ACADEMY OF STRATEGIC AND ORGANIZATIONAL LEADERSHIP JOURNAL

CONTENTS

LETTER FROM THE EDITOR

Welcome to the third issue of the *Academy of Strategic and Organizational Leadership Journal.* The Academy of Strategic and Organizational Leadership is an affiliate of the Allied Academies, Inc., a non profit association of scholars whose purpose is to encourage and support the advancement and exchange of knowledge, understanding and teaching throughout the world. The *ASOLJ* is a principal vehicle for achieving the objectives of the organization. The editorial mission of this journal is to publish empirical and theoretical manuscripts which advance the discipline, and applied, educational and pedagogic papers of practical value to practitioners and educators. We look forward to a long and successful career in publishing articles which will be of value to many scholars around the world.

The articles contained in this volume have been double blind refereed. The acceptance rate for manuscripts in this issue, 25%, conforms to our editorial policies.

We intend to foster a supportive, mentoring effort on the part of the referees which will result in encouraging and supporting writers. We welcome different viewpoints because in differences we find learning; in differences we develop understanding; in differences we gain knowledge and in differences we develop the discipline into a more comprehensive, less esoteric, and dynamic metier.

The Editorial Policy, background and history of the organization, and calls for conferences are published on our web site. In addition, we keep the web site updated with the latest activities of the organization. Please visit our site and know that we welcome hearing from you at any time.

Beverly Little, Editor
Western Carolina University
www.alliedacademies.org

TRAITS AND BEHAVIORS AFFECTING VULNERABILITY TO STRESS

David E. Blevins, University of Arkansas at Little Rock

ABSTRACT

Based on data from self reports, women are more adaptable to role demands and tend to engage in behaviors which make them less vulnerable to stress. Reductions in stress should result in reduced stress-related ailments and, in turn, reduced health care costs.

INTRODUCTION AND BACKGROUND

For years there has been an ongoing controversy regarding the effects of what one has (or is) versus what one does. What one has can be as basic as inherited genes over which we have no control, to discretionary behaviors over which we have total control. In between are many observable as well as unobservable concepts such ids, egos, superegos, traits, personalities, attitudes, and behavioral tendencies. Some of the controversy seems to stem from a very old controversy concerning the "inner states," such as ids, egos, attitudes and the like, versus actual observable behaviors. Attempts to explain many phenomena frequently lead to a search for a gene that may have predisposed someone to behave in a certain manner. It is no longer sufficient to say obesity is caused by overeating. It is now suggested that there is a gene causing obesity. This paper represents the beginning of a search for a cause of stress. Due to the nebulous and elusive nature of the concept of stress, a short introduction seems appropriate.

Epidemiological evidence suggests that middle age women are not as afflicted by cardiovascular diseases as are middle age men. Biological differences may explain some of this apparent immunity of women. However, even casual observation would seem to indicate that at least part of the explanation may lie in lifestyles which make women less vulnerable to stress. Results presented in this paper suggest that traits and lifestyle affect vulnerability to stress and, in turn, perceived stress. There are many other variables, but this basic paradigm seems valid enough to justify business' interest in employee lifestyles. Businesses may not be justified in attempts to change or learn about personal lifestyles of employees, but that is another matter entirely.

In this paper, lifestyle and stress are measured by self assessments of feelings/behaviors allegedly associated with felt stress. Since stress is an important cardiovascular risk factor, the link between felt stress and health is assumed to exist and is not assessed here. The link between employee health and costs productivity, is well established. (cf. Farnham, 1991).

Stress is not well defined nor is its role in our lives well understood. First studied by Hans Selye in the 1920's, stress has been called the "general adaptation response" (Selye, 1973) the "emergency reaction" (Cannon, 1932), the "ergotropic reaction" (Hess, 1957), or the "fight-or-flight" response (Quick & Quick, 1984, 6). Stress can have at least three sources. It can come from physical activity (or lack of), mental activity (or lack of), or chemicals (or deficiencies). Whether the effects of stress induced by one source is equivalent to that induced by another source is not clear. There is evidence of strong linkages between and among all three of these stress sources (physical, mental, chemical). Physical activity affects bodily chemical activity which, in turn, affects mental activity. The reverse is apparently also true. Recently, some studies have suggested both physical and mental stress affected cholesterol levels (Rosch, 1994).

And, there is evidence that these same three *sources* of stress (physical, mental, and chemical) also serve as *relievers* of stress. Regarding chemicals (including those coming from food), it is apparent that there are some which should be strictly avoided. However, the worth of many depends on the dosage. Similarly, a bit of physical activity, is called training or exercise but large amounts of physical activity are called exertion or strain. Those who work in the area of physical and mental conditioning, suggest there are some physical as well as mental exercises that should be avoided and some which should be practiced. And, some physical exercises can relieve mental stress and some mental exercises can relieve physical stress.

In general, the above three sources and relievers of stress could be said to describe a large proportion of one's lifestyle. It follows that, given the relatively incontrovertible linkage between stress and cardiovascular diseases, it behooves us to more closely study the relationship between lifestyle and stress. Like many other cardiovascular risk factors, it may very well be that stress is reducible through moderation of lifestyle.

METHODOLOGY

The data collection instrument, shown in Exhibit 1, is actually a combination of five instruments. Items 1 through 20 of Exhibit 1 were selected items from the Bem Sex-Role Inventory (Bem, 1974a) which contains a number of features distinguishing it from other femininity/masculinity scales (Bem, 1974b). These particular twenty items were those chosen by Brief, Schuler, and Van Sell (1981, p. 182). Questionnaire items 21 through 40 are recommended behaviors to reduce one's vulnerability to stress (*Time*, June 6, 1983, 54). Items 41 through 60 of Exhibit 1, adapted from DuBrin (1985a) measure perceived stress. Items 61 through 73 of Exhibit 1, adapted from DuBrin (1985b) are recommended behaviors to reduce stress. Items 74 through 95 which were originally from McLean (1979) as adapted by Quick and Quick(1984, 138) assess behaviors associated with workaholism.

As previously mentioned, Items 1 through 20 of Exhibit 1 were selected items from the Bem Sex-Role Inventory (Bem, 1974a) which contains a number of features distinguishing it from other femininity/ masculinity scales (Bem, 1974b). These twenty items were included because of the possibility that, as Bem (1974b) asserts, the sex-role dichotomy may have obscured the plausible hypothesis that some subjects may be androgynous. That is, they may exhibit both masculine (e.g.

dominant) and feminine (e.g. compassionate) behaviors depending on the perceived situational appropriateness of these behaviors (cf. Barnett, 1975). Subjects are likely to vary in their abilities to exhibit these behaviors (cf. Bem, et. al., 1976). The ease with which they exhibit opposite gender behaviors may be related to felt stress, hence, the need to include scales to measure femininity, masculinity, and androgyny. Please note that these scales can be interpreted to measure adaptability but are not meant to measure sexual appearances, preferences or bisexuality. Of course, the sex-role dichotomy has outlived its legality and utility in employment practices but remains a useful medical variable (cf. Schein, 1975).

The seven major variables as measured are as follows:

Masculinity (M):	Odd numbered questionnaire items between 1 and 20 are said to be masculine traits.
	M = (Items 1+3+5+7+9+11+13+15+17+19)/10
Femininity (F):	Even numbered questionnaire items between 1 and 20 are said to be feminine traits.
	F = (Items 2+4+6+8+10+12+14+16+18+20)/10
Androgyny (A):	*A = 2.322*(F-M)* (Bem, 1974.)
Vulnerability to Stress (V1):	Questionnaire items 21 through 40 are recommended behaviors reduce one's vulnerability to stress (*Time,* June 6, 1983, p.54).
	V1 = Sum of questionnaire items 21 through 40.
	(The higher the V1, the higher the vulnerability.)
Vulnerability to Stress (V2):	Questionnaire items 61 through 73 are recommended behaviors to reduce stress (DuBrin, 1985b).
	V2 = Sum of questionnaire items 61 through 73.
	(The higher the V2, the higher the vulnerability.)
Lack-of-Stress (L):	Questionnaire items 41 through 60 are statements of feelings and behaviors indicating one is experiencing stress (DuBrin, 1985a).
	L = Sum of questionnaire items 41 through 60.
	(The higher the L, the less the perceived stress.)
No-Workaholic (NW):	Questionnaire items 74 through 95 are characteristic behaviors of a so-called "workaholic" (McLean, 1979).
	NW = Sum of questionnaire items 74 through 95.
	(The higher the NW, the less the workaholism.)

Voluntary responses to most of the items in the questionnaire shown in Exhibit 1 were obtained from 372 women and 575 men. All were juniors and seniors majoring in business at a large southern university.

EXPECTATIONS AND HYPOTHESES

The literature, albeit without much *empirical support*, suggests that behaviors increasing vulnerability to stress and behaviors characteristic of workaholics will be associated with higher levels of perceived stress for all subjects. Hence, we expected that subjects having lifestyles which make them more vulnerable to stress, measured by either V1 or V2, would feel more stress.

In addition to stressful lifestyles, some situations are alleged to produce stress. In a business school situation, it has been alleged that women will experience added stress because they are being asked in a business school to assume a traditional masculine role (cf. Lenney, 1977; Horner, 1972). This alleged added stress should be particularly apparent in the present study because the subjects were from a Deep South, traditionally male-dominated, cultural background. This line of reasoning led us to the following hypotheses.

Hypothesis 1: Generally, subjects who are more vulnerable to stress, measured by either V1 or V2, would feel more stress. (Supported. See Table 1.)

Hypothesis 2: Generally, subjects who exhibit less workaholism will perceive less stress. (Supported. See Table 1.)

Hypothesis 3: Men will say they exhibit more traits which are said to be masculine (odd numbered items 1 through 19 in Exhibit 1). (Supported. See Table 2.)

Hypothesis 4: Women will say they exhibit more traits which are said to be feminine (even numbered items 2 through 20 in Exhibit 1). (Supported. See Table 2.)

Hypothesis 5: Women will be more androgynous than men (exhibit both masculine (e.g. dominant) and feminine (e.g. compassionate) behaviors. (Supported. See Table 2.)

Hypothesis 6: Women will exhibit less workaholism than men. (Supported. See Table 2.)

Hypothesis 7: Women lead a lifestyle which makes them less vulnerable to stress. (Supported using one instrument. Not supported using another instrument. See Table 2.)

Hypothesis 8: Women in traditionally male-dominated situations will perceive more stress than men in those situations. (Not Supported. See Table 2.)

ANALYSES AND RESULTS

An intercorrelation analyses (only parts of it are shown in Table 1) of all raw-scale variables from the questionnaire plus the created variables (Masculinity, Femininity, Androgyny, both measures of Vulnerability, Lack of Stress, and Non-Workaholic, suggested that the normative behaviors frequently recommended to avoid or reduce stress are effective ones. The Lack-of-Stress variable was significantly correlated with age and with all but seven of the raw-scale lifestyle variables. The seven exceptions were Scales 9, 20, 24, 26, 31, 40, and 61. The Lack-of-Stress variable was also significantly correlated with all the created variables except Androgyny.

Table 1. Correlation Matrix, Major Variables, Female/Male						
Variable	Masculinity	Femininity	Androgyny	Vulnerability 1	Vulnerability 2	No-Workaholic*
Masculinity	1/1					
Femininity	-.01/.24	1/1				
Androgyny	-.77/-.67	.64/.56	1/1			
Vulnerability 1	-.17/-.25	-.15/-.27	.03/.01	1/1		
Vulnerability 2	-.05/-.21	-.18/-.32	-.07/-.06	.42/.43	1/1	
No-Workaholic*	-.13/-.18	.03/.03	.12/.18	-.06/.07	-.05/.01	1/1
Lack-of-Stress*	.03/.15	.18/.13	.09/-.02	-.31/-.29	-.32/-.32	.37/.33
* The higher the value, the less the Workaholism or Stress.						

As shown in Table 2, there are significant differences in the mean responses of men and women on the trait scales used to measure Masculinity, Femininity, and Androgyny. As one would expect if the scales are valid, men were found to be more masculine and women more feminine. Men were also found to be highly significantly more sex typed, meaning they not only endorse the alleged masculine attributes but simultaneously reject the alleged feminine attributes. Or, from another perspective, women are less sex typed, meaning they are less likely to endorse their feminine gender's alleged attributes and simultaneously reject the masculine gender's alleged attributes. From this finding, we would predict women will adjust to roles requiring "male" attributes more readily than men will adjust to roles requiring "female" attributes. With respect to stress, this finding that women are more androgynous leads us to predict women will experience less stress when required to adjust to male roles than will men required to adjust to female roles.

Table 2. Mean Values of Variables					
Variable	Women	Men	t Statistic	Probability	Variance Estimate
Masculinity	3.49	3.69	-5.93	.000	Pooled P(F)=.806
Femininity	3.60	3.43	6.02	.000	Separate P(F)=.044
Androgyny	.27	-.59	9.02	.000	Pooled P(F)=.060
Vulnerability 1	43.83	45.37	-2.51	.012	Pooled P(F)=.898
Vulnerability 2	33.86	34.10	-.56	.578	Pooled P(F)=.842)
No-Workaholic	72.47	68.59	6.30	.000	Pooled P(F)=.271
Lack-of-Stress	74.65	74.75	-.14	.886	Pooled P(F)=.083
* Men vs. Women Differences on these seven variables are all statistically significant except for Vulnerability 2 and Felt Stress					

Two other gender differences were found. Though neither gender was found to be very vulnerable to stress, men were found to be more vulnerable using one measure of vulnerability. Similarly, men indicated they are more likely to be workaholics. Again, neither gender exhibited a high tendency toward workaholism.

CONCLUSIONS AND DISCUSSION

There is a relationship between felt stress and self-described lifestyle. Given the widespread news coverage of lifestyle and stress, this first conclusion is no longer an astute nor a surprising one. Various behaviors which have been alleged to make one vulnerable to stress were significantly correlated with perceived stress in this study. A particularly powerful group of behaviors that appears to increase felt stress is that group of behaviors characteristic of a workaholic.

The normative behaviors suggested by the popular press, by academic writers, and by medical doctors appear to be effective in reducing the felt effects of stress in individuals. There appears to be many behaviors that make one less vulnerable to stress. These behaviors include not only such common sense behaviors as eating hot balanced meals, exercising, and maintaining the appropriate weight, but also such behaviors as giving and receiving affection regularly and smiling at least five minutes every day.

As one would expect, the study found men to be more masculine and women more feminine but more importantly found women more androgynous. Women are less sex-typed than men. Women are less likely to endorse attributes said to be feminine and simultaneously reject those attributes said to be masculine. This finding leads us to predict that women would experience less stress when adjusting to roles requiring attributes said to be masculine than would men adjusting to roles requiring attributes said to be feminine.

Using one measure of vulnerability, women were found to practice behaviors which make them significantly less vulnerable than men to stress. However, it should be emphasized that neither

gender was found to be very vulnerable. Similarly, neither was found to exhibit strong workaholic behaviors but men exhibited significantly more than did women.

Recall that we hypothesized, but did not find, that women in this traditionally male-dominated situation will perceive more stress than will the men (Hypothesis 8). After seeing the results we would now hypothesize that the women's lifestyles (less workaholism and fewer of the behaviors that make them vulnerable to stress) coupled with more androgyny makes them feel less stress despite the more stressful situation.

If our findings in this very special population of women approximate the adaptability and lifestyle of the general population of working women, the increase of women in business will not lead to a pronounced increase in stress related ailments in women. We suspect, however, that women in the workplace will be subjected to more discrimination and unwanted harassment than will the women in this study. In other words, our findings regarding felt stress may not have external validity especially when discrimination and harassment are considered. However, our findings regarding androgyny, vulnerability and workaholism are expected to have external validity. That is, we believe the behaviors associated with these concepts are rather well entrenched by the age of the subjects in our study. At the least, there is no a priori reason why either sex is likely to differentially improve their behaviors when they reach the workplace. In other words, although our cross-sectional data do not allow us to state it, we would expect a longitudinal study would show that these women will remain more androgynous and practice healthier lifestyles than will the men in this study.

Much more research is needed, especially with regard to gender differences. For example, we chose to use the androgyny instrument as a measure of adaptability. A replication might consider other measures of adaptability. Regarding lifestyle, we used two vulnerability instruments and a workaholism instrument. One vulnerability instrument resulted in gender differences while the other did not. Other instruments should be tried. Finally, with no additional data collection we need to determine which of the items in these instruments have more discriminatory power. And, since we found age to be correlated with stress (actually Lack-of-Stress) and also correlated with more scales in the first vulnerability instrument (the popular press one) than in the second instrument (the academic one), some more analyses in those areas seems warranted.

REFERENCES

American Heart Association, numerous pamphlet publications

Barnett, R. C. (1975). Sex differences and age trends in occupational preference and occupational prestige. *Journal of Counseling Psychology, 22*(1), 35-38.

Bem, S. L. (1974a). Sex-role adaptability: One consequence of psychological androgyny. *Journal of Personality and Social Psychology.*

Bem, S. L. (1974b). The measurement of psychological androgyny. *Journal of Consulting and Clinical Psychology, 42*(2), 155-162.

Bem, S.L., Martyna, W. & Watson, C. (1976). Sex typing and androgyny: further explorations of the expressive domain. *Journal of Personality and Social Psychology, 34*(5), 1016-1023.

Brief, A. P., Schuler, R. S. & Van Sell, M. (1981). *Managing job stress*, Boston: Little, Brown and Company, 182.

Cannon, W. B. (1932). *The wisdom of the body*, New York: W. W. Norton.

DuBrin, A. J. (1985a). *Effective business psychology*, Second Edition, Reston, Virginia: Reston Publishing Company, Inc., 208.

DuBrin, A.. (1985b). *Effective Business psychology*, Second Edition, Reston, Virginia: Reston Publishing Company, Inc., 208.

Farnham, A. (1991). Who beats stress best--and how, *Fortune,* October 7, 71-86.

Hess, W. R. (1957). *The functional organization of the dienchephalon*, New York: Grune and Stratton.

Horner, M. S. (1972). Toward an understanding of achievement-related conflicts in women. *Journal of Social Issues, 28*(2).

Lenney, E. (1977). Women's self-confidence in achievement settings. *Psychological Bulletin, 84*(1), January, 1-13.

McLean, A. A. (1979). *Work stress*, Reading, Massachusetts: Addison-Wesley.

Quick, J. C. & Quick, J. D.(1984). *Organizational stress and preventive management*, New York: McGraw-Hill Book Company.

Rosch, P. J., Jr. (1994). Wellsprings of health, *Creative Living, 23*(4), Autumn, 19.

Schein, V.E. (1975).   Relationships between sex role stereotypes and requisite management characteristics among female managers. *Journal of Applied Psychology, 60* (3), 340-344.

Selye, H. (1973). Evolution of the stress concept, *American Scientist, 61*(6), 692-699.

Time, June 6, 1983.

EXHIBIT 1. LIFESTYLE QUESTIONNAIRE

(Comments within questionnaire were not in the actual one used in study.)

