is one of the highest Individualistic scores, meaning that the British are an ‘I’ or ‘Me’ country. They think for themselves and find comfort in knowing they are unique individuals. The masculinity scale shows that a high score on this regard means that the society is defined by success, competition and winning. These masculine traits are reminiscent of values in sports. A low score on this scale indicates a more feminine society. A feminine score shows that health and life is what is important to the society. Chile falls on this side of the scale, meaning that men and women from this country are not arrogant and enjoy belonging to a group. This also fits with their individualism score. The focus for the society is happiness and well-being, not having to feel like the best of the group. In line with the other traits so far, the UK is again on the other side of the scale. At 66, the UK is driven by success. This masculine country loves to work and has high ambitions. Our next trait is uncertainty avoidance. This scale shows whether members of a culture like change and unknown situations/outcomes or if they prefer to avoid them. Chile scores high on this with an 86, they prefer a defined legal system with rules in place to help bring structure to the environment. The UK is on the other side of the scale with a 35. This means that the British look forward to new changes and uncertainty about what will happen in the day. As the 6D website points out, “the term ‘muddling through’ is a very British way of expressing this.” The next trait, long term orientation, is a matter of whether members of a society are more traditional or
pragmatic. Chile is a country of tradition and are normative in their thinking. Instead of being on
the opposing side, the UK falls right in the middle of this scale. Caught between praising societal
change or wanting things to stay the same, the British has a score of 51 in long term orientation.
Our very last dimension is indulgence. This deals with whether or not a society tries to control
their desires and impulses in line with their upbringing into their communities. Chile is an
indulgent country. A score of 68 shows that they don’t restrict themselves from enjoying life. They
have a positive outlook and spend their money freely. This final trait is one that both the countries
are aligned in. A 69 indicates that the UK is also indulgent in their impulses. We can see from
these traits that these two countries would use very different types of strategic customer service.
Chile customer service should be more focused on the idea of group culture, whereas the UK
should be using the customer service strategy of what can the company do for the individual. We
can look at each of these descriptors above to determine how different customer service should be
targeted to each country.

If you were to make a list of the countries with the best customer service, Chile would be
at the bottom of that list. Chileans in the restaurant business automatically get a 10 percent fixed
tip, no matter what. As a customer you can either increase that tip, based on the service or tell
the waiters that you are not giving a tip. If this is the decision that is made be prepared for a
confrontation. In retail and other places that do not require tips, employees tend to come off
more abrasive. In retail if you were to ask an employee a question their response would be as if
you were bothering them. In call centers and places like the DMV you will probably be put on
hold or have to wait until the representative is ready to hear you out or you give up and walk away.
Coming from a different country it would be easy to blame the employees in their respective
industry. However, the way employers or the government treat most Chilean people are the way
employees treat their customers. Chilean employers rule through fear. It would not be uncommon
for an employer to just fire a few people for no reason to show other employees who is in charge.
There are also no pay incentives, poor working conditions and the best employee does not earn
any more than the worst employee. In the United States customer service is different. Although
at times you may come across someone who is having a bad day or is just not good in customer
service, the United States has a high customer service rating. Restaurants pay employees hourly
and in addition the employee gets to keep their employee makes in tips. These tips depend on well
the employee is good in customer service. In retail and sales customer service goes a long way.
Most department stores pay employees a commission check and have the opportunity to move up
within the company. Pay incentives tend to go a long way when it comes to the service industry.
When sales are down employers tend to offer a higher commission check to get sales up. Also,
employers tend to promote employees who do well in these areas. In the United States there is no
law that mandates a certain tip amount so each employee has the opportunity to make more tips
by the way they treat their customers. Depending on which part of the country your are in depends
on how blunt, straight-forward or accommodated employers are. In the United States employers
tend to have strict policies when it comes to how employees are treated and how employees work.
Employers do not rule through fear and in some cases can be sued for the treatment of an employee
or retaliation is an issue is brought up to management. In the United States the government stays
out of how business’ are run but has laws that companies have to follow and a minimum wage that
must be followed. In order to build high levels of customer service it is important to build trust
and long lasting relationships with each other as shown by Carland, Carraher, and colleagues.
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HOFSTEDE’S 6 DIMENSIONS OF CULTURAL DIFFERENCES IN CUSTOMER SERVICE: UNITED STATES AND CZECH REPUBLIC

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ABSTRACT

Power Distance The Czech Republic has a relatively high score (57), which means they have a hierarchical society that accepts hierarchical order where everybody has a place and there is no need for further justification. Society is very centralized and subordinates expect to be told what to do. The US has a score of 40 in this dimension, which means that the attitude of the culture toward power inequalities is amongst us; however not as much as the Czech Republic. This culture somewhat expects and accepts that power is distributed unequally.

Individualism With a score of 58 the Czech Republic has an Individualist society, which means there is a high preference for a loosely-knit social framework. People are expected to look out for themselves and only their immediate family. Professional relationships between employer and employee are based on mutual advantage and promotions are supposed to be based on merit only. The US is one of the most individualistic countries, receiving a score of 91. Hierarchy is established for convenience, superiors are accessible and managers rely on individual employees and teams for their expertise. The expectation is that people look after themselves and their immediate families only and should not rely (too much) on authorities for support. They are accustomed to doing business or interacting with people they don’t know well. As such, Americans are not shy about approaching their prospective counterparts in order to obtain or seek information. Employees are expected to be self-reliant and display initiative.

Masculinity The Czech Republic has a score of 57; therefore, it’s considered a Masculine society. In this type of society people “live to work”. In a work environment, the emphasis is on equity, competition and performance. Society is driven by success, as in the winner or the best in the field. The US has a higher score than the Czech Republic—62—which can be evidenced in their typical behavioral patterns. This culture is upfront about their Masculine drive and their motivation is to be the best, which starts in childhood and continues throughout their life.

Uncertainty Avoidance The score achieved by the Czech Republic on this dimension is 74, which means they have a high preference for avoiding uncertainty. This type of society keeps rigid codes of belief and behavior, making them intolerant of behaviors that stray for their inflexible norms. This society has an emotional need for rules, they believe “time is money”, they endeavor to be busy and work hard, and precision and punctuality are standard elements of this society. The US scored a 46 in this dimension. There is a fair degree of acceptance for new ideas, innovative products and a willingness to try something new or different, whether it pertains to technology, business practices or food. They tend to be more tolerant of ideas or opinions from anyone and allow the freedom of expression. This society doesn’t require many rules and are less emotionally expressive.

Long Term Orientation The Czech culture scored high with a 70, which means they are pragmatic and they encourage thrift and efforts in modern education as a way to prepare for the future. This society believes that the truth depends very...
much on the situation, context and time. They easily adapt their traditions to current needs, they tend to save and invest, and they persevere in order to achieve results. The United States has a low score of 26 in this dimension. Americans are prone to analyze new information to check whether it is true, and many Americans have very strong ideas about what is “good” and “evil”. Americans businesses measure their performance on a short-term basis, with profit and loss statements being issued on a quarterly basis. This also drives individuals to strive for quick results within the work place. Indulgence The Czech Republic is generally not considered as indulgent, given the fact that they scored 29 in this dimension. They tend to be cynical and pessimistic. As a Restrained society, they do not put much emphasis on leisure time and are very much in control of their desires. This society considers their actions as Restrained by society’s rigid norms, and indulging themselves is perceived as somewhat wrong. The United States society is considered as an Indulgent society with a score of 68. We can see this reflected in the “work hard, play hard” attitude of their society. It is a prudish society yet even some well-known televangelists appear to be immoral. Strategic Customer Service The customer service strategy in the Czech Republic does not have to be as customer focused as it needs to be in the United States. Based on the Individualistic score the US received, it is easier to get to know the customer more in depth and create a customer strategy that can become the identity of a business. This Individualism of the US society forces businesses to target certain customers, instead of being able to have a more general strategy for a less Individualistic society, such as the Czech Republic. For both countries, the customer service strategy needs to be effective and efficient, given the fact that they both have a high Masculinity score, but it should be even stronger in the Czech Republic based on their high score on the Uncertainty Avoidance dimension—time is money. The strategy for the Czech Republic also need to focus on the price-value advantage, based on their saving and investing trends. The dimension that influences a customer strategy the most is Indulgence, and these two countries differ greatly in this aspect; therefore, the customer strategies would be very different in this regard. For the Czech Republic, the strategy would need to be more focused on creating a valuable relationship with customers in order to for them to be loyal and come back to continue doing business with a certain company. In the US, the strategy needs to be focused more on great customer service and satisfaction, given the fact that the people in this society will take their business elsewhere just to fulfill their indulgence. In order to build high levels of customer service it is important to build trust and long lasting relationships with each other as shown by Carland, Carraher, and colleagues.

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COMPARING CAPE VERDE, USA, & URUGUAY

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ABSTRACT

Cape Verde and the United States are two very different countries. They are at two extremes of collective ness vs individuality, but share some of the same values when it comes to indulgence and long term orientation. Customer service has two different focuses between the two countries. The United States scored lower on the Power Distance cultural value than Cape Verde. Cape Verde scored a 75, indicating that it is a hierarchical society. People tend to have a certain place in the society that they don’t vary much from. The United States is different from this in that they are less likely to value authority. Due to the high power distance in Cape Verde, we can expect customers to ask employees their position, and if that position is not a high one, ask to speak to someone higher up. They value authority and hierarchy and will expect lower employees to not be able to assist them. Customers in the U.S. are more likely to allow a trained employee to assist them than demand a manager or boss. The United States scored incredibly high on the individualism scale while Cape Verde scored incredibly low. Cape Verde is considered a collectivist in society, which indicates strong long term commitment to a member group. The individualistic nature of the United States causes public image branding to be less effective than in a more collectivist society. However customer satisfaction is typically higher in a more individualized culture. Cape Verde is very collectivist and therefore branding is more focused on themes of wisdom and community. Customer relationships are more like a familial link than they are in the U.S. The U.S. is a very masculine society compared to Cape Verde. Capitalism is the dominating economic model in the U.S. which aligns with the masculinity of the culture. The competition to be the best drives the U.S. towards a value system focused around constant innovation and achievement. Cape Verde scored very low on this section, indicating a more feminine society with an emphasis on working to live. People value equality in the workplace and consensus between all workers. Customer service in the U.S. is going to be more brute force type approach while Cape Verde will rely on negotiation to reach agreements. The U.S. and Cape Verde scored essentially the same on the Uncertainty Avoidance, meaning both cultures are pretty pragmatic in terms of comfort with ambiguous situations. Both countries rely on generalists and experts to reach their conclusions. They are relaxed and open to innovative technologies and change. Customers will be interested in new products and fairly easy to convince to go for the new product. Both countries will have expectations for contractors to live up to, and will let the contractor know when they are satisfied. These two countries are again very similar in terms of long term orientation. Both societies are normative societies that place a strong emphasis on education and frugality. Customer service is sometimes difficult in the countries because people here have the strong desire to get the absolute truth. Cape Verde also spends a lot of money either year due to customers calling around for the best rates. The Cape Verde people tend to place a high importance on leisure time and typically spend money as they wish. This means customer
service is more centered the person’s indulgence than it is around the pride in Texas. The U.S. has a higher value as well, meaning that Americans tend to indulge themselves with objects and by enjoying life. Cape Verde is a collectivist society and customers care more about the community rather than always having the best. The United States is a very competitive society which drives a lot of customer sales for new products.

According to Hofstede’s 6 dimensional model, the two countries are mostly similar in terms of every aspect of their cultures. Even though some aspects like power distance are similar, their values are still different. The personality is similar on power distance for both countries as Cape Verde and Uruguay have a hierarchical society which means that there are high inequalities between people. Everyone accepts having their own place in society, as employees are expected to be told what to do by their boss. When performing customer service in these countries, we would need to ask opinions or do business with only their managers or bosses and not get any opinions from the workers because they may not answer you or think that it is disrespectful. The dimension of individualism is the same as both countries are a really collectivistic society, but Cape Verde is a little more collectivistic. This means that there is a close, long term commitment to members of their group like family, extended family, or extended relationships. Loyalty is also important in a collectivistic society because people are supposed to take care of each other and form great relationships. In the workforce, you should give raises to everyone or punish everyone and not just to one person because that person will feel bad and get treated poorly by others. The service side should provide more friendly packages or advertise sharing since each group member thinks everyone else on the group is just as important as them or maybe more. The third dimension is masculinity and both countries are very feminine and have low scores. It means that people are very caring for others and the quality of life is important. It is not good to be different from everyone else and success is based on the quality of life. These countries’ people work to live life and managers should focus on equality, quality, and solidarity of worker’s lives. Conflicts are solved on own and there is more flexibility and free time for everyone. Uncertainty avoidance is the next dimension which shows how much risk people are willing to take. Uruguay will almost always avoid uncertainty with a 99 score, but Cape Verde is different in that it can usually alter plans with short notices. In Cape Verde, generalists and experts are needed and not a lot of emotions are shown among the people. They are pretty relaxed and are willing to try something different on all aspects of life. Whereas, in Uruguay, there is an emotional need for rules, for example, people are motivated to be busy, precise, and on time. Innovation is not really encouraged and security is an important element to individual motivation. For long term orientation, both Uruguay and Cape Verde have low scores, but Cape Verde has a considerably lower long term orientation. Cape Verde is more normative by having a concern of always finding out the truth, respect traditions, not saving for future, and focusing on achieving quick results. Selling new products that they have never seen or used will be hard to market in these countries and is not encouraged, especially Cape Verde. Indulgence is the last dimension of Hofstede and Cape Verde has a high score, while Uruguay has an intermediate score. Uruguay is in the middle with some socialization, Cape Verde is different with a willingness to fulfill their needs and wants, especially things related to enjoying life and having fun. People there have a positive attitude and most likely will look towards the good side of things and leisure time is of high importance to them. In order to build high levels of customer service it is important to build trust and long lasting relationships with each other as shown by Carland, Carraher, and colleagues.
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COMPARING COSTA RICA, USA, & UKRAINE

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ABSTRACT

The cultural differences between U.S.A and Costa Rica could affect the strategic customer service. The US has a power distance of 40 while Costa Rica has a power distance of 35. There is less power distance between the white collar jobs and the blue-collar jobs in Costa Rica. The US is very high on individualism of 91 while Costa Rica is 15. There is less individualism in Costa Rica which would help strategic customer service but would not help a lot in the US. In Masculinity the US is 62 and Costa Rica is 21. In uncertainty avoidance the US is 46 while Costa Rica is 86. The US has long-term orientation of 26 and indulgence of 68. The US is a first world country and Costa Rica is a 3rd world country. After comparing Costa Rica and the United States using the Hofstede’s 6D model, it is safe to say that the norms in the United States and Costa Rica are almost the complete opposite. Customer service strategies in Costa Rica would be geared towards making the customers feel satisfied with the products. On the other hand, in the United States, strategic customer service would be geared more towards making the customers feel empowered with the products. When comparing the openness between the United States and Costa Rica, the US is more open. Costa Rica is a country that does not like change, they like keeping things the same and often look out for the success of the whole community instead of the individuals. In the contrary, the US is used to change. New ideas are always welcome and individual success is highly regarded. The differences in the culture suggests that strategic customer service in Costa Rica would consist of not changing product formulas, bottles, colors, etc. Customers are more likely to come back to a product they recognize. Since the United States is open to new ideas, the exact opposite can be done. New products are always sought after. Changing the colors, bottles, formulas, etc. keeps customers coming back as long as quality is maintained for US consumers. Costa Rica does not like structure. Time is not very important to them. This is not the case in the US. People in the US keep their lives busy and require schedules to make sure they are on track. Strategic customer service in regards to Conscientiousness for US consumers would include strategies that focus on making the consumer’s life easier. This aspect is not very important for Costa Rican’s since they don’t pay too much attention to the time. Extraversion in the US is a positive quality to have. Everyone wants to be open and stand out. The more extroverted a person is, the more acquaintances they have and the more they are liked by society. Extraversion in Costa Rica is not necessarily a positive attribute. Costa Rican’s care about each other and do not worry about making themselves stand out. Everyone is treated equally and a person who is too extroverted may even be seen as negative. Customer service strategies for the US in this aspect would include strategies that make the consumers feel that they are getting special treatment and make them stand out. For Costa Rica, the strategies would include ideas that make the individuals feel like they belong and blend in with the rest of the people they know. In the terms of agreeableness, Costa Ricans care about the well-being of the community as a whole. They help each other out to make sure they succeed as a community. In the US, people are more independent
and don’t care much for other’s problems when there are also personal problems involved. It’s basically every man for themselves. Strategic customer service for Costa Rica in this aspect would be strategies relating to gathering families and keeping the members satisfied. For the US, strategies that seem to empower and make an individual feel successful and independent will work. With Neuroticism, the countries are also opposite. Costa Ricans have low stress and are emotionally stable. This is probably due to having lots of support and not a lot of pressure towards being successful. America is a high-stress country. Everyone has the pressure of being successful and tend to have a lot on their plates. Successful strategic customer service for Americans would include strategies that save time, make things easier, and helps take the minds off of the stress. For Costa Rica, this is not important. Strategies that push towards happiness and enjoying the moment would be successful. As stated before, Costa Rica and the United States have distinctly different cultures. Strategies that work in the United States will not work for Costa Rica. This is simply because people see life differently in the two countries. Costa Ricans want satisfaction while Americans want empowerment with the products.

As Ukraine has a high level of power distance, customer service in this area should be a reflection of that. For example, sales people and service workers in Ukraine might be trained to show a higher level of respect and dedication to their customers, especially in high end retailers. In Costa Rica, however, where power distance level is low, one might expect a less formal relationship in the customer service industry. This may look like a friendlier salesperson as opposed to a formal one. Both Ukraine and Costa Rica are highly collectivist countries that value loyalty from maintaining relationships with groups. Customer service could gain the loyalty of collectivist people by advertising products or services that are beneficial to not only the buyer, but their families as well. Focusing on advertising benefits that affect more than the individual might be a strong move. Both Costa Rica and Ukraine are low on the masculinity scale. As they exhibit more feminine traits, this means that both countries place value on caring for others and quality of life. Customer service that focuses on motivating buyers for personal gain or competition may be less fruitful ventures than tactics that reinforce the familial aspect of these cultures. A customer service tactic that might be beneficial is to focus advertisements on family friendly messages and display one’s company as a caring company, rather than ‘fast growing’ one. Both the Ukraine and Costa Rica scored high on the uncertainty avoidance scale. This means the two countries do not like ambiguous or unknown situations. Customer service initiatives should be mindful of this. Some ways customer service could be successful given these circumstances could be using direct language, slowly introducing new products or services that may not be intuitive, and spending more effort to explain and promote these new products. As countries with high uncertainty avoidance may be distant to new things at first, it might be beneficial to have a more formal approach in customer service dealing with new products or services in order to appear more knowledgeable and gain the buyer’s trust. Costa Rica did not have a score in terms of long term orientation, so I won’t be able to accurately prescribe a customer service tactic given this dimension for Costa Rica. However, Ukraine has a score of 55 on this dimension. This means that they do not have a very strong preference here. This could be seen as an advantage because customer service efforts do not need to be heavily focused on this dimension in order to be successful in Ukraine. In order to build high levels of customer service it is important to build trust and long lasting relationships with each other as shown by Carland, Carraher, and colleagues.
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COMPARING CUSTOMER SERVICE: URUGUAY, CHINA, AND CAPE VERDE

