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This Issue

Initial Mentor Attraction: Interactions of Individual and Mentor Demographic Characteristics
Shannon A. Hunter Scielzo, Jubilee J. Dickson, Steven Diamond, Jared B. Kenworthy

Mentoring relationships are frequently used as tools to increase employee productivity. However, little is understood in how to best pair mentors and protégés in formal mentoring programs. This study examined the extent to which individual demographic and dispositional variables interact with various mentor characteristics to predict ratings of the profiles of those mentors. The results of this study are consistent with the notion that gender, race, and similarity of mentors and protégés may be an important consideration when the protégé believes that psychosocial support functions are valuable. This article aims to provide some guidance in regards to overseeing mentoring relationships.

Fooled By Correlation: How Blind Acceptance of Correlation Dogma Destroys Diversification
Jeffry Haber

Ask any quantitative finance academic whether you should use prices (NAV) or returns when calculating correlations and they will tell you that you can ONLY use returns. Using an example of a hypothetical data set, the correlation of prices is 1.00 and the correlation of the returns derived from these prices is .02. The question for any thinking person is “looking at the two series of data, first for prices and then for returns, do the numbers look extremely correlated (prices) or do they look like they are nearly perfectly random between the two series (returns)?”

Cultural Consensus in Lending to Knowledge-Based Businesses
Gary Gorman, Peter J. Rosa, Alex Faseruk

Previous research reveals a consistent culture of lending by financial institutions when conventional business proposals are evaluated. Consistency may not be displayed for proposals based on knowledge-based business (KBB) with weak collateral and track record. In addressing this gap it is difficult to conceptualize and measure culture across diverse financial lending institutions. Consensus analysis was employed to research the nature of consensus across institutions in Eastern Canada. Respondents were asked to review two-stage conventional and KBB proposals. A high level of consensus was observed for all account managers from diverse institutions when considering a traditional proposal, but divergent trends emerged when considering the KBB proposal. KBB specialists exhibit high consensus with each other but differ sharply from the culture of other account managers. Results should interest entrepreneurs, finance researchers and policymakers.
Empowerment and Gender Equality: The Retention and Promotion of Women in the Workforce
Sonia Taneja, Mildred Golden Pryor, Jennifer Oyler

Globalization has provided opportunities for a more diverse workforce and recognition of diversity as an essential, integral part of empowerment. As the workplace changes as a result of globalization, technology, and diversity, organizational leaders must strategically accommodate these changes. Organizational leaders must be strategically proactive to keep their organizations competitive and successful for the long term and not simply survivors in increasingly competitive markets. This article discusses how empowerment and gender equality can be used from a strategic perspective to hire, promote, and retain women in the workforce and in so doing contribute to organizational success. In addition, Department of Labor statistics are analyzed and discussed from the gender equality perspective.

Influences of Gender Labelling of Entrepreneurship on the Entrepreneurial Career Aspirations of Educated Women in Bangladesh – A Comparative Study of Employed Women and Housewives
Afreen Huq

The notion of how gender labelling of entrepreneurship impacts upon entrepreneurial aspirations of the growing group of educated, urban based women in developing economies have been unrecognised in entrepreneurship literature. Drawing on the “5M” framework suggested by Brush, Bruin and Welter (2009), this study explores factors affecting entrepreneurial career aspirations of educated urban women in Bangladesh, where society’s notions of impropriety often keep women off certain occupations including entrepreneurship. In-depth interviews were conducted with 72 “potential” women entrepreneurs, consisting of 35 employed women and 37 housewives. Findings reveal that socio-cultural and institutional contexts play important role in influencing women’s perception and aspiration about business-ownership.

Not All Differences Are the Same: Variation in the Status Value of Demographic Characteristics Within and Across Organizations
Sandra Spataro

Managing workplace diversity has long been a subject of interest to researchers and practitioners alike. While research to date has revealed some important patterns in diverse groups, many questions are left unanswered. In the current study, I suggest a fundamental and still unanswered question of workplace diversity – which characteristics should be included – may be the reason for much of the divergence in existing research results. Instead of simply choosing characteristics at random, or categorizing characteristics based on type, I suggest looking at the status value of a demographic characteristic in a specific environment as a way to discern which characteristics are salient bases of differentiation for diversity, as well as what meaning and value are associated with those characteristics. Results of a field study of three different organizations show that both standard and nonstandard demographic characteristics have status value in organizations. Further, the status value of characteristics differs both within and across organizations. Implications for theory and practice are discussed.
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Lilly Ye, T.M. Adrian Robertson

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Jeremy J. O’Connor

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Michael J. Urick

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How You Feel About Yourself Can Affect How You Feel About Your Job:
A Meta-Analysis Examining the Relationship of Core Self-Evaluations and Job Satisfaction ................................................................. 116
Chloe J. Lemelle, Shannon A. Scielzo

The construct of core self-evaluations has been recognized as one of the most significant dispositional predictors of job satisfaction. The current study meta-analyzed the relationship between core self-evaluations and job satisfaction and found a moderate, positive relationship. Characteristics of the samples (such as gender, race, age, and organizational tenure), and characteristics of the research design (such as type of core self-evaluation measurement used and author type) were examined as potential moderators of the relationship between core self-evaluations and job satisfaction in this study. The findings along with practical implications are discussed and outlined.
GUIDELINES FOR SUBMISSION

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Make main sections and subsections easily identifiable by inserting appropriate headings and sub-headings. Type all first-level headings flush with the left margin, bold and capitalized. Second-level headings are also typed flush with the left margin but should only be bold. Third-level headings, if any, should also be flush with the left margin and italicized.

Include a title page with manuscript which includes the full names, affiliations, address, phone, fax, and e-mail addresses of all authors and identifies one person as the Primary Contact. Put the submission date on the bottom of the title page. On a separate sheet, include the title and an abstract of 100 words or less. Do not include authors’ names on this sheet. A final page, “About the authors,” should include a brief biographical sketch of 100 words or less on each author. Include current place of employment and degrees held.

References must be written in APA style. It is the responsibility of the author(s) to ensure that the paper is thoroughly and accurately reviewed for spelling, grammar and referencing.
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Initial Mentor Attraction: Interactions of Individual and Mentor Demographic Characteristics

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INTRODUCTION

To date, there has been a great deal of research aimed at attempting to understand the factors that lead one individual to be attracted to another. However, there is little knowledge regarding the various characteristics that compel individuals to be attracted to specific types of mentors. One thing that has been found is that different types of mentoring relationships come about in different ways. For example, in informal mentoring relationships, protégés will seek out a mentor whom they feel has qualities and/or skills that might be beneficial to themselves. On the other hand, in formal relationships, where a mentor and protégé are paired together by a third party, initial attraction to the mentor may lead to the initial success of the relationship. Thus, obtaining a better understanding of the factors that lead to mentor attraction may have important implications for both organizations deciding to set up a formal program and also for those who are relying on mentoring relationships to occur informally. This study attempts to yield additional insight with regards to mentor attraction and subsequently provide some considerations for mentoring relationships.
Mentoring

The term mentoring is quite broad in use; it is sometimes used to refer to tutoring relationships, friendships, or even coaching relationships. Mentoring can occur in different settings, including face-to-face, through the internet, or over the phone (Ensher, Heun, & Blanchard, 2003). For the purposes of the current study, mentoring is conceptualized as any form of relationship in which one individual provides needed support or knowledge to another. Mentoring relationships have been found to be associated with numerous positive outcomes for protégés, such as higher career and job satisfaction, or higher rates of promotion (Allen, Eby, Poteet, Lentz & Lima, 2004; Koberg, Boss, Chappell, & Ringer, 1994). Furthermore, they are advocated for easing the transition of minorities into underrepresented areas of employment (Alvarez, Blume, Cervantes, & Thomas, 2009; Evans & Cockley, 2008).

Mentoring relationships can either occur as part of a formal mentoring program, in which mentors and protégés are paired with one another by the overseeing organization, or informally, where mentors and protégés befriend one another and oversee their relationship themselves (Chao, Walz, & Gardner, 1992; Redmond, 1990; Ragins & Cotton, 1999). In some formal programs, protégés may be allowed to select their own mentors from a list of biographies/basic personal information. However, in most cases, mentors and protégés are paired at the discretion of the overseers. Little is known regarding the most effective mentoring dyad composition for which these overseers should strive. However, many argue that demographic and gender similarity may be important for initial relationship success (e.g., Patton, 2009). Others have found that attitude similarity is important for later relationship success (de Janasz, Ensher, & Heun, 2008). For informal relationships, protégés likely seek out mentors whom they feel have skills and knowledge that may help them. However, little is known regarding the characteristics that these individuals likely seek from an informal mentor. The goal of this study is to provide additional information on this matter – specifically, this study attempts to broaden our understanding of the factors that lead to preferences with regard to mentor gender and race.

Demographic Similarity

Numerous studies have previously found that perceived similarity of values and attitudes is related to mentoring relationship effectiveness (e.g., de Janasz, et al., 2008). However, the initial attraction for protégés is likely based on surface-level characteristics, as these attitudes and values do not likely become apparent until mentors and protégés have time with one another. In support of this notion, a great deal of literature has proposed that the similarity of mentors and protégés is one of the most important components for initial attraction. For example, females will likely be attracted to other females as role models, and males will likely seek out other males as role models. It has previously been found that mentor and protégé attitudinal and sex similarity are associated with the provision of increased mentoring functions (Avery, Tonindandel, & Phillips, 2008). Thus, it is likely that individuals may feel more comfortable discussing certain topics with, and request certain types of information from, same gender individuals. Hence, it was hypothesized that: H1a. Individuals will rate same-gender mentors higher than different gender mentors.

It has also been suggested that race similarity is another critical component in some cases. Patton (2009) provided numerous arguments supporting the notion that African American females need mentors with shared cultural experience in order to maximize their potential success. For example, African American women are likely to face such issues as lower self-efficacy, feelings of isolation, and higher stress levels. In Patton’s study, African American women reported issues such as desiring more nurturing, needing support to feel confident in speaking up and addressing their concerns when needed, and having straightforward, candid, conversations about important issues that they were facing. All of these issues are likely most easily dealt with by simply having a similar gender/race mentor. Moreover, African Americans are more likely to face marginalization, discrimination, and minimization of their inputs in decisions, etc. (e.g., Diggs, Garrison-Wade, Estrada, & Galindo, 2009). However, it has been further argued that these relationships are hard to come by, as there are oftentimes too few African American mentors available to provide this support (Jeste, Twamley, Cardenas, Lebowitz, & Reynolds, 2009; Johnson-Bailey, 2004; Patton & Harper, 2003).
In support of the importance of African American women having same-race mentors, another study found that African Americans were more likely to report having a same-race mentor in informal relationships relative to other ethnic groups (Coleman, Power, Williams, Carpentieri, & Schulkin, 2005). This is likely attributable to African Americans seeking out individuals whom they perceived would be able to provide them with desired mentoring functions, but it may also be partially attributable to non-minority mentors not seeking out minority protégés to mentor. Other research has found that Caucasian mentors were more likely to accept mentoring requests from minority protégés when they were perceived to be pro-active by the potential mentors (Thomas, Hu, Gewin, Bingham, & Yanchus, 2005). However, minorities may be less likely to feel comfortable asserting themselves in this way with Caucasian mentors, further perpetuating the problem. Thus, it was proposed that: H1b. Individuals will rate same-race mentors higher than different race mentors.

Anticipation of Mentoring Functions

There are two different types of mentoring functions generally recognized as being provided during the course of the mentoring relationship. Specifically, mentoring functions are generally categorized as having either psychosocial or career development qualities (Kram & Isabella, 1985). Psychosocial functions refer to addressing social and/or psychologically related issues, such as friendship, counseling, and acceptance. Whereas career development functions, on the other hand, refer to addressing work and career related issues, such as coaching and providing challenging assignments. A recent meta-analysis found that male mentors reported providing more career development functions than female mentors did, and conversely, female mentors reported providing more psychosocial functions relative to male mentors (O’Brien, Biga, Kessler, & Allen, 2010). It may be the case that individuals who are more concerned about receiving psychosocial related-functions will likely prefer females, and individuals concerned about receiving academic or career related information will likely prefer males. Based on this reasoning, we proposed that: H2a. Individuals who rate psychosocial related functions higher will be more likely to prefer female mentors. H2b. Individuals who rate academic or career support functions higher will be more likely to prefer male mentors.

There are many psychosocial related functions that may, in some cases, be best imparted by similar race mentors. As previously argued, certain components, such as role-modeling functions or speaking candidly, may be much easier for a same race mentor to convey. For example, when facing issues related to feelings of marginalization, as can be likely for any ethnic minority group, individuals need to learn strategies to properly assert themselves. They must also learn proper channels to take when their assertions or pleas are ignored. Given the extra-burdens that minorities are likely to encounter, it also stands to reason that they will likely benefit greatly from having someone serve as a friend, someone who can provide them with some extra encouragement and support. Furthermore, minorities in many cases may be less likely to have a well-developed knowledge framework for the environments that they enter. For example, they likely need to learn when others’ behaviors are normal or appropriate (e.g., receiving negative feedback from supervisors) and how to interpret and deal with such behaviors.

Additionally, it has been found that African American students were more likely to have positive attitudes regarding things like asking for academic or career related information from Caucasians. However, they were much less likely to seek out help for personal issues from Caucasians (Sheu & Sedlacek, 2004). One of the barriers posited for refusing to seek out help is that of possible racism (e.g., Obasi & Leong, 2009). Thus, having a same race mentor may be attractive to some individuals in order to overcome this limitation. Same race mentors are more likely to have similar backgrounds, similar approaches toward interacting with one another, and have likely had to overcome similar obstacles. In turn, a same race mentor may be perceived as being able to provide more psychosocial support functions relative to different race mentors. When these psychosocial functions are considered important to individuals, they will likely demonstrate a preference for same race mentors. Hence, it was hypothesized that: H3: Participant race will interact with the need for psychosocial support functions to predict overall African American and Caucasian mentor ratings. Specifically, it is proposed that individuals will rate
same-race mentors higher than different-race mentors when they desire psychosocial support functions, and race will be less important when they rate these functions lower.

METHODS

Participants

Participants consisted of 184 individuals from a large Southwestern university. Seventy-two of the participants were African American (39%) and 112 were Caucasian (61%). Moreover, there were 125 females (68%) and 59 males (32%). Participants volunteered to participate in this study in order to obtain experimental research credits for classes.

Procedures

Mentor profiles were developed from examining numerous different types of profiles available on the Internet. The profiles were then reviewed by various students of different demographics, who evaluated the extent to which the profiles appeared realistic and the extent to which they felt that the intended demographic information in the profiles was salient. Modifications were made as needed, and re-reviewed until there were no further contentions. Figure 1 illustrates some sample profiles.

FIGURE 1
SAMPLES OF MENTOR PROFILES

<table>
<thead>
<tr>
<th>African American Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kecia, age 20. Kecia is a student athlete on the university volley ball team. She is very active in student government as well as her sorority’s community outreach program. Kecia regularly attends church services and is popular on campus. Kecia comes from a single parent household and is the eldest of four children. In her spare time, Kecia likes to exercise and chat on the phone.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Caucasian Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Justin, age 20. Justin is an officer in the university R.O. T. C. program. A senior in the honors college of business, Justin averages 18 credit hours per semester. Justin plans on attending graduate school after his required four year military service. Justin maintains a part-time job in the mail room of a large technology company while going to school. Justin lives at home with his parents and brother and sister. Justin lists his hobbies as “reading anything business related” and running.</td>
</tr>
</tbody>
</table>

Two different versions of the study were created to minimize fatigue effects that would have otherwise occurred if all profiles were administered. Moreover, this allowed for us to create more variation in the information provided in the profiles. Initially, two biographies were developed, and then one biography was made a female in one version, whereas that same biography was made a male in the other version. In turn, the effects of the caliber of the profiles were minimized for gender, and the realism of the profiles accentuated.

The survey was posted electronically and therefore was accessible to the participants at any time, from any location. To facilitate completing the survey, each profile and its respective questions had its own individual page. Thus, individuals could easily access and review the biography while completing the questions.

Several different analyses were conducted to examine the efficacy of the manipulations in addition to the general perceptions of individuals’ ratings. We were concerned about the realism of the profiles, and the extent to which individuals would be able to make inferences about the people whom they were rating. On average, participants positively endorsed the question “I feel that the biographies presented likely gave valuable insight into the mentors’ personalities” (\(M = 4.71, \ SD = 1.45\)) on a scale from 1 -
Strongly Agree to 6 - Strongly Disagree. Thus, this offers some support that participants felt they had enough information to make some inferences about the people described in the biographies.

Measures
Mentor Profile Ratings
Individuals rated the profiles with nine different questions for each profile. Sample questions included “To what extent could this mentor serve as a role model for you?” and “To what extent does this mentor likely have valuable information for you?”, rated on a 6-point rating scale (1 not at all to 6 a great extent). Coefficient alphas indicated that the questions were answered relatively consistently within profiles (African American males, $\alpha = .94$; African American females, $\alpha = .96$; Caucasian males, $\alpha = .96$; Caucasian females, $\alpha = .93$). These items were then averaged for each demographic category.

Mentoring Functions
Six items were used to assess the importance of each mentoring function; there were three items measuring the importance of receiving psychosocial support and three items for assessing academic/career support. Items were rated on a 7-point rating scale (1 - Not at all Important to 7 - Extremely Important). An example item assessing psychosocial support functions read “I would prefer a mentor who can serve as a friend” and an example assessing career support read, “I would prefer a mentor who is knowledgeable in my field.”

Demographic Information
Finally, race and gender information was collected at the end of the survey, in order to prevent biasing responses on the mentor profile ratings.

RESULTS
One-tailed tests were used to examine the relationships explicitly hypothesized, and two-tailed tests were used for exploratory analyses. For the first hypothesis, it was proposed that individuals would prefer demographically similar mentors. For the first part of hypothesis 1, gender similarity was examined. Before conducting the analyses, differences in profile ratings were examined. Female profiles ($M = 3.23, SD = .78$), in general, were rated slightly higher than male profiles ($M = 3.12, SD = .76$) with a significant difference ($t(329) = 3.180, p < .01$, two-tailed). This is likely attributable to there being a larger percentage of female participants. As hypothesized, using a dependent samples $t$-test, females did indeed rate female profiles ($M = 3.20, SD = .75$) higher ($t(213) = 3.633, p < .001$, one-tailed) on average than they did male profiles ($M = 3.05, SD = .74$). However, males did not rate male mentors higher, as anticipated, ($t(114) = .417, p = .34$, two-tailed). In fact, there was even a very slight favoritism toward female mentors.

For the second part of the first hypothesis, it was proposed that similarity would be important with regards to race. First, overall ratings across all mentor profiles were aggregated and examined for differences between African Americans and Caucasians. Although not statistically different, there was a tendency for African American participants ($M = 3.17, SD = .63, N = 72$) to have higher ratings of profiles ($t(182)=1.519, p = .131$, two-tailed) relative to Caucasians ($M = 3.08, SD = .75, N = 112$). Using a dependent samples $t$-test, overall, there was a significant effect for mentor race. Specifically, Caucasian mentors ($M = 3.06, SD = .82, N = 330$) received higher ratings than did African American mentors ($M = 2.91, SD = .78, N = 330$), ($t(329) = .4.163, p < .001$, one-tailed). To test the hypothesis, dependent samples $t$-tests were then run for African American and Caucasian participants separately. Contrary to our hypothesis, African Americans did not differentiate statistically between their ratings of Caucasian ($M = 3.08, SD = .70, N = 72$) and African American mentors ($M = 3.03, SD = .77, N = 72$), ($t(71)=-.609, p = .272$, one-tailed). Caucasian participants did however rate Caucasian mentors ($M = 2.96, SD = .93, N = 112$) higher then African American mentors ($M = 2.85, SD = .85, N = 112$), ($t(111)=-1.751, p = .04$, one-tailed). Thus, this hypothesis was partially supported.
For the first part of the second hypothesis, it was proposed that individuals who reported a higher need for psychosocial-related functions would be more likely to prefer a female. To test this hypothesis, difference scores (male averaged ratings minus female averaged ratings) were utilized. Although a small effect, this relationship was supported ($r = -.10, N = 329, p = .03$, one-tailed). Similarly, for hypothesis 3b it was proposed that individuals who reported a higher need for academic/career related functions would be more likely to prefer a male mentor. However, this portion of the hypothesis was not supported ($r = - .05, N = 329, p = .17$, one-tailed). Moreover, it appears that there was a slight tendency toward individuals preferring females for these functions also. This is partially attributable to females having higher reports than males in general.

As a supplementary analysis, two regression equations were then completed. The first predicted ratings of female mentors, controlling for ratings of male mentors (to correct for the effects of mono-method bias). The interaction of focal participant gender and expectations of psychosocial support were included. The second model included the same variables, however predicted ratings of male mentors controlling the ratings of female mentors. Both of the control variables were significant. However, the only other predictive variable was expectations of psychosocial support in the model predicting female ratings (See Table 1).

### TABLE 1
**PARTICIPANT RATINGS OF FEMALE AND MALE PROFILES**

<table>
<thead>
<tr>
<th>Variable</th>
<th>$B$</th>
<th>$SE$</th>
<th>$\beta$</th>
<th>One-tailed $p$-value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Predicting Female Ratings</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender ($Female = 0, Male = 1$)</td>
<td>-0.09</td>
<td>0.45</td>
<td>-0.05</td>
<td>0.43</td>
</tr>
<tr>
<td>Psychosocial Support</td>
<td>0.15</td>
<td>0.05</td>
<td>0.20</td>
<td>&lt;0.01</td>
</tr>
<tr>
<td>Interaction of Gender and Psychosocial Support</td>
<td>0.02</td>
<td>0.09</td>
<td>0.05</td>
<td>0.43</td>
</tr>
<tr>
<td>Male Ratings</td>
<td>0.68</td>
<td>0.06</td>
<td>0.64</td>
<td>&lt;0.01</td>
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<td>Overall $F = 43.34, p &lt; .001$, Adjusted $R^2 = .493$</td>
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<tr>
<td><strong>Predicting Male Ratings</strong></td>
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<tr>
<td>Gender ($Female = 0, Male = 1$)</td>
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<td>0.43</td>
<td>-0.14</td>
<td>0.30</td>
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<tr>
<td>Psychosocial Support</td>
<td>-0.05</td>
<td>0.05</td>
<td>-0.07</td>
<td>0.18</td>
</tr>
<tr>
<td>Interaction of Gender and Psychosocial Support</td>
<td>0.06</td>
<td>0.08</td>
<td>0.19</td>
<td>0.24</td>
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<tr>
<td>Female Ratings</td>
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<tr>
<td>Overall $F = 37.66, p &lt; .001$, Adjusted $R^2 = .446$</td>
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For our third hypothesis, it was proposed that a desire for psychosocial support functions would interact with participant race in predicting overall African American and Caucasian mentor ratings. First, the relationship with expectation of psychosocial support with regards to ratings of mentors overall was examined. Individuals who desired psychosocial functions had higher overall ratings ($r = .26, p = < .001$, two-tailed). To test the first part of the hypothesis, African American mentor ratings were examined, including Caucasian mentor ratings as a control. The interaction of psychosocial support and race neared statistical significance at an alpha of .05 ($\beta = -.464, p = .0504$, one-tailed; see Table 2). The plot of this interaction indicates that African Americans preferred African American mentors when they desired psychosocial support (See Figure 2).
TABLE 2
PARTICIPANT RATINGS OF AFRICAN AMERICAN MENTOR PROFILES

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>SE</th>
<th>β</th>
<th>One-tailed p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Race (African American = 0, Caucasian = 1)</td>
<td>0.63</td>
<td>0.46</td>
<td>0.38</td>
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<tr>
<td>Psychosocial Support</td>
<td>0.18</td>
<td>0.07</td>
<td>0.24</td>
<td>&lt;0.01</td>
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<tr>
<td>Interaction of Race and Psychosocial Support</td>
<td>-0.15</td>
<td>0.09</td>
<td>-0.46</td>
<td>0.05</td>
</tr>
<tr>
<td>Caucasian Ratings</td>
<td>0.64</td>
<td>0.05</td>
<td>0.65</td>
<td>&lt;0.01</td>
</tr>
</tbody>
</table>

Overall $F = 41.37, p < .001$, Adjusted $R^2 = .482$

FIGURE 2
PARTICIPANT RATINGS OF AFRICAN AMERICAN MENTOR PROFILES

Then, similarly Caucasian mentor ratings were examined including African American mentor ratings as a control. The interaction of psychosocial support and race again neared significance ($β = .469$, $p = .0506$, one-tailed). As indicated in Figure 3, Caucasians preferred Caucasian mentors when they desired psychosocial support functions. Moreover, African American ratings of Caucasian profiles dropped substantially when they desired psychosocial support functions relative to when these functions were less desired. See Table 3 for the other values from these models.

FIGURE 3
PARTICIPANT RATINGS OF CAUCASIAN MENTOR PROFILES
### TABLE 3
PARTICIPANT RATINGS OF CAUCASIAN MENTOR PROFILES

<table>
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<tr>
<th>Variable</th>
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<th>SE</th>
<th>β</th>
<th>One-tailed p-value</th>
</tr>
</thead>
<tbody>
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<td>Race (African American = 0, Caucasian = 1)</td>
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<tr>
<td>Interaction of Race and Psychosocial Support</td>
<td>0.15</td>
<td>0.09</td>
<td>0.47</td>
<td>0.05</td>
</tr>
<tr>
<td>African American Ratings</td>
<td>0.69</td>
<td>0.06</td>
<td>0.67</td>
<td>&lt;0.01</td>
</tr>
<tr>
<td>Overall</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F = 39.14, p &lt; .001, Adjusted R² = .468</td>
<td></td>
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</tbody>
</table>

To further examine this relation, d-score values were computed (ratings of African American mentors minus Caucasian mentors divided by the within-participant standard deviations of the items assessing these mentors). Examining these d-values, it was found that psychosocial support was related to the d-score value (r = .26, N = 72, p = .02, one-tailed), indicating that African Americans who believed that psychosocial functions were important were more likely to rate African American mentors higher than Caucasian mentors. However, although heading in the anticipated direction, the difference for Caucasians did not reach statistical significance (r = -.13, N = 110, p = .09, one-tailed). Thus, it appears that if psychosocial functions are important to potential protégés, then race similarity should be considered.

### DISCUSSION

There is, to date, little research examining the extent to which minority individuals may differ in their mentor preferences, and also the extent to which mentor demographics may affect initial attraction for protégés. This research attempted to provide some additional insight in these regards and, in turn, some guidance for further research and practice.

For gender similarity, it was found that females preferred other females, but males did not prefer male mentors, as anticipated. It is likely that various other contextual and individual disposition characteristics come into play for males’ preferences. For example, it is plausible that males may have been considering date-ability for some of the female profiles. Even so, it does appear that mentor gender may be an important consideration for females. As discussed by Chao (2009), the relevance of the matching criteria to the organizational context should be considered. One of the first studies to examining the interaction of contextual effects and mentor gender and protégé relationship outcomes (Ramaswami, Dreher, Bretz, & Wiethoff, 2010) found that females with male mentors, relative to females with female mentors, obtained better career benefits in male-oriented organizations.

With regards to race similarity, Caucasians did tend to rate Caucasian mentors higher than African Americans. However, this relationship was not supported for African American participants. Furthermore, although not statistically significant, African Americans had slightly higher ratings of the profiles in general. Consistent with this finding, it is possible that African Americans may have a higher need for mentoring functions due to facing additional obstacles coupled with less availability of potential mentors (Jeste, et al., 2009; Johnson-Bailey, 2004; Patton & Harper, 2003). The lack of potential mentors that are actually available may support their beliefs that other African American mentors are not attainable — and subsequently any options are appealing. Moreover, it is plausible that some African Americans believe that some Caucasians can offer important information that another African American might not be able to provide.

While there may be potential benefits of pairing protégés with same-gender/same-race mentors, it is important to realize that there may also be detrimental effects incurred, if there is only one same-gender/same-race mentor provided for minority protégés. Minority mentors may be of higher status than their protégés, but, depending on minority composition at higher levels, they may also be less knowledgeable relative to their non-minority counterparts, as they themselves may be trudging new
ground. Thus, in these instances, it may be more beneficial that minority protégés receive career-development mentoring functions from a majority-member mentor.

However, the results of the current study suggest that individuals may be attracted to same demographic mentors. These same-demographic mentors may not be as well-equipped in the career development functions arena, although they may be superior with regards to psychosocial support functions for minority members. Thus, the needs of the protégés should be evaluated to make the best use of mentoring resources. The current study found that protégés who desired psychosocial functions preferred a female, and also a similar race mentor, whereas gender and race were less important if these functions were not personally important. Thus, in some instances, it may be imperative to pair protégés with multiple mentors – one from whom the protégé can receive psychosocial related functions, and another from whom the protégé can receive career related information. Consistent with this notion, numerous studies have demonstrated positive findings for individuals having multiple mentors (e.g., Baugh & Scandura, 1999; Kay & Wallace, 2010). However, as found by Baugh and Scandura, having more than two mentors may limit protégé returns and may be detrimental with regards to role conflict.

Finally, organizations that do not have formal mentoring programs should consider that minority race members may be less likely to have same-race mentors whom they can seek out (Jeste et al., 2009) and may be less likely to approach non-minority mentors. Assuming there are some higher-level minority mentors, numerous lower-level protégés may become a burden on these mentors. In support of this notion, some studies have found that minority mentors in these circumstances do tend to have higher mentoring responsibilities (for example, see Harrington & Hunt, 2010). Moreover, a lack of proper mentoring may preclude these individuals from some of the career successes that might be attainable otherwise. Thus, extra efforts to help pair these individuals with mentors (and to wisely utilize and support mentors) may be beneficial.

Limitations and Future Research

There are numerous limitations with the current methodological approach, however, attempts were made to overcome these issues whenever possible (such as by using difference scores and including other ratings into regression models). Future research is needed to examine the extent to which these ratings hold true for individuals entering actual mentoring relationships, where there is more of a commitment and something real to be gained by the protégés. Moreover, the generalizability of these findings should be examined in different types of organizations. Finally, future research needs to examine the extent to which initial mentor attraction might affect the relationship in the latter stages, and also the outcomes of these relationships.

Conclusion

The current research provides some guidance with regards to considerations for organizations that currently have mentoring programs, or that are considering implementing such a program. The results of the current study, in conjunction with prior studies, suggest that formal mentor programs may be necessary to remediate some of the disparities that may likely occur due to initial mentor attraction, based on protégé demographic characteristics and personal needs. Moreover, the current research indicates that considering protégé needs may be important in determining with whom the protégé should be matched.

REFERENCES


Ask any quantitative finance academic whether you should use prices (NAV$s$) or returns when calculating correlations and they will tell you that you can ONLY use returns. Using an example of a hypothetical data set, the correlation of prices is 1.00 and the correlation of the returns derived from these prices is .02. The question for any thinking person is “looking at the two series of data, first for prices and then for returns, do the numbers look extremely correlated (prices) or do they look like they are nearly perfectly random between the two series (returns)?”

INTRODUCTION

The cornerstone of portfolio construction is diversification, and the quantification of diversification is correlation. Correlation has been a mainstay of the investing and financial toolbox ever since the early days of modern portfolio theory. Correlation can be computed using prices (net asset values or NAV$s$) of the investment, or the related return streams. Any quantitative financial professional will tell you that you can ONLY use returns because prices are not independent and not stationary.

If the correlations calculated using prices and returns were similar, this would not be an issue. If the correlations are wildly different, then it could be a serious issue. Some investments are added to portfolios based on their ability to act as a diversifier, and the statistic used to make this determination is correlation. If the correlation calculation did not accurately reflect the effect the investment would have on the portfolio then the investor could be making a mistake.

Given that diversification is important and that correlation is the measurement we have to work with, the question becomes “can there be a difference between the correlation that is calculated using the prices and the correlation calculated using returns, and if so, which is the superior basis to use?”

RESEARCH METHODOLOGY

This paper develops two streams of data for 120 observations, representing two investment options and the ending monthly prices for each. This is shown in Figure 1. Of the 120 observations, 119 are exactly the same between the two investment options (labeled A and B). The lone difference occurs in observation 90. Since 119 observations out of 120 are exactly the same, it is not surprising that the correlation between the two streams is 1.00.

Next, I derive the returns from these streams of prices. This is shown in Figure 2. This yields 119 observations. Of the 119 observations, 117 are the same. The differences occur in observations 89 and 90. What is the resulting correlation of these 119 observations, where 117 are exactly the same? Nearly
perfect NON-correlation (almost 0.00). This is the polar opposite from the correlation that was calculated using prices.

WHICH IS CORRECT?

We have answered the first question, can the correlations calculated using prices and returns from the same data set produce different results. The answer is yes, and as different as possible. The next question is “which is the superior correlation to use.”

I submit that a reasonable person looking at both sets of data would come away feeling that the streams of data between both investment options (A and B) are very similar in the case of prices AND in the instance of returns. Further, I propose that a reasonable person would say that both situations represent highly correlated data sets.

On this basis, given this set of data, the prices are clearly the superior basis for calculating correlation.

LIMITATIONS

The data set used was not actual data. The problem in using actual data is in answering the question of which correlation calculation is superior is that real data is very messy – a reasonable person usually cannot look at the streams and come to a reasoned conclusion on which is superior. The advantage of this contrived data set is that a reasonable person can look at the data set and come to a conclusion on what they expect the correlation calculation to be.

CONCLUSIONS

The first conclusion I would draw is that it is worthwhile to compute correlation using both prices and returns. Where they are similar there is no difficult decision to be made. Where they are starkly different some thought has to go into in deciding which to utilize. Each investor will have to make their own decision about the tie-breaking procedure they will use.

The second conclusion is that the statistical benefits that come from using returns instead of prices (such as independence and stationarity) ignore that returns are derived from prices. There is no magic (aside from statistical) that comes from translating a price into a return using the formula:

\[
\text{FORMULA 1} \\
\text{FORMULA FOR RETURN} \\
R = \frac{P_2 - P_1}{P_1} \\
\]

Where \( R \) = Return, \( P \) = Price

The third conclusion is that this data set used streams of prices that were very consistent (little volatility). The findings may not apply to data that is more volatile.

