

2021 Academy of International Business

Asia Pacific Regional Conference

EXTENDED ABSTRACT

Paper Number: MS0002

Circadian Rhythm and Financial Analyst Performance

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Extended Abstract

This paper examines how intrinsic circadian rhythm variation in the human body contributes to predictable day and night changes in the characteristics of earnings forecasts made by financial analysts. We find that financial analysts issue less accurate and more pessimistic forecasts at night. We also find that analysts who prefer issuing forecasts at night are less accurate, more pessimistic analysts. Additionally, we find that analyst performance follows the rising and falling trends of circadian rhythm, with analyst optimism and accuracy ascending over the morning but descending over the late afternoon and early evening.

1. Introduction

An extensive body of research have examined the effect of external impacts on the performance of financial analysts. Despite that financial analysts are constantly regarded as sophisticated market participants, their performance is substantially subject to various external influences, such as weather, season, institutional and regulatory environment (Dehaan et al., 2017, Lo and Wu, 2018, Bradshaw et al., 2019), which can bias the analysts' decision making and distort their evaluations of future prospect. Besides, He et al. (2019) take a different perspective, focusing on the effect of innate biological factors on analyst performance. And they find that the amount of hormone testosterone in human body can significantly influence the behaviors and performance of male analysts. In this study, we extend the current literature on behavioral and cognitive biases among financial market participants and emphasize on how intrinsic biological influence affects analyst performance. Particularly, we focus on the impact of circadian rhythm on financial analysts and analyze whether the circadian rhythm variation in human body contributes to predictable day and night changes in the characteristics of earnings forecasts made by financial analysts and if earnings forecast issued at night is less accurate and more pessimistic.

2. Literature Review and Hypothesis Development

2.1 *Circadian Rhythm and Analyst Forecast Accuracy*

A substantial amount of psychology and biology studies have addressed the significant role of circadian rhythm in human body. The circadian system is best known for its role in controlling the timing of sleep and maintaining life cycles (Baglioni and Riemann, 2012, Manber and Chambers, 2009). Prior studies have addressed that circadian rhythm has a pronounced effect on human's vigilant and cognitive performance, with improvements of the circadian rhythm in day but declines at night (Silva et al., 2010, Wyatt et al., 1999). In other words, humans are normally more energetic and are more likely to have high performance in the day than at night due to circadian variation. Researchers also find that human's cognitive performance is normally lower at night when circadian rhythm decreases and hormone melatonin increases (Wyatt et al., 1999), which leads to reduced work-related concentration, memory, vigilance, motivation, and subjective perceptions (Ode-Dusseau et al., 2010, Pilcher et al., 2007). Circadian decline also gives rise to deterioration in cognitive performance, increase in errors, and decrement of job performance among night workers (Costa, 1996, Akerstedt, 1998). Besides, working at night with reduced circadian is found to be harmful to employee's cognitive function, attention, learning, working memory and the ability in making sound decisions (Dai et al., 2012, Alhola and Polo-Kantola, 2007).

Financial analysts' positions are normally concentrated in large and busy metropolitan areas. According to the US Bureau of Labor Statistics, many financial analysts work as many as 50 to 70 hours per week and constantly work overtime at night. The work of financial analysts also involves complicated analysis and research, which requires considerable amount of carefulness and concentration. However, since that working at night with reduced and disrupted circadian rhythm is associated with deteriorated cognitive performance, concentration and the ability in making sound decisions, we posit that analyst performance is likely to be low at night. H1: Earnings forecasts issued at night are less accurate compared to in the day.

2.2 *Circadian Rhythm and Analyst Forecast Optimism*

Prior psychology literatures have shown that mood can significantly impact people's decision makings.

Particularly, mood distort how humans assess future expectations and bias their judgement on information process. Recent finance studies have also addressed the considerable influence of mood-induced biases on analyst and investor behaviors (Dehaan et al., 2017, Lo and Wu, 2018, Saunders, 1993, Hirshleifer and Shumway, 2003, Goetzmann and Zhu, 2005, Goetzmann et al., 2015, Bushee and Friedman, 2016). Evidence from psychology and biology studies suggest that the variation of individuals' mood largely depend on the variation of circadian rhythm in human body (Cunningham, 1979, Schwarz and Clore, 1983, Clore et al., 1994, Rosenthal et al., 1984, Kripke, 1998, Rind and Strohmetz, 2001). Specifically, disruptions and disturbances of circadian rhythm often result in mood disorders, triggering mood episodes among humans, such as depression (Boland and Alloy, 2013, Leibenluft and Frank, 2001). Researchers suggest that staying active at night, such as working at night, violates the natural human biological rhythm and sleep cycle and thus causes circadian rhythm induced mood disorder and depression among many individuals (Jackson et al., 2003, Baglioni and Riemann, 2012, Manber and Chambers, 2009). Additionally, circadian disorder induced depression directly increases the human's feeling of pessimism at night, which accelerates the development of depression and other related psychological problems (Smolensky et al., 2016).

Since many financial analysts constantly work overtime at night and working at night with reduced and disrupted circadian rhythm is potentially associated with mood disorder and depression along with an increase feeling of pessimism, we predict that analysts are more pessimistic at night compared to in the day. H2: Earnings forecasts issued at night are more pessimistic compared to in the day.

3. Method and Empirical Results

3.1 Circadian Rhythm and Analyst Forecast Accuracy

Our first hypothesis predicts that financial analysts are less accurate at night. To test this prediction, we employ the following model:

$$Accuracy_{ijt} = \alpha + \beta Night_{ijt} + Control\ Variables + FE + \varepsilon_{ijt} \quad (1)$$

where $Accuracy_{ijt}$ is the scaled forecast accuracy of earnings forecast issued by analyst i for firm j in year t . The independent variable of interest is $Night_{ijt}$, an indicator variable equal to 1 if analyst i issues

the forecast for firm j in year t at night (from 09:00 p.m. to 04:59 a.m.) and equal to 0 if the forecast is issued in the day (from 08:00 a.m. to 06:59 p.m.).

Consistent with our prediction that financial analysts are less accurate at night due to disrupted and reduced circadian rhythm, the indicator, *Night*, is negative and significant. The coefficient of *Night* in column 1 is -0.005 at $p < 0.01$, suggesting that, on average, financial analysts are 0.005 less accurate at night compared to in the day. With control variables included, the coefficient on *Night* is still negative and highly significant at the 0.001 level. The magnitude of the coefficient stays at 0.005, which is about 4% of the mean value of the scaled forecast accuracy in our sample.

3.2 Circadian Rhythm and Analyst Forecast Optimism

Our Second hypothesis predicts that financial analysts are more pessimistic at night. To test this prediction, we employ the following model:

$$Optimism_{ijt} = \alpha + \beta Night_{ijt} + Control\ Variables + FE + \varepsilon_{ijt} \quad (2)$$

where $Optimism_{ijt}$ is the scaled forecast optimism of earnings forecast issued by analyst i for firm j in year t . The independent variable of interest is $Night_{ijt}$, an indicator variable equal to 1 if analyst i issues the forecast for firm j in year t at night (from 09:00 p.m. to 04:59 a.m.) and equal to 0 if the forecast is issued in the day (from 08:00 a.m. to 06:59 p.m.).

Consistent with our prediction that analysts are more pessimistic at night due to reduced and disordered circadian rhythm, we find that the coefficients on *Night* are negative and significant at $p < 0.05$. These results suggest that financial analysts are on average 0.005 more pessimistic at night than in the day, which is about 6% percent of the mean value of the scaled forecast optimism in our sample. Further, the multivariate test shows that including control variables in our test does not alter the result. The coefficient on *Night* is still negative and significant at $p < 0.05$, with its magnitude increasing to 0.006.

4. Conclusion

We contribute to the growing literature on behavioral and cognitive biases among financial market participants. To our knowledge, we are also among the first to examine the influence of intrinsic biological factors on analyst performance (He et al., 2019). Specifically, we analyze the effect of natural

circadian variation on analyst performance and provide strong evidence on circadian rhythm induced behavioral and cognitive biases among financial analysts, which is new to the accounting and finance literature.

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R1152-R1163.

Paper Number: MS0005

**Banks' Capital, Credit Ratings, and Macroeconomic
Environment: International Evidence**

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Banks' Capital, Credit Ratings, and Macroeconomic Environment: International Evidence

Abstract

This study considers whether the associations between credit ratings and banks' capital structure can be explained by the following macroeconomic factors: economic cycle, economic development, banking supervision and private monitoring. Using an international sample of 391 rated banks from 76 countries, the study reveals three interesting findings. First, the effects of negative rating signals, which encompass a downgrade, fallen angel, and minus sign on banks' capital ratios, vary significantly with economic cycles. The effects are significantly negative and pronounced when a country's economy is in a poor state. However, as the economy's health improves, the rating effects decrease to zero and eventually become positive. Second, we find that only the downgrade effect is sensitive to countries' economic development, banking supervision, and private monitoring. Third, we document that the fallen angel effect is the most important rating factor regarding banks' capital structure. Collectively, our evidence indicates that credit ratings partially explain capital structure decisions while macroeconomic and regulatory environments play a significant role in the associations between the ratings and banks' capital.

Keywords: Capital structure, Banks, Credit ratings, Asymmetric information

1. Introduction

Prior studies suggest that firms and investors attach large importance to credit ratings in that they alleviate information asymmetry and facilitate capital allocation (e.g., Kisgen, 2006, 2009; Wojewodzki et al., 2018). However, little attention has been given to the ratings' impact on banks' capital structure. Using a sample of 391 rated commercial banks across 76 countries for the 1998-2013 period, we make the following findings. First, the effects of negative rating signals: a *downgrade*, *fallen angel*, and *minus sign*¹ - on banks' capital ratios vary with economic cycles. More specifically, these effects are significantly negative when a country's economy is in a poor state. However, as the economy improves, the rating effects decrease and eventually become positive. Second, we find that only the *downgrade* effect is sensitive to countries' economic development, banking supervision and private monitoring. Third, we document that the *fallen angel* effect exerts the most significant influence on banks' capital. Such findings suggest that the negative rating signals are the primary factor behind the cyclicalities of banks' capital ratios. Thus, we provide a new contribution to the literature of capital cyclicalities (e.g., Jokipii and Milne, 2008; Adrian and Shih, 2010; Kalemli-Ozcan et al., 2012). We believe that the above-mentioned *indirect effects* of ratings may constitute the missing puzzle responsible for contradictory evidence reported by prior studies. Moreover, the economic magnitudes of the *fallen angel* effect on banks' capital in our models are consistently larger than those from Wojewodzki et al. (2020), ranging from positive 4.7 (19.3) percentage points in the short (long) run in the most favourable economic environment to negative 8.3 (34) percentage points in the short (long) run in the poorest economic environment. Such evidence, in turn, provides a strong basis to policymakers and regulators for developing measures to protect economies from the deleterious combination of banks' undercapitalization and economic recession. Thus, we advocate a substantial increase of the current 3% minimum simple leverage ratio, further strengthening of counter-cyclical capital buffers, and introducing alternative measures replacing regulatory restrictions built on the investment-non-investment rating grade borderline through revision of the Basel Accord.

¹ Similar to Wojewodzki et al. (2020), we label statistically significant effects of credit rating downgrades, downgrades from an investment to a non-investment grade, and credit ratings with a minus sign (e.g., AA-) on banks' capital ratios as the *downgrade*, the *fallen angel*, and the *minus sign* effect, respectively.

2. Literature review and hypotheses development

The “*Big Three*” credit rating agencies (CRAs) S&P, Moody’s, and Fitch as information intermediaries play an important role in reducing asymmetric information and agency costs between investors and issuers in capital markets. Therefore, their credit ratings help the investors to choose investments and set the required rate of return, in line with the creditworthiness and net worth of the rated bank (Bedendo et al., 2018). In short, credit ratings affect the access to, and costs of, external funds (Kisgen, 2019). Since the inception of the Basel II Accord, credit ratings have become an integral part of international banking capital regulation. Besides, various regulations prohibit institutional investors from holding in their portfolios non-investment grade securities (Kisgen, 2019). Such rating-contingent regulations empower ratings with a quasi-regulatory, or so-called *certification*, function (Deb et al., 2011, White, 2019). Wojewodzki et al.’s (2020) study is one of the first attempts to investigate the effects of banks’ credit ratings on banks’ capital ratios. The authors find evidence of two significant associations, which they label as the *plus sign* and the *fallen angel* effect of ratings.

Drawing from Akerlof’s (1970) seminal *lemon market*, Tirole (2006) shows that the nature of capital markets’ integrity is procyclical. That is, the importance of credit rating agencies, as information intermediaries, is expected to be countercyclical. Theoretical models by Bolton et al. (2012), Bar-Isaac and Shapiro (2013) and Opp et al. (2013) also agree that credit ratings’ quality varies with the business cycle and is countercyclical. Furthermore many empirical studies confirm the above-mentioned countercyclicity of ratings (e.g., Hau et al., 2013; Salvador et al., 2014; Fieberg et al., 2016). Importantly, during the 2008-2009 global financial crisis many undercapitalized banks, following rating downgrades, were forced to decrease their risk-weighted assets just to maintain capital within a regulatory adequacy ratio (as per Basel II Accord). Based on the above, we hypothesize what follows. \

Hypothesis 1. *Credit ratings’ effects on banks’ capital ratios will be most significant during economic downturns.*

On the one hand, empirical evidence shows that capital market investors in developing and emerging market countries are confronted with scarce, poor-quality information (Shen et al., 2012). On the other

hand, some studies document poor quality of the rating process, hence a potential for lower information value of credit ratings in these countries (see, Ferri et al., 1999; Shen et al., 2012). Given the above, we hypothesize the following².

Hypothesis 2. *Credit ratings' effects on banks' capital ratios will vary in low- and high-income countries.*

Richards and Deddouche (2003) point out that, in an environment with less information available to investors, credit ratings are particularly important in the process of monitoring banks. De Jonghe and Öztekin (2015) advance that better banking supervision alleviates the problem of asymmetric information and agency costs between banks and market participants³. Against the above backdrop, we hypothesize the following.

Hypothesis 3. *Credit ratings' effects on banks' capital ratios will be more significant in countries where banking supervisory authorities have fewer powers to discipline and monitor banks.*

De Jonghe and Öztekin (2015) find that stronger private monitoring allows the investors to assess the riskiness and capital adequacy of banks more efficiently. Bedendo et al. (2018) argue that stronger private monitoring is a valid alternative and a substitute rather than a complement to credit ratings. Thus, we hypothesize the following⁴.

Hypothesis 4. *Credit ratings' effects on banks' capital ratios will be more significant in countries with weaker private monitoring in financial markets.*

² Here, we follow Shen et al. (2012) by interacting two country-level binary dummy variables with credit rating-related variables. Our *HIC* (*LMIC*) term takes a value of one if a country is classified as high income (low, lower, lower-medium, or upper-medium income) by the World Bank.

³ Similar to De Jonghe and Öztekin (2015) and Wojewodzki et al. (2020), we employ a *SUP* index based on nine questions from the Banking Regulation and Supervision Database by the World Bank. The *SUP* index can take any integer from zero to thirteen such that, the larger the number, the more monitoring and disciplinary powers are held by the banking supervisory institution. Therefore, the larger the value of the *SUP* index, the smaller the degree of asymmetric information amongst the banks, the supervisor and the investors.

⁴ In line with De Jonghe and Öztekin (2015) and Wojewodzki et al. (2020), we construct a proxy for the private monitoring, i.e., the *PRIV* index, based on eight questions from the Banking Regulation and Supervision Database. The *PRIV* index can take any integer from zero to eight, such that, the larger the integer, the stronger the investors' ability to evaluate, monitor, and thus discipline rated commercial banks.

3. Method and Results

In the appendix, we present all the variables with their definitions, formulas, and sources. Following recent studies (de Mooij and Keen, 2016), we implement a partial adjustment framework to model banks' capital ratio by including first lag as one of the explanatory variables. We are using the two-step system generalized method of moments (2SS-GMM) estimator (Blundell and Bond, 1998), which enables us to overcome biased estimation of the speed of capital adjustment otherwise present when using the OLS or the FE models. Furthermore, the 2SS-GMM addresses the problem of endogeneity between the dependent and the explanatory variables (Flannery and Hankins, 2013).