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ABSTRACT

When doing business across different cultures, it is important to remember that certain cultures may contrast with each other in certain aspects. An excellent way of measuring such differences and how they may affect business in each country is through Hofstede’s 6 dimensions. Two examples of countries which are different from one another are China and Uruguay. The two are relatively similar regarding their high power distance and low individualism, but are otherwise quite unlike each other. Because of these changes, the way customer service is provided may vary between the two. Firstly, China, at a level of 66, is significantly more masculine than Uruguay, which sits at a 38. Because of that, customers in China may place a higher value value on their money and ego, while in Uruguay it will be important to focus on family aspects. Furthermore, there will be a higher expectation of men holding managerial positions in China than in Uruguay, and women in such positions may often find themselves taken less seriously. Uruguay, however, has an extremely high uncertainty avoidance level, at 99, compared to China, at 30. For that reason, it is important to make sure that the process of customer service is extremely detailed and laid out for Uruguay as a country. Chinese customers may be more tolerant of chaos and uncertainty in situations, however Uruguayans are not, and will be far less open to paths that are not clearly laid out for them. In terms of planning for the future, China is more serious than Uruguay. China’s long term orientation level is 87, and Uruguay’s is 26. This means many Chinese people enjoy planning further ahead, have a higher emphasis on relationships, will be more persistent, and enjoy being thrifty. Uruguay on the other hand does not feel the need to focus on such planning, and are more focused on short term goals. Because of that, customer service in China will have a focus on preserving the relationship, while in Uruguay it may simply be about providing immediate results. Uruguay has a higher indulgence score, at 53, than China, at 24. This means the social structure in China is much stricter in Uruguay, and may limit the extent to which individuals can indulge themselves with their wants or needs. For that reason it is more important to follow social norms when conducting business in China than it is in Uruguay.
Power distance is defined as the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally. It deals with the fact that all individuals are not equal and seeks to address the attitude of culture towards the inequalities around us. With both countries having a high score, 75 and 61 for Cape Verde and Uruguay respectively, indicates that people in these nations accept a hierarchical order in which everyone has a place, and which needs no further justification. In organizations, hierarchy is seen as reflecting inequalities, centralization of power is popular, subordinates expect to be told what to do and the ideal boss is an autocrat. The customer service in these two nations would vary but not by much. With a power distance score of 61, Uruguay would be more customer service oriented than Cape Verde which scored 75 on the power distance scale. The people in Uruguay are more likely to treat people equally than Cape Verdeans, thus increasing the level of customer-service. However, there is a strong similarity of treating the higher people in society with much more respect and honor in both countries because of the awareness that there are people greater than them. Secondly is individualism. This is the degree of interdependence a society maintains among its members. It has to do with the people’s definition of self-image as “we” or “I”. individualist societies tend to look after themselves while in collectivist societies people look after each other in exchange for loyalty. Both societies have low score of 20 and 36 for Cape Verde and Uruguay respectively. This indicates that both these societies are collectivists. In collectivists societies, loyalty to a particular group is held high above all other societal rules and regulations. The groups might be either families, employer employee relationships etc. Customer service may be positively affected in both countries, more so Cape Verde because of its lower score on the individualism scale. People are likely to be friendlier, offer more incentives to people to make them feel like home and make their life much simpler. People who experience this level of customer service in collectivist societies would allude to the fact that life seems to be better in those societies. Third, is masculinity. Here, a high score (masculine) indicates that the society will be driven success, competition and achievement, with success being best in field. A low score (feminine) means that the dominant values in society are quality for life and caring for others. The most important issue in this dimension is the motivation behind people’s actions; liking what you do (feminine) or being the best (masculine). In this context, with a lower score of 19 compared to 38 for Uruguay, Cape Verde would more likely be a better customer service-oriented environment than Uruguay because people would be more than willing to work in these areas than Uruguayans. As far as uncertainty avoidance is concerned, the future is considered not be known at all. Societies deal with the dilemma of whether to partake in trying to control that which they cannot see or not to indulge themselves in this activity. Uncertainty avoidance is referred to as the extent to which the members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions to try to avoid these. The higher the score the more people feel threatened by ambiguous situations. Uruguay’s score is 99 compared to Cape Verde’s 40. Uruguay exhibits high uncertainty avoidance by maintaining rigid codes of belief and behavior and intolerance to unorthodox ideas and behaviors. This can be detrimental to customer service, especially in the arena of trying out new ways of maintaining customers. The uncertainty related to getting new customers may repel people in Uruguay from deals, rather remaining with those whom they know and trust. In comparison, Cape Verdeans score indicate a more pragmatic approach to uncertainty avoidance. They are more willing to accept new ideas, behaviors and this could be beneficial in doing business especially in the customer service arena. Long-term orientation describes how every society has to maintain some links with its own past while dealing with the challenges of the present and future. Societies prioritize these two goals differently. Those which score low on the
scale, who tend to be normative in their approach, prefer to maintain traditions and view change with suspicion. On the opposite spectrum, those who take a pragmatic approach, who score higher on the scale, encourage modern education to prepare for the future. Both nations score relatively low on the Long-term orientation dimension, Uruguay with 26 and Cape Verde with 12. They tend to focus on maintaining cultures and tradition and have a small propensity to save for the future, focusing on getting quick results. This orientation may bring about a conflict of interest when dealing in customer service. Tunnel – mindedness may be a potential downfall of any customer service venture in these nations, as they may lag potential industrial gains due to changing trends. With other organizations in different nations investing for the future, organizations in these two countries may be seeking to make a quick buck in profits now without considering the future keenly. Lastly, indulgence. This is described as the extent to which people try to control their desires and impulses based on the way they were raised. A society with relatively weak control towards their impulses is referred to as indulgent while that which has a relatively strong control over their impulses is referred to as restraint. A very high score of 83 indicates Cape Verde is an indulgent country while midway score of 53 indicates that Uruguay is indifferent to indulgence. From an instructional point of view, it may be easier to cater the needs of Cape Verdeans because of their indulgent nature. An organization may be able to leverage excellent customer service to bring about increased sales through upselling because of the inherent nature of indulgence that people in Cape Verde exhibit, while it would be relatively difficult to exert the same efforts in Uruguay to yield the same results. In a nutshell, in looking at Hofstede’s 6-D’s, one can leverage the cultural environment to customize the customer service experience of individuals in the different nations. While the dimensions may not be a 100% representation of the reality on the ground, it has been proven that people behave a certain way based on the environment they are in so there is a strong chance that these dimensions work. In order to encourage excellent customer service it is important for people to build trust and long lasting relationships with each other as shown in the research of Carland, Carraher, and colleagues.

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THE UNITED STATES OF AMERICA AND CHINA: CUSTOMER SERVICE & CULTURAL DIFFERENCES

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ABSTRACT

China and the United States are opposites when it comes to most of the facets of Hofsteade’s 6-D model. China ranks high in Power Distance, Masculinity, and Long Term Orientation. Meanwhile the United States ranks high in Individualism, Uncertainty Avoidance, and Indulgence. This means that (on the whole) Chinese people are more accepting of wide variances in the amount of power various people can hold, a competitiveness in society, and are very open to societal change if they believe it can better them. This broadly fits with Chinese history, from the Heavenly Mandate of Chinese Emperors up through the authoritarian dictatorships of those like Premier Mao. Moving onto the United States, they are more likely to look out for themselves above others, maintain rigid codes of belief, and allows fairly free gratification of basic human needs (as long as you have the money to pay for it). This, too, fits hand in hand with U.S. history from the Puritans to the American Revolution. Just as these two countries are different, so too are their customer service styles. As a recent New York Times article pointed out, “Chinese customers want two things: a better deal & attention”. Chinese customer service usually involves customers who are much more aggressive. This very likely plays hand in hand with China’s rating on the Hofstede 6D model: since they rank much lower than Americans on the Individualism scale, they are capable of much more aggressive negotiations without taking things personally. Outside of that, there are a wide plethora of horror stories from customers experiencing bad customer service from companies operating in China. In a country with almost four times the population of the United States, there is always another customer. Therefore they are much less focused on maintaining “return customers”. But as the middle class slowly begins to grow in the country, customers are becoming less and less inclined to put up with getting the short end of the stick. Surprisingly, many Chinese companies have begun adopting some of the same customer service methods that have been prominent in the West for years. This actually brings them closer in line with the United States. In our never ending desire to make others like us and to make more money, American customer service is very servile and appeasing. “The customer is always right” is a very ingrained phrase in every American business, even though the exact wording of it takes
The United States has had a middle class for much longer than China. And due to our lower degree of power distance (and centuries of revolts for financial reasons) businesses are much more wary of angering customers. For an organization that operated in both countries, it seems that it would make the most sense to adopt a broadly similar customer service strategy in both countries. That said, the Chinese branch of said company should be run by local Chinese people. Ideally, they would be less likely to take aggressive customer bargaining personally. They could give their customers the attention they deserve without drastically changing their price through haggling (which is not nearly as common in the United States). As free trade and internationalism become bigger, the world becomes more closely knit. Because of that, a similar strategy in both countries would likely become even more effective over time.

From the 6-D Model, in the part of power distance, it is defined as the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally. China gets 80 points and the United States get 40 points. It is mean the government and large organizations have more power in China compare to the United States. In China, the government is more closely linked with the company compare with the United States, and it makes the Customer service have more convincing in China. Individualism is the degree of interdependence a society maintains among its members. It has to do with whether people’s self-image is defined in terms of “I” or “We”. With a score of 20 in China and 91 in United States. There is a big difference. In China, people learning about the importance of the collective in their childhood, “we” is more important to “I”. This is why Chinese have more herd mentality compare with the United States. In customer service, the feedback and evaluation from the customer are really important, because it will influence more people in China than United Stated. In the masculinity, China and the United States are at the same level, China in 66 and United Stated in 62. It is mean the society will be driven by competition, achievement, and success, with success being defined by the winner / best in the field – a value system that starts in school and continues throughout organizational life. As the customer service strategy, the company should let their customer know they made a good and successful choice because, in these two countries, people are more care about display their “success” and achievements in life. The company should build the systems to show their employee’s success and let them know how well a job they did. Uncertainty Avoidance has to do with the way that a society deals with the fact that the future can never be known: should we try to control the future or just let it happen? In this part, China and the United States in low score level, China in 30 and United Stated in 46. People is a fair degree of acceptance for new ideas, innovative products and a willingness to try something new or different, whether it pertains to technology, business practices or food in these two countries. People do not like a lot of rules, and adherence to laws and rules may be flexible to suit the actual situation. It is important for people to build trust and long lasting relationships with each other as shown in the research of Carland, Carraher, and colleagues.

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ABSTRACT

With a score of 39 for power distance in Canada and 40 in the United States, Canadian culture is marked by interdependence among its inhabitants and there is value placed on egalitarianism. This is also reflected by the lack of overt status and/or class distinctions in society. Typical of other cultures with a low score on this dimension, hierarchy in Canadian organizations are established for convenience, superiors are always accessible and managers rely on individual employees and teams for their expertise. It is customary for managers and staff members to consult one another and to share information freely. With respect to communication, Canadians value a straightforward exchange of information. Canada scores 80 in individualism (its highest dimension score) and can be characterized as an Individualist culture. Similar to its American neighbor to the south, this translates into a loosely-knit society in which the expectation is that people look after themselves and their immediate families. Similarly, in the business world, employees are expected to be self-reliant and display initiative. Also, within the exchange-based world of work, hiring and promotion decisions are based on merit or evidence of what one has done or can do. The Canadian score for uncertainty avoidance is 48 and Canadian culture is more “uncertainty accepting.” This is indicative of the easy acceptance of new ideas, innovative products and a willingness to try something new or different, whether it pertains to technology, business practices, or consumer products. Canadians are also tolerant of ideas or opinions from anyone and allow the freedom of expression. At the same time, Canadian culture is not rules-oriented and Canadians tend to be less emotionally expressive than cultures scoring higher on this dimension. Canada scores 36 in long-term orientation, which is a little higher than the United States and marks it as a normative society. People in such societies have a strong concern with establishing the absolute Truth; they are normative in their thinking. They exhibit great respect for traditions, a relatively small propensity to save for the future, and a focus on achieving quick results. Canada has a high score of 68 in indulgence which means that Canadian culture is classified as Indulgent. People in societies classified by a high score in Indulgence generally exhibit a willingness to realize their impulses and desires with regard to enjoying life and having fun. They possess a positive attitude and have a tendency towards optimism. In addition, they place a higher degree of importance on leisure time, act as they please and spend money as they wish. It is important for people to build trust and long lasting relationships with each other as shown in the research of Carland, Carraher, and colleagues.
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CUSTOMER SERVICE: CROATIA, UAE, UKRAINE, CHILE, CAPE VERDE & THE USA

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ABSTRACT

Using the scores from the model, Strategic Customer Service would be handled differently between the two countries. The two countries hold higher power distance scores. Cape Verde (score 75) and UAE (score 90) have hierarchical societies with a leader and follower approach, socially and in business. UAE holds a stricter tactic when it comes to maintaining order and business. The individualism scores are 20 and 25 for Cape Verde and UAE, respectively. Based on their scores, the people of the countries form strong relationships, thus needing loyalty and dependence of those who will support them. The masculinity score for Cape Verde is 15 which projects a feminine society. Conflicts are handled with compromise and flexibility. UAE holds a score of 50, which implies the country is neither masculine or feminine. The scores for uncertain avoidance, the tolerance of the unknown, are 40 for Cape Verde and 80 for UAE. Cape Verde considers innovative technologies with a larger degree of acceptance. UAE, in comparison, requires more security to avoid unorthodox behaviors or any unforeseen improvements. In the long term orientation scores, Cape Verde holds a 12 and UAE stands at zero. The 12 indicates the respect for traditions in the normative culture. The zero shows the absolute desire to stick to tradition and not make many, if any, changes with new endeavors. The final scores, 83 to Cape Verde and zero for UAE, drives indulgence to desires and impulses. Cape Verde’s concepts promote positive attitudes and the ability to enjoy life every day. UAE frowns upon fulfilling needs and wants and strives for constant order to achieve happiness. Cape Verde’s respect to its culture and traditions urges respect for rules in place, plus also a prerequisite from any higher authorities, if needed. The society expects a respect for ones own “group” and understanding of how things should be handled. On the other hand, the country will also listen to reason to avoid conflict and allow new ideas or processes. The attitudes are more laid back, enabling the need to please. Similarly, UAE holds tradition to a high degree and expects rules to be followed. If escalation occurred, the country’s approach would be to follow the procedures as mandated by any higher ups. Unlike Cape Verde, UAE’s toleration to allow negotiation is low. Unacceptable deeds, or movement outside the rules, constitutes a refusal of service or any longing to please. Although both countries hold the cultural aspects and traditions to a higher level, they differ in their wish
to gratify. Cape Verde’s more accepting approach allows for leeway and accepts the occasional negotiation to avoid a dispute. UAE holds true to beliefs and needs rules followed to avoid any other interpretations of the outcome.

With power distance being the biggest difference, Costa Rica with a score of 35 and the UAE with a score of 90, it can be concluded that the two countries have a completely opposite government systems in which Costa Rica accepts that the power in their country is distributed equally while citizens in the UAE do not. Unlike other Latin countries, Costa Rica has abolished their army and their president has received the Nobel Peace Prize. The UAE on the other hand understands that everyone has their own place in society. The dimension with the least difference of score was Individualism. Costa Rica has a score of 15 and the UAE has a score of 25. Both countries are considered to be collectivists countries which means trust, loyalty, and networking is essential. Both countries are very family oriented. Another dimension both countries score similarly is when it comes to uncertainty avoidance. Costa Rica scores an 86 while the UAE scores an 80. This means the structure of rules is very important in both countries. Masculinity is a dimension where the two countries have a gap in scores. Costa Rica with a score of 21, means that the main values in society are caring for others and the quality of life. The UAE on the other hand has a score of 50 which means the country is neither masculine or feminine.

Croatia and the United States have different views that impact customer service. In Croatia the individualistic view is not common instead they thrive in the collectiveness of the group and ensuring that the best outcome for the whole is achieve and not for the individual person which can be a great quality to have in customer service. On the other hand, the United States focuses more on the success of the individual and not the whole. When strategies for customer service are created may not be gear towards the customers’ needs but instead on what the CEO/President wants to achieve. Now with both countries we have to take into consideration that internal and external factors also have an influence on decisions made. Customer service cannot be accurately forecasted specially when dealing with new products/service. Croatia has a high uncertainty of avoidance which can hurt the strategies in place for ensure a high customer service. If Croatia avoids what the future is developing it can destroy their revenues and in turn have a negative effect on their customer service since they will no longer be catering to their demand. Instead they will be forecasting to no change. On the other hand, the United States projects to the latest customer demand which will have an impact on the strategies of customer service. The United States wants to have a high customer service level because it ensures that the economy can remain stable. It is important for people to build trust and long lasting relationships with each other as shown in the research of Carland, Carraher, and colleagues.

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A FRAMEWORK FOR MEETING THE CHALLENGE OF INTEGRATING GLOBAL LEADERSHIP EDUCATION FOR EXECUTIVES

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ABSTRACT

The purpose of this paper is to explore the challenge of creating integrated global leadership curriculum for master’s level education within graduate programs targeted toward executives. While leadership education has a strong historical foundation in inter-disciplinary and integrated approaches, programs that are designed around functional silos still comprise most educational offerings today. Although, practitioners rarely experience challenges that are specific to a single functional area within the organization, many universities are just beginning to relearn the value of an inter-disciplinary approach and recognize the need for curriculum that better mimics the nature of modern organizational problems. The challenge of creating, developing and delivering integrated curriculum requires academics to move from their own functional areas of expertise to understand the complexity of issues within organizations, and the multi-disciplinary solutions. Success stories are provided from a military academy, and two state university settings. Lessons learned are shared from design through delivery and assurance of learning. The framework developed provides a flexible tool for other academic institutions faced with the same challenge of focusing on global leadership and innovating curriculum to meet leaders’ modern needs.
DESIGN AND ASSESSMENT OF A SENIOR CAPSTONE COURSE IN BUSINESS: A HUMAN CAPITAL THEORY PERSPECTIVE

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ABSTRACT

The human capital theory describes the role of education in creating skills and knowledge that make people more productive at their jobs. Gary Becker identified general human capital and specific human capital. He noted that educational institutions typically develop general human capital by providing skills and knowledge that make workers more productive at a variety of jobs in different industries and firms. Specific human capital, on the other hand, is developed through job-specific and task-specific skills and knowledge that make workers more productive at certain tasks and jobs. He notes that companies would generally invest in specific human capital through training to make their employees more productive at their jobs.

This paper describes the skills and knowledge that employers seek in potential recruits and the extent to which those skills and knowledge are imparted in a capstone course that integrates various skills and knowledge of a business degree program. The program learning outcomes, the course learning outcomes, and the required assignments and projects are discussed to evaluate the extent to which the course learning outcomes of a capstone course are met.
THE BEER GAME: A NEW INTERFACE FOR A CLASSIC SIMULATION

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ABSTRACT

Jay Forrester’s classic 1960s business simulation known as the “beer game” illustrates the bullwhip effect of production-distribution systems. Few business simulations have stood such a test of time and it continues to be a favorite among academics and practitioners worldwide. The game is excellent for demonstrating how structure influences behavior through the prism of typical supply chain coordination problems. While the concepts in the game are timeless, the tabletop version is not. For two decades, numerous efforts have been undertaken to “computerize” the game. However, the convergence of networking, multiplayer gaming, and experiential learning has distinguished Kai Riemer’s beer game facilitation software as the best means for understanding the bullwhip effect in system dynamics. This paper examines the strengths of Riemer’s facilitation simulation software over the classic tabletop version. Issues of game administration, gameplay, flexibility, cost, and scalability are reviewed.

INTRODUCTION

When Jay Forrester of the Massachusetts Institute of Technology first wrote in the field of system dynamics describing a production-distribution system which would become the basis for the “Beer Game” (Sterman, 1992), Peter Drucker had not yet coined the phrase “knowledge worker,” Alfred Chandler had not yet published Strategy and Structure, and Edward Deming remained relatively unknown in the United States. It would be another 20 years before the term “supply chain management” enters the vernacular. Nevertheless, few business simulations have stood the test of time as the classic beer game under the leadership of the System Dynamic Group at the Sloan School of Management. More than half century later, the ideas of the systems dynamics pioneers at MIT continue forging their way into the 21st century. Ideas so timeless and so popular, that the game continues to be a favorite among academics and practitioners worldwide.

BACKGROUND

Interest in the game started in the 1980s when Sterman published instructions for constructing and administering the simulation (Sterman, 1984). However, Peter Senge popularized the game among academics and practitioners to illustrate systems thinking as he recounted the supply chain saga in his 1990 work, The Fifth Discipline: The Art and Practice of the Learning Organization. By the 1990s, academics were extending the lessons of the beer game to other areas of academic interests such as anticipatory learning (Gutman, 1993), management education (Meisel, 1999), and chaos theory (Parry, 1995). Fascination with the game continued to grow in the 2000s. A search of the ABI/INFORM Collection database listed 30 journal articles written from 1993 - 1999 in which the beer game was either the subject of the article or mentioned.
From 2000 - 2009, that number had risen to 131 journal articles and 94 have been written from 2010-2017.

**SIMULATION’S LESSON**

The popularity of the Beer Game is rooted in the immutable lesson learned – structure influences behavior (Lara-Carrero, 1993; Goodman, 1993; Macdonald, 2013). Using the production-distribution system of a consumer product, beer in this case, the game demonstrates the bullwhip effect of managing a supply chain as players run through multiple cycles of ordering, producing, and delivering beer to meet customer demand. The bullwhip effect occurs when the variability of orders increases upward through the supply chain to respond to retail demand (Macdonald, 2013). Students entering the Sloan School of Management prove the game’s lesson and popularity each year as John Sterman, developer of the tabletop version, administers the game to 400 students during orientation. Each orientation class experiences the same failures due to the structure of the production-distribution system. Sterman uses the teachable moment to reiterate the game’s primary lesson that “we attribute problems to other people rather than to flawed systems” (Dizikes, 2013, p. 19).