Age_____   Gender_____   Height_____   Weight_____

Each of the following statements was followed by the scale: Never   Always

5	4	3	2	1

Describe Yourself. How often are you:

1.	Ambitious	2.	Cheerful	3.	Forceful	4.	Childlike
5.	Independent	6.	Shy	7.	Self-Reliant	8.	Warm
9.	Dominant	10.	Compassionate	11.	Analytical	12.	Gentle
13.	Athletic	14.	Loyal	15.	Individualistic	16.	Sympathetic
17.	Self-Sufficient	18.	Yielding	19.	Aggressive	20.	Soft-Spoken

Each of the following statements was followed by the scale: Almost Never   Almost Always

5	4	3	2	1

How often does each of the following statements apply to you:

Items 21 through 40 measure Vulnerability 1

21.   I eat at least one hot, balanced meal a day.
22.   I get 7 or 8 hours sleep at least 4 nights a week.
23.   I give and receive affection regularly.
24.   I have at least one relative within 50 miles on whom I can rely.
25.   I exercise to the point of perspiration at least twice a week.
26.   I smoke less than half a pack of cigarettes a day.
27.   I take fewer than five alcoholic drinks a week.
28.   I am the appropriate weight for my height.
29.   I have an income adequate to meet basic expenses.
30.   I get strength from my religious beliefs.
31.   I regularly attend club or social activities.
32.   I have a network of friends and acquaintances.
33.   I have one or more friends to confide in about personal matters.
34.   I am in good health (including eyesight, hearing, teeth).
35.   I am able to speak openly about my feelings when angry or worried.
36.   I have regularly conversations with the people I live with about domestic problems, e.g. chores, money and daily living issues.
37.   I do something for fun at least once a week.
38.   I am able to organize my time effectively.
39.   I drink fewer than three cups of coffee (or tea or cola drinks) a day.
40.   I take quiet time for myself during the day.

Items 41 through 60 measure Lack of Stress

41.   I have been feeling uncomfortably tense lately.
42.   I engage in frequent arguments with people close to me.
43.   My romantic life is very unsatisfactory.
44.   I feel indifferent about life.
45.   Many people annoy or irritate me.
46.   I have constant cravings for candy or other sweets.
47.   I find it difficult to concentrate on my work.
48.   I frequently grind my teeth.
49.   I increasingly forget about little things like mailing a letter.
50.   I increasingly forget about big things like appointments and major errands.
51.   I am making far too many trips to the bathroom.
52.   People commented lately that I do not look well.
53.   I get into verbal fights with other people too frequently.
54.   I have been involved in more than one physical fight lately.
55.   I have more than my share of tension headaches.
56.   I feel nauseated much too often.
57.   I feel light-headed or dizzy almost every day.
58.   I have churning sensations in my stomach far too often.
59.   I am in a big hurry all the time.
60.   Far too many things are bothering me these days.

Items 61 through 73 measure Vulnerability 2

61.   I try to have at least one idle period every day.
62.   I listen to others without interrupting them.
63.   I read books and articles that demand concentration, rather than trying to speed-read everything.
64.   I savor food by taking my time when eating pleasant food.
65.   I have a quiet place for retreat at home.
66.   I plan leisurely vacations so that virtually every moment is not programmed.
67.   I concentrate on enriching myself in at least one area other than work or school.
68.   I live by the day or week, not by a stopwatch.
69.   I concentrate on one task at a time rather than thinking of what assignment I will be tackling next.
70.   I avoid irritating, overly competitive people.
71.   I try to drink less coffee, soft drinks, or alcoholic beverages and more fruit juice or water instead.
72.   I "stop to smell the flowers," make friends with a preschool child, or play with a kitten once in awhile.
73.   I smile at least five minutes every day.

Items 74 through 95 measure No-Workaholism

74. I seem to communicate better with my secretary (co-workers) than with my spouse (or best friend).
75. I am always punctual for appointments.
76. I am better able to relax on Saturdays than on Sunday afternoon.
77. I am more comfortable when I am productive than idle.
78. I carefully organize my hobbies.
79. I am usually much annoyed when my spouse (or friend) keeps me waiting.
80. When I play golf it is mainly with work associates.
81. My spouse (or friend) does not think of me as an easygoing person.
82. When I play tennis I occasionally see (or want to see) my boss's face on the ball before a smash.
83. I tend to substitute my work for interpersonal contacts; that is, work is sometimes a way of avoiding close relationships.
84. Even under pressure, I usually take the extra time to make sure I have all the facts before making a decision.
85. I usually plan every step of the itinerary of a trip in advance and tend to become uncomfortable if plans go awry.
86. I do not enjoy small talk at a reception or party.
87. Most of my friends are in the same line of work.
88. I take work to bed with me when I am home sick.
89. Most of my reading is work related.
90. I work late more frequently than my peers.
91. I talk "shop" on social occasions.
92. I wake up in the night worrying about work problems.
93. My dreams tend to center on work-related conflicts.
94. I play as hard as I work.
95. I tend to become restless on vacation.

THE MEASUREMENT OF SELF-EFFICACY FOR PARTICIPATION: THE DEVELOPMENT OF A SITUATIONAL SPECIFIC INSTRUMENT

Lisa Calongne, SUNY, Institute of Technology at Utica/Rome

ABSTRACT

The present study focuses on the question of why individuals, in a common context, differ in their participation behavior. Several explanations can be suggested for this phenomenon. Participation requires that individuals think critically, continuously learn new things, put forth extra effort and persist, develop new skills, and take action. Hence, variability in participation may be attributable to a variety of individual differences (e.g., cognitive ability, personality, motives, centrality of work, etc.). Self-efficacy theory offers another promising explanation as to why apparently similar individuals behave very differently in similar situations. This research project uses the theory of self-efficacy to guide the examination of differences in the participation behavior of individuals.

INTRODUCTION

Employee participation is a core element in current management thinking and practice. Employees participate and get involved through a range of behaviors, such as making decisions, suggesting innovations, and putting forth extra effort and helping others. Participation is traditionally defined as "a process in which influence is shared among individuals who are otherwise hierarchical unequals" (Wagner, 1994). Organizations are increasingly turning to employee participation as they cope with increased competition and new customer demands.

Individuals differ in their level of participation. Given a suggestion program or a problem solving team, many individuals respond, but others let these opportunities pass by. It cannot be assumed that individuals prefer participation over non-participation. Many people avoid rather than seek participation. For example, Neumann (1989) reported that two-thirds of a work force chose not to participate in organizational change efforts when given the opportunity.

The present study focuses on the question of why individuals, in a common context, differ in their participation behavior. Several explanations can be suggested for this phenomenon. Participation requires that individuals think critically, continuously learn new things, put forth extra effort and persist, develop new skills, and take action. Hence, variability in participation may be attributable to a variety of individual differences (e.g., cognitive ability, personality, motives, centrality of work, etc.). Self-efficacy theory offers another promising explanation as to why apparently similar individuals behave very differently in similar situations. This research project uses

the theory of self-efficacy to guide the examination of differences in the participation behavior of individuals.

Self-efficacy refers to an individual's belief that he/she is capable of successful performance in a specific situation. It is not an estimation of skills; rather, it is a judgement about what one can do with those skills (Bandura, 1986). Self-efficacy is not just a foretelling or prediction about future performance; it is a belief which orchestrates and drives performance (Gist & Mitchell, 1992). As a motivational poster says: "Whether you believe you can or you can't, you're right." People with high self-efficacy think, behave, and feel differently than people with low self-efficacy (Bandura, 1986).

Self-efficacy influences individual behavior through four mechanisms: choice of activities, effort and persistence, cognitions (e.g., goals, visualizations), and affect (e.g., anxiety). Applying these ideas to participation, individuals with high self-efficacy for participation are more likely to choose those activities which require participation, put forth the effort and persistence required to confront barriers to participation, set high goals for participation, visualize themselves as successfully participating, and control their anxiety about participating. On the other hand, individuals with low self-efficacy might avoid activities, which require participation, quit in response to the barriers to participation, visualize negative outcomes to their participation, or experience paralyzing anxiety.

Self-efficacy is situation specific and refers to the domain of behaviors of interest (Bandura, 1986). For example, Saks (1993) studied self-efficacy related to the domain of behavior required by entry-level accountants. He used a measurement protocol for self-efficacy in which the set of tasks required for successful performance was used to generate the items to assess self-efficacy. Similarly, the present project defines self-efficacy in terms of a specific set of activities required for successful performance. Specifically, this project studied activities required to successfully participate in an organization with a structured participation program. Here, participation self-efficacy is conceptualized as self-confidence beliefs corresponding to three dimensions of behaviors: (1) beliefs that one can make decisions on how to best do their job; (2) beliefs that one can put forth extra effort and help others; (3) beliefs that one can suggest ideas and solve problems to improve the group's work process.

Self-efficacy was originally conceptualized and tested in clinical and educational settings. These studies concluded that self-efficacy is better than past performance as a predictor of future performance and that clinical interventions which increase self-efficacy change dysfunctional behavior (Bandura, 1977). These early findings that self-efficacy is an important force driving human behavior have led to studies in organizational contexts. A review of this research indicates support for a relationship between self-efficacy and work behaviors (Sadri & Robertson, 1993). For example, relationships have been found between self-efficacy and sales behaviors (Barling & Beattie, 1983), attendance (Latham & Frayne, 1989), job performance (Saks, 1993), and suggesting ideas (Gist, 1989). In line with these findings, this project proposed that participation is determined, in part, by self-efficacy.

Given that self-efficacy is an important predictor of future behavior, what are the sources of determinants of self-efficacy judgements? First and foremost, self-efficacy judgements reflect past experiences. Success leads to high self-efficacy and failure leads to low self-efficacy (Mitchell,

Hopper, Daniels, & Falvy, 1993; Mathieu, Martineau, & Tannenbaum, 1993). Thus, it is assumed here that participation self-efficacy reflects past experiences, and the measure of self-efficacy provides a useful diagnostic tool to assess the current process of participation in the organization.

RESEARCH DESIGN AND RESEARCH QUESTION

The focus of this project was to apply the theory of self-efficacy to understand individual employee differences in participation behavior. The site for the study was an organization with a Scanlon gainsharing plan - a structured approach to employee participation. Both qualitative and quantitative methods were used. The project began with three months of observation and interviews of managers and employees and concluded with a survey which assessed the individual's participation self-efficacy.

Based on the qualitative information and the literature, participation was conceptualized as three dimensions of behavior: (1) decision making pertaining to tasks, (2) good citizenship in the form of extra effort and helping others, and (3) contributing to improvement in work processes through making suggestions and problem solving. Participation self-efficacy was conceptualized as the individual's belief that he/she can do these participation activities. The project was designed to explore the following questions: Is participation self-efficacy a multidimensional construct?

PARTICIPATION

Participation is traditionally defined as a process of shared influence of decision making, information processing, and problem solving among individuals who are hierarchical unequals (Wagner, 1994). Schuster (1990) defines employee participation as a "structured, systematic approach to the involvement of employees in group decisions affecting work and the work environment with goals that include reducing product cost, improving product quality, facilitating communication, raising morale, and reducing conflict."

Two constructs in the organizational literature are used to create a construct of participation behavior: organizational citizenship behavior and innovation behavior. Organizational citizenship behavior (OCB) has been suggested as a broader conceptualization of participation (Pasmore & Fagans, 1992). Organ (1988) conceptualized OCB as dependability, helpfulness, and conscientiousness. Van Dyne et al. (1992) created a new OCB instrument to measure their three categories of OCB (i.e., obedience, loyalty, and participation). They found support for three dimensions of participation: (1) compliance and social (2) self-focus (3) problem solving and change agent. Compliance and social behavior includes attending meetings, sharing information with co-workers, and going to events outside of work which benefit the organization. Self-focus behavior includes putting forth extra effort and learning new ways of doing things. Problem solving and change agent behavior includes activities such as encouraging others to generate ideas and diffusing change ideas across the organization.

A model of innovation behavior is also useful for creating a larger definition of participation behavior. Participation typically requires that employees generate innovative ideas and implement

improvements. The original participation in decision-making (PDM) concept addressed shared influence in problem solving, and Kanter's innovation model provides a clarification of these participation problem solving behaviors.

Based on the concepts of PDM, OCB, and innovation behaviors, participation in this project is defined as three domains of behavior: (1) decision making pertaining to tasks, (2) good citizenship in the form of extra effort and helping others, and (3) contributing improvement in work processes through idea generation and problem solving. These dimensions correspond to three different scopes of influence: a narrow job scope, influence over self-behaviors, and influence over group processes.

PARTICIPATION SELF-EFFICACY (SE-DECN, SE-HELP, SE-IDEA)

The measurement protocol used was adapted from Saks (1993) study of entry-level accountants. His measure of self-efficacy was based on job analysis and the respondent was presented with a list of related activities. Using a scale of 0 (no confidence) to 10 (complete confidence), the individual responds for each activity. "How confident are you that you can successfully perform this activity?" This measurement protocol was used to create an assessment of participation self-efficacy.

Based on observations and interviews of employees and managers, a list of critical behaviors for participation was created. These critical behaviors were organized according to the dimensions of participation established in the literature: decision making within a narrow job scope, extra-effort and helping others, and innovation and problem solving. Out of an original list of about forty critical behaviors, nineteen items were retained for use on the pilot instrument. These items were selected with the objective of including items, would capture differences in self-efficacy within individuals and between individuals. Each of these statements was written in the format: "I can ....." followed by a specific description of the participation activity. For example, "I can put forth extra effort during critical times. I can make decisions on how to best do my job. I can bring problems to the attention of my manager." Each statement had to represent a behavior; thus, a statement like "I can understand financial information" was discarded. Also, items were selected for which it was believed that all employees had equal opportunities to perform. Thus, any items which were done by just a few employees, such as going off-site to customer locations, were not included. Based on the pilot of the instrument, conducted during the employee monthly meetings, a few items were eliminated because of a lack of understanding of terms such as cross-training and manufacturing variance. The items for the measure of participation self-efficacy on the training survey were kept the same as the baseline measure with a few items added to further describe behaviors in decision making.

In order to develop scores for the three dimensions of participation self-efficacy, the appropriate items were combined and averaged. The appropriate items were determined by the prior categorization of items, intercorrelations, and the results of exploratory factor analysis. The initial extraction method was iterated principal factor analysis with squared multiple correlation on the diagonal. The proportion criteria is used to determine the number of factors retained. This method examines the cumulative percentages of the variance extracted by successive factors. The factoring should not stop until the extracted factors account for at least 95 percent of the variance (Hair et al.,

1984). An oblique rotation is used which allows the factors to be partially correlated with each other. The factor loadings of .40 are considered significant and are reported (Hair et al., 1984).

RESULTS: DIMENSIONALITY OF PARTICIPATION SELF-EFFICACY

The research addressed the dimensionality of self-efficacy to participate. Specifically, the conceptual map of participation self-efficacy as three dimensions was examined: (1) self-confidence to make decisions about the job (SE-DECN); (2) self-confidence to help others and put forth extra effort (SE-HELP); (3) self-confidence to generate ideas and solve problems to improve group processes (SE-IDEA). This three dimensional concept was evaluated by inspection of the intercorrelations between participation self-efficacy items and by exploratory factor analysis of those items (N=148). (A test of the concept requires confirmatory factor analysis, thus this analysis is just exploratory).

LABEL	ITEM	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Table 1: Intercorrelations of Participation Self-Efficacy Dimensions																	
SE-Idea 1	Share new ideas																	
SE-Help 2	Speak up in meetings	45																
SE-Help 3	Pass info to next shift	46	29															
SE-Idea 4	Express thoughts about improving area	52	56	45														
SE-Help 5	Extra effort	45	35	45	37													
SE-Help 6	Help others	42	28	37	39	48												
SE-Help 7	Learn new machine	27	12	38	23	31	29											
SE-Decn 8	Make decisions about job	29	32	29	44	35	24	30										
SE-Decn 9	Bring problems to manager	40	40	44	48	37	25	38	69									
SE-Idea 10	Suggest ideas to improve on-time	53	46	41	64	37	49	24	42	46								
SE-Idea 11	Problem solving team	51	53	51	58	50	42	34	42	48	66							
SE-Idea 12	Encourage co-workers to generate ideas	46	45	46	39	34	52	30	28	39	64	66						
SE-Idea 13	Suggest ideas about changing work flow	56	42	46	56	42	47	36	44	50	73	71	71					
SE-Idea 14	Company-wide teams	36	48	46	47	31	34	20	36	40	58	69	55	58				

SE-Idea 15	Take ownership of ideas	47	41	46	46	31	35	22	30	40	59	62	53	55	55			
SE-Idea 16	Make creative suggestions	50	46	51	48	34	48	33	32	39	59	60	68	56	51	64		
SE-Idea 17	Encourage others to speak up	38	49	32	30	25	33	14	19	19	50	52	61	50	55	51	61	
Mean		7.67	7.70	7.72	7.49	8.81	7.99	8.01	8.58	8.67	6.89	7.18	5.93	6.41	6.69	6.82	6.83	5.16
S.D.		2.21	2.76	2.71	2.54	1.83	2.16	2.71	2.02	2.10	2.50	2.66	2.52	2.60	3.04	2.73	2.41	2.98
All correlations are significant at p > .01; All correlations are multiplied by 100; N=148																		

The intercorrelations, means, and standard deviations of the self-efficacy items are presented in Table 1. The correlation between the decision making items (8,9) is .69, and as expected, is higher than their correlation with items of the other two dimensions. The items for the other two dimensions do not demonstrate this pattern of higher intercorrelation relative to the correlations with items of other dimensions.

Dimensionality was also assessed using exploratory factor analysis. Initial extraction method was iterated principal factor analysis with squared multiple correlations on the diagonal. Using the proportion criterion, four factors were retained. Examination of the eigenvalues of the reduced correlation matrix showed that 4 factors accounted for 100% of the common variance. A Harris-Kaiser rotation was used which allows for correlation between the factors. The factor loadings greater than .4 are significant and reported in Table 2.

The factor analysis partially supports the hypothesis of three dimensions of participation self-efficacy. Most of the idea generating items (except #1 and #4) load on the first factor, the decision making items load on a second factor, and most of the helping items (except #2) load on a third factor. A fourth factor is indicated which includes items that relate to communication (#1,2,4). Because of the sample size (n=148) these results must be interpreted with caution. (The rule of thumb for factor analysis requires 10 subjects for each item).

Table 2: Intercorrelations of Participation Self-Efficacy Dimensions					
LABEL	ITEM	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4
SE-IDEA 1	Share ideas	50		57	57
SE-IDEA 4	Express thoughts and opinions	46	48	44	77
SE-IDEA 10	Suggest ideas … on-time delivery	72	43	45	63
SE-IDEA 11	Problem Solving Teams	75	45	51	60
SE-IDEA 12	Encourage … generate ideas	84		49	
SE-IDEA 13	Suggest ideas about work flow	73	50	53	52
SE-IDEA 14	Company wide teams	70			52
SE-IDEA 15	Take ownership of ideas	68			51
SE-IDEA 16	Creative suggestions	76		51	46

SE-IDEA 17	Encourage others to speak up	76			42
SE-HELP 2	Speak up during meetings	52			66
SE-HELP 3	Pass along info to next shift	48	40	59	
SE-HELP 5	Extra effort			65	41
SE-HELP 6	Help others	47		61	
SE-HELP 7	Learn new machine		40	61	
SE-DECN 8	Make decisions about job		75		
SE-DECN 9	Bring problem to manager		88		40

Values are multiplied by 100 and rounded to nearest integer.
Values greater than 40 are significant and, thus, included.