Regarding hypothesis 1, the *downgrade*, *minus sign* (and *fallen angel*) estimated rating effects decrease as the economic environment strengthens, and eventually become positive (see Figure 1). More specifically, the estimated “*fallen angel*” effect varies from positive 4.7 to negative 8.3 percentage points in the short run. This can be attributed to the following phenomena: *credit cliff* effect, investors' head behaviour, rating-contingent regulation, and various credit rating triggers. All of them tend to coincide and fuel one another during recessions⁵. Following, e.g., de Mooij and Keen (2016), and Wojewodzki et al. (2020), the corresponding long-run effect is -34 percentage points in the poorest economic state⁶. Empirical tests of hypothesis 2 offer limited although robust support. That is, for banks based in low- income (high-income) countries, a downgrade in credit ratings is expected to be followed by a relatively larger increase (smaller decrease) in their capital ratio. Such estimated varying *downgrade* effects resonate with the empirical studies arguing that greater asymmetric information and agency costs are more pronounced for investors in low-income countries (e.g., Shen et al., 2012).

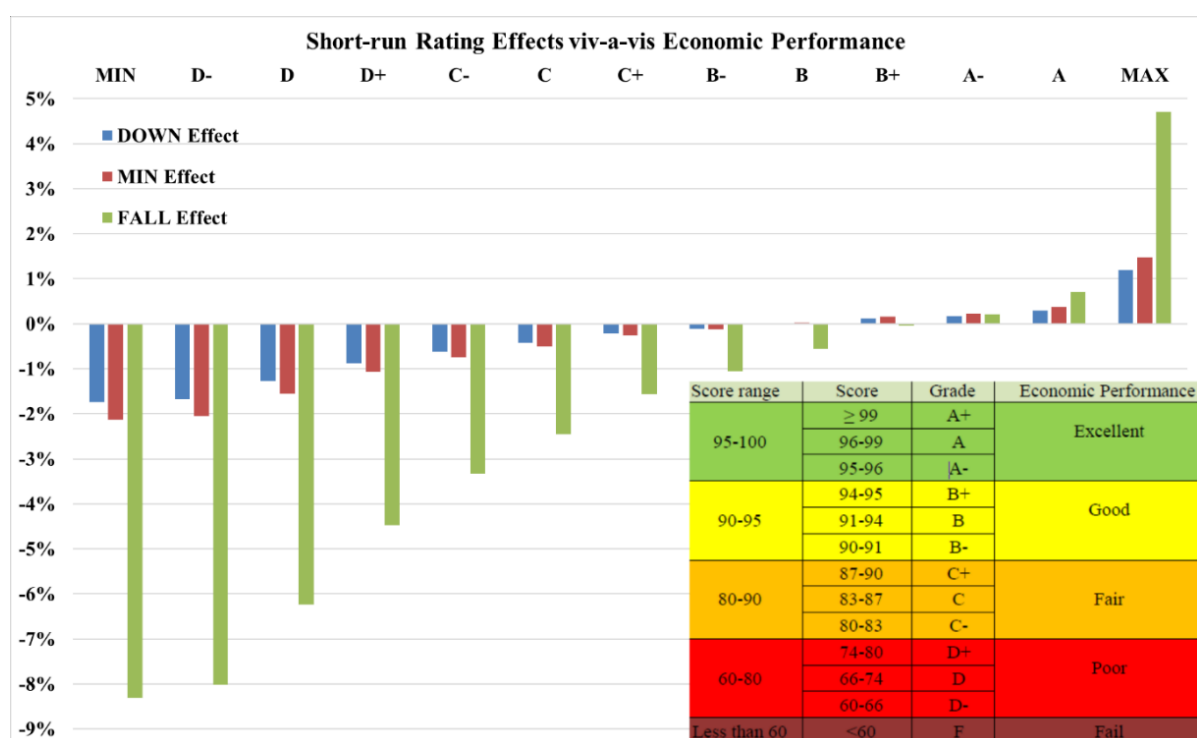
⁵ However, during economic booms, in the absence of the negative supply-side factors of equity capital, the managers of *fallen angel* banks are able to improve their capital structure in a bid to regain their valuable target investment-grade rating.

⁶ Given that the average and maximum values of banks' capital ratio in the sample are 9.8% and 20.5%, in the worst economic environment, the long-run *fallen effect* would wipe out the entire capital for even the most capitalized bank in the sample.

The tests around hypotheses 3 and 4 suggest that, only regarding the *downgrade* effect, supervisory powers and the private monitoring affect the associations between credit ratings and banks' capital. In other words, the estimated negative *downgrade* effect decreases (but remains statistically significant) as the banking supervision and the private monitoring strengthens.

4. Figures⁷

Figure 1: Varying short-run estimated credit rating effects (*downgrade*, *minus sign*, and *fallen angel*) based on the 2SS-GMM estimator in various economic environments proxied by the EPI index.



Source: Authors' calculation based on Khramov and Ridings Lee's (2013) rating effects

⁷ Due to the length requirements of the extended abstract (6 pages), we do not present the relevant tables based on the 2SS-GMM estimator but are happy to provide the full version of the paper with the tables upon the request.

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Appendix

Bank-specific, credit rating-related, macroeconomic, and regulatory variables

Name	Variable	Definition/Corresponding Bankscope item codes	Data Source
Dependent variable			
CAP	Equity to total assets ratio	Equity/total assets*100 winsorized at the 1st and 99th percentile; data4009 = data2055/data2060*100	Bankscope
Bank-specific variables			
SIZE	ln(total assets)	Natural logarithm of total annual assets measured in U.S. dollars and winsorised at the 1st and 99th percentile.	Bankscope, Datastream
ROAA	Return on average assets	Net income/(total assets(t) + total assets(t-1))/2, winsorised at the 1st and 99th percentile; data4024 = data2115/data2025AVG*100	Bankscope
RISK	Loan loss provisions to net loans ratio	Loan loss provisions/net loans*100, winsorised at the 1st and 99th percentile; data2095/data2000*100	Bankscope
Credit rating-related variables			
MIN	Minus sign credit rating dummy	Equals one if a bank has Fitch issuer credit rating with a minus sign and zero otherwise.	Bankscope
PLS	Plus sign credit rating dummy	Equals one if a bank has Fitch issuer credit rating with a plus sign and zero otherwise.	Bankscope
POM	Either minus or plus sign credit rating dummy	Equals one if a bank has Fitch issuer credit rating with either a minus or a plus sign and zero otherwise.	Bankscope
OLN	Negative rating outlook dummy	Equals one if a negative outlook has been assigned to a bank's Fitch issuer credit rating and zero otherwise.	Bankscope
OLP	Positive rating outlook dummy	Equals one if a positive outlook has been assigned to a bank's Fitch issuer credit rating and zero otherwise.	Bankscope
OL	Negative or positive rating outlook dummy	Equals one if a negative or a positive outlook has been assigned to a bank's Fitch issuer credit rating and zero otherwise.	Bankscope
DOWN	Credit rating downgrade dummy	Equals one if bank's Fitch credit rating has been downgraded in a current year compared to the previous year and zero otherwise.	Bankscope
UP	Credit rating upgrade dummy	Equals one if bank's Fitch issuer credit rating is upgraded in a current year (t) compared to the previous year (t-1) and zero otherwise.	Bankscope
FALL	Credit rating (from the investment- to non-investment grade) dummy	Equals one if bank's Fitch credit rating has been downgraded (from an investment- to a non-investment-grade) in a current year compared to the previous year and zero otherwise.	Bankscope

This table presents the variables used in regression analyses. The *Name* column lists the exact names of the variables. The *Variable* column provides brief definitions of the variables. The *Definition* column explains the calculations and procedures used to compute the variables. The *Data Source* column outlines databases and studies from which we obtained data for variables used in regression analyses.

Name	Variable	Definition/Corresponding Bankscope item codes	Data Source
Macroeconomic variables			
EPI	Weighted Economic Performance Index	<p>Weighted EPI = $100\% - W_{Inf} * Inf(\%) - I^* - W_{Unem} * (Unem(\%) - U^*) - W_{Def} * (Def/GDP(\%) - Def/GDP^*) + W_{GDP} * (\Delta GDP(\%) - \Delta GDP^*)$</p> <p>where Inf(%) is country's annual % inflation rate (our INF variable in the table), while I* is the desired inflation rate equal to 0%; Unem(%) is % of country's total labour force (modelled ILO estimate), while U* is the desired unemployment rate equal to 4.75%; Def/GDP(%) is country's government deficit as % of country's GDP, while Def/GDP* is country's desired government deficit as a share of GDP equal to 0.0% and consistent with a long-term balanced budget; $\Delta GDP(\%)$ is the change in country's real GDP (our GDGP variable in the table) while ΔGDP^* is the desired change in country's GDP equal to 4.75%; W_i is the weight of each component of the index such that:</p> $W_i = \frac{1}{StD_i} \cdot StDev_{Av}$ <p>Where StD_i is a standard deviation of each component (e.g., inflation, etc.) and $StDev_{Av}$ is the average standard deviation, computed as:</p> $StDev_{Av} = \frac{1}{4} \sum_{i=1}^4 StD_i$	World Bank (World Development Indicators), IMF (Government Finance Statistics), Khramov and Ridings Lee (2013)
HIC	High-income countries dummy	Equals one if, in a given year a country is classified as high income by the World Bank, and zero otherwise.	World Bank (World Economic Outlook)
LMIC	Low- and medium-income countries dummy	Equals one if, in a given year a country is classified as low-, lower-, lower-medium or upper-medium income by the World Bank, and zero otherwise.	World Bank (World Economic Outlook)
INFL	Annual percentage inflation rate	Annual growth rate of country's Consumer Price Index: $(CPI(t) - CPI(t-1))/CPI(t-1)*100$.	World Bank (World Development Indicators)
GDGP	Gross domestic product (GDP) growth	The annual percentage growth rate of the country's gross domestic product at market prices based on constant local currency.	World Bank (World Development Indicators)
GDPPC	GDP per capita (current US\$)	Country's gross domestic product divided by midyear population. Data are in current US\$.	World Bank (World Development Indicators)

Name	Variable	Definition	Data Source
Regulatory variables			
CAPREG	Capital regulatory index	Composite index based on questions 1.4.2, 1.4.3, 1.5, 3.1(a), 3.2(a), 3.2(b), 3.18.2, 3.18.3(d) from Banking Regulation and Supervision Database. The index can take any integer from zero to ten such that the larger the value, the greater stringency of capital regulation in a given country and year.	Banking Regulation and Supervision Database
SUP	Official supervisory power index	A composite index based on questions 5.12(b), 10.5(b), 11.1(f, j, k), 11.5(a, b, c), 12.3.2 from Banking Regulation and Supervision Database. The index can take any integer from zero to thirteen such that the larger the number, the more monitoring and disciplinary powers there are at the banking supervisory authority's disposal in a given year.	Banking Regulation and Supervision Database
PRIV	Private monitoring index	A composite index based on questions 5.1, 5.1.1(a), 10.1, 10.2.5, 10.5.1(b, c), 10.5.2, 10.8 from Banking Regulation and Supervision Database. The index can take any integer from zero to thirteen eight, such that the larger the integer, the stronger the empowerment of financial markets to monitor banks in a given country and year.	Banking Regulation and Supervision Database
EDIS	Explicit deposit scheme dummy	Equals one for those years during which in a given country existed explicit deposit insurance scheme and zero otherwise.	Banking Regulation and Supervision Database

Paper Number: MS0006

Entrepreneurial Orientation of Multinational's Subsidiaries and CSR

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Entrepreneurial Orientation of Multinational's Subsidiaries and CSR

Extended Abstract

This study aims to investigate the role of entrepreneurial orientation in the relationship between perceived subsidiary autonomy and perceived commitment to corporate social responsibility (CSR). A cross sectional survey was conducted in 2021. Senior managers of multinational's subsidiary were our target respondents. Perceived entrepreneurial orientation of multinational's subsidiaries was found to be a mediator in the relationship.

Keyword: Entrepreneurial Orientation, Corporate social responsibility, MNC's subsidiaries

1. Introduction

As noted, all manuscripts are subject to peer review and are expected to meet academic ethics. What is the smarter way to implement Corporate Social Responsibility (CSR) practices in host country that gives a multinational company competitive advantage over their competitors? Could multinational companies simply copy their competitors' CSR initiatives since stakeholders might not be bothered? Conversely, do multinational companies need to be pro-active when doing CSR, that is to say, being the first to implement a particular set of initiatives in order to capture first mover advantage? Is innovation necessary when it comes to CSR initiatives?

2. Literature Review

The concept of CSR developed much earlier in the US and Europe than in other countries and regions in the world (Blowfield & Murray, 2019). Entrepreneurial Orientation has been shown to have an association on corporate strategic performance (Chung & Gao, 2019). Corporations need to gather their resources and capabilities, while preferably not copying their competitors in order to gain competitive advantage in the market (Sharma, 2000). CSR is an important intangible resource. Thus, almost all companies are engaged in CSR initiatives at different levels, depending on their resources, and many of them already put it at the top of their strategic planning agenda since it would be beneficial to corporate

reputation in the long term (Werther, 2017).

Corporations with higher Entrepreneurial Orientation (EO) probably strive for this in order to gain higher strategic performance (Hughes & Morgan, 2007; Chung & Gao, 2019). From a resource-based perspective, processing tangible and intangible resources might help firms enhance their competitive advantage. The processing of those resources could be regarded as a necessary condition; more important, however, is how to make use of these resources strategically (Hughes & Morgan, 2007). Entrepreneurship is one of the important resources available for corporations and contributes to corporate strategic performance (Hunt & Morgan, 1995, 1996). Two of Entrepreneurial orientation's dimensions—innovativeness and risk-taking—correspond to the first mover advantage of companies who are the first in their industry to engage in a particular CSR theme. It is easy for existing corporations to attract stakeholder attention by taking innovative CSR initiatives (Wut, 2018).

3. Methodology

Questionnaires were distributed through electronic mails in Hong Kong this year (2021). Senior managers of 32 multinational subsidiaries operating in Hong Kong answered our questions and the data was analyzed. There were associations between perceived autonomy and perceived entrepreneurial orientation; and perceived entrepreneurial orientation and perceived local commitment to CSR (See Table 1).

Table 1 Hypotheses result

Path	Hypothesis	path coefficients	t-statistics	p-values	Supported
Perceived autonomy -> Perceived CSR	H1	0.310	1.233	0.218	No
Perceived autonomy-> Perceived EO	H2	0.368	1.952	0.051+	Marginally Yes
Perceived EO -> Perceived CSR	H3	0.477	2.277	0.023*	Yes

*p-value < 0.05; +p-value < 0.1

4. Conclusion

Perceived entrepreneurial orientation was found to be a mediator in the relationship between perceived autonomy and perceived CSR commitment. It was a partial mediation.

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Paper Number: MS0007

Leaders and CSR Decisions in a Taiwanese Context

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Leaders and CSR decisions in a Taiwanese Context

Extended Abstract

The study examines Taiwanese senior managers' corporate social responsibility (CSR) decisions, including their CSR perspectives, CSR stakeholder strategies, and the relationship between CSR perspectives and CSR investments. Questionnaire data were collected from Taiwanese top companies, and the results support the upper echelon theory that organizational CSR decisions can reflect senior managers' CSR perspectives.

Keywords: Corporate social responsibility, Leader, Context, Upper Echelon Theory

1. Introduction

The consideration of context is highly important for a firm's CSR implementation (Gond & Moon, 2011; Kim & Moon, 2015; Ling, 2019). In Asia, apart from China and India, CSR in most countries is also relatively lacking (Li, Khalili, & Cheng, 2019; Ling, 2019). Especially, the rapid expansion of Chinese companies has made it urgent to examine what determines managers' CSR investment decisions in Chinese-culture-dominant countries. CSR in Asia highly emphasizes the influence of individual ethical leaders (such as senior managers) and their moral judgment (Kim & Moon, 2015; Yin, Singhapakdi, & Du, 2016). Most prior studies on CSR, however, are analyzed from the institutional and organizational level (Aguinis & Glavas 2012; Morgeson, Aguinis, Waldman, & Siegel, 2013).