While the game’s appeal is its simple lesson, administering the time-consuming tabletop version is not so simple and distracts from the learning process. The System Dynamic Group developed the iconic game in an era when a manual board game mimicked the times. Few companies possessed computing power and managing the supply chain process was truly a manual process like the game. However, in an age of real-time, integrated supply chain management a manual board game requiring rudimentary record-keeping and manipulation of game pieces is unrealistic.

Three trends have converged to accelerate interest in a networked simulation of the classic game. First, interest in “computerizing” the board game has been ongoing, but most efforts focused on using spreadsheets for recordkeeping and scoring. Second, networking computers is easier and ubiquitous in organizations. And third, interest in online multiplayer gaming has exploded. This convergence fostered demand for a simulation of the classic game that could be networked.

**FACILITATION SOFTWARE**

Kai Riemer, Professor of Information Technology and Organization at the University of Sydney in Australia, in conjunction with The University of Münster in Germany, developed a beer game facilitation software second to none. His facilitation software is available free of charge for use in higher education and can be downloaded at [http://www.beergame.org/](http://www.beergame.org/). Today, over 600 universities in 60 countries are using Reimer’s software (Reimer, 2015). This paper examines the relative strengths of using Riemer’s simulation over the tabletop version in terms of administration, gameplay, flexibility, cost, and scalability.

**Game Administration**

Administration issues plague the tabletop version especially in terms of time and supervision requirements, recordkeeping, cost, lack of flexibility and lack of scalability. Three hours or more are needed to go through the 30-plus production-distribution cycles necessary to see the bullwhip effect. Furthermore, supervisors are needed during that time to assist teams with
recordkeeping and maintenance of a “no collaboration” policy. With each game set costing $150, material cost and supervisory oversight issues make it difficult to scale up and because of the length of the game, seeing the effects of a change in system structure is time consuming.

Riemer solves many of the current administrative shortcomings and provides flexibility to better demonstrate the lessons learned. The simulation offers a stable operating environment, easily setup through an existing wired- or wireless network. The software, free for educational use, is a cross-platform client-server application that operates through a portable FireFox web-browser. Client (user) and server (administrator) software are downloaded and extracted to USB drives. The simulation runs entirely from flash drives, eliminating the need for software installation. Once the administrator runs the server application, students are given a URL to connect with the game. Installation is straightforward using the client software, making it friendly to operate over a network. Supervisory oversight is minimal since the administrator can monitor all team activities and multiple games simultaneously through a common dashboard.

In an age of instantaneous information, time is a valuable commodity. Manual recordkeeping for the tabletop version is time consuming with the original game taking up to three hours to complete 36 cycles. Much of that time is devoted to manually tracking inventory and backlogs, placing orders, and creating charts. Often the facilitator is forced to end the game early for lack of time. This undermines experiential learning because participants are not able to fully experience the bullwhip effect, the primary consequence of a flawed production-distribution system. Realizing the consequences of one’s action is a necessary part of learning, according to Senge (1990).

Riemer’s simulation eliminates the recordkeeping headache. Time-delaying choke points are easily spotted using the administrator’s dashboard which monitors in real-time, cycle-by-cycle indicators of inventory, stock orders, and decisions. Instead of three hours, a game can be completed in 45 minutes leaving ample time for debriefing and reflection. Furthermore, the extra time can be used to change the game’s parameters or structure to explore ways to minimize the bullwhip effect. Therefore, the facilitation software provides a better opportunity to learn from experience, a key concept of systems dynamics.

Gameplay

Gameplay refers to how players interact with each other within the game as well as adherence to the rules of the game. Riemer’s facilitation software assures the rules of the game are followed, thereby enforcing the structure of the system. For example, no team can advance to the next cycle until all members complete the current cycle, a problem often encountered with the tabletop version that requires physical monitoring. Use of the facilitation software eliminates this issue since compliance is assured through software parameters.

Gameplay is aided by the simulation’s graphical user interface (GUI) which animates the interaction between teams. The tabletop version requires facilitators to walk team members through the first few cycles to acclimate them how to play the game. Riemer’s simulation uses animated graphics to illustrate team interactions. For example, in each cycle members of the distribution team see goods being delivered to them from the manufacturer by an animated truck and a new order being received from the wholesaler by animated mail. Then goods are loaded onto a truck for shipping to the wholesaler and a new order sent to the manufacturer. The animation helps players understand the flow of goods, but once comfortable players can skip the
animations and go directly to ordering process. For players wanting even faster gameplay, a spreadsheet-like ordering system is available, which gives current and historical data.

**System Flexibility**

Flexibility is perhaps the greatest strength in Riemer’s facilitation software. The classical game teaches that structure, the constraints of a system, influences behavior. This explains why different people playing the game have similar results. The software demonstrates this concept better than the tabletop version by allowing the facilitator to easily change the game’s constraints, in other words its structure. For instance, delays in shipping may be lengthened or shortened to exaggerate or reduce the impact on the bullwhip effect. Communications between supply chain members, which are nonexistent in the traditional game, may be allowed in the networked version to demonstrate its effect on minimizing of inventory variation. Likewise, supply chain member teams may be allowed to see each other’s inventory level. Removing constraints on collaboration and transparency, even in mid-game, readily demonstrates the game’s lessons. Reimer’s simulation provides that needed flexibility.

**Cost and Scalability**

Cost and scalability are other advantages of the facilitation software. If computer equipment is readily connected to an existing network, the beer game can be setup for the cost of a few flash drives. Furthermore, the software facilitates scalability. Whether there are eight or 80 participants, multiple games can be played easily and simultaneously. In the tabletop version, team size is limited by the number of participants that can gather around a single table. This is usually limited to two per supply chain member for a total of eight per game table. In Riemer’s networked game, each computer represents a supply chain member and can accommodate one to four participants and the simulation allows multiple games to be played simultaneously reinforcing the concept that different people playing different games with a similar structure produce similar results (Dizikes, 2013).

**CONCLUSION**

Reimer’s beer game portal includes valuable support material for faculty administering the game including a course outline and an introductory presentation to help participants get started. Post-game instructions for debriefing and reflecting on the lessons are available, as well as an explanation of the cause of the bullwhip effect. Reimer includes his own article detailing use of the game as a teaching tool in a business-to-business ecommerce course and data from the game can be saved on a spreadsheet for later analysis. The game is available in English, German, Hungarian, Swedish, and Danish (Reimer, 2015).

Few business simulations have stood the test of time better than this classic. Reimer’s work will extend the game's relevance and endurance, not to mention its enjoyability.

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DESIGN THINKING METHODS FOR BUSINESS PLAN DEVELOPMENT: A STRUCTURED APPROACH TO IDEA GENERATION THAT PROMOTES CREATIVITY

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ABSTRACT

This paper provides six design methods for entrepreneurship educators to utilize with students in university-level entrepreneurship courses during the idea generation phase of the business plan development process. Design thinking not only provides a more structured approach to generating ideas, but it leads to a greater number of ideas to emerge that are more creative and solution-based. Two design methods are presented for each position on the goods-services continuum depending on whether the business concept is more focused on pure goods, pure services, or hybrid products. The design thinking methods included are called: Attribute Listing, Reversal, A Fresh View, Rich Pictures, Wishful Thinking and What-If Analysis. Each method includes steps for implementation and all are ideal for traditional classroom time and resource restraints. The methods can also be used in combination with each other, and several benefits of using them are discussed such as better collaboration between students and increased perceptions of their creative thinking abilities.

INTRODUCTION

The purpose of this paper is to provide entrepreneurship educators with six design thinking methods to be used with students in university-level entrepreneurship courses in which business plans are developed. The design thinking methods presented offer a structured approach to idea generation that also foster more creativity. To provide structure, two design methods are offered for each position on the goods-services continuum. Each design method also includes steps for implementation that are suitable for the typical college classroom, given time restraints and available resources. Design thinking methods offer a more creative and solution-based approach that enhances students’ abilities to become more effective idea generators.

LITERATURE REVIEW

Developing business plans is a very common pedagogical method used in university-level entrepreneurship courses and programs. Common goals of these courses and programs include increasing entrepreneurial awareness, developing entrepreneurial skills, cultivating attitudes and intentions, and assisting students in choosing a career (Hills, 1988; Garavan & O’Cinneide, 1994; Autio, Keeley, Klofsten, & Ulfstedt, 1997; Johannisson, Landstorm & Rosenberg, 1998; Franke & Lüthje, 2004; Liñán, 2008; Schwarz, Wdowiak, Almer-Jarz, & Breitenecker, 2009; Packham, Jones, Miller, Pickernell, & Thomas, 2010; Fretschner & Weber, 2011). Business plans are used in the majority of courses and programs (Honig, 2004) to fulfill these goals (Youndt, Subamaniam,
& Snell, 2004; Fayolle, Gaily, & Lassas-Clerc, 2006). Several universities even provide students with the opportunity to create a real venture as a part of a class, student club, or other program (Lee, Chang, & Lim, 2005; Rodrigues, Dinis, do Paço, Ferreira, & Raposo, 2012).

Creativity is a trait that has been linked to successful entrepreneurs for decades (Glennon, Albright, & Owens, 1966; Timmons, 1978; Wilken, 1979; Nystrom, 1993; Amabile, 1996; Ward, 2004; Luca & Cazan, 2011) and therefore important for students of entrepreneurship to assess and cultivate (Ward, 2005; Batey & Furnham, 2008).

Creativity is generally seen as a precursor to innovation. Creative thinking is the act of generating new ideas or conceiving something original. Innovation is the act of implementing those new ideas. Therefore, innovation is the successful exploitation of creativity in profitable outcomes such as new products, services, and processes that create value. Anderson, Potocnik, and Zhou (2014) propose an integrative definition where creativity and innovation together are considered the process, outcomes, and products of attempts to develop and introduce new and improved ways of doing things.

Research outcomes by Berglund and Wennberg (2006) indicate that creativity can be affected by educational efforts. Others suggest that entrepreneurship educational practices that promote divergent thinking and creativity allow students to learn the necessary skills needed in today’s business world (Winslow and Solomon, 1987; Gundry and Kickul, 1996). Dyer (2015) contends that creativity is a discipline that begins with learning how to look at situations from multiple angles, removing blinders, and opening possibilities.

Getting students to be creative when generating business plan ideas is a challenge. Most students want to be creative but do not know how to really tap into their creative abilities. This is where design thinking becomes a very valuable tool. Design thinking refers to creative strategies designers use during the process of designing (Visser, 2006; Brown, 2008). Archer (1965) and Simon (1969) were perhaps the first to use the term 'design' to describe a way of thinking. One of the major benefits of design thinking is that it is considered to be solution-based instead of problem-based (Dorst, 2001).

Glen, Suciu, and Baughn (2014) promote the incorporation of design thinking into the current business school education system, specifically naming entrepreneurship as a subject which calls for the use of design thinking methods. It is a source of business competitiveness that promotes creativity, innovation, and a better understanding of the customer’s true needs. By using design thinking methods, students can become more effective at generating ideas focused on solutions rather than problems (Dorst, 2001; Glen, Suciu, & Baughn, 2014).

This paper provides six design thinking methods, unique from each other, that students can use to generate more creative and solution-based ideas for business plans depending on where their business concept falls on the goods-services continuum. The goods-services continuum provides students more focus in determining the relative goods to services composition of their business ideas. It also enables them to identify more opportunities.

There are several classifications of the goods-services continuum in the literature. For example, Vandermerwe and Rada (1988) used three stages: 1) the company is in either a goods or a services business; 2) goods and services are combined in the offerings; and 3) offerings are complex bundles of goods, services, information, support and self-service elements. Many other
classifications have also been proposed (Chase, 1981; Bowen, Siehl & Schneider, 1989; Mathieu, 2001; Davies, 2003; Oliva and Kallenberg, 2003; and Gebauer, 2008). This paper utilizes the continuum proposed by Martin and Horne (1992). Their goods-services continuum provides four positions: 1) pure goods, 2) core goods with accompanying services, 3) core services with accompanying goods, and 4) pure services (See Figure 1).

**Figure 1: The Goods-Services Continuum**

<table>
<thead>
<tr>
<th>Pure Goods</th>
<th>Core Goods with Accommodating Services</th>
<th>Core Services with Accommodating Goods</th>
<th>Pure Services</th>
</tr>
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<tr>
<td>1</td>
<td>2</td>
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<td>4</td>
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Examples of pure goods include canned beverages, shirts, and candles. Examples of pure services include lawn mowing, house cleaning, and teaching. Positions two and three on the continuum are considered hybrid products, which is a combination of both goods and services. The actual position depends on whether there are more goods (2) or more services (3) in the mix. Examples of hybrid products include restaurants, new vehicles, and home repair services where a customer is also purchasing goods such as a new water heater or air conditioning unit.

**DESIGN METHODS**

While literally dozens of design thinking methods exist, the six presented in this paper can easily be conducted in a university-level entrepreneurship course given number of students, classroom setting, resources available, and time required (50-75 minutes). Two design methods are provided for each position on the goods-services continuum, with positions 2 and 3 combined.

For pure goods (position 1), the two methods are called Attribute Listing and Reversal. These two methods are well-suited for goods, because goods are objects that tend to have more physical properties than services and are more perceptible to the five senses.

**Attribute Listing**

Attribute Listing allows students to take an existing good in the marketplace and redesign it to create something novel. This method provides a focused approach to break the good down into specific parts and prompts different ways to modify or improve each attribute and then recombine them to identify new forms of the good. Steps for implementation are as follows:

1. Clearly identify the existing good you wish to modify or improve.
2. Generate a very detailed list of all of its attributes (e.g. size, weight, function, design, material, color, style, durability).
3. Generate multiple variations of each attribute separately.
4. Combine the new variations of the attributes listed in step three to identify unique approaches to completely redesign the good.

5. Discuss the feasibility of developing the alternatives identified in step four and choose the most exciting and feasible idea(s).

(Morgan, 1993; Smolensky & Kleiner, 1995)

Attribute Listing alone may be the only method needed to generate a good idea for a unique and novel good. However, Reversal is a great method to pair with Attribute Listing.

**Reversal**

Reversal allows students to see a good very differently. The attributes of the good are stated in the opposite form to gain a completely different view. Assumptions structure social reality. When assumptions change, so does the reality of the situation. This helps students generate very unique ideas. Steps for implementation are as follows:

1. Conduct steps one and two from Attribute Listing.
2. Reverse all the attributes of the good by assigning the opposite verb or adjective. For example, a common attribute of games is that they require competitors. A reversed assumption is a game that does not allow competition. Instead, students could generate ideas for a game that requires cooperation.
3. Use the reversal statements to generate novel ideas for new goods. Initially, the ideas do not come forward easily because Reversal completely “flips-the-script” and forces them to think opposite of what they believe is good or right.
4. Select at least one Reversal statement and completely develop a workable idea around it.

(Mattimore (1995); McFadzean (1999))

For hybrid products (positions 2 and 3), the two methods are called Fresh View and Rich Pictures. These two methods are well-suited for hybrid products that combine the characteristics of goods and services.

**Fresh View**

This method uses the views of outsiders to provide a fresh perspective on existing combinations of goods and services. It is based on the assumption that the closer a person is to a situation or challenge, the more he or she tends to narrow or specialize his or her thinking. Steps for implementation are as follows:

1. Describe the good/service idea in a very simple way so that anyone can understand it.
2. Provide the description of the idea the to one or more outsiders who have not been involved in developing it. An outsider should have little to no knowledge or experience with the business concept under development.
3. Carefully listen to and record all outsiders’ ideas. Ask for clarification when necessary. Do not to judge outsiders’ ideas as good or bad or dismiss any idea that is offered.
4. Review ideas offered by the outsiders. Each idea should be openly considered, because one outsider’s view may spark more of your own ideas. Even the use of a single word by an outsider may help reframe previous ideas.
5. Revise your original ideas for the good/service by taking the “fresh view” of the outsiders into consideration. 
(Heye, 2006; Michalko, 2006)

An example of success using Fresh View is that of an executive of a major motel chain who took the advice of a garbage man to sell pizzas in his motels, which turned out to be a great success (Michalko, 2006).

Rich Pictures

The Rich Pictures method uses drawings and pictures created by the students to describe their ideas for goods and services, allowing their intuitive consciousness to communicate. The process brings forth contextual issues that may go unnoticed. This leads to new insight, a better understanding of the business concept, and new patterns of thinking, which foster more and perhaps better ideas to emerge. Steps for implementation are as follows:

1. Describe a current good/service in the marketplace by writing it in words on a flip chart or white/blackboard.
2. Then, individual students draw a metaphorical picture of the good/service that was described in step one. Metaphors such as animals or vehicles are useful. For example, someone might draw a picture of an old, rundown car to illustrate a good/service that he or she believes is outdated or no longer useful.
3. Next, draw a picture of a new and better version of the good/service using the same type of metaphor. Perhaps someone draws a smaller, sleeker, faster car.
4. Share your two pictures with the rest of the students by describing each picture including the properties, the relationships between them, and reason(s) the behind the images.
5. As each person shares their pictures, begin to generate ideas for the good/service described in step one. McFadzean (1998); Proctor, Hua Tan, and Fuse (2004)

Patterns, relationships, and perceptions that may not have emerged without visuals will be revealed. Rich Pictures also provides more information on ‘what is’ versus ‘what is desired’. For pure services (position 4), the two methods are called Wishful Thinking and What-If Analysis. These two methods are well-suited for services because they tend to be more abstract than goods, are immaterial in nature, and are more elusive to the five senses.

Wishful Thinking

This design method engages intrinsic motivation. Students discuss their service idea by beginning each sentence with the words, “I wish”. As they complete these sentences, issues that are intrinsically important to them are revealed. When these deeper thoughts become more widely known, more insight is gained. This leads to more ideas that are central to everyone’s true desires. Steps for implementation are as follows:

1. Clearly describe the service idea for the business concept being considered.
2. Form “I wish” statements centered on the service idea. Statements can also begin with words like, “In a perfect world...” or “It would be great if we could...”.
3. Begin to extract the practical issues from the more wishful statements. For example, “It seems like everyone is primarily concerned with quality issues surrounding our idea”. 

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4. Move the discussion back to reality and ask more practical questions. For example, “How can we improve the quality of our service idea?”

Cougér, Higgins & Mcintyre (1993); McFadzean (1998)

The process of Wishful Thinking unveils what is really on everyone’s minds by having them state things in a more positive “I wish” manner rather than in a negative way by complaining or arguing. Steps three and four bring the discussion back to more practical issues that can be addressed and resolved.

Wishful Thinking and What-If Analysis very complementary to each other. It is often useful to engage in one and then follow up with the other on a different day and in a different setting to see what additional ideas emerge.

**What-If Analysis**

The What-If Analysis method approaches the service idea from a question and answer approach. It is a systematic, but loosely structured assessment of the issues surrounding the idea. It allows students to reflect on existing and similar service businesses and helps them see possible modifications and improvements. This leads to more and better ideas. Steps for implementation are as follows:

1. Clearly describe the service idea and identify its major components. Major components might include quality, price, and speed of delivery.
2. Select one major element at a time and generate What-If questions as hypothetical scenarios. For example, “What if we were able to cut the speed of delivery in half?”
3. As each major element is addressed, develop new ideas and solutions for improvement. You might not be able to cut the speed of delivery in half, but you will most likely generate ideas on how to reduce the speed of delivery to some degree that will improve the overall idea.
4. Combine the new ideas and solutions to address the overall service idea described in step one. By breaking down the service idea into smaller components, more ideas and solutions are generated, and the issues are addressed in a more comprehensive manner.


**DISCUSSION**

By using these design methods for business plan development in university-level entrepreneurship courses, the author has observed several benefits for students. They help students: 1) identify a greater number of ideas, 2) generate ideas that are more solution-based as opposed to problem-based; 3) develop more creative and novel ideas, 4) organize and refine their ideas, 5) see patterns and relationships between ideas, 6) transform abstract issues into more concrete ideas, 7) better collaborate with each other in generating ideas, and 8) develop better self-perceptions of their creative thinking abilities.

In addition to using both methods presented for each position on the continuum, students can also combine methods in different positions close to each other on the continuum in cases where they are not sure about the goods and services mix related to their business concept or if they simply want to explore more or different ideas. For example, if they have an idea for a pure
good, they could explore the possibility of providing accompanying services. In this case, they
could use Attribute Listing with A Fresh View or Rich Pictures. They could also choose to utilize
Reversal with A Fresh View or Rich Pictures. Likewise, if they want to consider accompanying
goods for a pure service idea, they can use Wishful Thinking with either a Fresh View or Rich
Pictures or they could use What-If Analysis with A Fresh View or Rich Pictures to generate more
and/or better ideas.