In summary, based on the intercorrelations and factor analysis, the results of the analyses indicate preliminary support for four distinct dimensions to participation self-efficacy. Based on these analyses, four scales of participation self-efficacy were created (SE-DECN, SE-HELP, SE-IDEA, SE-COMM). Appendix A lists the items which were used to create each of these scales. The Cronbach coefficient alpha for the scales are: .91 (SE-IDEA), .70 (SE-HELP), and .77 (SE-COMM). SE-DECN is a two item scale with an intercorrelation of .69. The means and the standard deviations for the self-efficacy scales are reported in Table 3.

Table 3				
	SEIDEA	SEHELP	SEDECN	SECOMM
Mean	6.44	8.14	8.63	7.62
SD	2.15	1.72	1.89	2.66
N	148	148	148	148

SUMMARY AND CONCLUSIONS

The proposition advanced and tested here was that the broad label of "employee participation" covers three distinct dimensions of behavior on the job: (1) Decision making pertaining to tasks, (2) good citizenship in the form of extra effort and helping others, and (3) contribute to improvement in work processes. The responses to the self-efficacy items on the employee survey provide preliminary evidence to support this conceptual map of worker participation. Employee beliefs regarding whether they could successfully perform various activities varied substantially across the three types of behavior as evidenced by the item correlations and factor analysis results. Casual observations and discussions also support this conclusion. Employees typically felt very confident about how best to

perform their jobs. Moreover, requests for extra effort from the employees were readily accepted, but the same enthusiasm and self-confidence were not displayed for innovation, idea generating, and solving problems related to improving the process.

Observations and discussion support the findings that different levels of self-efficacy exist for different domains of participation. For example, typically employees and managers display high self-confidence in their capability to put forth extra effort by setting and meeting very challenging production goals. Also, the employees typically have considerable work experience and are very confident about making decisions about how to best do their jobs and how to solve problems with a particular production item. Contrasted to this high self-confidence for participation as effort and task decision making, lower self-confidence was indicated for activities relating to idea generating and problem solving to improve group processes. These differences between self-efficacy were useful to management as feedback on the effectiveness of the organization's structured participation program.

SUGGESTIONS FOR FUTURE RESEARCH

From a measurement point of view, extensions of this study should explore further the dimensionality of participation self-efficacy and extend the measurement of participation self-efficacy to other sites with structured participation programs.

The purpose of this research project was to explore self-efficacy theory as a possible explanation for individual differences in participation. A conceptual map of participation self-efficacy as three dimensions was partially supported. An instrument was created which measured self-efficacy in a specific situation. This demonstrates the potential application of self-efficacy theory for complex behaviors in organizational settings. The key tasks remain to demonstrate that self-efficacy predicts performance for complex behaviors, to understand the sources of self-efficacy judgments, to understand how to interpret the meaning of self-efficacy responses within organizational settings, and to design interventions which influence self-efficacy.

REFERENCES

Barling, J. & Beattie, R. (1983). Self-efficacy beliefs and sales performance. *Journal of Organizational Behavior Management, 5*, 41-51.

Bandura, A. (1977). Self-efficacy: Toward a unifying theory of behavioral change. *Psychological Review, 84*, 191-215.

Bandura, A. (1986). *Social Foundations of Thought and Action: A Social Cognitive Theory.* Englewood Cliffs, NJ: Prentice-Hall.

Gist, M. (1989). The influence of training method on self-efficacy and idea generation among managers. *Personnel Psychology, 42*, 787-805.

Gist, M. & Mitchell, T. (1992). Self-efficacy. A theoretical analysis of its determinants and malleability. *Academy of Management Review, 17*, 183-211.

Hair, J., Anderson, R., Tatham, R., & Grablowsky, B. (1986). *Multivariate Data Analysis*. New York: Macmillan Publishing, Co.

Latham, G. & Frayne, Co. (1989). Self-management training for increasing job attendance: A follow-up and replication. *Journal of Applied Psychology. 74*, 411-416.

Mathieu, J., Martinequ, J. & Tannenbaum, S. (1993). Individual and situational influences on the development of self-efficacy: Implications for training effectiveness. *Personnel Psychology, 46*, 125-147.

Mitchell, T., Hopper H., Daniels, D. & Falvy, J. (1993). Predicting self-efficacy and performance during skill acquisition. Paper presented at the 1993 Academy of Management meeting, Atlanta.

Neumann, J. (1989). Why people don't participate in organizational change. In W. Pasmore & R. Woodman (Eds.) *Research in Organization Change and Development, 3*. 181-212. Greenwich, CT: JAI Press.

Organ, D. (1988). *Organizational Citizenship Behavior*. Lexington, Mass: Lexington Books.

Pasmore, W. & Fagans, M. (1992). Participation, individual development, and organizational change: A review and synthesis. *Journal of Management, 18,* 375-397.

Sadri, G., & Robertson, I. (1993). Self-efficacy and work related behavior: A Review and meta-analysis. *Applied Psychology: An International Review, 42*, 139-152.

Saks, A. (1993). Moderating and mediating effects of self-efficacy for the relationship between training and newcomer adjustment. Paper presented at the 1993 Academy of Management Meetings, Atlanta.

Schuster, M. (1990). Union-management cooperation. In J. Fossum (Ed.) *Employee and Labor Relations* (44-81). Washington DC: Bureau of National Affairs.

Van Dynn, L., Graham, J., & Dienesch (1994). Organizational citizenship behavior: Construct redefinition, measurement, and validation. *Academy of Management Journal, 37*, 765-802.

Wagner, J. (1994). Participation's effects on performance and satisfaction: A Reconsideration of the research evidence. *Academy of Management Review, 19*, 312-330.

APPENDIX A

Scale Items for Self-Efficacy Measures

(numbers refer to location of item on employee survey)

Participation Self-efficacy : decision-making dimension (SE-DECN)

8.   I can make decisions on how to best do my job.
9.   I can bring problems about the quality of a barrel to the attention of my manager.

Participation Self-Efficacy: good citizenship dimension (SE-HELP)

3.   I can pass along information to the next shift.
5.   I can put forth extra effort during critical production times.
6.   I can help others complete their jobs.
7.   I can learn to operate a new machine.

Participation Self-Efficacy: idea generating and problem solving dimensions (SE-IDEA)

10.   I can suggest ideas to improve on-time delivery.
11.   I can participate in a problem solving team (sometimes called focus groups).
12.   I can encourage my coworkers to generate ideas.
13.   I can suggest ideas about changing the work flow process.
14.   I can participate on company-wide teams (for example, the process review board, housekeeping and safety, the ISO 9000 audit team).
15.   I can take ownership of my ideas to make it happen.
16.   I can frequently make creative suggestions to coworkers.
17.   I can encourage other to speak up at meetings.

Participation Self-Efficacy: communication dimension (SE-COMM)

1.   I can share new ideas for improvement with my coworkers.
2.   I can speak up during my area's regular meetings.
3.   I can express my thoughts and opinions about how to improve my area.

MEASURING CULTURAL DIMENSIONS AT THE INDIVIDUAL LEVEL: AN EXAMINATION OF THE DORFMAN AND HOWELL (1988) SCALES AND ROBERTSON AND HOFFMAN (1999) SCALE

Robert A. Culpepper, Stephen F. Austin State University
Larry Watts, Stephen F. Austin State University

ABSTRACT

Hofstede's four cultural dimensions (Hofstede, 1980), individualism/collectivism, power distance, masculinity, and uncertainty avoidance have been widely studied and linked to a number of outcomes of interest to manager employed by cross-national companies. Based on a study of East Asian cultural dimensions, Hofstede and Bond (1988) have added a fifth cultural dimension, Confucian Dynamism, determined to have wide applicability outside of East Asia.

Most of these studies measured culture at the societal level by aggregating respondent scores within cultures so that each culture represented one observation in further analysis. Hofstede and others have conceded that is likely to be a great deal of intra-culture variation in cultural orientations which is not addressed through such methodology.

Recently, some researchers have attempted to measure the four original Hofstede dimensions (Dorfman & Howell, 1988) and the fifth Hofstede and Bond dimension (Robertson & Hoffman, 1999) at the individual level. This offers a number of advantages, chief among them the ability to link the strength of a given cultural orientation among individuals to individual level organizational outcomes such as job satisfaction, leadership variables, commitment, organizational citizenship behavior, turnover, and others. Unfortunately, this line of inquiry has been hampered by lack of evidence regarding properties of the scales used to measure these individual-level cultural constructs, particularly regarding convergent and discriminant validity. This study uses principal components analysis to assess all five scales as to whether they are unidimensional as theorized and employs confirmatory factor analysis to test the convergent and discriminant validity of the scales. Results support the unidimensionality, convergent validity, and discriminant validity of the four Dorfman and Howell measures. Results did not support the unidimensionality of the Confucian Dynamism scale, but rather suggested at least two dimensions. Suggestions for utilizing and improving the Confucian Dynamism scale are offered.

INTRODUCTION

A great deal of cross-cultural investigation into organizational processes is anchored in the belief that behavior in organizations is culture-specific. Within this culturalist school, the work of Gert Hofstede (1980) identifying cultural differences among 116,000 IBM employees located in 66 countries has been perhaps the most influential. Five cultural dimensions have been identified within this literature stream: individualism/collectivism, uncertainty avoidance, masculinity, power distance, and Confucian Dynamism (Hofstede, 1980; Hofstede & Bond, 1988). Considerable research conducted in a number of countries has supported these dimensions, often linking them to important societal and organizational outcomes dimensions (e.g. Geletkanycz, 1997; Hofstede, 1983; Hofstede, 1984; Hofstede & Bond, 1988; Vitell, Nwachuku & Barnes, 1993). Though Hofstede and most other researchers have measured and studied culture at the societal level of analysis, some have attempted to develop measures to study culture as an individual level psychological trait (Dorfman & Howell, 1988; Robertson & Hoffman, 1999). To date little information is available on the reliability and validity of these scales. This has likely played a role in the absence of studies utilizing the individual level scales and thus, the apparent potential of this line of inquiry has not been realized. This study provides much needed information on the scales' properties and assesses their convergent and discriminant validity.

Hofstede describes culture as collective programming of the mind that each individual carries (Hofstede, 1984). This programming in turn affects wide-ranging behavior, much of it relevant to organizational science. Using an ecological factor analysis (in which the number of cultures is the N of the correlation coefficients) on values data, he found culture to vary along four dimensions. Individualism is defined as the tendency of people to look after themselves and their immediate family only and neglect the needs of society. Such societies value independence and autonomy and are characterized by achievement-based hiring and promotion practices. In collectivist countries one finds tight social frameworks, emphasis of group goals and decisions and social pressure to conform to societal or group norms. Uncertainty avoidance pertains to the extent to which individuals feel threatened by ambiguous situations. Countries high on this dimension place a high value on strict rules, protocols and procedures which make conduct more predictable and life more secure. Managers tend to favor low-risk decisions and lifetime employment is common. Masculinity is the degree to which traditional masculine values such as assertiveness, materialism and lack of concern for others. Countries with low scores along this dimension emphasize "feminine" values such as compassion, concern for others, and quality of life. Power distance refers to the level of acceptance by a society of unequal distribution of power in institutions. Superiors and subordinates are likely to be viewed by each other as possessing very different levels of power, leading to subordinate respect and submissiveness. In countries with low power distance superiors and subordinates would view each other as more equal in power, leading to a more cooperative stance for both parties.

Hofstede's original study (1980), and most others in this literature stream, have identified country as the unit of analysis, with no attention to intra-country variation. In Hofstede's study, respondent scores regarding cultural attitudes were aggregated within each country to a single country score. Country scores were then compared in subsequent analyses to facilitate inferences

about cultural differences between countries. Studies employing the Hofstede dimensions (e.g. Shackelton & Abbas, 1990) typically lead to generalizations about culture at the societal level and then to conclusions about how managerial practice and organizational behavior is likely to be affected based on obtained respective cultural profiles.

Hofstede (1980, 1991) and others have conceded that heterogeneity in individual cultural attitudes within a given national culture may be considerable. For example, Triandis and colleagues (Triandis, Bontempo, Villareal, Asai, & Luca; 1988; Triandis, Leung, Villareal, & Clack, 1985) conceptualized and measured individualism/collectivism at individual level and found substantial differences across study samples within the same culture, and in the case of the U.S., even within the same state.

This perspective views culture as a psychological trait carried by the individual, and thus may vary considerably even among individuals within close geographic proximity to one another. Thus, country-level generalizations may not apply to all members within a given society. For example, Triandis and colleagues have distinguished between collectivist countries and allocentric individuals (those adhering to collectivist values). Even though collectivist countries are made up predominantly of allocentric members, there may well be very large numbers of idiocentric individuals (adhering to individualist values). This heterogeneity in culture appears particularly likely in countries with a variety of ethnic groups such as the U.S, Canada, or Indonesia.

Examining cultural dimensions at the individual psychological level appears to offer great potential in furthering our knowledge of cross-national behavior and management. For example, a major opportunity is the possibility of more easily tying individual cultural traits directly to behaviors of interest to managers such as organizational commitment, job satisfaction, absenteeism, turnover, organizational citizenship among many others. In addition, examining culture at this level may increase our understanding of the linkage between cultures and subcultures and how societal culture affects and interacts with organizational culture. Examining culture at the individual level also enables the examination of whether individuals whose cultural attitudes are different than the dominant culture they live in behave differently than individuals who inhabit cultures that are consistent with their particular attitudes. These are but a few of the surely large number of questions that might be addressed within this literature stream. Answers to such questions should prove valuable to managers and executives with companies who employ individuals from a wide variety of cultural backgrounds.

Dorfman and Howell (1988) extended this line of inquiry by being the first to develop scales assessing all four of Hofstede's dimensions at the individual level of analysis. Scales were developed and refined, leading to 22 final items. The scales were tested with a sample of managers employed in multinational firms and representing two cultures, 243 in Mexico, and 509 in Taiwan. Unfortunately, the only information provided about measurement properties of the new scales was reliability coefficients. Reported reliabilities also applied to translated versions of the English scales, only. No factor loadings or other information relating to discriminant validity was provided. Respective reliabilities for Mexican and Chinese samples were .73 and .78 for the individualism/collectivism scale, .84 and .80 for the masculinity scale, .51 and .63 for the power-distance scale, and .71 and .73 for the uncertainty avoidance scale. Thus, reliabilities appear at least adequate, except in the case of uncertainty avoidance. Regarding construct validity, relationships

between individual level culture constructs were similar to those obtained using Hofstede's society-level measures.

Recently Robertson and Hoffman (1999) tested the relationships between the individual level Hofstede dimensions and a fifth cultural dimension developed by Hofstede and Bond (1988) called Confucian Dynamism. This dimension refers to the degree to which cultures subscribe to a number of Confucian values that tend to be prevalent in countries with historical Confucian influence such as China, Korea, and Japan. A high score along this cultural dimension reflects a culture's tendency toward a future-oriented mentality. According to Hofstede and Bond, Confucian future-oriented values include persistence, ordering relationships by status, thrift, and having a sense of shame. Low scores along this dimension reflect a country's orientation toward the present and past. These countries, by contrast, tend to value steadiness and stability, saving face, respect for tradition, and reciprocation of greetings, favors, and gifts. Countries that scored low on this dimension in Hofstede and Bond's study included Canada, Pakistan, and the United States.

Robertson and Hoffman (1999) developed a measure to assess Confucian Dynamism at the individual level. It consisted of eight items, with each item assessing a different value proposed by Hofstede and Bond (1988). The results of their study confirmed Hofstede's society-level results in showing that Confucian traits can exist anywhere in the world, not just in Asia. They first regressed the four Hofstede dimensions on Confucian Dynamism. They then broke up the Confucian scale into two components, an average score of the four future-oriented items and an average of the four past-oriented items. Next, the four Hofstede dimensions were regressed on each component. Relationships between the Confucian variable and other variables tended to support its construct validity. They also uncovered an unexpected relationship, namely a significant relationship between uncertainty avoidance and the future-oriented Confucian component. Unfortunately, no information was provided concerning scale properties such as reliability coefficients or factor loadings. A further problem is that the authors are not explicit about the dimensionality of the Confucian scale. They imply that the scale has at least two subdimensions. This weighs against aggregating the complete scale and relating it to other variables as they did in one OLS regression analysis. This is because the aggregation of a multi-dimensional scale may bias estimates with that construct and other variables.

Given the apparent potential of measuring the five dimensions developed by Hofstede and Bond (Hofstede, 1980; Hofstede & Bond) dimensions at the individual level, effective construct measurement is naturally a major concern.. Though the Dorfman and Howell scales (1988) and Robertson and Hoffman (1999) scale show considerable promise, they have not yet become established in the literature. This is at least partially attributable to the fact that very little information has accrued regarding the convergent and discriminant validity of these scales. Furthering knowledge about the measurement properties of individual-level scales measuring the five Hofstede dimensions may encourage more studies examining relationships between the Hofstede's dimensions with other individual level variables, both within and across countries. The current study seeks to fill this gap by examining the convergent, discriminant, and construct validity of these five scales. Confirmatory analysis is employed to examine whether scale items are unidimensional, whether they distinguish among theorized cultural dimensions, and whether dimensions correlate with each other and other variables in a way that is consistent with theory-based expectations.

METHOD

Survey respondents were 192 upper-level undergraduate students at a large university in the Southwestern U.S. Sixty-four percent were employed, 14% of these full-time. Forty-five percent of respondents were female and 55 % were male. Despite some criticism of the use of students in the past, recent research suggests that the use of students is effective in formulating cultural constructs at the individual level (Triandis et al., 1988; Triandis et al., 1985). The use of an American sample is also appropriate since there have been as of yet no reported studies using American respondents in assessing the Dorfman and Howell (1988) scales. Further, although the Robertson and Hoffman (1999) study used American students, no information concerning measurement properties was reported.

Individualism, masculinity, power-distance, and uncertainty avoidance were measured using the scales (Table 1) developed by Dorfman and Howell (1988). Confucian Dynamism was measured using the Robertson and Hoffman (1999) scale. Reliability estimates for the current study were .70 for the individualism/collectivism scale, .87 for the masculinity scale, .55 for the power-distance scale, .89 for the uncertainty avoidance scale, and .42 for the Confucian scale. All items employed a five-point variable response format with three anchors.