The study examines the influence of context on Taiwanese senior managers' corporate social responsibility (CSR) decisions, including their CSR perspectives, CSR stakeholder strategies, and the relationship between CSR perspectives and CSR investments. The first aim of this study is to examine the profiles of Taiwanese top executives' CSR perspectives and CSR investments profiles. The second aim of this study is to examine the relationship between top executives' CSR perspectives and organizational CSR investments decision. In this study, we apply Hambrick and Mason's (1984) upper echelon theory (UET) to examine how top executives' CSR perspectives are related to CSR decisions.

in Taiwan. As a country long under Chinese cultural influence (Hofstede, 1994), the CSR experience of Taiwan may offer unique and valuable implications for business practitioners and academic researchers for Chinese management in addition to those in China.

2. Literature Review

Prior literature often makes a broad CSR perspectives classification of the Friedman/non-Friedman logic (Kim and Kim, 2010). The Friedman perspective (also called social traditionalism) is profit-oriented, while the non-Friedman view is beyond profit maximization (Kim & Kim, 2010). In Taiwan, CSR is generally viewed as a charity issue, and it is generally agreed that as companies profit from society, they should also return to society (Huang & Chi, 2005). Although it is possible for CSR and economic benefits to coexist, economic benefits may not be enterprises' primary consideration when implementing CSR. Prior studies have shown that the motives for Taiwanese companies to practice CSR are mostly related to fostering the company's reputation or employee loyalty rather than financial returns (Huang & Chi, 2005). It is likely the non-Friedman CSR perspective will be more prevalent than the Friedman CSR perspective in Taiwan.

Hypothesis 1. The non-Friedman perspective will be more prevalent than the Friedman perspective in Taiwan.

CSR studies from Chinese culture-dominating countries have suggested the consideration of community as key stakeholders (Huang & Chi, 2005; Yin & Jamali, 2016). In the Chinese society, community is regarded as an important external stakeholder, because community has the resources to evaluate a firm's legitimacy (Tian, Liu, & Fan, 2015). The study proposes community CSR as main CSR target in Taiwan and it is likely that managers will tend to make more investments in CSR in community involvement than other CSR practices. According to the institutional logics, community involvement can be regarded as a response to the particular socioeconomic needs that put pressure on Taiwanese companies (Huang & Chi, 2005). Community involvement aligns with Taiwanese collectivistic cultural values that one should contribute to their country and society, in addition to caring for their own financial interests

(Huang & Chi, 2005).

Hypothesis 2. Community CSR will be more prevalent than other CSR practices in Taiwan.

The UET regards organizational outcomes as a reflection of managers' characteristics (Hambrick & Mason, 1984). A Friedman (1970) CSR perspective may result in more passive or reactive CSR approaches. In such cases, CSR is treated as a cost, and firms will be more likely to engage in CSR related to regulation compliance. In contrast, a non-Friedman perspective may result in a more proactive attitude toward CSR investments. Under this perspective, CSR is often more voluntary, and firms tend to pay more attention to a wider variety of CSR stakeholders. It is proposed that top executives with a more non-Friedman perspective will have a more positive attitude toward CSR investments than those with a Friedman perspective.

Hypothesis 3. The Friedman/non-Friedman perspective will be associated with less/more CSR investments in Taiwan.

3. Method and Results

The sample was selected from the 2018 top companies list published by CommonWealth Magazine. Collecting data from top Taiwanese companies helps reduce the influence of prior performance. Altogether, 150 valid questionnaire responses from top executives of 147 companies were returned. Most of the companies belong to the manufacturing industry (43%), and a majority of the companies are companies with more than 300 employees (52%).

Confirmatory factor analyses (CFA) were conducted to examine the construct validity, and Cronbach's alpha (α) coefficients were tested to measure the reliability of the questionnaire. The validity of the research measurements is acceptable, and the study has high reliability. The CSR perspectives instrument came from the studies of Xu and Yang (2010), Skouloudis et al. (2015). It is confirmed that CSR perspective include profit maximization ($\alpha = 0.70$), value creation ($\alpha = 0.91$), and country development ($\alpha = 0.89$). CSR investments measures a firm's resource allocation on five CSR practices.

The items are revised from studies Wu, Chen, & Chen (2015) and Ling (2019). It is confirmed that CSR investments include community CSR ($\alpha=0.93$), employee CSR ($\alpha=0.92$), environment CSR ($\alpha=0.95$), consumer CSR ($\alpha=0.90$), and shareholder CSR ($\alpha=0.85$).

Pearson correlation was used to analyze the correlation between the research variables. Managerial CSR perspectives and organizational CSR investments are highly related.

K-means cluster analyses were conducted to examine the profiles of Taiwanese managers' CSR perspectives and their CSR investments based on their standardized scores of the three types of CSR perspectives and the five CSR practices. Cluster one composes those hold a Friedman perspective and invest less on all the five CSR investments dimensions. Managers of the Friedman group have positive attitude toward profit maximization (score = 0.169), but negative attitude toward value creation (score = - 0.686) and country development (score = - 0.745). Cluster two composes those hold a non-Friedman CSR perspective and invest more on all the five CSR investments dimensions. Managers of the non-Friedman group have negative attitude toward profit maximization (score = - 0.239), but positive attitude toward value creation (score = 0.478) and country development (score = 0.524).

4. Discussion

A major contribution of this study is to offer a different perspective from the Western view regarding CSR implementation in a Chinese-dominant culture society. The study extends the UET to examine how managerial CSR perspectives can be a driver of a firm's CSR decision making. The results confirm that top executives' CSR perspectives have a great influence on a firm's CSR investments in Taiwan.

The results show two group of CSR perspectives of Taiwanese managers – a Friedman group and a non-Friedman group. Managers holding a Friedman perspective are slightly more than those holding a non-Friedman perspective, but both perspectives are popular in Taiwan. Contrary to our expectation, the non-Friedman perspective is not more prevalent than the Friedman perspective. Hypothesis 1 is not supported.

The results also identify two CSR investments groups – the high CSR investments group and

the low CSR investments group. The results do not support our expectation that CSR in community involvement is an important CSR investments target. Instead, there is a tendency for firms to either make more investments in all five dimensions or make less investments in all five dimensions. Hypothesis 2 is not supported.

The results indicate a similar finding to prior studies, however, that a Friedman CSR perspective tends to associate with low CSR investments, and a non-Friedman CSR perspective tends to associate with a high CSR investments. Managers holding a Friedman CSR perspective tend to make less CSR investments on all CSR dimensions. Managers holding a non-Friedman perspective tend to make more CSR investments on all CSR dimensions. Hypothesis 3 is supported.

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Paper Number: MS0008

How are Individual Psychological Characteristics related to New Ways of Working during a Pandemic: Examining the Moderating Role of Work Engagement

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How are Individual Psychological Characteristics related to New Ways of Working during a Pandemic: Examining the Moderating Role of Work Engagement

Abstract

The rapid development of innovative technologies and the COVID -19 pandemic have forced one million workers to work from home. This study aims to investigate the role of psychological attributes to successfully implement telework and eventually enhance its performance and applies the production of spatial theory to demonstrate the complex aspect of NWW. A quantitative survey was conducted to interview 319 individuals in 12 countries (Southeast Asian) who were currently or previously involved in telework. The result shows that self-efficacy, entitlement, and resilience have a significant impact on the implementation of NWW.

Keyword: Psychological attributes, New Ways of Working, Teleworking, Self-Efficacy, Entitlement, Resilience, Conscientiousness.

1. Introduction

Before the global covid 19 pandemics, nearly more than 90% of global workers worked from home or other remote offices. Therefore, the implementation of virtual working (S. Kingma, 2019) has increased rapidly, which is mainly driven by the rapid development of innovative technology and the high mobility of people, in particular the rising pandemic of Covid 19. The shift of human interactions from the physical to the virtual world is affecting the way people live their lives, not only in learning and working, but also in all aspects of human interactions. Kemp (2013) suggested that New Ways of working (NWW) implementation may be able to increase job performance and commitment, which is moderated by employees' psychological capital. While most scholars have continually focused on outcomes, there are few studies that highlight the motivations for NWW (Kotera & Correa, 2020), particularly the psychological aspects of workers, as precedent for implementing NWW.

2. Literature and hypothesis development

2.1. Self-efficacy and new ways of working

The current condition of Covid-19 pandemic has provided the taken for granted condition of employees' psychological in terms of predicting their performance, including the way individuals work. However, the psychological features of employees are driven by self-performance. The views of self-effectiveness concern the person believes that they can control problems, particularly the quick adjustment of work from afar which concludes by framing a hypothesis below.

Hypothesis 1. Self-efficacy will positively influence to new ways of working.

2.2. Resilience and New Ways of Working

Resilience is part and parcel of the good conduct of the organization. Although there is still very limited study identify the inter-relation of two variables, we suggest that high level of resilience could help employee to succeed the new way of working. The developable capacity to recoil or bounce back from adversity, conflict and failure or even good events, progress and increasing responsibility was identified as resilience.

Hypothesis 2. Resilience will positively influence to new ways of working.

2.3 Entitlement and New Ways of Working

The present study tries to conceptualize the entitlement attribute as the important psychological attribute for personal life. We accept that entitled individuals assume a critical job in forming future business climate and the manner in which individuals work all the more cooperatively without any limits and hindrances. Entitlement (Harvey & Martinko, 2009) is also highly correlated with the largest generation in workforce today, millennials, who are perceived as the most open to change generation compared to the rest generation. Thus, we frame a hypothesis below.

Hypothesis 3. Entitlement will positively influence to new ways of working.

2.4 Conscientiousness and New Ways of Working

The more conscience people, the fitter they are to teleworking because of their independence and routine. Demerouti et al., (2001) highlight the important of conscientiousness in individual's attribute in order to well perform in NWW. Conscientiousness enables individuals to control their work schedule. also suggested a beneficial link between teleworking and awareness. Conscientiousness individuals are identified as responsible, well-organized and self-discipline.

Hypothesis 4. Conscientiousness will positively influence to new ways of Working.

2.5 The moderating role of work engagement

Work engagement also plays an intervening role to increase employees' handling conflict in organization. Meanwhile, the intervening role of work engagement shows a good result on job outcomes. Ten Brummelhuis et al. (2012) stated working involvement might improve communication between companies, such as high-speed information transfer and continuous connectivity. For example, some studies report that employees with higher engagement show better performance and simultaneously perceive low burnout level. We summarize the following literature with the below hypothesis.

Hypothesis 5. The moderating role of work engagement will have a positive effect on the relationship between new ways of working and firm performance.

3. Methodology and Result analysis

The characteristic of this research is separated into various categories: Age, Gender, Occupation, Education Level and Countries Origin. Female respondents slightly overcome male respondents with 50.57% compared to 49.53%. According to the sample size, graduate students make up the majority (58.52%), followed by undergraduates (30.42%), high school students or lower (8.15%), and Ph.D. students (2.82%). 78.68 % of responders are between the ages of 20 and 29. According to SEM result, from Table. 2, there is 1 hypothesis rejected which is H4, it has t-value of 0.857 and p-value more than 0.05 which both are not meet the criteria¹. Apart from that all other hypotheses are supported and

presented in the results from Table. 2. This study also uses PROCESS macro model 14 (results shown in Table. 3) to investigate the moderation variable of work engagement and the output variable of firm performance. PROCESS macro helps the study strengthen the quality of moderating effect which is investigated in SEM.

4. Conclusion

4.1. Limitations and future research

The rapid change of business environment caused by pandemic crisis has forced many companies to adapt with the limited mobility by applying new ways of working. Psychological attributes are proven to solely influence new ways of working, except conscientiousness. Researchers suggest that the high self-discipline and strict work schedule result the less ability to adjust with high flexibility of NWW. Meanwhile, NWW is proven to change the result of psychological attributes indirectly to firm performance. Finally, job involvement plays a crucial function in fostering psychological characteristics and NWW, particularly during the crisis epidemic, in increasing firm performance. This study offers a complex literature to fulfill the lack of NWW theoretical framework (Gerards et al., 2018). NWW integrates the cultural, technological, material and management components at the same time. The first limitation is that this study focuses on country in relatively the same socio- cultural countries which may be not fit to implement it in different area. Future research should cover more globally to investigate whether cultural differences affect the results. Secondly, this study facilitates contextual aspect of COVID-19 pandemic so that it may only capture a short-term condition. Thirdly, although there are many characteristic differentiations in sample data, this study does not incorporate them as several control groups. Future research should manifest some control variable so that the result can be shown more specifically.

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Appendix

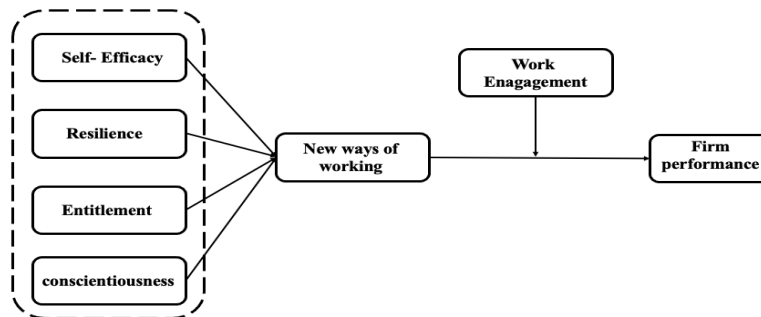


Figure 1. Research model

Table.1: Goodness of Fit of SEM

Fit Index	
Chi-square/df	1.783,
Degree of Freedom	266
GFI	0.889
AGFI	0.858
NFI	0.871
CFI	0.931
RMSEA	0.05
P	0.000

Table.2: Hypothesis Testing Result

			Beta	S.E.	t-value	p-value
NWW	<---	SE	0.601	0.085	4.713	***
NWW	<---	Res	0.518	0.097	2.862	**
NWW	<---	Enti	0.592	0.049	2.886	**
NWoW	<---	Con	0.048	0.056	0.857	0.392
Firm Perf	<---	NWW X WE	0.614	0.036	3.191	***

Table.3: Moderation and mediating results from PROCESS

Model	Mediator	Moderator	Outcome Variable	Std. Error	Beta	t	Sig.
SE	NWW	WE	Firm Perf	.0566	.1378**	2.437	.0154
Res				.0573	.1382**	2.4134	.0164
Enti				.0571	.1387**	2.4303	.0156
Con				.0555	.1858***	3.3448	.0009

Paper Number: MS0009

**Co-location of Marketing and Production FDI in the Post
COVID-19 Era**

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Co-location of Marketing and Production FDI in the Post COVID-19 Era

1. Introduction

Co-location concerns what kinds of value activities to be placed together for uplifting the value of a subsidiary venue. Generally, firms transform through functional upgrading following a common trajectory along their value chain from original equipment manufacturing (OEM) to original design manufacturing (ODM) and to own brand manufacturing (OBM) (Eng & Spickett-Jones, 2009). Nonetheless, upgrading from OEM to OBM in GVC is not a panacea (Gereffi, 2009). Transformation to OBM requires great investments in R&D and branding and risks high failure rate. Also, the move may generate hostility of present GVC leaders (Chin, Liu, & Yang, 2016). Thus, co-location seems a safer strategy for OEM to perform a functional upgrade while inducts flexibility and competitiveness for opportunities to transform in the future. The extant literature regarding co-location primarily concentrates on the relationship between research and development (R&D) and production activities, leaving marketing overlooked (Ambos, Brandl, Perri, Scalera, & Van Assche, 2021, Castellani & Lavoratori, 2020, Eng & Spickett-Jones, 2009). Besides, marketing receives limited attention in crisis management although it is a relatively efficient and effective instrument for changing environments and customer needs (Naidoo, 2010, Wang, Hong, Li, & Gao, 2020). This paper follows the organizational learning perspective as well as the interactive and open innovation view (Ambos, Brandl, Perri, Scalera, & Van Assche, 2021) to tackle the co-location investments in marketing on top of production activities. We examine Taiwanese firms' investments in Mainland China since Taiwan and China have played a substantial role in GVCs (Grimes & Du, 2020, Pananond, Gereffi, & Pedersen, 2020), being affected greatly by the COVID-19 crisis and would like to upgrade their manufacturing from OEM to OBM in GVCs. In summary, the current paper, bridging the aforementioned research gaps, explores the antecedents of firms' co-location with the marketing function and the relevant foreign direct investment (FDI) impact brought by the COVID-19 epidemic.