Lastly, and perhaps most importantly, sometimes you have buck the majority and think for yourself. Just because some/many/most feel that there is only one way to do something, such as using returns in correlation calculations, always come to an independent decision. Don’t follow the consensus when data says otherwise.
### FIGURE 1
CORRELATION OF PRICES (NAVs)

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Cultural Consensus in Lending to Knowledge-Based Businesses

Gary Gorman
Memorial University

Peter J. Rosa
University of Edinburgh

Alex Faseruk
Memorial University

Previous research reveals a consistent culture of lending by financial institutions when conventional business proposals are evaluated. Consistency may not be displayed for proposals based on knowledge-based business (KBB) with weak collateral and track record. In addressing this gap it is difficult to conceptualize and measure culture across diverse financial lending institutions. Consensus analysis was employed to research the nature of consensus across institutions in Eastern Canada. Respondents were asked to review two-stage conventional and KBB proposals. A high level of consensus was observed for all account managers from diverse institutions when considering a traditional proposal, but divergent trends emerged when considering the KBB proposal. KBB specialists exhibit high consensus with each other but differ sharply from the culture of other account managers. Results should interest entrepreneurs, finance researchers and policymakers.

INTRODUCTION

This paper examines the nature of consensus in the loan-granting practices of financial institutions to knowledge-based businesses (KBBs). Lending institutions have developed complex rules and regulations in lending to individuals and business clients whose credit worthiness is based on conventional criteria, such as the 5 Cs-collateral, capital, conditions, capacity and character (Hays 1977). Often KBBs do not satisfy all these conventional criteria. KBBs often represent unproven business models with few physical assets to pledge as collateral; thus, there is a tendency for lenders to avoid the KBB sector.

Gorman (2002) found that banks take a traditional approach to risk assessment, emphasizing collateral in the form of physical, tangible security, often to the detriment of KBBs which could potentially lead KBBs to ignore bank financing as indicated by Binks, Ennew and Reed (1992). However, KBBs are seen to be important by governments and development agencies, as they have great potential for creating new high value jobs as demonstrated by the Organization for Economic Co-operation and Development (OECD 1996) and Huot and Carrington (2006). KBBs are particularly important for peripheral regions where traditional industries have either declined or disappeared (Atlantic Provinces Economic Council 1997). Accordingly, governments tend to encourage the development of a support infrastructure for launching new KBBs (Gorman and McCarthy 2006; Wang 2009). While lending
institutions ought to develop procedures to address these borrowing needs, there are no existing
paradigms to guide the development (Vequist 2008). Each lending institution may respond individually to
the needs of its client base and adapt its procedures accordingly. Therefore, we expect considerable
differences to be exhibited by lending officers from different financial institutions.

We might, however, expect significant agreement among individual lenders if rules and procedures
were more highly developed, written down and implemented by the lending institutions. Mason and Stark
(2004) demonstrate a high level of consistency among bankers reviewing proposals, likely resulting from
highly structured and standardized approaches used by banks. We postulate that even though
requirements for lending to KBBs are new, their incorporation into their procedures could be rapid and
effective through, for example, a systematic and focused response to advice from central policy makers,
such as a government department. Another factor that might lead to agreement could be a common
lending culture through education, training and experience in lending practices. Lenders could engage in
shared training and education programs (Bruns et al. 2008) with procedures made available to all lending
institutions serving KBB clients. Another homogenizing factor could be mobility of staff between
institutions. This could be significant if the staff who move are senior managers with considerable
authority to introduce practices developed in their former institution.

Although there is a growing literature on how loan officers behave when dealing with small business
clients (Berger and Udell 2003; Scott 2006; Bruns et al. 2008), there has been a paucity of research on
lending procedures to KBBs. Gorman, Rosa and Faseruk (2005) analyzed the nature and procedures of
institutional lending to KBBs in Eastern Canada demonstrating that lending institutions, particularly
banks, have made efforts to modify lending practices to accommodate the needs of KBBs. Now most
offer products and services designed specifically to meet the needs of KBBs. Some jurisdictions have
established lending centers with account managers trained to handle specialist aspects of loan evaluation,
such as technology assessment and intellectual capital valuation. However, the extent to which consensus
exists in evaluating KBB loan applications was not examined in detail. This paper addresses this gap by
providing an analysis of consensus and lending to the KBB sector in Eastern Canada.

Kakuru (2008), in examining lending practices to SME clients, found that knowledge of institutional
lending procedures by the SME owner was one of the most influential factors in the loan officer’s
decision to extend credit which may imply that consensus in lending criteria and practices are important
for knowledge-based clients. A lack of consensus may produce a confusing set of signals for
entrepreneurs. It is also possible to argue that lack of consensus can be an advantage to an entrepreneur
who knows this as he or she can just “play the field” until a more sympathetic lender can be found by
exploiting this information asymmetry. In either case, it is important to establish the level of consensus
both within and between lending institutions. It would be of considerable interest both to entrepreneurs
faced with the uncertainties of seeking financing from KBBs and to governments seeking better ways to
alleviate the difficulties that entrepreneurs face.

The study focuses on the following questions:

1. Does a common culture of lending exist across various lending institutions?
2. Does a common culture of lending exist within the same type of institution?
3. Does a common or shared culture of lending to KBBs exist among account managers in commercial
   banks and government agencies?
4. To what extent does the lending culture within commercial banks and government agencies reflect the
   needs of KBBs?

No attempts have been undertaken to analyze consensus systematically in the context of commercial
lending decisions in general (Mullen et al. 2009) and to KBBs in particular. A number of approaches
could be employed to research these four questions. The most direct test would be a content analysis of
bank documents outlining regulations and procedures in lending to KBBs and a comparison among the
lending institutions under study. Loan officers could be observed applying these procedures and
interviewed to explain the rationale for their decision-making, with special attention being paid to
instances when decisions ignore or contradict their regulations or practices. Comparisons could then be made between both lending procedures/regulations and the actual implementation of these regulations.

Unfortunately, a direct test of the hypothesis is not practical owing to the extreme reluctance of banks and other lending institutions to release sensitive documents, as well as ethical reasons preventing direct observation of real lending discussions. The latter can be bypassed by asking loan officers to examine hypothetical business plans and through analysis of verbal protocols (Gorman 2002). This approach is elaborated on in the methodology section. The challenge of capturing cultural consensus is difficult. We dealt with this challenge by adopting consensus analysis, a technique pioneered in the field of applied cognitive anthropology, to detect the existence of common cultures within complex organizations. It has a special advantage in being proven to be particularly robust when analyzing small samples. In applying this approach, we emphasize that it is an inductive approach designed to enhance the understanding of common lending cultures toward KBBs.

METHODOLOGY

Gorman, Rosa and Faseruk (2005) discussed the desirability of observing decision-making under actual conditions. Examining actual lending decisions increases reliability and provides details of the processes and criteria that could not be obtained otherwise (Leblebici and Salancik 1981; Sandberg, Schweiger and Hofer 1988; Fletcher 1995; McNamara and Bromiley 1997). Such an approach also addresses the concern that the decision-making process and evaluation criteria should not be dealt with independently (Boocock and Woods 1997) and the concerns associated with post hoc self-report data (Shepherd 1999; Zacharakis and Myer 1998; Bruns et al. 2008) whether obtained through interview or survey. Since neither the banks nor government agencies permit direct observation of actual cases, this alternate approach was used.

Two business plans were developed specifically for this research, one for a KBB (TeleCare Incorporated) and one for a more traditional venture (Glacier Ice Incorporated). TeleCare Incorporated is a telemedicine-based medical service venture that proposes to offer medical diagnosis, consultation and monitoring of patients with cardiovascular disease at a distance, while Glacier Ice is a resource-based harvesting and manufacturing venture that proposes to harvest and process glacier ice to produce specialty products, such as ice blocks, cubes and crushed ice for sale to industrial, institutional and retail consumers.

In order to control for issues of historical data and relationship banking effects (Scott 2006), the plans focused on start-up situations involving hypothetical entrepreneurs. The proposals were designed to reflect contrast in a number of key dimensions of knowledge-intensity, especially in the area of human capital (Gorman and McCarthy 2006). The proposals and their protocols were piloted in three organizations, a bank and two government agencies.

In the first stage, bound copies of the proposals were submitted to account managers for an initial review. The account managers were selected by the senior commercial credit person in the case of the banks and by the departmental director/manager in the case of the government agencies. Each account manager reviewed one proposal. Allocation of proposals to account managers was also based on input from the senior individual in each organization. The account managers were provided with only limited advance information on the proposals, including the nature of the venture and the magnitude of the funding requirements.

In the initial review stage, verbal protocols (Ericsson and Simon 1980) were used to capture the perceptions, opinions, comments, questions and concerns expressed by account managers. Immediately following this initial review, each account manager was asked to rate the proposal in 13 areas (Appendix 1). These factors were adapted from previous studies on bank lending in Canada (Wynant and Hatch 1991; Thompson Lightstone and Company 1998).

In the second stage, which involved conducting due diligence, account managers were asked to identify additional information requirements. This information was transmitted by mail, fax, phone and e-mail and enabled an assessment of the importance of additional information.
Finally, in the third stage (post review), following due diligence, account managers were interviewed to determine the funding decision in order to ascertain the decision-making processes and criteria employed. This interview was semi-structured, thereby permitting more intensive study of perceptions, attitudes and motivations than a standardized interview (Selltiz, Wrightsman and Cook 1976). Account managers were again asked to rate the proposal on the same 13 dimensions.

Consensus Analysis

Consensus analysis (CA) was originally developed as a technique for determining which respondents are most knowledgeable and reliable in a particular cultural context (Caulkins and Hyatt 1999). The theory was motivated by the fact that, when exploring new cultures and asking questions of individuals, neither the correctness of answers to the questions nor the cultural competence of the respondents is known (Romney, Batchelder and Weller 1987). CA is based on the assumption that there is one culture which is the same for all members of a group and that members of the group possess varying degrees of knowledge with respect to a particular subject (Romney, Weller and Batchelder 1986). CA also specifies the conditions under which more agreement among individuals on correct answers to questions indicates more knowledge on their part (Borgatti 1996b). There are three assumptions underlying the CA methodology, (Borgatti, 1996b, p. 45):

“Translated into the anthropological context, they are as follows:
1. One Culture. It is assumed that, whatever cultural reality might be, it is the same for everyone. There are no subcultures that have systematically different views on a given topic. All variability is due to variations in amount of knowledge.
2. Independence. The only force drawing people to a given answer is the “culturally correct” answer. When informants do not know an answer, they choose or make up one independently of each other.
3. One Domain. All questions are drawn from the same underlying domain.”

Domain in this context refers to a body of knowledge on a particular topic or subject. In CA all questions must be drawn from a single domain. The consensus model makes no presumptions as to what constitutes a correct answer. The theory uses consensus among respondents to ascertain the “culturally correct” responses and subsequently infers the level of knowledge of each informant on the basis of the relationship to the shared culture. CA is useful in determining patterns of agreement among respondents concerning a particular domain, what information is culturally correct within the group, and how well informed each individual is with respect to the domain (Caulkins and Hyatt 1999). According to Romney, Weller and Batchelder (1986), one useful advantage of CA is the ability to produce reliable results with as few as four respondents.

Caulkins and Hyatt (1999) argue that CA should not be limited to the study of high-agreement domains. The authors propose a typology for conceptualizing and examining diversity in non-coherent or low-consensus domains consisting of the following: weak agreement domains, turbulent domains and multi-centric domains. The latter is comprised of two subcategories: sub-cultural domains where there are two or more groups expressing different but not opposite views, and contested domains where groups take opposing perspectives. A weak agreement domain is characterized by an elbow-bend scree plot of eigenvalues and no negative knowledge scores. Knowledge scores indicate the percentage of culturally correct responses for each respondent. They are computed by comparing each respondent’s answers to the culturally correct answer as determined by the group consensus. Negative knowledge scores indicate that respondents disagree with, or hold opposing views, to the group.

The scree plot is relevant as a simple line segment plot to show that fraction of total variance in the data as explained or represented by each principal component within a principal component analysis. Turbulent domains are characterized by a straight-line descending scree plot of eigenvalues and, also, no negative knowledge scores. Groups from sub-cultural domains are distinguished by the appearance of two or more “answer keys”, while groups from contested domains are represented by negative knowledge scores.
scores. This typology of group membership is utilized to examine diversity among various groups of account managers.

Insofar as a “culture of lending” may exist among account managers in lending institutions, CA is utilized in this study as a means of exploring the existence, nature and pervasiveness of this culture. This study explores the extent to which a common culture exists among members of the lending community and the extent to which the underlying elements of that culture differ in the context of lending to KBB. Does the assumption of a common culture, underlying the theory of CA, apply in the lending context and if so, how far does this consensus extend? Therefore, CA theory makes a key contribution to the objectives of this research.

This study uses the CA software ANTHROPAC (Borgatti 1996a) to examine the ratings obtained from account managers at the first two stages of the loan review process which generates three measures useful in assessing the level of agreement among respondents. First, the ANTHROPAC program creates and factor analyzes a matrix of agreement among respondents. Borgatti (1996b) contends that the presence of two large eigenvalues is strong evidence of more than one culturally correct pattern of responses. A ratio of less than 3 to 1 between the eigenvalues for the first two factors indicates the assumption of one culture does not hold. Second, the program computes a knowledge score for each respondent. The knowledge score represents the extent to which each respondent agrees with the group response. Third, ANTHROPAC produces an answer key or culturally correct response key for the group. Analysis of the culturally correct response keys is undertaken to identify the elements underlying consensus and to explain differences that exist among groups of account managers.

Account managers conducted their initial review and provided assessments without using formal evaluation instruments and the benefit of the full due diligence process. Risk assessment, as reflected in the proposal ratings, is likely to indicate initial reactions and perceptions, presumably based on previous experience and preconceptions. It was, therefore, considered unlikely that a high level of agreement or consensus would emerge at the initial review stage. At the post review stage, account managers provided feedback based on a more complete assessment, following the full due diligence process. Consequently, it was anticipated that there would be a higher level of agreement and potentially consensus at the post review stage.

Our results focus primarily on analyses of the data obtained from the account managers’ ratings at the post review stage. Comparisons between post review ratings and initial review ratings are highlighted and summarized where appropriate. Further, comparisons of findings are made on the basis of the following a priori groups: account manager type (government and bank), type of plan reviewed (traditional and KBB), and account manager focus (generalist and KBB).

RESULTS

A total of 23 account managers, 13 in banks and 10 in government agencies, participated in the business plan reviews and semi-structured interviews. Eleven participants reviewed the more traditional business proposal (Glacier Ice), while the other 12 reviewed the knowledge-based business proposal (TeleCare). A total of five account managers, three in government and two in banks, indicated having a specific focus on KBBs.

Does a Common Culture of Lending Exist Among All Lending Institutions?

As a first step in assessing the existence of a shared lending culture, data from the post review ratings for all account managers were analyzed using consensus analysis software available in ANTHROPAC (Borgatti 1996a). Summary CA results for all groups of account managers are presented in Table 1 and referenced throughout the results section.

The ratio of 2.761 between the first and second factors and the plot of the eigenvalues indicate low consensus which demonstrates weak agreement within the group, even though the first factor accounts for 60.1% of the variance, which is consistent with the CA from the initial review. Initial review results: ratio of first eigenvalue to second = 2.199 with the first factor accounting for 56.9% of the variance and the
second explaining 25.9%.

**TABLE 1**
SUMMARY OF CONSENSUS ANALYSIS RESULTS INITIAL AND POST REVIEWS: ALL ACCOUNT MANAGERS

<table>
<thead>
<tr>
<th>Group</th>
<th>Initial Review</th>
<th>Post Review</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ratio</td>
<td>n</td>
</tr>
<tr>
<td>Overall</td>
<td>2.199</td>
<td>20</td>
</tr>
<tr>
<td>Government</td>
<td>1.536</td>
<td>7</td>
</tr>
<tr>
<td>Banks</td>
<td>1.678</td>
<td>12</td>
</tr>
<tr>
<td>Traditional Proposal</td>
<td>1.494</td>
<td>10</td>
</tr>
<tr>
<td>KBB Proposal</td>
<td>3.687</td>
<td>9</td>
</tr>
<tr>
<td>KBB Specialists</td>
<td>4.687</td>
<td>4</td>
</tr>
<tr>
<td>Generalists</td>
<td>2.100</td>
<td>15</td>
</tr>
<tr>
<td>Gov’t minus BDC</td>
<td>1.119</td>
<td>5</td>
</tr>
<tr>
<td>Banks minus KBB</td>
<td>1.028</td>
<td>10</td>
</tr>
</tbody>
</table>

Note: cases highlighted in bold indicate consensus.

At the second stage, the post review data were analyzed using non-metric multi-dimensional scaling (MDS). MDS provides a visual representation of the pattern of similarities or distances among a set of objects that can be scanned at a glance (Borgatti, 1996b). According to Borgatti (1996b), euclidean distances are typically computed instead of correlations when comparing profiles of respondents across variables. Euclidean distance is the square root of the sum of the squared differences between corresponding elements of two vectors, where a vector is a row consisting of \( n \) numbers or variables. As the interest here is in comparing patterns of responses among account managers, euclidean distance was selected as input to MDS. Results of the MDS for the post review data are presented in Figure 1 and confirm the pattern of weak agreement identified in the CA.

**FIGURE 1**
MULTIDIMENSIONAL SCALING - POST REVIEW: ALL ACCOUNT MANAGERS
(B = BANK MANAGER, G= GOVERNMENT ACCOUNT MANAGER, K= KBB BUSINESS PROPOSAL, T = TRADITIONAL BUSINESS PROPOSAL)
Hierarchical clustering was employed to identify groups more clearly and to examine grouping patterns in further detail. The cluster analysis presented in Figure 2 reveals the formation of two almost equal size clusters, each of which is comprised of a mix of account managers from banks and government agencies and a mix of account managers that reviewed each of the two proposals. Further, one cluster is situated entirely in the left portion of the MDS diagram (Figure 1), while the second group appears to the right. One group is comprised of BT2, BT3, GK10, BK12, GK23, GK8, BK11, GK7, BT13, and GK19. The other is comprised of GT4, BK20, GT5, BK9, BT15, GT17, BK6, BK18, BT16, BK21, BT14 and GT22. Results of the cluster analysis support those of the CA and MDS and confirm the existence of several different cultures. Lack of consensus among the entire group of account managers is not surprising given the diversity of organizations and the fact that account managers reviewed different proposals.

**FIGURE 2**
HIERARCHICAL CLUSTERING – POST REVIEW-ALL ACCOUNT MANAGERS
BASED ON AGGLOMERATIVE CLUSTERING LINKAGE METHOD
Does a Common Lending Culture Exist Within the Same Type of Institution?

To address this question, the data were segmented by account manager type (government and bank), type of plan reviewed (traditional and KBB), and account manager focus (generalist and KBB). Data for each of these groups were subjected to CA to determine whether new patterns of agreement or disagreement emerged. MDS was again used to display consensus patterns. The data for the government account managers reveal that this group fails to reach consensus as evidenced by the ratio of 2.398 between the eigenvalues for the first two factors (Table 1). Initial review results: ratio of first eigenvalue to second = 1.536 with the first factor accounting for 44.8% of the variance and the second factor explaining 29.2%. The domain indicates a highly turbulent perspective among members. The diversity of opinion among the government account manager group is clearly evident in the MDS diagram presented in Figure 3.

However, on closer examination a rather unique clustering pattern is visible. The account managers that reviewed the traditional proposal are all clustered to the right in the diagram, while those that reviewed the KBB proposal are all grouped to the left. Hierarchical clustering was used to examine this phenomenon in more detail. The results of the cluster analysis, presented in Figure 4, confirm the presence of two primary clusters and their unique composition, suggesting higher levels of agreement within groups of account managers reviewing the same proposal.

One further modification was made to the government category to enable additional analysis; the three account managers from the Business Development Bank of Canada (BDC) were extracted from the group. Interviews with staff and the review of secondary material confirm BDC’s mandate is more closely aligned with the banks than it is with the other three government agencies, which focus more on regional or provincial economic development. Prior to 1995, BDC had undertaken the role of lender as last resort but legislative changes enacted that year allowed BDC to be a complementary lender. As a result, it may be unreasonable to consider BDC account managers in the same light as other government account managers. Subsequent CA, performed on the remaining group members, revealed a high agreement domain with 100% of the variance accounted for by a single factor (Table 1). These results confirm the existence of differences between BDC account managers and the rest of the group and indicate a common
culture among government agencies that share an economic development mandate.

Results of the CA performed on the bankers (Table 1) indicate considerable diversity of opinion among the members of this group at the post review stage (eigenvalue ratio of 2.450); the straight-line plot of the eigenvalues signals a highly turbulent and diverse domain. Initial review results: ratio of first eigenvalue to second = 1.678 with the first factor accounting for 50.5% of the variance and the second factor explaining 30.1%.

FIGURE 4
HIERARCHICAL CLUSTERING – POST REVIEW: ALL GOVERNMENT ACCOUNT MANAGERS

It is worthy of note that the CA when performed on the bank group and the three BDC account managers together resulted in virtually no change in the level of agreement. The eigenvalue ratio between the first two factors is 2.438 with the first factor accounting for 56.3% of the variance and the second factor explaining 23.1% of the variance. A reasonable interpretation is that the BDC group fit well with the bankers, reinforcing the previous result concerning the differences between the BDC and the other government agencies. Results of MDS (Figure 5) demonstrate diversity and turbulence among the bankers post review.

The finding of such diversity of opinion within the bank account manager group post review is surprising. Bankers were expected to be more structured and consistent in their approach to risk assessment, especially following the due diligence process. As a result, one further modification was made to the bank group; the two KBB specialists were removed from the group to permit an assessment of the consensus among the more traditional lenders. Discussions with bank staff and the review of secondary support material confirm five of the chartered banks take a different approach to KBB, utilizing KBB lending centers with KBB specialists. It is reasonable to expect some intra-cultural variability within a group comprised of both KBB specialists and traditional commercial lenders. CA results for the bank
account managers with the KBB specialists removed (Table 1) indicate a very different picture with a high level of agreement among the more traditional bank lenders. Figure 6 presents the results of the MDS for this subgroup, providing a picture of consensus among the traditional commercial lenders, a sharp contrast to the results for the overall group of bankers presented in Figure 5.

Overall, the finding of consensus among account managers in government agencies that share an economic development mandate and the finding of consensus among traditional bank account managers confirm the existence of common lending cultures within similar institutions.

FIGURE 5
MULTIDIMENSIONAL SCALING - POST REVIEW: ALL BANK ACCOUNT MANAGERS

FIGURE 6
MULTIDIMENSIONAL SCALING – POST REVIEW: TRADITIONAL BANK ACCOUNT MANAGERS
Does a Common or Shared Culture of Lending to Kbb's Exist Among Account Managers in Commercial Banks and Government Agencies?

To address this question, data were analyzed by type of proposal reviewed (traditional and KBB) and by account manager focus (generalist and KBB). Results of the CA at the post review stage for the group of account managers who reviewed the traditional business plan (Table 1) confirm a high level of agreement within the group with an eigenvalue ratio of 3.301 and the first factor explaining 64.9% of the variance. Initial review results: ratio of first eigenvalue to second = 1.494 with the first factor accounting for 50.0% of the variance and the second factor explaining 33.4%. The high level of agreement among members of this group is visible from the MDS results in Figure 7. The mix of account managers from banks and government agencies is also noticeable in the primary cluster at the right.

**FIGURE 7**
MULTIDIMENSIONAL SCALING - POST REVIEW: TRADITIONAL BUSINESS PLAN

CA results for those reviewing the KBB proposal (Table 1) reveal a pattern of weak agreement with an indication of two sub-cultural groupings. Initial review results: ratio of first eigenvalue to second = 3.687 with the first factor accounting for 68.1% of the variance and the second factor explaining 18.5%. The two groups are depicted quite clearly in the MDS results in Figure 8. A review of these results also reveals that, with two exceptions (BK11 and BK12), one group is comprised entirely of bank account managers, while the other is comprised primarily of government account managers. The group on the right is comprised of BK18, BK20, BK9, BK6 and BK21, while the group on the left is comprised of GK23, GK10, GK8, GK7 and GK19. There is a higher level of agreement within each of the two groups than exists for the entire group who reviewed the KBB proposal. This finding is consistent with earlier results confirming the existence of common lending cultures within similar institutions.

The final a priori grouping contrasts account managers with a KBB focus with the more generalist account managers, those with a non-KBB focus. Results of the CA for those with a KBB focus (Table 1) indicate the presence of high agreement with 100.0% of the variance accounted for by a single factor. This group also exhibited consensus at the initial review stage. Initial review results: ratio of first eigenvalue to second = 4.487 with the first factor accounting for 82.1% of the variance and the second explaining 17.9%.

Results of the CA for the final group of account managers, those with a non-KBB or more general focus, also indicate consensus; the eigenvalue ratio between the first two factors is 3.221 (Table 1). Initial review results: ratio of first eigenvalue to second = 2.100 with the first factor accounting for 57.4% of the variance and the second factor explaining 27.3%. The pattern of agreement at the post review stage is evident on review of the MDS results presented in Figure 9. Also noteworthy is the makeup of the core
group depicted in the lower left of the diagram comprised of account managers from banks and government agencies and account managers that reviewed both types of proposals.

Overall, these findings provide evidence of a shared culture of lending to KBBs among account managers in chartered banks and government agencies, although consensus is strongest among specialist account managers who focus on KBBs.
To What Extent Does the Lending Culture Within Commercial Banks and Government Agencies Reflect the Needs of KBBs?

To address this question data from the post reviews were compared to data from the initial review stage, which revealed several interesting findings. The comparison between post review and initial review results confirms a shift towards a greater level of agreement among account managers in all groups, except those reviewing the KBB proposal. It also confirms the existence of consensus among a significantly greater number of groups (Table 1).

In some cases, these groups are comprised of a mixture of account managers in terms of both organizational affiliation and type of plan reviewed. However, subgroups comprised exclusively of bankers, government account managers, generalists, those with a KBB focus, and those that reviewed the traditional proposal also demonstrate consensus. Factor analysis performed on the initial and post review data indicate convergence among the variables at the post review, stage when compared to the initial review. This provides support for the findings from the CA indicating a shift in direction toward more agreement among account managers in all groups. Examination of the culturally correct response keys provides some insight into the differences between groups and between the initial and post review stages. A review of the response keys at the post review stage (Table 2) reveals two notable differences (in bold).

<table>
<thead>
<tr>
<th>Variable</th>
<th>Bank</th>
<th>Govt</th>
<th>Trad</th>
<th>KBB</th>
<th>Spec</th>
<th>Gen</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market potential</td>
<td>4.25</td>
<td>4.47</td>
<td>3.74</td>
<td>4.77</td>
<td>5.08</td>
<td>4.01</td>
<td>4.31</td>
</tr>
<tr>
<td>Business plan</td>
<td>4.17</td>
<td>4.11</td>
<td>3.95</td>
<td>4.34</td>
<td>5.02</td>
<td>3.84</td>
<td>4.14</td>
</tr>
<tr>
<td>Collateral/security</td>
<td>2.03</td>
<td>2.65</td>
<td>2.07</td>
<td>2.40</td>
<td>2.29</td>
<td>2.16</td>
<td>2.24</td>
</tr>
<tr>
<td>Proven product/service</td>
<td>2.37</td>
<td>2.81</td>
<td>2.13</td>
<td>2.78</td>
<td>4.11*</td>
<td>2.06</td>
<td>2.50</td>
</tr>
<tr>
<td>Potential funding available</td>
<td>4.15</td>
<td>3.92</td>
<td>3.49</td>
<td>4.47</td>
<td>4.88</td>
<td>3.59</td>
<td>4.03</td>
</tr>
<tr>
<td>Stage of development of firm</td>
<td>2.92</td>
<td>2.79</td>
<td>2.45</td>
<td>3.19</td>
<td>2.72</td>
<td>2.75</td>
<td>2.83</td>
</tr>
<tr>
<td>Track record of entrepreneurs</td>
<td>2.66</td>
<td>4.02*</td>
<td>3.05</td>
<td>3.22</td>
<td>4.27</td>
<td>2.79</td>
<td>3.14</td>
</tr>
<tr>
<td>Uniqueness of product/service</td>
<td>5.08</td>
<td>5.16</td>
<td>5.19</td>
<td>5.06</td>
<td>4.65</td>
<td>5.13</td>
<td>5.13</td>
</tr>
<tr>
<td>Potential cash flow</td>
<td>3.54</td>
<td>3.49</td>
<td>2.81</td>
<td>3.91</td>
<td>5.12</td>
<td>3.03</td>
<td>3.47</td>
</tr>
<tr>
<td>Management team</td>
<td>4.26</td>
<td>4.14</td>
<td>3.90</td>
<td>4.54</td>
<td>4.45</td>
<td>4.15</td>
<td>4.20</td>
</tr>
<tr>
<td>Demonstrated market acceptance</td>
<td>2.64</td>
<td>2.90</td>
<td>2.29</td>
<td>3.03</td>
<td>4.17</td>
<td>2.35</td>
<td>2.73</td>
</tr>
<tr>
<td>Logistics and facilities</td>
<td>2.85</td>
<td>3.05</td>
<td>2.38</td>
<td>3.55</td>
<td>3.79</td>
<td>2.50</td>
<td>2.95</td>
</tr>
<tr>
<td>General economic conditions</td>
<td>4.07</td>
<td>4.25</td>
<td>3.24</td>
<td>4.82*</td>
<td>3.95</td>
<td>4.05</td>
<td>4.13</td>
</tr>
</tbody>
</table>

Spec = account manager with a KBB focus; Gen = account manager with a non-KBB focus
* sig. p<.05 – based on t-tests of means, not weighted averages.

First, the comparison between account managers that reviewed the traditional plan and those that reviewed the KBB plan reveals only one area, general economic conditions, where the KBB group was significantly more positive in their ratings of the KBB proposal. However, with the exception of uniqueness of product/service, those that reviewed the KBB proposal were more positive across all variables. Second, comparing account managers with a KBB focus to their more generalist counterparts indicates the ratings of the KBB specialists are higher for all variables with the exception of stage of development of the firm and general economic conditions, although the difference is significant only for proven product/service.

Comparing the culturally correct response keys at the post review stage to those generated at the initial review stage also reveals some interesting differences, especially in terms of specific subgroups. Bankers, government account managers, and those who reviewed the traditional proposal have generally become more negative, while account managers who reviewed the KBB proposal and those with a KBB focus have generally become more positive. The two-stage ratings indicate a significant correlation on
only six of the 13 variables. The low correlation on the remaining variables provides further confirmation that initial perceptions of account managers are modified significantly after further due diligence and risk assessment.

Overall, this analysis revealed mixed results among the groups concerning the extent to which the lending culture reflects the needs of KBBs. Consensus among account managers who reviewed the KBB proposal at the initial review stage (eigenvalue ratio = 3.687) reflects an equal number of positive and negative perceptions compared to those who reviewed the traditional proposal. The high level of consensus at both the initial and post review stages, and the positive perceptions of account managers with a KBB focus provide some support for a KBB lending culture among this small group of specialized account managers.

CONCLUSIONS

A number of conclusions are drawn from these results. First, the results indicate significant differences in the level of agreement or consensus among the various groups of account managers at the post review stage compared to the initial review stage which confirmed a priori expectations. Results at the initial review stage indicate low levels of agreement and a significant degree of heterogeneity and turbulence among all groups of account managers, except those who reviewed the KBB proposal and those with a KBB focus. However, at the post review stage, the results confirm the emergence of a shared lending culture among three key groups of account managers. Consensus appears to develop over time as account managers engage in the full due diligence process. The lending structures and the application of lending policies/procedures appear to have a significant influence on risk assessment.

Second, the analysis of the culturally correct response keys reveals mixed results among the groups concerning the extent to which the lending culture reflects the needs of KBBs. For example, consensus among account managers who reviewed the KBB proposal at the initial review stage reflects an almost equal mix of positive and negative perceptions compared to those who reviewed the more traditional proposal. Nonetheless, the positive perceptions of specialist account managers (those with a KBB focus), especially at the post review stage, provide some support for the existence of a KBB lending culture. However, the culture is confined to a very select group of account managers, the KBB specialists. Non-specialists appear to have a markedly different lending culture towards KBBs. While the lending practices of banks and government agencies appear to be evolving to meet the needs of KBBs, entrepreneurs in KBBs are well advised to ensure their proposals garner the attention of these specialists.

Third, considering the importance of KBBs to the economy, this study’s findings have important implications for policy-makers. It is apparent from these results that the specialized lending expertise required to deal with KBBs is confined to a relatively small group of account managers. As a result, government should continue to encourage banks to extend efforts to provide the requisite expertise needed to deal with financing applications from KBBs. Initiatives need not be as grandiose as establishing dedicated lending centers. They could consist of providing specialized training to select account managers. Similarly, government departments should take steps to ensure the availability of specialized expertise among account managers in the various agencies that provide assistance to KBBs.

Finally, the paper demonstrates that CA has some promise in investigating consistency in lending among banks and other lending institutions. Consensus analysis theory was able to measure agreement and shared culture in the context of commercial lending decisions. Its statistical methods provide clear interpretation guidelines and, as indicated by Romney (1999), CA represents a useful addition to statistical models, especially those appropriate to situations involving relatively small sample sizes.

An exploratory study will have some limitations. First, the relatively small sample size has some limitations in terms of generalizability of findings. Weller, Romney and Kimball (1988) provided support for obtaining reliable results using CA with small samples. Accordingly, caution should be exercised in the interpretation of some results, most notably the KBB specialists. Small sample size limits the use of multivariate statistical tests with the lack of significant differences explained by the low power of the tests.
Second, there may be limitations arising from the geographic setting as other locations may have KBB lending practices that are more highly developed than in Eastern Canada.

Third, ideally the participants should define the cultural domain. Doing so ensures the dimensions reflect the experience and reality of the account managers. In this study, the elements of the lending domain were drawn from the literature. While respondents were given the opportunity to add to the list of variables, few chose to do so. The setting during which the interviews and business plan experiments were conducted is a limitation as three banks reported that their strategies for dealing with KBBs were evolving with an organizational restructuring underway. This action may affect their approach to the KBB market.

Notwithstanding these limitations, this paper makes an important contribution to the application of consensus analysis theory by demonstrating the ability of CA to measure culture and consensus in the context of commercial and government lending.

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APPENDIX 1

QUESTIONS POSED TO ACCOUNT MANAGERS
Compared to other loans/investments in your portfolio to firms in the same or similar industry, how would you rate this proposal (on a scale of 1 to 7 where 1=well below average, 4=average and 7=well above average) in each of the following areas?