In the first analysis, unidimensionality of cultural dimension scales was assessed. Studies seeking to relate cultural dimensions typically employ averaging or summation of item-level scores to form a single scale score. Scale scores of cultural dimensions and posited antecedents or outcomes are often then subjected to some form of correlational analysis. If scale items for a given scale do not, in fact, reflect a unitary construct, then estimates of relationships with other variables may be biased. Principal components analysis combined with SPSS's oblimin rotation was used to examine the unidimensionality of cultural dimension scales. Eigenvalues of one or more served as the criterion used for extraction of factors. Scree plots were also examined to determine whether more than one factor for each scale was evident.

Next, LISREL 8.20 and confirmatory factor analysis (CFA) were used to analyze a covariance matrix of items from all four cultural dimension scales. To test scale convergent and discriminant validity, data-to-model fit was assessed for null, one general factor, oblique two-factor, oblique three-factor and oblique four-factor solutions. The null model posits that no relationships exist between any of the observable indicators comprising the four scales. The one-factor model required indicators from all four scales to load on one general factor and implies that it is not possible to distinguish among cultural constructs. If the scales indeed measure theorized constructs in a valid manner, then one would expect successive models allowing items to load on factors more consistent with the theorized model to yield improvements in fit to the data. The two-factor model forced individualism/collectivism and uncertainty items to load on one factor and the two groups, masculinity and power distance items, to load on a second. The rationale for including individualism/collectivism and uncertainty avoidance on one scale was that individuals who are low on the former scale prefer maximum individual autonomy and latitude and would not want to be confirmed by organizational rules and procedures which reduce uncertainty. The three-factor solution forced individualism/collectivism and uncertainty items to again load one factor and specified that power-

distance items and masculinity items each load on their own factors. The four-factor solution allowed each of the four Hofstede dimensions to load on separate factors, consistent with theory. At each stage it was expected that moving to a model more consistent with the theorized measurement model would lead to statistically significant decrements in chi square and substantial increases in fit indexes.

Finally, convergent and discriminant validity were assessed for the Robertson and Hoffman (1999) scale measuring Confucian Dynamism. Data-to-model fit was assessed for a null model positing on relationships among indicators and a one-factor model that treated the eight scale items as if they in fact reflect one unitary latent construct. A second two-factor model assigning items 23-26 (Table 1) to a subdimension reflecting future Confucian values and items 27-30 to a subdimension representing past and present Confucian values. A four-factor model specifying subdimensions suggested by the principal components analysis was tested as well. All three models were then compared in terms of how well they fit the data. It is important to point that in the case of the Confucian Dynamism scale, support for the four-factor model is highly inconsistent with Robertson and Hoffman (1999) interpretation of the Hofstede and Bond's (1988) theory, i.e. that Confucian Dynamism is unitary phenomenon appropriately measured by a single one-factor scale. Indeed, although Hofstede and Bond refer to the construct as a "dimension", they then elaborate on this term as a "cluster of values." Such a cluster may not be sufficiently related to hang together in applications of unidimensional scale, raising serious question about scale reliability. In contrast, support for the four-factor model in the case of the Dorfman and Howell (1988) scales is very consistent with Hofstede's theorizing of four dimensions.

CFA was used to assess overall model-to-data fit, along with a number of fit indexes. These included the ratio of chi-square ($\chi^{2)}$) to degrees of freedom, χ^2 difference tests, the comparative fit index (CFI; Bentler, 1990; McDonald & Marsh, 1990), the non-normed fit index (NNFI; Bentler & Bonnett, 1980), and the root mean square residual (RMSR). The CFI measures the improvement in fit of the proposed model relative to a baseline represented by the null model. It also offers the advantage of being less influenced by sample size than other indexes such as the GFI. The NNFI is a parsimony-type indicator of overall model fit, accounting for the number of estimated parameters in the model. CFI and NNFI values of .9 or greater are considered indicative of acceptable overall fit Medsker, Williams, & Hollahan, 1994). RMSR values of less than .08 may be said to indicate acceptable fit and those less than .05, close fit (Joereskog & Soerbom, 1993).

RESULTS

Preliminary tests of unidimensionality using principal components analysis supported unidimensionality for all four of the Dorfman and Howell (1980) culture scales but not for the Robertson and Hoffman (1999) Confucian Dynamism scale. For each of the four Dorfman and Howell scales only one factor was extracted, accounting for 58% of score variance for the individualism/collectivism scale, 80% for the masculinity scale, 59% for the power-distance scale, and 79% for the uncertainty avoidance scale. In the case of Confucian dynamism, some four factors exceeded the eigenvalue of one criterion. The first factor accounted for only 21 % of score variance, the second factor 16%, the third factor 15%, and the fourth factor 13%. Scrutiny of factor loadings

for rotated oblique factors showed items to load fairly cleanly on four factors with no cross-loads. A rationale for groupings was also somewhat apparent. Items 23, 24, and 25 comprised the first factor and represented three of the four general (Confucian) values. Items 27 and 30 comprised the second factor and were both self-referencing values because both these items refer to personal stability and personal image. Items 26 and 29 loaded on the third factor and dealt with having a conscience and the exchange of favor and gifts. Respondents may have imputed an ethical element to favors and gift-giving causing it to covary with the item dealing with conscience. The fourth factor consisted of one item, item 28, dealing with respect for tradition.

Table 1
Dorfman and Howell (1988) Scales and Robertson and Hoffman (1999)
Measuring Cultural Dimensions At the Individual Level

Individualism/Collectivism

1. Group welfare is more important than individual rewards.
2. Group success is more important than individual success.
3. Being accepted by the members of your work group is very important.
4. Employees should only pursue their goals after considering the welfare of the group.
5. Managers should encourage group loyalty even if individual goals suffer.
6. Individuals may be expected to give up their goals in order to benefit group success.

Uncertainty Avoidance

7. It is important to have job requirements and instructions spelled out in detail so that employees always know what a they are expected to do.
8. Managers expect employees to closely follow instructions.
9. Rules and regulations are important because they inform employees what the organization expects of them.
10. Standard operating procedures are helpful to employees on the job.
11. Instructions for operations are important for employees on the job.

Masculinity

12. Meetings are usually run more effectively when they are chaired by a man.
13. It is more important for men to have a professional career than it is for a woman to have a professional career.
14. Men usually solve problems with logical analysis; women usually solve problems with intuition.
15. Solving organizational problems usually requires an active forcible approach which is typical of men.
16. It is preferable to have a man in a high level position rather than a woman.

Power Distance

17. Managers should make most decisions without consulting subordinates.
18. It is frequently necessary for a manager to use authority and power when dealing with subordinates.
19. Managers should seldom ask for the opinions of employees.
20. Managers should avoid off-the-job social contacts with employees.

21.	Employees should <u>not</u> disagree with management decisions.	
22.	Managers should <u>not</u> delegate important tasks to employees.	

Confucian Dynamism

23.	Managers must be persistent to accomplish objectives.
24.	There is a hierarchy to on-the-job relationships and it should be observed.
25.	A good manager knows how to economize.
26.	It is important to have conscience in business.
27.	Personal stability is <u>not</u> critical to success in business.
28.	Respect for tradition hampers performance.
29.	The exchange for favors and gifts is <u>not</u> necessary to excel.
30.	Upholding one's personal image makes little difference in goal achievement.

Note: Individualism/collectivism, uncertainty avoidance, masculinity and power distance scales were developed by Dorfman and Howell (1988); the Confucian Dynamism scale was developed by Robertson and Hoffman (1999).

Overall CFA results supported convergent and discriminant validity of the Dorfman and Howell (1988) scales. As expected, the null model specifying no relationships among construct indicators was the poorest-fitting model; corresponding fit indexes were much worse than for the next most restricted model allowing items to load on one general factor (Table 2). The oblique, two-factor model, which forced individualism/collectivism and uncertainty avoidance items to load on one factor and power distance and masculinity items on a second, fit the data considerably better than the one-factor model. This was evidenced by highly significant decrements in chi-square and marked improvements in GFI, CFI, and RSMR. Still better fit was obtained using the three-factor model, allowing power-distance and masculinity to load on their own separate factors. The four-factor theoretical model fit the data best of all, providing an additional substantial and statistically significant drop in chi-square over that for the three-factor model. Fit indexes also showed marked improvements (ΔCFI = .05, ΔNNFI = .06). The final four-factor model was the only model to exceed the .90 threshold widely considered indicative of good fit for CFI and NNFI indexes. RMSR was also below the .08 level considered representative of adequate fit for the four-factor model only.

Table 2
Comparison of Measurement Models

Model Comparisons	Ch. Sq.	df	Change Ch. Sq.	CFI	NNFI	RMSR
Dorfman and Howell (1998) Scales						
Null Model	2827.10	231		--	--	--
One general factor	1167.59	209	1659.51*	.63	.59	.11
Two correlated factors	708.66	208	458.93*	.81	.79	.12
Three correlated factors	518.53	206	190.13*	.88	.87	.090
Four correlated factors	366.77	203	151.76*	.94	.93	.057

Robertson and Hoffman (1999) Scale						
Null model	359.78	28		--	--	--
One general factor	59.54	20	300.24*	.88	.83	.066
Two correlated factors	27.26	19	32.28*	.98	.96	.053
Four correlated factors	17.92	14	9.34	.99	.98	.036

* p < .01

Note: Change in Ch. Sq.= change in chi-square relative to chi-square for the preceding model; NNFI= normed fit index; CFI = comparative fit index; RMSR = root mean square index.

As an additional test of discriminant validity among the four Hofstede variables, phi coefficients linking all possible pairs of the original cultural dimension constructs were successively constrained to 1.0 (Anderson & Gerbing, 1988; Bagozzi & Yi, 1988). In other words, all possible pairs of the four latent constructs were forced to perfectly correlate with each other. Each successive pairing caused a statistically significant worsening of fit in terms of chi square as well as a worsening of fit indexes (ΔCFI, ΔNNFI = .04-.06).

CFA tests of the Confucian Dynamism scale (Robertson & Hoffman, 1999) did not support the theorized one dimension (Table 2). The two subdimensions implied by Hofstede and Bond (1988), past and present-related values and future-related values, corresponded to marked improvements in fit statistics (ΔCFI = .10, ΔNNFI = .13) and to a significant decrease in chi-square. Factor loadings for this model are shown in Table 4. The model representing the four-dimensional factor structure suggested in the principal components analysis corresponded to a very slight increase in fit statistics (ΔCFI, ΔNNFI = .01-.02) and to a non-significant decrease in chi-square. Thus, not only is the four-factor model is less parsimonious than the two-factor model, it does not fit the data significantly better.

DISCUSSION

Results suggest that the Dorfman and Howell (1988) scales do a good job of measuring cultural dimensions at the individual level. Fit statistics for the theorized four-factor measurement model were very good, easily exceeding the .90 threshold associated with close fit (Table 2). Close model-to-data fit supports convergent validity and discriminant validity. Were intra-scale item correlations generally weak, then fit indexes would be much lower than obtained levels. Likewise, were inter-scale item correlations sufficiently strong, i.e. items did not distinguish between constructs, fit indexes would also reflect this and be much lower. Indeed, measurement models which combined items to form fewer factors had much poorer correspondence to the data. One shortcoming for the scales suggested in the Dorfman and Howell (1988) study was confirmed in this study, namely a marginal alpha coefficient (.55) for the power distance scale. It is not clear why this should be the case in that items appear to possess reasonable content validity and the principal components analysis

showed scales to be unidimensional. These results may be data-specific since Robertson and Hoffman (1999) reported a much higher alpha for this scale (.85).

Overall support for the scales in this study should encourage more studies relating Hofstede's cultural dimensions to individual and company level organizational phenomena such as job attitudes (e.g. commitment, job satisfaction, organizational citizenship behavior) and job behavior (e.g. job performance and turnover). Such information would appear highly beneficial to organizations who employ workers in number of countries in clarifying the links between culture and important business outcomes. This area of inquiry has as of yet hardly been explored.

Results regarding the Confucian Dynamism scale were mixed. The principal components and CFA evidence for the multidimensionality of the scale appears to be strong. If the scale is comprised of multiple dimensions, then averaging items to form one scale score that is then correlated with other variables seems unwise because estimates of such relationships are likely to be biased. Indeed, we see no strong rationale for expecting items within the scale to hang together since items, on their face, reflect values that appear to have little in common other than their Confucian origin. The alpha for this scale (.42) was, not surprisingly, quite low. The advisability of using one item to tap each of the eight somewhat disparate values also appears questionable. One remedy for this problem may be to generate a larger pool of items, with several items assessing each value. Items could then be winnowed until subscales measuring specific Confucian cultural value dimensions were obtained.

Table 3 Factor Loadings from Confirmatory Factor Analysis of Dorfman and Howell (1988) Four-Factor Measurement Model				
Item	Factor 1	Factor 2	Factor 3	Factor 4
	Individualism/Collectivism	Masculinity	Power Distance	Uncertainty Avoidance
1. IC1	.69			
2. IC2	.76			
3. IC3	.55			
4. IC4	.72			
5. IC5	.74			
6. IC6	.74			
7. MASC1		.82		
8. MASC2		.89		
9. MASC3		.82		
10. MASC4		.87		
11. MASC5		.91		
12. POWER1			.63	
13. POWER2			.58	

14. POWER3			.74	
15. POWER4			.67	
16. POWER5			.84	
17. POWER6			.79	
18. UNCERT1				.77
19. UNCERT2				.79
20. UNCERT3				.87
21. UNCERT4				.92
22. UNCERT5				.94

Note: The item designations above correspond to the item list for original scales given in the Table 1. Factors 1 and 2 correlated .74; Factors 1 and 3 correlated .77; Factors 1 and 4 correlated .59; Factors 2 and 3 correlated .61; Factors 2 and 4 correlated .42; Factors 3 and 4 correlated .71. Scale alpha coefficients are as follows: .70 for individualism/collectivism, 89 for masculinity, .55 for power distance, and .89 for uncertainty avoidance.

One thread of commonality in the Confucian items, suggested by Hofstede and Bond (1988), is the past/present aspect of items 23-26 and future nature of items 27-30. Indeed, current results suggest that treating the Robertson and Hoffman (1999) scale as two-dimensional with past/present and future-related values components may be tenable in that fit statistics for this model were quite good. The four-factor model offered no significant gain in data-to-model fit and was also less parsimonious. Thus, current data suggest that discriminant and convergent validity for a two factor model of Confucian Dynamism is supportable using the Robertson and Hoffman (1999) scale. Future studies may well employ this scale as two-dimensional but should be explicit about the dimensionality of the scale.

Table 4 **Factor Loadings from Confirmatory Factor Analysis of Robertson and Hoffman (1999) Using Two-Factor Measurement Model**		
Item	Factor 1	Factor 2
	Present/Past-Related Values	Future-Related Values
1. CONFDYN1	.65	
2. CONFDYN2	.69	
3. CONFDYN3	.79	
5. CONFDYN4	.52	
6. CONFDYN5		.72
7. CONFDYN6		.49

| 8. CONFDYN7 | | .48 |
| 9. CONFDYN8 | | .76 |

Note: The item designations above correspond to the item list for original scales given in the Table 1. Factors 1 and 2 correlated .68. All factor loadings corresponded to *t*-values of 5.82 or higher.

There remains the possibility, however, that the two-factor structure works well not because of theoretical commonality among subscale items, but because of the different nature of wording used in the two sets of items. Scrutiny of scale items reveals that for items 23-26, respondents are asked whether they agree that a given value is good, while in items 27-3- respondents are asked to agree that a given value is bad. Such differences in wording have been shown to give rise to artifactual factors when assessing scale properties (e.g. Shriesheim, 1989).

A limitation of this study may be its use of a sample consisting entirely of Americans. To our knowledge, the Confucian Dynamism scale has not been yet been tested with respondents from other cultures, and samples from other cultures will be necessary to build confidence in the scales reliability in other parts of the world. The Dorfman and Howell scales, however, were originally developed and tested with entirely non-American respondents, so that the addition of the current American sample increases the confidence that the measures can reliably measure these constructs across cultures. In addition, the testing of an English language scale developed by English-speaking researchers with a sample of native English speakers is particularly helpful. This is because translation of scales with English language origin often leads to a drop in reliability and scale integrity (e.g. Jong-Wook, Price, & Mueller). In other words, if the scale does not even hold up under conditions involving American respondents, then it is doubtful that it will do so upon translation, given the subtle meaning shifts that are so difficult to avoid.

REFERENCES

Bagozzi, R. & Yi, Y. (1988). On the evaluation of structural models. *Journal of the Academy of Marketing Science, 16*, 77-94.

Bentler, P. M. (1990). Comparative fit indexes in structural models. *Psychological Bulletin, 107*, 238-246.

Dorfman, P. & Howell, J. (1988). *Dimensions of national culture and effective leadership patterns: Hofstede revisited*: JAI Press.

Geletkanycz, M. (1997). The salience of "culture's consequences": The effects of cultural values on top executive commitment to the status quo. *Strategic Management Journal, 18*(8), 615-634.

Hofstede, G. (1980). *Culture's consequences: International differences in work-related values.* Beverly Hills: Sage.

Hofstede, G. (1983). National cultures in four dimensions. *International Studies of Management and Organization, 13,* 52-60.

Hofstede, G. (1984). The cultural relativity of the quality of life concept. *Academy of Management Review, 9*, 389-398.

Hofstede, G. (1991). *Cultures and organizations: Software of the mind*. London: McGraw-Hill.

Hofstede, G. & Bond, M. H. (1988). The Confucious connection: From cultural roots to economic growth. *Organizational Dynamics, 16*(4), 5-21.

Joereskog, K. G. & Soerbom, D. (1993). *LISREL 8--User's Reference Guide*. Chicago: SPSS Publications.

Jong-Wook, K., Price, J. L. & Mueller, C. W. (1997). Assessment of Meyer and Allen's three-component model of organizational commitment in South Korea. *Journal of Applied Psychology, 82*, 961-973.

McDonald, R. P. & Marsh, H. W. (1990). Choosing a multivariate model: Noncentrality and goodness of fit. *Psychological Bulletin, 107*, 247-255.

Medsker, G. J., Williams, L. J. & Holahan, P. J. (1994). A review of current practices for evaluating causal models in organizational behavior and human resources management research. *Journal of Management, 20*, 43 9-464.

Robertson, R. & Hoffman, J. (1999 - In press). Confucian Dynamism in the United States: An empirical inquiry. *Journal of Managerial Issues.*

Shackleton, V. J. & Abbas, H. A. (1990). Work-related values of managers: A test of the Hofstede model. *Journal of cross-cultural psychology, 21*(l), 109-118.

Triandis, H., Bontempo, R., Villareal, M., Asai, M. & Lucca, N. (1988). Individualism and collectivism: Cross-cultural perspectives on self-ingroup relationships. *Journal of Personality and Social Psychology, 54*(2), 323-338.

Triandis, H., Leung, K., Villareal, M. & Clack, F. (1985). Allocentric versus idiocentric tendencies: Convergent and discriminant validation. *Journal of Research in Personality, 19*, 395-415.

Vitell, S., Nwachuku, S. & Barnes, J. (1993). The effects of culture on ethical decision-making: Applying Hofstede's typology. *Journal of Business Ethics, 12*, 753-760.