2. Literature

2.1. International experience and co-location

International experience is believed as a significant source of organizational learning (Barkema & Vermeulen, 1998, Castellani & Lavoratori, 2020, Thakur — Wernz & Samant, 2019). Experience of geographical dispersion (international experience breadth) enhances an MNE's ability to coordinate a more complicated structure overseas (Castellani & Lavoratori, 2020). If a firm has more FDI cases in total (depth) despite concentrates in few territories, the learning of the host countries with time makes co-location of one more value function easier.

Hypothesis 1. A firm's international experience breadth has a positive association with its chance of co-locating marketing and production in an FDI host country.

Hypothesis 2. A firm's international experience depth has a positive association with its chance of co-locating marketing and production in an FDI host country.

2.2. Dependence on local linkages for knowledge and co-location

Internationalization enables organization learning and accrues three sorts of knowledge to a firm's knowledge base: technology, market and social learning (Thakur — Wernz & Samant, 2019, Yeoh, 2004). Among all modes of foreign market entry, the highest levels of organizational learnings of all three sorts of knowledge are found when firms choose to build foreign subsidiaries in host countries (Zahra, Ireland, & Hitt, 2000). Manufacturers in GVC normally display a pattern of local linkages in FDI by forming a linkage with the lowest risk first, then with time show a sequence of workers to components and parts to subcontracting and finally to sources of R&D (Chen, Chen, & Ku, 2004). Thus, by the time when the chief source of technological knowhow in an FDI is already from a local R&D partner, the manufacturing firm shall already have much confidence in the host country. Then it's likely that the firm would increase its interests in supplying the nearest market to the plant, namely the host country. But a firm who is good at manufacturing may not be proficient at marketing. The manufacturing FDI might have to resort to a local partner for marketing co-efforts, especially the locals are often

believed to have better knowledge of the domestic environments. Once a firm has to count on a local linkage for marketing, it's possible that it would co-locate marketing function to supervise the collaboration and uses the linkage as a means for organizational learning. Moreover, earlier attempts to understand co-location find marketing is often placed in proximity to the R&D function because co-location facilitates interaction, collaboration between the two very different professional domains and so new product development (NPD) (Allen, 1984, Griffin & Hauser, 1996, Kahn & McDonough III, 1997, Van den Bulte & Moenaert, 1998).

Hypothesis 3. When the local R&D linkage is the chief R&D knowledge source, there is a higher chance of co-location of marketing and production in the FDI host country.

Hypothesis 4. When the local marketing linkage is the chief marketing knowledge source, there is a higher chance of co-location of marketing and production in the FDI host country.

2.3. Marketing innovation for local market/NPD and co-location

In the paper, marketing innovation refers to an organization's devotion to novel or improved measures by means of marketing-production co-location for more effective satisfaction of customer needs or more excellent creation of customer values through product, service and delivery (Lin & Chen, 2007, Mauborgne & Kim, 1997, Wang, Hong, Li, & Gao, 2020). Local market and NPD seem the most two prevalent insinuations for co-location of production and marketing in literature, and the current paper aims to provide empirical support. Scholars show that FDI inflow is largely influenced by market size and market potential (Kravis & Lipsey, 1982, Na & Lightfoot, 2006). Dunning (1973) studies determinants of FDI and reveals that market force like market size, growth and per-capita income in the host country, and cost factors such as labour costs and inflation are antecedents of FDI. Krugman (1991) develops a formal model explaining manufacturers' agglomeration in places of larger demand due to desire to exploit economies of scale and minimize transportation costs. Resmini (2000) inspects manufacturing FDI and finds nations with larger population attract more FDI. In summary, since market is repeatedly a driving force for MNEs' going abroad, we argue that a purpose of serving the local host market for profits is

likely to lead a manufacturing firm in GVC to upgrade, learn and co-locate marketing function aside production function.

Hypothesis 5. When a manufacturer seeks upgrading for local demands, there is a higher chance of co-location of marketing and production in the FDI host country.

OEM suppliers fortify themselves under pressure of competition through upgrading their R&D or marketing capabilities. They upgrade and co-locate R&D function or marketing function either spontaneously or reactively to the request by their outsourcing clients in order to agilely respond to their clients or changing market demands. Marketing is sometimes included as a means for upgrading or part of customer commands by reason of its potentials to adapt to changing environments, to create values for customers and to enhance performance (Day, 1994). When a subsidiary plant takes on the responsibility of NPD, it's likely the NPD is to support a host market and/or supply customers across boundaries for larger economies of scale. Co-location helps facilitate mutual communication, collaboration within as well as between different professions, which elucidates why for NPD, marketing is put in proximity to the R&D function oftentimes (Allen, 1984, Griffin & Hauser, 1996, Kahn & McDonough III, 1997, Van den Bulte & Moenaert, 1998).

Hypothesis 6. When a manufacturer seeks upgrading through NPD for global supply, there is a higher chance of co-location of marketing and production in the FDI host country.

3. Methodology

3.1. Sample

Surveys were sent to all 1,800 firms in the national database, *the Survey on the Outward FDI of Taiwanese Manufacturers in the Year 2020*, compiled by the Ministry of Economic Affairs in Taiwan. The data collection was from June to December 2020. A total of 795 valid questionnaires were returned. 613 (77.11%) of them had ever invested in China and 343 (43.90%) firms had offshore manufacturing operations in China. Given the sample size consideration, China became the host country for observation in the study.

3.2. Variables and measures

The dependent variable, the co-location decision, was a dummy taking the value of 1 if the firm decided to co-locate manufacturing activities and marketing activities, and 0 if the firm only has production function.

Referring the approach of Hsu, Lien, and Chen (2013) and Khavul, Pérez-Nordtvedt, and Wood (2010), *breadth of internationalization* is the number of regions the company had investments spread across these ten regions in the past. *Depth of internationalization* was calculated by identifying the total FDI number of each company in the past. *R&D linkage* took a value of 1 if the primary R&D knowledge source of the firm's FDI came from local R&D recruits, local joint ventures, local R&D institutions, local OEM or ODM manufacturers technology transfer, and 0 otherwise. *Marketing linkage* took a value of 1, if the primary marketing knowledge source of the focal firm's FDI case included local marketing hires and marketing collaboration with a local partner and 0 otherwise.

Upgrading for local demands took a value of 1 if the motivation of firm's FDI for innovation was expanding into the local markets and 0 otherwise. Furthermore, upgrading for NPD for global supply took a value of 1 if the motivation of firm's FDI for innovation was developing new products for global supply and 0 otherwise.

Control factors included four variables for their potential impact on the decision to *co-locate*: *firm size*, *R&D intensity*, *intra-industry FDI* and *COVID-19 pandemic*. *Firm size*, *intra-industry* and *COVID-19 pandemic* were dummy variables. Following Taiwan's standards for identifying small and medium-sized enterprises (SME) published by the Ministry of Economic Affairs, firm size was set at 1 for large firms (200 or more employees) and 0 for small and medium-size firms (less than 200 employees). Following Hsu, Lien, and Chen (2013), *R&D intensity* as a continuous variable is measured as the ratio of R&D expenditures to the firm's total sales revenue. Because the R&D budget might increase cooperation with the research community external to the organization in marketing (Florida, 1997, Ketokivi & Ali — Yrkkö, 2009). *Intra-industry FDI* was set as a dummy variable with a

value of 1 for firms within the same industry investment between headquarter and subsidiaries and 0 otherwise, since marketing-manufacturing interdependencies may be more robust in one industry than another (Florida, 1997). *COVID-19 pandemic* was captured by a dummy variable with a value of 1 for firms' investment decisions in China were affected by the COVID19 epidemic and 0 otherwise.

3.3. Regression model specification

The nature of the dependent variable requires the use of a logistic model to predict the firm's co-locating choice. The model is specified as:

$$(Y_i=1)=1/[1+\exp(-\alpha-X1\beta_1-X2\beta_2-X3\beta_3-X4\beta_4)]$$

where $P(Y_i = 1)$ estimates the probability of co-locating for the i th observation; $X1$ is the vector of independent variables that capture international experience factors; $X2$ is the vector of variables that capture local linkages for knowledge factors; $X3$ is the vector of variables that capture marketing innovation factors; $X4$ is the vector of control factor; α is the intercept; and β_1 , β_2 , β_3 and β_4 are estimated parameters.

4. Empirical results

Table 1 presents the descriptive statistics, and correlation matrix for the 343 firms. Table 2 contains the results of the logistic regression model. We included only the control variables to establish Model 1, while Models 2-4 show the hypothesized main effects. Except for hypothesis 2 that is relevant to international experience depth, all other factors/hypotheses are supported.

Table 1 Descriptive Statistics and Correlation Matrix

	Variable	Mean	S.D.	1	2	3	4	5	6	7	8	9	10	11
1	Co-location decision	0.504	0.501	1.000										
2	Breadth of internationalization	2.035	1.277	0.082	1.000									
3	Depth of internationalization	6.362	12.112	0.022	0.389**	1.000								
4	R&D linkage	0.566	0.496	0.084	-0.018	0.033	1.000							
5	Marketing linkage	0.810	0.392	0.428**	-0.051	0.047	-0.064	1.000						
6	Upgrading for local demands	0.583	0.494	0.262**	0.056	0.024	-0.025	0.330**	1.000					
7	Upgrading for NPD for global supply	0.324	0.469	0.112*	-0.068	-0.062	0.003	0.017	0.016	1.000				
8	Firm size	0.729	0.445	0.130*	0.320**	0.202**	0.034	-0.061	0.003	-0.055	1.000			
9	R&D intensity	0.134	0.224	0.207**	-0.003	-0.031	0.081	0.106*	0.013	0.057	0.119*	1.000		
10	Intra-industry FDI	0.974	0.160	-0.090	0.047	-0.060	0.077	-0.033	-0.028	0.036	-0.018	0.015	1.000	
11	COVID-19 pandemic	0.184	0.388	-0.117*	-0.007	0.021	0.051	-0.020	-0.072	-0.022	0.018	0.029	-0.016	1.00

Note: SD stands for standard deviation. Sample size:343; Co-location cases: 173; Non-co-location cases: 170 *Significant at the .05 level; **significant at the .01 level.

Table 2 Logistic Results for the Marketing and Production Co-location Decision

Independent variable	Model 1		Model 2		Model 3		Model 4	
	Coefficients	P-value	Coefficients	P-value	Coefficients	P-value	Coefficients	P-value
Intercept	0.850	0.315	0.767	0.367	-2.386**	0.033	-2.689**	0.014
Breadth of internationalization	—	—	0.109*	0.078	0.212*	0.067	0.203*	0.084
Depth of internationalization	—	—	-0.003	0.758	-0.013	0.235	-0.012	0.284
R&D linkage	—	—	—	—	0.627**	0.016	0.634**	0.016
Marketing linkage	—	—	—	—	3.397***	0.000	3.155***	0.000
Upgrading for local demands	—	—	—	—	—	—	0.599**	0.027
Upgrading for NPD for global supply	—	—	—	—	—	—	0.580**	0.039
Firm size	0.513**	0.043	0.430	0.110	0.632**	0.032	0.638**	0.034
R&D intensity	2.036***	0.000	2.057**	0.000	1.648**	0.010	1.656**	0.011
Intra-industry FDI	-1.370*	0.100	-1.433*	0.087	-1.791*	0.072	-1.819 *	0.061
COVID-19 pandemic	-0.701**	0.018	-0.701**	0.019	-0.799**	0.016	-0.772**	0.021
Model Fit								
Log-likelihood	-223.571		-222.974		-183.516		-178.754	
Restricted Log-likelihood	-237.736		-237.736		-237.736		-237.736	
Chi Square	28.331		29.525		108.441		117.965	
Significance level	0.0000***		0.0000***		0.0000***		0.0000***	
Cox & Snell R2	0.079		0.082		0.271		0.291	
Correct classification rate (%)	61.20		61.80		71.10		73.50	

Note: Dependent variables: Co-location = 1; Non-colocation = 0.

*Significant at the .10 level; **significant at the .05 level; ***significant at the .01 level.

5. Discussion

5.1. Theoretical contributions

This paper sets foot in a rarely touched upon academic realm of marketing-production co-location.

Results show that the breath of a manufacturing firm's international experience, the dependence on

local linkage for major R&D and marketing knowhow as well as aspirational marketing upgrading for local demand and NPD for global supply all have a positive impact on firm's decision to co-locate marketing function with production function. Moreover, the literature implies local market and NPD being two driving forces for marketing co-location, and the current study explicates and validates them. Specially, this study used the latest data collection lasted until December 2020, extending understanding of co-locating decisions under conditions of high uncertainty brought about by the ongoing COVID-19 pandemic.

5.2. Managerial implications

A firm before its FDI decision can performance a resource check and see whether it already has relevant and enough international experience to conduct a co-location FDI that requires more sophisticated managerial skills to manage a more complex structure abroad. The second resource check is on the chief knowledge inputs for the subsidiary at the aspects of R&D and marketing. The resource check also should be extended to the competitors' end. Moreover, competitors should more likely to adopt a marketing co-location strategy if they are to capitalize on host country market or NPD at a global scale. Finally, we reckon that COVID-19 may be related to the role of initiation for relocating decisions. A Gartner (2020) survey of 260 global supply chain leaders in February and March 2020 revealed that 33% of firms moved business out of China due to the COVID-19 pandemic. Manufacturers who decide to relocate rather than co-locate may consider it a way to reduce reliance on sources in a single area and to increase the resiliency of the firm's supply chains.

5.3. Limitations and future research

Taiwan and China share the same Chinese culture, so studies that are across different cultures or diverse host countries are encouraged for further comparison. Methodology-wise, this paper adopts a cross-sectional quantitative approach, future research can compensate by adopting a longitudinal qualitative approach and explore themes such as how other stakeholders (e.g., government, employee, etc.) influence the decision of (marketing) co-location or even how different function/level of employees support this idea along the process. In addition to COVID-19, future research can examine

how events of different nature (such as a trade war between nations and geopolitical changes) affect co-location investments.

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Paper Number: MS0010

**Benefits Satisfaction and Employee Performance from the View
of Employment Relationships**

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Benefits Satisfaction and Employee Performance from the View of Employment Relationships

Extended Abstract

The study applies social exchange theory and the reservation of resources theory to explain the potential intermediary role of psychological contracts between employee benefit satisfaction and employee performance behaviors in the service industry. Data was collected from the front-desk employees in two main shopping malls in southern Taiwan. The results show that the employee's satisfaction with the welfare system will affect their performance, and psychological contract has partial mediation effect.

Keyword: Employment relationships, Individual performance, Motivation

1. Introduction

This study aims to explore the relationship among different types of employee benefit satisfaction, psychological contracts, and employee performance. In particular, whether psychological contracts play the role of intermediary between employee benefit satisfaction and employee performance behaviors will be evaluated. Employees' satisfaction level with a firm's benefits system is associated with their performance (Guo and Xie, 2016). Scholars also believe that psychological contracts play an indispensable role in determining employee performance (Zhang & Wu, 2010). There appears to be a lack of consistent conclusions, however, on how psychological contracts influence employee performance. A possible explanation could be that different types of psychological contracts have different impacts on employee performance (Zhang & Wu, 2010). As satisfied employees tend to perform better services/job, it would be interesting to learn how employee benefits satisfaction and psychology contract affect their performance (in-role, interpersonal and organizational citizenship behaviors). Given that organizations often use the compensation and welfare system as incentives, it is proposed that psychological contracts play a mediating role between employee benefit satisfaction and

employee performance.

2. Literature Review

Most studies suggest that the benefit/welfare system has a positive impact on employee performance (Robinson & Morrison, 1995). Based on social exchange theory, there is a form of a reciprocal exchange of resources between employees and the organization where the organization offers employees benefits and rewards in exchange for employees' good job performance (Blau, 1964). According to expectation theory, employees will judge whether their effort and performance are fairly rewarded and whether the rewards are in line with their own needs, thus influencing their decision on whether or not they will continue to work hard. When employees are satisfied with the benefits provided by the organization, their performance will be higher.