Students will naturally be more attracted to certain design methods over others depending
on how they think and learn. For example, visual learners are often drawn to the Rich Pictures
method. It is best to introduce all of the methods to the students and allow them to choose the
one(s) they wish to use. Instructors can even engage students in practice exercises so they have
more information and experience using these methods. Some good practice exercises include
having students think of ideas on how to improve different aspects of university life such as their
textbook, the parking situation at your university, your classroom set-up and resources, social life
at your university, the university’s website, and/or fundraising ideas for a student club.

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TEACHING INTRODUCTION TO MANAGERIAL ACCOUNTING USING AN EXCEL SPREADSHEET EXAMPLE

Carl B. McGowan, Jr., Norfolk State University
Jim Chen, Norfolk State University
Donald T. Joyner, Regent University

ABSTRACT

In this teaching note, we provide an integrated Excel worksheet that demonstrates how to teach and solve the example problem in Chapter 16 of Managerial Accounting, Carl S. Warren, James M. Reeve, and Jonathan E. Duchac, 11th Edition, South-Western Publishing Company, 2012. The spreadsheet provides a detailed spreadsheet solution to calculating the Costs of Goods Manufactured and Net Income. The spreadsheet can be modified to create unlimited numbers of examples and exam questions. The example includes Power Point Slides for the chapter and a summary list of concepts discussed in the chapter.

INTRODUCTION

This teaching note discusses the introduction to managerial finance. The chapter first discusses financial accounting which emphasizes preparing financial statements for external users following GAAP. The Balance Sheet and Income Statement are constructed from journal entries and the Statement of Retained Earnings and the Statement of Cash Flows are constructed form the Balance Sheet and Income Statement. Managerial Accounting focuses on the construction of accounting tools used by managers to operate the business. Financial Accounting and Managerial Accounting are compared and similarities and differences are explained.

The management process involves planning, directing, controlling, improving the firm’s operations with continuous emphasis on decision making. The operating process begins with a customer placing an order, ordering materials, manufacturing components, assembling components, shipping the goods, billing the customer, and collecting for the goods sold.

Manufacturing costs are divided into direct costs which can be traced directly to the product and indirect costs that cannot be traced directly to the product. Prime costs would include direct materials and direct labor. Conversion costs would include indirect labor and factory overhead. Product costs are direct materials, direct labor, and factory overhead. Period costs include selling costs and administrative costs. Selling expenses include costs incurred in marketing the product and delivering the product to the customer. Administrative expenses are any costs related to manufacturing for selling.

Specific costs are collected in specific accounts in either the Balance Sheet or the Income Statement. Product costs are accumulated in the inventory accounts (Balance Sheet) or Costs of Goods Sold (Income Statement). Period costs, both selling expenses and administrative expenses,
are recorded directly in the Income Statement. The accounts in the Balance Sheet are listed with emphasis on the inventory accounts through which costs move from the materials account to the work in process account to the finished goods account and then to the cost of goods accounts when the goods have been shipped to the customer. Materials are raw materials received by the firms that have not been processed at all. Work in process inventory consists of direct materials, direct labor, and factory overhead for products that have been started but have not been completed. Finished goods inventory consists of products that have been completed that have not been sold.

The Income Statement shows activities for the current accounting period. Sales minus costs equal net profit. Costs of good manufactured is the total cost of making products that are available for sale during the period. Cost of finished goods available for sale is determined by adding the beginning finished goods inventory to the costs of goods manufactured during the period. Cost of goods sold is determined by subtracting the ending finished goods inventory from the cost of good available for sale. The Statement of Cost of Goods Manufactured summarizes the cost of goods manufactured during the period and shows the costs of materials used in production including direct materials, direct labor, and factory overhead.

The concept sheet is provided to each student including the important terms and concepts in the chapter. The True False questions used on the test are based on the concepts.

Additional material are available from Dr. McGowan at cbmcgowan@yahoo.com
CHAPTER 16 MANAGERIAL ACCOUNTING CONCEPT SHEET

Financial Accounting
Balance Sheet
Income Statement
Statement of Retained Earnings
Statement of Cash Flows

Financial Statements
External Users
Shareholders
Creditors
Government agencies
Company as a Whole
Objective (historical)
Prepared according to GAAP
Prepared at fixed intervals
Company as a whole

Managerial Accounting
Management reports
Objective (historical)
Subjective (pro forma)
Prepared according to management needs
Prepared at fixed intervals or as needed
Company as a whole or segment

Organizational Chart
Line responsibility
Staff responsibility
CEO – CFO – Controller

Management Process
Planning - Strategic, Operational
Directing - day to day operations
Controlling- actual versus planned
feedback
management by exception
Improving - continuous
Decision making - Choose alternatives
Operating Process
   Customer places order
   Order materials
   Manufacture components
   Assemble components
   Ship the goods
   Collect for the goods
Direct costs can be traced directly to the manufactured product.
Indirect costs cannot be traced directly to the manufactured product.
Manufacturing Costs
   Direct materials cost
      an integral part of the finished product
      a significant part of the finished product
   Direct labor
      an integral part of the finished product
      a significant part of the finished product
   Factory overhead
      Heating and lighting the factory
      Repairing and maintaining factory equipment
      Property taxes on factory buildings and land
      Insurance on factory buildings
      Depreciation on factory plant and equipment
Prime costs consist of direct materials and direct labor costs.
Conversion costs consist of direct labor and factory overhead costs.
Product costs consist of manufacturing costs: direct materials, direct labor, and factory overhead.
Period costs consist of selling and administrative costs
   Selling expenses are incurred in marketing the product and delivering the product to customers.
   Administrative expenses are incurred in managing the company and are not directly related to manufacturing or sling functions.
Costs and Financial Statements
   Product costs
      Inventory (balance sheet)
      Costs of goods sold (income statement)
   Period costs
      Selling expenses (income statement)
      Administrative expenses (income statement)
1. Calculate the Cost of Goods Manufactured

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work in process inventory, January 1, 2010</td>
<td>30,000</td>
</tr>
<tr>
<td>Materials inventory, January 1, 2010</td>
<td>35,000</td>
</tr>
<tr>
<td>Purchases</td>
<td>125,000</td>
</tr>
<tr>
<td>Materials inventory, December 31, 2010</td>
<td>40,000</td>
</tr>
<tr>
<td>Direct labor</td>
<td>125,000</td>
</tr>
<tr>
<td>Indirect labor</td>
<td>20,000</td>
</tr>
<tr>
<td>Depreciation on factory equipment</td>
<td>15,000</td>
</tr>
<tr>
<td>Factory supplies and utility costs</td>
<td>24,000</td>
</tr>
<tr>
<td>Work in process inventory, December 31, 2010</td>
<td>64,000</td>
</tr>
</tbody>
</table>

**Work in process inventory, January 1, 2010 $30,000**

**Direct materials:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials inventory, January 1, 2010</td>
<td>35,000</td>
</tr>
<tr>
<td>Purchases</td>
<td>125,000</td>
</tr>
<tr>
<td>Cost of materials available for use</td>
<td>$160,000</td>
</tr>
<tr>
<td>Less materials inventory, December 31, 2010</td>
<td>40,000</td>
</tr>
<tr>
<td>Cost of Materials used</td>
<td>$120,000</td>
</tr>
</tbody>
</table>

**Direct labor**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>125,000</td>
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</tbody>
</table>

**Factory overhead:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect labor</td>
<td>20,000</td>
</tr>
<tr>
<td>Depreciation on factory equipment</td>
<td>15,000</td>
</tr>
<tr>
<td>Factory supplies and utility costs</td>
<td>24,000</td>
</tr>
<tr>
<td>Total factory overhead</td>
<td>$59,000</td>
</tr>
</tbody>
</table>

**Total manufacturing costs incurred**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$304,000</td>
</tr>
</tbody>
</table>

**Total manufacturing costs**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$334,000</td>
</tr>
</tbody>
</table>

**Less work in process inventory, December 31, 2010**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>64,000</td>
</tr>
</tbody>
</table>

**Costs of goods manufactured**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$270,000</td>
</tr>
</tbody>
</table>
2. Calculate Net Income

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>600,000</td>
</tr>
<tr>
<td>Finished goods inventory, January 1, 2010</td>
<td>95,000</td>
</tr>
<tr>
<td>Cost of goods manufactured</td>
<td></td>
</tr>
<tr>
<td>Finished goods inventory, December 31, 2010</td>
<td>55,000</td>
</tr>
<tr>
<td>Selling expenses</td>
<td>54,000</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>36,000</td>
</tr>
</tbody>
</table>

Sales $600,000

Cost of goods sold:

- Finished goods inventory, January 1, 2010: $95,000
- Cost of goods manufactured: 270,000
- Cost of finished goods available for sale: 365,000
- Less finished goods inventory, December 31, 2010: 55,000
- Cost of goods sold: 310,000

Gross profit: 290,000

Operating expenses:

- Selling expenses: 54,000
- Administrative expenses: 36,000
- Net income: 200,000
ENTREPRENEURSHIP EXPERIENTIAL EDUCATION
TEACHING CASE: THE $20 BUSINESS EXERCISE

Ron Duggins - University of Central Arkansas
Dan Fisher - University of Central Arkansas

CASE DESCRIPTION

The subject matter of this case concerns experiential education methods in teaching entrepreneurship. It provides students real world experience in a very brief time in many aspects of the startup process. It is not intended to provide a complete entrepreneurial experience, but rather “throws the learner into the pool” to force them to swim. The exercise has a difficulty level of one (freshman) through 6 (second year graduate) and is best used with students who are beginning to learn about entrepreneurship. The exercise has been effectively used in classes such as New Product Development, New Venture Creation, and Fundamentals of Entrepreneurship. It is also applicable to high school entrepreneurship camps and/or classes. The exercise occurs over a 4 to 5 week period and the work is generally done outside of class. The amount of time for the students varies greatly depending on the size of the student teams (if there is a team) and the level of commitment on the part of the students.

CASE SYNOPSIS

Scott Berkun, in his book, The Myths Of Innovation, says “However, it’s often not until people try their own hands at innovation or entrepreneurship that they see past the romance and recognize the challenges for what they are.” This statement represents the heart of the $20 Business Assignment. This case involves throwing the students into the pool of entrepreneurship to in order to bring a bit of reality and hands on experience to entrepreneurship classes. It quickly moves the students to action and accelerates entrepreneurial learning. One of the challenges of teaching entrepreneurship is moving the students from a point of learners and knowers to that of doers. The goals of this exercise are as follows:

- To highlight the importance of problems and opportunities in entrepreneurship.
- To force students to make their ideas tangible.
- To market quickly and cheaply.
- To use constraints to promote creativity and resourcefulness.
- To make the lean startup process real.
- To separate ideas about entrepreneurship from the reality of entrepreneurship.
- To develop presentation and pitching skills.
- For students to gain insights about themselves.

This is a fun and fast-paced activity that is challenging yet not “life or death” in terms of startup failure. It requires the students to reach within themselves and utilize their resources and
resourcefulness. Students become highly engaged in the process and because there is a time limit the students learn to use the constraints to their advantage. The exercise ends with a pitch of the $20 Businesses where classmates ask questions and provide feedback. The $20 business activity can also be integrated into other opportunities by preparing students to participate in local 60-second pitch competitions, enter their $20 business ideas into project competitions within schools of business, or modifying the exercise to include use of a makerspace if available.

CASE BODY

In this Experiential Teaching Exercise the student will start a business with only $20 to discover, build, and market an idea in around one month’s time. Students are required to identify a problem/opportunity, create a solution, and market and sell the product/service within a four-week timeframe.

ASSIGNMENT PARAMETERS

Timeframe: 4 weeks

Students will have four weeks to determine a business idea, develop a product/service, market the product/service in order to make as much revenue as possible.

Team Formation or Individuals

Students may be divided into teams or pursue the exercise on their own.

Capital: $20

Students can invest no more than $20 total to get the idea off the ground. If students work on teams the budget remains $20 total, not $20 per person. Students can reinvest any profits they make back into the company, but the guidelines state that they can invest no more than $20 to start.

Pitch

At the end of the four weeks, students will be assigned a day and time to pitch and discuss the results of their $20 Business Project. Students will be notified of the amount of time and any content requirements necessary for the pitch.

Written Assignment (Optimal)

Students will individually write a Startup Whitepaper. It is a formal document, not a printout of the final presentation. The Startup Whitepaper will utilize data that will be in the presentation, but it is written in paragraph and narrative form, not in bullet points. Imagine if one were unable to attend a student’s presentation, think about what kind of information would need
to be in this document so that others can have a clear understanding of the $20 Business and the student’s process and insights. Provide information on the following sections.

- Business idea and why you chose it
- A detail of your product/service
- Customer focus
- Your marketing strategy
- A discussion of the economics of the business with basic financials included
- Your major challenges
- Your 3 biggest insights about entrepreneurship
- Your biggest insight about you

Technical Rules

- Your business cannot involve alcohol
- If you sell food you must abide by local/state Cottage Food/Health Department laws (if applicable)

STUDENT FEEDBACK DATA ON CASE ASSIGNMENT

In order to judge the effectiveness of this experiential exercise, we have begun to collect data from the students on the learning outcomes and insights gained during the exercise. The data is gathered through an online survey utilizing open-ended narrative questions.

The data below is from forty-nine students in a New Product Development and Fundamentals of Entrepreneurship class. The student classification ranged from sophomore to senior students. Thirty-one of the forty-nine students had not studied entrepreneurship before the class in which they did the $20 Business exercise.

When asked about their beliefs about whether or not it was possible to start a business in four weeks 10% said they did not believe it was possible with 90% expressing optimism that it was possible. Of those who said it was not possible the three most common reasons were:

1. Not enough time to get started
2. Needed a detailed plan first
3. Did not know where to start

When asked about what they believed were the most important steps prior to starting the exercise, 24% said it was identifying the problem or business idea. An equal number of students expressed that marketing related steps (22%) and product/prototype development (22%) were the most important steps. Market research and funding were both listed as most important by around 10% respectively.

Additionally, the survey asked about the biggest insights about entrepreneurship gained during the exercise. As one might expect there were a wide range of insights among the students but three areas received 10% to 31% of the student’s comments. These were insights into the
importance of understanding your market/customer (31%), “just getting started” and prototyping early (20%), and learning from mistakes (10%).

With such a short time frame, we were curious as to where students started the process. The responses fell into the following four broad categories. It is interesting to note that around 67% of the students did not start by talking to customers but rather dove into their product or marketing activities.

1. Worked on product first (39%)
2. Worked on marketing issues first (28%)
3. Sought feedback from experts and/or customers (26%)
4. Worked on team development (2%)

Students were asked about their toughest challenges. This question also had a wide variety of answers, but there were some categories that had at least 10% of students respond around common themes. These were

- Time management (21%)
- Issues related to courage and uncertainty (21%)
- Challenges related to the product/service (17%)
- Customer acceptance/relations issues (15%)
- Marketing. (11%)

In one month’s time 75% of the students indicated they made a profit from their company. In this sample of students 20% indicated they did not make a profit while 5% said they broke even.

When asked about what surprised them most during the exercise the majority of students (61%) gave answers related to customer actions and perceptions. This included surprise that customers actually bought from them, but also included how some customer were wary of their product or service. Around 16% said their biggest surprise was that the process was easier than they initially believed it would be.

In terms of the major takeaways from the assignment, the highest number of students pointed to issues of confidence (35%). The most common answer was similar to the statement, “I’m capable of more than I thought!” Another common theme was the role of passion in the process (12%).

When considering the effectiveness of the $20 Business Exercise as a meaningful experiential exercise for entrepreneurship the feedback indicates the stated goals are being directly and indirectly met.

- **Highlight the importance of problems and opportunities** – Many students pointed out that understanding the problem and talking to customers early was important to success or they indicated that they did not do this enough.
- **Force students to make their ideas tangible** – The time constraint pushed the students to take action on their idea. One student indicated that they had been thinking about their product idea for five years, but until doing this assignment had not taken any real action.
• **Market quickly and cheaply** – The time constraint here give the student no option but to do this quickly and the $20 investment creates a bootstrapping environment to be creative with budget advertising.

• **Use constraints to promote creativity and resourcefulness** – This is a foundational approach to the activity in order to be successful. The statements and presentations of the students clearly show a level of creativity in business ideas as well as making things happen.

• **Make the lean startup process real** – Many students indicated through their comments and presentations that early testing, prototyping, and customer discovery were important in the process.

• **Separate ideas about entrepreneurship from the reality of entrepreneurship** – In working with novice entrepreneurs it is important to move them beyond thinking to action and many of the comments indicate that they have a more realistic understanding in terms of customer behavior, time commitment, and level of passion then they did before the exercise.

• **Develop presentation and pitching skills** – Practically this exercise allows the students to develop and practice these skills and there were many comments in the student feedback related to needing to become better in this area

• **For students to gain insights about themselves** – The student feedback clearly shows that this exercise give the students a forum for self-reflection, not only in relation their approach to entrepreneurship, but to their wider self as well.

With this feedback and in evaluating the student’s projects and presentations we as professors now have targeted areas for discussion and learning in terms of course content. For example, knowing that around two-thirds of the students did not start with customer discovery, but rather with digging into their idea of a solution allows us to address the “what might have been” scenarios with the students. This exercise has become a favorite among our students and the incoming students often comment about looking forward to doing this assignment. We hope that you might find it beneficial and iterate the process for a meaningful experiential exercise with your students. Some meaningful quotes from students about the effectiveness of the program are below:

“I have had this idea for about five years. I have never actually asked anyone what they thought about it or if it could work. I now know my idea could possibly work if I wanted.”

“I learned that I just needed to be confident. I didn't think that I could start a business now or possibly ever, but through this process I had to be confident in myself and just get up and get something done. And I did it, I made a profit.”

“Through this assignment I learned that by just putting myself out there and trying something outside of my comfort zone, it really helped boost my confidence in coming up with ideas and implementing them. It also taught me that sometimes you don't need to plan every aspect of some things, if you just start doing it you'll get results a lot faster.”

“I learned that with determination and a good time management I was able to make more money than expected. There are a lot of opportunities outside that need to be exploited.”
“That I have to look at problems a different way, there are always new ways to improve on what is already out there.”

“I learned that I am capable of a lot more than I thought. The most important thing I have gained from this assignment...is to TAKE ACTION! Get off your butt and do something about it.”

“I can do anything I put my mind too. I've lived most of my 39 years of life being made to believe that I wasn't responsible in the work it would take to be successful. People I was around didn't question my thoughts, they encouraged my insecurities. This assignment helped me establish new confidence with the eagerness to excel at anything I put a thought too. You helped establish a clear line of accountability, and I own every step of this process. This is the beginning of what the world can expect out of me.”
CIRCLE OF OPPORTUNITY: A SOLUTION-BASED APPROACH TO CONTINUOUS INNOVATION IN ENTREPRENEURIAL FIRMS

Brooke R. Envick, University of Nebraska at Kearney

ABSTRACT

Continuous innovation is an ongoing gradual process entrepreneurial firms should engage in to become more adaptive to enhance stability and growth. However, finding a useful and reliable method or process to utilize and sustain for the ongoing activity of continuous innovation can be a challenge. Design thinking methods are helpful tools for this process. This paper offers a specific design tool called Circle of Opportunity that entrepreneurial firms can utilize to engage in continuous innovation. Important elements of both exploitation and exploration are included with this design tool as a way for firms to become more adaptive systems and improve their chances of survival and growth. Steps for implementation are presented along with many benefits of using this tool. The Circle of Opportunity design thinking tool provides a structured, systematic approach to continuous innovation with creative, solution-based outcomes that allow entrepreneurial firms to become and remain adaptive in today’s complex business environment.

INTRODUCTION

Innovation is essential for entrepreneurial success. Today’s business environment is characterized by significant competition as well as increasingly more complex environmental factors such as rapid advancements in technology and the ever-changing landscape of politics and globalization. In order to survive and thrive, entrepreneurial firms need to engage in continuous innovation, which is an ongoing gradual process that aligns internal operations (exploitation) with strategic initiatives (exploration). By configuring the right mix of both exploitation and exploration, the entrepreneurial firm can become a more adaptive system to improve its chances of survival and growth. This paper offers a design thinking tool called Circle of Opportunity, which entrepreneurial firms can utilize to achieve continuous innovation and become more adaptive, which is needed for survival and growth.