EXPLORING COMMITMENT IN DIFFERENT CONTEXTS OF CHANGE: FINDINGS FROM A STUDY ON DOWNSIZING AND QUALITY IMPROVEMENT

Anna-Maija Lämsä, University of Jyväskylä
Taina Savolainen, University of Oulu

ABSTRACT

This paper explores the nature of managerial commitment by focusing on two different types of organizational changes, namely downsizing and quality improvement. These changes have permeated in organizations since the eighties and they ultimately share the same business goal; they aim to enhancing competitiveness. Our research has background in two main assumptions. First, commitment has become an element of the dynamics of business strategy and change (Ghewamat 1991), and second, managerial commitment processes are not well understood although managerial commitment is commonly stressed in the organizational change literature. The literature seems to be quite consistent on the argument that the role of managers is a critical factor for the effective and successful change management (see e.g. Kotter 1996). This paper draws mainly on the literature on commitment. Findings from empirical, qualitative case study are classified in two types of commitment. Empirical findings call into question the general assumption that managers are committed professionals dedicating themselves to company goals and to large-scale changes. This case study reveals that managerial commitment to change is a complex construct. Commitment is a dynamic and multi-faceted concept rather than an either or phenomenon. The behavioral consequences of commitment may be different depending on several organization- and manager-related factors. Commitment seems to be contextual and it is shaped by dynamics specific to certain cultural and social settings.

INTRODUCTION

Although there currently is a growing knowledge base of major organizational transformations such as downsizing and TQM in the organizational and management literature (e.g. Cameron 1994; Deming 1989; Juran and Gryna 1988; Tomasko 1990) research on the commitment processes of managers to these kind of changes seems to be rare. In the literature, a position-bound managerial commitment to change is an assumption which has not been called into question. It is assumed that managers are loyal professionals dedicating themselves to the company's goals. As researchers have paid less attention to how managers occupy roles on different levels, more systematic knowledge is

needed about this issue. Research is needed, in particular, to increase the understanding of the nature of managerial commitment in the context of change. We believe that the context of change is fruitful for exploring the topic and discovering new aspects of this phenomenon. As under conditions of complexity and uncertainty traditional beliefs may be inadequate, the context of a large-scale change may, therefore, reveal new insights into the topic. In this paper, we explore the nature of managerial commitment to organizational change, and the factors affecting commitment formation.

This paper is based on the Finnish case studies that elicit from practical actors the ways in which they describe and understand the issues. The paper proceeds to refining and clarifying the concepts and building theory. Case studies are exploratory in nature and, therefore useful in establishing theoretical conceptualizations from the ground upwards.

THEORETICAL BACKGROUND

Our theoretical framework is mainly based on the literature on commitment. According to Meyer and Allen (1997: 8), the meaning of commitment have two different directions. The first involves efforts to describe that the nature of commitment that defines the relationship between an individual and some object can vary. The second involves attempts to distinguish among the objects to which an individual becomes committed.

Mowday et al. (1982) report that there is no agreement on the nature of commitment among researchers. Rather, they tend to ascribe their own meanings to the term. In addition, such concepts as loyalty, allegiance, engagement and attachment are often used as synonyms of the term. Meyer and Allen (1997, also Allen and Meyer 1990) suggest that commitment consists of three main elements: affective, continuance, and normative. Affective commitment means an individual's emotional attachment to and identification with an object. Continuance commitment refers to an awareness of the costs related to leaving an organization. Normative commitment is a feeling of obligation to continue employment. Porter et al. (1974) suggest that an individual's identification with an object is characterized by three factors: a strong belief in the organization's goals, a willingness to exert considerable effort on behalf of the organization and a desire to maintain organizational membership. The objects to which an individual becomes committed can differ. When we think that someone is committed, we typically think that she/he is committed to something. For example, we can focus on commitment to the organization, the job, the task, the career, the profession and so on. The literature of organizational behavior emphasizes the commitment to the organization. However, Reichers (1985) argues that organizations comprise different constituencies, each with its own targets and values. Commitment can be best understood as a collection of multiply commitments. Consequently, conflict may exist among an individual's commitments, and individuals may have different objects of commitments. There is no consensus about the definition of commitment, but many writers would probably agree on the following idea: commitment reflects the "psychological bond" that ties an individual to an object but that the nature of the bond can vary (cf. Meyer and Allen 1997).

In this paper, our interest is in the nature of commitment: the relationship or the "psychological bond" between a manager and a large-scale organizational change. Commitment research is largely focused on the quantitative measurement of commitment. Consequently,

individuals are easily understood as objects that are caused to behave or react by forces acting on them. In this paper, both approaches are combined, and managerial commitment is explored by data gathering on managers' own perceptions of their beliefs and actions concerning commitment. Instead of understanding a manager as a "reactive object", we are interested in the ways in which managers view their attitudes and behavior.

METHOD

The research method of data-gathering is through taped, in-depth interviews. There are 24 interviews of top and middle managers. All interviews are transcribed. The managers represent different business branches: several industrial branches in Finland, as well as services such as bank, hotel and restaurant. The interview material was made sense by us in the following way. We went in details through the material and separated from it instances which had relevant meanings from the commitment perspective (Stake 1995: 75). The instances were named conceptually and listed. This listing was further grouped into more general and abstract core themes. This process was repeated, and finally the material became condensed and formed into more conceptual (Lämsä 1998; Savolainen 1997; 1994.) We present the empirical findings in two conceptual types of commitment as a result of our interpretation.

EMPIRICAL FINDINGS

We have classified the nature of managerial commitment to change in two types: reward-based and trust-based commitment. Both types and factors affecting the formation of both of these types of commitment formation are highlighted very shortly below.

Reward-based commitment refers to the advantages which managers believe they can gain by committing. For example, a statement of a manager in a downsizing company highlights this as follows: "This is a well-paid task, I have a family and everything, but if a fairy godmother would come and say to me that there is a possibility to become a member of a small company…there is a small team and … Anyway, if somebody would pay me five thousand more, I would leave". Reward-based commitment arises from the principle of personal utilities. The main idea is that managers commit to change because they think it is important for themselves personally. The estimated advantages associated with participating are higher compared to the losses. Consequently, the perspective to the commitment is that of an actor her-/himself: commitment to change is reflected through one's own personality. This refers also to instrumentality. In other words, the interests of a firm are important because through them some personal benefits can be achieved. If a manager is not committed to change there is always a risk that benefits may be lost. The "psychological bond" that ties a manager to organizational change is the intent to gain personal benefits. Managers largely think the relationship in a calculative way, and rational prediction seems to be an important part of it. Commitment is like "a commodity". It occurs when attitudes and behavior are adopted to gain specific rewards personally, and the possibility to gain rewards requires one's own charge.

The factors which underlie the reward-based commitment formation are the following: economic advantages, status and social benefits, and interesting content of a task. They can be materially, socially or psychologically rewarding. If managers evaluate that they need some of the factors and the situation of a change satisfies the need, they seem to prefer committing to change to quitting. Consequently, by trying to control the factors an organization may influence upon this type of commitment in practice.

Trust-based commitment refers to the perspective of other than self in commitment formation. The following statement of a top manager from the company undergoing the process of quality improvement highlights this as follows: "It is top management's duty to be responsible for the success and survival of a firm … without committing to change this company would loose her competitive ability and, as a consequence, our people would not have work anymore". Instead of the intent to gain personal benefits, trust-based commitment is created through emotional and value-laden bonds between a manager and an object, i.e. the organization. The idea is that managers commit to change because they think it is valuable and emotionally important as such. It is conceivable that the elements of emotionality and morality of commitment are embedded within trust (cf. Wicks et al. 1999). Commitment is not important for personal reasons but for reasons which are outside the self. It seems to arise in social relations between people, and/or as a managerial belief of the good intent of change. A recognition of communal perspective instead of individual one is in focus. The emotional and value-laden aspect of commitment seems to enable managers to move beyond a rational prediction to the direction of faith and reliance. Some kind of dependence on other people also seems to be relevant.

The factors which underlie the trust-based commitment formation are the following: feeling of being competent, feeling of safety and caring, possibility to participate in common value-setting, consistency, integrity and openness in interaction, fairness of social procedures, congruence in the values of a manager and the intent of change, and the image of an organization. As a whole, trust-based commitment formation implies managers' reliance on other persons, especially peers or supervisors, good intent of change, and a fair process in a change implementation.

DISCUSSION AND CONCLUSIONS

Our findings call into question the general assumption that managers are committed professionals dedicating themselves to company goals such as a large-scale change. According to the findings from this study, managerial commitment is a complex construct, and its behavioral consequences may also be different depending on several factors that are related to the organization and to personal aspects. Commitment is a dynamic and complex concept rather than an either or phenomenon. It seems to be contextual, and it is shaped by dynamics specific to certain cultural and social settings. Therefore, commitment can not be easily or rationally controlled by an organization. These findings suggest that the commitment of middle managers, in particular, may be a complicated issue. Their commitment to change can sometimes be questioned. The context of a large-scale change may be critical especially in the sense of eroding commitment, and there can be a risk that a manager leaves the company. To conclude, the commitment of managers is not as self-evident as the

commitment literature seems to assume. Literature and research should not only pay attention to the commitment of employees -- the perspective which traditionally has been in focus -- but that of managers, too. This seems to be especially essential when it is a question of professional managers who are not in the position of ownership.

The general assumption in the commitment literature suggests that people need material, social or psychological incentives and rewards which motivate them to identify with an organization. Although we see rewards as an important part of commitment formation, we suggest that using rewards is not a sufficient base for commitment formation. Rewards are meant to satisfy the needs of individuals, and one can never know all those needs. Therefore, we propose that much more emphasis than in prior research should be put on studying trust-based managerial commitment formation and factors affecting it. Trust has been insufficiently discussed and examined in the commitment literature although more attention has been paid lately to this concept in managerial and organizational research (e.g. Dobson and White 1995; Hosmer 1995; Wick et al. 1999). For example, Dobson and White (1995: 474) argue that trust is a morally desirable phenomenon in and between organizations, and that it can be a feasible implicit contractual mechanism among partners (see also Hosmer 1995). This study has explored the concept of trust as a type of commitment and shown empirically what factors may be relevant in commitment formation. However, further research is needed to investigate this phenomenon more thoroughly.

As stated above, the nature of managerial commitment can be different depending on several factors. We propose that managers' commitment to change can reflect varying combinations of the two types of commitments presented in this study: reward- and trust-based commitments. It can be concluded that both types of commitments are needed to achieve "realistic and good" commitment. Reward-based commitment is important because it may help a manager to be realistic, and not relying on the organization blindly. However, in its extreme form it may lead to opportunism and greed. However, it hardly provides a complete understanding of commitment on its own. Trust-based commitment is also needed for the following reasons. First, it may help a manager to avoid opportunism which in turn may have negative effects on the organization. Second, it may have a positive influence on the organization for economic reasons. Third, it can be an emotional and moral glue that binds individuals to an organization and tasks. Therefore, creating trust-based relationships can be a successful means to achieve organizational goals, for example, good atmosphere and positive image. But good human communities are not only a means for other goals. They are goals as such, and we suggest that trust may play an important role in them. However, relying alone on trust-based commitment may lead to naivety. That is why it is proposed here that the "sensible" combination of the two types of commitments presented above is needed.

REFERENCES

Allen, N. J. & J. P. Meyer (1990). The Measurement and Antecedents of Affective, Continuance, and Normative Commitment to the Organization. *Journal of Occupational Psychology, 63*, 1 – 18.

Cameron, K. (1994). Strategies for Successful Organizational Downsizing. *Human Resource Management, 33 (2)*, 189 - 211.

Deming, W. E. (1989). *Out of the Crisis*. MIT, Center for Advanced Engineering Study. Eight print. Cambridge, MA, USA.

Dobson, J. & J. White (1995). Toward The Feminine Firm: An Extension To Thomas White. *Business Ethics Quarterly 5 (3),* 463 – 478.

Ghewamat, P. (1991). *Commitment: The Dynamic Strategy*. NY: The Free Press.

Hosmer, L. T. (1995). Trust: The Connecting Link Between Organizational Theory And Philosophical Ethics. *Academy of Management Review 20 (2),* 379 – 403.

Juran, J. M.& F. M. Gryna (1988). *Juran's Quality Control Handbook*.(4th ed). McGraw-Hill Book Company, New York.

Kotter, J. (1996). *Leading Change*. Boston: Harvard Business School Press.

Lämsä, A-M. (1998). *Hyötyä, velvollisuuksia ja tunteita: johtajien kokemuksia henkilöstön irtisanomisesta*. Publications of School of Business and Economics, No. 115. University of Jyväskylä, Finland. [Utilities, obligations and emotions: managers' experiences of personnel dismissals].

Meyer, J. P. & N. J. Allen (1997). *Commitment in the Workplace. Theory, Research, and Application*. Thousand Oaks: Sage.

Mowday, R. T., R. M. Steers and L. W. Porter (1982). *Organizational linkages: The psychology of commitment, absenteeism, and turnover*. San Diego: Academic Press.

Porter, L. W., R. M. Steers, R. T. Mowday & P. V. Boulian (1974). Organizational Commitment, Job Satisfaction, and Turnover among Psychiatric Technicians. *Journal of Applied Psychology, 59,* 603 – 609.

Reichers, A. E. (1985). A review and reconceptualization of organizational commitment. *Academy of Management Review, 10*, 465 – 476.

Savolainen, T. I. (1998). Managerial Commitment Process in Organizational Change: Findings from a Case Study. *Academy of Strategic and Organizational Leadership Journal, 2 (2)*, 1 – 12.

Savolainen, T. (1997). *Development of Quality-Oriented Management Ideology*. Research on Jyväskylä Studies in Computer Science, Economics and Statistics, No. 37. University of Jyväskylä, Finland.

Stake, R. E. (1995). *The Art of Case Study Research.* Thousand Oaks: Sage.

Tomasko, R. M. (1990). *Downsizing. Reshaping the Corporation for the Future*. New York: AMACOM.

Wicks, A. C., S. L. Berman and T. M. Jones (1999). The Structure of Optimal Trust: Moral and Strategic Implications. *Academy of Management Review, 24 (1)*, 99 – 116.

THE CHANGING FACE OF COMPARABLE WORTH

Jason Hall, Sam Houston State University
Charlotte Williams, Sam Houston State University
Penny Layton, Sam Houston State University
Sara Hart, Sam Houston State University

ABSTRACT

Since the emergence of women in the workforce, controversies over pay equity and treatment in the workplace have ensued. In more recent years, the efforts of the pay equity movement have brought the issues of comparable worth and gender-based wage discrimination to light. Despite the growing concerns, many companies are still slow to accept the reality of comparable worth issues within their organizations. Corporate restructuring, especially when dealing with pay scales, can be a long and tedious process at best. Without strong backing from upper-management, the issue of gender-based wage discrimination can become a moot issue. To ensure that the issue of comparable worth is addressed within an organization, all levels of a firm must take an active role in becoming knowledgeable about the problems with comparable worth as well as any court rulings surrounding this ever-growing dilemma.

INTRODUCTION

Perhaps the most confusing aspect of comparable worth is what actually defines gender wage discrimination. Comparable worth, also known as pay equity, is not to be confused with "equal pay for equal work," which is the law of the land. Equal pay for comparable work is an entirely different subject. Equal pay for equal work requires that a woman be paid the same as a man, or another woman, who is doing exactly the same job. Comparable worth, by contrast, focuses on paying an entire profession or occupation the same amount, which is determined by some outside authority to be of the same "worth" or value to an employer. The idea is that individual workers who perform jobs of substantially comparable value to their employer should be paid similar wages. For instance, if the work done by an accountant is deemed to be as valuable to an employer as that done by a typist, the law would require the two employees to earn the same wage.

Hattiangadi and Shaffer (1999) define comparable worth as the notion that the "value" of a job to an employer or to society can be objectively measured, and dissimilar jobs can be ranked based on their calculated value. Comparable worth proponents believe that pay for a female-dominated job should rise if it is evaluated to be "as valuable as" a higher-paid, male-dominated job. Unlike the equal pay for equal work doctrine, comparable worth proponents believe the standard should be equal pay for work of equal value. They believe women are "forced" into low-wage industries and occupations, which depress their wages, despite the fact that this is illegal under Title VII of the Civil

Rights Act (Scheibel, 1989). Whether industry and occupation is a forced decision or is actually a choice for women is the subject of considerable debate. Hattiangadi and Shaffer (1999) indicated that it seems unlikely in today's environment where women are becoming doctors and managers, that discrimination dictates occupational choice. In fact, some evidence suggests that women may choose certain occupations because they offer more flexibility and lower penalties for workforce absences.

The objectives of this investigation are to: define comparable worth and offer a perspective of the problem, to analyze current and future statistics as well as factors contributing to gender-based wage discrimination, and to offer solutions to comparable worth based on current company policies implemented across the nation. The purpose of this paper is to develop the reader's understanding of comparable worth and how it affects women and minorities. Analysis of current trends in gender-based discrimination and factors leading to this bias will allow individuals and companies to recognize and define potential problems within an organization. In addition, solutions based on plans implemented by companies will be addressed. The data gathered in this study came exclusively from secondary sources. The sources were limited to journal articles and books dated from the 1980s to the present.

WOMEN IN THE WORK FORCE

The past century has seen enormous change in the woman's place in the world. From the suffrage movement of the 1920s, to the influx of women workers in the 1970s and 1980s, women have faced opposition from society as well as the workplace. Government policies were implemented to bear the brunt of prejudices. However, women and minorities seemed to have failed in other aspects. Affirmative action may have aided many women and minorities in landing jobs, however, the business world failed to improve attitudes and prejudices of the predominantly white-male fields to which women and minorities were now a part. As women began climbing the corporate ladder, the glass ceilings of big business continued to prevent many able women from ever succeeding and moving up in a company. Much has been done to try to break the glass ceilings, but remnants still remain in many traditionally male dominated fields (Reichenberg, 1986).

Perhaps the most disheartening problem faced by women today is that, on the average, employed women receive less pay than employed men. Based on 1990 U.S. Census Bureau figures, the average median yearly earnings for full-time women workers was only 71% of the comparable men's figures (U.S. Department of Labor's Women's Bureau, 1997). This, of course, does not necessarily mean women are being treated inequitably or unethically, it could merely reflect differences in the types of jobs held by women and men. But it most likely does not. Significant pay differentials still exist within job categories, as well as across them. For example, based on the same 1990 figures, women's earnings as a percent of men's within job categories included the following: 66% for service workers, machine operators, assemblers, and inspectors; 65% for transportation workers; 64% for executives and managers; and 57% for sales. While other gaps are somewhat smaller, they exist for virtually every category of job. The gender gap, in what are considered the prime earning years of 35-44, is even larger. Across all full-time workers in that age category,

women's pay is equal to only 69 percent of men's (U.S. Department of Labor's Women's Bureau, 1997).