<table>
<thead>
<tr>
<th></th>
<th>1=well below average</th>
<th>4=average</th>
<th>7=well above average</th>
</tr>
</thead>
</table>
a. market potential | 1 2 3 4 5 6 7 |
b. business plan | 1 2 3 4 5 6 7 |
c. collateral/security available | 1 2 3 4 5 6 7 |
d. proven product/service | 1 2 3 4 5 6 7 |
e. other potential funding available | 1 2 3 4 5 6 7 |
f. stage of development of firm | 1 2 3 4 5 6 7 |
g. track record of the entrepreneurs | 1 2 3 4 5 6 7 |
h. uniqueness of product/service | 1 2 3 4 5 6 7 |
i. potential cash flow | 1 2 3 4 5 6 7 |
j. management team | 1 2 3 4 5 6 7 |
k. demonstrated market acceptance | 1 2 3 4 5 6 7 |
l. logistics and facilities | 1 2 3 4 5 6 7 |
m. general economic conditions (timing) | 1 2 3 4 5 6 7 |
n. other (specify _________________) | 1 2 3 4 5 6 7 |
Empowerment and Gender Equality: The Retention and Promotion of Women in the Workforce

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Globalization has provided opportunities for a more diverse workforce and recognition of diversity as an essential, integral part of empowerment. As the workplace changes as a result of globalization, technology, and diversity, organizational leaders must strategically accommodate these changes. Organizational leaders must be strategically proactive to keep their organizations competitive and successful for the long term and not simply survivors in increasingly competitive markets. This article discusses how empowerment and gender equality can be used from a strategic perspective to hire, promote, and retain women in the workforce and in so doing contribute to organizational success. In addition, Department of Labor statistics are analyzed and discussed from the gender equality perspective.

INTRODUCTION

“So often, it takes only one woman to make a difference. If you empower that woman with information, training, or a microloan, she can lift up her entire family and contribute to the success of her community. Multiply that one woman’s impact by a hundred or a thousand, and perhaps a million lives can change. Condoleezza Rice, former US Secretary of State” (Ernst and Young, 2009, p.14).

Women contribute a new and diverse business perspective to a highly competitive market. In fact, studies suggest that “investments in women yield large social and economic returns” (The business of empowering women, 2010, p.7). Chen, Kark, and Shamir (2003) defined *empowerment* as “the process of raising others’ self-efficacy perceptions” (p. 248). This means empowering employees to recognize and act on their own respective abilities and self-motivation. This also involves the promotion of innovative thinking and welcoming of new ideas. Further research suggests that the concept of transformational leadership promotes self-esteem and confidence and encourages employees to be self-thinkers rather than creating leadership dependency (Chen, Kark & Shamir, 2003). In addition, “transformational leadership involves transforming the values and priorities of followers and motivating them to perform beyond their expectations” (Chen, Kark, and Shamir, 2003, p.247). According to Burns (1979), the originator of the
concept, transformational leadership “occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivations and morality…” (p. 382). Humphreys (2005) indicates that with the mutual enhancement of leader and follower enthusiasm and morality, “the goals of each become fused in the best interest of the organization (p. 1411).

Viewing empowerment from a gender perspective, leaders need to incorporate these concepts into the strategic management of their respective organizations. This paper discusses how gender equality and empowerment can be leveraged from a strategic management perspective to promote and retain women in the workforce. Claude Ake (2000, p.70) emphasized that “democracy is never given; it is always taken” (as cited in Lindberg, 2004, p.28). Therefore, it is incumbent upon women to assert their expectations of empowerment, just as it is incumbent upon citizens to assert their expectations of democracy.

In terms of achieving growth and profitability, women play an important role in public and private organizations. In addition to their impact on organizations, the employment of women also impacts at the national level. For example, “women’s contribution to U.S. economic growth . . . has been significant. If no additional women had joined the paid economy since 1970, US GDP would be 75 percent of its current size” (Arora, Ayanova, Barsh, Lund, Malhotra, Manyika, Sumner and Yee, 2011, p. 2). Moreover, upon analyzing U.S. Department of Labor (2011) data on usual weekly earnings from current population survey we found that weekly earnings today without women contribution is 27.59% less than what it should be or if no additional Women had joined the economy since 2002, Median Weekly Earnings would be 72.41 percent of its current size (See Figure 1).

FIGURE 1
WOMEN’S WEEKLY EARNING CONTRIBUTION

Without women's contribution, weekly earning today is 27.59% less than it should be

Weekly earning
(Actual in $)

w/o additional women since 2002($)


“Women’s unfulfilled potential significantly hinders economic growth” (Nikolic & Taliento, 2010, p. 24). One study indicates that “lower education and employment rates for women are responsible for (about) 1.6% difference in annual GDP growth between South Asia and East Asia” (Nikollic & Taliento, 2010, p.24). According to Robert Zoellick, President of World Bank, “gender equality is simply smart economics” (As cited in Kent, 2010, p.4). Women are considered an important resource in the transformation of organizations because they are a “source of creative and imaginary ways of adapting to changing circumstances” (Masini, 1994, p.51). Women act as catalysts to suggest solutions to internal
A COMPETITIVE NEED FOR WOMEN IN THE WORKPLACE

As businesses continue to globalize and the workforce becomes more diverse, companies are faced with difficult situations and decisions to align strategically and culturally in an effort to remain competitive and successful. Effective decision making is crucial. A wrong decision in today’s competitive workplace can have severe consequences impacting the success and direction of a given company. As previously discussed, technology enhancement and globalization are two factors that have added new elements of competition. Another significant factor is the growing number of females entering the workforce and the increased value placed on retaining female talent (Cabrera, 2009). Also, women are the “most dynamic and fastest- growing economic force in the world today” (Kent, 2010, p.3). Women account for $20 trillion in spending worldwide and $4 trillion in women-owned business in GDP in the U.S. (Kent, 2010).

Professional women are entering the workforce at the same rates as men. As of August, 2011, the total number of nonfarm women employees and private women employees account for 49.4% and 47.9% respectively (The Employment Situation, 2011). Yet something happens along the way resulting in disproportionate lower numbers of women in managerial positions. Although females make up nearly half the workforce, only 3 to 5 percent of top executives among Fortune 500 firms are women (Cabrera, 2009, p. 41). According to the Fortune 500 ranking, only 12 females were able to reach to the level of chief executives position in 2007 (Hill, 2008). Today women account for 46.7% of the total workforce in businesses. Out of the total workforce of women, 37% constitute lower-level and mid-level managerial positions and 26% of women are at senior managerial positions. Only 11 or 2.8% of the women are CEO’s of the fortune 500 companies (Sperling, 2011). This percentage has remained constant from 2007 to 2011.

A 2011 McKinsey report stated that “only 16% of entry level women agreed that they “have always aspired to be in top management. That’s just one out of six educated, entry-level women who wants to reach the top. And (only) 14% (of them) think that it’ll be worth the cost to get there” (Barsh & Yee, 2011, p. 1).

The December, 2010 report of the Joint Economic Committee chaired by Representative Carolyn B. Maloney, stated the following: (1) For the first time in (U.S.) history, women comprise half of the U.S. workforce, (and) women have pulled ahead of men in educational attainment” (Invest, 2010, p. 5). However, their salaries have not kept pace with their entrance into the workforce and their educational achievements. Upon analyzing the U.S. Department of Labor (2011) data on Median usual weekly earnings of full time wage and salary workers by occupation especially in the category of a) management, professional, and related occupations and b) management, business, and financial operations occupations, we found the Median weekly earnings of women employed in this category of industry to be 77% of men’s Median weekly earnings in 2000 (i.e., women made 77 cents for every dollar that men earned). The interesting phenomenon is that this ratio is dropping significantly so that in 2011, women made only 73.4 cents for every dollar that men earn for those in management, professional and related occupations. (See Table 1).

It is becoming increasingly important for organizations to increase the strength of women in top-level positions. In order to achieve this objective, McKinsey & Company suggested that “if companies could raise the number of middle management women who make it to the next level by 25%, it would significantly alter the shape of the pipeline” (Barsh & Yee, 2011, p. 1). This would help to balance the workforce at executive positions, which in turn, would increase the likelihood of sustaining gender diversity at every level of organizations. It is necessary to view the contributions of women from a competitive standpoint.
Employee retention theory, specifically female retention, employee satisfaction and women’s impact on productivity and profits are critical metrics. Therefore, the best employers are reevaluating what truly matters to their employees and how their respective organizations can retain talent and remain competitive. Organizational leaders should consider the concepts of empowerment and motivational factors that are inspired by transformational leadership in an effort to retain females in the workplace (Chen, Kark & Shamir, 2003). In addition, money spent in training each female employee, the time and experience invested in the company and relationships, both external and internal, are costly for a company to lose, given the population of female workers in the workplace. Furthermore, “studies show that organizations with a higher number of women executives have higher profits” (Cabrera, 2009, p. 45).

Catalyst (2011) research found “a 26% difference in return on invested capital (ROIC) between the top-quartile companies (with 19-44% women board representation) and bottom quartile companies with zero woman directors” (As cited in Arora et.al, 2011, p. 1). This raises an important question as to why women are dropping out of the workforce. As women struggle to “climb the corporate ladder” and simultaneously take care of their responsibilities outside of work, companies are losing females, therefore losing profits and competitive advantage. The low ratio of executive females to males is significant compared to the percentage of females in the workplace. Therefore, it is imperative for organizational leaders to re-evaluate their strategies in an effort to retain female talent and remain competitive in the market.

GENDER EQUITY IN NATIONS AND ORGANIZATIONS

Today, organizational leaders use the most innovative technology to automate processes, cut costs and to act more quickly than the competition. This women empowerment strategy is also a focus on beating the competition. A large focus in corporate strategy today is to recruit the most talented individuals in the market. According to the World Economic Forum Global Gender Gap report (2010), Nordic countries such as Iceland, Finland, Norway, and Sweden are the top four countries to demonstrate the greatest equality between men and women. The United States is in the nineteenth position in terms of gender equality gap which seems to reflect the extent of acceptability of women in the workplace. 2011 U.S. government statistics reflect gender inequality related to pay, executive positions and other such variables. As mentioned previously, the U.S. Department of Labor (2011) indicated that when compared to Men’s median weekly earnings, Women’s median weekly earnings rose from 2000-2009 (77% to 80.2%), but dropped from 2009 to 2011 (80.2% to 73.4%).

Gender equality leads to improvements in the work practices, increased rate of education for women, reduction of the wage gap and participation of women in decision-making structures at the political level (Global Gender Gap, 2010). Klaus Schwab, Founder and Executive Chairman of the World Economic Forum made a statement about gender equality that leaders of nations and organizations should consider:

<table>
<thead>
<tr>
<th>Year</th>
<th>Female to Male Weekly Median Earnings Ratio (%)</th>
</tr>
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<tbody>
<tr>
<td>2000</td>
<td>77</td>
</tr>
<tr>
<td>2005</td>
<td>81</td>
</tr>
<tr>
<td>2009</td>
<td>80.2</td>
</tr>
<tr>
<td>2010</td>
<td>75</td>
</tr>
<tr>
<td>2011</td>
<td>73.4</td>
</tr>
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“Low gender gaps are directly correlated with high economic competitiveness. Women and girls must be treated equally if a country is to grow and prosper. We still need a true gender equality revolution, not only to mobilize a major pool of talent both in terms of volume and quality, but also to create a more compassionate value system within all our institutions” (Global Gender Gap, 2010)

Despite the findings from the World economic forum’s global gender gap report (2010), gender inequality still exists across the nations. Organizations are failing to capitalize the talents of women in the workforce. A study was conducted by World Economic Forum Corporate Gender Gap for the first time in 2010 to assess and analyze the reasons for the ongoing debate regarding the gender gap and position of women in their establishments. The study was based on responses from 600 of the heads of Human Resources from the world’s largest 20 countries. The study included, “the use of gender equality practices such as measurement and target setting, work-life balance policies and mentorship and training” (Dresser, 2010, p.1). The study findings suggested that most of the organizations are missing the gender-equality policies.

Organizational leaders want to attract the people in the workforce who have the most prestigious degrees, continued education, and/or those with reputable work experience. Today, the current playing field is within what Kim and Mauborgne (2005) would call a Red Ocean playing field. The strategy for the most part uses conventional techniques and looks for these candidates in known market space that includes job boards, job postings, resume databases, and social networks targeting those candidates who are seeking employment. Organizational leaders try to maintain an efficient cost structure. To achieve this, it becomes extremely important for organizational leaders to empower and motivate existing employees so that they will want to be successful, continue to build a career and ultimately remain in the workforce.

Cabrera (2009) noted, “Although females make up nearly half the workforce, only 3 to 5 percent of top executives among Fortune 500 firms are women (p.41). This was also supported by a McKinsey & Company study which found that 53% of women are at entry level whereas 14% are at the executive committee positions in corporate organizations (Shellenberger, 2011). This is significant from a cost savings perspective in that leveraging empowerment to promote and retain women in the workforce is vital to an efficient cost structure. This strategy will be discussed in more detail below, and then is followed by challenges that employers face in trying to retain female talent, promote employee satisfaction, and become an employer of choice.

EMPOWERMENT AND GENDER EQUITY STRATEGIES

In the past, women have experienced low economic and social status because of their unequal access to education which also limited their opportunities in politics and government (Foster, 1993). In democratic nations, women were somewhat more empowered to express their views and interests and work in government or politics (Rai, 1994). This was further supported and validated by the participation of women in established democracies in politics and the existence of supportive legislative action (Saint-Germain, 1989; Sinkkonen & Haavio-Mannila 1981; Thomas, 1994). Lindberg (2004) asserted that “an increased political empowerment of women is antithetical to patrimonialism” (p. 30). As a result, by the end of the 1990’s, a large number of women were in political positions and gender related legislation had been passed in many parts of the developed and developing nations like Europe, United States, India, and many other nations (Batliwala & Dhanraj, 2002).

The effects of diversity on the performance of the organization are varied and discrete. Espousing or promoting greater diversity in work groups helps employees to better understand their respective organizations. The diverse marketplace serves as a sample for the larger population and thus provides better capabilities to penetrate larger margins of various markets (Míínguez-Vera & Martin, 2011). Similarly, Morrison (1992) indicates that diversity in an institutional decision making system “means
engaging in a struggle that is related to business objectives, but the potential payoff benefits within a new work culture make it all worthwhile” (p. 105).

In order to promote and retain women in the workforce, organizations should focus on the concepts of empowerment and flexibility in order to encourage women to want to build careers and desire upward mobility over the long term. Women employees struggle in the workplace to simultaneously thrive in their careers and in their family lives. Leveraging the idea of flexibility as a strategic approach to empower women is a win-win for employers and women employees. From an internal perspective, this will support increased productivity and innovation, employee satisfaction and retention – a realized cost savings. Today, women are seeking flexibility in their careers, and a flexibility initiative allows employers to retain their female talent and a diverse perspective on business (Industry by industry how to move forward, 2011). Also from an external perspective, empowerment and flexibility will attract the most talented women in the workforce, thereby positioning themselves as an employer of choice. In addition to empowering women by means of implementing the idea of flexibility into organizational culture, organizational leaders should focus on considering the concept of empowerment when conducting business research.

Today, many organizations have a designated research team that functions on their behalf in many different ways. Business research can be used to determine changes and their impact on an organization. This can include capturing information about what motivates and empowers the diverse members of the workforce. According to Kim and Mauborgne (2005) in red ocean competition, companies are weighing salary, and benefits. However, in blue ocean competition, research is conducted with an innovative frame of mind, one that captures new ideas, and creates ways to motivate and empower employees and thereby positively impact employee satisfaction.

When researching the diverse composition of the workforce, this should include generational and gender differences in addition to business intelligence. Researchers have to determine what “life” priorities outside of work can increase employee satisfaction. If executed effectively, this strategy has the potential to reduce voluntary women turnover, which increases the efficiency of the cost structure. As a result, organizations can position themselves to become employers of choice for the women talent pool in the marketplace. This would be a direct reflection of the relentless pursuit of an individual’s effort to secure a position that supports the notion of flexibility (Industry by Industry how to move forward, 2011).

GENDER EMPOWERMENT AND WORK-LIFE BALANCE

There are many benefits associated with the concept of work-life balance. These benefits have a domino effect in that when the employee benefits, the employer, in turn, will benefit. For example, when individuals are satisfied with their careers, those individuals will try to keep their careers because a work-life component is significantly rewarding. As this happens, there are specific benefits to employers including “productivity improvements, as great as 50 percent or more, increased employee satisfaction linked to increased customer satisfaction, retention, and profitability, reduced absenteeism and turnover costs” (Casner-Lotto, 2000, p.30).

These increased areas of performance present an opportunity for an organization to expand in the industry and earn higher profits. Another benefit specific to the employer is that as an organization grows in each of these areas of performance; it is working toward becoming an employer of choice. This is particularly true as employee satisfaction and customer satisfaction increase. This attracts more talented individuals and therefore higher quality employees who wish to work for an organization with this reputation. Attracting the talent gives a company a competitive gain in the market. To achieve work-life balance, organizational leaders should place their female employees “in more opportunity-enhancing positions within the corporation so that they can exploit or utilize their talents and increase the probability of climbing up the corporate ladder” (Appelbaum, Asham & Arghyed, 2011, p.354). Work-life balance directly impacts organizations in many positive ways, allowing the opportunity for an organization to better position itself for growth and success in today’s competitive environment.
ORGANIZATIONAL CHALLENGES

Organizations have diverse employee dynamics and when building corporate strategy, this must be considered. In regard to motivating and empowering employees by means of a work-life balance initiative, employers must take into account that what “life” priorities mean to one employee may not be the same for another person. Furthermore, the definition of “life” priorities will differ among cultures, generations, genders, and other life segments and demographic variables. Diversity and generational makeup of the workplace and within the workforce present particular challenges to organizations.

Diversity in the Workplace

Strategic organizational leaders focus on promoting a diverse business perspective in the workplace. This is a competitive effort as a diverse workplace has been known to discover new ideas and incorporate a diverse perspective in decision making. In terms of empowerment and the work-life balance initiative, employers must consider many variables. First, perception of “life” for one individual may be completely different for another individual who may have a different cultural background (Kamenou, 2008). Today’s culturally diverse workforce can present a challenge in defining what is considered a “life” priority to individuals of different cultures. Next, organizational leaders must not only look at their current population of employees. They must also consider the workforce as a whole and analyze it from the perspective of its diversity compared to the diversity strategy of their respective companies in terms of growth. From the competitive perspective, organizational leaders must also look at the direction the workforce is headed. Building strategy in terms of today’s workforce will not suffice tomorrow. Kim and Mauborgne (2005) encourage strategists to look at the big picture, and this applies when analyzing the diverse workforce. Today, organizations are outsourcing projects and work not only for cheaper labor but also for right talent and innovation (Klun, 2008). Clearly, there is no ceiling as to where competition and the workforce are headed.

Generational Differences

Generational differences for men and women pose a big challenge for any organization. Today’s workforce includes three generations: Baby-Boomers, Generation X and Generation Y professionals. This presents a challenge when developing strategies as each generation may be empowered and motivated in different ways. Employers must research and define work-life balance as it relates to the diverse workforce. For example, Generation Y individuals may not have the same desires in life as Baby-Boomers. In addition, research shows that “Generation X and Y workers--50 percent and 52 percent respectively--say they focus more heavily on family than work, compared with 41 percent of baby boomers” (Klun, 2008, p. 14). Baby-Boomers tend to be more attracted to benefits such as retirement packages, whereas today’s generation is seeking the benefit of a work-life balance. Diversity and generational differences in the workplace make strategy development more complex. From a competitive standpoint, the workforce will become increasingly diverse.

Execution of Diversity and Gender Equality Strategies

Execution of strategy is very important for organizational leaders who must make the right strategic decisions and take the right strategic actions. In terms of designing a successful strategy, execution must be considered from a strategic and tactical viewpoint. In addition, it is equally important that there is alignment with the new strategy from the executive level vertically and horizontally throughout the organization. The challenge is to get the “traditionalist” managers onboard. An organization may receive “push-back” from management and non-management personnel as some people are resistant to change (Casner-Lotto, 2000). For example, if a manager does not support gender equality initiatives, his/her direct reports might be hesitant in taking advantage of various programs that the company offers in fear that measurement of their performance (including performance appraisals) would be negatively impacted. In order for gender equality initiatives to be the most effective, efficient, and executed to its highest
potential, management and non-management employees have to adapt to this changes in organizational culture.

Kim and Mauborgne (2005) discuss a very important concept of “Fair-Process” (p.172). Leveraging the concept of fair-process is crucial when executing strategy because employees want and need to understand the purpose behind strategies as well as what their roles will be once strategies are implemented. Regardless of their level, gender, or other demographic characteristics, employees want to feel both valued and appreciated in their working environment. One way to ensure that this emotional fulfillment is achieved for women is for organizational leaders to encourage the involvement of women employees on teams. In this way, they can participate in discussions and decisions that are made in regard to new strategies. Again, this involvement is critical to the success of the empowerment strategy from the gender equality perspective. Kim and Mauborgne (2005) discuss the “Three E Principles of Fair Process which are Engagement, Explanation, and Expectation Clarity” (p.176). Organizational leaders should ensure that these three principles of fair-process are included in the execution and implementation of new strategies for gender equality. This will encourage organizational leaders to be more committed and inspired to execute empowerment as a gender equality strategy.

CONCLUSION

As industries continue to become increasingly globalized and more diverse, it is important that organizational leaders adjust their goals, strategies and organizational culture to incorporate gender equality in order to survive and flourish in today’s competitive environment. This paper has focused on retaining females in the workplace through the promotion of gender equality at every level of the organization. Because the ratio of women entering the workplace compared to women leaving the workplace is significant, it is imperative for leaders to take a strategic approach to the retention of female talent. Leaders of nations and their citizens as well as organizational leaders and their employees should recognize the need for gender equality. With U.S. gender equality statistics showing significant declines when comparing the pay of females to that of males, there is still much work to be done if organizational leaders wish to retain women employees.

The work-life balance is one effective retention approach. There are several benefits associated with the work-life balance initiative that are rewarding to both employers and their employees. However, in order to be fully efficient with this strategy, organizations must overcome many challenges, including breaking away from conventional ways of operating. Promoting a work-life balance initiative will empower and motivate women. Such empowerment and motivation are directly related to employee satisfaction, and employee satisfaction is related to the potential for organizational success. Organizations that implement empowerment and gender equality initiatives will be better positioned to compete in an increasingly competitive market.

Organizational leaders can execute empowerment and gender equality strategies by implementing flexibility into organizational culture, policies, and best practices. Promotion and empowerment of women will encourage them to remain in the workforce. This can lead to women’s advancement and utilization of the most effective strategies for creating sustainable change in the organizations.

RECOMMENDATIONS

The first recommendations we offer are adapted from an article in the Wall Street Journal (Industry by Industry: How to move forward, 2011) and are as follows:

- Develop industry-wide and company specific mentoring and sponsorship programs for women. Such programs would include succession planning as well so that gender equity is reflected in succession plans.
- Create a national leadership resources portal where women can learn more about what is expected from them as leaders.
- Utilize social media such as Facebook and Twitter to acknowledge successful women leaders.
- Determine how to encourage organizations to appoint more women to their respective boards of directors. The Security & Exchange Commission could require disclosure of women board member organizational goals.

- Persuade organizations to utilize job rotation and other training programs to encourage women to strive for profit-and-loss positions. The establishment of organizational targets and incentives would support the transition of women into such leadership position.

Other recommendations are as follows:

- Organizations and nations should make social investments specifically aimed at empowering women in developing economies (Nikolic and Taliento, 2010: 24).

- Indra Nooyi, CEO of PepsiCo, recommended that there should be “lobby groups for more women leaders in business” (Hill, 2008, p. 1).

- Employers should place female employees in more opportunity-enhancing positions within the corporations so that they can exploit or utilize their talents and increase the possibility of climbing up the corporate ladder. (Appelbaum, Asham, and Arghyed, 2011, p. 354).

- Engaging women in the workforce worldwide would enhance (organizational) innovation and productivity (Shellenberger, 2011, p. 1).

- Organizational leaders need to establish (gender equality) goals that are specific, measurable, and time-based in order that they may subsequently establish executable strategies and tactics (Taneja, Pryor and Humphreys, 2009, p. 8).

- To achieve gender equality objectives, McKinsey & Company suggested that it will be necessary to follow a transformational change management approach. This includes: “creation of a clear vision and compelling business case for change; integration with – and refinement of – the core business management processes; capability building (e.g. helping men and women more effectively sponsor others; and leadership role modeling not just at the top, but throughout management levels to the front-line” (Arora et.al., 2011, p. 3).

- Leaders should utilize a systems approach to managing their respective organizations. The 5P’s Strategic Leadership Model is such an approach (Pryor, et al, 2007).

- Women should understand that it is incumbent upon them to have high expectations of their organizational leaders in terms of empowerment and gender equality.

REFERENCES


Influences of Gender Labelling of Entrepreneurship on the Entrepreneurial Career Aspirations of Educated Women in Bangladesh – A Comparative Study of Employed Women and Housewives

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The notion of how gender labelling of entrepreneurship impacts upon entrepreneurial aspirations of the growing group of educated, urban based women in developing economies have been unrecognised in entrepreneurship literature. Drawing on the “5M” framework suggested by Brush, Bruin and Welter (2009), this study explores factors affecting entrepreneurial career aspirations of educated urban women in Bangladesh, where society’s notions of impropriety often keep women off certain occupations including entrepreneurship. In-depth interviews were conducted with 72 “potential” women entrepreneurs, consisting of 35 employed women and 37 housewives. Findings reveal that socio-cultural and institutional contexts play important role in influencing women’s perception and aspiration about business-ownership.

INTRODUCTION

By and large, the main focus of studies investigating women entrepreneurs in developing economies has been on very poor women in rural areas and also urban slums, who are involved in micro scale income generating type of enterprises. With the exception of a few earlier studies in India (for example, Srivastava and Chaudhry, 1991; Singh, K. P., 1993; Easwaran, 1993), in Pakistan (see Shabbir and Gregorio, 1994), and in Bangladesh (Rashid, 1989; Moyeen and Huq, 1994; Saleh, 1995), and more recently in a number of middle-eastern and transitional economies (Jamali, 2009; Welter and Smallbone, 2008; Welter, Smallbone, Aculai, Isakova and Schakirova, 2003) the growing group of well educated, urban based women who are increasingly starting and running their own businesses as their counterparts in the developed economies are relatively unrecognised by academic researchers or development planners.

It has been argued that because of their relative paucity, the educated urban women entrepreneurs have not only been ignored in statistics and policy documents, but also in academic research (Rashid, 1989; Baden et al., 1994). In light of ample evidence and recognition that women’s entrepreneurship not only fosters economic growth and employment generation, it also provides a career option for women to effectively combine gainful employment with family responsibilities while nurturing female expression and fulfillment (Eddleston and Powell, 2008; Longowitz and Minniti, 2007; Verheul, Van Stel, and Thurik, 2006), it is important to investigate factors influencing entrepreneurial career aspirations of educated urban women with a view to mitigating the gender gap in the phenomenon of business ownership. In particular, focus should be placed on the influence of gender labelling of entrepreneurship prescribed by society and cultural norms on the entrepreneurial aspirations of educated women. It is
notable that these issues are under researched not only in Bangladesh but also in any developing country contexts, in general. This paper is an attempt to fill this research gap. It aims to explore the factors (both predisposing and triggering) affecting the entrepreneurial career aspirations of educated urban women in the society/culture of a developing country, represented by Bangladesh where society’s notions of impropriety often keep women out of certain occupations including business ownership.

PRE-DISPOSING AND TRIGGERING FACTORS AFFECTING WOMEN'S ENTREPRENEURIAL CAREER ASPIRATIONS

Much of the literature on entrepreneurship have traditionally suggested a wide range of micro-level factors, both internal and external, that predispose and trigger awareness of and aspirations for business-ownership. These include socialisation (Bandura, 1977; Scherer, Adams, Wiebe and Carley, 1989; Matthews and Moser, 1995) and role models (Kao, 1993; Shapero and Sokol, 1982; Scott and Twomey, 1988); personality traits (Herrona and Sapienza, 1992; Chell et al, 1991; Reynolds, 1992; Naffziger et al., 1994; Brockhaus and Horwitz, 1986; Cunningham and Lischeron, 1993); motivations (Scherer, Brodzinski and Wiebe, 1990; Goffee and Scase, 1983; Brush, 1990; Turner, 1993; Epstein, 1993; Carter and Cannon, 1992) and opportunity recognition (Carter and Brush, 2005; Carter and Williams, 2003; Boden and Nucci, 2002). Because of the male-bias that exists in the traditional frameworks explaining venture creation, ‘not necessarily by intention but rather by omission, (Brush, Bruin and Welter, 2009, p.10), recent studies on women’s entrepreneurship have accorded increased attention and recognition to the complex interplay of various micro, meso, and macro level variables to holistically study women’s entrepreneurship (Elam, 2008; Jennings and McDougald, 2007; DeTienne and Chandler, 2007; and Steyaert and Katz, 2004). As argued by Jamali (2009, p.234), the general experience of female entrepreneurship in any context is shaped by a combination of human capital constraints and ‘pull’ or ‘push’ factor type motivations that are inextricably linked to organizational processes or labour market constraints as well as various macro normative and socio-cultural variables.

While evidence suggest that gender differences in opportunity identification are linked to human capital variables that include education, work experience, prior industry or entrepreneurial experience (Carter and Brush, 2005; Carter and Williams, 2003; Boden and Nucci, 2002), the motivations for women to pursue entrepreneurial career have also been categorised into ‘push’ and ‘pull’ factors. The most commonly cited ‘push’ factors are restricted access to labour market, labour market discrimination or glass ceiling career problems, with business start-up often perceived as the best available strategy to combine multiple role demands on women (Baughn, et al. 2006; Aidis, Welter, Smallbone and Isakova, 2007), and the ‘pull’ factors are independence, challenge, initiative, and satisfaction derived through entrepreneurship (Eddleston and Powell, 2008; Baughn, Chua and Neupert, 2006; Hughes, 2003).

In this premise, this study draws on the gender aware “5M” framework developed by Brush, Bruin and Welter (2009) to enable more holistic and differentiated studies of women’s entrepreneurship from general entrepreneurship research. The “5M” framework draws on institutional theory and the notion of social embeddedness of entrepreneurship (Baughn et al, 2006; Bates, Jackson and Johnson, 2007). It essentially builds on the basic constructs of ‘3Ms’ (Bates et al, 2007) namely market, money and management as the three ‘fundamental building blocks’ of business viability, but argues that this framework needs extension to “5Ms” by including two more constructs, namely ‘motherhood’ and the ‘meso’ and ‘macro’ environment (Brush et al, 2009, p.9). The ‘motherhood’ metaphor represents the greater impact of the family/household contexts on women than men in regards to their entrepreneurial aspirations and venture start-up decisions (Jennings and McDougald, 2007). The “macro/meso environment” highlights importance of the mediating influences of factors such as expectations of society and cultural norms, media representation of female entrepreneurs, national policies, strategies, cultural and economic influences, regional support policies, services and initiatives on women’s entrepreneurial activity (Dopfer, Foster and Potts, 2004; Pitelis, 2005).
Generalisations of female entrepreneurial career aspirations derived from the studies in developed countries may not be appropriate when applied to educated women in developing countries. Drawing on this “5M” framework, this study focuses on factors that pre-dispose and trigger entrepreneurial career aspirations among the ‘employed women’ and ‘housewives’ as important segments of educated women in the developing country contexts, knowledge of which is scarce in the literature.

METHOD AND SAMPLE

Considering the nature of the study, a largely open-ended interview schedule was designed and used to collect the data. In-depth interviews were conducted with 72 “potential” women business-owners, consisting of 35 employed women working in both public and private sector and 37 housewives, with a view to ‘incorporating qualitative dimensions and a constructive/interpretive paradigm together with any quantitative components from the positivist belief system that might be deemed appropriate’ (Brush et al, 2009, p16). On an average, the interviews lasted for nearly 180 minutes.

The Employed Women

The reason for looking at this group of women as “potential” business-owners is that these women are already economically active, pursuing a career and are working outside their home. Besides, this group particularly those in managerial and professional positions, appear to have the experience, information and contacts required to set-up high growth businesses and thus are viewed as a potential source of new entrepreneurs (Hisrich and Brush, 1984).

The Housewives

The other group of “potential” women business-owners in this study is the housewives because they are not currently economically active but have the potential to be so. It may be assumed that while some urban women in Bangladesh are housewives by choice who may have been employed before but prioritised motherhood after marriage; others do not want to (lack of interest) or have the ability to pursue an economic option outside home. On the other hand, these housewives may have the desire but are not able to set-up a business because it is not acceptable (society’s notion of impropriety) and therefore, have prioritised the roles of wife and mother, as prescribed for them by their families. The number of respondents in each relevant group and the total sample size are shown in Table1.

<table>
<thead>
<tr>
<th>“Potential” Women Business-Owners</th>
<th>No. of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Employed Women</td>
<td>35</td>
</tr>
<tr>
<td>ii) Housewives</td>
<td>37</td>
</tr>
<tr>
<td>Total Sample Size</td>
<td>72</td>
</tr>
</tbody>
</table>

Source: Field Survey

RESULTS AND DISCUSSIONS

Characteristics of the "Potential" Women Entrepreneurs

The characteristics of the "potential" women entrepreneurs i.e., the employed women and the housewives are summarised in Table 2.
TABLE 2
CHARACTERISTICS OF THE POTENTIAL WOMEN ENTREPRENEURS

<table>
<thead>
<tr>
<th></th>
<th>Employed Women</th>
<th>Housewives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
<td>Ranged between 25 and 47 years, 49 percent falling between 26-30 years; 20 percent falling between 31-35 years; and 17 percent falling between 36-40 years.</td>
<td>Ranged between 22 and 51 years, 54 percent falling between 20-30 years; 41 percent falling between 31-45 years; and 5 percent were more than 45 years old.</td>
</tr>
<tr>
<td><strong>Marital Status</strong></td>
<td>74 percent married, 26 percent single</td>
<td></td>
</tr>
<tr>
<td><strong>No. of Children</strong></td>
<td>73 percent were mothers of one or two children (63 percent and 32 percent respectively)</td>
<td>73 percent were mothers, 24 percent had one child, 16 percent each had two and three children, 8 percent each had 4 and 7 children</td>
</tr>
<tr>
<td><strong>Type of Family Set-up</strong></td>
<td>Majority (51 percent) lived in joint families</td>
<td>All (100 percent) lived in nuclear families</td>
</tr>
<tr>
<td><strong>Income group</strong></td>
<td>Majority (60 percent) belonged to upper-middle income group (from Tk. 100,000 and above) (approx. USD 1250)</td>
<td>Majority belonged to lower middle-income group (from Tk. 50,000 - less than Tk. 100,000) From USD 625 to less than USD 1250 approx.)</td>
</tr>
<tr>
<td><strong>Level of Education</strong></td>
<td>83 percent held a Masters degree; 17 percent held a Bachelors degree</td>
<td>35 percent held a Bachelors degree; 30 percent held a Masters degree; and 35 percent held an H.S.C. degree</td>
</tr>
<tr>
<td><strong>Subject of Study</strong></td>
<td>66 percent had degree in Social Science or Arts; 20 percent had degree in Commerce; and 14 percent had degree in Science</td>
<td>95 percent had degree in Social Science; 5 percent had degree in Science.</td>
</tr>
</tbody>
</table>

Factors Affecting Aspirations of Business-Ownership by Employed Women and Housewives

A total of 23 employed women (66 percent) in this study had aspirations of business-ownership at one point in their life and the remaining twelve did not show any interest in having own business. Most of the housewives (84 percent) interviewed for the purpose of this study also had aspirations of business-ownership. Only six housewives were found to have no interest in business-ownership as an economic option.