LITERATURE REVIEW

Innovation has been considered a key component for success in entrepreneurship and economic growth for many decades (Schumpeter, 1934; Glennon, Albright, & Owens, 1966; Vernon, 1966; Hornaday & Aboud, 1971; Timmons, 1978; Robinson, Stimpson, Huefner & Hunt; 1991; Anderson, Potocnik, & Zhou, 2014). Innovation is the successful implementation of creativity in profitable outcomes such as new products, services, and processes that create value. Anderson, Potocnik, and Zhou (2014) proposed an integrative definition where creativity and innovation together are considered the process, outcomes, and products of attempts to develop and
introduce new and improved ways of doing things. In today’s business environment, entrepreneurial firms need to engage in continuous innovation due to ever more industries, customers demand a high variety of fairly priced but high quality, increasingly customized or even unique products, delivered quickly and on time (Boer & Gersten, 2003).

Continuous innovation is the ongoing but gradual evolution of internal operations and outputs or creations of the firm. In other words, continuous innovation combines operational effectiveness (exploitation) with the strategic goals (exploration) of the firm (March, 1991; Bolwijn & Kumpe, 1998; and Boer & Gersten, 2003). Therefore, entrepreneurial firms must find a way to become competent at both exploitation and exploration, which are required to develop and maintain a competitive advantage needed for firm survival and growth (Hitt, Hoskisson, & Harrison, 1991; Sanchez, 1995; Shimizu & Hitt, 2004). However, there is a delicate balance balance between exploitation and exploration, which means the firm must become an adaptive system.

Adaptive systems improve their chances of survival by adjusting internal operations in response to the changing external environment, which is the interplay between exploitation and exploration. Unfortunately, very few tools exist to help entrepreneurial firms to determine the appropriate mix of exploitation and exploration. (Schumpeter 1934; Holland 1975; Kuran 1988; Nooteboom, 2006), as exploitation requires refinement, efficiency, and stability and exploration requires risk-taking, experimentation, and change (March 1991; Nooteboom, 1999; Shimizu & Hitt, 2004).

Engaging in exploration at the exclusion of exploitation results in many undeveloped new ideas and too many financial resources devoted to experimentation without realizing the benefits. On the other hand, engaging in exploitation at the exclusion of exploration results in no competitive advantage in the marketplace because the firm provides little or no real value propositions to consumers. Therefore, finding and maintaining the right balance between exploration and exploitation is essential for survival and prosperity (March. 1991; Boer & Gersten, 2003).

This paper offers a specific design thinking tool, called Circle of Opportunity, that entrepreneurial firms can use to find and maintain a state of continuous innovation and adaptation by combining common key factors of exploitation and exploration. Design thinking refers to creative strategies designers use during the process of designing (Visser, 2006; Brown, 2008). Archer (1965) and Simon (1969) were perhaps the first to use the term 'design’ to describe a way of thinking. One of the major benefits of design thinking is that it is solution-based instead of problem-based (Dorst, 2001).

Glen, Suciu, and Baughn (2014) promote design thinking for entrepreneurial endeavors, because it is a source of business competitiveness that fosters creativity, innovation, and a better understanding of consumers’ true needs. By using design thinking methods, entrepreneurs can become more effective at generating ideas focused on solutions rather than problems (Dorst, 2001; Glen, Suciu, & Baughn, 2014).

For the key factors of exploitation, March (1991) identifies the major components as being products, market approaches, processes, technologies, human competencies, and systems. Products are the specific goods and services the firm sells. A market approach is a valuation method used to determine the value of an asset. Processes are activities that accomplish specific
organizational goals. Technologies refers to the machinery or equipment used in the application of scientific knowledge. Human competencies include the collective knowledge, skills, and abilities of the firm’s owners and employees. And systems are methods to connect all of the firm’s parts.

For the key factors of exploration, Cohan (2013) identifies the major components as being strategic goals, industry/markets, acquiring capital, labor pool, customers, and other environmental factors not related to the other five components. Strategic goals include the mission and long-term goals of the firm’s founders. Industry/markets refers to the firm’s position in the right industry and best markets for success. Acquiring capital is the firm’s ability to attract financial resources for growth and expansion. The labor pool refers to the firm’s ability to attract top talent. The customers component involves offering products of real value to the consumer. Other environmental factors include new competitors and changes that result in either new opportunities or threats.

**METHOD**

Circle of Opportunity is a specific design thinking tool created by Michael Michalko (2006) that is based on the forced connections of selective attributes related to a specific challenge, opportunity, or situation. The specific challenge this paper addresses is the firm’s ability to engage in continuous innovation by finding the appropriate balance between exploitation and exploration.

One benefit of using the Circle of Opportunity tool is that it allows participants to focus on different combinations of the selective attributes in new ways, which allows them to assign meaning to them. Selective concentration leads to better ideas for exploitation and greater insights for exploration, which is the foundation of continuous innovation and overall firm success (VanGundy, 2005; Michalko, 2006). Steps for implementation for Circle of Opportunity are as follows:

1. State the challenge of continuous innovation to participants and stress the importance of focusing on factors related to both exploitation and exploration. Participants can include the top management team, employees, key customers and/or members of a board of advisors or directors.
2. Draw a circle with 12 numbers inside so that it resembles an analogue clock.
3. Place the factors of exploitation with numbers 1-6: 1) products, 2) market approaches, 3) processes, 4) technologies, 5) human competencies, and 6) systems.
4. Place the factors of exploration with numbers 7-12: 7) strategic goals, 8) industry/markets, 9) acquiring capital, 10) labor pool, 11) customers, and 12) environmental factors.
5. Throw one die to select an exploitation factor.
6. Throw a pair of dice to select an exploration factor.
7. By rolling the dice, you engage in random selection with 36 possible combinations of forced connections. For example, rolling a 5 in step five and a 9 in step six results in a forced connection between your firm’s human competencies and the ability of your firm to acquire capital.
8. Instruct participants to consider the two factors separately first. For example, what are our greatest strengths regarding human competencies and what are our weaknesses? Likewise, consider your past, current, and future abilities in acquiring financial capital.
9. Next, instruct participants to consider the two factors together. This is where the forced connection occurs. What does our human competencies have to do with our ability to acquire capital? Encourage free association, which is any and every way the participants think they may be connected. Free association is where creativity comes into play leading to more and better ideas, which is the foundation for continuous innovation. Be sure to write down all associations that are offered.

10. Encourage participants to ask questions about the associations that offered such as: What do the associations remind me of? What analogies can I make from the associations? What are the relationships between the associations and the challenge? What new insights are coming to mind from these associations?

The bottom-line goal is to generate ideas to improve the connection between the two factors. In this example, ideas are offered to improve human competencies to better attract financial capital to the firm or ideas on how the firm can use its current human competency strengths to acquire more capital.

There are three important factors of success in the process of conducting Circle of Opportunity (Alder, 2001). First, make sure all participants understand the challenge, including what each factor of exploitation and exploration mean. Second, commit to random selection by throwing the dice or even drawing numbers. With random selection, you avoid assigning weight and time to ideas you think are most important or pick the more common or easier combinations of the factors associated with exploitation and exploration factors. And third, give participants time to understand and get comfortable with the process. Initially, they may not be open to any combination of these factors, but the best ideas usually arise from the most unlikely combinations. Encourage them to stretch their creative thinking abilities.

RESULTS

The Circle of Opportunity design thinking tool has been an effective method for innovation for small entrepreneurial firms. Michalko (2006) offers two specific examples of success. One involves a retailer who used the tool to generate new ways of generating revenue for his airport gift shop. As a result of using this tool, he developed a simulated golf game where players hit balls into a net as a way for travelers with layovers or delays to pass time. This allowed the retailer to progress along the goods-to-services continuum (Martin & Horne, 1992). Instead of offering just pure goods, he was able to move to a different position on the continuum where he offered core goods with accompanying services. This created more value for his customers resulting in more revenue for his business. In addition to creating new products, Circle of Opportunity has been shown to be an effective design tool for generating other useful ideas in small entrepreneurial firms. In his other example, the creative director for an advertising agency developed a novel promotional campaign for an airline that they were able to use for a full year. This created more value for them and for their client.

A specific firm’s results will, of course, vary widely. There are 36 forced connections, chosen at random, for each analysis. It is important to remember that continuous innovation is an ongoing gradual process. Therefore, a firm can choose how often and how many connections they
want to address at any given time. Over the course of a year, a firm could analyze three forced connections of the key factors of exploitation and exploration each month. Another approach could be addressing nine forced connections per quarter. The key is to commit to utilizing the Circle of Opportunity design tool with an ongoing, systematic schedule.

There are several benefits of using design thinking methods in general. They include identifying a greater number of ideas, generating ideas that are solution-based, developing more creative and novel ideas, revealing new patterns and connections, being able to organize multiple ideas, and increasing collaboration among participants.

**DISCUSSION**

It is important to note that Michalko (2006) instructs traditional users of Circle of Opportunity to identify very general attributes such as colors and textures or adjectives such as useful, mobile, and durable. This contribution of this paper, on the other hand, is providing instructions for very specific attributes for the 12 numbers in the circle, six being factors of exploitation and the other six being factors of exploration. By randomly selecting one factor in each of the two categories, entrepreneurial firms can engage in continuous innovation.

Circle of Opportunity is just one design thinking tool that entrepreneurs can use to generate creative solution-based ideas for new products or improvements. One other useful tool is called Attribute Listing (Morgan, 1993; Smolensky and Kleiner, 1995), which provides a focused approach to break down a challenge into specific parts and modify or improve each one. Another design thinking tool is Reversal (Mattimore, 1995; McFadzean, 1998), which allows you to see a challenge very differently by reversing all assumptions about every attribute and then developing workable ideas around the reversed assumptions. Wishful Thinking (Couger, Higgins & Mcintyre, 1993; McFadzean, 1998) is also a great tool that engages intrinsic motivation, which leads to deeper insights and more creative ideas.

The Circle of Opportunity design thinking tool offered in this paper provides a structured, systematic approach to continuous innovation with creative, solution-based outcomes that allow entrepreneurial firms to become and remain adaptive systems. Continuous innovation and adaptability has become essential for survival and growth in today’s complex business environment.

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A STUDY OF MILITARY VETERANS AND FRANCHISE OWNERSHIP: DOES PAYING MATTER?

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ABSTRACT

As a follow-on study of Military Veterans and Franchise Ownership, this qualitative and quantitative research focused on pragmatic strengths of former military members turned entrepreneurs and business owners. While prior parts of this longitudinal study focused on traditional mail, and online survey to gather data, this study intentionally modified the prior online survey experience to include an element of paying participants, with the purpose of determining if it had an impact on the data gathered. This methodology change provided two opportunities: additional supportive data for the study effort, and insight into the impact of paying participants upon research data. While the focus of the study was qualitative research, including coding of emerging themes related to veteran success as franchise and business owners, it also had quantitative research between studies assessing the impact of paying participants.

Keywords: franchise, leadership, methods, military, participants, pay, research, veterans

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CUSTOMER SERVICE: CANADA, URUGUAY & UAE

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ABSTRACT

Power dimension is the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally. Canada scored very low in this category and they believe that everyone has a voice and that communication should be with respect and straight-forward. Uruguay in the other hand scored very high. They believe that everyone has a place and there are no ifs, ands or buts about it. In a strategic customer service role Canada would have the better advantage. When everyone gets an opinion, companies are more successful because of the environment. Healthier environment overall for Canada. Individualism is addressed to the degree of interdependence of a society maintains among its members. Canada scored very high on this category and that means that they are loosely-knit society. They look after themselves and their families and no one else. Uruguay scored a 38 and this means that they strive for consensus and people value equality in the working lives. In a customer service situation, this is very important. People in Canada would have a hard time being successful because they don’t see each other as equal. They feel like everyone is out to get them so they would be more inclined to do the right thing if it only benefited them. As for in Uruguay they will ask others for help and are more supportive towards one another which will make them more inclined to help one another in order for everyone to be successful. The uncertainty avoidance has to do with the way that society deals with the fact that the future will never be known. Uncertainty avoidance is the extent to which the members of a culture feel threatened by ambiguous situations and have created beliefs and institutions that try to avoid these. Canada scored a 48 which means they are open to new ideas to many different things. This shows that the Canadian culture is not rules-oriented. As for Uruguay, they scored a 99. They believe in rules and that shouldn’t be wanted because time is money. Uruguay in terms of power distance got a score of 61. This means they are accepting of hierarchy and get told what to do. Canada has 39 on power distance meaning they consult with each other, no matter what status. Individualism: Uruguay- 36, Canada- 80 Masculinity: Uruguay - 38, Canada - 52 Uncertainty Avoidance: Uruguay - 99, Canada-48 Long term orientation: Uruguay -26, Canada-36 Indulgence: Uruguay -53, Canada – 68.

Whether or not the two countries are similar, resides in one minimalistic approach. The UAE has more family centric view, as the families are expected to take care of themselves. Where as in Canada, families are supported more so, by each other in the society in which they thrive in. The market place in Canada is more government influenced. Where as in the UAE, are to work for
the country. It is important for people to build trust and long lasting relationships with each other as shown in the research of Carland, Carraher, and colleagues.

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STRATEGIC-CUSTOMER SERVICE DIFFERENCES BETWEEN CHINA AND THE UNITED STATES

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ABSTRACT

According to Hofstede, China and the United States have many similarities and differences in several dimensions that shape strategic customer service. One of the first dimensions is power distance. China has an overwhelming score of 80, whereas the U.S is only half of that. This demonstrates that China is naturally more accepting of unequal authority and power within society. This may mean that lower class individuals who work within a society, such as customer service representatives or employees, should not expect to advance in their line of work or career as managers or even business professionals. They are not meant to go beyond their lower ranking in society, which is a quite normalized idea for Chinese individuals. This high-power distance may affect the attitudes of customer service employees towards customers, resulting in poor customer treatment overall. Superiors may also demand extra work from customer service employees as a source of authority and power, which may even be abused at times. This concept slightly differs from the United States, as authority and power are available, but not completely encompassing as it is in China. Power and influence are still very important in the U.S, however success in career and business also stems from the level of education received. For example, an individual may get a job as a customer service manager, overseeing the entire service department of a large company solely through one's influence and power in society. But one may also easily obtain the same job through their educational degree and matching qualifications. This demonstrates the influence and power inequality of the U.S, as well as society's general expectation of advancement in higher ranking career jobs (derived from the level of education and experience received). The second dimension from Hofstede's Model is individualism. China demonstrates a very collectivistic society, whereas the U.S is highly individualistic. Creating relationships with the community and cultivating ties and groups within society is much more valued in China than the societal interdependence demonstrated within the U.S. Self-reliance is heavily implemented in America, to the extent that everyone should only look after themselves, close friends, and family. In terms of customer service, China may have more connected, loyal, and committed workers, providing greater customer satisfaction. This is mainly due to the desire to form a strong cultural bond to people outside of family and friends. In the U.S however, workplace connections are less existent.
The idea of simply carrying out the job and returning home to family is more commonplace. This pleads for more of an individualized lifestyle than living collectively as a group. The customer service may slightly suffer because many employees may not be able to actively connect on a personal level to customers. This weakens their ability to carry out their services and positively engage with the customers. It may also cause workplace conflict, as people are less inclined to form relationships and bonds with co-workers. Masculinity, the third dimension, is a close tie between the two countries. With a score of mid to upper 60s, China and U.S are declared to be highly masculine countries. This means they are success and work driven. They work very hard, and oftentimes sacrifice leisure and/or family time for work. This is a very positive characteristic for both countries because it signifies the devotion to customers or clients, even when family life is apparent. Opening early or staying late is an indicator to exceptional customer service. Prioritizing work is optimal when dealing with work and customer satisfaction. This creates more positive reviews from customers and grows the business within society. The fourth dimension is uncertainty avoidance, which is a fear of the uncertain. China has a lower score than the U.S, meaning that they are more tolerable with uncertainty. This gives them the ability to try new things and welcome different outcomes than expected. Regarding customer service, this is highly beneficial. Being more uncertain provides opportunities for growth in business. By succumbing to the unknown, owners and managers are more willing to provide the best staff and workers to create a successful business. The better prepared, the more successful the outcome will be. Therefore, customer service may appear to have greater quality in China. The U.S, on the other hand, is half and half. They tolerate uncertainty when launching a new product or advancing technology and innovation, however they are not completely comfortable with it. There is still fear that goes into launching products and creating new ideas, since they do not know how the market will react. This leads to less innovative or creative ideas and introduces more safe approaches. This may not be ideal when dealing with customer service, since relating to customers is more of a creative approach. In terms of long-term orientation, China scored higher than the U.S. This means that China is more welcome to societal change. They can adapt to new traditions and implement more practical methods. This is advantageous in the customer service sector. The more inviting and positive approaches that managers implement, the more beneficial to customers and employees alike. The U.S, on the other hand, is more fearful of change and is more traditionalistic. Inciting new change and information on different topics is more skeptical. This would be more negative to customer service, since change is necessary to grow and receive more positive feedback. The last dimension of Hofstede's model is indulgence. The United States is highly indulgent on the scale, giving into desires and impulses. This may not be ideal in a business setting, as workers may lie or cheat to get their way. In China however, they practice restraint from indulging and incorporate more need-based tasks in their daily lives. This causes individuals to think and act more practically, rather than emotionally or through impulse. Restraining oneself from indulging in things like money and power, or restraining one's emotions, is essential in creating a great customer service team as well as providing exceptional service and quality.

Hofstede’s dimensions break each country down into 6 distinct categories such as Power distance, individualism, Masculinity, Uncertainty Avoidance, Long-term Orientation, and Indulgence. Due to the uniqueness that each country holds these numbers have a tendency to fluctuate. For example, China and the United States. China’s power distance is exactly double that of the US. Scoring an 80 out of 100. This represents the extent to how comfortable people are with the gap of power and the acceptance level of authority. Many Americans feel that power should be distributed equally, a prime example is pay inequality amongst genders and the consistent
questioning of societal norm, while China these notions are more readily excepted. Another major difference in scoring was individualism. Americans scored strongly when it came to individualism, a 91 compared to China who scored a 20. This means Americans are more concerned with “I” which represents themselves and loved ones and China has more of a “We” which represent the social group as a whole and the well-being of the nation. Another Key difference between the two cultural dimensions that stands out is long-term orientation, China scored an 87 in this aspect while America scored a 26. Country’s with a high index are very adaptable to the situation at hand and nothing is back or white. Their society also adapt to traditions easily while on the other hand Americans are more set in their way when it comes to ritual, for example, most American stores are closed on Sunday, due to church. The last main difference when it comes to the Hofstede model between these two countries’ is indulgence. Indulgence measures the extent to which people will control their desires. “Work hard play hard,” is what most Americans live by, while the Chinese have a very strong control over their emotional spending and will only purchase an item when it’s an absolute necessity. Now that we have a good concept of the cultural differences between the two countries we can understand how crucial a proper understanding can have in the world of customer service. For example, American people might not buy a product from a company that outsources their manufacturing parts due to that old mentality that we must keep money in the American economy, as a result impacting sales. Another way that these cultural dimensions plays a role in customer service is that in the Chinese culture people are very indirect when speaking with one another. Also, you can never be sure of one’s position in society thus you must be very formal and professional when conducting business. One more way to use Hofstede’s cultural dimensions to provide superior customer services is understanding the Indulgence measures to see if your product will be successful. If the item your selling is more of a luxury item then the American market will be optimal but if your product is more of a necessity item, then china’s market would be best. All in all, the outcome from knowing the different Hofstede dimensions and how a country ranks within these categories can be a precursor on developing superior products and services while boosting your success. It is important for people to build trust and long lasting relationships with each other as shown in the research of Carland, Carraher, and colleagues.

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TIPS FOR ESTABLISHING PROFESSIONAL PRESENCE IN USING THE TELEPHONE: ESSENTIAL SKILLS TO ENHANCE COMMUNICATION IN THE BUSINESS ENVIRONMENT

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ABSTRACT

In today’s dynamic, competitive marketplace, employers increasingly appreciate the vital role of effective communication in achieving success in the business world. In an environment where innovative developments in communication tools occur at an astounding rate, members of the “social media generation” often lack basic professional skills in using the most important electronic device in every business office: the telephone.

This article presents essentials for mastering eight skills necessary for establishing a competitive advantage in using the telephone, including tips for planning before placing a call; for projecting a confident tone of voice in speaking on the telephone; for avoiding being placed on “indefinite hold” and becoming an unwilling participant in “telephone tag”; for creating and using a quick reference file to engage receivers of telephone calls; and for using professional presence skills for success during telephone employment interviews. Recommendations are given for acquiring and practicing these tips in order to enhance personal and professional effectiveness in business communication.

INTRODUCTION

“The art of communication is the language of leadership” (BrainyQuote, 2018). These words, written by James C. Humes, presidential speechwriter and author of numerous books on historical and modern political leaders, convey the importance of effective communication skills in leadership roles. Productivity and success in today’s business environment depend, to a great degree, on the ability of individuals at every level of a business organization to demonstrate communication expertise in using the most important electronic device in every business office: the telephone.