Should public and private employers restructure their wage scales, at some costs to themselves and possibly to society at large, in order to achieve just compensation based on the comparable worth doctrine? Schuler (1989) reports that the statistics addressing the levels at which women and minorities are paid clearly demonstrate inequity. That is, female and minority worker occupations tend to garner wages and salaries that are consistently lower than in those occupations that are dominated by male workers. Moreover, for those women and minorities that do somehow gain entrance to those occupations dominated by males, there is the tendency to earn less on the average than their male counterparts.

The issue here is whether true worth can be established for jobs by workers who perform comparable duties; that is, can comparable worth become ingrained in public sector personnel practices? The concept of comparable worth, while fairly recent, fails to have a consensus for a universally-accepted definition. In fact, there continues to exist substantive controversy regarding the true meaning of this concept. Abbasi, Murrey, and Hollman (1996) suggest that comparable worth:

> ...in general, it is a method of solving the problem of gender-based wage disparities; its central premise is that every job has worth to the employer or to society that can be measured and assigned a numerical value using a 'worth point' system based on skills, effort, responsibility, and working conditions. Each job could then be remunerated at the same rate as other jobs with the same numerical value - there would be equal pay for comparable worth.

Not only is the current system unjust to women, but it also imposes significant costs on society. For instance, the knowledge that these wage discrepancies exist can lead to resentment, poor job performance, tension, and conflict between the sexes. In addition, these wage discrepancies result in several unfortunate consequences for both the workers and society. For one thing, many men and women who are motivated by high salary potential rather than genuine interest or aptitude now enter professions for which they are ill-suited. Such misplaced incentives frequently lead to job dissatisfaction and poor job performance.

Furthermore, depressed wages in fields such as child-care and elementary education lead to less qualified people entering these jobs, and to personnel shortages in fields that are essential to our society's future. Given that the comparable worth issue is far from being resolved, it continues to be the basis of controversy.

COMPARABLE WORTH AS A BARGAINING TOOL

Schuler, Beutell, and Youngblood (1989) found that although the comparable worth issue appears to be "dead" in the courts, it is not, in that:

> ...proponents continue to look for the "right" case to either establish the validity of the comparable worth theory under Title VII or to strong-arm a negotiated settlement. In addition, one should expect to see a continued increase in comparable worth demands at the bargaining table. Bargaining is a far less costly avenue than litigation and one where the tools of politics and power at all levels are more efficiently and effectively displayed and deployed.

The politics between groups within the work-place continue to be controversial, particularly with regard to the issue of bargaining for comparable worth. That is, management and unions confront many similar obstacles, and they share many of the same goals in attempting to resolve common labor problems, foremost of which is compensation (Schuler, 1984). The question arises whether comparable worth should be a bargaining process. With the traditional format for addressing and resolving problems that arise in the labor-management relationship, the bargaining table may be the natural place to begin the resolution of such problems. Wage and salary schedules that have been negotiated over the years, are not the product of unilateral imposition, but rather, the product of bilateral agreement between labor and management. These parties are uniquely qualified to address issues relative to wage and salary structures. Thus, bargaining over the comparable worth issue for these parties constitutes nothing more than a continuation of bargaining over the relative worth of certain jobs (Schuler, 1984).

According to Shuler (1984) by engaging in the bargaining process, both unions and management can locally control the result and avoid the uncertainty and expense of litigation. Furthermore, collective bargaining is a process that the parties can use to their mutual advantage. All of the strategies that apply to normal bargaining must also be considered when comparable worth is at issue.

Further Schuler (1984) notes that the issue, which must be addressed when comparable worth is raised at the bargaining table, is whether management must bargain over this issue. This depends on the context in which the issue is raised. The approach to bargaining on comparable worth may vary, depending on the labor union. Considering that union requests may include a general increase for a group of employees the results could be too detrimental to other employees. In addition, the language used throughout negotiations must evince a more general commitment on the part of the employer and the union not to discriminate on the basis of many factors, including sex. A determination of whether a particular comparable worth proposal is a mandatory subject of bargaining ultimately requires an examination of the particular language at issue.

Given that comparable worth adjustments are normally wage and/or salary related, it is arguable that they are mandatory subjects of bargaining. The analysis may be more difficult where the language proposed is very general or where the union that proposes a study could be commissioned to evaluate the employer's work-force.

When the analysis of a proposal indicates that it is a mandatory subject of bargaining, the duty to bargain will arise. Shuler, Beutell, and Youngblood (1989) note that the duty to bargain, however, does not compel either party to make a concession but, rather, compels them to negotiate over the issue.

OPPONENTS OF COMPARABLE WORTH

Opponents of comparable worth dispute the claim that the current wage system is unfair. According to those opposing comparable worth, women are free to choose whatever work they wish. They maintain that the pay differences among jobs are not the result of discrimination, but of market forces, especially the excessive demand among women for certain kinds of work. Moreover, they say, the significance of these wage discrepancies is greatly exaggerated, since numerous nondiscriminatory factors affect the wage differential. Many women, they argue, have entered the work force much more recently than men, so their wages are typically lower. Women also tend to have less continuity in their jobs because of maternity leave and child rearing responsibilities, which again causes a differential in wages (Thompson, 1996).

Additionally, opponents believe that when the rhetoric is stripped away, comparable worth constitutes a tinkering with one of the basic laws of our economy – the law of supply and demand. If wage rates are artificially created without regard to supply and demand, there would be a serious disruption of our economy, which among other results, could mean an end to collective bargaining between employers and labor organizations representing employees. Artificially high wage rates create inequities in pay among many employees (Thompson, 1996). The legislative or judicial imposition of comparable worth would have exactly the opposite effect from what its proponents now claim. Such imposition, in all likelihood, would institutionalize "female jobs" and "male jobs." The increased mobility of women into higher paying jobs, through voluntary efforts and through vigorous enforcement of Title VII Civil Rights Act of 1964, the Equal Pay Act of 1963, the Elliott-Larsen Civil Rights Act, and the Michigan Handicappers' Civil Rights Act, and local anti-discrimination laws will achieve the results sought by proponents of comparable worth without drastically upsetting the economy. Reliance upon the unknown and, to many experts, unknowable concept of comparable worth would in all likelihood lead to the reduction of emphasis and enforcement of the present means by which women are steadily moving into previously male-dominated jobs (Scheibel, 1988).

Hattiangadi and Shaffer (1999) note that men traditionally have invested more into their careers in terms of education and training so that they are able to compete more effectively than women for higher paying jobs. Opponents of comparable worth believe it would significantly hurt women workers -- the very people it tries to help. Pay would rise for incumbent workers, but the increased cost to employers would reduce employment opportunities for women and might lead to increased outsourcing or the provision of fewer benefits. Opponents also believe raising pay for

female-dominated occupations could reduce incentives to pursue non-traditional careers. And if pay rose for an occupation while employer demand remains constant, too many individuals will pursue the occupation -- leading to mis-allocated labor and economic inefficiency.

Finally, it is easy to think of instances where the implementation of comparable worth would be inherently "unfair". If two male dominated jobs are paid differently, but are valued to be equal, is it "fair" not to raise pay for the lower-paid occupation merely because it is dominated by men? Is it "fair" to value jobs once every five years, or should it be done more often? Is it "fair" to stop making wage adjustments when an occupation shifts from being female-dominated to gender-neutral? In the end, opponents of comparable worth believe that it seems unlikely that comparable worth would lead to a more "equal" pay distribution as proponents suggest. Rather, it would represent a costly, arbitrary, and ultimately ineffective market intervention. Opponents believe that comparable worth legislation, whereby some government entity would impose its own measurement on the value of dissimilar jobs, would result in a confused set of ever-changing government standards and prolonged litigation for devising employer-compensation practices (Thompson, 1996). Employers must be able to take into account market influences and the worth of particular jobs to their own companies.

FACTORS CONTRIBUTING TO BIAS IN THE WORKPLACE

Schuler, Beutell and Youngblood (1989) report that there is another political variable that deserves attention relative to the comparable worth dilemma. That is, women and minorities tend to be discriminated against when compared to their male counterparts regarding wage and salary schedules. Scheibel, (1988) noted that no one questions the fact that women and minorities earn, on the average, less than two-thirds of what men earn. Also, it is indisputable that there has been little progress in eliminating this disparity over the past 20 years..

There are several relevant notables for women and minority workers. First, they make up a larger part of the part-time work-force than do their male counterparts, particularly in seasonal or casual work. This trend appears to be escalating, in that the number of these workers in part-time employment has more than doubled within the past decade. Further, with the growth of flexible work schedules, job sharing, etc., this trend will continue to escalate. Second, these workers are more likely to take jobs that have easy entrance and exit points than are their male counterparts. They leave the work-force more often than do their male counterparts which result in their salability decreasing. For women, it is estimated that they spend on average less than half of their working lives actually employed outside the home, due to child-bearing and rearing as well as care-taking of elderly parents or significant others. Third, women and minority workers may earn less because of their occupational choices. Given that women, in particular, select traditional "female-held" jobs (e.g., teaching, nursing, clerical and service work), this wage and salary disparity will continue. Minority workers tend to select those jobs having little upward mobility, due to inadequate educational preparation, poor or absent career counseling, and the effects of racism and other forms of discrimination. Fourth, these workers may receive lower wages and salaries because they tend to defer to the choices of others for career pursuit. This is particularly the case for women, who defer to their husbands. Fifth, these Workers may earn less than their male counterparts because of inadequate educational

preparation. Last, lower wages and salaries for these workers may be a reflection of their tendency to select occupations having less hazardous working conditions, which would suggest a marked differential (Deavers & Hattiangadi, 1999). Mulcahy and Anderson (1986) provided an example of this by saying that jobs that are indoors and that have more pleasant surroundings prove to be safer than, for instance those consisting of construction workers, telephone repairers, and tree surgeons. To these, nurses add that "Even when female jobs are judge to be equal to or of greater worth than male jobs, such jobs often pay less because of employer reliance on commonly biased market factors. Steel and Lovrich (1987) believe that the politicization of the comparable worth issue spans all workers and all states, particularly from a public personnel perspective.

THE FUTURE OF COMPARABLE WORTH

Despite the seemingly slow progress of current attitudes and legislation, the issue of comparable worth has come a long way since its controversial beginning. The change of attitudes over time as well as the predicted outcome of comparable worth in the future is discussed. In addition, preventative measures which although may only offer partial solutions are outlined as well.

Current and Future Status

In the U.S. in the last ten years, a trend toward comparable worth programs has been evident. The issue has been debated in state and local legislatures, integrated into collective bargaining agreements, and tested in the courts. City employees in Chicago, San Francisco, and San Jose, and state employees in Michigan and New York, among others, have successfully negotiated pay adjustments for predominately female job categories. The private sector has been more resistant to comparable worth adjustments, but in at least one case involving comparable worth claims, the Sumitomo Corporation of America settled a long-standing dispute over pay inequities in jobs filled mostly by women by putting a comparable worth program into place (Siegel 1989).

Siegel (1989) reported that comparable worth was clearly a public policy issue for the 1980s and will continue to be so during the 1990's, as questions of job value as determined by job evaluation criteria come to the fore. The latter are viewed as both partial solution and problem. That is, the main criticism of job evaluation systems found by Treiman in the 1979 National Academy of Sciences, were problems of the choice of factors and factor weights, the ultimate subjectivity of judgments, and the use of different job evaluation plans for different segments of an organization's work-force. Further, 40% of the difference between equally valued male and female dominated jobs (in terms of job evaluation factors and weights) appears to be attributable to differences in work-force experience and on-the-job training and, more fundamentally, attributable to motherhood. As a result, job evaluation systems and the market-valuation of occupations appear to have institutionalized the under-evaluation of female dominated jobs.

Those factors which should mitigate this situation in the evolving future are: interest in the issue by labor unions and collective bargaining on the issue; awareness and identification of bias in job evaluation criteria and weights; legislation; civil rights enforcement; the aggressive pursuit of

male-dominated jobs by career-oriented women and minorities; changing cultural values on the economic and social role of women and minorities; and, institutional supports, such as convenient access to child-care facilities. Golpher (1983) noted that a successful comparable worth lawsuit will be expensive and difficult to prove, which will invariably result in fewer such cases being pursued in the future. To infer, however, that comparable worth cases will no longer be pursued is untrue. Thompson (1996) noted that while the Ninth Circuit Court has effectively foreclosed future comparable worth actions, the Fifth Circuit and D.C. Circuit Courts appear more than willing to consider discrimination cases that are based on theories compatible with comparable worth. Thus, plaintiffs who can establish prima facie cases having gross statistical disparity can shift the burden

In recent months, the Clinton administration and the AFL-CIO have resurrected the gender pay gap issue. The labor federation recently launched a "pay equity" campaign with a push for new legislation in 22 states and President Clinton has proposed a $14 million equal pay initiative which would toughen enforcement of the Equal Pay Act (EPA) and Title VII and increase violator penalties. Both initiatives are framed as attacks on workplace discrimination against women, which these parties claim is the primary cause of the more than 25 percent gender pay gap. President Clinton has made frequent references to workplace discrimination and the "gender pay gap." And AFL-CIO president John Sweeney has stated that: "No issue touches more working families or is more important to their living standards than equal pay." Deavers and Hattiangadi (1999) noted that an assessment of the "equity" of compensation in today's labor market requires, however, a careful examination of trends in wages and compensation and the economic, legal, and institutional determinants of compensation. Certainly, equal pay is a concern to everyone. But U.S. equal opportunity laws prohibit discrimination in pay and work assignment and mandate "equal pay for equal work."

In today's world, even ambitious women still have a struggle to win the opportunity of proving their equality to men. The Harvard Business School, in a recent survey of 1,000 businessmen, found that 41% viewed women executives with undisguised misgivings. The business world needs to modify its attitudes toward women if it is to appeal more effectively to the young adults. Since the days when women won the right to vote, we have been hearing about the "equality of the sexes," but it did not immediately follow in all fields. Among young adults, equality has now arrived in many areas. Some of their hair and clothing styles provide superficial indications of the new equality, but it lies deeper than this, like the social acceptance of the working wife, the increasing role of the father in child-care, and the entrance of women into several previously all-male educational institutions. Proportionately more women work today than a decade ago, and the percentages will increase still more in the years ahead. Even more significantly, women want job equality with men to an extent greater than ever before. But, aside from the ethical, social, and legislative pressures to achieve greater employment equality for women, the many employment prejudices against them make little sense from a business viewpoint. The bias does not exist to the same extent in education and government. Consequently, businesses are losing many promising young adults simply because of outmoded attitudes (Gardner & Daniel, 1998).

Proportionately more women work today than a decade ago, and the percentages will increase still more in the years ahead. Even more significantly, women want job equality with men to an extent greater than ever before. But, aside from the ethical, social, and legislative pressures to achieve

greater employment equality for women, the many employment prejudices against them make little sense from a business viewpoint. The bias does not exist to the same extent in education and government. Consequently, businesses are losing many promising young adults simply because of outmoded attitudes.

What role will women play in the labor force of the 21st century? According to the 1997 Labor Bureau, of the 26 million net increase in the civilian labor force between 1990 and 2005, women will account for 15 million or 62 percent of net growth. In 1990 women were 45 percent of the labor force and will become 47 percent of the civilian labor force in 2005. In 1970 and 1980, women's share of the labor force was only 38 percent and 42 percent, respectively. Projections for the period 1990-2005 indicate that men will leave the labor force in greater numbers than women--by more than 4 million. Men will, however, continue to remain the major segment of labor force participants.

Female labor force participation in all racial groups will rise during the period between 1990 and 2005. Women of Hispanic and Asian origin will have the fastest growth--both at 80 percent. Net labor force growth for all women between 1990 and 2005 is projected to be 26 percent. Black women's labor force growth of 34 percent will also exceed the average for all women. White women will remain the dominant female participants, but their labor force growth of 23 percent will be the lowest among all female groups (U.S. Department of Labor's Women's Bureau, 1997).

Labor force participation rates--the percentage of persons of working age who are actually working or looking for work--are also expected to rise for women, while those of men will continue to decline slowly. Participation rates for both white and black women are expected to exceed 60 percent, but for the first time, during the decade at the turn of the century, white women's participation rate (63.5 percent) is projected to exceed that of black women (61.7 percent). The projected rate for women of Hispanic origin will be 58.0 percent in 2005, up from 53.0 percent in 1990. During this same period, the enormous rise in labor force participation for Asian women will result in a projected participation rate of 58.9 percent-just slightly above that of Hispanic women (U.S. Census Bureau, 1997).

Of the 106 million women aged 16 and over in the United States in 1998, 64 million were in the civilian labor force–working or looking for work. Six out of every ten women age 16 and over–59.8 percent–were labor force participants in 1998. For women between the ages of 20-54, nearly three out of four were labor force participants. Historically, black women have had higher labor force participation rates than white and Hispanic women. Between 1994 and 1996, however, black and white women had virtually identical rates–approximately 59 percent. Hispanic women participated at a rate of about 53 percent. Since that time, black women have edged ahead with a 62.8 percent participation rate in 1998. White and Hispanic women participated at 59.4 and 55.6 percent, respectively. Hispanic women are gradually narrowing the participation gap between themselves and their white counterparts (U.S. Census Bureau, 1997).

Women's share of the labor force reached 46 percent in 1994 and has remained at this level. By 2005, women are projected to comprise 48 percent of the labor force. Educational attainment is a reliable predictor of labor force participation. The higher the level of education, the lower the unemployment rate. The presence and age of children also affects the participation rate of women.

Mothers with teenagers are more likely to be in the labor force than those with younger children. Mothers with children age 14 to 17, none younger, participated at a rate of 79.4 percent; with children age 6 to 13, none younger, 77.9 percent; with children under age 6, 65.2 percent; and with children under age 3, 62.2 percent. There were 61 million working women in 1998–74 percent (45 million) were employed full time, while 26 percent (16 million) worked part time (U.S. Department of Labor's Women's Bureau, 1997).

According to the U.S. Census Bureau, in 1997 women still continue to earn less than men. Median weekly earnings for full-time wage and salary women workers in 1998 were $456 for women and $598 for men. In other words, women earned only 76 percent of what men earned. When comparing median weekly earnings among women, white women at $468, continue to earn more than black women, $400, and Hispanic women, $337. In fact, the 1998 median weekly earnings for white women was identical to black men's and higher than that of Hispanic men, $390. Occupations with the highest median weekly earnings for women in 1998 were: pharmacists, $985; physicians, $966; lawyers, $951; electrical and electronic engineers, $931; computer systems analysts and scientists, $890; and physical therapists, $887 (Note: This is based on occupations with at least 50,000 employed women).

Prevention Methods

Demographic, ethical and legislative forces have been moving slowly but inexorably to eliminate the gender-based wage gap that has characterized economies since the earliest times. There are eight states that have implemented comparable worth statutes: Connecticut, Iowa, Minnesota, Montana, New York, Oregon, Washington, and Wisconsin. Of the eight states, seven found gender-related disparities between its job classes. Gardner and Daniel (1998) noted public employee unions are comparable worth/pay equity's most influential political supporters, but union support usually diminishes in the wake of pay equity adjustments. Implementation has produced unanticipated consequences: in Iowa, for example, pay adjustments generally did not benefit more senior employees but rather, in many cases, raised individual employees' salaries above those of their supervisors. Gardner and Daniel (1998) noted each state analyzed job classes systematically, but several states modified the consultant-provided systems due to a belief that widely-used methods undervalued female predominant job classes. Gardner and Daniel (1998) also believe that comparable worth/pay equity implementation has both technical and political dimensions and that important value choices must be made throughout the process.