Motivations of Business Ownership

As presented in Figure 1, majority of the employed women who wanted to start a business did so in order to have independence and attractive monetary return (65 percent, n=15), while majority of the housewives (52 percent, n=16) wanted to start a business in order to raise economic returns for the family as well as to have independence. The desire for independence however carried a different connotation for these housewives. These housewives’ aspirations of business-ownership were triggered by their perception that business-ownership would offer them the independence that allows the flexibility to cope with the combination of family responsibilities and gainful employment. The remaining employed women’s aspirations of business-ownership were triggered by market opportunities, a desire to contribute to the economy by generating employment for others, and to satisfy need for creativity and satisfaction. This shows that aspirations of business-ownership by the employed women in this study were triggered pre-dominantly by the ‘pull’ factors.
Entrepreneurial aspirations of the remaining housewives were triggered by the desire to make use of their "idle" time as they could not enter/re-enter the job market at older age. Finally, some housewives’ business aspirations were also triggered by the influence of a mentor/sponsor in the family – mostly by husbands who actively encouraged their wives to set-up a business; and because of market opportunities i.e., access to potential customers. The above data shows that similar to the employed women, the business aspirations of the housewives also appear to have been triggered mostly by positive motivations/pull factors.

Aspirations of Type of Business

As can be seen in Table 3, while majority of the employed women with business aspirations wanted to set-up a business in the service sector (non gender-role related) (43 percent, n=13), an overwhelming majority of the housewives (94 percent, n=29) with business aspirations wanted to set-up their business in traditional sectors (for example boutique, handicraft, fast food and catering).

Some housewives, however, reported that they wanted to set-up a home-based business because they did not have any other business ideas. The remaining employed women with entrepreneurial aspirations were interested in manufacturing, home-based, and gender role-related service sector, respectively.
The above data relating to the motivation of business-ownership by employed women and the type of business they were mostly interested in suggest that business aspirations of these women were developed through conscious evaluation of comparative advantages of business-ownership to those of paid employment as well as business potentials for women in the service sector (non gender-role related) to those of other types of businesses in Bangladesh. For example, the General Manager of an advertising agency explained how her aspiration of business-ownership in the service sector was developed:

"I feel that the absolute liberty in planning, developing comprehensive marketing strategies and implementing the same for the growth of business could only be enjoyed by having a business of my own. I would prefer the service sector over others because Bangladesh and especially Dhaka being a densely populated place with a rising middle-class population with disposable income provides an excellent opportunity for consumer service based business".

Aspirations of Type of Business-Ownership

As seen in Table 4, out of twenty-three employed women with business aspirations 30 per cent (n=7) each were interested in sole-tradership businesses, and in setting-up the business with their husband. The remaining 26 per cent (n=6) were contemplating setting up their business with friends, and 13 per cent (n=3) with their family members. Among the housewives with business aspirations, half of them wanted to start a business with their family members, such as, sister/s, daughter/s, sister-in-laws etc. The rest were interested in sole tradership, or wanted to set-up their business with friend/s. It is notable that all the housewives aspiring to set up businesses irrespective of type of ownership were expecting their husbands to play an important role in the business set-up process.

![Table 3: Aspirations of Type of Business by Employed Women and Housewives](image)

<table>
<thead>
<tr>
<th>Type of Business</th>
<th>Percentage (n) of Employed Women</th>
<th>Percentage (n) of Housewives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service sector (non gender-role related)</td>
<td>43 percent (13)</td>
<td>Nil</td>
</tr>
<tr>
<td>Manufacturing business</td>
<td>26 percent (6)</td>
<td>6 percent (2)</td>
</tr>
<tr>
<td>Home-based business</td>
<td>22 percent (5)</td>
<td>Nil</td>
</tr>
<tr>
<td>Traditionally female type service sector</td>
<td>9 percent (2)</td>
<td>94 percent (29)</td>
</tr>
</tbody>
</table>

As far as the actual steps undertaken for business start-up was concerned, it was found that more than three-quarters of the employed women with business aspirations (78 percent, n=18) did not take any action towards setting-up their businesses primarily because of hesitation to come out of the job (50

![Table 4: Aspirations of Type of Business-Ownership by Employed Women and Housewives](image)

<table>
<thead>
<tr>
<th>Type of Ownership</th>
<th>Percentage (n) of Employed Women</th>
<th>Percentage (n) of Housewives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sole tradership</td>
<td>30 percent (7)</td>
<td>29 percent (9)</td>
</tr>
<tr>
<td>Partnership with their husband</td>
<td>30 percent (7)</td>
<td>Nil</td>
</tr>
<tr>
<td>Partnership with friend/s</td>
<td>26 percent (6)</td>
<td>23 percent (7)</td>
</tr>
<tr>
<td>Partnership with family member/s</td>
<td>13 percent (3)</td>
<td>48 percent (15)</td>
</tr>
</tbody>
</table>
percent, n=9), and due to financial constraints (28 percent, n=5) and lack of relevant experience (22 percent, n=4). Moreover, out of the five employed women who took some initiative, four women had gathered some information only and one had prepared a plan. This suggests that although these women perceived business-ownership to offer greater scope for independence and creativity and higher monetary returns compared to employment, the security of getting an attractive and regular salary in the job was most important to them at that point in their life which in turn made them reluctant to take the risk of setting-up own business. For example, the Personnel Planning and Development Manager of a multinational company captured the feelings of most employed women who were hesitant about leaving their jobs in order to set-up own business:

"Since the pay package and the working environment of my current job are extremely satisfying, I am not ready to try out business right now".

The social consequence of business failure, essentially the social embarrassment, was also an important reason for some of these women's hesitations to leave their jobs. A school teacher interested in manufacturing baby products said:

"If a man after leaving his job in order to set-up own business fails to succeed, people sympathise. If a woman fails, people ridicule".

Although majority of the housewives in this study were interested in having their own business, more than half of them (58 percent, n=18) had not taken any specific initiative to actually set-up the business. Moreover, those (42 percent, n=13) who took some initiative had either gathered some information only or made a plan. The reasons given for this was that some housewives wanted to wait till their youngest child grew up, whilst others felt they did not receive enough support and encouragement from their husbands and therefore were afraid of taking the risk. Interestingly, the remaining five housewives said they were waiting for their daughters to complete their studies. In fact, these housewives' business aspirations were developed out of a desire to assist in their daughters' pursuit of entrepreneurial career and they were strongly encouraged by their husbands to do so. For example, one housewife interested in setting-up a business with her two daughters explained why she did not yet take any initiative to start the business as below:

"In fact, it was not my idea to set-up a business. It all started when two of my daughters wanted to set-up a boutique and asked me to help them because I have always been good at tailoring and embroidery. My husband became very enthusiastic about the idea and encouraged me to set-up the business together with my daughters. He believes now that all of my children have grown up, I should have something of my own to keep myself busy. Moreover, he says that my involvement in the business would save my daughters from facing unpleasant circumstances that young single women in business usually come across. So I am waiting for my youngest daughter to complete her studies very soon before we take any active step towards setting-up the business".

Influence of Husband, Relatives, Friends and Media in Entrepreneurial Aspirations

Among the various factors that influenced aspirations of business-ownership by the employed women, husbands and friends were found to play important role (57 percent, n=13 and 48 percent, n=11 respectively). Test of coefficient of correlation also confirms this. The influence of husbands (r = 0.57, p = 0.000) and friends (r = 0.39, p = 0.009) were found to be significantly correlated with employed women's aspirations of business-ownership. No significant relationship were found between the employed women's business aspirations and the influence of media (r = 0.22, p = 0.101), parents (r = -0.11, p = 0.26), relatives (r = -0.03, p = 0.43) and siblings (r = 0.28, p = 0.080) respectively. In addition, no significant relationship was found between having entrepreneur fathers and employed women's business
aspirations (r = -0.169, p = 0.166).

Interestingly, not only having business-owner husbands were found to be positively related to employed women's aspirations of business-ownership (r = 0.36, p = 0.038), stepwise multiple regression also identified the role of husbands to have the most important influence on employed women's business aspirations (Table 5). This may be due to the fact that not only 30 percent of the employed women with business aspirations wanted to start a business with their husbands, those who were interested in sole-tradership (30 percent) or wanted to start the business with friends (26 percent) or family members (13 percent) expected their husbands to be their sponsors and to play an active role in the business start-up process. For example, the Deputy Manager of an insurance company stated:

"Setting-up a business from scratch is not an easy matter. I need a lot of support from my husband in acquiring finance and other resources for setting-up the business. In fact, if he does not take active role in the business set-up process, probably I will never be able to start my own business".

TABLE 5
RESULTS OF REGRESSION ANALYSES SHOWING THE RELATIONSHIP BETWEEN THE INFLUENCE OF PREDISPOSING FACTORS AND BUSINESS ASPIRATIONS OF HOUSEWIVES AND EMPLOYED WOMEN

<table>
<thead>
<tr>
<th>Dependent Variables</th>
<th>Business Aspirations of Housewives</th>
<th>Business Aspirations of Employed Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Variables</td>
<td>b</td>
<td>s.e</td>
</tr>
<tr>
<td>Media</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relatives</td>
<td>0.63</td>
<td>0.10</td>
</tr>
<tr>
<td>Husband</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>0.50</td>
<td></td>
</tr>
<tr>
<td>Multiple R</td>
<td>0.64</td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td>0.40</td>
<td></td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>0.39</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>23.65***</td>
<td></td>
</tr>
</tbody>
</table>

* p<0.05
** p<0.01
*** p<0.001

Among the various factors that influenced aspirations of business-ownership by the housewives, relatives (81 percent, N=25), the media (58 percent, N=18) and friends (52 percent, N=16) were found to play very important role. Test of coefficient of correlation also confirms this. The influence of relatives (r = 0.64, p = 0.000) the media (r = 0.43, p = 0.004) and friends (r = 0.38, p = 0.009) were found to be significantly correlated with housewives' aspirations of business-ownership. Moreover, a significant relationship was found between having family members in business and housewives' aspirations of business-ownership (r = 0.32, p = 0.027). Similar to the findings regarding employed women, no significant relationship was also found to exist between the influence of parents and housewives' business aspirations (r = -0.01, p = 0.48). Furthermore, no significant relationship was found between the influence of siblings and aspirations of business-ownership by housewives (r = 0.17, p = 0.15). Finally, stepwise multiple regressions identified the role of relatives to have the most important influence on housewives' business aspirations (See Table 5). Accordingly, it was found that many of these relatives were the housewives' role models or mentors. For example, a housewife who had recently become a widow explained how her business aspiration was influenced by a family member role model.
"Since my husband passed away my sister-in-law who is a successful business-owner has been trying to persuade me to either join her business or to start a business of my own. She and my brother believe that if I set-up a business it will not only improve my financial status but more importantly, will keep me occupied".

Another housewife explained how her niece and her husband influenced her aspiration of business-ownership:

"Although almost every female member in our family has been good at dress-making and embroidery, converting the hobby into business was out of question for us as it was perceived to be a threat to family honour by the men in our family. However, my niece took the challenge and proved that there was nothing wrong about a woman doing business. Since then she and my husband have been encouraging me to set-up my own boutique. Even my sisters are interested in joining me if I go ahead with it".

Although no significant relationship was found between the influence of husband and housewives' desire to start own business (r = 0.11, p = 0.26), data relating to the aspirations of housewives with regard to type of ownership indicates the importance of husband’s role in their business set-up process. This can be explained from the point of view that these women, being housewives neither had enough money of their own nor had the information or contacts to be able to access the resources necessary to set-up a business from scratch. Therefore they perceived that their entrepreneurial aspirations would become a reality only if their husbands became their sponsors and took an active role in acquiring, or helping them to acquire other resources (for example information, trade-licence, machinery etc.) prior to setting up the business. For example, one housewife interested in setting up a handicrafts business stated:

"I gave-up my banking career after having my first child. Besides, my husband did not like the idea that I would be working full-time. Now that my children have grown up I feel lonely and bored at home. So I have decided to set-up a handicraft business, as it is too late for me to return to my job. However, all these years of being a housewife and having little exposure to the 'real outside world' have made me less confident about being able to do it on my own. Therefore I am relying heavily on my husband to help me out in setting-up this business".

Employed Women and Housewives with no Entrepreneurial Aspirations

A total of 12 (34 percent) employed women in this study were found to have no interest in setting up own businesses, primarily because they perceived that there was a lack of appropriate social climate (i.e. lack of security and freedom of mobility as well as inadequate enterprise support) in the country for women to take-up business ownership as an economic option. In addition, half of these women did not have "enterprise culture" in the family and perceived business-ownership to be full of risk and uncertainty. The remaining three each were only interested in a professional career, and perceived that having a business would be very time demanding and therefore would create problems in balancing between work and family responsibilities. Interestingly, none of the various predisposing factors (for example: parents, the media, siblings, friends, relatives etc.) influencing individual’s career choice appear to have important influence on the employed women's lack of interest in entrepreneurship as a career option.

Among the six housewives (16 percent) who did not have interest in business-ownership as an economic option, five perceived having a business to be very time consuming and that it would therefore lead them to neglect their domestic responsibilities. Only one housewife was found who was interested in employment only. Interestingly, none of the predisposing factors influencing individual's career aspirations were found to have important influence on these housewives' lack of interest in business-ownership as an economic option. This data suggests that these women's lack of interest in business-
ownership or any other economic options were not influenced by any predisposing factors. Rather, it was their conscious choice to prioritise the traditional gender roles of being a wife and a mother.

CONCLUSION AND IMPLICATIONS

The study concludes that entrepreneurial career aspirations of educated urban women in developing country contexts are more a circumstantial decision impacted by the complex interplay of micro, meso and macro level factors of entrepreneurship, rather than something that has been nurtured since childhood and bloomed in adulthood. The study provides evidence to support the notion that individual orientations and aspirations of educated women in entering entrepreneurship; and the factors affecting the start-up and development of their business are enmeshed and moulded by ‘hidden’ human capital and institutional constraints, such as, prior industry or entrepreneurial experience, access to finance and other enterprise support; the roles society ascribes to women (Brush et al, 2009; Welter and Smallbone, 2008; Jamali, 2009), influence of gender labelling of entrepreneur, and ‘pull’ or ‘push’ factor type motivations, thereby supporting the premise of the ‘5M’ framework that ‘a separate theory on women’s entrepreneurship may not be required if existing theoretical concepts are expanded to incorporate explanations for the distinctiveness of women’s entrepreneurship and give due recognition to the social context and the embedded nature of gender’ (Brush et al, p.18).

As bulk of the literature on female entrepreneurship draws from the experiences of Anglo-Saxon countries (Jamali, 2009, p. 247), this study has provided meaningful insights into factors affecting women’s entrepreneurship in developing country perspective. However, the findings stem from a single country investigation, and hence should not be readily generalized. Further research across groups of developing countries will confirm the wider relevance and applicability of the findings.

The findings of this study have some important implications for those officially concerned with developing women’s entrepreneurship in developing countries. In the face of shrinking adequate job opportunities for educated urban women, business-ownership can offer them a viable medium for effectively combining their economic and domestic roles in traditional societies, like Bangladesh. Policy makers and development planners concerned with augmenting women's entrepreneurship need to understand the full range of issues confronting and influencing women’s orientations to entrepreneurship, and their aspirations and actions towards start-up. It is only when these issues are understood will it be possible to develop meso and macro level policies, programmes, support and structures that are gender-sensitive and that take into account the distinctiveness of women’s entrepreneurship in light of the social context and the embedded nature of gender.

REFERENCES


Not All Differences Are the Same: Variation in the Status Value of Demographic Characteristics Within and Across Organizations

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Managing workplace diversity has long been a subject of interest to researchers and practitioners alike. While research to date has revealed some important patterns in diverse groups, many questions are left unanswered. In the current study, I suggest a fundamental and still unanswered question of workplace diversity – which characteristics should be included – may be the reason for much of the divergence in existing research results. Instead of simply choosing characteristics at random, or categorizing characteristics based on type, I suggest looking at the status value of a demographic characteristic in a specific environment as a way to discern which characteristics are salient bases of differentiation for diversity, as well as what meaning and value are associated with those characteristics. Results of a field study of three different organizations show that both standard and nonstandard demographic characteristics have status value in organizations. Further, the status value of characteristics differs both within and across organizations. Implications for theory and practice are discussed.

INTRODUCTION

The changing demographic composition of the U.S. workforce, which includes increasing proportions of women, people of color, and workers born outside the U.S. (e.g., PDA, 2011; Friedman & DiTomaso, 1996), suggests there will be more noticeable differences between coworkers and has heightened interest in the question of how differences between coworkers may impact work performance. Research on demographic diversity has shown there are positive and negative effects of demographic composition of one’s work group on both attitudes and behaviors in organizations, with no clear or reliable patterns in the effects of diversity overall (e.g., Mannix & Neale, 2005; Jackson, Joshi, & Erhardt, 2003).

Despite some progress in understanding the effects of increasing diversity in the workplace, a number of questions remain unanswered, and a number of effects recur without theoretical explanation. Specifically, diversity on different characteristics may have different effects (Brickson, 2000; Nkomo, 1992; Randel, 2002). For example, Kizilos, Pelled, & Cummings (2000) showed that group heterogeneity based on tenure and functional background was positively related to committing prosocial behaviors, while heterogeneity of gender and race was negatively associated with such behaviors. Further, research has shown that reactions to increasing percentages of minorities affects different demographic groups differently. Tsui, Egan, & O’Reilly (1992) showed that Caucasians and men exhibited stronger negative reactions to increasing diversity than did their nonwhite or female counterparts.

Various explanations for the divergent array of findings in the group diversity and organizational demography research have been advanced and have shed some light on this broad and sometimes conflicting set of findings (e.g., Harrison & Klein, 2007; Mannix & Neale, 2005; Williams & O’Reilly,
1998; Carroll & Harrison, 1998). However, research on how differences among coworkers affects workplace experiences would benefit from additional attention toward which specific characteristics are selected for study when exploring “diversity,” and conceptual rationalization of the variation existing research shows in both which characteristics yield effects (e.g., sometimes sex matters but race does not, and vice versa) and whether differences on a given characteristic are consequential across studies (e.g., in some studies sex differences matter and in others they do not). The most basic question in diversity research is “how does working with similar or different people affect an individual’s experience at work?” Implicit in that question is the assumption that we know the salient bases of differentiation between people (Turner, 1987). That is, in order to consider people “similar” or “different,” we need to know which characteristics matter in the environment and what values are associated with them.

Demographic diversity has great implications for emergent differences in power and status in organizations (Ragins, 1995; Nkomo, 1992). Those who possess more valued demographic characteristics have power and status advantages over those who do not (Berger, Fisek, Norman, Zelditch, 1977). Thus, we can look to the status literature to inform the question of which demographic characteristics should be included under “diversity” and how they should be weighted relative to one another. Because status is a vertically dimensioned, inherently valuable characteristic that, in part, reflects demographic profiles (Ridgeway, 1997), incorporation of informal status considerations into our research on demographic diversity allows us to augment our perspective on diversity from a narrow focus on simple presence or amount of difference to a richer conception that takes into account different value systems and the beneficial or detrimental effect, for an individual in a particular environment, of their own demographic profile (e.g., Aldefer, 1987; Berger, et al, 1977).

In this study, I investigate the informal status value of various demographic characteristics in different environments – that is, the extent to which a demographic characteristic is valued within the organization’s informal social system – to show why differences on one characteristic (like sex) may be more or less meaningful than differences on another characteristic (like race).

**Demographic Differences in Organizations**

As women, racial and ethnic minorities, and non-native US workers are becoming an increasing proportion of the workforce (Triandis, Kurowski, & Gelfand, 1993), interest in these specific characteristics is heightening. Thus, for some, the research question of greatest interest is: “How will increasing diversity on these dimensions affect the performance of work tasks?” An argument therefore exists for narrowing the focus of diversity research to this small but very pertinent set of characteristics (e.g., Cross, Katz, Miller & Seashore, 1994). At the same time, the theoretical underpinnings for much of the existing research on demographic diversity – including similarity/attraction theories (Byrne, 1971), social identity theory (Tajfel & Turner, 1986), and social categorization theory (Turner, 1987) – all offer a broader perspective on appropriate “selection” criteria for which characteristics ought to fall under the rubric of “diversity.” These theories address similarities and differences between individuals without regard for which specific characteristics are the basis for the similarity or difference, allowing that any characteristic that is meaningful or collectively noticed in the environment may be a basis of “diversity” (Jackson, May, & Whitney, 1995; Thomas & Ely, 1996).

While these two different perspectives are not necessarily in conflict with each other on this issue of which characteristics to select and include in diversity research, it is only from the latter, broader, perspective that we can observe and capture all the natural differentiation processes that emerge in various situations and discern the effects of such processes, with all potentially meaningful bases of differentiation among employees considered. By contrast, considering only a narrow set of characteristics may exclude meaningful bases of differentiation among coworkers and therefore underestimate or misinterpret effects of demographic diversity in organizations (Mannix & Neale, 2005).

Criteria for selecting characteristics for diversity research then become: “Which characteristics are noticed in which situations?” or “What are the operative bases of differentiation among individuals?” and “Do these bases of differentiation differ across situations?” As coworkers share many characteristics on which they could be considered similar and many in which they are apparently distinct, how they select
the characteristic by which they will consider themselves similar or different has been a subject of interest to both psychologists and organizational researchers (e.g., Fiske & Taylor, 1984; Oakes, 1987; Chatman, Polzer, Barsade, & Neale, 1998). Demographic diversity in organizations can be described in terms of sex and race composition, age or tenure distributions, or educational levels of the workforce (Pfeffer, 1983). All of these characteristics have been included in previous research on demographic diversity in organizations. However, an even wider variety of characteristics may serve as bases for differentiation and therefore inclusion in psychological groups (Turner, 1984; Tsui, et al, 1992).

One avenue for discerning how multiple salient characteristics are specifically valued and are simultaneously considered in a particular social environment follows from observing the informal status hierarchy that exists in that environment. As explained further below, status hierarchies reflect which characteristics are salient in the context and the extent to which each salient characteristic is valued (Knottnerus, 1997). Analyzing how a characteristic relates to one’s position in a status hierarchy may then allow us to infer whether a characteristic is positively or negatively valued, as well as the magnitude of its value relative to other salient characteristics in the environment.

### Demographic Characteristics and Informal Status Hierarchies

An informal status hierarchy is a ranking of individuals according to prestige or social standing (Anderson, John, Keltner, & Kring, 2001). Status hierarchies emerge around what Berger, et al, call a status organizing process, defined as “a process by which differences in cognitions and evaluations of individuals, or social types of them, become the basis of differences in the stable and observable features of social interaction” (1977: 3). These evaluations are manifest in a status hierarchy. Since demographic characteristics can be the basis by which individuals form “cognitions and evaluations” about others (e.g., Ridgeway, 1997; Kanter, 1977; Cox, Lobel, & McCleod, 1991), status processes in organizations may emerge around demographic characteristics. In organizations, informal status hierarchies are distinct from formal status hierarchies. Formal status differences in organizations result when levels are imposed by the outside structure, such as with job levels, ranks, or titles. Informal status, by contrast, is more organic, emerging naturally, from interaction within the group (e.g., Bales, 1951; Whyte, 1943).

Any characteristic that is known or believed to be related to a group’s task may be salient (whether or not it differentiates members of the group), and therefore evaluated as a status characteristic. The exact process by which status value is established for a characteristics in a particular setting is a topic of interest to current researchers on status (e.g., Ridgeway, 1997). Some characteristics reflect societal beliefs that shape the characteristic’s value in an organization. But regardless of whether or not stereotypes about a characteristic exist or the characteristic relates to task performance, each state of a characteristic is believed to convey information about a person’s background, culture, and experiences. Observers form expectations of others’ belief systems and behavioral style based on this information. In addition, observers witness patterns of rewards and acquisition of organizational resources associated with specific characteristics. These belief systems and reward structures are the foundations of status hierarchies, as status likely results from a perceived correlation between a state of a characteristic and a believed performance advantage (Berger, et al, 1977; Ridgeway, 1997). The implication of this basic tenet of status characteristics theory is that the typical set of characteristics used in past organizational demography research, such as sex, race, and country of origin, are insufficient for fully characterizing the impact of diversity organizational members. Instead, a broader set of characteristics should be considered viable status differentiators.

It may be useful, in this regard, to differentiate between what can be called “standard” versus “nonstandard” demographic characteristics. I define standard demographic characteristics to be those that most frequently come to mind when thinking about “diversity,” that are traditionally associated with organizational diversity efforts and research, and that are generally believed to be the most consequential in organizations (e.g., sex, race, functional background, tenure). “Non-standard characteristics,” on the other hand, are those that are not traditionally associated with organizational diversity research but which could be consequential bases of differentiation among individuals in organizations. Non-standard characteristics can be more difficult to identify a priori. In general, nonstandard demographic
characteristics are aspects of individuals that are knowable to others and which may be meaningful in the situation, either because they relate to the task or because they represent what is valued within the organization. Since any characteristic can become imbued with meaning in a specific context and can therefore be related to expectations of ability and contribution, it is likely that both standard and non-standard characteristics may be meaningful in various environments. Therefore:

**Hypothesis 1:** Both standard demographic characteristics and non-standard demographic characteristics will have status value in organizations.

One additional consideration about informal status in organizations that influences which characteristics should be considered in researching workplace diversity is that individual characteristics have status value *within a specific social context* (Ridgeway, 1997). Group members establish their own values about what are appropriate and desirable characteristics, behaviors, and goals within their specific context (Bettenhausen & Muringhan, 1985), and an individual’s overall status reflects a combination of meaningful characteristics, aggregated according to their value in the organization (e.g., Ridgeway, 1997).

As overall status reflects an aggregation of particular characteristics, weighted according to their value, the specific value of a characteristic is therefore an integral aspect of one’s overall status level. Many characteristics have meaning and are valued at the societal level. For example, there are stereotypes about sex and race that are the foundation for whether different states of a characteristic are viewed as positive or negative and to what extent (Allport, 1954). While the general status value a characteristic carries in society may affect its value within a specific organization, values and norms *within* the organization likely determine how the characteristic will be valued in that specific context. Therefore:

**Hypothesis 2:** The status values of demographic characteristics will vary *within* organizations.

Values are prioritized differently across organizations (e.g., Chatman & Jehn, 1994). Such differences may be reflected in how individual characteristics are valued. For example, height and physical fitness on a basketball team likely carry status value, but in a law firm, these characteristics have little to do with performance and, as a result, are more likely to be meaningless. And, while past work experience or academic rank may be valued in a law firm, these characteristics are likely less important on a basketball team. Thus, the set of characteristics that are aggregated by observers to form overall status profiles may differ across organizations. Informal status is afforded to individuals who possess characteristics considered “ideal” for the organization (Knottnerus, 1997). But what is considered “ideal” is likely to vary across organizations, therefore:

**Hypothesis 3:** The status values of demographic characteristics will vary *across* organizations.

**METHOD**

**Research Design and Samples**

This study observed naturally occurring informal status hierarchies in organizations. Three organizations, from different industries, were selected to participate in this study. The first was the family medicine department of a research hospital. The department was comprised of four separate health clinics, managed by medical doctors and populated by medical and administrative staff, as well as a centralized staff of administrators and faculty. The second organization was a consulting firm that specialized in brand and image development for their business clients. This firm consulted on both internet and print identity as well as business development, and the employee population included artistic designers, computer programmers, business professionals, as well as administrative and general management support. Two of the firm’s three United States offices participated in the study. The third participating
organization was an engineering department within a telecommunications firm. This department provided technical support for the company's telecommunications installations at client sites and was comprised of primarily engineers and technicians along with some general managers and administrative support individuals. All levels of employees of the participating organizations (e.g., administrative staff, professionals, technical support, etc.) were included in the study.

**Data Collection**

I utilized three primary sources of data in all three firms. First, participants supplied information via survey responses about their own attitudes and behaviors at work; second, workgroup members described the status levels of their coworkers, also via survey responses; and third, management and human resource groups provided personnel data regarding performance as well as some demographic characteristics of participants (e.g., sex, tenure).

The survey included information about the respondent as well as the respondent’s ratings of the status of some coworkers. Surveys to the hospital and consulting firm were administered remotely by mail. In total, one hundred out of one hundred sixty members of the hospital department returned surveys, for a response rate at the hospital of 62.50%. At the consulting firm, the total response rate was 47.50%, with 57 of 120 individuals responding. In the engineering department of the telecommunications firm, the survey administration was conducted on-site and incorporated into a larger business process reengineering project the department was undergoing. The response rate in this organization was 93%, as 184 of 197 individuals returned surveys. The combined sample for the three organizations was thus comprised of 341 individuals, with an aggregate response rate of 71%.

**Variables**

*Informal Status Level*

Based on previous research (e.g., Anderson, et al, 2001), I used coworker ratings to measure informal status. In preliminary interviews, I identified appropriate subgroups (e.g., departments) in which to collect peer-ratings. I then delivered surveys to all members of the subgroups involved. It was infeasible to ask everyone to rate all other subgroup members, so I had participants rate 10 randomly selected coworkers on the following four dimensions of status: “respected,” “valued,” “influential,” and “overall status” at work on a scale of 1 (low) to 7 (high). Because there was sufficiently high inter-rater agreement among the raters for each dimension for each focal individual (average ICC = .72), I averaged ratings for each dimension, then calculated the mean of the four dimensions for each individual (alpha = .91) to indicate their informal status in the organization. The mean status level was 4.97, with a standard deviation of .91.

*Demographic Variables*

Participants provided information about their demographic characteristics through responses to the survey. The survey asked respondents to indicate their personal profile with respect to both standard demographic characteristics as well as nonstandard characteristics, which were distinguished as follows: I classified certain demographic characteristics as “standard” based on the frequency with which they are studied in the research on demographic diversity. A review by Williams and O'Reilly (1998) showed that the most commonly researched demographic variables included sex, race, tenure, age, and education. These six frequently studied demographic characteristics above were therefore considered “standard” characteristics. Data on participants’ age was not collected in the current study, at the request of the participating organizations. And because I studied departments organized around a single functional area within the hospital and telecommunications firm, the sample included functional background diversity only in the consulting firm. As this would not allow comparisons across organizations, this characteristic was excluded from analyses. The four standard demographic characteristics included in this study were coded as follows: Tenure in the organization was measured in months from date of original hire. Sex was a dummy variable, where 1 equaled female. Race was coded into five dummy variables: Caucasian, African American, Asian American, Latin American/Hispanic, and other. And educational background was indicated by a dummy variable, where 1 equals having received a professional degree related to the
core technology of the organization (e.g., medical doctors or registered nurse in the hospital, a person holding a master’s degree in fine arts or business in the consulting firm, or a person holding an engineering degree in the telecommunications company).

“Nonstandard” demographic characteristics, in contrast, were those that are not generally considered in the diversity literature, but which may be salient bases of differentiation in the organizations studied. I selected the nonstandard demographic characteristics analyzed here based on qualitative data collection I did in the participating organizations before survey administration.

Based on the themes that emerged from interviews with 3-5 employees from each organization about what makes people successful in their environment, I identified the following nonstandard demographic variables: marital status, international experience, and political orientation. All were collected in the survey. Respondents indicated their marital status by selecting from among the following three categories: Single, Divorced/Widowed, or Married/In a committed relationship. International experience was coded as a dummy variable of whether or not the individual had resided outside the United States, indicated by whether the respondent checked the category “resided” in response to the question “Answer all that apply: I have had the following experiences outside the United States.” (Other possible categories were “traveled” and “received formal education.”) To indicate political orientation, respondents rated their agreement on a scale of 1 (disagree strongly) to 7 (agree strongly) to the statement “I see myself as someone who is politically conservative.” Table 1 shows the means and standard deviations of the standard and nonstandard demographic characteristics.

**Control Variables**

Peer and coworkers ratings may be subject to various biases, including those based on the extent to which the rater perceives him- or herself to be similar to the focal individual (Brewer, 1979) and/or the extent to which the rater is familiar or friendly with the focal individual (e.g., Cairnes, Xie, & Leung, 1998). To identify and attempt to control these biases in the coworker-ratings of status in the field study, each rater indicated the extent to which he or she was “similar to” the focal individual as well as how “close of friends” and how frequently the rater “interacts” with the focal individual. All of these dimensions were rated on the same scale of 1 (low) to 7 (high) used for the ratings of other dimensions of status. To rule out potential effects of in-group biases (Tajfel & Turner, 1986) as well as positive biases resulting from increased contact (e.g., Allport, 1954), I controlled for the average ratings of perceived similarity, friendship, and frequency of interaction among the raters for a focal individual in regressions predicting the focal individual’s status.

Additionally, since formal role in the organization may affect perceptions of informal status, I controlled for job categories by creating dummy variables for the job categories within each organization and included them in the regressions predicting status. In each case, the job categories were determined by job titles provided by my contacts in the organizations. Finally, to rule out the likelihood that any observed relationship of having resided outside the United States (one of the nonstandard demographic characteristics) with status was due to language or citizenship, rather than just past residence experience, I controlled for native language in terms of a dummy variable where 1 equaled English and all other languages were 0 and for citizenship, with a dummy where 1 equaled U.S. citizenship. Both were reported by respondents in the survey.

To rule out any effects at the subgroup level, since status was rated by members of one’s own subgroup in the organizations, I controlled for subgroup using dummy variables for the groups in each organization. Preliminary analyses indicated there was no systematic variation in status levels by subgroup, so I dropped these controls from the final analyses.