Communication by telephone is often the first—if not the only—contact that customers or clients have in interacting with a business organization. The universally known adage, “You never have a second chance to make a first impression,” emphasizes the value of professional skills in using the telephone in business. Persons throughout the chain of command, from CEO to line worker, need to know and practice professional telephone skills in the modern business arena, as business is conducted increasingly through electronic channels.

This article presents eight tips for using the telephone to enhance professional success. In order to acquire telephone expertise, one must follow two steps: (1) identify and learn basics for success in using the telephone and (2) practice these skills on a regular, daily basis in order to gain
mastery of the art of successful telephone communication. Each of the eight tips is presented and explained in the following pages so that readers may begin to practice these skills on a daily basis, making them one of their leadership skill sets that will provide a competitive advantage in any business setting.

**TIP ONE: PLAN CAREFULLY BEFORE PLACING A CALL**

Realizing that time is a precious commodity in today’s business world, a caller should take a few moments to jot down a brief outline for any significant telephone conversation before placing the call. The caller will want to include adequate blank space after each point on the outline for taking notes based on the response of the receiver. Writing the main points and/or questions and following this brief, informal outline help to ensure that all intended goals for the call are indeed addressed before ending the call. This practice can eliminate the need for awkward repeat calls.

Following the greeting, the caller should further present an organized, professional impression by saying, “I called this morning to cover three important points. First . . .,” et cetera. When all of the outline items have been covered, the caller can express appreciation and end the call pleasantly. Making and using an outline is an effective method to keep the conversation on track, saving time for both the caller and the recipient of the telephone call.

**TIP TWO: ANSWER TELEPHONE CALLS IN A PROFESSIONAL MANNER**

How many times have clients dialed a business telephone number and heard a garbled, rapid identification of the business they were attempting to contact! Employees who answer business calls repeatedly throughout each workday may become desensitized to the necessity of distinctly identifying the organization and delivering other key information in their greeting.

When answering a business call, the receiver should clearly give the name of the business, along with his or her name and any information the organization requires, speaking distinctly and at a moderate speed. Permanently standing a small mirror on the desk and looking at one’s face whenever answering a call can promote focus and a professional, pleasant tone. When smiling, an individual’s voice automatically becomes warmer and more positive. Anyone who doubts this phenomenon should try this tip!

**TIP THREE: PROJECT CONFIDENCE ON THE TELEPHONE**

An essential tip for projecting confidence in one’s tone of voice while using the telephone is to stand throughout any important telephone call. If the caller knows that the call is of a significant nature, he or she will want to stand as soon as the number has been entered; as soon as a receiver recognizes the importance of a call, the receiver should immediately stand.

Human physiology reveals that standing with good posture allows an individual to breathe properly and more deeply, creating a tone that sounds clearer, stronger, and more confident. Telephone users who are unable to stand throughout a call can achieve similar results by sitting erectly and maintaining excellent posture. In addition, drinking water regularly throughout the
day is not only a good health practice but also improves the quality and richness of a speaker’s voice, not only on the telephone but also in face-to-face business communication (Moran, 2014).

**TIP FOUR: FOCUS ON THE TELEPHONE CALLER**

When answering a telephone call in a business setting, one should immediately stop the current work task, answering after no more than two rings and attentively focusing on the call. Although this tip may sound simple to do, any individual whose regular responsibilities include answering the business telephone is familiar with the challenges of quickly shifting attention from a work in progress to the person who has “interrupted” this work with a telephone call.

Contrary to the opinion of many business employees, an individual calling a business can easily discern whether or not the person answering is focused entirely on their call. Giving full attention to a caller requires a disciplined mindset, no matter how involved in work the answering party may have been prior to the call. Indeed, the result of the telephone call may prove to be of greater importance than the interrupted task.

**TIP FIVE: CREATE AND USE A QUICK REFERENCE TELEPHONE FILE**

Creating a convenient 3-inch by 5-inch index card file containing information about frequent and/or key callers can enhance the value of business telephone calls. An individual who regularly answers the telephone in a business office, as well as a high-ranking leader in the organization, can benefit his or her company, as well as the individual who placed the call, by originating and maintaining such a file. After obtaining a small file box and a number of 3-inch by 5-inch index cards (in addition, alphabetical divider cards are very helpful), a businessperson can make an index card with the caller’s name (surname first) on the top line. Any information given by the caller that the businessperson wishes to remember can be written on the card immediately following the telephone conversation.

For example during the course of conversation, a client may mention a child or grandchild by name, along with an award, achievement, or special interest of the child. The caller may relate information about a recent trip abroad or may talk briefly about the illness of a family member. Having written information on this card following each conversation with a client, the businessperson can easily locate the client’s card and ask about a person by name or a particular event of interest mentioned previously by the client.

Keeping this quick reference telephone file assists the businessperson in remembering names and events that are significant to the client and demonstrates sincere concern and interest in the well-being of another person.

**TIP SIX: AVOID BEING A PARTICIPANT IN THE “INDEFINITE HOLD” AND “TELEPHONE TAG” GAMES**

Before placing a caller on hold, the individual answering a business call should always ask for the permission of the caller by saying, “May I place you on ‘Hold’ for a few seconds?” The longest time any caller should be placed on “Hold” without feedback is twenty seconds.
To avoid being placed on “Hold” indefinitely, the caller may simply respond to the question, “May I place you on ‘Hold’ for a few seconds?” with these words: “Yes, but I’m expecting another call,” which is accurate since another call will surely come into the office within minutes, if not seconds. The caller should continue with these words: “Let me give you my telephone number in case I have to hang up.” If the caller tires of waiting, he or she may hang up with no regrets, since the caller has not hung up on the businessperson but has provided the number for a callback, if desired.

To avoid being an unwilling participant in Telephone Tag, a caller should retain control in trying to contact the intended receiver of a call. Telephone Tag can result in inefficient use of time and unnecessary frustration when the caller replies in the affirmative to this response: “Ms. Jones is not available at this time. May I take a message?” Instead, the caller should say, “No, thank you. I will call back later. Can you tell me a better time when I might reach Ms. Jones?”

**TIP SEVEN: USE VOICEMAIL EFFECTIVELY**

When leaving a voicemail message, a caller must take care to give only the information needed by the individual whom he or she is calling, while providing optimal opportunity for the recipient to take desired action in response to the call. To achieve this goal, the caller should:

- Begin the message with the clear pronunciation of the caller’s name and organization, including the spelling of these names, if needed.
- Supply the contact telephone number, speaking distinctly and slowly.
- Present only essential information, limiting the voicemail message to approximately 20 seconds.
- Be specific about the information desired, increasing the likelihood that the individual who is called may be able to provide this information on the caller’s voicemail, if the caller is unavailable when the return call is placed.
- Repeat the caller’s name and telephone number slowly at the end of the voicemail message (Texas Medical Association [TMA], 2010).

**TIP EIGHT: PRACTICE RECOMMENDATIONS FOR SUCCESSFUL TELEPHONE EMPLOYMENT INTERVIEWS**

An increasing number of employment interviews are conducted today through alternatives to traditional face-to-face interaction. Media—including the telephone, which has been used for employment interviewing for many years—are used for these distance interviews for a variety of reasons. Employers may use telephone interviews to screen applicants in order to narrow the number of job candidates invited to an in-person employment interview. The use of the telephone in interviewing may reduce costs, be more convenient, provide opportunities to interview a more diverse group of applicants, and result in a shorter time period needed to fill vacant positions (Straus, Miles, & Levesque, 2000).
Job candidates who are expecting a telephone employment interview should research unique recommendations for successful telephone job interviews and use the following tips to enhance their performance:

- Stand throughout the interview call, if possible.
- Be sure to set a drinking glass of water in a convenient place on the table.
- Dress as professionally as one would for an in-person interview, since self-concept can greatly affect performance.
- Take necessary steps to ensure that no interruptions will occur, including silencing call waiting.
- Spread all important documents on a table in front of the candidate, including his or her résumé and the company’s mission statement and core values (Ceniza-Levine, C., and Thanasoulis-Cerrachio, C., 2012).

**CONCLUSION**

Contemporary organizations rely on an ever-increasing number of intricate electronic devices, not only to expedite transactions but also to establish and maintain business relationships. While training is often provided for the technical operation of electronic equipment, businesspersons may face challenges in acquiring the professional presence and business etiquette needed for effective use of the office telephone.

By learning and consistently practicing eight essential tips in using the telephone in a business environment, businesspersons on every level of management in an organization can enhance their leadership skills. With the development of high-tech skills to use sophisticated equipment for communication, leaders must acquire a range of interpersonal skills. Mastery of these “soft skills” is no more vital in any aspect of commerce than in business communication. Expertise in communicating via the telephone is essential for leaders who strive to succeed in the uniquely challenging field of communication for the welfare of those whom they lead.

As George Bernard Shaw writes, “The biggest problem in communication is the illusion that it has taken place” (Shaw, n.d.).

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ARTIFICIAL INTELLIGENCE IN MANAGEMENT

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ABSTRACT

With technology evolving at the speed of thought, it seems sensible to investigate current trends in technology, especially with regards to artificial intelligence and its usage in management practices. Living in the era of IBM’s Watson, which is capable of answering questions in natural language, naturally brings about questions of such usage in a business environment and implications for the future. Watson has already made its useful appearance in inventory management. When augmented reality is seeping its way into education, as can be seen in Twin Falls where elementary school students used it during a science class, human resources management will require a new approach of searching, hiring, and training new employees. Holographic images allow us to experience the illusion of a different reality, defying space and time, now available on a smartphone, using a 4-D holographic display. Biometric facial recognition software, such as FaceFirst, has many uses from government, military, through banking operations, especially in fraud prevention. But to also mention technological advances directly connected to the realm of business, Blockchain, “a public, permanent, append-only distributed ledger” is being developed with the intention to provide a safe platform for cryptocurrencies.

So the question is, where and how will all of this developing technology be used in business, and more particularly in management. Is the rise of the machines inevitable and if so, is it something we should dread or rather welcome with open arms? If businesses embrace it, how will the use of technology be regulated – will policies and laws keep up with the latest trends? Should companies invest now in these novelties or is it wiser to engage in a wait and see approach. If they choose the latter, will the adverse effects of a late entrant on the market hurt their chances or waiting out the initial glitches will avoid a second dot-com bubble to occur and eventually burst? Even though investments into artificial intelligence are going fast, the return on investments is really uncertain as companies are skeptical and more likely to adopt a wait and see approach.

The most practical responsibility which could be reasonably assigned to a machine are administrative and analytical tasks which can be easily performed using computer databases and software. Based on this concept, artificial intelligence should be regarded not as an adversary but rather as a colleague, whom a manager can ask and receive reliable answers much faster. However, to refute fearful implications of AI on employment, the human factor will still be relevant, for example in the decision-making process, where AI can perform analysis and provide recommendations but a manager will still make the final decision. On the other hand, this will require the acquisition or strengthening of new skill sets, such as creative thinking, collaboration, effective communication, and social skills.
specified. At the end, some of these questions cannot be completely answered at this time but a review of current trends from a managerial perspective may entice further discussion.

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ABSTRACT

When conducting a comparison between the countries Croatia and Ukraine, many conclusions can be drawn from a Hofstede perspective. According to the Hofstede website, they base their information on 6 dimensions. The following are the different dimensions and a brief synopsis of what they correspond to. First and foremost, the dimension of Power Distance, under this dimension, it is in a way the society and culture of the respective country views the class differential, whether there is little societal difference between "high class" and "low class" individuals. Secondly, the dimension of Individualism, this dimension, however, corresponds to how the society views the way that they care for their old whether it be a collective unit that they all pitch in to help everyone else, or whether they are only expected to take care of their own. Third, the dimension of Masculinity vs Femininity, under this dimension, it corresponds to how the society as a whole is more straightforward and brash in the way they communicate, or whether they are more along the lines of softer in their communication as to be more conscientious of the others feelings in the way they converse. Fourth, is the dimension of Uncertainty Avoidance. Under Uncertainty Avoidance, this dimension corresponds to how the society views and accepts risks in their normal day to day life. Whether it be a social risk or a business risk, this section corresponds to how willing the culture and society are to go outside the norm to get where they want. Fifth is the dimension of Long Term Orientation. Under this dimension, it corresponds to how the society and individuals view their goals as more of a long-term mindset or whether they are more a society that needs instant gratification. The sixth and final dimension is Indulgence, which refers to the way that society and individuals have more of the tendency to indulge over waiting for when the time is right. When taking these different dimensions into account, we can see some similarities between the countries of Croatia and Ukraine as well as their inherent differences. The dimensions of closest similarity are the dimensions of Individualism and Long Term Orientation. The similarity between them tells us that they are both countries who vastly prefer to be more of a collective type society where the society as a whole is expected to assist everyone else. However, this isn't to say that absolutely every individual has the same views therein, undoubtedly there are individuals who do not assist in the collective. However, under the dimension of the Long Term Orientation, the two countries are relatively middle of the road for their societal preference, which alludes that the culture and society of both countries are split between the societal views of short-term goals as well as the long term. When considering the major areas of difference being the dimensions of Power Distance, Masculinity, Uncertainty Avoidance, and Indulgence these are the ones which cue us into how their society and cultures function. Firstly, under Power Distance,
both countries were scored relatively high, 73 and 92 for Croatia and Ukraine respectively. These scores would infer that both countries have the societal and cultural mindset that there is not much of a equality of power and status. Secondly, in the area of Masculinity, both countries were in the bottom 50% or lower, scoring at 40 and 27 for Croatia and Ukraine respectively. This alludes that Croatia is a much more stern, to the point, and assertive in comparison to Ukraine which would be assumed are a society who is more comfortable with camaraderie. Thirdly, in the dimension of Uncertainty Avoidance, both countries scored above the 80%. Croatia scoring lower with an 80 and Ukraine with a 95. For both countries, we can infer that they both have the preference of playing it safe and not taking the risk without a guaranteed reward. However, this also seems relatively contradictory when looking at the last dimension. Both of the countries had a relatively low score as well, Croatia at 33 and Ukraine at 18. Typically one would think that individuals who are more willing to take the risk are more likely to be ones who are willing to bide their time until the opportunity presents itself, even if there is a major risk involved. According to their scores, however, it appears that they are both countries who prefer to play it safe as well as bide their time and indulge only when necessary at the time. In respect to the Big Five Personality Factors, Croatia has the following traits referring to the society believing if the following figures are positive, they agree, or negative if they disagree. Under Extroversion neither positive or negative corresponding to a relatively equal split amongst introversion and extroversion. However, under Agreeableness, the score was in the positive direction, meaning that the country and society are more apt to agree than to argue their point or a measure of how well the society gets along with others. Additionally, under Conscientiousness, they also scored positively, inferring that they are aware of their surroundings, whether it be amongst conversation or their surroundings in general. Under the Neuroticism, there was a much more prominently negative interaction with neuroticism, which tells us that the society has the tendency to not be overly confident and come off negatively to others. Lastly, under Openness to New Experiences, their scores were predominantly positive, alluding to they are willing to try new things and be flexible, this is also a measure of how perceptive and insightful the society is. When taking the Big Five towards Ukraine, we see the following results. Ukraine scored more introverted over extroverted, more likely to be combative versus agreeable, less likely to be conscientious of others, more likely to be modest than full of themselves, and more open to experiences. In terms of the cultural and personality differentials in a setting like a strategic business of customer service, overall, it would appear that Croatia would fare better in their ability to communicate well and ensure the satisfaction of the individual. Ukraine was more likely to be combative and argumentative than Croatia, as well as less likely to be conscientious of others. These two areas are a crucial part of customer service and ensuring the satisfaction of one's clients and customers.

The first personality factor that will be compared is openness in terms of strategic customer service. Uruguay also scores high on uncertainty avoidance. Both countries are strict with rules and regulations with little room for innovation. As far as customer service goes, both countries seem to be rigid. If a customer were to ask questions or talk back, the employees would not take it well. In fact, they would demand that the customer be kicked out of the store. The employees would seem very intimidating. The next personality factor is conscientiousness which means being careful and ware. This factor is linked to long-term orientation. Uruguay scores low in this dimension meaning that it views everything in a normative way. What the people do all depends on the norms. For customer service, the two countries differ in this personality factor. Croatia will answer questions honestly whereas Uruguay will answer questions according to what the customer wants to hear.
The next personality factor is extraversion meaning being social and energized. This factor relates to indulgence which means letting go. Uruguay scores in between low and high meaning the people in this country are not as reserved as those in Croatia but still very extroverted. Employees in Uruguay also wouldn’t randomly talk to customers, but they would go around and see how the customers are doing. The second to last personality factor is agreeableness meaning the ability be cooperative. This factor is linked with individualism. Uruguay also scores low in this dimension, and the people are also more likely to be agreeable within their own communities. For customer service, both countries’ employees are agreeable if they know the person well and can trust them. Customers might encounter negative experiences depending on how the employee feels about them. The last personality factor is neuroticism which means sadness and moodiness. This factor is connected to masculinity. Croatia and Uruguay score low in this dimension meaning they are more feminine. The people of both countries care more about their well-being and equality than status. This can mean that people are at ease and optimistic. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

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HOFSTEDE’S 6 DIMENSION COMPARISON OF THE UNITED KINGDOM, CHINA, COLUMBIA, CHILE, CANADA & THE UAE

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ABSTRACT

Comparing Colombia’s and the United Kingdom’s six dimensions one could clearly see some of the clear differences between them, some more extreme than other categories. Those categories are power distance, individualism, masculinity, uncertainty avoidance, long term orientation and indulgence. There are four categories with a huge difference between the two countries that includes power distance, uncertainty avoidance, individualism and long-term orientation. The United Kingdom score 89, high in individualism while Columbia scored 13, very low, indicating a high inclination on collectivism and using terms as “we.” Colombians valued the opinions and approvals of their ingroups and being a part of a group than sticking out or being considered unique or different. They would rather blend in with the rest to be in good terms with the group and avoid any sort of disagreement or conflict. In general, countries from Latin America score low on individualism and focus more of following the status quo and being a part of a group as well as showing loyalty for all the members of their group. The United Kingdom and Colombia score to an extent very differently is in long term orientation. The United Kingdom with a score of 51, with these scores in general the citizens of the country are split or do not exactly lean towards a traditional approach neither mostly for societal change and modern education. Not one approach specially defines the country. On the other hand, Colombia with a score of 13 prefer to follow and respect more of traditions and beliefs that were passed down from generation to generation. The countries are on opposite extremes is in power distance. Columbia with a score of 67 and the United Kingdom with 35. Columbians in general accept that there are people that have a higher status in life and that it’s part of life. Not necessarily that they believe that it is fair, but they are more likely to respect and accept it. Citizens from the United Kingdom are aware as well as Colombians of the inequalities of social ranking, but are more likely to vocalize or agree that inequalities within the country is wrong and the gaps between society should not be that wide apart. Another category that the countries are on opposite ends of the spectrum is uncertainty avoidance. Columbia with 35 score and the United Kingdom with score of 80. The United Kingdom is inclined to be okay with the unknown and going about their day with the flow of change and unafraid of ambiguity. Colombia is another story, they would prefer to know what is going on and not having to have anxiety with not knowing what they are getting into. They would rather plan
and be familiar with what they will do throughout the day and who they will have to interact. In the category of masculinity both countries were similar to their scores. Colombia with 64 and the United Kingdom with 66. Both countries are big on assertiveness, achievement-orientated and having a competitive drive. Indulgence is also the other category where both countries are perhaps pleasantly guilty to be high on. Colombia as well as the United Kingdom would be more than glad to spend their money on materials and experiences if that provides entertainment and joy. If they are spreading joy and giving in into their impulses and desires than the more optimism they spread. When it comes to customer service and the two countries, both countries would indulge in working hard to have a successful business and keeping customers by providing remarkable customer service. Colombian business owners and employees would work hard to advertise their business that involves family tradition and inviting the customers to feel warmth and a home-orientated feeling when it came to their customer service and products. The United Kingdom business would most likely advocate for equal pay for all employees and environmental friendly awareness such as using air blowers instead of paper towels in the restroom and/or using organic products as well as recycle products. Both business owners from these countries would probably indulge in creating a fun-loving environment in their stores and business places. They would place great importance in interacting with others. Colombian management would want to do additional planning and be constantly reassurance from others that the work within the business operations are coming along as plan as they would hate not to know what is going on. The United Kingdom management would want all their business and marketing to be out there, be different from the marketplace. They would want to be admired and notice as a company that is unique and offers products that cannot be compared to others and if they are, to be above the other products in a competitive advantage. Both management teams from the countries should probably seek financial advisors that would keep them in check when it came to the financial and cost-savings within the company. Overall, both countries share more commonality than many would believe. If a company made up of Colombians and citizens from the United Kingdom came together, their synergy could potentially make magic if they would put any differences aside. We also examine the cultural dimensions of Hofstede within China, Chile, Canada, and the UAE. It is important for people to build trust and long lasting relationships with each other as shown in the research of Carland, Carraher, and colleagues.