Hypothesis 1. Employee benefit satisfaction will have positive associations with employee

In normal situations, psychological contracts and employee performance should be positively associated. Although not as legally binding as a written contract, a psychological contract can virtually increase employees' trusts and commitment to the organization, and further improve employees' morale and performance (Guo & Xie, 2016). According to the theory of social exchange, the relationship between employees and the organization is based on reciprocal obligations (Blau, 1964). Employees exhibit high-performing behaviors in exchange for tangible and intangible rewards (for example, money, status, and prestige) from the organization (Blau, 1964). The organization also gives remuneration for employees' contributions to the organization (Wayne, Shore & Liden, 1997).

Hypothesis 2. Psychological contracts will have positive associations with employee performance.

While there are few studies exploring employee benefit satisfaction and their relationship to psychological contracts, many studies have confirmed that human resource management practices affect employees' psychological contracts (Robinson & Morrison, 2000; Huang & Wang, 2011). Especially, the welfare system provided by the organization is a main factor in determining employees'

psychological contracts (Rousseau, 1995). Benefits are often positively related to employee engagement. Benefits are also important organizational factors that determine employees' adjustments (Liu & Liu, 2007). Based on the above, this study argues that when an employee is satisfied with the benefits provided by the organization, there will be a positive impact on the employee's psychological contract.

Hypothesis 3. Employee benefit satisfaction will have positive with psychological contracts.

Furthermore, while literature lacks concrete empirical evidence, it is implied that the relationship between employee benefits and employee performance may be affected by psychological factors. The incentives provided by an organization may affect employee performance through the intermediation of their psychological contracts (Huang & Wang, 2011). The communication and motivation (related with the welfare system) provided by an organization can affect employee performance through the intermediary role of psychological contracts (Huang & Wang, 2011). The study proposes that psychological contracts may have an intermediary relationship between the employee benefits satisfaction and employee performance.

Hypothesis 4. Psychological contracts play a potential mediating role between employee benefits satisfaction and employee performance.

3. Method

Data was collected from front-desk employees in two main shopping malls in southern Taiwan. The data were collected from paired questionnaires with supervisors evaluating employees' performance and employees reporting their perceived psychological contracts and satisfaction regarding the welfare systems. A total of 171 pairs of valid questionnaires were returned.

Factor analysis was used to find the dimensions of each variable. The scale of employee benefit satisfaction measures whether employees are satisfied with the welfare system and is based on the study of Huang & Wang (2011). For employee benefits satisfaction, three factors are extracted from 14 questions: assistance (α value= 0.776), security (α = 0.745), and economic benefits satisfaction (α =

0.753). For psychological contract, three factors are extracted from 12 questions: relational ($\alpha = 0.845$), balanced ($\alpha = 0.844$), and transactional psychological contract ($\alpha = 0.526$). The measurements of psychological contracts come from Chang, Ko, & Huang's (2007) scales. Measurements of employee performance come from the scale Hung, Cho, & Hung (2011). For employee performance, three factors are extracted from 21 questions: in-role behavior ($\alpha = 0.866$), interpersonal behavior ($\alpha = 0.868$), and organizational citizenship behavior (OCB) ($\alpha = 0.753$). The Cronbach's alpha coefficient of each factor is greater than 0.7, which is an indication that the study has high reliability.

4. Results and Discussion

Pearson correlation was used to analyze the correlation between each variable. Employee benefits satisfaction is positively associated with psychological contract, and psychological contract have positive relationship with employee performance.

Structural Equation Modeling (SEM) is applied to examine the relationships between our research variables. The results show that the final model is acceptable ($\chi^2/df = 2.093$; NFI = 0.920; CFI = 0.955; RFI = 0.957; TLI = 0.912; IFI = 0.957; RMSEA = 0.078). H 1 is not supported. Contrary to our expectation, employee benefits satisfaction has no direct association with all three types of performance behaviors. Employee benefits satisfaction, however, has an indirect positive association with employee performance, which will be discussed in the mediation section. H 2 is supported. Psychological contracts have a positive association with employee performance, but different types of psychological contracts have different associations with various types of employee performance. H 3 is supported. Employee benefits satisfaction has positive influences on psychological contracts. H 4 is supported. Psychological contracts play a partial mediating role between employees' benefits satisfaction and employee performance. Employee benefits satisfaction with security benefits has indirect positive effects on employees' in-role behavior (indirect effect = 0.100, $p < 0.05$) and OCBs ($\beta = 0.223$, $p < 0.05$) through the mediation of balanced psychological contracts. Figure 1 shows the final model with the standardized regression weights.

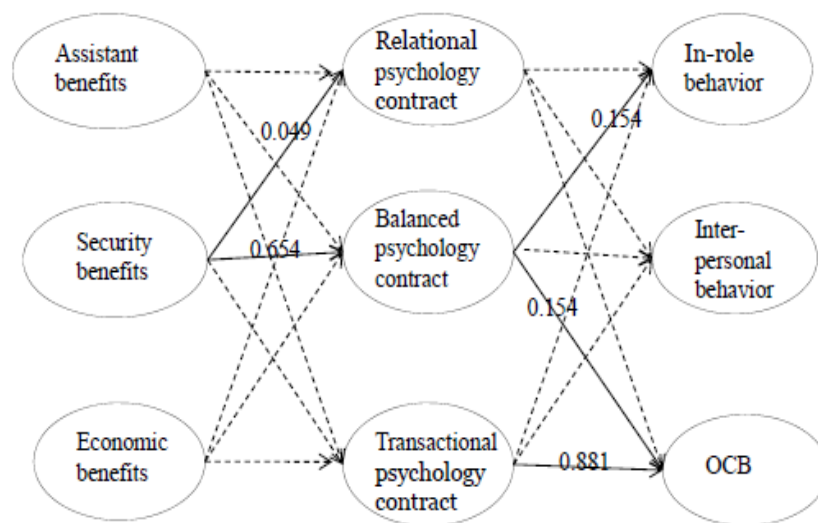


Figure The Final Model

5. Conclusion

The study examines the relationship among employee's welfare satisfaction, psychological contract, and employee performance. The study enriches the literature of OCBs in terms of social exchange theory and conservation of resource theory. Social exchange theory tends to focus on the potential positive impact of OCB, and ignore the fact that resources are limited. OCB toward coworkers (interpersonal behavior) may limit the employee's time to perform in-role behavior and increase personal costs (Perlow & Weeks, 2002). According to the conservation of resource theory, employees' time can be considered as limited resource (Lin, 2007). Compared with relational and transactional psychological contracts, a balanced psychological contract is more balanced in caring for both employees' emotional needs and economic needs. The results that psychological contract, especially balanced psychological contract, has a positive impact on employees' in-role behavior and OCB, but not on their interpersonal behavior, echoes the above view.

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Paper Number: MS0013

The Impact of Culture on Brand Extension: The Specific Versus Diffuse Dimension

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The Impact of Culture on Brand Extension: The Specific Versus Diffuse Dimension

1. Brand Extension

The Oreo sandwich cookie has been satisfying the munchies since its introduction in 1912 by the National Biscuit Company (Nabisco). Although best known in its original chocolate wafer and vanilla creme form, more than 100 variations on the theme have been produced over the years, including Golden Oreos, Oreo Thins, and even a Lady Gaga-inspired concoction with pink wafers and green creme. Sales of Oreo cookies have also expanded globally; with an estimated 450 billion Oreos produced since 1912, Oreo can now rightfully claim to be the world's best-selling confection.

In recent years, however, Oreo has attempted to leverage its brand equity by slapping the Oreo appellation on products in other categories: Oreo pudding, for example, Oreo cheesecake, and Oreo ice cream. For Oreo, these brand extensions are relatively near to the original sandwich cookie in terms of product category distance, in contrast to Harley-Davidson, for example, whose brand mark has adorned everything from perfume to wine coolers to jewellery, thereby raising fundamental questions about the predictors of brand extension success.

2. Brand Extension Success

Research on brand extension by Aaker (1990) suggested that the so-called 'fit' between the parent product and the brand-extended product influences consumers' perceptions, which, in turn, predicts brand extension success. Indeed, attitudes towards the brand-extended product were higher when consumers perceived: 1. the brand-extended product category to be in alignment with the parent product category, 2. the brand-extended product to be a complement, substitute, or transfer of the parent product, or 3. the brand-extended product to not be too obvious or too easy to develop.

In a similar vein, Dawar and Anderson (1994) found that the order and direction of brand extensions influence consumers' perceptions of brand-extended products, especially with respect to the product category distance of the brand-extended products. Specifically, "undertaking extensions in a particular

order allows distant extensions to be perceived as coherent; following a consistent direction in extension allows for greater coherence and purchase likelihood for the target extension” (p. 119).

3. Culture and Brand Extension Success

But in the context of global brand management, as in other facets of international business, the role of culture ought not to be overlooked. In a 2007 study, Monga discovered that the analytic and holistic thinking of Western and Eastern societies respectively impacted consumers’ evaluations of hypothetical brand-extended products, which intimates that culture impacts brand extension success. As a practical example, consider Hello Kitty which in 2013 launched 6 tropical-flavoured beers in Taiwan, the success of which prompted internationalisation to mainland China... but no further, because for consumers in other parts of the world, this brand extension was deemed inconceivable.

It is this impact of culture on brand extension success which underpinned our research. Specifically, our research explored whether or not cultural differences can explain the differences in brand-extended product category distance across different societies. The research was inspired by a trip to Japan a few years back, during which John noticed that brand marks were often shared across seemingly distant product categories. The Mitsubishi brand mark, for example, can be found on such disparate products as banks, air conditioners, and industrial chemicals. He also recalled an article in *The Economist* about the Burberry luxury fashion house, whose Japanese licensee used the brand name and its famous plaid on everything from golf bags to whiskey.

4. Trompenaar’s Cultural Dimensions

In 1997, Fons Trompenaars published *Riding the Waves of Culture*, which outlined his framework for understanding cultural differences. Trompenaars’ framework is not unlike the Hofstede Model... and indeed it has some overlap. Trompenaars’ framework, however, identifies 7 cultural dimensions which distinguish societies: 1. universalism versus particularism, 2. achievement versus ascription, 3. neutral versus affective, 4. specific versus diffuse, 5. individualism versus communitarianism, 6. the human-nature relationship, and 7. the human time relationship. Each of the first 5 dimensions can be understood as a continuum, which, like in the Hofstede model, means that societies ought not to be judged as good

or bad on any particular dimension, but simply different on their degree of that dimension. Trompenaars' framework is based on 10 years of research in which he surveyed more than 46 000 people across 40 different countries.

Our research employed the specific versus diffuse dimension, which, at its core, is about a society's acceptable breadth of roles or identities. In specific societies, roles and identities are discrete, with little or no overlap. Most Americans, for example, keep their work and personal lives separate. In diffuse societies, on the contrary, roles and identities are, err, diffuse— they rise above specific contexts to a kind of meta level. It is not uncommon, for example, for a Mexican labourer to ask for advice from the *jefe* about issues which transcend the work place and the *jefe's* direct domain of expertise... which automobile to buy, where to hold a fiesta, or when to invest in the stock market.

5. The Research

We hypothesised that a society's degree on the specific versus diffuse continuum might explain brand-extended product category distance. Indeed, we asked ourselves if more diffuse societies like Japan, for example, are, consequently, more likely to accept brand-extended products which belong to more distant product categories. The obverse would mean that societies like America, which tend towards the specific end of the specific versus diffuse continuum, are, consequently, less likely to accept brand-extended products which belong to more distant product categories.

We tested our hypothesis in two separate studies. In the first study, we collected data for 5 global companies (Panasonic, Coca Cola, L'Oréal, Mitsubishi and P&G) in 6 different countries (South Korea, Japan, Taiwan, Germany, Netherlands, and the United States). More specifically, we tallied the number of products which were marketed by each company in each country. Table 1, for example, shows the number of products which are marketed by Panasonic in the 6 countries. Noteworthy is not only the difference in the number of products which are marketed, but also the breadth of product categories which these products reflect. We then used a generalised linear mixed model in R to tease out the relationship between the specific versus diffuse dimension and the number of products.

Table 1. Panasonic Data

South Korea		Japan		Taiwan		Germany		Netherlands		United States	
digital av	106	home app	51	video/cam/com	231	tv	43	tv	52	audio & video	7
home app	10	seasonal	41	air conditioners	76	home	95	home	56	cameras &	6
beauty/health	54	kitchen/cookin	60	refridgerator	53	photo & video	202	camera	137	microwave &	7
projectors	57	av/camera	95	washer/dryer	46	beauty/health	143	phones	30	telephones	3
professional	47	beauty/health	69	small	24	kitchen &	42	personal care	25	personal care	14
space player	8	battery	6	home app	60	telephone fax	52	kitchen	28	massage	1
security	49	telephone	18	beauty/personal	79	TOTAL	577	air condition.	2	home & office	5
tough book	4	computer	6	water	24			TOTAL	330	TOTAL	43
scanners	13	car nav	10	TOTAL	593						
tools	28	housing equip	1								
healthcare	42	mobile phone	2								
gas/heat	18	other	10								
video system	2	TOTAL	369								
TOTAL	438										

The results of the first study support our hypothesis. Indeed, as demonstrated in Table 2, as the value of the specific versus diffuse dimension (diffusespecific) increases by 1, the number of products (brand extensions) increases by 6-6-7.7%, at a 95% confidence level. Intriguingly, the effects were more pronounced when population size was also considered.

Table 2. Effects of the Specific versus Diffuse Dimension on Number of Products

Random effects:

Groups Name Variance Std.Dev.
company (Intercept) 1.737 1.318
Number of obs: 30, groups: company, 5

Fixed effects:

Estimate Std. Error z value Pr(>|z|)
(Intercept) 4.550129 0.590158 7.71 1.26e-14 ***
diffuspecific 0.068272 0.003156 21.63 < 2e-16 ***

Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Correlation of Fixed Effects:

(Intr)

diffuspcfc -0.031

> exp(summary(model2)\$coefficients)

Estimate Std. Error z value Pr(>|z|)
(Intercept) 94.644614 1.804273 2.230584e+03 1
diffuspecific 1.070656 1.003161 2.483273e+09 1

> exp(confint(model2))

Computing profile confidence intervals ...

2.5 % 97.5 %
.sig01 2.193512 17.737583
(Intercept) 22.859153 390.681623
diffuspecific 1.064066 1.077313

In the second study, rather than tallying the number of products which were marketed by each company in each country, we tallied the number of product categories in which 250 companies marketed products, across 5 different countries (South Korea, Japan, Germany, India, and the United States). We used the

Forbes 2000 ranking of companies to identify the 250 companies. And we employed the SIC classification as the basis for identifying the number of product category. Analysis of the data using a single factor ANOVA also support our hypothesis. Indeed, as demonstrated in Table 3, the *F* value is created than the *F* crit value, thereby rejecting the null hypothesis. In summary, there were, on average, 3.2 product categories in more diffuse countries, and 2.3 product categories in specific countries.

Table 3. Analysis of Data for Number of Product Categories

ANOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	78.584	4	19.646	3.625597	0.006842	2.408488
Within Groups	1327.58	245	5.418694			
Total	1406.164	249				

6. Discussion

The two studies buttress the general statement that culture still matters... despite globalisation. In the context of brand management, more specifically, both studies support our hypothesis that a society's degree on the specific versus diffuse continuum explain brand- extended product category distance. Although, to be fair, both studies used rudimentary measures of brand-extended product category distance. Indeed, do number of products and number of product categories truly reflect brand-extended category distance. Nevertheless, the results of this studies are 'directionally' encouraging, suggesting that culture does indeed play some role in brand extension success. We plan to continue this research agenda, possibly through experimentation with hypothetical brand-extended products, or interpretive research in which we explore cultural meanings of brand marks.

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Paper Number: MS0014

Integrating a Liberal Arts Approach into an Undergraduate Business Programme: Lessons from a University in Hong Kong

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Integrating a Liberal Arts Approach into an Undergraduate Business Programme:

Lessons from a University in Hong Kong

Extended Abstract

Keywords: Liberal arts, business education

1. Motivation and objective

Universities are under pressure to provide graduates with qualities that will enhance their long-term employability in today's fast-changing business world. Accordingly, the integration of liberal arts into business education is nowadays becoming increasingly recognised and appreciated. However, doubts remain as to whether business education can ever be compatible with a liberal arts perspective, indeed whether business education should even take place in a liberal arts education institution. This article contributes to this debate, and perhaps helps lessen these doubts, by presenting a case study showing how a liberal arts based approach has been infused into the undergraduate business programme of a university in Hong Kong.