**RESULTS**

Table 1 reports the demographic profile of each of the participating organizations.
TABLE 1
MEANS AND STANDARD DEVIATIONS OF DEMOGRAPHIC VARIABLES BY ORGANIZATION

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Hospital Dept.</th>
<th>Consulting Firm</th>
<th>Telecom Dept.</th>
<th>Combined Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>mean</td>
<td>s.d.</td>
<td>mean</td>
<td>s.d.</td>
</tr>
<tr>
<td>Professional Degree</td>
<td>0.39</td>
<td>0.49</td>
<td>0.12</td>
<td>0.33</td>
</tr>
<tr>
<td>Tenure (months)</td>
<td>70.67</td>
<td>65.39</td>
<td>23.89</td>
<td>28.16</td>
</tr>
<tr>
<td>Sex (Female=1)</td>
<td>0.69</td>
<td>0.46</td>
<td>0.45</td>
<td>0.50</td>
</tr>
<tr>
<td>Race - Hispanic</td>
<td>0.03</td>
<td>0.17</td>
<td>0.02</td>
<td>0.13</td>
</tr>
<tr>
<td>Race - African American</td>
<td>0.01</td>
<td>0.10</td>
<td>0.03</td>
<td>0.18</td>
</tr>
<tr>
<td>Race - Asian American</td>
<td>0.04</td>
<td>0.19</td>
<td>0.09</td>
<td>0.28</td>
</tr>
<tr>
<td>Race - Other</td>
<td>0.00</td>
<td>0.00</td>
<td>0.10</td>
<td>0.31</td>
</tr>
<tr>
<td>Race - Caucasian</td>
<td>0.93</td>
<td>0.26</td>
<td>0.76</td>
<td>0.43</td>
</tr>
<tr>
<td>Marital Status (Married=1)</td>
<td>0.74</td>
<td>0.44</td>
<td>0.47</td>
<td>0.50</td>
</tr>
<tr>
<td>Political Conservatism</td>
<td>2.24</td>
<td>1.28</td>
<td>1.98</td>
<td>1.16</td>
</tr>
<tr>
<td>International Residence</td>
<td>0.25</td>
<td>0.44</td>
<td>0.43</td>
<td>0.50</td>
</tr>
</tbody>
</table>

Hypothesis Tests

To test my hypotheses about the relationships of demographic characteristics to status levels, I regressed status level on standard and nonstandard demographic characteristics to identify what characteristics are significant predictors of status and their relative weights.

I used hierarchical regression analyses (e.g., Cohen & Cohen, 1983) to test the predictions offered above, with control variables in the first block, followed by standard and nonstandard demographic variables in the second and final block. The samples for the regression analyses predicting status were respondents from each of the firms in the firm specific equations; then I pooled the entire sample for the equation examining the relationship between status and demographic variables across organizations.

Hypothesis 1 suggested both standard and non-standard demographic characteristics will have status value in organizations. Table 2 shows the results of regressions of status on this set of standard and nonstandard demographic characteristics.

Equations 1, 2, and 3 are regressions for the samples for each organization separately. The fourth equation is for the samples combined. A characteristic is determined to have status value within the organization if it is a significant predictor of status in these regressions. The beta coefficients in equations 1 – 4 on Table 3 provide support for Hypothesis 1. First, standard demographic variables have status value in organizations, as evidenced by the significant value placed on having a related degree in equations 1 and 3 (\( = .34; p < .01\) and \( = .08; p < .10\), respectively), marginally significant beta coefficient for tenure in equation 2 (\( = .18; p < .10\)), and the marginally significant value associated with being African American in equation 1 (\( = .10; p < .10\)).
### TABLE 2
HIERARCHICAL LINEAR REGRESSION RESULTS: PREDICTING INFORMAL STATUS

<table>
<thead>
<tr>
<th></th>
<th>Hospital Department</th>
<th>Consulting Firm</th>
<th>Telecom Department</th>
<th>Combined Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. CONTROL VARIABLES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. citizenship/residency</td>
<td>--</td>
<td>--</td>
<td>0.03</td>
<td>0.00</td>
</tr>
<tr>
<td>English as native tongue</td>
<td>0.07</td>
<td>-0.06</td>
<td>0.05</td>
<td>0.03</td>
</tr>
<tr>
<td>Friendship with Raters</td>
<td>-0.04</td>
<td>0.13</td>
<td>0.17 *</td>
<td>0.04</td>
</tr>
<tr>
<td>Similarity to Raters</td>
<td>0.38 **</td>
<td>0.58 **</td>
<td>0.34 **</td>
<td>0.37 **</td>
</tr>
<tr>
<td>Interaction with Raters</td>
<td>0.43 **</td>
<td>-0.09</td>
<td>0.28 **</td>
<td>0.33 **</td>
</tr>
<tr>
<td>Job - Hospital Faculty</td>
<td>-0.10</td>
<td></td>
<td>0.07</td>
<td></td>
</tr>
<tr>
<td>Job - Hospital Resident</td>
<td>-0.35 *</td>
<td></td>
<td>-0.09 +</td>
<td></td>
</tr>
<tr>
<td>Job - Hospital Nurse</td>
<td>-0.31 *</td>
<td></td>
<td>-0.07</td>
<td></td>
</tr>
<tr>
<td>Job - Hospital Support Staff</td>
<td>-0.48 **</td>
<td></td>
<td>-0.15 **</td>
<td></td>
</tr>
<tr>
<td>Job - Consulting Technician</td>
<td>0.07</td>
<td></td>
<td>0.04</td>
<td></td>
</tr>
<tr>
<td>Job - Consulting Designer</td>
<td>-0.08</td>
<td></td>
<td>-0.03</td>
<td></td>
</tr>
<tr>
<td>Job - Consulting Manager</td>
<td>0.15</td>
<td></td>
<td>0.08 +</td>
<td></td>
</tr>
<tr>
<td>Job - Consulting Support Staff</td>
<td>-0.25 +</td>
<td></td>
<td>-0.12 *</td>
<td></td>
</tr>
<tr>
<td>Job - Telecom Manager</td>
<td>0.14 +</td>
<td></td>
<td>0.02</td>
<td></td>
</tr>
<tr>
<td>Job - Telecom Engineer</td>
<td>-0.14</td>
<td></td>
<td>-0.34 **</td>
<td></td>
</tr>
<tr>
<td>Job - Telecom Sr. Engineer</td>
<td>0.12</td>
<td></td>
<td>-0.04</td>
<td></td>
</tr>
<tr>
<td>Job - Telecom Support Staff</td>
<td>-0.11</td>
<td></td>
<td>-0.12 **</td>
<td></td>
</tr>
<tr>
<td>Change in $R^2$</td>
<td>0.54</td>
<td>0.41</td>
<td>0.64</td>
<td>0.54</td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>0.51</td>
<td>0.31</td>
<td>0.62</td>
<td>0.51</td>
</tr>
<tr>
<td><strong>2. DEMOGRAPHIC CHARACTERISTICS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Related Professional Degree</td>
<td>0.34 **</td>
<td>0.11</td>
<td>-0.08 +</td>
<td>0.06</td>
</tr>
<tr>
<td>Tenure</td>
<td>0.06</td>
<td>0.18 +</td>
<td>0.05</td>
<td>0.08 *</td>
</tr>
<tr>
<td>Sex (Female = 1)</td>
<td>-0.04</td>
<td>0.10</td>
<td>-0.01</td>
<td>0.03</td>
</tr>
<tr>
<td>Race - Hispanic</td>
<td>-0.04</td>
<td>0.14</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Race - African American</td>
<td>0.10 +</td>
<td>0.11</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Race - Asian American</td>
<td>-0.02</td>
<td>-0.13</td>
<td>0.02</td>
<td>-0.03</td>
</tr>
<tr>
<td>Race - Other</td>
<td>-0.04</td>
<td>-0.04</td>
<td>-0.04</td>
<td>-0.05</td>
</tr>
<tr>
<td>Marital Status (Married = 1)</td>
<td>0.18 *</td>
<td>0.08</td>
<td>0.09 *</td>
<td>0.12 **</td>
</tr>
<tr>
<td>Political Conservatism</td>
<td>0.11 +</td>
<td>0.04</td>
<td>-0.03</td>
<td>0.02</td>
</tr>
<tr>
<td>International Residence</td>
<td>0.03</td>
<td>-0.06</td>
<td>-0.11 *</td>
<td>0.00</td>
</tr>
<tr>
<td>Change in $R^2$</td>
<td>0.12</td>
<td>0.11</td>
<td>0.03</td>
<td>0.03</td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>0.60</td>
<td>0.29</td>
<td>0.62</td>
<td>0.53</td>
</tr>
</tbody>
</table>

**Full equation F-ratio** 14.03 ** 2.30 * 15.55 ** 14.62 **

**Full equation $R^2$** 0.67 0.52 0.66 0.57

Degrees of freedom 17, 85 18, 39 19, 150 27, 300

*p < .10; *p < .05; **p < .01; Hypothesized effects are one-tail tests and all other results represent two-tail tests. Entries represent standardized coefficients.
Second, in support of Hypothesis 1, the equations on Table 2 indicate that nonstandard demographic variables also predict status. For example, marital status is significantly related to status in Equations 1, 3, and 4 ( = .18; p<.05, = .09; p<.05, = .12; p<.01, respectively). Being conservative politically is marginally significantly related to status in equation 1 ( = .11; p<.10). And having resided outside the United States negatively predicts status in Equation 3 ( = -.11; p<.05). The significant results for both standard and nonstandard demographic characteristics in Table 3 provide support for Hypothesis 1.

Hypothesis 2 predicted the status values of demographics would differ within organizations. Standardized coefficients allow for direct comparison of the relative weights of independent variables in predicting the dependent variable (Bring, 1994). Table 2 shows the standardized beta coefficients for demographic variables predicting informal status in each of the organizations separately. When we look within organizations, the differences in standardized beta weights are apparent. For example, within the hospital (Equation 1), looking only at demographic characteristics that have significant status value, standardized beta coefficients range from .10 (Race – African American) to .34 (for having a professional degree). Likewise, there is a range among status-significant demographic characteristics in the Telecommunications firm, from .08 (for Professional Degree) to .11 (for residing outside the US). The within-organization differences in standardized beta weights illustrate the different value attributed to various demographic characteristics and provide support for Hypothesis 2.

The results for Hypothesis 3, that characteristics will be valued differently in different organizations, are found in Tables 2 and 3. The different levels of significance (and different direction in the case of having a professional degree) associated with particular characteristics suggest the characteristics are in fact valued differently in different organizations. To test this idea more specifically, I calculated z-statistics comparing beta coefficients across equations in Table 3. The results of these calculations are presented in Table 3.

As the table indicates, multiple significant differences emerged in the extent to which both standard and nonstandard characteristics were valued across the organizations. Together, all of these significant differences in the status value of characteristics across organizations provide support for Hypothesis 3.

Discussion

This study examined workplace diversity in terms of how demographic characteristics affect one’s informal status at work. The results showed that an array of demographic characteristics are related to informal status in organizations, and that the status value of characteristics varies both within and across organizations.

The importance of considering nonstandard demographic characteristics when analyzing similarities and differences between coworkers was highlighted by the results of this study. I found that specific characteristics whose relationships to work performance or ability were not intuitively apparent (marital status, political orientation, and international experience) were each valued in at least one of the organizations studied. Just as with traditional demographic characteristics, these aspects of an individual may be used as proxies for the values or attitudes of an individual, based on the belief system within the organization and around the characteristic. Regardless of the manner in which they become meaningful, or in the specific evaluations of them in different settings, this study showed that nonstandard demographic characteristics can be important, independent bases of differentiation among coworkers. That is, the results showed that the nonstandard demographic characteristics studied here had status value even when standard demographic characteristics such as sex and race did not. These results suggest support for the notion that the umbrella of "diversity," when it is used to mean consequential differences among coworkers, should be expanded to include more than just traditional demographic characteristics. Further, understanding how characteristics become meaningful and valued is essential to our complete investigation of workplace diversity.
### TABLE 3
COMPARISON OF STATUS VALUES ACROSS ORGANIZATIONS: Z-STATISTICS OF DIFFERENCES IN BETA WEIGHTS OF STATUS CHARACTERISTICS

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Org. 1</th>
<th>Org. 2</th>
<th>z-statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital Consulting</td>
<td></td>
<td></td>
<td>0.64</td>
</tr>
<tr>
<td>Hospital Telecom.</td>
<td></td>
<td></td>
<td>7.53 **</td>
</tr>
<tr>
<td>Consulting</td>
<td></td>
<td>Telecom.</td>
<td>2.83 **</td>
</tr>
<tr>
<td>Hospital</td>
<td>Consulting</td>
<td></td>
<td>-0.02</td>
</tr>
<tr>
<td>Hospital</td>
<td>Telecom.</td>
<td></td>
<td>0.00</td>
</tr>
<tr>
<td>Consulting</td>
<td>Telecom.</td>
<td></td>
<td>0.02</td>
</tr>
<tr>
<td>Hospital</td>
<td>Consulting</td>
<td></td>
<td>-2.09 *</td>
</tr>
<tr>
<td>Hospital</td>
<td>Telecom.</td>
<td></td>
<td>-1.03</td>
</tr>
<tr>
<td>Consulting</td>
<td>Telecom.</td>
<td></td>
<td>2.18</td>
</tr>
<tr>
<td>Hospital</td>
<td>Consulting</td>
<td></td>
<td>-1.45 +</td>
</tr>
<tr>
<td>Hospital</td>
<td>Telecom.</td>
<td></td>
<td>-1.85 *</td>
</tr>
<tr>
<td>Consulting</td>
<td>Telecom.</td>
<td></td>
<td>4.15 **</td>
</tr>
<tr>
<td>Hospital</td>
<td>Consulting</td>
<td></td>
<td>-0.05</td>
</tr>
<tr>
<td>Hospital</td>
<td>Telecom.</td>
<td></td>
<td>3.63 **</td>
</tr>
<tr>
<td>Consulting</td>
<td>Telecom.</td>
<td></td>
<td>3.77 **</td>
</tr>
<tr>
<td>Hospital</td>
<td>Consulting</td>
<td></td>
<td>0.69</td>
</tr>
<tr>
<td>Hospital</td>
<td>Telecom.</td>
<td></td>
<td>-1.74 *</td>
</tr>
<tr>
<td>Consulting</td>
<td>Telecom.</td>
<td></td>
<td>-3.56 **</td>
</tr>
<tr>
<td>Hospital</td>
<td>Consulting</td>
<td></td>
<td>0.11</td>
</tr>
<tr>
<td>Hospital</td>
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<td>0.45</td>
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<tr>
<td>Consulting</td>
<td>Telecom.</td>
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<td>0.31</td>
</tr>
<tr>
<td>Hospital</td>
<td>Consulting</td>
<td></td>
<td>0.34</td>
</tr>
<tr>
<td>Hospital</td>
<td>Telecom.</td>
<td></td>
<td>1.82 *</td>
</tr>
<tr>
<td>Consulting</td>
<td>Telecom.</td>
<td></td>
<td>1.19</td>
</tr>
<tr>
<td>Hospital</td>
<td>Consulting</td>
<td></td>
<td>0.14</td>
</tr>
<tr>
<td>Hospital</td>
<td>Telecom.</td>
<td></td>
<td>2.37 **</td>
</tr>
<tr>
<td>Consulting</td>
<td>Telecom.</td>
<td></td>
<td>2.10 *</td>
</tr>
<tr>
<td>Hospital</td>
<td>Consulting</td>
<td></td>
<td>-0.28</td>
</tr>
<tr>
<td>Hospital</td>
<td>Telecom.</td>
<td></td>
<td>1.94 *</td>
</tr>
<tr>
<td>Consulting</td>
<td>Telecom.</td>
<td></td>
<td>2.50 *</td>
</tr>
</tbody>
</table>

\[ \text{Entries represent z-statistics comparing unstandardized betas as follows: } z = \frac{(b_1 - b_2)(\text{var}_1 + \text{var}_2)^{1/2}}{1} \]

The results of this study also showed that the extent to which a demographic characteristic is valued within the social system is determined, at least in part, by the organizational context. Societal level values likely play a role in determining how characteristics gain meaning in organizations and come to be valued, as members of organizations also operate in the greater social society and are likely aware of all the stereotypes and value judgments associated with different characteristics. However, if societal level value systems prevailed within organizations, characteristics would be valued consistently across them. This study showed that organizational level systems can affect both the extent to which a characteristic is valued and the direction of that value.
Variation in the direction and magnitude of the value of demographic characteristics both within and across organizations highlights the importance of taking the organization level context into account when investigating and looking for meaning and consequences of similarities and differences between coworkers. Studies that pool samples across organizations, without taking such organization-specific meaning into account, likely overlook what may be very important aspects of demographic diversity.

The primary implication of this work for both theory and practices is that knowing the context, and specifically the values that comprise it, is essential to understanding and managing workplace diversity. Theoretical perspectives that focus on similarities and differences (e.g., Byrne, 1971) need to be supplemented with theory about which similarities or differences will be salient in different kinds of environments. It is incumbent on managers to understand the values that drive their workplace so they are aware of which differences among coworkers are meaningful. For example, in the telecommunications firm studied here, having a professional degree was a significant negative predictor of status. This is highly counterintuitive. But when I inquired with the department’s management about it, they informed me of a recent change in their hiring profile away from technicians (who predominantly populated the department) toward degree engineers. There was thus some resentment among the legacy technicians toward the incoming degree professionals. This policy change within the department made one’s schooling a highly salient basis of differentiation and one where the direction of the bias was different than most would expect. Understanding the dynamics at play in the organization helped the managers of this department recognize the importance of attending to differences on this specific characteristic. In the pooled sample, the organization-specific positive and negative values associated with having a professional degree were washed out. Factors that make differences salient can come from both the social context and the individuals involved (Spataro, 2003). Knowing both who comprises the workforce and what factors within the environment highlight differences are essential to understanding and managing diversity.

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Gender Identity: Does It Matter for Consumers’ Perceptions?

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Gender identity, a combination of an individual’s gender psychological traits, social gender roles, and gender orientations, has a dramatic impact on one’s perceptions and behaviors related to consumption. However, the influence of gender identity has been oversimplified in the recent marketing literature by using sex as the sole gender-related descriptor. As a result, the marketing literature has been hampered in its ability to predict gender-related consumer behaviors. This study focuses on how gender identity manifests in itself in the consumers’ product consumption and brand relationship. The focal population of interest was the Generation-Y aged consumers in the U.S. and their relationships with personal care products. Results generated from structural equation modeling indicate that multiple constructs of gender identity have significant and unique impacts on product involvement and brand loyalty and, further, that product involvement serves as a mediator that linking gender identity with brand loyalty.

INTRODUCTION

Given the increasing desire of firms to build long-term consumer/brand relationships, understanding the factors that influence them has become crucial. Fournier (1998) applied the metaphor of an interpersonal relationship to study consumer/brand relationships and suggested that a dyadic personal relationship exists between a consumer and a brand. One primary facet of this relationship is the self/concept connection: the degree to which a brand delivers important identity-concerns and -tasks (Fournier, 1998). Similarly, self-congruency theorists suggest that consumers tend to purchase products and brands consistent with their self-images (Rosenburg, 1979; Ross, 1971; Sirgy, 1982/1986). Perhaps the most important and central part of self-image is one’s gender identity (Kates, 2002; Palan, 2001), and this gender-self generates strong congruency effects with regard to one’s brand perceptions and choices (Sirgy, 1982/1986).

The gender-self is solicited across a wide variety of marketing practices. Marketers not only use sex as an important segmentation variable but also develop implicit meanings by factoring gender-related cues into a brand. Furthermore, consumers’ gender identity and sexual orientation have been used to target consumers in emerging gender-market segmentations such as “Metrosexual:” males who are heterosexual, hip, concerned with their appearance, and in touch with their feminine side. However, the
marketing literature is replete with studies that only report biological sex and treat this as the sole determinant of gender-related behavior. Gender is often used interchangeably with sex because such a dichotomous variable provides a comfort zone for researchers when measuring and interpreting the consumerist implications of gender. This approach overlooks the important differences between sex and gender and leads to biased research and distorted representations of complex gender-related marketing phenomena (Hirchman, 1993; Palan, 2001).

Since the 1960s some researchers have begun to investigate how gender identity (which includes a combination of sex, psychological gender, and gender attitudes) would contribute to a consumer’s product- and brand-consumption (Gould and Stern, 1989; Fischer and Arnold, 1990/1994; Palan, 2001). However, research results have been mixed. For example, individuals with a higher masculine-gender identity exhibit stronger information processing (Kempf, Palan, and Laczniak, 1997; Palan, 2001), while individuals with a higher feminine-gender identity develop more positive attitudes toward and get more personally engaged with products and brands (Gainer, 1993; Jaffe and Berger, 1988; Worth, Smith, and Mackie, 1992). As such, a critical question becomes whether or not gender identity can consistently predict any of the many facets of consumer-based brand equity. It has been suggested that consumer involvement may be an important link between gender and consumer perception (Fischer and Arnold, 1994; McCabe, 2001; Sirgy, 1982), so this study addresses the research gap between gender identity and brand loyalty through the lens of a consumer’s level of product involvement.

LITERATURE REVIEW

Two important theoretical underpinnings of this paper relate to Gender Identity Theory and the link between Gender Identity and Consumer Perception.

Gender Identity Theory

As already noted, the marketing literature tends to treat biological sex as the sole determinant of gender-related behaviors: an essentialist view. Essentialism is based on the belief that there exists fixed characteristics, given attributes, and historical functions, and thus “male” is equivalent to “masculine” and “female” is equivalent to “feminine” (Grosz, 1994). Meanwhile, non-essentialists argue that not all masculinity and femininity traits are related to the biological features of people’s bodies: individuals are also shaped by their history and surrounding social environments (Dickson, 1982). This non-essentialism view has been widely accepted as central to the fields of sociology and psychology.

Two gender-identity theories – Gender Schema theory and Multifactorial Gender Identity theory – have dominated the social psychology literature. Both theories provide conceptual frameworks for exploring the impact of gender on culture, society, and consumers and deliver promising and understudied areas for marketing research (McCabe, 2001; Palan, 2001). Gender Schema theory explains how individuals construct their gender identities by learning to be masculine or feminine and use their gender identities to interpret their own experiences and the experiences of others (Markus, Crane, Bernstein, and Siladi, 1982). This theory posits a cognitive structure that allows individuals to manage a mass of gender-related information by assigning meaning to social events occurring in their environments (Payne, Connor, and Colletti, 1987). Individuals will take differing approaches to address their gender concerns and present themselves as sex-typed, cross-sex-typed, or non-sex-typed. Under this theory, sex-typed and cross-sex-typed males and females are more gender schematic and are therefore more likely to be influenced by their gender identity (Bem 1974a, 1974b, 1981).

Multifactorial Gender Identity theory challenges the validity of the all-encompassing nature of gender schematization. The underlying assumption of Multifactorial Gender Identity theory is that “gender identity is a combination of gender related phenomena, associated in varying degrees with each other, such as gender-related attitudes, interests, and role behaviors and gendered personality traits” (Palan, 2001: p. 6). Multifactorial Gender Identity acknowledges that Gender Schema theory captures an important aspect of gender psychology but denies that any observable gender difference in any given society is unifactorial (Spence, 1993; Spence and Helmreich, 1978). Multifactorial Gender Identity theory
expands beyond the cognitive aspects of gender schema and provides a more dynamic view of gender that includes psychological traits, role attitudes, and role orientations (Palan, 2001; Spence, 1993).

**Gender Identity and Consumers’ Perceptions**

Earlier gender identity and consumer behavior research suggests that gender identity plays an important role in consumer behavior, varying from assisting in information processing to connecting individuals to the rest of the world to orchestrating an individual’s perceptions to developing one’s attitudes about appropriate social behaviors (Bem, 1981; Fischer and Arnold, 1990/1994; Palan, 2001; Spence, 1993). Regarding consumers’ brand perceptions, Sirgy (1982, 1986) explained that consumer brand consumption is congruent with consumer gender-image and stated that the gender-self can generate strong gender-congruency effects with regards to brand loyalty. For example, consumers prefer goods or spokespersons that match their sense of masculinity and femininity (Fry, 1971; Worth et al., 1992). Consumers also seek gender cues from products and brands: Debevec and Iyer (1986) suggested that consumers label some products as either masculine or feminine, but not both at the same time, and that these determinations tended to be influenced by the gender of the spokesperson.

Therefore, gender identity influences consumer brand perceptions through creating brand meanings for consumers. McCracken’s (1988) Model of Meaning Transfer asserts that meaning originates in the culturally-constituted word, moves into goods through fashion systems, word of mouth, reference groups, and the media, and finally moves from the goods to the consumers. The meaning embedded in the consumers’ gender identities can become built into a product or brand as the product or brand allows consumers to build congruency between their gendered self-images and the product’s or brand’s image. The ability of a brand to express a consumer’s self-image then leads to a stronger consumer/brand relationship (McCracken, 1988). In the meaning transfer process, consumer involvement serves as a motivation factor in the consumers’ attitude-making: Gainer (1993) proposed that a consumer’s product involvement is an intermediate step between the consumer’s characteristics related to gender and the consumer’s behavior toward a product or brand.

**RESEARCH FRAMEWORK AND HYPOTHESIS**

Based on the literature review, the research model in Figure 1 is presented. This model illustrates the predicted relationship among gender identity, product involvement, and brand loyalty. It is also important to reiterate that gender identity is viewed herein as a multi-dimensional construct that include sex, psychological gender, and gender role attitudes.

**FIGURE 1**

**RESEARCH MODEL**
This model was tested with Generation-Y consumers. Generation-Y has become the largest consumer group in the U.S. history and its members are actively involved in negotiating their gender identity and pursuing their desired sexuality via their favorite products or brands (Alden, Steenkamp, and Batra, 1999; Backwell and Mitchell, 2003). For this generation of consumers, product and brand consumption is not just a simple purchase but also a method of self-expression. Furthermore, this model was tested in the personal-care-product sector. Personal care products are fairly ubiquitous in the sense that virtually all young consumers use them and young consumers – whether combating the challenges of skin problems or emulating pop star appearances – are traditional-targeted segments for personal care products. By definition, personal care products may facilitate self-expression without permanence and provide young consumers with the flexibility to select brand offerings that can change their image or be aligned with popular trends (Coulter, Price, and Feick, 2003). In the marketplace, personal care products are becoming more gender specific, making these products the perfect choice for gender identity construction. To fully test this model, four sets of hypotheses are proposed.

Sex Differences

Although gender theories suggest that sex alone cannot explain complex gender phenomena, sex is the most-used variable to explain gender differences in consumer research. For example, women are traditionally considered responsible for household shopping: “Women are trained to shop – to shop around a lot. Men find the browsing aspect of buying boring.” (Fischer and Arnold, 1990: p. 336). Women are generally viewed as more likely to regard shopping as an important task and become more involved with product and brand choices (Fischer and Arnold, 1994; Kempf et al., 1997). Furthermore, men and women are also viewed as differing in certain cognitive abilities and social behaviors: Meyers-Levey (1989) examined sex differences in the elaboration of message cues and suggested that men tend to use a selective and heuristic mode of information processing and make judgments on the basis of single cues while women are more likely to use a comprehensive processing mode on the basis of all available cues. It is likely that women and men emphasize different product and brand attributes, involve themselves with products and brands in differing ways, and carry differing brand perceptions. Thus:

$H1 (a):$ There is a difference between a man’s and a woman’s product involvement.

$H1 (b):$ There is a difference between a man’s and a woman’s brand loyalty.

The Impact of Psychological Gender

Although much of marketing literature has used sex as the sole gender difference based upon the assumption that men are masculine and women are feminine, there is considerable evidence that an individual’s psychological gender identity is not necessarily consistent with one’s biological sex (Bem, 1981; Palan, 2001; Spence, 1993). According to Gender Schema theory and Multifactorial Gender Identity theory, masculinity and femininity are orthogonal psychological traits and individuals will identify with each trait to varying degrees (Bem, 1974b; Spence, 1993).

Psychological gender, including masculinity and femininity, can affect consumers’ product and brand choices (Fry, 1971; Jaffe, 1994; Vitz and Johnston, 1965; Worth et al., 1992). Under certain situation, such as gift shopping and art attendance, psychological gender may well explain more differences in consumer behavior than sex. Generally speaking, feminine gender identity is guided by a communal orientation whereas masculine is guided by an agency orientation (Bem, 1974a). Previous research suggests that femininity serves as a strong predictor of art involvement (Gainer, 1993), fashion consciousness (Gould and Stern, 1989), and Christmas gift shopping (Fischer and Arnold, 1990/1994). Similarly, masculine individuals are actively involved with the congruency between self-image and product/brand image: masculine individuals tend to choose a product or brand that presents a congruent masculine image and show preferences toward such a product or brand (Vitz and Johnston, 1965; Worth et al., 1992).
H2 (a): There exists a positive relationship between femininity and product involvement
H2 (b): There exists a positive relationship between masculinity and product involvement
H2 (c): There exists a positive relationship between femininity and brand loyalty
H2 (d): There exists a positive relationship between masculinity and brand loyalty

The Impact of Gender Role Attitudes

In addition to sex and psychological gender, gender role attitude can independently explain gender-related consumer behaviors (Fischer and Arnold, 1990/1994; Palan, 2001). Gender role attitude refers to one’s belief about socially-desirable roles for men and women (Spence, 1993), ranging from egalitarian to traditional. Egalitarian individuals believe that the same roles are acceptable for both women and men while traditional individuals believe that differing roles are appropriate for men (e.g. breadwinner) and women (e.g. child-care giver).

Spence (1993) suggested that role identity (i.e. gender-role attitudes) consists of self-images associated with an individual’s position and how the individual would act in a social structure. As such, gender role attitudes would serve as motivational factors related to self-concept and self-esteem and would point to rewards and punishments earned through the enactment of roles. As such, egalitarian women are more likely to have careers in high-paying fields that require positive personal images and they are more likely to psychologically involve themselves with specific products for the purpose of self-expression (Fischer and Arnold, 1990; Schaninger and Buss, 1985). Similarly, men with egalitarian attitudes consider shopping for themselves for grooming products to be acceptable behavior: such men purchase and use grooming products and would spend time and money shopping for a product or brand that struck the right self-image. Different from psychological gender, gender role attitudes might affect consumers’ brand loyalty indirectly. Gender role attitudes is rooted in consumers’ cognitions toward their social surroundings, and when consumers are conscious about their consumptions, product nature and type normally come first (e.g. perfume for men and for women). Previous studies suggest that psychological involvement is a necessary link between gender role attitudes and consumer perceptions (Gainer, 1993; McCabe, 2001), so it is hypothesized that there is a direct relationship between gender role attitudes and product involvement and an indirect relationship between gender role attitudes and brand loyalty:

H3(a): There is a positive (inverse) relationship between egalitarian gender role attitudes and product involvement.
H3(b): Product involvement mediates the relationship between egalitarian gender role attitudes and brand loyalty.

Product Involvement and Brand Loyalty

Product involvement is an important construct in consumer behavior and it is viewed as a “cognitive state of activation” (Cohen, 1983). Zaichkowsky (1985) proposed that involvement is about personal relevance: if a product is highly personally relevant, this will result in a high level of involvement. It should be noted that the term product involvement is used throughout the paper for the sake of simplicity. In fact, consumers’ enduring involvement or personal relevance with personal care product is discussed in the study.

Previous marketing literature suggests that a consumer’s self-view leads to different levels of product involvement and that a consumer’s product involvement influences his or her brand perception (Bloch and Richins, 1983; Ng and Houston, 2006). Gainer (1993) similarly proposed that consumer motivation for product involvement is an intermediate step between consumer gender related characteristics and loyalty behavior toward a product. Therefore:

H4: There is a positive relationship between consumers’ product involvement and brand loyalty.
METHODOLOGY

Sample and Data Collection
The population of interest for this study is Generation-Y men and women (ages 18-30) who use personal care products in their daily life. A survey study was conducted to collect data from a sample drawn from this population. Survey respondents were asked to answer a series of questions that mapped onto the dependent and independent variables used in the study. Since the study points to brand perceptions, respondents were also asked to indicate their attitudes toward a personal care brand they have used most in the past 12 months. A total of 258 questionnaires were distributed to generation Y-aged consumers who enrolled in a southwestern metropolitan university. Invalid samples were eliminated, leading to a final sample size of 238 useful responses. All respondents were between the age 18 and 30: 54.2% of the respondents were men and 45.8% were women. This sex ratio represents a relatively balanced participation.

Measurement
Measurement scales for all variables in this study have been adapted from extant literature. The scales had been used in differing response formats, so to maintain consistency across anchor scales all scale items were converted into six-point Likert-type scale ranging from (1) “Strongly Disagree” to (6) “Strongly Agree.” The six-point format can ensure better reliability and force respondents to make directed choices rather than remain neutral (Oaster, 1989). It can also reduce the bias of response style (Baumgartner and Steemkamp, 2001).

Gender Identity: (a) Sex was measured as a demographic variable: specifically, as a nominal variable with the categories of male and female. (b) Psychological gender was assessed using the Barak and Stern (1986) scale. This scale was developed in the context of consumer behavior and has been shown to be more reliable than other scales for consumer research (Palan, 2001). The Barak and Stern (1986) scale was an abridged version of the Bem Sex Role Inventory (Bem, 1981). There were 10 masculine-scale items and 10 feminine-scale items and the two scales represented orthogonal constructs. Reliability for the femininity scale was 0.88 in the source study and 0.87 in this study, while reliability for the masculinity scale was 0.94 in the source study and 0.80 in this study. (c) The 15-item brief version of the gender role attitudes scale used was the one developed by Spence and Helmreich (1972). Reliability for this scale was 0.87 in the source study. Due to scale purification, 3 items were deducted from the current study and the reliability remained the same: 0.87.

Product Involvement and Brand Loyalty: (a) The product involvement measure was composed of 9 scales adapted from Higie and Feick (1989). The Cronbach’s Alpha in the original study was 0.92 and it was 0.93 in the current study. (b) The scale used to measure brand loyalty was the three-item scale developed by Yoo and Donthu (2001). The Cronbach’s Alpha pertaining to this scale was 0.88 in the source study and 0.79 in the current study.