For women, there is already evidence that work/family issues are a priority in employment policy considerations. As more women are not only working, but working longer hours, employers are finding they must offer employee benefits which allow working women to better balance the demands of family and home. Unfortunately, current laws often restrict employers from offering some types of flexible work arrangements. For example, although women express a strong preference for measures that allow them to trade overtime pay for paid time off, Congress has been unable to enact legislation of this type. In general, current workplace laws and regulations reflect an industrial model based on a relatively low-skilled, homogeneous workforce. But this model is inappropriate in today's

environment, and will become increasingly obsolete in the 21st century. What will be required instead, is a workplace model that allows for considerable flexibility for both firms and workers, and recognizes the heterogeneity of today's workforce (Daniel, 1998)**.**

It is increasingly important to develop a strategy that involves all employees in building gender awareness for business growth and success. These strategies will empower managers and co-workers to develop a balanced understanding of news reports, legislative action and public and private corporate policy on gender issues such as sexual harassment, discrimination, comparable worth, family leave and equal access. First, if our socializing process, through education and counseling, is steering women into only the traditional female occupations, let's attack that problem. Already many companies are making available to schools women who work in non-traditional jobs to explain to America's youth the wide range of opportunities for women in the corporate world. More can and should be done. Schools should carefully review the way they steer young people into jobs – telling all students without regard to sex where the opportunities lie that will best suit their talent. Second, educational opportunities for women already in the workplace should be stressed. Companies should be committed to these programs and hope the Legislatures will work with industries to ensure that these human resource opportunities are fostered as a nationwide policy. Third, government and private employers should focus on individual merit, not rigid classification in determining wages (Gardner & Daniel, 1998)

The issue of comparable worth has emerged as a potentially serious challenge to unprepared personnel/human resource managers. Grider and Shurden (1987) suggest that personnel managers should prepare now to address comparable worth by taking the following five actions: become pro-active and learn more about the subject, review job analysis/job evaluation programs for any signs of male-female bias, check compensation programs and methods for male-female bias, conduct a Human Resource inventory, correlating job assignments with skills, experience, and knowledge, and finally review corporate strategic plans. Grider and Shurden (1987) believe personnel managers should constantly monitor the present environment to identify factors that may have a substantial impact on their organizations.

The management of public personnel will have to continue modification, consequently focusing upon such attendant issues as job evaluation, criteria evaluation, factor weighting, etc. Job evaluation, which entails any and all factors used to measure the value of jobs, skill and effort requirements, responsibilities, and working conditions will prove integral. Moreover, the procedures of job evaluation will need to be continually modified, given that the traditional job-to-job relative standard will have to give way to the application of fixed standards for factors to a set of jobs. Further, job evaluation processes will have to be more efficiently quantified, so the high amount of human subjectivity that is now present will be virtually eliminated. This will, in turn, negate the inconsistency among evaluators relative to interpretation and/or application of evaluation instruments (Abbasi, Murrey & Hollman, 1996).

This is particularly important, when jobs involve a small number of compensable factors. Further, job evaluation methods must be changed, so that there is increased capability of evaluators in reflecting differences among jobs. Here, the traditional job classification system must give way to the point-factor system that uses a sum of compensable factors to determine job worth, and thus wage

and/or salary structure. While there are frequently legitimate reasons for pay differentials between women and men in comparable jobs, such as the length of service in a certain position, unfair differences still exist. The comparable worth issue will remain a major topic in the business world for years to come, and it will be an important issue to employers who want to stay out of the courtroom. The business world still has much to learn, but as times change so will our attitudes about women and minorities in the workforce (Abbasi, Murrey & Hollman, 1996).

POSSIBLE SOLUTIONS TO THE COMPARABLE WORTH ISSUE

Comparable worth focuses on paying an entire profession or occupation the same that is determined by some outside authority to be of the same "worth" or value to an employer. From an historical perspective, the derivation of the comparable worth issue is related to the Equal Pay Act of 1963, which provided that workers would receive equal pay for equal or substantially equivalent work. The past century has seen enormous change in the woman's place in the world. From the suffrage movement of the 20's, to the influx of women workers in the 70' and 80's, women have faced opposition from society as well as the workplace. Perhaps the most disheartening problem faced by women today is that, on the average, employed women receive less pay than employed men.

Based on 1990 U.S. Census Bureau figures, the average median yearly earnings for full-time women workers was only 71% of the comparable men's figures. Comparable worth became a political issue when one of the State of Washington's public employees union, American Federation of State, County, Municipal Employees (AFSCME), sued the State in District Court. Here, AFSCME alleged that the State violated the 1964 Civil Rights Act by refusing to implement a comparable worth study that was conducted by a consultant who had been hired by the State. Comparable worth has also become a very useful bargaining tool for most companies. By engaging in the bargaining process, both unions and management can locally control the result and avoid the uncertainty and expense of litigation. Further, in that collective bargaining is a process which the parties can use to their mutual advantage, all of the strategies that apply to normal bargaining must also be considered when comparable worth is at issue.

There have been several factors that have been said to contribute to the bias in the workplace. First, they make up a larger part of the part-time work-force than do their male counterparts, particularly in seasonal or casual work. Second, these workers are more likely to take jobs that have easy entrance and exit points than are their male counterparts. Third, women and minority workers may earn less because of their occupational choices. Fourth, these workers may receive lower wages and salaries because they tend to defer to the choices of others for career pursuit. Fifth, these workers may earn less than their male counterparts because of inadequate educational preparation. Last, lower wages and salaries for these workers may be a reflection of their tendency to select occupations having less hazardous working conditions, which would suggest a market differential.

Since the 1984 Supreme Court ruling that permitted women to bring suit on the grounds that they are paid less than men holding the same job the financial costs are getting high for employers, relative to paying for litigation. Moreover, additional, perhaps prohibitive, financial costs would be attendant for employers given wage and salary increases after these suits. To date, the courts have

failed to rule definitively on the comparable worth issue. The argument continues with one side advocating remedial action to increase equity while the other side maintains that the current system is fair, and that any attempt to alter the system will cause great harm to society.

There has been an obvious change of attitude regarding comparable worth, in the last ten years, a trend toward comparable worth programs has been evident in the U.S., as the issue has been debated in state and local legislatures, integrated into collective bargaining agreements, and tested in the courts. For women, the driving force for change has been the dramatic increase in labor force participation. There is already evidence that work/family issues are a priority in employment policy considerations. It has become increasingly important to develop a strategy that involves all employees in building gender awareness for business growth and success. These strategies will empower managers and co-workers to develop a balanced understanding of news reports, legislative action and public and private corporate policy on gender issues such as sexual harassment, discrimination, comparable worth, family leave and equal access.

The comparable worth issue will continue to manifest during the 1990s and beyond as long as wage and salary disparities between women and minorities and their male counterparts continues to exist. As a result, the management of public personnel will have to continue modification, consequently focusing upon such attendant issues as job evaluation, criteria evaluation, factor weighting, etc. Job evaluation, which entails any and all factors used to measure the value of jobs, skill and effort requirements, responsibilities, and working conditions will prove integral. Moreover, the procedures of job evaluation will need to be continually modified, given that the traditional job-to-job relative standard will have to give way to the application of fixed standards for factors to a set of jobs. Further, job evaluation processes will have to be more efficiently quantified, so that the high amount of human subjectivity that is now present will be virtually eliminated. This will, in turn, negate the inconsistency among evaluators relative to interpretation and/or application of evaluation instruments.

This is particularly important, when jobs involve a small number of compensable factors. Further, job evaluation methods must be changed, so that there is increased capability of evaluators in reflecting differences among jobs. Here, the traditional job classification system must give way to the point-factor system that uses a sum of compensable factors to determine job worth, and thus wage and/or salary structure.

While there are frequently legitimate reasons for pay differentials between women and men in comparable jobs, such as the length of service in a certain position, unfair differences still exist. The comparable worth issue will remain a major topic in the business world for years to come, and it will be a important issue to employers who want to stay out of the courtroom. The business world still has a lot to learn, but as times change so will our attitudes about women and minorities in the workforce.

CONCLUSION

There has been a obvious change of attitude regarding comparable worth, in the last ten years, a trend toward comparable worth programs has been evident in the U.S., as the issue has been

debated in state and local legislatures, integrated into collective bargaining agreements, and tested in the courts. For women, the driving force for change has been the dramatic increase in labor force participation. There is already evidence that work/family issues are a priority in employment policy considerations. It has become increasingly important to develop a strategy that involves all employees in building gender awareness for business growth and success. These strategies will empower managers and co-workers to develop a balanced understanding of news reports, legislative action and public and private corporate policy on gender issues such as sexual harassment, discrimination, comparable worth, family leave and equal access. Grider and Shurden (1987) believe that the comparable worth issue may provide the stimulus needed to revitalize what the P/HR department can contribute to an organization. Grider and Shurden (1987) believe comparable worth can also be the catalyst that restores an organization to a position of prominence and growth because of an improved image and increased productivity. Crockett (1997) discussed that as a nation, we must band together to ensure recruitment and retention of the best talent available, in our economy, we do not have a person to spare.

REFERENCES

Abbasi, S., J. Murrey & K. Hollman. (1996). *Comparable worth: Should you reexamine your compensation program?* (Ed.) John Matzer. Washington, D.C.: International City Management Association.

Deavers, K. & A. Hattiangadi. (1999). Compensation, pay equity & comparable worth. Employment Policy Foundation. Online. Netscape. 21, April.

Gardner, S. E. & C. Daniel. (1998). Implementing comparable worth/pay equity: Experiences of cutting edge states. Employment Policy Foundation. Online. Netscape. Winter.

Grider, D. & Shurden, M. (1987). The gathering storm of comparable worth. *Business Horizons. 30*(4), 81.

Golpher, N. (1983). The current legal status of comparable worth in the federal courts. *Labor Law Journal. 34* (9), 577.

Hattiangadi, A. U. & T. Shaffer. (1999). AFL-CIO's equal pay initiative equals comparable worth. Employment Policy Foundation Media Advisory. Online. Netscape. 24 February.

Mulcahy, R. M. & J. E. Anderson. (1986). The bargaining battleground called comparable worth. *Public Personnel Management, 15*(3), 235.

Reichenberg, E. N. (1986). Pay equity in review. *Public Personnel Management. 15*(3), 230.

Schuler, R. S. (1989). *Personnel and Human Resource Management*. 2nd Edition. St. Paul: West Publishing.

Schuler, R. S., N. J. Beutell & S. A. Youngblood. (1989). *Effective Personnel Management.* 3rd Edition. St. Paul: West Publishing.

Scheibel, W. (1988). AFSCME v. Washington: The Continued viability of Title VII comparable worth actions. *Public Personnel Management. 17*(3), 316.

Siegel, G. B. (1989). Compensation, benefits and work schedules. *Personnel Management. 18*(2), 177.

Steel, B. S. & N. P. Lovrich. (1987). Comparable worth: The problematic politicization of a public personnel issue. *Public Personnel Management. 16*(1), 33.

Thompson, R. (1996). Arguments in favor of and against the comparable worth issue. *Pay Benefits – New Ideas for Local Government.* (Ed. John Matzer). Washington, D.C.: International City Management Association.

U.S. Census Bureau. (1997). http://www.census.gov/econ/www

U.S. Department of Labor's Women's Bureau. (1997). http://www.dol.gov/dol/wb/

POSITIONING THE ORGANIZATION
OF THE NEW MILLENNIUM

Laetitia Radder, PE Technikon, South Africa

ABSTRACT

The speed of change is accelerating, leading to greater complexity and added turbulence and discontinuity in the business environment. Although some conventional principles of positioning may still contribute to an understanding of the positioning dilemma, the positioning paradigm can no longer follow a model of strategic fit and sustaining competitive advantage. This paper suggests a dynamic approach to positioning based on interrelated and interactive positive feedback loops, complex interrelationships, complex learning and continuous challenging of the positioning paradigm. Research data was obtained from historical research on positioning and management from in-depth interviews with representatives of the five leading groups of South African clothing retailers and from analysis of company documentation.

INTRODUCTION

The concept of positioning dates back to the late 1960s and early 1970s, when it was popularized by Ries and Trout in a series of articles referred to as the "positioning era" (Kotler, 1984: 273). Twenty-five years later, in 1995, the concept of positioning was mentioned 16,917 times just in American publications (Trout & Rivkin, 1996, ix) indicating the attention captivated by the concept.

Although positioning is defined in numerous way (Ries & Trout, 1981,2; Kotler & Armstrong, 1994, 258; Knee & Walters, 1985, 20; DiMingo, 1988, 35), for purposes of this paper it can be understood as a process comprising all the actions of the organization which might have a bearing on the perceptions, decision-making and satisfaction of its stakeholders, as well as on the relationships between them.

There is little doubt about the role of positioning in a business' success. In the 1992, Woolworths, a leading South African retail chain, followed an international upmarket move and introduced higher-priced, designer-type fashions. However, this move met with unprecedented resistance form customers and a 38 percent drop in earnings. Where the organization of the past had bought clothing in large quantities enabling long manufacturing runs which kept prices affordable, it now had to contend with high-fashion goods in short runs using imported materials which were subject to currency fluctuations (Ireton, 1992, 4). Woolworths was forced to return to its previous position of providing a narrow range of high-quality fashionable clothing at consistently good prices, whereafter sales again picked up (Crotty, 1992, 59-61). The Woolworths' example shows that

organizations need to pay particular attention to their customers' needs and find the right balance between quality, price and fashion to maintain an effective position in the market.

The Woolworths' experience echoes Berry's (1982, 45) sentiments that in "...an era of cut-throat retail competition, few if any, strategic responses are more critical to a retailer than positioning." Rigger (1995, 994) adds that the position of a product is its real source of competitive power and the key to product success, while Wind (1990, 387) argues that "an effective positioning strategy is ... critical to the accomplishment of the firm's marketing and business objectives."

Positioning is fundamentally a top-management concern and is hence directly influenced by the management paradigm adhered to by the organization. Prior to the mid 1990s, a major proportion of Western managers, as well as Western management textbooks, followed the model of strategic fit rather than that of strategic intent (Hamel & Prahalad, 1989, 65). The former emphasized the search for advantages that are inherently sustainable and minimize risk. It has a close link with equating success with consensus, consistency, uniformity and order; and with identifying a goal, learning about conditions, setting a plan and then carefully following the plan with controls in place to minimize errors in its implementation (Stacey, 1996, xix; Miller, 1993, xv). A similar line of thought was often also applied in determining competitive advantages and positioning strategies.

Accelerated change and the rate of environmental turbulence and discontinuity experienced by organizations world-wide are, however, eroding successful strategies of the past. These realities together with interdependent networks of interrelationships and feedback processes in the environment, compel organizations to approach positioning in the next millennium from a dynamic perspective.

This paper proposes a contemporary approach to positioning against a backdrop of conventional thought, developments in the environment and challenges posed to the organization of the future.

METHODOLOGY

Qualitative research, particularly in terms of historical research and the case study method, served as the framework for the research. The historical research process allowed conventional and contemporary thought on management and positioning to be critically analyzed and conclusions to be drawn on the basis of which relevant aspects could be related to the organization of the future.

The case analysis consisted of in-depth, unstructured, personal interviews with representatives of the five groups of South African clothing retailers identified as being leaders in their field following a comprehensive analysis by *F & T Weekly, Sunday Times* and *Financial Mail.* The analysis was based on evaluation criteria such as stable performance over one, five and ten year periods; sales, taxed profit and total assets amongst the top 100 companies listed on the Johannesburg Stock Exchange; and market capitalization of the top 150 market leaders in South Africa. Apart from the interviews, non-confidential company documentation as well as journal and newspaper articles published on these organizations over a ten year period were also analyzed.

Conclusions drawn from both the historical research and the case analysis served as references for the construction of the dynamic approach to positioning proposed by this paper.

POSITIONING: A CONVENTIONAL PERSPECTIVE

A scrutiny of literature reveals an array of differing interpretations of the concepts concerning position and positioning. These interpretations are best grouped into product and/or market positioning which can be viewed from a psychological as well as from a market perspective

Ries and Trout (1981, 2) approached positioning form a *psychological perspective*, emphasizing that "...positioning is not what you do to the product, but what you do to the mind of the prospect." Accordingly, the ultimate marketing battleground was believed to be the mind of the consumer, and the better the understanding of how the mind works, the better the understanding of how positioning works.

However, as marketers do not want to leave their products' or organizations' positions to chance, they have to plan positions that will afford their products and outlets the greatest advantage in selected target markets. Marketing mixes are designed to create those planned positions (Kotler & Armstrong, 1994, 258) and reflect a *market perspective* of positioning.

A *market position* is arrived at by analyzing customer expectations and behavior patterns and identifying specific opportunities within groups of customers who respond favorably to specific market offerings. By means of differentiation, it is "...possible to create a market position which is sufficiently different from that of competitors, which can...be defended and, more importantly, serve as a base to develop the business further" (Knee & Walters, 1985, 20). Concepts often mentioned in relation to market positioning are those of store positioning ((Dunne, Lusche & Gable, 1995, 108; Berry, 1982, 45); a product focus (Wind, 1990, 387); a focus on the brand (Cravens, 1994, 307); image, as well as the promotion mix (Levy & Weitz, 1992, 523).

Many of the above descriptions of market positioning, however, also contain a psychological component. This interrelation is recognized by Kotler (1997, 295) who portrays positioning as an act of designing the firm's offering and image so that they occupy a meaningful and distinct competitive position in the target customers' mind. *Psychological positioning* can thus be described as forging a distinctive corporate identity closely based on marketing positioning factors (DiMingo, 1988, 35).

CORNERSTONES OF POSITIONING

Positioning is often approached on either the operative, instrumental level (Kotler & Armstrong, 1994; Mercer, 1992; Levy & Weitz, 1992; Davidson, Sweeney & Stampfl, 1984), or on the strategic decision level (Rigger, 1995; Van Biljon, 1991; Wind, 1990; Lovelock, 1984). Irrespective of the approach, a number of variables regularly feature in positioning research literature. These cornerstones are segmentation (Jobber, 1995), differentiation (Porter, 1985), competitor analysis (Aaker & Shansby, 1982), customer analysis (Day & Wensley, 1988), internal analysis (Rigger, 1995) and systems analysis (Mühlbacher, Dreher and Gabriel-Ritter, 1994).

Segmentation is mentioned by almost all the positioning researchers studied, although they differ in the emphasis which is placed on segmentation and target marketing. Jobber (1995, 224), for

example, maintained that "...target market selection...has accomplished part of the positioning job already."