2. Approach

The paper describes the process that has embedded liberal arts into the University's once traditional business programme. This process encompassed actions at the institutional, programme and course levels, including the establishment of new experiential programmes, the transformation of the business programme curriculum, the revamping of individual courses, and the introduction of new teaching and learning approaches, methodologies and styles. The paper also considers the extent to which the process has been successful, using certain objective indicators and the results of internal surveys of teachers and students.

3. Findings

By some objective indicators, such as improved global and regional (liberal arts) university rankings,

and the supportive and commendatory comments of accrediting bodies, the embedding of liberal arts into the undergraduate business programme can be deemed very successful. However, the results of internal surveys of teachers and students present a more mixed picture. On the positive side, the findings concerning both teachers' and students' understanding of the term "liberal arts" and their identification with the liberal arts educational approach were on the whole reasonably encouraging. The extent to which both sets of respondents perceived that the traditional characteristics of liberal arts were being promoted in the Programme was also heartening.

However, some troubling findings also emerged. The nature, structure and content of individual courses on the Programme were seen by both teachers and students as dominated by the attainment of learning goals defined conventionally in terms of the accumulation, and consequent assessment, of specific business knowledge, in particular knowledge considered important for future employment. It was felt that in practice this left little space for generic skills development that forms the basis of the liberal arts approach in a congested business programme curriculum and in crowded individual course syllabi.

Two main reasons were seen to be behind these disappointing findings. First, the amount of knowledge and range of skillsets deemed not just desirable but fundamental to those wishing to be future business leaders have both exploded over the last few decades. Second, pressure from both students and the professions on business programmes to have their majors in such disciplines as accounting, finance and marketing accredited by professional bodies has also increased.

4. Conclusions and recommendations

This case study thus suggests that an important question for those institutions considering a move or already moving towards a liberal arts approach becomes how best to accommodate these increasing requirements in both scope and depth of general business and profession-oriented education in constrained curricula and syllabi within a liberal arts framework. To address this issue, institutions need to have dedicated procedures and checks in place to ensure that the liberal arts ethos guiding their curricula and syllabi is reflected in practice in all teaching and learning, while retaining the best aspects of a traditional business education. In finding a suitable compromise these institutions must continue to

be guided not only by their unique liberal arts vision but also by the needs of their students, potential employers and society in general.

Paper Number: MS0015

A Bumpy Path from CSR to CSV: An Organizational Learning Challenge

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A Bumpy Path from CSR to CSV: An Organizational Learning Challenge

Extended Abstract

We are undertaking a longitudinal case study of how a Chinese subsidiary of a Japanese brewing company (KBZ) based in Zhuhai, located in the Pearl River Delta region of the PRC, has been seeking to implement a Creating Shared Value (CSV) approach across its various functions, at the request of its HQ. The subsidiary has a history of practicing Corporate Social Responsibility (CSR) and our aim was to understand how the subsidiary was learning to embrace CSV.

Keywords: Creating Shared Value, Corporate Social Responsibility, MNC Subsidiaries, Organizational Learning.

1. Introduction

Porter and Kramer defined CSV as “policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates” (2011: 6). They regarded CSV as superior to traditional CSR, which they defined narrowly as philanthropy, on the grounds that CSV is self-sustainable. They argued that traditional CSR is not self-sustainable because it draws resources away from core business and is not a source of income or savings. Porter et al. (2011) identified three levels of CSV. The first entails product or service re-design that increases profitability while benefiting underserved users or communities. The second entails making improvements across the value chain to achieve cost efficiencies through addressing social concerns. The third involves building local clusters of suppliers or distributors or improving local infrastructure in ways that extend economic reach while creating social benefits for the community.

Porter et al (2011) prescribed an iterative process for adopting CSV, involving four steps or phases. The first entails identifying social issues to address, targeting those that constitute opportunities for enhanced profitability. The second involves making a business case for the associated innovation, along with social goals. The third entails tracking progress vis-à-vis financial performance and social outcomes.

The fourth involves evaluation based on measurements of social and business outcomes, and then drawing lessons to guide future iterations.

Commentators have expressed four critical concerns about CSV. The first is that Porter and Kramer (2011) may have defined CSV too narrowly, exaggerating contrasts with CSR (Aakhus and Bzdak, 2012). Second, proponents of CSV may have ignored significant trade-offs between social goals and economic interests (Brown and Knudsen, 2012). Third, there may be a lack of theoretical clarity regarding the nature of CSV (Crane et al, 2014; Dembek et al, 2016). Fourth, although there have been recent studies of CSV mechanisms and impacts by Asian organizations (Khurshid and Snell, 2020; Kim et al., 2020), there has been no prior study of the processes through which an Asian firm learns to adopt CSV. Our research casts further light on all four issues.

2. The Current Study

2.1. Background and Methodology

Reflecting a mandate from the parent company in Japan, which espouses a comprehensive CSV approach linked to the UN Sustainable Development Goals (Kirin, 2021a) the senior management at KBZ began to envisage a local CSV programme in 2015. The initial aim was to explore ways of “moving from CSR to CSV”, aligned to the parent company’s focus on the domains of health and well-being, community engagement, and environmental protection. A total of 30 managers, supervisors, and front-line workers across ten departments each attended one of three 75-minute-long workshops, focusing on health, run by the first author, which took place in August and September, 2018. Participants were asked to consider how the firm’s value chain might be transformed to target both economic and social benefits. They were also asked to consider possible forms of stakeholder collaboration to achieve improvements.

Under a planned, prospective longitudinal case study design (Holland, 2007), our interim findings are based on company meetings and documents, fieldnotes, and three rounds of one-to-one semi-structured qualitative interviews with a total of 14 managers, conducted between January 2016 and August 2020.

2.2. Findings

Fieldnotes based on the first workshop indicated that the response from participants was lukewarm. Subsequent fieldnotes indicated more enthusiasm during the second and third workshops, although one participant voiced skepticism about the scope for improving profitability through addressing health issues, since competitors were already targeting this issue in their promotion campaigns.

Interviews conducted in January/February and August 2020 indicated that mixed progress had been made in implementing CSV. When asked to describe CSV initiatives at KBZ, on the positive side, interviewees mentioned some projects that appeared to have CSV potential. Among these, most addressed environmental protection along with possible economic savings, while one involved engagement with local universities through developmental workshops linked to student recruitment, as a step toward building a “local cluster”. However, interviewees mentioned other projects that did not seem CSV oriented. These addressed social needs, such as product and worker safety, and employee-friendliness, but did not appear also to be targeting economic returns or savings. Interviewees may have assumed that such projects would contribute to profitability indirectly, through increased morale or “good corporate citizen” branding.

When asked about the meaning of CSV, many interviewees appeared to miss the main point emphasized by Porter and Kramer (2011) about generating economic benefits in tandem with social benefits. Interviewees confessed that there was confusion about the meaning of CSV, and they wondered what the difference was from what KBZ had already been doing under the banner of CSR, although it appeared that some CSR activities had been discontinued. Furthermore, some interviewees doubted whether prospective products designed to protect the health of vulnerable consumers would have sufficient market appeal for economic availability.

A company document dated June 2021 (Kirin, 2021b) listed KBZ’s various CSV projects and summarized the progress made on each of them, to date. Based on the descriptions in Kirin (2021b), we benchmarked each of the projects against Carroll’s (1991) “pyramid” model of CSR (see Table 1). Carroll’s classic conception of CSR is much broader than that of Porter and Kramer (2011). According

to Carroll (1991), the four types of corporate responsibility, from the base up to the apex of the pyramid (not shown here) may be summarized as follows. The basic economic responsibility of a corporation is to remain profitable and constitutes the foundation for the other responsibilities. Next come the legal responsibilities of obeying the law and “playing by the rules of the game”. Above that reside the ethical responsibilities of honoring the corporate obligation to do what is right, just and fair, and to avoid doing harm. At the apex are the philanthropic (and discretionary) responsibilities of contributing to the community (Carroll, 1991).

Mapped against Carroll’s (1991) pyramid (see Table 1), it appears that four of the listed KBZ projects exclusively address the firm’s economic responsibilities, while another three exclusively address KBZ’s legal responsibilities. These seven projects are a matter of “business as usual” and would not meet Porter and Kramer’s criteria for CSV as addressing both profitability and social goals. Among the remaining 14 projects, which address ethical or philanthropic responsibilities, i.e., social goals, at least six may also be envisaging economic benefits for the firm in terms of increased revenue or cost savings. However, the firm has not, as yet, quantified or set targets for any attained or anticipated economic benefits in relation to those projects.

Table 1. KBZ’s Current Responsible Corporate Management Projects/Activities in 2021, Mapped against Carroll’s (1991) “Pyramid”.

Responsibilities	Projects or Activities
Discretionary/ Philanthropic	Contributing to local development by building the Macau & Haizhu brands Strengthening cooperation with local universities *
Ethical	Reducing the no-work waiting time of external drivers Promoting rational, healthy drinking and food safety awareness to the public through factory tours (“industrial tourism”) † Stable purchase of safe raw materials Cease procurement of cans with white base coating Procurement of environmentally friendly paper products from certified suppliers Procurement of lightweight glass bottles Strengthening the management and supervision of product hygiene Reducing energy consumption/ improving production energy efficiency * Reducing water consumption *

Responsibilities	Projects or Activities
Legal	Reducing use of paper documents *
	Relacing fuel vehicles with new energy vehicles *
	Purifying waste gas emissions
	Compliance with emissions regulations
	Improving the level of garbage/waste classification and sorting in collaboration with the local government
Economic	Class A taxpayer
	Maintaining a credit rating *
	Continuously improving network and information security *
	Improving product quality based on customer viewpoints *
	Reducing the number of unqualified products leaving the factory *

* Items that might contribute cost savings or prevent economic losses

† Item that might contribute revenue

3. Conclusion

Greater clarity would be attained for the KBZ management by referring to Carroll's (1991) pyramid and by identifying which of these CSR projects could *also* be targeted as CSV projects. While Porter and Kramer (2011) assumed an either/or perspective, we consider that a both/and approach would reduce cognitive dissonance among employees and would result in greater employee buy-in and satisfaction.

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Paper Number: MS0016

**How Entrepreneurial Implementation Intention Moves toward
Subsequent Actions:
Affordable Loss and Environmental Uncertainty**

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How Entrepreneurial Implementation Intention Moves toward Subsequent Actions: Affordable Loss and Environmental Uncertainty

Extended Abstract

The emphasis on the role of implementation intention in the intention-action gap can encounter an isotropic issue in entrepreneurship. This study constructs a moderated mediation model by integrating entrepreneurial implementation intention with environmental uncertainty and affordable loss to address the issue. Results show that entrepreneurial implementation intention has a positive relationship with subsequent actions, and affordable loss plays a mediating role. Furthermore, a strong mediating effect is observed in the case of a low environmental uncertainty level. This study contributes to understanding the entrepreneurial process and providing enlightenment on the intention-action gap.

Keywords: Entrepreneurial implementation intention, Entrepreneurial action, Affordable loss, Environmental uncertainty

1. Introduction

Many individuals with entrepreneurial intention to start their own business do little to transform such intention into subsequent concrete action. Some empirical studies found that intention must be complemented by other variables likely to facilitate the transformation of intention to action (Wiedemann, Schz, Sniehotta, Scholz, & Schwarzer, 2009). Gueguen and Fayolle (2019) proposed that implementation intention serves as an important point. Current studies emphasized the role of entrepreneurial implementation intention, but certain gap must be considered. The Rubicon model of action phase that many studies based on has a clear planning characteristic. Entrepreneurship activities are fraught with uncertainty, and making accurate predictions of the outcome of entrepreneurial activities based on prior information and experience is difficult for participants.

In uncertain situations, affordable loss plays an important role in effectuation theory in dealing with uncertain situations (Martina, 2020). Thus, this study integrates entrepreneurial implementation

intention with environmental uncertainty and affordable loss to explore the mediating and moderating mechanism of entrepreneurial implementation intention and subsequent actions. This study extends the literature on how entrepreneurial intention is followed by action and provides practical implications for bridging the gap between entrepreneurial intention and action.

2. Literature and Framework

2.1. Entrepreneurial implementation intention and subsequent actions

Implementation intention represents a series of steps that individuals intend to take to achieve entrepreneurial goals involving time, circumstances, and specific methods in entrepreneurial activities (van Gelderen, Kautonen, Wincent, & Biniari, 2018). According to the Rubicon model, implementation intention can help actors reconstruct the activity process and focus on effective engagement, thereby facilitating individuals' motivation to take action or make decisions about whether to take action (e.g., Davidsson, 2006). Thus, we propose the following hypothesis:

Hypothesis 1. Entrepreneurial implementation intention plays a positive role in improving subsequent actions.

2.2. Mediating role of affordable loss

The high level of uncertainty in entrepreneurship makes potential entrepreneurs who want to create their own business face their limited grasp of entrepreneurial experience and entrepreneurial information, which can lead to difficulties describing and estimating the probability of the future. Affordable loss focuses on trial and error within the range of loss that one can afford. Therefore, affordable loss can help actors get out of the lost trap through the logic of control and provide a creative action logic for moving the implementation mindset toward specific actions. Based on the above discussion, we propose the following hypothesis:

Hypothesis 2. In the process of entrepreneurial implementation intention toward follow-up action,

affordable loss plays a mediating role.

2.3. Moderating role of environmental uncertainty

Environmental complexity and dynamism are important characteristics representing environmental uncertainty. With turbulent and changing rate fluctuations in market competition, actors can adopt an experimental attitude under uncertain situations (Smolka, Verheul, Burmeister-Lamp, & Heugens, 2016) to accumulate required information through continuous experimentation within their affordable range to attain their entrepreneurial action goals. And affordable loss can help potential entrepreneurs accumulate experience information and improve their control over the uncertain future, thereby reducing the lack of direction of their action planning and specific action taking. Based on the above discussion, we present the following hypothesis:

Hypothesis 3. Environmental uncertainty moderates the positive relationship between affordable loss and subsequent entrepreneurial actions. That is, when environmental uncertainty is high, the positive relationship will be strong.

Hypothesis 4. Environmental uncertainty plays a moderating role in the process of entrepreneurial implementation intention toward follow-up action, that is, the higher the environmental uncertainty, the stronger the mediating role of affordable loss.

3. Method and Results

3.1. Sample and data collection

Individuals aged 18 years and above (cf. Global Entrepreneurship Monitor) and those with entrepreneurial intention but have yet to start their own business were included in the valid sample. We selected the respondents randomly from a pool of Kurundata China Online Research users. We received answered questionnaires from 2,350 individuals, 240 (10.21%) of whom expressed their entrepreneurial intention but had yet to start their own business, which comprised the sample.

3.2. Results

We conduct hierarchical regression analysis to test H1–H3 (Table 1). The result in Model 2 support H1. Model 3-5 represent that affordable loss serves as a mediator between entrepreneurial implementation intention and subsequent actions, and H2 is supported. Table 2 reports the results of the test for the moderating effect of environmental uncertainty. Model 4, 6 and 7 reveal that environmental uncertainty negatively moderates the positive effect of affordable loss on subsequent actions; thus, H3 is not supported. We conduct bootstrap analysis to test H4, and Table 3 presents the results. When environmental uncertainty remains at a low level, and the indirect effect of entrepreneurial implementation intention on the promotion of subsequent actions through affordable loss is strong, H4 is not supported.

4. Discussion

4.1. Theoretical contributions

This study borrows the Rubicon model and embeds it into environmental uncertainty to explore the mechanism of implementation intention toward follow-up action. Furthermore, we extend the application of effectuation theory by using potential entrepreneurs and bridge it with the Rubicon model. Finally, the findings that are inconsistent with our expectations indicate that in a relatively stable environment, potential entrepreneurs can easily analyze and make decisions by predicting the future environment and evaluate the loss they can bear from their own perspective. Thus, the experimental logic reflected by affordable loss can achieve optimal results. The combination of the two factors is conducive for entrepreneurs to make rational and safe decisions, reduce entrepreneurial risks, and take entrepreneurial action.