TABLE 1
DISCRIMINANT VALIDITY OF CONSTRUCTS

<table>
<thead>
<tr>
<th>Construct</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Femininity</td>
<td>0.87</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Masculinity</td>
<td>0.16</td>
<td>0.80</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Gender Role Attitudes</td>
<td>-0.39</td>
<td>-0.06</td>
<td>0.88</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Product Involvement</td>
<td>0.13</td>
<td>-0.11</td>
<td>0.12</td>
<td>0.93</td>
<td></td>
</tr>
<tr>
<td>5. Brand Loyalty</td>
<td>0.13</td>
<td>0.13</td>
<td>-0.03</td>
<td>0.36</td>
<td>0.79</td>
</tr>
</tbody>
</table>
As a test of the convergent validity of constructs, item-total correlations were examined. All item-total correlations exceeded the recommended criterion of 0.40 (Jayanti and Becker, 1984), indicating acceptable convergent validity in this study. Furthermore, discriminant validity of the constructs was examined by checking whether the correlation between two scales is lower than the reliability of each of the scales independently (Gaski and Nevin, 1985). The results indicated in Table 1 suggest an adequate level of discriminant validity.

RESULTS

Hypotheses 1 was examined using an ANOVA analysis. The results suggested that males and females are significantly different in both product involvement (p<0.01) and brand loyalty (p<0.03). Female consumers were rated higher than male consumers in terms of both product involvement and brand loyalty. H1(a) and H1(b) were supported.

Path Analysis was used for testing hypothesis sets 2, 3, and 4. The path relationships are shown in Figure 2. In the path analysis, multiple indicators were summed together for each construct and the summated score was used to represent the construct in the model. This approach has become common in marketing literature when a small sample size restricts the use of full structural equation model (i.e. Chaudhuri and Holbrook, 2001; Li and Calantone, 1998). LISREL 8.14 was used to estimate the path model. The analysis resulted in the following fit statistics: X2(1) =1.49, p=0.22, RMSEA=0.046, Goodness-of-fit index (GFI)=0.99, Adjusted goodness-of-fit index (AGFI)=0.96, normed fit index (NFI)=0.98, non-normed fit index (NNFI)=0.93, and Comparative fit Index (CFI)=0.99. Thus, the model overall represents a good fit to the collected data.

Standardized path coefficients for the model appear in Table 2. Except for the path between femininity and brand loyalty, all other paths were statistically significant (a t-value greater than 2.0 indicates significance at the 0.05 level). Another departure from expectations is that the relationship between masculinity and product involvement is significant but negative (coefficient=-0.23). As diagrammed in Figure 2, these results indicate that femininity and gender role attitudes have an indirect impact on brand loyalty through product involvement, and masculinity has a negative relationship with product involvement but a positive relationship with brand loyalty. Thus, H2(a), H2(d), H3(a), H3(b) and H4 were supported, while H2(b) and H2(c) were not supported.

TABLE 2
ESTIMATED STRUCTURAL PARAMETERS

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Hypothesis</th>
<th>Coefficient</th>
<th>T Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Femininity</td>
<td>Product Involvement</td>
<td>H2 (a)</td>
<td>0.34</td>
</tr>
<tr>
<td>Masculinity</td>
<td>Product Involvement</td>
<td>H2 (b)</td>
<td>(-0.23)</td>
</tr>
<tr>
<td>Femininity</td>
<td>Brand Loyalty</td>
<td>H2 (c)</td>
<td>(-0.01)</td>
</tr>
<tr>
<td>Masculinity</td>
<td>Brand Loyalty</td>
<td>H2 (d)</td>
<td>0.21</td>
</tr>
<tr>
<td>Gender Role Attitudes</td>
<td>Product Involvement</td>
<td>H3</td>
<td>0.28</td>
</tr>
<tr>
<td>Product Involvement</td>
<td>Brand Loyalty</td>
<td>H4</td>
<td>0.29</td>
</tr>
</tbody>
</table>

*donates a significant relationship (t value >2)
DISCUSSION

The empirical findings support the research proposition that sex, psychological gender, and gender role attitudes do have unique relationships with product involvement and brand loyalty. As hypothesized, individuals with stronger feminine identities tend to have greater psychological involvement with personal care products and this, in turn, can further lead to greater brand loyalty. In other words, femininity might influence brand loyalty through its positive impact on product involvement. Unexpectedly, individuals with stronger masculine dispositions are less likely to involve themselves with personal care products but they are more likely to remain a strong loyalty to a particular brand. There are two possible explanations for this finding. First, masculine individuals may consider personal care products to be traditionally women’s territory and their involvement with such products would diminish a masculine self-image. Second, masculine individuals tend to build a strong relationship with a brand if the brand provides them a mirror for reflecting a desirable masculine self-image: this brand relationship may be especially important to them when they are using “women’s territory” products.

There has been some debate as to whether femininity or masculinity, or both, should be studied for consumer behavior (Jaffe and Berger, 1988). This study contributes to the literature by confirming that both constructs should be included in gender-related consumer behavior studies as they appear to have unique and independent associations with consumer behavior.

This study also finds that individuals with more egalitarian gender role attitudes are more psychologically involved with personal care products. Consistent with Multifactorial Gender Identity theory, gender role attitudes play an important role in predicting consumer behavior. This study confirms that future studies related to gender perceptions and behaviors should include gender role attitudes as a measure.

There are deeper theoretical implications of this study. By examining gender from multiple perspectives, this study challenges sex/gender as an unambiguous construct. At a conceptual level, this study argues that sex and other gender-related constructs are unique and that it would be logical fallacy to assume sex alone can adequately measure all gender-related phenomena. At the empirical level, this study supports the assertion that both psychological gender and gender role attitudes have explanatory value in addition to sex.
To address managerial implications, this study points to the role of one’s gendered-self in behavioral predictions. Self-expression is increasingly become a motivating factor leading to product and brand choices. A product or a brand that can help consumers express their gender identities and sexual orientations may have a more positive impact than those less clearly related to consumers’ core gender-related traits. Furthermore, it may be important to have different positioning strategies for differing products and brands. Because feminine males and females tend to be more profitable targets for personal care products, managers should consider positioning personal care products as an expressive, emotional, and nurturing experience for the consumer. On the other hand, masculine consumers may emphasis brand images that are closely linked with masculine gender identity: a personal care product targeted at masculine males should likely focus on building a masculine brand image rather than on product features. Such a brand positioning may be achieved by emphasizing cerebral experiences with the brand.

Finally, this study indicates that increased consumer product involvement may lead to increased brand loyalty. Brand managers may take greater care to control “causal” variables that lead to increased product involvement. By modifying product features to relate differently to sub-groups of male and female consumers, brand managers can build a favorable brand image for differing consumer profiles and further build multiple loyal consumer groups.

LIMITATIONS AND FUTURE RESEARCH

Although this study does provide some valuable insight, several potential limitations should be noted. First, this study focused on a single industry – the personal care sector – and thus the generalization of findings is limited. Second, some important variables associated with consumer brand perception, such as brand awareness and brand loyalty, were not included in the study. Third, because only one questionnaire was used to measure all constructs the study may have a common-method bias as one root cause of the discovered relationships (Chang and Chieng, 2006). Finally, the study involved a convenient student sample. However, college students are targeted Generation-Y consumers and, for theory-testing purpose, a student sample is deemed acceptable, as a homogenous sample has important advantages for theory-validation research (Calder, Phillips, and Tybout, 1981).

Despite these limitations, the findings of the study suggest some useful research directions. First, researchers can generalize the results by applying the research framework to a cross-product set of categories. Second, some moderating variables and some outcome brand perceptions variables could be added in future studies. Third, an experimental design might be conducted in the future to control certain variables, such as gender consciousness and product or brand experience. Finally, a cross-cultural study might provide more insight on the tested relationships.

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Is Catholic Social Theory Capitalistic?

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Capitalism is one of the most powerful theoretical ideologies in the world. The Catholic Church is one of the largest and most influential religious institutions in the world. This article examines fundamental concepts of capitalism in the context of Catholic Social Theory (CST) in order to address the question: Is Catholic Social Theory Capitalistic? This article shows that while there are important similarities between CST and capitalism, there are also significant differences. The same can be said of socialism when analyzed in the context of CST. Thus, CST possesses its own unique perspective on fundamental economic, social and political issues.

INTRODUCTION

Catholic social theory (CST) and capitalist theory can be seen as sharing the common objective of providing insight and guidance in a complicated, unpredictable, and competitive world. The insight and guidance provided by the CST and capitalist theory is intended to help individuals as well as social and political leaders understand and navigate difficult economic, social and political issues that impact society as a whole. More specifically, both CST and capitalist theory holds the position that by following their insight and guidance, the common good will be served. However, the fact that both theoretical perspectives seek to serve the common good does not mean that both theoretical perspectives agree completely on how the common good is served. Thus, this article seeks to examine both the similarities and the differences that exist between CST and capitalist theory.

This article will examine the similarities and differences that exist between CST and capitalist theory by looking at the fundamental building blocks of capitalist theory, including, private property, accumulation, class structure, and social disparity and examine in what ways the capitalist view of these topics both agree and disagree with CST. In doing so, one can observe not only important similarities that exist between CST and capitalist theory, but also important differences. The same can be said of the relationship between CST and socialist theory. As a result, one reaches the conclusion that CST is neither purely capitalist nor socialist. Rather, CST has developed its own unique perspective on fundamental social, political and economic issues.

A BRIEF OVERVIEW OF THE DEVELOPMENT OF CST

St. Augustine in the 4th century, St. Thomas Aquinas in the 14th century, Pope Leo XIII in the 19th century, and now St. Benedict XVI in the 20th century all addressed political, economic, and social issues from a uniquely Catholic perspective. Regardless of the time or the issue, CST possesses continuity in terms of both time and context. That is, CST is builds on the ideas of the past, but at the same time, it
lives within the context of the time and the place in which the theory is applied. The continuity becomes evident when one examines the social and economic changes that accompanied the industrial revolution, which were the catalyst for the development of modern CST. The equal value for equal value explanation of just price explained by Saints Augustine and Aquinas were no longer sufficient to explain the vast discrepancies in wealth that existed during the industrial revolution (Melton, 1940). CST had not kept pace with the technological, productive, consumptive, and social changes that took place during the industrial revolution. As a result, CST experienced a period of new development.

Pope Pius IX’s leadership from 1846-1878 helped lead the way to the development of CST by breaking the tradition of the Pope being isolated from the people and intentionally began to bring the Papacy closer to people. Thus, the Catholic Church and its people were transitioning out of the “medieval state of siege” and were beginning to face and deal with the problems of the twentieth century (Bokenkotter, 1977, p. 320). Pope Pius IX’s successor, Pope Leo XIII, made what is still the most significant contribution to CST, certainly in the last 150 years.

Pope Leo XIII’s contribution to CST is most notably reflected in his 1891 encyclical, the Rerum Novarum (Of new things), in which he tackled directly the issues facing his people and the world. “Pope Leo XIII’s Rerum Novarum is the “Magna Carta of Social Catholicism” both because of its ability to reach the people and because of its direct handing of the problems of modern society that had come to the forefront during the industrial revolution (Bokenkotter, 1977, p.333).”

The elements of CST discussed in the Rerum Novarum are the basis for virtually all CST that has been developed since 1891. The Rerum Novarum goes, “beyond statement of “principle” into the realm of specific policy recommendations” (Prentiss, 2008, p.31). The importance and lasting influence of the Rerum Novarum is evident in some of the most important encyclicals written over the last century, including Pope Pius XI’s 1931 Quadragesimo Anno (In the fortieth year), and Pope John Paul II 1981 Laborem Exercens (On human work). It is from this basis that the CST perspective on capitalist ideology and socialist ideology is developed and analyzed.

PRIVATE PROPERTY

Perhaps the most crucial element to capitalism is the establishment and maintenance of private property rights. It is the right own, buy, and sell private property that virtually all of capitalist theory rests. Without the ability to buy and sell property and labor, no one in the economic system, including the business owner, the accountant, or the cashier would be able to make a living. It is the ability to buy and sell one’s property and skills that provides the necessary incentive to keep the free market system in motion. In the absence of private property, the free market system fails and the goods and services that people want and need will not be provided in quantities demanded at the price people are willing to pay. Therefore, capitalist theory converges on a central theme, a defense private property and the accumulation of wealth, i.e. a defense of a laissez-fair capitalist socio-economic order.

The writings of John Locke, most notably his Two Treatises of Government (1689), put forth arguments that serve as a foundation of capitalist theory, notably in the area of private property and accumulation. Locke begins his arguments on private property rights by putting forward his workmanship justification which states that when an individual applies labor to the commons, that individual has the natural right to the result of that labor. For example, if one applies their labor to an acre of land in the growing of wheat, all of the resulting wheat and the land is rightfully that person’s property. “He that is nourished by the acorns he picked up under an oak, or the apples he gathered from the trees in the woods, has certainly appropriated them to himself. Nobody can deny but the nourishment is his” (Lock, 1690, 130).

However, there are restrictions. Even though one has the natural right to the output resulting from the application of one’s labor to the commons, one cannot accumulate more property than one can either consume or trade for before the property spoils. In addition to this spoilage constraint, an individual can only accumulate property if the accumulation of that property does not prejudice others. In other words,
one can operate their business, accumulate wealth and accumulate property as long as the individual does not engage in monopolistic activity that would exclude others from participating in the market.

With these restrictions in mind, the only real limitation to the accumulation of wealth in capitalist theory is the extent to which one can exchange their perishable goods for more durable goods. The question at this point is, what is CST’s position on private property rights and how does it compare to these versions of capitalist theory?

As reflected in St. Thomas Aquinas’s *Summa Theologica* and encyclicals on social theory written by four different Popes from the late 19th century through the 20th century, the individual’s right to private property is clearly defended and is therefore an integral part of CST. It is lawful, “for a man to hold private property; and it is also necessary for the carrying out of human existence” (Aquinas, 1264). Thus, the right to hold private property goes beyond a law and is more specifically a natural right in CST. “Private ownership, as we have seen, is the natural right on man and to exercise that right, especially as members of society, is not only lawful, but absolutely necessary” (Leo XIII, 1891, p. 22).

The previous statement also demonstrates that CST views private property as a necessary condition. This is because the ability to hold private property is a primary motivator for the individual to be productive and to work. In addition, the productivity and work of the individual leads to increasing productivity and advancements that benefit not only the individual worker, but society as a whole. “It is surely undeniable that, when a man engages in remunerative labor, the impelling reason and motive for his work is to obtain property, and therefore hold it as his very own” (Leo XIII, 1891, p. 5).

One can see from this that CST and capitalism share essentially the same view on establishment of and justification for private property rights. That is, private property in both capitalist ideology and CST is viewed not only as a natural right, but as a necessary condition for the development and advancement of society as a whole. However, while both agree that right to hold private property is natural and necessary, there are several important differences between CST and capitalist ideology that become clear when one examines each theory’s position on accumulation.

**ACCUMULATION**

The capitalist perspective on accumulation is inexorably tied to the capitalist perspective on private property. As is the case with private property, the ability to accumulate wealth in capitalist ideology is not only a natural right, but it is also a necessary condition for the growth and development of the free market system. It is not the case that capitalist theory views the accumulation of wealth as a condition that benefits only the wealthy or the owners of capital. Rather, the capitalist perspective views the accumulation of wealth as beneficial not only to the industrious few, but ultimately beneficial to society as a whole. Through the *invisible hand* of the market, individual incentives and actions are guided in such a way that when individuals act in their own best-interest, the interest of society as a whole is served. Thus, it is the individual incentive to better one’s position that ultimately serves the common good from a capitalist perspective. As a result, the improvement of the condition of society depends on the individual incentive to accumulate wealth.

In fact, the accumulation of wealth is the result of exchanges that are mutually agreed upon by everyone involved. “As much land as a man tills, plants, improves, cultivates, and can use the product of, so much is his property…therefore he cannot appropriate, he cannot inclose, without the consent of all his fellow commoners, all mankind” (Locke, 1689, Sec. 32). Thus, no one is able to accumulate any amount of wealth without the mutual consent of those involved in the transaction. Mutual consent implies agreement, which implies that everyone involved feels that they have benefited from the transaction. Since mutual consent is required, the accumulation of any amount of wealth always leads to a socially beneficial outcome for everyone. If the exchange did not benefit everyone involved, no one would agree to exchange and the wealth would not be accumulated. Thus, the accumulation of wealth in capitalist theory is self-justifying.

The same parameters set for the ownership of private property in capitalist ideology, the spoilage constraint and the prejudice constraint, are present in one’s ability to accumulate wealth in capitalist
ideology. As a result, the justification for accumulation requires maneuvering around the spoilage constraint and the constraint of prejudicing others. The maneuvering can be accomplished with capitalist theory’s conception of the one thing which capitalist mode of production seeks to gain above all else, money.

The capitalistic conception of money begins with the idea that money, having developed out of an exchange economy, is a neutral means of exchange and store of value. This requires two events to simultaneously and instantly occur. First, everyone has to specialize. What’s more, enough people have to specialize that when exchange does take place, there is a sufficient supply of and enough variety of everything society needs to survive (Bell, Henry, Wray, 2004). The second event is that society as whole must also agree to the means of exchange, money (Bell, Henry, Wray, 2004).

Once the previous events have occurred, the following argument can be made. Since society collectively agrees to money, which serves as a neutral means of exchange and store of value, the exchange that takes place within that society is mutually beneficial (Bell, Henry, Wray, 2004). If the exchange were not beneficial to all involved, the exchange would not have taken place. Therefore, money in capitalist theory becomes the non-prejudicial means around the spoilage constraint. As a result, the unlimited accumulation of wealth in the form of money is non-prejudicial and is therefore justifiable in capitalist theory (Bell, Henry, Wray, 2004).

There are, however, differing perspectives on the development of money. For instance, chartalist theory shows us that the market economy developed out of the monetary economy rather than then the monetary economy developing out of the market economy (Bell, Henry, Wray, 2004, pp.59-62). More specifically, chartalist theory argues that taxes, fines, tithes, dues, etc. are all debts issued by an authority figure or institution. With debts issued, all the issuing authority needs to do to give money it value is to require that the debts issued be paid in the established unit of account, i.e., money. Thus, money is really a reflection of a debt/credit relationship (Bell, Henry, Wray, 2004).

What this means is that capitalist theory ignores the credit/debt relationship that money inherently represents. This credit/debt relationship is by its very nature prejudicial with the creditor in a position of power and authority over the debtor. What follows shows that CST, like chartalist theory, does not give money a free pass in terms of the capitalists' ability to accumulate. While CST does not directly address money as inherently representing a credit/debit relationship, it does put forth the position that the accumulation of wealth in any form that results in social disparity is unjustifiable.

The right of the individual to accumulate wealth in any form in CST is qualified and limited. The accumulation of wealth supported in CST is that which is necessary not only to maintain the immediate dignity of life of the worker and the family, but to secure the same for their future. “It must be within his right to possess things not merely for temporary and momentary use, as other living things do, but to have and to hold them in stable and permanent possession, he must have not only things that perish in the use, but these also which, though they have been reduced into use, continue for further use after time” (Leo XIII, 1891, p. 6).

The previous statement on property rights and accumulation is held consistently through Pope Pius XI’s 1931 Quadragesimo Anno, Pope John XXII’s 1963 Pacem in Terris, and Pope John Paul II’s Laborem Exercens, 1981. The same position is held by Aristotle, whose work influenced early CST and who describes wealth-getting as having two distinct forms. The first form of wealth-getting is natural and can be described as the acquisition and use of things for their own value, also referred to as household management, i.e., when one acquires a shoe for the purposes of using it as a shoe. The other form of wealth-getting is not natural and can be described as the acquisition of things for use of exchange only. For example, “He who gives a shoe in exchange for money or food to him who wants one, does indeed use the shoe as a shoe, but this is not its proper or primary purpose, for a shoe is not made to be an object of barter” (Aristotle, 350 B.C.E., Book 1 p. IX).

Aristotle argues that this retail form of exchange is not natural. However, exchange continues because individuals are gaining more than they need from exchange and accumulating ever greater amounts of wealth. It is from here is where Aristotle begins to address the issue of money, which he views as providing a means by which wealth-getting can stretch beyond that which is necessary for household
maintenance. Money thereby becomes an instrument for the accumulation of more money. Therefore, the object of individual action moves towards the acquisition of money itself, rather than productivity or the common good. As a result, usury develops, which is, “The most hated sort, and with the greatest reason, is usury, which makes gain out of money itself, and not from the natural object of it” (Aristotle, 250 B.C.E, Book 1 p. IX).

While Aristotle’s work precedes the founding of the Catholic Church by more than 350 years, he does provide a theoretical basis for Aquinas and following Catholic theorists. What is evident from this evaluation is that CST views the excessive accumulation of wealth in any form, including monetary, unjustifiable. “The same feeling those many Catholics, both priests and laymen, share, whom a truly wonderful charity had long spurred on to relieve the unmerited poverty of the non-owning workers and who could in no other way convince themselves that so enormous and unjust an inequality in the distribution of the world’s goods truly conforms to the design of the all-wise creator” (Pius XI, 1931, p.5). And from the Rerum Novarum, “To this must be added that the hiring of labor and the conduct of trade are contracted in the hands of comparatively few; so that a small number of very rich men have been able to lay upon the teeming masses of the laboring poor a yoke little better than slavery itself” (Leo XIII, 1891, p.3).

While CST does not explicitly state that money results in a credit/debit relationship that is in and of itself prejudicial, it does recognize that those who have wealth in any form, including money, can and do use their power in abusive ways over those who do not have wealth. CST also recognizes the growing disparity in income and wealth that exists within society.

THE RESULTING CLASS STRUCTURE AND DISPARITY

At this point in examining the similarities and differences between capitalism and CST, one can see points of agreement as well as points of disagreement. For instance, both capitalist ideology and CST view private property as a natural and necessary condition for the benefit of the individual and society. The same can be said of accumulation, with the exception that CST argues that excessive accumulation in any form, including monetary, leads to unjustifiable disparity among groups of individuals. Thus, in CST, disparity among classes is problematic and not a necessary or justifiable condition.

This view is different from the capitalist ideology view, which argues that disparity among the classes is natural, and through the process of exchange, mutually agreed upon. Part of the exchange process is the distribution of employment from which income is derived. Employment in capitalist ideology is distributed naturally as a function of skill, talents and training, “some positions are inherently more agreeable than others, but also because some require special talents of training and some are functionally more important than others” (Davis; Moore, 1945, p.443).

The class structure in a capitalist system is one in which individuals are divided into various social strata, including upper, middle and lower. This ultimately leads to clear inequality between the social classes expressed in both income and personal wealth. An assumption of capitalist theory is that the inequality is a reflection of individual skill, intelligence, and hard work and not the result of lineage, personal connections, access to education or some combination of opportunity and luck. In other words, the capitalist ideology operates under the assumption of complete equality. For example, capitalist ideology operates under the assumption that all individuals in a free nation and market have access to desirable employment that provides high income and education that qualifies one for that employment. However, to realize that this assumption is false, one need look no further than the congressional budget office’s data on Trends in the Distribution of Household Income Between 1979 and 2007, which shows that the share of income distribution decreased in every quintile between 1979 and 2007, with the exception of the top 1% of income earners, who earn $250,000 or more each year (Congressional Budget Office, 2011). At the same time, higher education costs increased 37% at public institutions and 25% at private institutions between 1999 and 2010. Thus, the idea that access to the education necessary to obtain the most desirable jobs is equal is not represented in the data. Rather, access to higher education is becoming more and more difficult and inequitable (U.S. Department of Education, 2011). Thus, access to
the highest paying and most desirable jobs is becoming more and more difficult. As a result, the income gap continues to grow.

CST holds the view the modern mode of production ultimately results in the establishment of two social classes; one class being the capitalists who reap a majority of the benefits of the modern mode of production and the other social class living in relative poverty. Wide social stratification based on importance of occupation, individual talent, etc. is not justifiable in CST. In fact, CST takes the opposite position ultimately arguing that the two primary social classes should be brought closer together.

“‘Property’, that is, ‘capital’, has undoubtedly long been able to appropriate too much to itself. Whatever was produced, whatever returns accrued, capital claimed for itself, hardly leaving the worker enough to restore and renew his strength” (Pius XI, 1931, p.54). And when discussing the new kind of economic life that has evolved, “Industry has developed in most countries to the point where human society is being divided into two social classes. One enjoying all the advantages of the modern world and the other representing the huge multitude of working people oppressed by wretched poverty” (Pius XI, 1931, p.54).

However, CST does present a solution to this problem. One can see the first line of defense against abusive class discrepancy in the idea of duty. That is, those who have wealth are bounded by the moral obligation, i.e., a duty, to provide for others who do not have wealth. This duty is essentially the price that one pays for the right to hold private property. The idea of a right and its associated duty is prevalent throughout CST. “For man’s awareness of his rights must inevitably lead him to the recognition of his duties” (John XIII, 1962, p. 44). Thus, there is a duality between the right one has to own property and accumulate wealth and the duty one has to society as whole. To be sure, the idea of the duty associated with the right hold property and wealth was not novel to Pope Leo XIII’s encyclical. The Apostle Luke 11:41 said, “That which remaineth, give alms.” This is also evident in, “It follows that all almsgiving must be a matter of precept, in so far as it is necessary to virtue, namely, in so far as it is demanded by right reason” (Aquinas, 1264, Question 32, Article 5).

Almsgiving fills the duty one has to others and is a precept, meaning that it is a law guiding right action without giving specific direction of actions to be taken in particular cases. However, a question that inevitably arises is: Where does one’s duty begin and end? How much is enough? How much is too much? When should the state step-in? CST’s response to this is reflected in the necessity of the individual's dignity to be maintained. “A person’s superfluous incomes, that is, income which he does not need to sustain life fittingly and with dignity is not left wholly to his own free determination. Rather, the sacred scriptures and the fathers of the Church constantly declare in the most explicit language that the rich are bound by a very grave precept to practice almsgiving” (Pius XI, 1931, p. 50).

When the question is asked regarding how much one person can possess, the church replies, “Man should not consider his material possessions as his own, but as common to all, so as to share them without hesitation when others are in need” (Leo XIII, 1891, p.22). And when the individual does not respond to what Adam Smith might call their moral sentiments to ensure the maintenance of dignity for their community; the state is obliged to intervene. “The function of the rulers of the state, moreover, is to watch over the community and its parts; but in protecting private individuals in their rights, chief consideration ought to be given to the weak and the poor” (Pius XI, 1931, p. 25).

One can see that the important difference between CST and capitalist theory is that CST addresses the inequality issue by calling first for the individual and secondarily on the public authority. This is very distinct from capitalist theory which takes a completely laissez-faire approach arguing that the state has no business interfering in economic matters and their interference would lead only to further problems. That is, the market in capitalist theory will ultimately provide a fair distribution of wealth as long as the market is uninhibited. CST, however, does not put its faith in the market to solve the world’s economic problems. “Public authority, under the guiding light always of natural and divine law, can determine more accurately upon consideration of the true requirements of the common good, what is permitted and what is not permitted to owners in the use of their property” (Pius XI, 1931, p.49).

This statement argues that the state, like the individual, is also required to ensure that the best interests of society as a whole is served. That is, the state, when needed, is to be called on to be the neutral
reconciler. The goal of this is not simply to keep the poor and weak alive and prevent them from starving to death on the streets, rather to develop society in such a way that “the poor are opportunely assisted and two classes of society are brought closer to each other” (Pius XI, 1931, p. 29). From this, one can begin to observe the links that exist between CST and socialism.

CST AND SOCIALISM

CST, as previously discussed, is unquestionably a response to the pervasiveness of capitalism and its effects. At the same time, CST also developed as a direct response to the development of socialism, which itself developed in response to capitalism. Thus, the time in which the Catholic Church took its strongest position to date regarding both capitalism and socialism is not coincidental. It is clear that capitalism and socialism were both gaining ground as ideological positions at the time of the publication of the Rerum Novarum. Many of the owners of capital were being influenced by capitalist theory and more and more workers adopting a socialist theory. The Catholic Church responded to this by putting forth its position on the state of the socio-economic changes that were taking place. The purpose of this is action is clear. The Catholic Church needed to maintain their leadership position in their communities, churches and people. The ideological positions of capitalism and socialism were capturing the minds of individuals worldwide, and at their furthest extremes could threaten the Catholic Church’s ability to maintain its position in society.

One point of agreement between CST and socialism can be found in both theories position on state intervention in the production and distribution of goods. Similarly to socialism, CST does advocate for state intervention to facilitate a more equitable and just distribution of wealth. However, at the same time, CST is clearly opposed to a purely socialist state. “It is clear that the main tenet of socialism, community of goods, must be utterly rejected, since it only injures those whom it would seem meant to benefit, is directly contrary to the natural rights of mankind, and would introduce confusion and disorder” (Leo XIII, 1891, p.15).

Following the same line of reasoning, CST wholly opposes communism as well. The reasons for this rejection essentially go back to the reasons for the establishment and defense of property and the individual’s ability to accumulate. In addition to being a natural right, private property serves the practical purpose of being motivation for the individual to work and innovate. This innovation is beneficial to not only the individual, but to society as a whole.

The establishment of a socialist and of course a communist state requires the abolition of these rights. So, the conflict is obvious. CST cannot accept socialism or communism as a solution to the social problem, because it would require the violation of the right to own property. What is clear from this is that CST argues against the implementation of a socialist state because it would lead to disastrous consequences.

In summary, socialism requires the abolishment of property rights in order to provide a more equitable distribution of wealth. As was demonstrated earlier, CST requires the state, when necessary, to appropriate and then redistribute wealth in order to provide a more equitable distribution of wealth. Thus, both CST and socialism agree that the end goal is a more equitable distribution of wealth. At the same time, both CST and Socialism require the individual to give up the property that they do not need. One can therefore ask; what then is the difference between socialism and CST?

A fundamental difference, aside from private property rights, is duty. In CST, the individual, having the right to own property, also has duty to ensure that society as a whole is provided for. This duty is a choice that is made at the individual level. By doing away with property rights, socialism essentially removes that choice from the hands of the individual and puts it entirely in the hands of the state. Again, the end goal in both CST and socialism remains the same, a more equitable distribution of wealth. However, the means to the end are different.
CONCLUSION

This paper began with the following question: Is CST capitalistic? What this paper reveals is that while there are similarities between the capitalism and CST, there are also fundamental differences that ultimately result in the two theories being independent of one another.

Both theories clearly view private property as not only a right, but as critical to production, distribution, and technological advancement, which is beneficial to society as a whole. From this, both theories advocate for the right of the individual to accumulate. However, it is here where the differences between CST and capitalist theory begin to develop. Capitalist theory provides a justification for the unlimited accumulation of wealth in a laissez-fair economic system based on the assumption of mutually agreed upon exchange facilitated by the neutrality of money. CST takes a different view, arguing that the only accumulation that is justified is that which is necessary to maintain the well-being and dignity of the individual and their dependents, presently and in the future. When these conditions have been met, the individual is called to give-up their unnecessary wealth. In the case where individuals do not fulfill their duty, the state has the right and obligation to intervene in order to assure that society as whole benefits from the surplus of the capitalist mode of production.

Each theory also differs in how it views the social order and class discrepancy that develops in the capitalist system. Similarly to the justification for unlimited accumulation, capitalist theory views social classes and the wide discrepancy that exists between them as a natural function of the system. However, CST views the discrepancy that exists between those who reap the benefits of the capitalist order and those who suffer under it as unjustifiable. In fact, CST says that steps must be taken to bring the classes closer together.

At the same time, CST also takes a clear stance against socialism. Just as there are similarities and differences between capitalist theory and CST, there are also similarities and differences between CST and socialism. Thus, CST is no more another variation of capitalism than it is another variation of socialism. CST is its own economic, social, and political theory that is continually evolving and examining the economic, social and political issues that impact the world.

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Exploring Generational Identity: A Multiparadigm Approach

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This paper reviews the emerging literature on generational identity, an individual’s awareness of his or her membership in a generational group and the significance of this group to the individual (Joshi, Dencker, Franz, & Martocchio, 2010). It explores potential research questions related to generational identity using a multiparadigm approach in order to illustrate the potential and relevancy of generational identity as a topic worthy of further research. Through the examples presented in this paper the importance of understanding generational identity using multiple perspectives is highlighted.

INTRODUCTION

With the growing popularity of identity as a research topic in the field of organizational behavior (e.g., Ashforth, Harrison, & Corley, 2008), researchers are increasingly interested in how individuals define themselves through social groups. Self-categorization and social identity theories explain that people classify themselves to impose order on the social environment and to make sense of who they are (Tajfel & Turner, 1985). In doing so, they identify with particular social groups through perceiving a sense of oneness with them (Ashforth and Mael, 1989).

While self-categorization theory has typically explained positive in-group bias and negative out-group bias in terms of demographic characteristics such as race or gender (Brewer, 1979; Tsui, Xin & Egan, 1995), individuals’ self categorizations clearly go beyond these demographics. An important yet neglected categorization is generation. In fact, given the increasing age diversity in contemporary organizations, it is likely that one’s membership in a generational group will be even more salient as a basis for one’s identity. Generational identity is defined as an individual’s awareness of his or her membership in a generational group and the significance of this group to the individual (Joshi, Dencker, Franz, & Martocchio, 2010).

Because the study of generational identity is a new and developing field, it is important to study it in many different ways in order to gain a broader understanding of the phenomenon. The purpose of this paper, therefore, is to propose several ways in which generational identity can be studied. Since the study of generations is a relatively new area in organizational behavior, theories on generational identity need to be developed and the utilization of more than one paradigm will create more robust theories (Gioia & Pitre, 1990) that will help to increase our understanding of the factors that contribute to the development and salience of generational identities. This paper briefly suggests ways in which each of Burrell and Morgan’s (1979) four paradigms might contribute uniquely to broadening an understanding of this topic. From there, it provides concrete examples of methods that might be utilized in two distinct paradigms (grounded theory for the interpretivist and discourse analysis for the radical humanist approaches) in
order to broaden our understanding of generational identity. The paper first begins with a brief summary of existing—albeit limited—work on generational identity.

**GENERATIONAL IDENTITY**

Interest in generations has been growing in the workplace so much that the term “generational differences” has become a buzzword and many organizations feel the need to offer training in this area to their employees (SHRM, 2005). Furthermore, many practitioner-oriented publications have focused on the issues of generations in the workforce. One example of such an issue is that, as older employees continue to work longer instead of retiring and younger employees join the workforce, members of various generations are forced to communicate and function together despite having different expectations and motivations (Zemke, 2001). Additionally, the fact that a mainstream publication like Business Week ran four articles on the topic in their 2008 special issue is evidence that generational issues are an important recent concern of businesses. Such mainstream and practitioner-oriented publications often focus on differences between generations and on stereotypes associated with specific generations (for example that members of Generation Y are lazy or that members of the Baby Boomer generation like stability). Given the interest in the topic of generational differences within the business community, it is important that generational issues be studied by researchers more rigorously.