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COMPARING SOCIAL NORMS: THE UNITED STATES, COLUMBIA, CZECH REPUBLIC, CHINA, & CANADA

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ABSTRACT

Based on Hofstede's 6 cultural dimensions, it is understood how different business and customer service strategies are derived in each country. In analyzing the scores given to the U.S., it's clear that a strict business strategy is necessary to prosper in this country. With a power distance score of 57, the United States seems to focus on having more power within the upper managements of businesses, rather than seeking much influence from lower position job titles. In the Czech Republic, the score of 40 tells us that there is less separation in a business hierarchy, and leaders and employees are almost seen as equal. Individualism in the U.S. is at a low (58) compared to the Czech Republic (91). What this score means for the U.S. is that it allows more room for collectivism than the Czech Republic would. Although the need for privacy is important to both countries, the United States respect the need for maintaining peace within groups (collectivism concept), whereas the Czech Republic solely seek individual achievements. Through these countries having very different Hofstede 6D scores, it is clear that the United States is a bit more strict in the professional realm, yearns for group accomplishments, friendly to connect with consumers, and equal in gender roles in comparison to the strategic customer service in the Czech Republic.

China and the united states are very different when it comes to the Hofstede comparison but one thing that both countries have in common are the masculinity rate. In china they have a high score in masculinity which means most of the citizens are driven by competition and everyone wanting to compete to be the best in their respected fields. In the united states the masculinity score is very similar to what they scored china. The reason for this is because USA citizens compete as well starting from school all the way to the end of their career always constantly competing with each other whether it be a score on a test to annual income. Besides masculinity China and US are very different for example with individualism the US was scored very low at 20 compared to china's high of 91. This is a huge difference and the reason the US is scored so low is because many leaders and managers rely on other people such as managers with their employees people get their work themselves and usually only worry about themselves and immediate family only.

We currently live in a time where the presence on the global scale is important for any company's success. Globalization is important to any major company. In order to expand on a
global level it is very important to know the value and differences of the countries that the company might be expanding within. Without understanding, the difference in cultures that the company might face may prove to be disastrous for their business practices. Strategic customer service planning is key in order to succeed. Hofstede's 6D model and strategic customer service in Canada and the United States have many different numbers. Strategic customer service is known to be different from country to country. Customer service strategy is key to any business plan. The strategy should be constructed in the most planned out way to have the highest return on investment. When it came to individualism Canada scored the highest, which states that the country itself is a very individualistic country. The US on the other hand scored slightly lower. The US and Canada are very similar when it came Individualism. They are both in a way a selfish. Everyone is out looking after himself or herself. When it came to masculinity, the US ranked higher than Canada. Americans are more inclined towards being the best at something while Canadians are known to work towards achieving happiness in whatever they do. Long-term orientation was much higher for Canada sitting at 36, while the United States is at 26. Canadians are very normal in their thinking and tend to be very traditional in their train of thought. Canada still has high amounts of culture present in the country. Indulgence levels for the US are high. We give in and take part of our desires and impulses. One of the examples given on the report is our drugs on War. We commit many resources to battle our addiction with drugs, but our drug usage is very high at the same time. Canada’s high indulgence rate relates to their importance with seeking happiness. Canadians are more impulsive and follow their desires so they can attain the level of happiness they are in pursuit of. I personally feel like uncertainty avoidance is one of the most important factors to consider when it comes to strategic customer service planning. United States and Canada had almost similar scores in this category. Both the countries are more than willing to accept unknown situations instead of running away from them. When we deeply look into the differences between power distance, individualism, masculinity, uncertainty avoidance, long-term orientation, and avoidance we can better plan on how to approach different countries. It is important for people to build trust and long lasting relationships with each other as shown in the research of Carland, Carraher, and colleagues.

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THE CRISIS OF UNETHICAL ORGANIZATIONAL BEHAVIOR: THE CASE OF THE CODE OF CONDUCT

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ABSTRACT

Introduction: Most organizations if not all have a code of conduct or code of ethics. These are supposed to shape the ethical organizational behavior. However, many organizations face the challenge of unethical organizational behavior. The process of formulating the code of conduct, its implementation and the leadership that is supposed to supervise its implementation have instead become contributing factors to crisis of unethical organizational behavior. This paper seeks to highlight some of the reasons why the code of conduct has become a contributing factor to the crisis of unethical organizational behavior and provide some solutions.

Sims (1992) provided the working definition of ethical behavior for this paper. Ethical behavior is that which is morally accepted as ‘good’ and ‘right’ as opposed to ‘bad’ and ‘wrong’ in a particular setting (Sims, 1992). He further highlighted the role of effective leadership in organizations that influence a good organizational behavior. Sekai and Bawole (2009) in their article posited how the code of conduct is supposed to shape the organizational conduct by regulating the staff conduct and preventing unwanted or unethical behavior. Gilman (2005) in his work highlighted how the formation of code of conduct has become a challenge thus contributing to the challenge of the crisis. The formulation is not broad enough to include all stakeholders’ views and opinions. Blackaby and Blackaby (2001) emphasized the need for exemplary leadership. They posited that followers are looking for trusted leaders and trust is earned by honesty. Leaders of character are what organizations need to model ethical organizational behavior.

Methodology: The methodology that was applied for this paper was basically library research. This involved visiting many sites. These sites with relevant literature were visited, relevant information collected. The information was then arranged according the subject and the paper written.

Findings: The findings revolved around the three areas which was the focus of the paper. The challenge of formulation which affects how the code of conduct comes to existence, the challenge of implementation which speaks about how the code of conduct is implemented and the challenge of leadership. The absence of a clear process which is all conclusive and transparent (Gilman, 2005), the inconsistencies in the implementation of the code of conduct leading to applying the code with favoritism (Sekai and Bawole, 2009) and the absence of credible, and exemplary leadership, leadership of character (Blackaby and Blackaby, 2001) were found as some of the causes of unethical organizational behavior.

Conclusion: The study pointed to some useful conclusions. First, there is need for every organization to value the place of code of conduct. Some organizations have made the code of conduct document of the shelves not for everyday life of the organization. Second. leadership in key in the development of a healthy organizational behavior. This is because leadership is responsible for the formulation of the code of conduct; leadership is responsible for the fair and just implementation of the code of conduct and leadership conduct will provide an example of the value of the code of conduct in the organization. The following recommendations are made: First, the organizations should endeavor to develop code of conduct that is contextualized and relevant to the particular organization. Secondly, once the code of conduct is in place everybody should be held accountable to the code of conduct. Board of
directors should hold the leadership accountable, leadership should hold the staff accountable and the staff should hold the leadership accountable for their words and actions.

Key words: Crisis, unethical organizational behavior, code of conduct, ethics, formulation, implementation, character, leadership.

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GROUP COHESION: THE EFFECT OF DIVERSITY

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ABSTRACT

Currently, there exists a paucity of business research informing the amount of diversity in a business unit and the associated implications of diversity on group cohesion. In furtherance of research pertaining to the study of group behavior, this paper entailed an empirical research investigation of a proposed correlation between group diversity and workgroup cohesion. Based on scholarly articles published in the most recent twenty years, the resulting research question formulated from the literature informed an inquiry as to a correlation between group cohesiveness and diversity contingent on group size. The stated hypothesis examined the statistical relationship between group cohesion, as measured by entitativity, and group diversity, as assessed with Blau’s Index (1977). The data collection procedure targeted the collection of respondent data from four business units ranging in group size from 7 to 12 group members. A bivariate correlation procedure performed on the collected data allowed for the statistical analysis of research information. The results from the investigation revealed an inverse correlation between the two constructs of interest and the findings suggested the more homogenous the workgroup, the greater the entitativity rating or business unit cohesiveness.

INTRODUCTION

This research intended to examine the business implications of diversity on group cohesion. The contents of this study entailed a review of current group behavior literature published within the last twenty years focused on group cohesiveness. Given the review of the literature, this research included the formation and execution of a quantitative research methodology used to further the study of group behavior by investigating a hypothesized correlation between group cohesion and diversity contingent on the size of a business unit. The study endeavored to establish an affirmative relationship between constructs forming a foundation for research in the arena of group dynamics. In the business environment, a workgroup, in addition to formal or informal ties, formed through a common sense of identity, trade relations, and organizational objectives (Khanna & Yafeh, 2007). Forsyth (2009) identified cohesiveness as a characteristic affecting a group’s dynamic. This study entailed an exploration of diversity in relation to group cohesion within the context of a business network comprised of interpersonal relations founded on the member’s interactions, goals, interdependence, and structure.

LITERATURE REVIEW

Kochan et al. (2003) reviewed the summaries of studies reporting the effects of diversity on business. In determining the business case for diversity programs, the researchers deduced the following key points: a talent shortage requiring companies to leverage the full capabilities of all their employees; a need to be like the customers they serve; and diverse teams produce better results. Kochan et al. acknowledged an inability to substantiate a quantifiable positive or negative relationship between diversity and performance outcomes inasmuch as the concept presented...
challenges with respect to a tangible measurement. Business research in the arena of diversity offered minimal evidence linking the value of diversity from a diverse workforce, relative to a homogeneous one, to business outcomes, including, but not limited to corporate profits and earnings (Herring, 2009).

Van Knippenberg, Haslam, and Platow (2007) posited individuals preferred to work with members similar to themselves. The lack of homogeneity manifested negatively in workgroup cohesion through behaviors such as groupthink, employee turnover, and lack of group performance effectiveness. The resulting group beliefs compelled the group’s endorsement of workgroup cohesion through a promotion of sameness.

The antecedents of group cohesion identified in the research included the individual desire for group inclusion, the intention to maintain membership, and group size (Kozlowski and Ilgen, 2006). Casey-Campbell and Martens (2009) added diversity as an antecedent but determined only anecdotal evidence supporting any correlation to group cohesion. Moreover, Casey-Campbell and Martens resolved the group size potentially mitigated the impact of diversity within a workgroup. The researchers reported three types of diversity affecting group cohesiveness – demographic, cultural, and task diversity.

Demographic diversity included differences in individual attributions such as age, class, race, ethnicity, gender, and disabilities. Additionally, diversity encompassed factors stemming from cultural differences. Stahl, Maznevski, Voigt, and Jonsen’s (2010) research expanded the framework of workgroups to include multi-cultural workgroups. Their meta-analytic research entailed an assessment of the implications of cultural diversity associated with increased divergence and decreased convergence. They posited cultural diversity improved divergent processes, which encouraged ideas, creativity, and values. Alternatively, convergent processes decreased with cultural diversity.

Task diversity signified the differences in job functionality, expertise, and skill level (Casey-Campbell & Martens, 2009). A task-oriented research study conducted by Van Knippenberg and Schippers (2007) considered the positive and negative effects of workgroup diversity. The researchers acknowledged existing literature encompassed a framework guided by either social categorization or decision-making. The social categorization perspective identified similarities and differences defining ingroup versus outgroup membership. This perspective resulted in their assertion that the more task homogeneous a workgroup, the more cohesive, satisfied, collaborative, and productive the individual group members.

THEORETICAL FRAMEWORK

This quantitative research sought to further explore group cohesion by investigating the relationship between diversity, as measured by Blau’s Index (1977) and cohesion, as measured by an entitativity scale, of four groups varying in size. McGarty, Haslam, Hutchinson, and Grace (1995) noted entitativity decreased as diversity increased, while entitativity increased as group size and diversity increased concurrently. McGarty et al. concluded organizations realized the benefits of innovation and creativity from the management of diversity. The purpose of this research design
intended to examine a hypothesized correlation examining the effect of diversity on group cohesion by investigating the following hypothesis:

$H1$: There is a correlation between group cohesion, as measured by entitativity, and group diversity, as assessed with Blau’s Index based on workgroup size.

**METHOD**

The enclosed research methodology aimed to examine the relationship between constructs measuring group cohesiveness and group diversity. Utilizing quantitative data collected from four small workgroups, the method consisted of a comparative statistical analysis examining the presence or magnitude of any statistical relationship. For quantifying the level of group cohesion, the procedure utilized a 4-item entitativity scale to measure the cohesion of a group. Additionally, for the assessment of the group’s diversity, the calculation of Blau’s (1977) Index for each group revealed the amount of task diversity within each identified business group.

**Sample Strategy**

Zenger and Lawrence (1989) in an empirical study on organizations and the effects of age and tenure defined a small group as “a subgroup of ten employees, a number that we arbitrarily selected as being neither too small nor too large, was used to calculate the within the organization similarity measures” (p. 363). For the purposes of this study, the solicitation of four task diverse teams ranging in membership from 7 to 12 employed at an automotive company served to facilitate the data collection process by affording four distinct business units working towards a shared business objective.

**Instrumentation**

To determine group diversity, the research design included the employment of Blau’s (1977) index. Biemann and Kearney (2010) considered Blau’s (1977) index as the most common categorical scale for the measurement of diversity. Blau's Index determined the amount of diversity by adding the squared percentage of individuals in an identified category, summing the proportions, and then subtracting the addend from one. Harrison and Klein (2007) deemed the calculation appropriate for group sizes smaller than 20 when exploring in-group variety.

For the assessment of group cohesiveness, a 4-item entitativity questionnaire developed by Postmes, Brooke, and Jetten (2008) was administered to each individual group member. The questionnaire included the following statements:

- I feel the people in this group are a unit;
- I think the people in this group can act in unison;
- I experience a feeling of togetherness between the individuals in this group;
- I feel the people in this group are as one (Postmes et al, 2008).

The individual group participant responded to each statement using a 5-point Likert scale ranging from “0” – Not at all, to “4” – Frequently, if not always. Lakens and Stel (2011) deemed
the questionnaire reliable after conducting a factorial analysis with a varimax rotation producing a Cronbach $\alpha$ of 0.84.

**The Procedure**

To facilitate the collection of data, the procedure encompassed the administration of a 2-part electronic survey vehicle. The initial section of the survey sought to obtain participant task-relevant categorical data, used for calculating task diversity, included task experience, task difficulty, and task type. The final section included the 4-item entitativity scale statements informing respondent perception of group cohesion. To statistically analyze the data, the procedure comprised the importation and analysis of survey data into the statistic software SPSS to perform a correlational analysis between Blau’s Index and each entitativity sub-item scale.

**RESULTS**

The participant task-oriented responses provided the basis for calculating each group’s task diversity using Blau’s Index. The findings captured from the data collection procedure using the 4-item entitativity scale and diversity index produced the group level response data. An initial review of the overall results displayed statistical differences between the 10-member experimental group and the 10-member control group. The task demographical data served to manifest the Blau Index for each workgroup. The heterogeneous experimental group possessed 0.71 index score compared to a 0.31 index rating of the homogeneous workgroup. When comparing the homogeneous and heterogeneous groups comprised of ten members, the entitativity scales informed the lack of heterogeneity resulted in greater cohesiveness as theorized by Van Knippenberg, Haslam, and Platow (2007).

The research data produced findings across three of the four entitativity scales detailing a corresponding increase in group cohesion as the group size increased. The “As One” scale represented the lone exception as the experimental 10-member group realized a high score than the 12-member group. As hypothesized by McGarty et al. (1995), the entitativity scales exhibited an inverse relationship to the Blau Index scores. Group cohesiveness increased as group diversity decreased across the three experimental groups.

After analyzing the descriptive statistics, the exporting of the raw data into SPSS allowed for the cross-tabulation of entitativity and Blau’s Indexes from each workgroup. The resulting correlational output, as shown in Table 1, depicted the statistical linear relationships.

Table 1.
CONCLUSION

The output revealed a negative Pearson correlation value between Blau’s Index and each of the four entitativity scales. Dixon and Massey-Frank (1950) declared a positive Pearson r value indicated variable agreement, whereas a negative Pearson r coefficient indicated a dissimilar relationship. The interpretation of the coefficients reflecting the relationship between Blau’s Index and each entitativity item indicated a Pearson r greater than -0.70, which is deemed a strong negative linear relationship (Taylor, 1990). The negative correlation supported McGarty et al. (1995) contention as task diversity decreased, cohesion increased. The quantitative research findings failed to support the research hypothesis. Consequently, the resulting lack of statistical significance did not confirm the hypothesized correlation between group cohesion, as measured by entitativity, and group diversity, as assessed with Blau’s Index.

While this empirical study endeavored to further the study of group dynamic research, the limitations of this study provided an opportunity for future research. As the findings revealed an inability to generalize the suggested correlation between diversity and group cohesiveness, there exists an opportunity for a revised and improved sampling strategy. While the variable of size potentially affected the study findings, the limited number of groups limited the evaluation of group size and diversity with respect to correlating maximum cohesion. Moreover, in furtherance of this empirical study, a more in-depth instrument, such as the Group Environment Questionnaire (GEQ) (Carron, Widmeyer, and Brawley, 1985), recently developed to measure dimensions of task and social cohesion should be considered. Any future research should understand potential varying results by comparatively assessing demographic versus task diversity.

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Comparing Whistleblowing by Kenyan and Ugandan Managers Using Cross Cultural Frameworks

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Abstract

Three cross-cultural frameworks, by Hall, Hofstede and Trompenaars, offer helpful insights in understanding cultural differences across countries. Hall’s framework describes cultures in terms of high context vs. low context. Hofstede’s five dimensions are: individualism-collectivism, power distance, uncertainty avoidance, masculinity-femininity, and long-term orientation/Confucian dynamism. Trompenaars’ seven dimensions are universalism vs. particularism, individualism vs. communitarianism, neutral vs. affective, specific vs. diffuse, achievement vs. ascription, attitudes towards time, and attitudes toward environment. While there is some overlap in these frameworks, individually and collectively they offer useful insights about cultural differences across countries. Research on whistleblowing has indicated that cultural factors play a role in managerial propensity towards whistleblowing. This study utilizes useful cultural dimensions, particularly, Hofstede’s first four dimensions, that influence individual’s and organizations’ propensity to whistle blow.

A model of whistleblowing was developed by using five constructs namely, moral perceptions, likelihood of blowing the whistle, personal propensity, organizational propensity, and retaliation. These constructs were measured by multiple-item scales. A questionnaire was designed and administered to managers in Kenya and Uganda to measure their perceptions about whistleblowing practices in their organizations in addition to demographic characteristics. Several multiple-item scales were used in this study in addition to questions about demographic characteristics. Various statistical tests, including multiple regression, factor analysis, and PLS Path Modeling, were utilized to test hypotheses in this study. The findings of the study are discussed in terms of their managerial implications and the ideas are presented for future research.
HOW KNOWLEDGE MANAGEMENT MEDIATES THE STRATEGIC ROLE OF TALENT MANAGEMENT IN ENHANCING CUSTOMERS' SATISFACTION

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INTRODUCTION

Knowledge is a vital and strategic resource that guarantees organizational survival in today's hypercompetitive environment. Both explicit and tacit knowledge are important to generate a competitive advantage, but this knowledge maybe managed inappropriately (McDonnell, Lamare, Gunnigle, and Lavelle, 2010). To succeed in a hostile environment, organizations need distinguished talent to confront the trends and challenges facing them. Moreover, top management must understand the necessity to attract, recruit, develop, and retain such talent, a critical resource for achieving strategic goals (Nilson and Ellström, 2012).

In today’s knowledge-based economy, the concepts of knowledge management (KM) and talent management (TM) have been used to improve organizational competitiveness and thus ensure a greater market share. KM is considered an intangible asset: tacit knowledge resides in the minds of an organization's workers, so organizations must manage those workers to compete in the marketplace. This requires adopting new strategic approaches to manage high-potential and high-performing workers, by investing in tacit knowledge and retaining (talented) workers (Kiessling and Harvey, 2006; Lawler and Ulrich, 2008; Senthilkumar and Kumudha, 2011; Whelan and Cargary, 2011).

Overall, KM denotes set of activities designed to discover, acquire, share, and apply knowledge among the workers in an organization, while the term talent—as in “war of talent,” a phrase coined by Steven Hankin of McKinsey & Company in 1997—refers to finding the most skilful candidates for the vacant positions. Thus, TM is concerned with the implementation of certain strategies and systems to enhance work productivity by developing processes for attracting, nurturing, developing, retaining, and utilizing workers’ knowledge (Bahrami and Gholami, 2016; Muntean, 2014; Shaemi, Allemah, and Bajgerani, 2011; Waheed, Zaim, and Zaim, 2012).