4.2. Limitations and future research directions

Some scholars argued that affordable loss may involve another aspect, that is, the ability dimension (e.g., Martina, 2020). Future studies can develop and validate the ability scale and integrate it with existing

measures. Moreover, we use a situation to represent decision making for entrepreneurial activities, but it cannot cover all situations in the entrepreneurship field. Thus, improving the reliability of the results in new situations through a case study will be of interest.

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Table 1. Regression analysis for independent variable, mediator, and moderator

	DV: <i>Subsequent actions</i>				DV: <i>Affordable loss</i>
	Model 1	Model 2	Model 4	Model 5	Model 3
Gender	−0.025	0.057	−0.049	0.034	0.111 [†]
Age	0.020	−0.034	−0.006	−0.040	0.031
Education	0.026	−0.002	0.042	0.010	−0.055
Risk awareness	0.159*	0.124*	0.203***	0.150**	−0.130*
Occupation	0.053	0.051	0.060	0.054	−0.017
Entrepreneurial implementation intention		0.611***		0.534***	0.380***
Affordable loss			0.403***	0.202***	
R-squared	0.030	0.391	0.189	0.425	0.160
Adjusted R- squared	0.009	0.375	0.168	0.408	0.139
F-value	1.428	24.930***	9.032***	24.537***	7.423***

Note: † $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 2. Moderating effect test for environmental uncertainty

	DV: <i>Subsequent actions</i>	
	Model 6	Model 7
Gender	−0.74	−0.064
Age	−0.008	−0.020
Education	0.044	0.037
Risk awareness	0.165**	0.158**
Occupation	0.039	0.038
Affordable loss	0.225***	0.202**
Environmental uncertainty	0.334***	0.319***
Affordable loss*Environmental uncertainty		−0.106 [†]
R-squared	0.267	0.277
Adjusted R-squared	0.245	0.252
F-value	12.090***	11.072***

Note: † $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 3. Moderated mediating effect analysis

Mediator	Moderator	Level	Effect	Lower end of 95% confidence interval	Upper limit of 95% confidence interval
Affordable loss	Environmental uncertainty	Low	0.092	0.019	0.203
		High	−0.014	−0.110	0.067
Moderated mediating effect				−0.242	−0.015

Note: High level and low level refer to the situation in which environmental uncertainty is one standard deviation above or below the mean value.

Paper Number: MS0017

**Do Credit Rating Agencies Listen to Investors' Voices on Social
Media?
Evidence from China**

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Do Credit Rating Agencies Listen to Investors' Voices on Social Media? Evidence from China

Extended Abstract

We examine the impact of social media on credit rating agency practices as measured by long-term issuer-level credit ratings. Because social media allows rapid and broad information dissemination, investor attention on social media can create reputational pressure for rating agencies. Consistent with rating agencies mitigating such pressure, we find that credit ratings become more stringent for issuers who receive greater investor attention on social media. Our results contribute to the growing literature documenting the economic benefits of investor attention on social media by constraining rating agency practices and playing a role as an informal institution to ensure the effectiveness of credit rating systems in emerging economies.

Keywords: Investor attention; Social media; Credit rating agency; Reputational pressure

1. Introduction

Investors, regulators, politicians, and academic researchers use credit rating, which is an important factor in corporate financing, as a tool for measuring bond default risk. Although governments in many emerging economies have tried to adopt credit rating systems to increase bond market efficiency and reduce information asymmetry, these attempts have generally been unsatisfactory. One commonly cited reason in this failure is that credit rating agencies in emerging economies seldom suffer reputational punishment. From the perspective of formal institutions, the literature documents many factors that rating agencies often consider in their rating assessments, such as corporate governance, rating payment model, and regulatory scrutiny and oversight, among other factors. However, the effect of informal institution on credit ratings has been largely unexplored. Specially, as a supplementary to the formal institution, investor attention on social media makes it an important contributor for disciplining rating agencies by creating additional reputational pressure on them. Thus, we expect that rating agencies to consider investor attention on social media in their rating assessments. The purpose of this study is to test this expectation using data from China, the world's largest emerging economy.

2. Aims/hypothesis

Prior studies shown that social media plays a key role in disseminating information to the capital market. Our paper adds to these studies by examining the effect of social media in bond market and providing evidence that social media can impose reputational pressure on credit rating agencies, which significantly affects credit ratings. More importantly, our study extends the above line of research by providing evidence that the individual investors' voices can be heard not only by firm managers or other investors but also by bond market infomediaries. Moreover, from the perspective of informal institutions, we extend the literature on credit rating agency reputation by providing evidence that social media can complement formal institutions and increase the discipline of bond market participants in emerging economies, such as China.

Credit rating agencies in a competitive environment must trade off their desire to inflate ratings to boost short-term rents against their desire to preserve their reputation by issuing accurate ratings. A higher level of investor attention on social media can create reputational pressure for rating agencies, which causes the equilibrium between marginal benefit and marginal cost to be broken. This can occur because investor attention on social media increases the dissemination of information to creditors, and once creditors find that ratings are inappropriate, they will lose trust in the credit rating agency. However, given the potential benefit of rating inflation in weak formal institutional environments, rating agencies will choose to cater to issuers and ignore reputational pressure caused by individual investors on social media. Based on these opposing arguments, we state our hypothesis in the null form as follows:

H1. The level of investor attention on social media has no effect on issuer credit ratings.

3. Method and main results

In this analysis, *POST* is the natural logarithm of 1 plus the total number of messages posted on *EastMoney* (Guba.eastmoney.com, the first and most popular stock investment social media in China), *VIEW* is the natural logarithm of 1 plus the total number of views that the messages receive, and *COMMENT* is the natural logarithm of 1 plus the total number of comments that the messages receive.

Higher values of *POST*, *VIEW*, and *COMMENT* indicate the greater level of investor attention on social media.

we define firm's credit ratings as a numerical translation of the long-term issuer-level credit ratings, which increase in debt payment ability or decrease in credit risk. The ratings range from AAA (highest rating) to C (Lowest rating, i.e., defaulting on debt payment), reflecting rating agencies' assessment regarding the firm's creditworthiness relative to its senior debt obligations. We transform the ratings into numbers from 19 to 1 to conduct the following analyses.

4. Conclusion

Academics, investors, and regulators argue that when issuers purchase ratings, they will select the credit rating agency that provides them with the most favorable ratings. The potential conflict of interest embedded in credit rating system could incentivize rating agencies to upwardly bias their rating in return for current profits. However, the discovery and broadcast of inappropriate ratings can impair rating agencies' reputation and reduce their future economic rents. Regulators form reputational constraints on rating agencies through the establishment of formal institutions, such as policies of bond issuance and regulatory oversights. In this study, we propose a perspective from public opinion, as an informal institution, and examine the association between investor attention on social media and credit ratings in China, a typical emerging market with weak investor protections, low market efficiency, and intense competition among rating agencies.

We measure investor attention on social media using the number of messages posted, the number of views and the comments the messages receive on *EastMoney*. We find that credit ratings for more social media discussed firms are incrementally stringent. Our findings suggest that investor attention on social media, as an informal institution, can play an important role to discipline rating agency practices and ensure the effectiveness of credit rating system in emerging economies.

Table 1: The main results

Variable	(1) <i>RATING</i>	(2) <i>RATING</i>	(3) <i>RATING</i>	(4) <i>RATING</i>	(5) <i>RATING</i>	(6) <i>RATING</i>
<i>POST</i>	-0.7820*** (-11.026)			-0.1640* (-1.824)		
<i>VIEW</i>		-0.7405*** (-10.903)			-0.1955** (-2.202)	
<i>COMMENT</i>			-0.5160*** (-9.241)			-0.1694** (-2.547)
<i>SOE</i>				1.2686*** (7.818)	1.2716*** (7.842)	1.2682*** (7.834)
<i>FIRST</i>				0.0143** (2.481)	0.0141** (2.444)	0.0142** (2.458)
<i>INSTITUTION</i>				-0.3250 (-0.808)	-0.3845 (-0.957)	-0.3882 (-0.978)
<i>AGE</i>				-0.0124 (-0.841)	-0.0120 (-0.811)	-0.0124 (-0.834)
<i>BIG4</i>				0.8896*** (3.834)	0.8792*** (3.781)	0.8845*** (3.806)
<i>SIZE</i>				2.9424*** (21.754)	2.9720*** (21.680)	2.9658*** (22.344)
<i>LEV</i>				-7.6648*** (-10.786)	-7.7016*** (-10.833)	-7.7022*** (-10.892)
<i>CASH</i>				0.7642 (0.850)	0.7728 (0.862)	0.7973 (0.889)
<i>ROA</i>				4.7208*** (2.720)	4.7153*** (2.731)	4.6480*** (2.686)
<i>CURRENTE</i>				0.0927 (0.471)	0.0878 (0.445)	0.0928 (0.471)
<i>QUICK</i>				-0.0434 (-0.185)	-0.0405 (-0.172)	-0.0449 (-0.191)
<i>COVER</i>				-0.0036 (-1.131)	-0.0037 (-1.174)	-0.0037 (-1.166)
<i>BM</i>				-2.0664*** (-5.109)	-2.1629*** (-5.240)	-2.1080*** (-5.257)
<i>BETA</i>				-0.1134 (-0.572)	-0.0780 (-0.387)	-0.0747 (-0.374)
Year FE	YES	YES	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES	YES	YES
Observations	4313	4313	4313	4313	4313	4313
Pseudo R^2	0.1036	0.1030	0.0957	0.4366	0.4368	0.4371

Note: This table reports the ordered logit regression results of the effect of social media on long-term issuer-level credit ratings. *RATING* is the numerical score of the issuer credit ratings ranging from 1 for C issuers to 19 for AAA issuers. *POST*, *VIEW*, and *COMMENT* are the natural logarithm of 1 plus the total number of messages posted, views, and comments the messages receive on *EastMoney*. See Appendix C for variable definitions. The full sample includes 4,313 firm-year observations through 2008 to 2019. Year and industry fixed effects are included. In the brackets below the coefficient estimates, we report the z-statistics based on robust standard errors clustered at the firm level. All continuous variables are winsorized at the 1% and 99% percentiles. ***, **, and * indicate two-tailed significance at the 1%, 5%, and 10% levels, respectively.

Paper Number: MS0018

How Does Culture Influence Innovation in an International Business Context?

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How Does Culture Influence Innovation in an International Business Context?

Abstract

While culture has been popularly recognized to influence international business, we focus on its effects on innovation in this context. This systematic literature review deploys quality social science citation indexed journal publications identified in the Web of Science (WoS) database with a set of keywords. The identified search results were reduced to 697 articles from an initial 7,097 items with inclusion and exclusion criteria. Utilizing Python machine learning tools and PHP language scripting, we clustered 697 items into 7 topic groups with 94 keywords spotted. We further analyze the seven clusters, with a comprehensive theoretical framework to unfold the underlying influences of culture on innovation in an international business context. Research gaps are also recognized for future research directions.

Keywords: Cultural distance, corporate culture, national culture, innovation, knowledge, R&D, globalization, creativity, new product development. Multinationals

Paper Number: MS0019

**The Effect of Household Composition on the Gender-wage Gap
of Migrant Workers in China under the Household Registration
System**

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The Effect of Household Composition on the Gender-wage Gap of Migrant Workers in China under the Household Registration System

Abstract

Gender-differences in household caregiver responsibilities contribute to the gender-wage gap. Our study examines the wage effects of living with (1) children, (2) spouse, and (3) elderly in the same household. We fully interact the three by categorising households into one of eight ‘household types’. Using data from the China Migrants Dynamic Survey (CMDS), while the presence of children as an isolated factor reduces female wages as expected, the effect is reduced when a spouse or an elderly member is also present, and that the negative effect of children are more pronounced for females at the lower-end of the wage spectrum.

Keywords: gender-wage gap, migrant workers, human capital, wage discrimination

1. Introduction

Differences in caregiver duties are one of several contributing factors towards the gender-wage gap. Traditionally framed as a first-world problem, this study examines China’s rural-to-urban migrants, a population segment blessed with diversity in socio-economic background and household composition. The most comprehensive survey on migrant workers in China, and the one we use, is the China Migrants Dynamic Survey (CMDS), used to study a variety of socio-economic issues, one of which is the gender-wage gap.

2. Literature and framework

China officially began the gradual transition to a market-based economy since 1978, after which the gender-wage gap began to form. Meng (1998) [1] studied gender occupational segregation in Jinan, Shandong province and found that gender wage discrimination accounts for 73 percent of the total gender wage gap. Gustafsson and Li (2000) [2] found that China’s gender wage gap was relatively small comparing with

developed countries, but that young women and women with limited education suffered more. Magnani and Zhu (2012) [3] studied the gender wage differentials among rural–urban migrants in China using a 2002 survey dataset consisting of 12 provinces and equivalents. Male migrants earned over 30 percent more hourly wages than women migrants and the wage differentials were the largest at the top of the wage distribution.

Luo and Tong (2015) [4] used the 2012 CMDS data and concluded that lower education levels, rural locations, and less-developed regions are predictors of stronger gender-based wage-discrimination. On the contrary, Yu and Sun (2017) [5] used 2015 CMDS data and concluded that urban female migrants suffer greater discrimination than rural ones because discrimination was more prevalent in white-collar employment. Li, Ai and Li (2017) [6] claimed that female migrant workers suffered lower wages not just because of discrimination, but also less work experience and less favourable choice of industries. Li et al attributed this to greater responsibilities in the household but did not explicitly incorporate the CMDS data available on household members.

3. Method and results

Our model is based on Mincer's (1974) [7] wage equation, with years of schooling replaced with a “highest qualification” fixed-effects variable, a common adaptation for the Chinese labour market. Household structure is the key independent variable. We classify the household type of the migrant worker based on three criteria: i) contains a spouse; ii) contains at least one household member under 18; iii) contains at least one household member 60 or above. This creates eight (8) household classes, one baseline and seven fixed-effects. Other controlling variables such as occupation and geographical location are also included as fixed-effects.

Results for the base gender-fixed-effect specification (Table 1) confirms a gender-gap (0.2058**) as expected, but that when the genders are separately estimated, the constant term for females is actually higher. The female disadvantage is realised in caregiver duties to children and spouse. Among migrant workers with children but no spouse or elderly, the female wage suffers more (-0.0440**) than males (-0.0158**). With both spouse and children, the effect is negative for females (-0.0240**) and positive for males (0.1358**). However, with children but also elderly (and no spouse), the negative effect disappears.

A quantile regression (Table 2) is conducted to identify different segments of the migrant worker population. Consistent with previous studies, the fixed-effect for female migrant workers that care for children alone is negative for the 25th and 50th percentile. No similar effect is observed for either females in the 75th percentile or for males in general. Similarly, the presence of a spouse reduces female income but increases male income.

4. Discussion

Traditional gender-based caregiver responsibilities continue to contribute towards the gender-wage gap. The presence of a spouse has a positive effect on male wages and negative for females. The presence of children are negatively correlated with female wages as expected, but the presence of an elderly household member removes this negative effect, supporting that the child-female relationship is causal and not just a correlation. Female migrant workers with higher incomes are less affected.

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Table 1 Pooled cross-section OLS regression between the log of monthly income against age, gender-household structure, year (2011-2016), and other control variables

Variable	Pooled, gender only	Household Female	Household Male
(constant)	6.7503** (0.0425)	6.9986** (0.0696)	6.9677** (0.0537)
Age	0.0459** (0.0004)	0.0383** (0.0004)	0.0413** (0.0006)
Age-squared	-0.0006** (0.0000)	-0.0005** (0.0000)	-0.0006** (0.0000)
Gender	0.2058** (0.0011)		
Spouse	Children	Elderly	
N	N	N	(baseline)
N	N	Y	-0.0101 (0.0183)
N	Y	N	-0.0440** (0.0055)
N	Y	Y	-0.0256 (0.0320)
Y	N	N	-0.0080** (0.0031)
Y	N	Y	0.0325** (0.0110)
Y	Y	N	-0.0240** (0.0026)
Y	Y	Y	-0.0023 (0.0075)
			-0.0231 (0.0129)
			-0.0158** (0.0059)
			-0.0117 (0.0246)
			0.0873** (0.0026)
			0.1358** (0.0102)
			0.1211** (0.0022)
			0.1445** (0.0064)
Adjusted R-square	0.3075	0.2920	0.2787
F-statistics	841	313	431
p-value	0.00		

fixed-effects: year (5), provinces and cities (363), ethnic background (19), the level of education received (6), the extent(range) of migration (4), the industries (13), the vocation (occupation) (17), the status of employment organization (10), employment status (3)

Pooled OLS regression with fixed effects between the natural log of reported monthly income in ¥CNY against age, gender-household structure, and other fixed effects for the years 2011 to 2016 inclusive. The fixed-effects results are omitted for cleaner presentation and available upon request. ‘***’ represent significance at 1% level and ‘*’ represents significance at 5% level. Entries with reported income and occupation are included. Refer to the methods section for details.