The second element mentioned by most researchers is *differentiation*. In a differentiation strategy, the organization seeks to be unique in its industry along some dimensions that are widely valued by buyers (Porter, 1985, 14). Differentiation can be created with any of the aspects of the marketing mix or anywhere along the consumption chain. It can also be based on services, personnel, distribution channel coverage, expertise, performance and image (Kotler, 1997, 283). Choosing the particular aspect of differential to promote, however, depends on the potential value it provides to the customer.

Authors such as Aaker and Shansby (1982, 56-62) focus strongly on *competitor analysis*. Highly competitor-centered approaches may, however, have the disadvantage of "...too high preoccupation with costs and controllable activities that can be compared directly with corresponding activities of close rivals"(Day & Wensley, 1988, 2). This may result in a loss of customer focus. A balanced view of differentiation, linking competitor analysis to *customer analysis* is required.

Brown (1993, 45) adds the capabilities of the organization to the cornerstones of positioning. He identified "three Cs of positioning", viz. customer needs, competitors' offerings, and the organization's ability to offer something better than competitors. Rigger (1995, 996) supports the views of Brown by stressing the importance of an *internal analysis*. He holds that before a decision about a position is made, an organization needs to identify its resources, values and goals, as well as any limitations or constraints.

Although competitors and the firm itself are major influencers of the latter's position, other stakeholders also play an important role. Marketing researchers are increasingly recognizing that relationship and network building are as important as other marketing instruments. Mühlbacher, Dreher and Gabriel-Ritter (1994, 290) expressed their surprise at the fact that "...none of the ...positioning approaches have incorporated any of the research results on relationship building and networking." This requires a *systems analysis* approach to positioning.

A CALL FOR A CONTEMPORARY APPROACH

On the eve of the next millennium, it is generally accepted that the speed of change is accelerating, leading to greater complexity and added turbulence and discontinuity in the business environment (Banner & Gagné, 1995, 220). The increasing turbulence in the market makes it particularly difficult to predict the future. Successful past strategies have been eroded and what has previously been successful in one market, cannot guarantee success in the future in the same or other markets (Hooley, Saunders & Piercy, 1998, 21). As a result, planning horizons have been shortened. Although a number of the conventional principles of positioning may still contribute to an understanding of the positioning dilemma, the positioning paradigm can no longer be that of strategic fit. Organizations of the new millennium can no longer search for advantages that are inherently sustainable and would minimize risk, but need to effectively cope with uncertainty and risk. Uncertainty is the result of fear patterns and a lack of trust in the creative processes of life. Fear-

based projections into the world of form create objects of fear which are then reacted to, creating more uncertainty (Banner & Gagné, 1995, 222). A loop of interrelations is thus formed.

In an attempt to manipulate their external environments with policies and strategies, organizations produce effects, which other groupings do not like and will attempt to manipulate. The result is an escalating cycle of chaos and order. There is, however, a relationship between chaos and order: the one is a mirror image of the other. Wheatley (1992, 7) describes this relationship as a continuous process where a system can leap into chaos and unpredictability, yet within that state be held within parameters that are well-ordered and predictable. This means that any deterministic non-linear feedback system can either operate in a negative feedback manner to produce stable equilibrium behavior, or be driven by positive feedback to generate explosively unstable behavior.

The notion of positive and negative feedback can also be applied to organizations. Presume that the organization compares the outcome of its past actions to desired outcomes and discovers a discrepancy between the two. If the organization's actions are controlled by some form of *negative feedback*, the result will be subsequent actions that reduce the discrepancy until it disappears. Negative feedback has a dampening effect and leads to a state of stable equilibrium. It hence results in simple learning where organizations learn from the consequences of past actions and, without questioning the paradigm driving the action, simply amend subsequent actions. However, when the discrepancy between past actions and desired outcomes leads to a questioning of the paradigm and its underlying assumptions, *positive feedback* occurs (Stacey, 1996: 65). The questioning may lead to the amendment of the paradigm and subsequent amendment in action. There is thus a double loop in which the actions as well as the paradigm driving the actions are amended. The result is complex learning which is essentially destabilizing and revolutionary, but at the same time necessary for innovation and creativity.

The above realities of uncertainty, chaos, order and feedback clearly indicate an interdependence in the environment. Events occurring in China, Europe or the USA have an almost immediate impact on South Africa or any other country; hence, for example, the incredible fluctuations in exchange rates. Interdependence necessarily results in a web of actions, interactions and reactions.

It seems reasonable to argue that, should the contemporary organization wish to effectively cope with positioning amidst the effects of change, uncertainty, feedback and environmental interdependence, positive feedback and complex learning need to be incorporated into its thinking about positioning. A contemporary approach to positioning based on feedback, interaction and interdependence is therefore proposed.
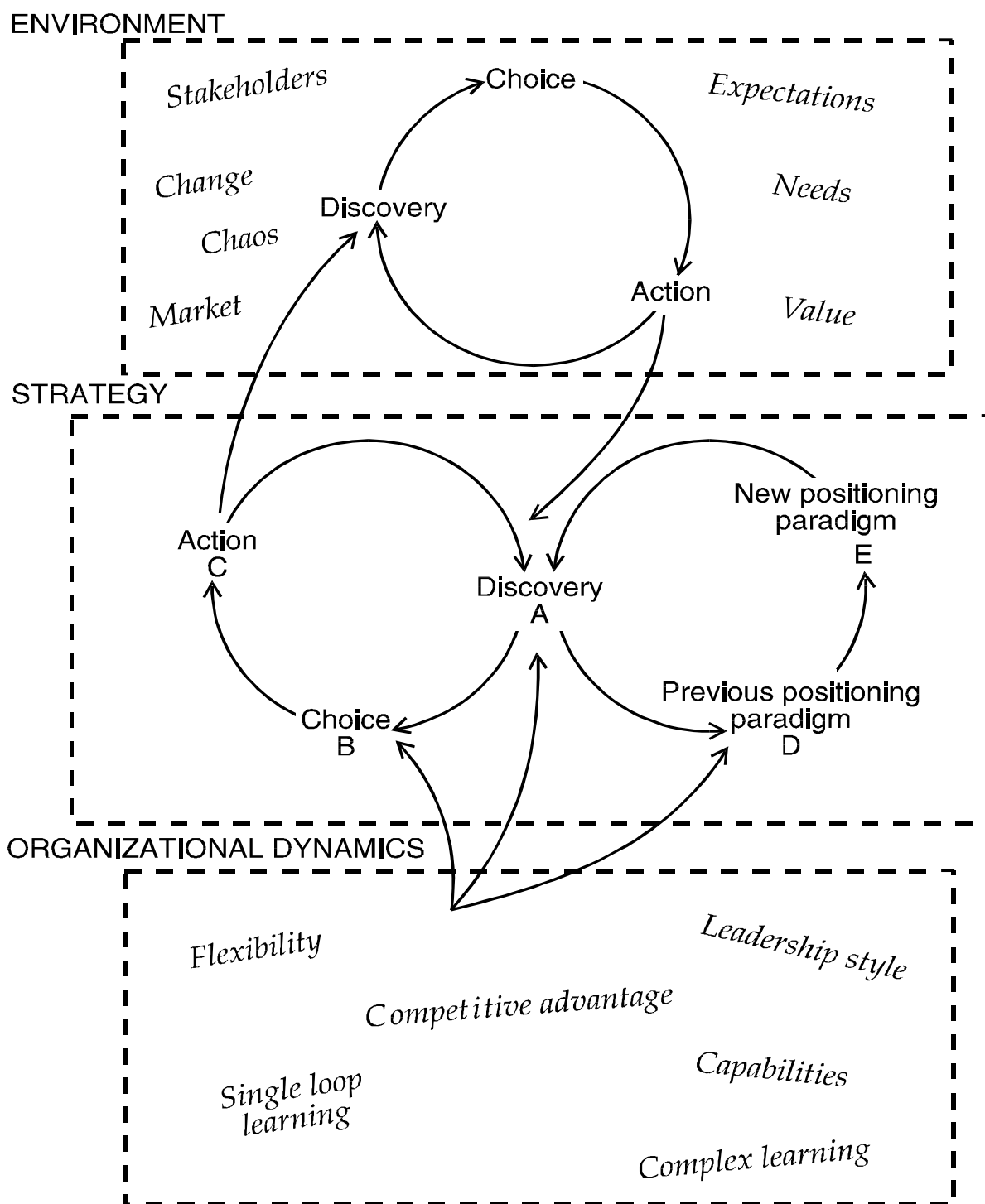
A DYNAMIC APPROACH TO POSITIONING

Figure 1 shows a simplified illustration of the proposed dynamic approach to positioning. Fundamental to this approach is the notion of circular feedback processes and mutual, nonlinear interactions. For explanation purposes it is presumed that the process starts at point A with the discovery by the organization of the consequences following the actions of others. These actions may, inter alia, be the result of the positioning efforts of the organization influencing the decision-

making processes of consumers. These actions may also be affected by consumers' needs, expectations, experiences and relationships with the organization and its members. Based on its discovery (point A), the organization now has to choose (point B) among alternative courses of action in exercising the positioning process (point C). Its response is once more fed back to the stakeholders in the environment, who will again go through the process of choosing how to react to the consequences of the organization's actions. Circular feedback loops are thus formed.

FIGURE 1: A DYNAMIC POSITIONING APPROACH

ENVIRONMENT

Stakeholders   Choice   Expectations

Change   Discovery   Needs

Chaos

Market   Action   Value

STRATEGY

Action
C

New positioning
paradigm
E

Discovery
A

Choice
B

Previous positioning
paradigm
D

ORGANIZATIONAL DYNAMICS

Flexibility   Leadership style

Competitive advantage

Single loop
learning

Capabilities

Complex learning

In choosing how to act, the organization may prefer to simply amend its future actions according to the consequences of past actions and not question the positioning paradigm: in other words, attempt to move to a state of equilibrium. If this is the case, simple learning occurs (loop ABC). Alternatively, when discrepancies between the past actions of the organization and desired outcomes lead to the questioning and the subsequent amendment of the positioning paradigm and its underlying assumptions, loop ADE is formed. Positive feedback hence results in complex learning.

The *second element* of the dynamic positioning process concerns the interaction between the organization and the environment, particularly the market. In addition to chaos, uncertainty, turbulence and constant change, contemporary organizations may also discover that the strategy paradigms of the past twenty years are increasingly inadequate to cope with changing circumstances in the market (Hooley, Saunders & Piercy, 1998, 24-25). The following trends are expected to become even more important in the near future:

> ♦ The market links industrial economics, total quality management, financial investment and business process re-engineering. It will thus be the dominant force shaping business strategy.
>
> ♦ Traditional boundaries based on conventional product markets will blur and become irrelevant, and this blurring will become the norm. There will thus be networks of interlinked product markets. (Already supermarkets and clothing retailers have moved into financial services and banking).
>
> ♦ For many organizations the future will not be one of traditional competition, but one of collaboration and partnership to allow them to focus on core competencies. Strategic alliances will thus be necessary.
>
> ♦ Keeping a balanced score card will involve evaluating the benefits delivered to all stakeholders in the organization.

These predictions underline the critical importance of building market sensing and organizational learning capabilities, so as to allow organizations to understand what is happening and act proactively.

An important interaction loop between the organization and the market environment as shown in Figure 1 particularly concerns the stakeholders. A stakeholder is any individual or entity whose actions affect, or are affected by, the actions of the organization. Because of these mutual interactions, each stakeholder has a stake in what the organization does, and vice versa. Stakeholders (also called interest groups) are thus the claimants who depend on the organization for the realization of some of their goals, while the organization, in turn, depends on stakeholders for the full realization of its own mission and goals (Rowe, Mason, Dickle, Mann & Mockler, 1994, 132; Wilson, Gilligan & Pearson, 1992, 19; Thompson, 1993, 130). Important direct stakeholders include investors, employees, customers, suppliers and the local community. Secondary stakeholders include regulators, civic institutions and pressure groups, media and academic commentators, trade bodies and competitors (Wheeler & Sillanpää, 1997, x).

It is generally understood that in increasingly dynamic and competitive markets the organizations that are most likely to succeed are those that take notice of stakeholders' expectations, wants and needs and gear themselves to satisfying these better than their competitors do. Loyal relationships are increasingly dependent upon how a company is perceived to create "added value" beyond the commercial transaction (Wheeler & Sillanpää, 1997, ix). There is no reason why customers should buy one organization's offerings unless they are in some way better at serving their wants and needs than those offered by competing organizations (Hooley, Saunders & Piercy, 1998, 6). If the organization wants to build lasting relationships with its stakeholders, it has to address their expectations throughout the total experience offered. The positioning message can play a pivotal role in this regard.

Effectively addressing stakeholders' needs and expectations, however, requires a constant interaction with the environment. By gathering and analyzing external information, managers constantly receive impressions, or snapshots, of their environments. Collectively these snapshots may constitute a picture of the current environment and serve as a framework for determining strategy and action. In a stable environment these snapshots are similar to each other and past snapshots and they can reassure the organization that it can continue business as usual. But the more unpredictable and dynamic the environment, the more diverse the current snapshots are. In such an environment the organization may be forced to change its understanding of external reality and even the way in which it does business if it wants to remain competitive. This implies that managers need to involve themselves, as well as everyone else in their organizations, in complex learning and in challenging the existing paradigms. In dealing with requirements from the environment the organization is thus always in a state of quasi-equilibrium. Each time it acts and the stakeholders respond, a new temporary balance is achieved. As all types of equilibrium in dynamic environments are unstable, it its rather a matter of heading towards a moving target, but never quite reaching it (Gummeson, 1995, 394).

The efficiency with which an organization handles the processes discussed above greatly depends on its organizational dynamics. Should it subscribe to flexible organizational structures, participative leadership and empowerment of employees, the scene is set for the organization to develop into a learning entity. Flexibility furthermore enables the organization to better cope with the increased level of complexity and uncertainty and to take full advantage of the changing environment. This may often be the key to identifying opportunities that others might not see and to exploiting these opportunities rapidly and fully. In order to generate extraordinary value for stakeholders, an organization therefore has to learn better than its competitors and apply that knowledge throughout its business faster and more widely than competitors do.

Organizational dynamics can represent the organization's differential advantage or competitive edge. A differential advantage is often referred to as the organization's strengths or distinctive competencies relative to competition. Porter (1980) argues that a competitive advantage is mainly created in two ways: through cost leadership or through differentiation. Cost leadership is attained through aggressive construction of efficient scale economies, the pursuit of cost reductions through experience effects, tight cost and overhead control and cost minimization in research and development, services, sales force, advertising, and the like. Differentiation implies creating

something that is seen as unique in the market. Under such a strategy organization strengths and skills are used to differentiate its offerings form those of its competitors along some criteria that are valued by consumers.

Successful competitive advantages, however, invariably attract imitators who want to share in the success and respond by copying and even trying to improve the advantage (Reimann, 1989, 39). It can be expected that the larger and more profitable the advantage, the greater will be the efforts of competitors to copy it. Williams (1992, 29) argues that "time, the denominator of economic value, eventually renders nearly all advantages obsolete". Williams's theory is clearly illustrated by developments in the competitive advantage paradigm. In the 1960s a strong emphasis was placed on technology development as a source of competitive advantage. The 1970s added an emphasis on cost control and quality assurance, employing the dimensions of inspection, measurement of results, statistical analysis and process improvement. During the 1980s the emphasis moved to total quality management (TQM) and its dimensions of employee empowerment, team accountability, customer-focus and speed (Miller, 1993, 18). In the late 1990s even good value for money, acceptable service levels and technology seem to have turned into competitive necessities.

It may therefore be time for yet another paradigm shift, that of viewing competitive advantage from a dynamic, holistic perspective. It is thus suggested that competitive advantage, which is the consequence of the creative employment of organizational dynamics in providing sustained stakeholder delight, is seen as a positional as well as a performance superiority relative to competitors.

It is shown in Figure 1 shows an interrelationship exists between strategy formulation and organizational dynamics. The latter will influence how the organization approaches the positioning process. Should it attempt to do so from the perspective of strategic fit and adjustment of its strategy accordingly, it is likely to still operate within a system which finds competitive advantages that can be sustained over a long period of time and thus minimizes risk. However, if it is assumed that the organization of the future is a living organism that moves with time, it should endorse flexibility and complex learning and continuously challenge the paradigm driving the positioning process.

CONCLUSIONS

The proposed dynamic approach to positioning the organization of the next millennium broadens the conventional beliefs in competitive advantage and positioning to include the notions of feedback loops, double-loop complex learning, and a shifting organizational paradigm. Positioning is hence viewed as all those actions of the organization which might have a bearing on the perceptions, decision-making and satisfaction of its stakeholders, as well as on the relationships between them.

Following a dynamic approach to positioning will enable the organization to incorporate change, uncertainty, interdependence and interrelations into the positioning process. It also allows the organization to challenge its current positioning paradigm. Such an action, however, requires

vibrant organizational dynamics characterised by creativity, innovation, flexible organizational structures, participative leadership, positive feedback and complex learning.

Based on the research reported in this paper it is expected that organizations which in the next millennium still adhere to a model of strategic fit and approach the positioning process accordingly, may in future be less competitive than their counterparts which follow a dynamic approach. Further research is, however, required to *quantify* the long-term effect of the proposed contemporary approach on the profitability of the organization.

REFERENCES

Aaker, D. & Shansby, G. (1982). Positioning your product. *Business Horizons*, , May-June, 56 - 62.

Banner, D. K. & Gagné, T.E. (1995). *Designing effective organizations*. California: Sage.

Berry, L. L. (1982). Retail positioning strategies for the 1980s. *Business Horizons*, , November-December, 45 - 51.

Brown, R. (1993). *Market focus: Achieving and sustaining marketing effectiveness*. Oxford: Butterworth-Heinemann.

Cravens, D.W. (1994). *Strategic marketing*. Illinois: Irwin.

Crotty, A. (1992). Wooltru: Strategy troubled in parts. *Finance Week*, , February 20 - 26, 59 - 61.

Davidson, W.R., Sweeney, D.J. & Stampfl, R.W. (1984). *Retailing management* (5th ed.). New York: John Wiley.

Day, G. S. & Wensley, R. (1988). Assessing advantage: A framework for diagnosing competitive superiority. *Journal of Marketing, 52*, , April, 1 - 20.

DiMingo, E. (1988). The fine art of positioning. *The Journal of Business Strategy, 9*, March-April, 34 - 38.

Dunne, P.M., Lusch, R.F. & Gable, M. (1995). *Retailing*. (2nd ed.). [s.l.]: South Western.

Gummeson, E. (1995). Relationship marketing (RM) and the imaginary organization. In Bergadaá, M. (ed.). *Marketing today and for the 21st century* (pp. 391 - 404). France: ESSEC, Proceedings of the 24th European Marketing Academy Conference.

Hamel, G. & Prahalad, C.K. (1989). Strategic intent. *Harvard Business Review*, May-June, 63 - 76.

Hooley, G. J., Saunders, J. A. & Piercy, N. F. (1998). *Marketing strategy and competitive positioning.* London: Prentice Hall.