Drawing from studies in sociology and anthropology, recent research has advanced the study of generations as being part of individuals’ identities. Specifically, Joshi, Dencker, Franz, & Martocchio (2010) have identified three facets or aspects of generational identity. The first is a cohort-based identity whereby individuals enter into an experience (such as starting work at an organization or beginning an education) at the same time. The second is an age-based generational identity whereby common experiences outside of work, roughly defined by birth year can create an identity for individuals. Third is an incumbency-based generational identity where individuals define their identity based on the skills, experiences, attitudes, and knowledge that result from occupying a particular role for a certain period of time (such as the fourth CEO of an organization being labeled the “fourth generation”).

This framework expands the concept of generational identity from more practitioner-oriented publications which focus primarily on age and experiences. Other work has examined differences in values that might exist between generations. Using an age-based perspective, researchers identified that values tend to be similar among members within each generation, labeled as Generation Y (also known as the Millennial generation born between 1979 and 1994), Generation X (born between 1965 and 1978) and Baby Boomers (born between 1946 and 1964) (Smola & Sutton, 2002). For example, members of Generation X are most likely to value extrinsic rewards more than members of other generations; the importance of leisure has increased with each subsequent generation; and social and other intrinsic values are actually less important for Generation Y than for Baby Boomers (Twenge, Campbell, Hoffman, & Lance, 2010). Other studies suggest that differences in values between age-based generations are more a function of maturity or length in the workforce (Twenge & Campbell, 2008) and that differences between generations might exist but not necessarily in the stereotypical ways reported by popular media and management literature (Wong, Gardiner, Lang, & Coulon, 2008; Macky, Gardner, Forsyth, & 2008).

If, however, as many of the above studies suggests, there are differences in values between generations based on age, it is possible that differences in values also exist between generations when defined according to the cohort and incumbency-based approaches as well. Therefore, because values might be perceived to be similar by members within generations (thus potentially increasing the possibility for those individuals to share a sense of identification or oneness with a social group) it is appropriate that identity theories be applied to the study of generations in the workforce. Two theories of identity that shed light on this and that are useful to the study of generations are self-categorization and social identity theories.

Often, individuals who are members of certain groups define themselves to an extent in terms of their group membership (Chrobot-Mason & Ruderman, 2004). This phenomenon has been explained by social identity theory. Social identity theory states that that people seek to classify themselves (Tajfel & Turner,
and that social identification is defined as an individual’s perception of oneness with a group (Ashforth & Mael, 1989). It is therefore reasonable to believe that individuals may seek to classify themselves with a particular age group, cohort, or level of experience within a particular role. This occurs because they perceive oneness with one of these generational classifications on the basis of congruent values between member and generation.

Social identification stems from four things: (1) the categorization of individuals into being members of groups, (2) the distinctiveness and prestige of the group (known as the in-group), (3) the salience of out-groups (members not in the in-group), and (4) the factors associated with group formation (Ashforth & Mael, 1989). If individuals view that they are members of a generational group, then they may come to define themselves in part by the values and characteristics generally espoused by those groups. Social identity theory also argues that social identification leads to activities congruent with the group identity and can contribute to stereotypical views of both the in-group and out-group (Ashforth & Mael, 1989). This might help to explain barriers to communication between members of different generations (Smola & Sutton, 2002). Note that for generational identification to occur, members need to perceive in-groups and out-groups as being important, meaning that members perceive benefits of identifying with a generation while highlighting differences that exist between other generations.

According to Turner and Giles (1981), social identity theory presumes that an individual’s self-concept exists because of her or his knowledge of being part of a larger group such as when an individual closely defines her or himself by being a member of a generation. Furthermore, the attachment of value and affect by members to groups (Ashforth, Harrison, & Corley, 2008) makes the group’s salience stronger. It is plausible that individuals might attach emotion to a particular generation especially when they perceive that the values between members (and themselves) are similar.

Self-categorization theory is a related theory (Ashforth, Harrison, & Corley, 2008) and postulates that categorization fulfills two basic human needs: inclusion and differentiation (Brewer & Brown, 1998). It is related to social identity theory because both theories explain one’s place in society and state that people compare themselves against other in- and out-group members. Self-categorization theory, therefore, implies cognition whereby people classify themselves and others into groups such as members of a particular age-based, cohort, or incumbency-based generation.

In- and out-group comparisons can be important in the workforce as both positive in-group bias and negative out-group bias can exist. Examples of positive in-group bias include perceptions that members of the in-group are more trustworthy, honest, and cooperative (Brewer, 1979; Tsui, Xin & Egan, 1995). Examples of negative out-group bias include lower trust, fewer interactions, decreased respect, and less support (Tsui, Xin, & Egan, 1995).

With respect to the functioning in organizations with members of various groups, the social categorization perspective (Williams & O’Reilly, 1998) further suggests that functioning can be impaired as a result of adverse social categorization processes stemming from differences between organizational members. Therefore, in- and out-group organizational members are classified on the basis of differences, which might include generational diversity. There are two types of diversity in which people use to classify such differences. In a review by Ilgen, Hollenbeck, Johnson, and Jundt (2005), the researchers distinguish between surface-level diversity (such as age) and deep-level diversity (such as differences in values, thoughts, and attitudes). Both of these types of diversity might include elements of generations (age and values specifically). The authors state that, while surface-level diversity is critical in predicting effectiveness at early stages of working together, its influence eventually is reduced as deep-level diversity becomes a more important factor. An example of this could occur within the context of a team consisting of members of Generation X, Generation Y, and Baby Boomers. In the early stages of team development, effectiveness might most be impacted because of differences in age. However, as the group continues to work together, the values of team members become more important. If one’s generational identity is salient, then she or he might adopt those values considered to be typical of one’s generation. To the extent that these values conflict with others’ values, such deep-level diversity will eventually have a greater impact on the team’s effectiveness.
But, individuals do not solely define themselves by one group in which they belong; for example, individuals might define themselves as members of a department within an organization as well as a larger social group such as a particular generation. As suggested by Kreiner, Hollensbe, and Sheep (2006), personal identity boundaries can overlap with those of group identities. Individuals can also pull from multiple groups in which they belong as well as multiple roles they fulfill in order to define themselves. Kreiner et al. further suggest that boundaries within individuals and between individuals and groups can be permeable and flexible so that one’s identity can fluctuate. Therefore, a member of a particular generation might not define him or herself as such in all situations and this generational identity can overlap with other identities that are also salient to the individual.

From this discussion, it is apparent that much work needs to be done toward understanding generational identity and its implications for organizational behavior. While social identity theory and self-categorization theory can serve to inform research in this area, scholars believe that new understandings of generational identity can be developed by using a combination of such existing theories and the framework for understanding generational identity described above. For example, one recommendation from the literature on generations is to pull from multiple perspectives in order to better understand this phenomenon (Joshi et al., 2010). Looking at generational identity from multiple perspectives will help researchers to identify vastly different research questions. Examples might include: Do perceived generational stereotypes affect perceived organizational membership? How do individuals construct generational differences within organizations and with what effects? How does language construct or reinforce generational identity? Are there power differences that exist as a result of promotion structures based on years of experience or organizational cohort?

The questions that can be asked and the way that the researcher understands generational identity are influenced by the researcher’s paradigm. Given the importance of identifying multiple research questions that are relevant to practitioners and the need to explain phenomena occurring within organizations, I propose the utilization of multiple paradigms in the study of generational identity. In order to understand the options that researchers have in investigating generational differences, a discussion of paradigms is important. Therefore, the following section highlights the concept of paradigms and focuses on Burrell and Morgan’s (1979) paradigm typology.

BURRELL AND MORGAN’S FOUR PARADIGMS

The preceding discussion proposed the need for using multiple paradigms in order to gain a better understanding of the concept of generational identity. In order to further clarify this proposition, this section will discuss the nature of science in terms of using theories, explain how paradigms can be used to strengthen theories, and summarize and define typologies of paradigms.

According to Karl Popper’s philosophical stance (1985), the aim of science is to find satisfactory explanations of phenomena through the use of fundamental laws. Such laws are approximations of “truth” used to explain the nature of the world. These laws can be viewed in terms of theories that can be developed or tested from the perspective of a researcher’s particular paradigm. Although extensively written about by Kuhn (1970), his concept of a paradigm was somewhat vague and a major criticism of his work is that he had up to 21 definitions of what a paradigm is (Arndt, 1985). Some definitions of paradigm include one’s world view, theoretical lens, or perspective but the most important aspect of a paradigm is that it influences what questions a researcher asks about the world (Kuhn, 1970). It is for this reason that scientists and philosophers have created various typologies of paradigms in order to classify different perspectives that researchers might utilize to understand the world.

One such classification scheme was introduced by Burrell and Morgan (1979) and consisted of four main paradigms. The first is the functionalist perspective which is most rooted in rational explanations and examines phenomena by looking for the existence and support of the status quo, social order, and consensus. This view can be seen at work in publications where hypotheses are advanced and subsequently tested using methods such as experiments or surveys. The second, the interpretivist paradigm, examines phenomena as emerging social processes. Since the assumptions that underlie this
view are vastly different, interpretivists will ask different types of questions regarding the phenomenon under study and will seek to answer them using different methodologies than functionalists such as grounded theory (Glaser & Strauss, 1967; Strauss & Corbin, 1998) whereby researchers interact intimately with individuals in the field not to test hypotheses but to develop a new theory based on localized knowledge. The third paradigm is the radical humanist paradigm. Studies in this area tend to focus on power struggles, emancipating those that are marginalized, and often rely on methods that are descriptive in nature such as ethnography (Alvesson & Wilmott, 1992) and discourse analysis (Jorgensen & Phillips, 2002). The fourth and final paradigm is the radical structuralist paradigm. This paradigm focuses on power differences that arise from the structures inherent in organizations.

While the above discussion focuses on Burrell and Morgan’s four paradigm typology (1979), it should be noted that other paradigm typologies do exist. Furthermore, though the above typology has been accepted by many scholars, it is not without its critics (see Deetz, 1996 and Choudhury, 1987 for examples). The main point of this paper, however, is not to criticize Burrell and Morgan’s (1979) paradigms nor to debate whether or not these truly capture all of the perspectives currently operating in organizational research. Rather, the purpose of this paper is to suggest that multiple viewpoints can aid in the understanding of generational identity in organizations. The next section discusses some of the benefits of using multiple paradigms to help in this regard and focuses on specific examples from the interpretivist and radical humanists paradigms.

MULTIPARADIGM APPROACH TO GENERATIONAL IDENTITY

Researchers in the field of organizational studies tend to rely on the assumptions of one particular paradigm in conducting their research. Similarly, many topics within the field of organizational studies are often studied from the perspective of only one paradigm. However, several scholars argue that most topics within the field would greatly benefit from researchers drawing from multiple perspectives in order to understand different aspects of the phenomena in question. Gioia and Pitre (1990), for example, argued that utilizing multiple paradigms can help build richer theories within topics. Such an approach is crucial to developing areas (such as generational identity) so that multiple perspectives can be drawn upon to strengthen the theoretical conversation in order to increase understanding and minimize new fields from becoming overly biased toward a select few researchers’ perspectives. Strategies for how to manage topics with multiple paradigms have been advanced (Poole & Van de Ven, 1989 and Lewis & Keleman, 2000 for example) with the purpose of raising the conscientiousness of researchers by highlighting issues that might potentially be ignored by other paradigms. Multiparadigm research can be used to look at aspects of a phenomenon through multiple perspectives and methods that can only occur by being deeply immersed in the topic.

Regardless of what strategy is chosen to manage multiparadigm research, using multiple paradigms inherently allows researchers to gain a better understanding of a topic, especially those which are in early phases of development. Because the topic of generational identity is early in its development, it is crucial that researchers draw from multiple paradigms in order to understand its nuances. Table 1 summarizes examples of how generational identities might be examined by each of the above four paradigms.

Theory building from a functionalist perspective begins with selecting a topic, identifying issues, and asking appropriate research questions that fit in with the paradigm’s assumptions (Gioia and Pitre, 1990). Researchers in this paradigm typically review the literature to determine what is known about the topic and where there might be a gap in knowledge by pulling relevant theories and variables with the ultimate purpose to formulate and test hypotheses.
### TABLE 1: MULTIPARADIGM APPROACH TO GENERATIONAL IDENTITY

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<thead>
<tr>
<th>RADICAL HUMANIST PARADIGM</th>
<th>RADICAL STRUCTURALIST PARADIGM</th>
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<tbody>
<tr>
<td><strong>Example Research Question:</strong> How does language construct or reinforce generational identity?</td>
<td><strong>Example Research Question:</strong> Are there power differences that exist as a result of promotion structures based on years of experience or organizational cohort?</td>
</tr>
<tr>
<td><strong>Example Method:</strong> Discourse analysis to determine patterns of interaction that highlight power dominance</td>
<td><strong>Example Method:</strong> Examine existing official and unofficial documents including employee testimonies</td>
</tr>
<tr>
<td><strong>Goal of Theory Building:</strong> Understanding the relationship between language and generational identity</td>
<td><strong>Goal of Theory Building:</strong> Challenging the power structures that marginalize certain generational identities</td>
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<tr>
<th>INTERPRETIVIST PARADIGM</th>
<th>FUNCTIONALIST PARADIGM</th>
</tr>
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<tbody>
<tr>
<td><strong>Example Research Question:</strong> How do individuals construct generational differences within organizations and with what effects?</td>
<td><strong>Example Research Question:</strong> Do perceived generational stereotypes affect perceived organizational membership?</td>
</tr>
<tr>
<td><strong>Example Method:</strong> Participant observation of/interviews with members from multiple generations to discover differences</td>
<td><strong>Example Method:</strong> Surveys of individuals from multiple generations to test for significant differences in variables of interest</td>
</tr>
<tr>
<td><strong>Goal of Theory Building:</strong> Exploring the nature of generational identity and the strategies individuals use to manage it</td>
<td><strong>Goal of Theory Building:</strong> Measuring the extent to which generational identity is related to other organizational constructs</td>
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An example of how this process can be used in the study of generational identity can be viewed when asking the research question of whether perceived generational stereotypes affect perceived organizational membership. When asking this question, the researcher will want to predict whether future perceived negative interactions between generations will discourage certain generations from perceiving strong membership within an organization. The functionalist will use hypothesis testing in order to determine if the theory is supported, falsified, or should be refined. As such, one potential hypothesis that could be tested is: “Members of younger generations (such as Generation Y) who perceive negative stereotypes about their generation from more senior generations will not have high perceived organizational membership.”

To test this hypothesis, the researcher would most likely use a survey instrument given to a sample of organizational members in younger generations with items related to their perception of generational stereotypes as well as the three dimensions of perceived organizational membership: need fulfillment, mattering, and belonging (Masterson & Stamper, 2003). This is certainly not the only example of how theory building might occur using a functionalist viewpoint. This one was selected for illustrative purposes, however, because it is related to the different values that generations might place on work (Smola & Sutton, 2002; Twenge, Campbell, Hoffman, & Lance, 2010). For example, if those that identify
with Generation Y value voicing their opinion in an organizational context, it might be because they feel that they have a contribution that they can make. If, however, members of other generations do not value their opinion, Generation Y members might have less of a sense of mattering and, thus, lower perceived organizational membership. Obviously, other hypotheses can be advanced from theories of generational identity in order to understand the variables that cause individuals to identify within organization and the consequences that this identification has within an organizational setting.

Proposition 1: The functionalist role is to test hypotheses based on theories of generational identity. This, then, should occur following development of theories from other paradigms such as the interpretivist or radical humanist views. Studying generational identity from a functionalist perspective will provide a refinement of theories and an elaboration of variables that will show the antecedents and consequences of identification with generations.

The steps using the radical structuralist paradigm (Gioia & Pitre, 1990) begin with selecting a topic based on the paradigm’s assumptions and articulating a theory based on how the topic might be an example of a grand theory. Data collection involves examining historical evidence based on the given grand theory and analysis is composed of arguing that the instance being examined can validate the theory. Radical structuralists also seek to identify the structural sources of power and conclude by determining how the structure should change. The main goal of theory building from this perspective is to identify sources of power and attempt to change the structure through revolutionary practices.

A potential research question from this paradigm might be: are there power differences that exist as a result of promotion structures based on years of experience or organizational cohort? This question seeks to determine whether or not power and control are evident in human resources practices that might systematically marginalize members of a certain generation. In order to determine this, researchers might examine existing HR documents, employee testimonies, and other official and unofficial documents regarding the promotion structure within an organization. As such, researchers and practitioners both would be interested in determining whether or not generational identities are highly salient within organizations. If they are, they might be able to analyze how members of a “controlling” generation imposes structural order on an organization’s promotional policies as a result of negative stereotypes that they perceive in members of other generations. From this perspective, theory development should conclude with an understanding of where power exists and how it can be leveraged within organizations with the purpose of creating revolutionary structural change. Like the example given above regarding the functionalist paradigm, this is again one of hundreds of questions that a radical structuralist could ask about generational identity. However, it is presented here as an example due to its practicality and relevance to the organization. In terms of being practical, documentation surrounding promotion policies should be relatively easy to obtain from organizations. In terms of relevance, organizations that continuously examine their HR policies for fairness would most likely be those that have a strong and dedicated workforce.

Proposition 2: Studying generational identity from a radical structuralist viewpoint is crucial to understand the practicality of how organizational structures, policies, and processes marginalize members of certain generations. From this perspective, we gain tangible evidence of how structures inherent within organizations create power struggles between members of generations.

Both functionalist and radical structuralist researchers would approach generational identity by asking different questions as briefly illustrated above. The remainder of this paper will focus on the two paradigms not yet addressed: the interpretivist and radical humanist. These will be the focus for several reasons. First and foremost is that what little work has been done has been primarily under the guidance of the functionalist paradigm in that it is based on hypothesis testing using survey results (Smola &
Sutton, 2002 and Twenge, Campbell, Hoffman, & Lance, 2010 for examples). Second is that the radical functionalist paradigm focuses on power as it relates to structure. While this paradigm will certainly be useful in the future, it will be difficult to examine structural issues as they relate to generational identity until more is known about generations in organizations. While theories can be strengthened using each paradigm, research using this paradigm will greatly add more depth to how generational identity might affect power structures by building upon theories initially originating from interpretivist and radical humanist viewpoints. Third is that, because both the interpretivist and radical humanist paradigms focus on social processes and generational identity (as it is suggested here) is a social phenomenon, the assumptions from these paradigms would be useful early on in the study of the topic. Fourth (especially for the interpretivist researcher utilizing grounded theory) is that these paradigms draw on methods suitable for creating an initial model or theory (Suddaby, 2006) which can then be tested and expounded upon by researchers from other paradigms.

Proposition 3: Research on generational identity has been lacking the perspectives of the interpretivist and radical humanist paradigms. Because both of these paradigms focus on social phenomena and can be used to build initial theories, immediate research on generational identity must be done using these perspectives. This will guide and strengthen future research on generational identity from the other perspectives.

In data collection using the interpretivist paradigm, researchers identify specific cases of a phenomenon and question informants to determine what is important and relevant to them within a particular context. Analysis involves coding transcripts of conversations, formulating and evaluating relationships between concepts discussed by informants, developing tentative theories from these relationships, and finally reviewing literature to see whether it elaborates existing theory or creates an entirely new theory. The process ends when the researcher writes up a substantive theory to illustrate how the relationships uncovered fit together with what has already been known.

An example of how this process can be used in the study of generational identity is through the use of grounded theory (Glaser & Strauss, 1967; Strauss & Corbin, 1998) where theory is built during an emerging process using first-hand observation and often interviews. A potential research question (again, out of hundreds of potential questions) is: “how do individuals construct generational differences in organizations and with what effects?” In building a theory, the researcher will draw from personal observations of social processes in the field in order to develop a brand new theory or advance substantial extensions of currently accepted theories.

For the research question advanced above, researchers can pursue observations in at least two ways. The first would be for the researcher to gain entrance into an organization where managers have reported difficulties between generations working together and communicating with each other. Such phenomena would suggest both that the salience of generational identities within the organization is high and that such identities create barriers between members of different generations. By closely observing individuals in the field, researchers can study interactions among organizational members and witness firsthand how people identify with their generation and treat others of another generation. Observations would most likely be more useful if the sample being observed consists of members from various organizations. Because it might be difficult for researchers to gain access to and have time to observe multiple organizations, the second method could perhaps be more practical.

The second way that researchers can pursue observations would be by considering a population to study and then selecting a sample of individuals from various organizations and of various generations. From this sample, the researcher can interview each of the individuals. The questions discussed in the interview should get to the heart of the research question in order to get information that will create understanding about the generational identity phenomenon from an interpretivist perspective. After these interviews are transcribed, researchers will code the conversations and identify trends and themes that occur. It is quite possible that some of the participants will reply with like responses that will show similarities in responses so that themes and theories can be analyzed.
If some responses are similar, researchers will be able to build theories based on the interviews because experiences are not completely unique despite differences of perspectives and organizations. It is possible, then, that the theories can be refined and further developed through hypothesis testing from the functionalist perspective. Furthermore, since we are gaining a greater understanding of the phenomenon through the interpretivist paradigm, it is now possible to use the radical structuralist paradigm to examine how generational identities and differences create and reinforce structures within organizations.

Proposition 4: Using grounded theory from an interpretivist perspective will develop new theories of generational identity by examining social trends within organizations. These social trends will provide starting points for understanding the development and prevalence of generational identity and stereotypes.

The radical humanist perspective is focused on understanding power differences as they are created and maintained through language. An appropriate methodology for studying generational identity from this perspective would again require interviews or textual analysis of documents. Again, one of many example research questions that a radical humanist might ask is: how does language construct or reinforce generational identity? The point of asking this question is to determine how generations are given meaning as a result of how they are talked about. As such, discourse analysis (Potter & Wetherell, 1987; Jorgensen & Phillips, 2002) would be a helpful approach to understanding generational identity from this perspective.

While not yet used extensively in organizational studies, the application of discourse analysis is growing within the field and its relevance toward the discipline is becoming more widely recognized (Alvesson & Karreman, 2000). For example, researchers have analyzed how discourses within society and organizations create expectations for managers to possess “competency” in their roles in order to contribute to organizational well-being (du Gay, Salaman, & Rees, 1996) and the role that language has for leaders to be able to successfully organize and manage a group of people (Fairhurst, 2010).

These example studies of organizational phenomena using discourse analysis imply that language is used as an interpretive repertoire whereby people both describe events as well as account for and formulate meanings of those events (Wetherell, 1998). In much the same way that researchers used discourse to study the competency of managers and effectiveness of leaders, researchers can also use discourse to examine how generational identities are created and reinforced.

One way that this can be done is by examining the language used in corporate training events and practitioner-oriented publications such as Business Week (2008) and SHRM’s Generational Differences Survey (2005) among others to examine the similarities of how characteristics of members of each generation are talked about. In order to examine how this language affects individuals within organizations, researchers can interview a sample of the workforce to discuss their views of their and others’ generations. In doing so, the language that they use can be compared with the language of the publications in order to determine how much such publications influence and reinforce peoples’ beliefs about their generational identities.

A second way that discourse analysis can be used does not begin with examining publications to identify discourses that are related to generational identity. Instead, researchers could examine multiple organizations similar to the way which was suggested in the interpretivist paradigm above. However, the difference here would be to focus on language. Researchers could determine the generation that holds the most power in organizations by identifying the language that is used to talk about members of that generation as well as other social cues. Once identified, researchers could determine the discourses or language used by this generation to describe other less powerful generations. Then, such discourses and language usage could be compared to the language used by members of other generations in how they describe themselves. The level of similarity between the discourses used by members of the generations would show how much the language used by the controlling generation would create or reinforce generational identities within the organization.
Proposition 5: Studying language regarding how generations are talked and written about using methods such as discourse analysis from a radical humanist perspective will show differences in how generations are discussed. By examining these differences of rhetoric, we will understand how generational identities and stereotypes are socially created, reinforced, and marginalized.

CONCLUSION

Due to the importance of generational issues in business as highlighted earlier in this paper and the lack of much research done so far in this area, there is a definite gap that needs to be filled in the literature. Furthermore, what little work that has been done so far has been done using a survey-based approach to hypothesis testing drawing from the functionalist paradigm. This has caused the empirical research that has been published thus far to be very limited in its understanding of generational identity.

This paper has illustrated several fruitful ways in which research in generational identity can be expanded using varied paradigmatic perspectives. It is important that one paradigmatic lens not dominate research on this topic so that robust theories drawing from multiple paradigms can be developed. Particularly, this paper has offered several concrete examples and suggestions for how generational identity can be studied from a variety of perspectives. The contribution of this paper, then, is to make valid practical suggestions for how the academic community can gain from the study of generational identity using different approaches, specifically the interpretivist (grounded theory) and radical humanist (discourse analysis) early on in this topic’s development.

The purpose of this paper was not to advance specific research propositions. Indeed, to do so would be problematic before more interpretivist research can be conducted in order to develop theories. As a starting point, interpretivist research can provide researchers with propositions to test in studies to come. Future research, then, should be focused toward developing and testing propositions from each paradigmatic perspective as a result of theories that will (and are) beginning to emerge. As a starting point, the research questions posed here might be closely examined to begin to utilize each of the four paradigms. However, it is crucial that additional research questions be developed from each perspective. Because generational identity is a developing topic, researchers would be well served by nurturing its growth by applying as many paradigmatic lenses as possible in order to develop theories which should then be tested.

Practitioners would also greatly benefit from a better understanding of generational identity. For example, from the approaches suggested above, managers can understand how generational differences might manifest themselves as power struggles (radical structuralist perspective), a search for meaning (interpretivist perspective), through language (radical humanist perspective), or how such differences might affect other organizational outcomes (functionalist perspective). Popular publications have been talking about generations for years through the use of broad generalities and stereotypes. A more academic approach that might either support or show discrepancies in such practitioner-oriented literature would greatly help managers implement more effective strategies and programs for managing the interactions of multiple generations.

REFERENCES


The construct of core self-evaluations has been recognized as one of the most significant dispositional predictors of job satisfaction. The current study meta-analyzed the relationship between core self-evaluations and job satisfaction and found a moderate, positive relationship. Characteristics of the samples (such as gender, race, age, and organizational tenure), and characteristics of the research design (such as type of core self-evaluation measurement used and author type) were examined as potential moderators of the relationship between core self-evaluations and job satisfaction in this study. The findings along with practical implications are discussed and outlined.

INTRODUCTION

It has long been claimed that employee job satisfaction is not only contingent upon the characteristics of the job, but also on the predispositions that individuals bring to the job. However, the majority of the research examining the relationship between individual dispositions and job satisfaction has focused on the Big Five factors of personality (i.e., openness to experience, conscientiousness, extraversion, emotional stability, and agreeableness; Ng, Sorensen, & Eby, 2006), leaving a great deal left unexplained. In an attempt to further address the lack of knowledge in this area, Judge, Locke, and Durham (1997) identified and examined several potential disposition-related characteristics as predictors of satisfaction. These variables (i.e., self-esteem, self-efficacy, locus of control, and emotional stability) comprise what is now collectively referred to as ‘core self-evaluations’.

Core self-evaluations are defined as “fundamental premises that individuals hold about themselves and their functioning in the world” (Judge, Erez, & Bono, 1998, p. 168). The concept of individuals having core self-evaluations has not only provided researchers with meaningful information about a person’s fundamental view of his/her self-worth, but has also proved to be beneficial when predicting important work outcomes, like job satisfaction. In fact, the construct of core self-evaluations has been advocated as the single best predictor of job satisfaction by some individuals (c.f., Judge & Bono, 2001a). Judge et al. (1997) determined that individuals’ core views about themselves (i.e., their self-esteem, self-efficacy, locus of control, and emotional stability) were related to how satisfied they are with life in general, and more specifically, their jobs. Although causality cannot conclusively be determined, Judge and others contend that this predisposition to have certain beliefs about oneself leads to satisfaction with
other areas in one’s life (e.g., job satisfaction). In essence, a person’s evaluation of themselves can likely affect how satisfied they are with their jobs almost as much as the actual characteristics of the job. Furthermore, research has found that core self-evaluations were able to predict job satisfaction above and beyond that of the Big Five personality traits (c.f., Judge, Heller, & Klinger, 2008). Since Judge et al.’s (1997) initial publication, there have been numerous studies that have evaluated the relationship between core self-evaluations and job satisfaction. For example, Judge & Bono (2001b) conducted a meta-analysis to examine the association between each of the four individual traits that comprise CSE and job satisfaction, and found that each of these variables were indeed related to job satisfaction. However, no study has yet to systematically examine the robustness of the effect size between core self-evaluations (at the construct level) and job satisfaction. These researchers specifically mentioned not being able to address the validity of the CSE construct in predicting job satisfaction in their study due to data insufficiency, and they called for future research to consider the broad, latent construct of CSE as a predictor of job satisfaction.

Therefore, the purpose of the current study is to respond to this call for research and quantitatively summarize the relationship between core self-evaluations (also referred to as CSE) and job satisfaction using meta-analytic techniques. Moreover, several potential moderators of this relationship will also be examined. First, a brief history of the nascence and development of the CSE construct will be discussed. Secondly, theoretical explanations of the relationship between CSE and job satisfaction will be outlined. Finally, meta-analytic results will be reviewed and discussed.

What Are Core Self-Evaluations?

Judge et al. (1997) identified several components of core self-evaluations that they considered important to the construct based on their fundamentality, evaluation-focus, and scope. Specifically, they identified four traits that met these criteria: self-esteem, self-efficacy, emotional stability, and locus of control. Each of these traits will be briefly discussed.

Self-Esteem

Self-esteem describes a basic appraisal of an individual’s self worth (Harter, 1990). Harter (1990) claimed that self-esteem represents the overall value that an individual places on themselves. Due to this inherent self-evaluation, self-esteem is claimed to be the most fundamental trait of core self-evaluations (Judge et al., 1997; Judge, Locke, Durham, & Kluger, 1998). It is argued that self-esteem is contingent upon situational influences and results as an outcome of the situation an individual faces (e.g., personal success; Rosenberg, Schooler, & Schoenbach, 1989). However, self-esteem is also said to be fairly stable, solidifying by the end of adolescence and not drastically changing through adulthood (Costa & McCrae, 1994; Tharenou, 1979). Thus, self-esteem is likely a trait which predisposes individuals to behave in a certain way – but, that tendency can be modified in regards to contextual variables.

Evidence supporting the relationship between self-esteem and job satisfaction is substantial (Locke, McClear, & Knight, 1996). Judge and Bono (2001b) meta-analyzed the relationship between self-esteem and job satisfaction and reported an average uncorrected correlation of $r = .20$ and an average corrected correlation of $\rho = .26$. Johnson, Rosen, and Levy (2007) mentioned that self-esteem has both direct and indirect relationships with job satisfaction, with the direct path showing spillover effects from views of oneself to the job, and the indirect path showing that individuals with higher self-esteem are more likely to choose jobs that are aligned with their interests, thus leading to satisfaction with their jobs. Subsequently, Judge et al. (1997) not only proposed self-esteem to be positively related to job satisfaction, but they also specified that it would have the highest magnitude out of any of the relationships between core self-evaluation traits and job satisfaction, because it is the most fundamental and broad core evaluation of the self. However, a later meta-analysis performed by Judge and Bono (2001b) showed that self-esteem did not have the highest magnitude of the four trait predictors (see Figure 1 for the results of the Judge and Bono (2001) meta-analysis). Moreover, self-esteem was the strongest CSE predictor of job performance ($\rho_{core} = .26$).
FIGURE 1
META-ANALYTIC RESULTS OF THE RELATIONSHIPS BETWEEN THE CSE TRAITS AND JOB SATISFACTION

<table>
<thead>
<tr>
<th>Trait</th>
<th>$k$</th>
<th>$N$</th>
<th>Mean $r$</th>
<th>SD $r$</th>
<th>Mean $\rho$</th>
<th>SD $\rho$</th>
<th>$SE_{\rho}$</th>
<th>95% CI</th>
<th>80% CV</th>
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<tr>
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<td>.24</td>
<td>.12</td>
<td>.32</td>
<td>.16</td>
<td>.02</td>
<td>.28, .36</td>
<td>.12, .52</td>
</tr>
<tr>
<td>Emotional Stability</td>
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<td>7,658</td>
<td>.20</td>
<td>.08</td>
<td>.24</td>
<td>.09</td>
<td>.03</td>
<td>.19, .29</td>
<td>.12, .36</td>
</tr>
</tbody>
</table>

*Note: Adapted from Judge and Bono (2001); $k =$ number of correlations; $N =$ the total sample size for all studies combined; Mean $r =$ average uncorrected correlation; SD $r =$ standard deviation of average uncorrected correlation; Mean $\rho =$ average corrected correlation; $SE_{\rho} =$ standard error of corrected correlation; 95% CI = lower and upper limits of 95% confidence interval; 80% CV = lower and upper limits of 80% credibility interval.

Generalized Self-efficacy

Self-efficacy was originally described by Bandura (1997) as being task specific, but Judge et al. (1997) sought to broaden the scope of the concept by taking the generality dimension of Bandura’s (1986) conceptualization and describing generalized self-efficacy as “one’s estimates of one’s capabilities to mobilize the motivation, cognitive resources, and course of action needed to exercise general control over events in one’s life” (Judge, Locke, Durham, & Kluger, 1998, p. 19). Self-efficacy has previously been found to be a sub-component of the self-esteem (Judge et al., 1998). It was stated that each of the core self-evaluation traits are not theoretically distinct, but yet are indicative a single, higher-order construct (Judge et al., 1998). Thus, one would expect these traits to be highly related. Additionally, because generalized self-efficacy pertains to an individual’s coping ability, it was predicted that those who are better able to cope through stressful situations are more likely to experience satisfaction at work (Johnson, Rosen, & Levy, 2007). In their meta-analysis, Judge and Bono (2001b) found generalized self-efficacy to be the strongest CSE predictor of job satisfaction ($\rho_{corr} = .45$).