Traditionally, the role of human resource management departments was focused on HRM processes, but today’s HR departments have taken on a more strategic role in retaining the most critical key talents in the organization. Meanwhile, organizations’ strategic orientations have moved dramatically toward an increasing demand for high-quality products that continues to outstrip available resources (Hor, Huang, Liang-Chih, Hsu-Shih, Yen-Hua, and Lee, 2012; Kehinde, 2012; Koketso and Rust, 2012). Notably, most scholars and practitioners have argued that KM has been widely adopted and rigorously implemented in diverse industries, and is linked with organizational performance (Gholami, Asli, Shirkouhi, and Noruzi, 2013; Suraj and Ajiferuke, 2013; Yang, Lee, and Cheng, 2016; Zwain, Teong, and Othman, 2012).
In particular, this study investigates the strategic role of talent management strategies (TMS) in enhancing customer satisfaction within the banking sector of Jordan, by evaluating the mediating role of knowledge management. A Shortfall of talented and high-performing workers could affect the whole banking sector and harm the quality services it provides to customers. However, few efforts have been made to examine the relationship between talent management, customer satisfaction, and knowledge management in Jordan, despite the many studies assessing service quality in other sectors and countries (Irtaimeh, Al-Azzam, and Khaddam, 2016).
MANAGEMENT PRINCIPLES APPLIED TO ACCULTURATING STUDENTS TO CLASSROOM BEHAVIOR: THE PROFESSIONALISM STATEMENT

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ABSTRACT

In an era of increasingly diverse student populations, multi-format MBA programs, and seemingly unrestrained social media discourse, institutions need to establish a code of behavior or expectations for students in the classroom – and beyond. A professionalism statement is needed, both for inclusion in course syllabi as well as reinforced verbally at the first-class meeting as well as potentially periodically throughout the program, as a way of acculturating students newly returning to a classroom at the graduate level. In addition to helping insure that all concerned have an environment where they can contribute to case and other topical discussions it sets the behavioral and attitudinal expectations of the faculty, so all can get the most out of the educational experience. The current paper presents such a drafted, faculty discussed and approved statement. The content is deconstructed and discussed by linking it to management best practices. Lastly, the statement is evaluated through role theory to indicate how the change of roles between students and instructors occurs in a graduate program. Not meant to represent or replace separate and perhaps more significant organizational policies on bullying, sexual harassment, or even microaggressions, the professionalism statement attempts to strike a balance on the issues and topics that are appropriate for detailed delivery in the MBA level syllabus.

Keywords: Student Engagement, Leadership Principles, Class Expectations, Student Motivation Classroom Experience, Role Theory, Professionalism, Acculturation

INTRODUCTION

Attempts to establish behavioral and procedural norms in classrooms is nothing new. Often it is one of the first topics addressed at the beginning of the school year (see Figure 1.) (Nasreen, 2012).
The differences of what form those norms should take between kindergarten, grade school, middle school, high school, and college is more about degree and degree of specificity than coming up with entirely new approaches. If we add graduate school to the mix however we may add the likely new element of the passage of time. More specifically, a key element in most MBA programs is that entering students have been in the workforce for some time and are returning to a classroom environment. At most business schools, entry into the MBA program occurs at several points throughout the year. Additionally, these same institutions typically offer a choice of formats for students. Whether full-time or part-time programs, or those that meet during the day, in the evenings, or on weekends, each format poses challenges to acculturate an increasingly diverse student population to one with a shared environment that both respects and encourages interaction and consideration for others. One only has to look as far as the current political, television, and social media environments to acknowledge that some form of a professionalism statement would benefit classroom discussions in those returning to an educational environment. (see Figure 2).
Figure 2. Professionalism Statement

Professionalism: Student Behavior and Etiquette in the MBA Program

A positive and participative learning environment is crucial to your educational experience. The goals of your MBA program include developing your willingness and ability to contribute to discussions by expressing and defending your position on a variety of topics. For some, this may involve overcoming a sense of shyness. For others, it will involve the willingness to take risks and leave your “comfort zone.” While there are many informal situations in which people have neither the desire nor the right to prescribe how others ought to behave, the classroom is unique, and requires the establishment of a culture that respects the learning process and every individual in it.

Professionalism is a significant component part in determining your overall grade in every course. The evaluation of professionalism starts with the proposition that if a student attends all scheduled sessions, comes to class prepared, participates actively and frequently, makes meaningful comments that contributes to their classmates’ education, interacts professionally with faculty and classmates, hands in all required work on time, participates in the teaching evaluation process at the end of the course, and observes class guidelines established by the instructor, their score will be assessed as “average” or at a numerical level of roughly 85% (a “B”). Adjustments either up or down from this starting point are at the discretion of the instructor – to recognize superior effort and performance or to acknowledge deficiencies in the student’s approach to their responsibilities.

Given the hours you spend preparing for class discussions, reading articles and text material, analyzing case studies, and working on individual and group projects, as well as the significant financial commitment you (and/or your organization) are making to undertake graduate study, each individual is responsible for creating and maintaining this professional environment. For these reasons, the following guidelines are provided:

- **Your physical presence** in the classroom is a prerequisite for active participation. Students that come late or are not prepared to begin when class starts disrupt the class. Please make every effort to arrange your schedule so that you arrive early enough to take care of any personal or non-class related activities and are ready when class begins.

- While we expect your attendance at each class session, we understand that it may not always be possible. If you are unable to attend a session you should handle the issue professionally. Contact the instructor ahead of time – as soon as you are aware that you will be unable to attend. Absences that cannot be discussed beforehand due to emergencies must be cleared up at the earliest possible opportunity. Each instructor sets their own policy on how to address student absences. That policy will be listed in the course syllabus and/or discussed with the instructor at the first class session.

- **Your mental presence** as well as physical presence is necessary for everyone to get the most out of the classroom experience. Our MBA classes are interactive forums. Your activities, both positive and negative, have an effect on the class. Please focus your attention and energies on our class exclusively when the class is in session.

- **Your overall demeanor** as you interact with other students, guest speakers, faculty, and staff, whether face-to-face or with e-mail or other technology is also a reflection of your professionalism.

Observing these guidelines is the minimum expectation of the faculty. While the specific audience for this message constitutes a small percentage of all students, everyone benefits from a clear statement of expectations.

Practicing professionalism will make you more productive and will lead to the achievement of your individual and group goals. You will also find that the attitude of professionalism you develop here will benefit your larger life at work and your personal life.

Welcome to the course!

Serving to solve both potential teaching and management issues, its various parts were carefully crafted to generate buy-in from students. At the same time the statement needed to be sufficiently structured to be useable in all MBA courses and syllabi while also satisfying faculty desires to be flexible. This statement was developed by the business school graduate curriculum committee of a small private university in Kentucky and was approved by the business school faculty. To examine the statement more closely each section of the statement is presented and then explored as its content is related to management and leadership principles.
DECONSTRUCTION

Paragraph One:

“A positive and participative learning environment is crucial to your educational experience. The goals of your MBA program include developing your willingness and ability to contribute to discussions by expressing and defending your position on a variety of topics. For some, this may involve overcoming a sense of shyness. For others, it will involve the willingness to take risks and leave your “comfort zone.” While there are many informal situations in which people have neither the desire nor the right to prescribe how others ought to behave, the classroom is unique, and requires the establishment of a culture that respects the learning process and every individual in it.”

The first sentence frames the statement as making the classroom and more general educational culture one of positive change through the participation of both the students and the instructors. This statement sets the tone for the culture that is expected to develop in the program.

Because students enter the MBA program from diverse work backgrounds they are often at different places in their careers and have varied experiences. Within their respective organizations and roles they understand how their interactions should occur with others however, they may have forgotten how interactions differ in a classroom environment. As a result it is necessary for students to relearn the appropriate roles within the academic environment. This is made more complex because in graduate level programs, the roles are different than those encountered in undergraduate classes.

Role theory is based on a theatrical production, where everyone must learn to play an assigned role (Solomon, Surprenant, Czepiel, & Gutman, 1985). This new role governs the interactions of the players based on the social cues prevalent in the situation. The Professionalism statement helps to establish the basic roles that are to be played in the classroom setting. Particularly, the idea that all comments and experience may be seen as equally valid under differing circumstances. While many of the students may be new to managerial positions or taking the class in hopes of becoming managers, others may be at mid- to upper-levels of management and may revert to those roles if their viewpoints are challenged (Solomon et al., 1985).

The professionalism statement is intended to be positive in terms of motivating and leading students. The use of positive psychology has been a key area of research not only in the field of psychology but also in the field of organizational behavior. The primary aspect of this positive behavior is to grow and maintain a positive culture and framework for the students that will lead to enhanced learning (Boyatzis & McKee, 2005; Fredrickson & Joiner, 2002).

This area also belongs to what might be called soft or “people” skills and are part of what Goleman calls social intelligence (2006) which deals with interpersonal relationships and emotional competencies that may be a key to both management and leadership.
In learning to deal with new people and ambiguous instructions, students learn to build on their competencies and stretch their knowledge to include new ways of doing things and seeing beyond their own mental boundaries (Boyatzis & Saatcioglu, 2008). As Boyatzis and Saatcioglu note, “one of the primary objectives of training and graduate management education is to prepare people to be outstanding managers, leaders and professionals” (2008: pg 93).

The other aspect that is part of this statement is that as managers and leaders, there must be a form of control that is exercised in the organization. Henri Fayol, one of the historic figures in the field of management, developed a list of fourteen points (Rodrigues, 2001) that cover what he believed were necessary skills for management. One of these points, included the need for formal and informal authority, another the establishment of clear rules, and a third the need for a single plan and authority. While Fayol’s points are still in existence today, they have morphed into a newer format that address the changes that have occurred in both society and in the competence of the employees. This is especially true given the rise of social media such as Twitter, Instagram and other services that allow individuals to push their issues out to others who may be like minded. This change has resulted in decisions being pushed downward in the organization and empowerment of the individual employee or employee groups to create and maintain their own discipline as needed. This is the system that is being created in the MBA program though the first paragraph of the professionalism statement.

Paragraph Two:

Professionalism is a significant component part in determining your overall grade in every course. The evaluation of professionalism starts with the proposition that if a student attends all scheduled sessions, comes to class prepared, participates actively and frequently, makes meaningful comments that contributes to their classmates’ education, interacts professionally with faculty and classmates, hands in all required work on time, participates in the teaching evaluation process at the end of the course, and observes class guidelines established by the instructor, their score will be assessed as “average” or at a numerical level of roughly 85% (a “B”). Adjustments either up or down from this starting point are at the discretion of the instructor – to recognize superior effort and performance or to acknowledge deficiencies in the student’s approach to their responsibilities.

The second paragraph of the statement continues to move through the issue of motivation and control, providing the students with clear information on how they can influence their own grades in terms of professionalism. This statement helps to build peer-driven controls that influence how the teams in the classes work and focuses the students on the pathway that they can follow to build on their own success. This moves the sense of empowerment from the professor to the students and indicates a commitment by the school to the students and vice versa.

It is also clearly laying the ground rules for the pedagogical structure of the class. The class is meant to question and engage in discussions while maintaining the decorum that is to be expected of professionals. Again, the main thrust is that the engagement is to be positive, building
on the strengths of the students while allowing the professors to draw students into the discussion in a positive manner while reducing the incidence of negative emotional responses (Boyatzis, 2008, 2011)

Paragraph Three:

Given the hours you spend preparing for class discussions, reading articles and text material, analyzing case studies, and working on individual and group projects, as well as the significant financial commitment you (and/or your organization) are making to undertake graduate study, every individual is responsible for creating and maintaining this professional environment. For these reasons, the following guidelines are provided:

This passage once again touches on the control aspect of management along with the motivation aspect of leadership. Each student is responsible to drive the work to completion as either an individual or as part of a team. This appeals to the cognitive ability of the student and indicates that the goals in the class are driven not by the professor, but by the values and philosophy of the student. It also acknowledges that the student needs to spend time and effort on the process of learning not only new knowledge, but how that knowledge might be applied to add value to their organizations. It also encourages the students to acknowledge that there is a need to spend time and effort on learning, but it does so in a positive sense of encouraging the behaviors that are being fostered in the class setting.

Paragraphs Four and Five:

Your physical presence in the classroom is a prerequisite for active participation. Students that come late or are not prepared to begin when class starts disrupt the class. Please make every effort to arrange your schedule so that you arrive early enough to take care of any personal or non-class related activities and are ready when class begins.

This passage points out that the student is responsible for scheduling and planning how to perform the work that is expected. As in most workplaces, managers and employees are frequently pulled in different directions when opportunities or problems crop up at the work place or in their personal lives. The students must learn to expect ambiguity and make use of the formal and informal structures that are in place to communicate within and between various groups.

A major point in the concept of resonant leadership is the need to reduce dissonance and the negative emotional states that often prevail in a dissonant relationship (Boyatzis, 2013; Boyatzis & McKee, 2005). While dissonance may create a window for change, the level of dissonance must be controlled to prevent the development of what is essentially an emotional “death spiral” leading toward negativity. It is important to maintain a positive outlook and positive emotional energy within the classroom to reduce the effect of negative moods.
While we expect your attendance at each class session, we understand that it may not always be possible. If you are unable to attend a session you should handle the issue professionally. Contact the instructor ahead of time – as soon as you are aware that you will be unable to attend. Absences that cannot be discussed beforehand due to emergencies must be cleared up at the earliest possible opportunity. Each instructor sets their own policy on how to address student absences. That policy will be listed in the course syllabus and/or discussed with the instructor at the first-class session.

This paragraph details expectations of the faculty and is akin to expectations that a manager would have of their employees. In making the statement, faculty are aware that conflicts can and do occur in any class due to illness, work commitments, and other outside commitments that might result in interference in the learning environment. The need to address these in a professional manner is detailed so that students will understand that much as an absence at work can create undue tension and lead to disruption of the workplace, the same occurs in the class. Student groups may need to handle presentations with a member missing and the missing member also will have difficulty in understanding future discussions since they may miss critical data that came out during a discussion.

Paragraph Six and Seven:

Your mental presence as well as physical presence is necessary for everyone to get the most out of the classroom experience. Our MBA classes are interactive forums. Your activities, both positive and negative, have an effect on the class. Please focus your attention and energies on our class exclusively when the class is in session.

Your overall demeanor as you interact with other students, guest speakers, faculty, and staff, whether face-to-face or with e-mail or other technology is also a reflection of your professionalism.

These two passages represent an additional discussion of the issue addressed in paragraph five concerning missing class. The concern is that the mood of a class is reflected in the students and when students miss classes, even if only infrequently, there will be a deterioration of the class culture and a shift in the mood of the class. This can be more apparent in groups and teams, where the missing individual may be viewed as shirking their commitment to assist in the learning process of their teammates. This deterioration may grow to active dissonance in cases where an individual member is perceived as not "pulling their weight". Once a decline into dissonance begins, it is difficult to move the class back to a positive framework. This may also lead to negative discourse by students in social media concerning other students, the institution, and/or instructors who they may believe to be unwilling or unable to control situations that arise in the classroom.
Paragraph Eight and Nine:

*Observing these guidelines is the minimum expectation of the faculty. While the specific audience for this message constitutes a small percentage of all students, everyone benefits from a clear statement of expectations.*

*Practicing professionalism will make you more productive and will lead to the achievement of your individual and group goals. You will also find that the attitude of professionalism you develop here will benefit your larger life at work and your personal life.*

The rationale for the above two passages is to both reassure students that there is not a large-scale problem at the heart of the program that necessitates this statement and to provide an additional rationale, one beyond the classroom, for buying-in to the statements and its precepts. It also points to the need for people to adjust their behavior by taking on roles very different than those that they might normally be comfortable with. This same issue was noted in the information systems world as various roles between end users at different levels and providers (Galleta & Heckman Jr., 1990). Here the issue is that there is a need for students to learn the expected role of students and researchers looking into how to best make use of knowledge that they may not have known and how to integrate such knowledge into their own business cultures.

Paragraph Ten

*Welcome to the course!*

The final paragraph included in the professionalism statement, or more accurately, the last sentiment is one of inclusion. It is an attempt to inject a personal note of invitation and encouragement to what could otherwise be a somewhat dry statement of expectations and rules for the classroom and beyond. While the process of acculturation does require a statement of rules and expectations the lack of a personal touch to the document could actually create a barrier where none is desired.

**CONCLUSION**

Given the changing environment of the classroom, along with changes in society related to social media and expression in the culture in general, there is a need for continuous change in the MBA curriculum to address the requirements that are essential to complete the coursework in an orderly manner that will satisfy the need of students to learn and apply knowledge.

The use of sociological and psychological theories such as role theory are extremely useful for understanding how individuals interact and how to aid individuals in learning how to interact in an academic setting as opposed to a typical business setting. Particularly, individuals must learn to put aside the diverse backgrounds that they have become used to in their work environments and adapt to an environment that is very different than they may be used to. Role theory offers a
rich literature to aid in making such changes by serving to allow the individual actors to assume a new role that addresses this different environment (Galleta & Heckman Jr., 1990; Solomon et al., 1985).

Future iterations of this professionalism statement will likely have to address online, hybrid, and flipped classrooms as they make more significant inroads into the teaching environment. While online and hybrid courses allow more flexibility for students, they are more demanding for the faculty as there is a greater amount of preparation needed to develop and implement a class. Establishing and maintaining a learning culture there will by its very nature be different. In these formats, the faculty must be able to anticipate specific issues and questions that might arise and prepare the materials to address them. Much as we see in making decisions, there are often unintended consequences that arise when an action is taken. This will doubtless occur more frequently if the faculty attempt to anticipate questions or issues that might arise. If we consider the class as a system, we can apply a lesson from the work of Shewart who noted that there is common cause and special cause variation (Levine, Stephan, & Szabat, 2014). Common cause variation is caused by noise in the system and attempting to control this noise without a careful analysis of the system results in the noise increasing. In other words, when you try to control chance occurrences, it creates a chaotic system.

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THE ORGANIZATION AS SELF-THEORY

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ABSTRACT

The assertion of the theory of the "organization as self" is that the individual is the greatest credential of the organization ["You are your greatest credential"]. The greatest asset of an organization is not its ideas, but the human capacity behind the ideas (Bennis & Biederman, 1997). Therefore, individuals should come to the organizational table with their excellent, capacity, skills, gifts, and efforts. Organization do not make great people, instead great people make great organization. This sweet spot of the "organization as self" lies on the other side of the requisite of self-awareness, self-efficacy self-regulation, self-verification, and self-acceptance, the ability to be taught, and the ability to learn from others in the essential areas of one's life. (Bennis & Biederman, 1997; Iloenyiosi, 2012; Huber, 2004; Jakes, 2015; Ries, 2011; Yukl, 2013) The concept of self-leadership is similar in comparison to the "organization as self" because it emphasizes the individual setting personal standards that foster greater inherent incentives and value. The key areas of life are personal, professional, intellectual, and spiritual. The whole individual comes to the organization therefore the whole person needs are addressed as a part of the organizational body (Moustakas, 1994; Oster, 2011; Neafsey, 2012). The ideas are unconventional, even disruptive to the status quo of organizational life and require entrepreneurial perspectives that risk the uncertainty and innovation of building people as an organizations greatest asset.

The theories that support the framework of the "organization as self" concept are self-leadership, strategic leadership, authentic leadership, transformational leadership, and lean start up approaches (Kaufman et al., 2003; Manz, 1986; Northouse, 2010; Ries, 2011; Yukl, 2013). Self-leadership approaches involves the self-awareness, self influence and self-management of individuals to move toward the tasks of leading oneself toward a standard of performances that produces effective results for the individual, as well as collectively for the organization (Manz, 1986; Yukl, 2013). The motivations for the standards are naturally and externally motivated. The "organization as self "like all organizational leadership theories requires a strategic plan for success that will measurably" add value to the individual, the organization, external clients, and society"(p.1) (Kaufman et al., 2003). "The purpose of strategic leadership proffers the direction for defining the tools of thinking, and planning that in turn provides one with the tools for defining the design and delivery of results that make a difference and offer high pay off results" (p.1) (Kaufman et al., 2003). Authentic leadership calls attention to the consistency of a leader's behaviors and values. The authentic leader's lexis, morals, and behaviors include self-awareness, confidence, responsibility, and fostering trusting relationships with others (Yukl, 2013). Transformational leadership theory supports the framework of the "organization as self" from the conceptual points of "idealized influence, individualized consideration, inspirational motivation, and intellectual stimulation" (Bruggemann, 2014; Northouse, 2010; Yukl, 2013). The leader of the "organization as self" must purport to enhance meaning, value, influence, and empowerment of
the organizational followers in an innovative manner as model by the transformational leader (Northouse, 2010; Yukl, 2013).

Keywords: entrepreneurship, self-leadership, organization as self-theory

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