Emotional Stability

Emotional stability refers to an individual’s propensity to becoming emotionally upset in difficult or stressful situations (Costa & McCrae, 1988; Dilchert, Ones, Van Rooy, & Viswesvaran, 2006). It is conceptualized as part of a continuum, with emotional stability on one end and neuroticism on the other. Thus, these two terms are oftentimes used interchangeably. Emotional stability (neuroticism) is one the Big Five dimensions of personality, and Judge et al. (1997) described neuroticism as the opposite of self-esteem. This adds to Judge and colleagues contention that the core self-evaluation traits are really facets of a single, underlying construct rather than separate entities. Individuals who score low on emotional stability (i.e., high on neuroticism) are more prone to feelings of insecurity, helplessness, and anxiety (Judge et al., 1998). It was also proposed that those lower in emotional stability are more likely to react adversely and show negative emotions towards undesired events, therefore, leading to lower job satisfaction (Judge et al. 1997). Judge and Bono (2001b) reported that the true score correlation between emotional stability and job satisfaction was $\rho_{corr} = .24$.

Locus of Control

Locus of control is the final trait believed to comprise the latent construct of core self-evaluations. Rotter (1966) distinguished locus of control into two components: internal locus of control (where individuals believe that they are in control of their own fate) and external locus of control (where individuals feel that peripheral –i.e., external/contextual - factors guide their fate rather than self-driven actions). While locus of control generally meets the inclusion criteria set forth by Judge et al. (1997), it is said to be less evaluation-focused than the other traits. However, many of the items included in measures of generalized self-efficacy involve self-evaluations (e.g., “My life is determined by my own actions”;

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Levenson, 1981). Locus of control has also been theoretically linked to other core self-evaluation traits (i.e., generalized self-efficacy). Judge et al., (1998) distinguishes between the two by saying, “self-efficacy pertains to confidence with respect to actions or behaviors, whereas locus is more concerned with confidence in being able to control outcomes” (p. 19). It is the perceived ability to control one’s destiny that lends individuals with an internal locus of control to exhibit higher levels of job satisfaction. In their meta-analysis, Judge and Bono (2001b) reported that the true score correlation between locus of control and job satisfaction was \( \rho_{\text{corr}} = .32 \).

**Construct Validity of CSE**

Judge, Erez, Bono, and Thoresen (2002) examined the inter-relationships between self-esteem, generalized self-efficacy, locus of control, and emotional stability in their meta-analysis to determine how closely related these traits were with each other. They found that the average (absolute) correlation between the traits was .60 (after being corrected for unreliability). Judge and Bono (1999) performed a similar analysis using 18 studies and found an average corrected correlation of .64. They also note that this value is comparable to the average correlation between different measures of neuroticism (Digman, 1990). Because there is such a strong relationship between these traits, they are believed to be part of a higher-order factor. In fact, there have been numerous studies that have found support for the notion of these variables comprising a super-ordinate factor. (e.g., Bono & Judge, 2003, Erez & Judge, 2001; Heller, Judge, & Watson, 2002; Judge & Bono, 2001; Judge, Bono, & Locke, 2000; Judge et al., 1998; Judge, Erez, Bono, & Thoresen, 2002, 2003).

Conversely, some other researchers have argued that these four variables provide unique information, are not interchangeable, and have different antecedents (e.g., Dormann, Fay, Zapf, & Frese, 2006; Johnson, Rosen, & Levy, 2007). For example, Dormann and colleagues attempting to examine the trait-specific (stable) variance accounted for by the CSE, concluded that a simple aggregate of these four constructs proved superior to an overall weighted subordinate CSE construct in predicting job satisfaction. More specifically, Dormann et al. (2006) separated the stable variance of job satisfaction from the full variance and then regressed this value onto the CSE traits. They found that negative affectivity (or neuroticism) and locus of control were the strongest predictors of the trait variance of job satisfaction, together accounting for 84% of the variance. Being that the goal of CSE research was to determine the dispositional predictors of job satisfaction (i.e., the trait variance of job satisfaction), then it is important to examine the effect of CSE on the stable aspects of job satisfaction. Thus, it is plausible that these simple aggregates may prove more predictive than the overall CSE construct being examined in this study. Accordingly, an analysis will be performed to determine whether the type of CSE measurement used (either the overarching construct measure developed by Judge et al. (2003) or the equally-weighted composite CSE score derived from the average of the individual trait predictors) influences the inferences derived regarding the relationship between core self-evaluations and job satisfaction. If there is found to be a moderating effect of CSE measurement, then this would suggest that one method may be statistically superior (and in turn a better representation of the intended construct of CSE) to the other in predicting job satisfaction. If the test of moderation is non-significant, then this would imply that there is not a significant difference between the two measurement types in predicting job satisfaction.

**Core Self-Evaluations and Job Satisfaction**

Many theoretical reasons have been offered to explain the relationship between CSE and job satisfaction. Judge et al. (1997) suggested several processes by which core self-evaluations could influence job satisfaction. One of their theories was emotional generalization. Through this process, individuals transfer their feelings of self-worth to other areas in their life, such as their jobs. Thus, someone who views themselves favorably and is generally more emotional stable will likely generalize their approving views about themselves to the workplace. Contrarily, someone who thinks of themselves as unworthy or inferior will likely transfer these negative views to their place of employment. Another theory proposed by Judge et al. (1997) was that core self-evaluations influence the way in which the job is
evaluated. They provide an example of an individual who is given a pay raise or promotion. They then go on to explain that someone with a low core self-evaluation may feel that their accomplishment was not deserved, whereas a person with a high core self-evaluation would feel that the reward was warranted. Hence, the satisfaction felt by the person with a high self-regard would be higher than that of the person with a low self-regard. Another theoretical explanation for the link between core self-evaluations and job satisfaction is Korman’s (1970) theory of self-consistency. This theory suggests that individuals will pursue behaviors that are in line with their self-concept. Thus, individuals higher in core-self evaluations will be more likely to be satisfied than those lower, because they are more likely to pursue jobs that interest them, thus leading to greater satisfaction.

The model proposed by Judge et al. (1998) suggested that the link between core self-evaluations and job satisfaction is mediated by perceptions of intrinsic job characteristics (i.e., identity, variety, feedback, autonomy, and significance; Hackman & Oldman, 1980). Their basis was that individuals with a more positive orientation would respond more auspiciously to jobs with greater challenge, autonomy, and room for growth. In fact, their results showed that those individuals with positive self-evaluations tended to rate their work as higher on the intrinsic job characteristic dimensions and were, therefore, more satisfied with their jobs. Judge, Bono, and Locke (2000) took this research a step further and investigated the link between core self-evaluations and job complexity. Their proposition was based on interactional theory (Diener, Larsen, & Emmons, 1984), which postulates that individuals select certain situations in life based on their psychological proclivities. With this theoretical backing, Judge et al. (2000) posed that individuals with higher core self-evaluations would seek out more complex and challenging jobs in the hopes of achieving positive intrinsic characteristics, whereas individuals with low core self-evaluations would not. An effort was made in the present study to examine characteristics of the job as a potential moderator between CSE and job satisfaction. However, due to a lack of data reporting intrinsic job characteristic variables, an examination of these moderating effects was not feasible. Rhoades and Eisenberger (2002) proclaim that moderator analyses are often performed when at least 20 studies (that observe the relationships of interest) are available. As previously mentioned, due to data insufficiency, this analysis was not performed in the current study.

The main question of interest in this current study pertained to whether or not there exists a strong, positive relationship across the literature linking core self-evaluations to job satisfaction. Potential moderators (including characteristics of the samples and research design) were also examined. Figure 2 displays the variables under examination in this study.

**Potential Moderators**

It is customary in meta-analysis to explore whether or not the characteristics of the samples under examination or the research designs used in the studies influence the relationship between the variables under study in any way. The goal is to rule out the possibility that these characteristics are likely to be confounding variables (DeCoster, 2004). In this vein, an examination of the demographic variables of the studies was performed (gender, age, race, and organizational tenure).

In regards to the research design, an exploration of the type of CSE measurement used was performed to determine whether there was a significant difference between using a construct level, overarching measure of CSE (i.e., the Core Self Evaluations Scale; Judge et al., 2003) and an equally weighted aggregation of the individual scale predictors. As previously mentioned, there has been a debate in the literature regarding which measurement is more predictive in regards to job satisfaction. This exploration can shed some light onto this topic by looking across multiple studies to examine the effect. An additional moderator was examined pertaining to research design. Authorship was explored to rule out any effects of Timothy Judge, who is the primary researcher in this area.
FIGURE 2
VARIABLES UNDER EXAMINATION IN THIS STUDY

Note: Sample characteristics include gender, age, race, and organizational tenure. Research design includes measurement type and author type.

METHOD

Literature Search

The main purpose of this study was to examine the association between core self-evaluations (as a latent construct) and job satisfaction. In an attempt to surface articles published in August of 2009 or before that examined this relationship, a search was conducted using the following databases (using the keywords “core self-evaluations” and “job satisfaction”): PsycInfo, PsycArticles, Business Source Complete, Academic Source Complete, and The Psychology and Behavioral Sciences Collection. In addition to these academic databases, an internet search using Google Scholar was also conducted. Furthermore, three separate attempts were made to gather unpublished works in this area. First, using the results that were collected from the electronic searches, primary researchers in the area were identified and contacted in order to gain access to unpublished works or presentations. Secondly, a search for relevant articles in the Dissertation Abstract International database was performed. Finally, a request for unpublished works was posted on the Society for Industrial and Organizational Psychologist’s message board of a popular, professional social networking site (i.e., LinkedIn). The reference pages of the identified articles were also perused in an effort to locate other relevant articles.

Inclusion Criteria

Several rules for study inclusion were established before analyzing any results. Because of the potential confound that differing conceptualizations of core self-evaluations may have on the relationship between CSE and job satisfaction, only studies that used the four traits described by Judge et al. (1997) were included in the analysis (i.e., self-esteem, generalized self-efficacy, locus of control, and emotional stability). However, studies that used negative affectivity instead of emotional stability were permitted for use because of the synonymous nature of these two traits. In fact, Judge et al. (2008) cite that some
researchers have used the measures of emotional stability and negative affectivity interchangeably (e.g., Moyle, 1995). For those studies that reported the correlations separately for the trait level data as opposed to using the composite score or using the established measure of core self-evaluations (i.e., Core Self-Evaluations Scale; Judge et al., 2003), an aggregate score was created by taking the average of the individual scale correlations. The absolute value of the neuroticism or negative affectivity scale correlations were used before averaging. Qualitative reviews or theoretical papers that did not include the data necessary to calculate a correlation where also excluded. Additionally, studies that were not reported in English were not included in the analysis.

In addition, analysis was limited to those studies that included an overall measure of job satisfaction. If single facets of job satisfaction (e.g., satisfaction with supervisor) or measures of life satisfaction were the only satisfaction measures reported, then those studies were excluded from the analysis. Likewise, any studies that reported non work-related measures of satisfaction (e.g., school satisfaction) were excluded from analysis. Also, if studies did not report the correlation using the overall measure of job satisfaction exclusively, but rather used an average of both job and life satisfaction, they were not included in the analysis.

**Search Results**

The search combined with the application of the inclusion criteria yielded a total of 32 studies that reported a relationship between core self-evaluations (as a latent construct) and job satisfaction. This total includes 16,670 participants. Of the studies that reported demographic variables: roughly half of the participants were female (49.6%), a majority of the participants were White (64.7%), the mean age across all samples was 39 years old, and the average tenure across all samples was 8.4 years of employment. Most of the studies were conducted in or after the year 2000 (91%). Of the total 32 studies, eight were unpublished dissertations and six were conducted outside of the United States.

**Meta-Analysis Procedures**

Hunter and Schmidt (1990) contend that the goal of conducting a meta-analysis is to obtain a better understanding of the relationships of interest than would be possible in a solitary, isolated study (Hunter & Schmidt, 2004). Specifically, errors across studies tend to average out, in turn removing erroneous inferences obtained from individual studies. The technique and procedure used by Hunter and Schmidt was adopted in conducting this meta-analysis. Specifically, the relationship of core self-evaluations and job satisfaction was examined by aggregating \( r \) values. The effect sizes were then weighted based on sample sizes, thus correcting for measurement error. Moreover, each correlation was corrected for attenuation, due to unreliability in both CSE and job satisfaction. Hunter and Schmidt (1990) recommend correcting for unreliability (among other corrections) in order to get the best possible indicator of the strength of the relationship (that would hypothetically appear under perfect research conditions). Ng et al. (2006) also remark that personality or psychological measures contain measurement error and should, therefore, be corrected for unreliability to denote truer or more ideal effect sizes. Therefore, measurement error was corrected by using the reliabilities reported in each study. For studies that did not report a reliability coefficient, the reliability was assumed to be perfect.

Judge and Bono (2001) note that it is important in meta-analyses not only to report the mean corrected correlation between the variables of interest but also to describe the variability of both the average correlations and the individual correlations. Taking their direction, 95% confidence intervals and 80% credibility intervals were reported around the corrected correlations. Confidence intervals are used to offer an estimate of the variability associated with the mean corrected correlation, and in turn inferences can be made about whether or not the true effect of interest is likely different than zero. The average corrected correlation was deemed to be significant (at \( \alpha = .05 \)). On the contrary, credibility intervals are used to indicate the variability of each individual correlation across a population of studies (Whitener, 1990). Credibility intervals that do not include the value of zero signify that 90% of the individual correlations are greater than zero, with 10% of the correlations being less than or equal to zero and 10% being at the high end of the distribution (Judge & Bono, 2001).
Moderator Analyses

Meta-analyses often involve an examination of moderator variables. Steel and Kammeyer-Mueller (2002) define a moderator in the meta-analysis context as “a systematic difference among studies under review that might explain differences in the strength or direction of observed relationships between the primary variables of interest” (p. 96). Many methods have been offered in the literature to determine the presence of moderators in a meta-analysis. The two methods used in the current study were credibility intervals and the $Q$ statistic. When dealing with credibility intervals, the span of the interval is a useful indicator of the likelihood that moderators exist, with larger spans indicating a greater probability (Whitener, 1990). The $Q$ statistic was also calculated to determine the presence of moderators. Significance in the $Q$ statistic suggests that there is a considerable amount of variability in the effect sizes that may be attributable to other variables (i.e., moderators; Hedges & Olkin, 1985).

Two sets of moderators were of interest for the current study. First, the characteristics of the samples were examined to determine if they affected the relationship between core self-evaluations and job satisfaction. These sample characteristics included gender, age, race, and organizational tenure. All variables were examined as continuous variables with gender representing the percentage of female participants, and race representing the percentage of White participants. The other group of moderators involved research design. Of particular interest here was whether or not the type of CSE measure used in each study influenced the effect size in any way. Specifically, some studies reported using the individual scales of self-esteem, generalized self-efficacy, emotional stability, and locus of control and averaging across to get a composite score of CSE, whereas, other studies used a more direct measure of CSE (i.e., the Core Self-Evaluations Scale, CSES; Judge et al., 2003). This variable was dummy coded (CSES vs. non-CSES) for the purposes of the analysis. In addition, an examination of the authors was performed to determine if there was a significant difference between studies published by Judge versus those that were not. Being one of the initial pioneers of CSE research, Timothy Judge comes up frequently when researching CSE and has authored a preponderance of studies in this area. In fact, in the present study, Judge was an author in 44% of the included studies. To rule out any effects of his lab or affiliation, a moderator analysis was performed on study author. This variable was also dummy coded (Judge versus non-Judge) for the purposes of the analysis.

Heeding the advice of Steel and Kammeyer-Mueller (2002), weighted least squares (WLS) multiple regression was used as the preferred method to determine the effect of each moderator. This method was chosen due to its robustness and superiority in accuracy over the other methods (Steel & Kammeyer-Mueller, 2002). It is important to note that separate regression models were run to test the moderator estimates for the sample characteristics (e.g., gender, age, race, and organizational tenure). This was due to the fact that few studies reported all of these characteristics and running separate models allowed for a greater inclusion of studies, and also examination of the moderator variables’ independent effects.

RESULTS

Table 1 lists the correlation coefficients, sample sizes, reliabilities of the criterion variable (i.e., general job satisfaction), and reliabilities of the predictor variables for each study under investigation that were input into the meta-analysis software. The main purpose of this study was to examine the strength of the relationship of core self-evaluation and job satisfaction. The results of the meta-analysis show that there is a positive relationship between core self-evaluations and job satisfaction ($r_{corr} = .28$). This represents a moderate effect according to Cohen’s guidelines (Cohen, 1992). Additionally, the fail-safe $N$ (also known as file drawer effect) was 3288. This value signifies that 3288 null data points would be needed to change the statistically significant results to a non-significant finding (James, 2001). This value far surpasses the guideline set forth by Rosenthal (1979) which states that fail safe $N$ values should exceed $5k +10$ to gain more confidence and rule out potential threats to the validity of the findings. Table 2 reports the meta-analytic findings including the following: the overall sample size, the overall number of correlations, the average uncorrected correlation coefficient, the standard deviation of the average
uncorrected correlation, the average corrected correlation coefficient, the standard deviation of the average corrected correlation, the 95% confidence intervals, and the 80% credibility intervals.

### TABLE 1

**STUDIES INCLUDED IN THE META-ANALYSIS**

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<th>Short Reference</th>
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<td>-</td>
<td>.87</td>
</tr>
<tr>
<td>Judge et al., (1998) – Study 2</td>
<td>122</td>
<td>.39</td>
<td>-</td>
<td>.92</td>
</tr>
<tr>
<td>Judge et al., (1998) – Study 3</td>
<td>132</td>
<td>.18</td>
<td>-</td>
<td>.84</td>
</tr>
<tr>
<td>Judge, Van Vianen, &amp; de Pater (2004)</td>
<td>99</td>
<td>.56</td>
<td>.82</td>
<td>.82</td>
</tr>
<tr>
<td>Laschinger (2007)</td>
<td>141</td>
<td>.37</td>
<td>.87</td>
<td>.88</td>
</tr>
<tr>
<td>Newman (2004)</td>
<td>111</td>
<td>.45</td>
<td>.82</td>
<td>-</td>
</tr>
<tr>
<td>Piccolo et al., (2005)</td>
<td>271</td>
<td>.49</td>
<td>.76</td>
<td>-</td>
</tr>
<tr>
<td>Spitzmueller (2003)</td>
<td>205</td>
<td>.29</td>
<td>.78</td>
<td>.85</td>
</tr>
<tr>
<td>Stumpp, Hulseger, Muck, &amp; Maier (2009)</td>
<td>199</td>
<td>.38</td>
<td>.83</td>
<td>.82</td>
</tr>
<tr>
<td>Swody (2007)</td>
<td>600</td>
<td>.43</td>
<td>.85</td>
<td>.86</td>
</tr>
<tr>
<td>Swody (2007) – Study 2</td>
<td>289</td>
<td>.40</td>
<td>.84</td>
<td>.87</td>
</tr>
<tr>
<td>Taylor (2004)</td>
<td>160</td>
<td>.33</td>
<td>.77</td>
<td>.80</td>
</tr>
</tbody>
</table>

*Note: Missing reliability coefficients were assumed to be perfect. N = the total sample size; R = correlation between core self-evaluations and job satisfaction; r<sub>xx</sub> = reliability coefficient of the predictor variable; r<sub>yy</sub> = reliability coefficient of the criterion variable.*
TABLE 2
META-ANALYTIC RESULTS OF THE RELATIONSHIP BETWEEN CORE SELF-EVALUATIONS AND JOB SATISFACTION

<table>
<thead>
<tr>
<th>$k$</th>
<th>$N$</th>
<th>Mean r</th>
<th>SD, r</th>
<th>Mean $\rho$</th>
<th>SD, $\rho$</th>
<th>95% CI</th>
<th>80% CV</th>
</tr>
</thead>
<tbody>
<tr>
<td>32</td>
<td>16670</td>
<td>.27</td>
<td>.15</td>
<td>.28</td>
<td>.18</td>
<td>.27, .30</td>
<td>.05, .51</td>
</tr>
</tbody>
</table>

Note: $k$ = number of correlations; $N$ = the total sample size for all studies combined; Mean $r$ = average uncorrected correlation; SD, $r$ = standard deviation of average uncorrected correlation; Mean $\rho$ = average corrected correlation; 95% CI = lower and upper limits of 95% confidence interval; 80% CV = lower and upper limits of 80% credibility interval.

Moreover, upon conducting further analyses, it was found that one study appeared to be markedly different than the others. Specifically, the Judge and Hurst (2008) study had 7660 participants and in turn was weighted heavily in the analyses. With the exclusion of this study from the analysis, the overall uncorrected correlation between CSE and job satisfaction was $\rho = .40$, and the corrected correlation was $\rho_{corr} = .47$. This exclusion is worthy of mention, because it changes the overall effect from a moderate effect to a large effect.

As previously mentioned, the credibility intervals and the $Q$ statistic were used as moderation detection techniques. However, more weight was placed on the results of the $Q$ statistic due to the fact that it has been recommended as the best method to identify the presence of moderators (Sagie & Koslowsky, 1993). The $Q$ statistic is a chi-square test of the homogeneity of effect sizes across studies. Significance in this test of homogeneity suggests that effect sizes are heterogeneous and thus moderators may be present. While the credibility intervals did not include the value of zero (Lower 10% = .05; Upper 10% = .51), the chi-square test of homogeneity of effect sizes showed significance ($\chi^2 = 459.34$, $p < .01$). Accordingly, an examination of potential moderators was justified. However, upon removal of the particular study discussed above (i.e., Judge & Hurst, 2008), the chi-square dropped substantially (although still significant, $\chi^2 = 87.15$, $p < .01$). Thus, moderator analyses are examined with and without this particular study were conducted when applicable.

Tables 3, 4, and 5 list the results of the moderator analyses. Because of the limited sample size of these variables (with $k$ ranging from 10 – 32), it is difficult to draw accurate inferences from the data. As previously mentioned, Rhoades and Eisenberger (2002) note that moderator analyses are often performed when at least 20 studies (that observe the relationships of interest) are available. Many of the moderators examined did not meet or barely met this criterion, thus these results should be interpreted with caution.

Continuous Moderator Analyses

First, sample characteristics (i.e., gender, age, race, and organizational tenure) were examined. As previously discussed, weighted least squares regression was used to examine the interactions of continuous variables. In order to do this, the effects and inverse variance were corrected for unreliability. Then, each of the continuous moderator variables were entered (independently as previously discussed) into the regression model, thus predicting the corrected effect size, weighted with the corrected inverse variance. Then, due to incorrect weightings being utilized in SPSS, the correction suggested by Hedges and Olkin (1985) was applied. Both gender and race were significant, whereas age and tenure were not (see Table 3). Gender showed a relatively large effect ($\beta = -.41$, $z = -2.82$, $p < .01$), indicating that males show a higher effect between CSE and job satisfaction than do females. Race ($\beta = .43$ $z = 2.35$, $p = .019$) indicated that samples with higher percentages of whites were more likely to have stronger CSE-job satisfaction relationships. Age also approached significance ($\beta = .19$, $z = 1.60$, $p = .108$), inferring that samples with older individuals were more likely to have stronger effects.
TABLE 3
CONTINUOUS MODERATOR RESULTS

<table>
<thead>
<tr>
<th>Moderator</th>
<th>k</th>
<th>B</th>
<th>SE_B</th>
<th>β</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>22</td>
<td>-.002</td>
<td>.001</td>
<td>-.413</td>
<td>.005</td>
</tr>
<tr>
<td>Age</td>
<td>20</td>
<td>.004</td>
<td>.004</td>
<td>.191</td>
<td>.108</td>
</tr>
<tr>
<td>Race</td>
<td>10</td>
<td>.003</td>
<td>.002</td>
<td>.434</td>
<td>.019</td>
</tr>
<tr>
<td>Tenure</td>
<td>16</td>
<td>-.001</td>
<td>.013</td>
<td>-.029</td>
<td>.898</td>
</tr>
</tbody>
</table>

Note: k = number of studies; B = unstandardized coefficients; SE_B = standard error of measurement associated with the unstandardized coefficient; β = standardized coefficient; Sig = significance level (significance was deemed at p < .05).

Supplementary analysis

Attempting to better understand the smaller CSE-job satisfaction associations for females and minorities, some further analyses were conducted. The relationship of gender and race (ρ = -.52, p = .128, n = 10), although not significant due to low power, indicated that approximately 25% of the variance in these two variables is shared. Thus, studies that had higher proportions of females tended to also have higher proportions of minorities. Gender (ρ = .24, p = .31, n = 19) and race (ρ = -.32, p = .40, n = 9) also had small, but non-significant relationships, with age, consistent with the notion that studies that had females/minorities also tended to have older employees.

Surprisingly, gender related to measure type (ρ = .46, p = .03, n = 22) and also author (ρ = .64, p < .01, n = 22). Thus, studies using the CSES scale and studies not conducted by Judge tended to have higher percentages of females. Although not practical in the current study due to sample size limitations, future studies should examine the relations of these effects in more detail.

Categorical Moderator Analyses

Next, characteristics of research design (i.e., type of CSE measurement used and author type) were assessed to determine whether they interacted with core self-evaluations in predicting job satisfaction. These variables were examined with the same approach discussed above; however, they were run together rather than independently. Both variables were predictive (see Table 4). However, upon further examination, it appears that this discrepancy may be attributable solely to the one study that had over 7000 participants (this study was not included in the previous moderator analyses, as that study did not report the needed statistics for inclusion). With that study removed, the CSE measure effect is not statistically different (see Table 5).

TABLE 4
CATEGORICAL MODERATOR RESULTS

<table>
<thead>
<tr>
<th>Moderator</th>
<th>k</th>
<th>B</th>
<th>SE_B</th>
<th>β</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measurement Type</td>
<td>32</td>
<td>-.237</td>
<td>.040</td>
<td>-.550</td>
<td>.000</td>
</tr>
<tr>
<td>Author</td>
<td>32</td>
<td>.237</td>
<td>.037</td>
<td>.600</td>
<td>.000</td>
</tr>
</tbody>
</table>

Note: k = number of studies; B = unstandardized coefficients; SE_B = standard error of measurement associated with the unstandardized coefficient; β = standardized coefficient; Sig = significance level (significance was deemed at p < .05).
TABLE 5
CATEGORICAL MODERATOR RESULTS WITHOUT JUDGE AND HURST (2008)

<table>
<thead>
<tr>
<th>Moderator</th>
<th>k</th>
<th>B</th>
<th>SE_B</th>
<th>β</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measurement Type</td>
<td>31</td>
<td>-.045</td>
<td>.042</td>
<td>-.244</td>
<td>.296</td>
</tr>
<tr>
<td>Author</td>
<td>31</td>
<td>.008</td>
<td>.045</td>
<td>.042</td>
<td>.854</td>
</tr>
</tbody>
</table>

Note: Results do not include the Judge and Hurst (2008) study; k = number of studies; B = unstandardized coefficients; SE_B = standard error of measurement associated with the unstandardized coefficient; β = standardized coefficient; Sig = significance level (significance was deemed at p < .05).

Furthermore, since these are categorical variables, independent effect sizes and confidence intervals were created. Studies using the four separate components of CSE aggregated ($\rho_{corr} = .49$, 95% CI =.46 to .52) had stronger effects than those using the CSES measure ($\rho_{corr} = .22$, 95% CI = .20 to .24). Again removing the effect of the one large study, the CSES measure effect is not statistically different ($\rho_{corr} = .45$, 95% CI = .41 to.48) as indicated by the overlap in the confidence intervals. Similarly for author, it appears that studies that had Judge as an author ($\rho_{corr} = .22$, 95% CI = .20 to .24) had weaker effects than those that did not ($\rho_{corr} = .49$, 95% CI = .46 to .52). However, upon removing that same study, the results were no longer different (non-Judge group minus study = $\rho_{corr}=.45$, 95% CI = .41 to .48). Thus, there appears to be something about that study that makes it different from other similar studies and should be further researched.

DISCUSSION

The purpose of this study was to systematically examine the relationship between core self-evaluations and job satisfaction across studies. This investigation was undertaken to advance the research of Judge and Bono (2001) and respond to their call for further research on addressing the validity of the core self-evaluations construct in predicting job satisfaction rather than looking at the four CSE scales in isolation. The results signified that there is a moderate relationship between core self-evaluations and job satisfaction ($\rho = .27$). This finding is similar to that of Judge and Bono (2001) who found the following uncorrected mean correlations with job satisfaction: a) self-esteem ($\rho = .20$); b) generalized self-efficacy ($\rho = .38$); internal locus of control ($\rho = .24$); emotional stability ($\rho = .20$). In fact, the mean uncorrected correlation for the construct of core self-evaluations surpasses the entire individual trait uncorrected correlations except one (generalized self-efficacy). The relationship between core self-evaluations and job satisfaction ($\rho = .27$) is stronger than the relationship between self-esteem and job satisfaction ($\rho = .20$) and the relationship between emotional stability and job satisfaction ($\rho = .20$), thus showing the added benefit of the breadth of the core self-evaluations construct. In addition, with the exclusion of the Judge and Hurst (2008) study from the analysis (which contained over 7000 participants), the average uncorrected correlation rose to $\rho = .40$ (with $\rho_{corr} = .47$), which far surpasses all the individual trait predictors.

Additionally, this study examined the moderating effects of several demographic variables (e.g., gender, age, race, and organizational tenure) on the relationship between CSE and job satisfaction. These analyses revealed that males showed a higher effect between CSE and job satisfaction than did females, and that minorities tended to have lower CSE-job satisfaction relationships than Whites. It is plausible that this relationship attenuation is caused by contextual (job or personal) variables. For example, females may have extra burdens such as sole responsibility of children, more probability of facing workplace issues such as sexual harassment and, in turn, may have other non-dispositional related issues that come into play and reduce this relationship relative to males. Similarly, minority individuals may also be more likely to face obstacles (e.g., greater likelihood of workplace discrimination (US Equal Employment...
Opportunity, 2009) and higher representation in lower socio-economic groups) that may come into play and, in turn, reduce the CSE-job satisfaction relationship. However, given the high relations between these two variables (and also the relations of these two variables with measurement type (i.e., CSES or individual aggregated components) and also author (Judge or non-Judge)), there may be alternative explanations or additional processes at play. There have been very few studies that have examined differences between certain demographic groups on core self-evaluations. Exploring these differences is yet another contribution to the literature made by the present study. However, due to the limited sample size available for this study, definitive conclusions could not be drawn from the data, yet the pattern in the data is obvious. Thus, future research should further examine these relationships as more studies become available.

Further, it was also concluded that the type of CSE measurement used only significantly affected the CSE-job satisfaction relationship when the Judge and Hurst (2008) study was included. This suggests that there is not a significant difference in prediction between the Core Self-Evaluations Scale (CSES; Judge et al., 2003) and the summation of the individual scales. While this does not directly address the construct validity of the core self-evaluations construct, it does indirectly signify that neither the superordinate nor aggregate method is likely significantly superior in predicting job satisfaction.

The final moderation analysis run was the examination of author effects. This test was also found to be non-significant when the Judge and Hurst (2008) study was not included, thus the author is likely not important when examining relationship between core self-evaluations and job satisfaction. This concludes that despite the fact that Judge has a clear program of research pertaining to this topic and has authored an overwhelming majority of the published CSE works, the relationship between core self-evaluations and job satisfaction is not affected by whether or not he participated in the development of the study.

Although several potentially important moderators were identified in this study, the variables that have previously shown moderating effects in the literature (e.g., intrinsic job characteristics and job complexity) were not examined in this study due to data insufficiency. With respect to job complexity, an initial effort was made to code the studies based on a predetermined schema. However, due to the fact that most samples reported varied job positions, this effort was immobilized. Also, because of the scant number of studies measuring intrinsic job characteristics and/or reported findings that could be used to calculate an effect size, this moderation analysis was also unable to be conducted. However, it is highly likely that the characteristics of the job may contribute significantly to the variance in findings between core self-evaluations and job satisfaction. Future research should explore this possibility.

**Practical Implications**

The results of this study are promising for core self-evaluations research and denote that the relationship between the core self-evaluations construct and job satisfaction is not only worthy of academic mention but also of practical application. It has been suggested on several occasions that assessing a person’s core self-evaluations before hire can be useful in predicting important work outcomes, such as job satisfaction (Judge, 2009). Because job satisfaction has been linked to other relevant work outcomes like job performance (Iaffaldano & Muchinsky, 1985; Judge, Thoresen, Bono, & Patton, 2001; Petty, McGee, & Cavender, 1984) and employee turnover (Cotton & Tuttle, 1986); understanding a potential employee’s propensity for being satisfied would be beneficial for organizations at large. However, the interactions obtained in the study with demographic characteristics represent potentially undesirable outcomes of using this construct for such a purpose. For example, one of the more recognized bias models, the Cleary model (1968) states that both regression slopes and intercepts for scales predicting performance should be commensurate for all groups of interest. Relationships of core self-evaluations with job satisfaction varied based on both gender and race, indicating that this would not be a reasonable measure to use for hiring decisions. Thus, although appealing for such a use, it should not be considered for such purposes until a better understanding of the mechanisms through which these effects occur is obtained.

Another practical implication involves the increased validity of the core self-evaluations construct above the more widely studied constructs of self-esteem and emotional stability in predicting job
satisfaction. As stately previously, the average uncorrected correlation between CSE and job satisfaction was $\rho = .27$, whereas, the average uncorrected correlation for both self-esteem and emotional stability were $\rho = .20$. Also stated previously was the fact that the correlation jumps significantly with the exclusion of the Judge and Hurst (2008) study ($\rho = .40$). Therefore, more predictive ability can be gleaned from using the broader, more robust construct of core self-evaluations as opposed to looking at these sub-component scales individually. Thus, researchers should examine the CSE construct rather relying on individual scale predictors.

**Future Research and Limitations**

Although we identified several potentially important moderator variables of the core self-evaluation/job satisfaction relationship, the mechanisms through which these discrepancies occur has not yet been identified. At best we can speculate to why these results were obtained given the relatively small number of studies available to examine these relationships. Future research should attempt to broaden our understanding regarding these moderators, and examine other factors that may account for these discrepancies (such as contextual factors, range restriction with scales, etc.). Moreover, future research should attempt to further embed the construct of core self-evaluations with other more recognized constructs – such as employee engagement, intelligence, and affectivity.

**Conclusion**

In summary, the findings of the present study reveal that the construct of core self-evaluations is a significant predictor of job satisfaction. The average uncorrected correlation between CSE and job satisfaction exceeds the majority of the individual CSE trait predictors’ relationships with job satisfaction. This finding points to the necessity to view self-esteem, locus of control, emotional stability, and generalized self-efficacy as a common construct (i.e., as core self-evaluations) when predicting job satisfaction in order to yield the highest validity. The study also highlights the need for further research on the moderating effect of gender and race on the relationship between job satisfaction and core self-evaluations. In addition, the moderating effect of job characteristics may also be contributing to the variance in effect sizes and needs to be explored in future research.

**REFERENCES**

References marked with an asterisk indicate studies included in the meta-analysis.