Table 2. Pooled cross-section quartile regression with the log of monthly income (as the dependent variable) against age, gender-household structure, year (2011-2016), and other control variables

Variable			25th percentile		50th percentile		75th percentile	
			F	M	F	M	F	M
(constant)			6.9391**	7.5319**	7.2341**	7.8314**	7.8014**	8.3451**
			(0.0226)	(0.0448)	(0.0356)	(0.0182)	(0.0103)	(0.0239)
Age			0.0211**	0.0084**	0.0232**	0.0067**	0.0179**	0.0024**
			(0.0005)	(0.0003)	(0.0008)	(0.0003)	(0.0018)	(0.0001)
Age-squared			-0.0003**	-0.0001**	-0.0003**	-0.0001**	-0.0002**	0.0000**
			(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)
Spouse	Children	Elderly	(baseline)					
N	N	N						
N	N	Y	-0.0220**	-0.0058**	-0.0203**	0.0000	-0.0233**	0.0014**
			(0.0014)	(0.0014)	(0.0014)	(0.0001)	(0.0017)	(0.0001)
N	Y	N	-0.0464**	-0.0067**	-0.0388**	0.0010**	-0.0013	0.0045**
			(0.0013)	(0.0015)	(0.0030)	(0.0004)	(0.0016)	(0.0001)
N	Y	Y	-0.0629**	-0.0042**	-0.0197**	-0.0036**	0.0165**	0.0031**
			(0.0020)	(0.0011)	(0.0013)	(0.0004)	(0.0020)	(0.0003)
Y	N	N	-0.0099**	0.0136**	-0.0118**	0.0153**	0.0041*	0.0097**
			(0.0003)	(0.0004)	(0.0012)	(0.0003)	(0.0018)	(0.0002)
Y	N	Y	0.0135**	0.0235**	0.0194**	0.0248**	0.0358**	0.0154**
			(0.0008)	(0.0007)	(0.0006)	(0.0004)	(0.0058)	(0.0005)
Y	Y	N	-0.0279**	0.0156**	-0.0228**	0.0191**	0.0052**	0.0148**
			(0.0011)	(0.0005)	(0.0026)	(0.0002)	(0.0020)	(0.0003)
Y	Y	Y	-0.0355**	0.0102**	-0.0282**	0.0156**	0.0223**	0.0190**
			(0.0010)	(0.0006)	(0.0029)	(0.0005)	(0.0044)	(0.0002)

fixed-effects: year (5), provinces and cities (363), ethnic background (19), the level of education received (6), the extent(range) of migration (4), the industries (13), the vocation (occupation) (17), the status of employment organization (10), employment status (3)

Pooled quartile regression with fixed effects between the natural log of reported monthly income in ¥CNY against age, gender-household structure, and other fixed effects for the years 2011 to 2016 inclusive. The fixed-effects results are omitted for cleaner presentation and available upon request. ‘***’ represent significance at 1% level and ‘*’ represents significance at 5% level based on simulated standard errors. Entries with reported income and occupation are included. Refer to the methods section for details.

Paper Number: MS0021

Exploring Cross Culture Teamwork Business Practices by Case Study

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Exploring Cross Culture Teamwork Business Practices by Case Study

Abstract

The purpose of this research is to observe managers' experience involved in cross-cultural teamwork. Data collection is based on interviewing 8 companies CEOs' or senior managers' opinion and experience. Data is analyzed by applying MAXQDA analysis. Managers in building team cohesiveness is by undertaking such activities as carnival, cross-cultural class, event celebration, field trip, outside trainer, party, and sport activity. Conflict is caused by cultural conflict and communication problem. Managers solve out conflicts by investigating causes, or immediate solved. Managers' leadership style is changeable, transformational, transactional, participant, and authoritarian leadership. Teamwork often involves tasks between department, and assignment inside their department. Performance assessment involves teamwork and individual assessment. Managers use rewards methods including promotion, salary increase, incentives, bonus, and award.

Keywords: teamwork, cohesiveness, conflict, leadership, performance

1. Introduction

In teamwork literature, it is often seen in studying team members' relationships with the following subjects in terms of personality, team value, leadership, team role, team learning, trust, communication, conflict, cohesiveness, and performance. However, cross-cultural team research still needs a lot of efforts in order to know above issues in current business practice.

The input-process-output view on teamwork is popular area of research. According to Stewart and Barrick (2000), many researches (such as Gladstein, 1984; Hackman, 1987) are based on the concept of McGrath's input-process-output to study teamwork. In discussing team efficiency, intermediate variables are such as socioemotional interaction and task interaction.

The purpose of socioemotional interaction is to establish, strengthen, and adjust team interaction including open communication, sharing and close relationship.

There is an opportunity to dig out more on business practices in cross cultural teamwork in terms of companies' action on solution of conflict, ways to increase team cohesiveness, appropriate leadership to guide teams, and teamwork performance measurement. Therefore, this research begins with research questions, finding relevant variances from previous literature, initiative purposive sampling interviews on companies' managers with foreign members in their teamwork, conducting data analysis by coding and memo writing through MAXQDA for this research design. The research questions in this study are:

1. What is current conflict situation in cross-cultural team?
2. What is current way to increase cohesiveness in cross-cultural team?
3. What is the leadership style involved in cross-cultural team?
4. What is the current performance assessment adopt by managers involved in cross-cultural team?

Motivation of this study is to discover the relevant variances' content in business practice involved in cross-cultural teamwork.

2. Literature Review

The purpose of literature review is to define the concept that relevant issues to cross-cultural teams. Literature review provides antecedent understanding the important concepts involved in cross-cultural teamwork studies in order to locate tacit knowledge in diversity, conflict, leadership, cohesiveness, and performance.

2.1. Diversity

Recently, there is a trend in research paying extra attention in studying the effect of diversity

(Lawrence, 1997; Pelled, et al., 1999). It would be interesting in knowing diversity's impact on cross-cultural team performance. Amabile (1994), Gruenfeld (1995), Gruenfeld, et al. (1996), Jackson, et al. (1992), and Williams and O'Reilly (1998) have different observation from above that diversity of team can produce more creative ideas and viewpoints in solving teams' problems.

Regarding team diversity, members may have different opinions on task and target of assignment which may lead to effective alternatives and increasing decision-making quality, and better performance (Bantel & Jackson, 1989; De Dreu & Weingart, 2003). Team member with foreign status, may have difficulty in keeping good communication with local team members, and may have higher conflicts with local team members. To study cross-cultural team work performance, team members' foreign status should be considered. Local team members mix with foreign team members working together to complete their team task that can represent the diversity situation of team.

However, literature indicates the importance of heterogeneity or diversity of team members in influencing teamwork performance. Diversity can be regarded as team members' background are different in terms of nationality differences. Therefore, this study thinks it is important to know current cross-cultural teamwork experience in current business practices.

2.2. Conflict

Any teams cannot avoid conflicts because of intensive interrelationship among members. Pondy (1967) indicates that conflicts exist between people, teams, and/or organizations. Process of conflicts includes antecedent conditions such as different targets and deficient resources; emotion situation like tense hostility or anxious; cognition situation such as perception of conflict situation, or receiving obvious attack; and results of conflicts such as frustration occurred by rational disagreement or violent behavior. Conflicts are perceived by inner subjective consciousness because of different opinions of individuals or groups, and different

perceptions cause negative feelings or hostility.

Jehn (1994, 1995) divides conflicts into relationship conflicts and task conflicts. Task conflicts belong to task orientation that team members have different opinions, construct, or judgement over task related targets, decision making or solutions. Relationship conflicts indicate individual emotional orientation that team members have tense situation, angry, hostility or other negative feelings because of them perceived differences or disharmony among them including emotional conflicts and interpersonal relationship conflicts.

When team members' diversity increase, their belief, cognition, or opinion will be different. And this situation causes task conflicts (Ancona and Caldwell, 1992; Milliken and Martins, 1996; Pelled, 1996). Therefore, team diversity will have positive influences on task conflicts that can be asserted.

Conflict is ordinary phenomenon in cross-cultural teamwork. Conflict can be defined as that the disagreement between team members on allocation of resources and the division of responsibility for the overall direction of the team (Jehn, 1994, 1995). This study thinks it is important to know managers' reaction and experience when facing current conflict occurred in cross-cultural teamwork in current business practices.

2.3. Leadership

According to Whetten and Cameron (2011), leadership has five types in terms of transformational, transactional, organic, contemporary, and ethical types. Transformational leader can inspire the followers to perform beyond expectation, foster a healthy working relationship, and empower them by a motivation to accomplish the goals. Transactional leader transacts work or task with members in exchange for rewards. Organic leader empowers, mentors, and motivates the members to build their leadership skills. Contemporary leaders are very democratic, and often use influence and persuasion. Contemporary leaders also use the

chance to get a longer-term competitive advantage. Ethical leaders focus on responsibly and use their social power in the decisions, and their influences.

Wongyanon et al. (2015) point out team leader should have a relative capability. Team leader has leader charisma that would make followers willing to cooperate (Chandra & Priyono (2016). Verzuh (1999) thinks team leader often plays negotiator internally or externally depending on the various situation. Whetten & Cameron (2011) think team leader often plays a supervisor role in order to make sure team task successfully completed.

Leadership shows how to influence organizations' events interpretation, giving options, motivating followers, maintaining cooperative relationships, and teamwork (Sohmen, 2015). Verzuh (1999) also states that a leader should have the ability to negotiate and persuade when necessary for a team to be effective. A leader also requires flexibility and capability to find creative and effective solutions. Since organizational change is inevitable, a proactive leader needs to develop a novel and useful method on time, good communication, team-building, excellent negotiation, and conflict resolutions (Sohmen, 2015).

From above literature, leadership is relevant to teamwork operation. Leadership can be defined as the orientation and actions of a leader towards followers in different situations (Hossain & Asheq, 2020). Therefore, this study thinks it is important to know what types of leadership involved in managers' experience involved in cross-cultural teamwork in current business practices.

2.4. Cohesiveness

Team cohesion has continually received the attention (Greer, 2012; Banwo, et al., 2015) because of the interplay of behavioral variants prevalent in teams. The context of team cohesion remains broad. Therefore, many studies have different definitions and conceptual framework for this (Cota, et al., 1995; Mudrack, 1989a, 1989b; Banwo, et al., 2015). Past research (Evans and Dion, 1991, 2012; Mullen and Copper, 1994) has shown the effect of cohesion to group

performance. Therefore, cohesiveness study has difficulty to measure in terms of its construct and methodologies (Cota, et al., 1995; Mudrack, 1989a, 1989b; Banwo, et al., 2015).

Festinger, et al. (1950) give cohesion a simple definition as “the total field of forces acting on individual to remain in the group”. Carron and Brawley (2000, 2012) suggest that it is necessary to evaluate the structure and context of group cohesion.

From above literature, cohesiveness is relevant to teamwork operation. Cohesiveness can be defined as that the degree to which employees devote themselves, including time and energy, and consider that work is the most important part of their life (Sethi & Mittal, 2016). This study thinks it is important to know what kind of cohesiveness involved in managers’ experience in cross-cultural teamwork.

2.5. Teamwork Performance

Team effectiveness (McGrath, 1964) can be measured by quality, problem-solving, mistakes reducing, work satisfaction, team’s cohesiveness, and attitude changes. Team performance is measured by individual performance and team functional aspects. Jewell and Reitz (1981) measure team performance by internal (such as cohesiveness, compliance, impact, and work satisfaction) and external dimensions (decision-making, different teams’ interaction, productivity, and customers’ satisfaction).

Hackman (1983) thinks that team effectiveness can be measured by satisfying customers’ demands, members’ growth, and team’s growth; and can be influenced by team design (including task character, team members’ characteristics, and team behavior norm), organizational content (including incentives, education training, and information system), and process efficiency (in terms of members’ involvement, skills and knowledge, and strategy).

Salas, et al. (1992) measure team performance by quality, time, and mistakes. Kline and McGrath (1998) think that five indicators in terms of work quality, work allocation, team

attitude, problem solving capability and target compliance rate can be used to measure team performance. Team effectiveness, team viability, and team members' satisfaction on performance can be applied.

Performance assessment involved in cross-cultural teamwork remains unknown. Team work performance can be regarded as that the extent to which the productive output of a team meets or exceeds the performance standards of those who review and/or receive the output (Hackman, 1987). It is important to know managers' experience when facing team members' performance assessment in cross-cultural teamwork.

3. Research Methodology

This section demonstrates research design, sampling method, qualitative approach, and data analysis method.

3.1. Research Design

This research applies qualitative approach to collect data. Semi-structured interview questions (see appendices) are designed for collecting data relevant to variables discussed in the literature review section.

3.2. Sampling Method

This research has randomly selected our Management College EMBA graduates' companies located in Chiayi, Yunlin, and Changhua area in Taiwan because of timing and cost consideration. EMBA graduates are more friendly to approach for collecting necessary research data.

3.3. Qualitative Approach

An interview is a meeting of two people to exchange information and idea through questions and responses, resulting in communication and joint construction of meaning about a particular

topic. Interview data was collected from the representative of each company. The interviewees from eight different companies came from different work backgrounds. The interview time for each company is about 40 minutes to one and half-hour. The semi-structured questions were used as the interview guide. The interviews started by letting managers to give brief background aspects about themselves, the company, their duties, and a brief description of their employees. The next stage of the interview was more practical issues within the company on the aspects related to teamwork, work involvement, team performance, leadership style, conflict, and cultural intelligence (interview questions see appendices). The questions were structured base on their personal viewpoints on the teamwork conditions.

3.4. Data Analysis Method

Qualitative data analysis is the process of examining and interpreting qualitative data to understand what it represents. In this research, qualitative research analysis aims to examine the condition of each different company and to find out the similarities and differences. The qualitative analysis tool of this research uses MAXQDA. Doing qualitative data analyses with MAXQDA supports the researcher in the effort to construct empirical types in the process of a case-oriented analysis. MAXQDA can provide a comprehensive analysis from interview results. Coding process and purpose are involved in focused coding based on seeking out evidence, and gathering and comparing companies' evidence to reach a conclusion.

4. Empirical Findings

This section discusses the qualitative analysis of the interview results of the companies. Empirical findings are shown in this section. This section demonstrates interviewee data, and content analysis in terms of coding, initial results, and similarity between companies.

4.1. Interviewee Data

In this research, there are eight interviewees from different companies with different business fields. The list of the interviewee will be present in Table 1 (see Appendices). 5 companies are

in manufacturing industry, and 3 companies are in service industry.

4.2. Content Analysis

Data collection from interviews with eight companies is analyzed by using MAXQDA. This content analysis aims to see the similarity, differences, and distribution between each variable in different companies. The followings describe coding, initial results, and similarity between companies.

4.3. Coding

In the social sciences, coding is an analytical process in which data are categorized to facilitate analysis. In this research, coding is used to look for distinct concepts and categories in the data, which will form the basic units of the analysis from the interview questions listed (see Appendices), and the coding is described in Table 2 (see appendices).

4.4. Initial Results

Figure 1 (see Appendices) shows the results of type of teamwork, 6 companies have teamwork between the department, and only one company has the teamwork inside the department. Another company did not mention its type of teamwork. It can be concluded that most of the respondents have experienced teamwork in the company.

Figure 2 (see Appendices) shows the results of type of cooperation. There are three kinds of company cooperation in this research, that are cooperation between the company in the same industry, cooperation between the company in the different industries, and cooperation with government or institution. Four companies have cooperation between the companies in different industries, the other four companies have cooperation with the government or institution, and one company has cooperation with the company in different industries and government or institution. The reason to ask what type of cooperation is because managers might have team work cooperation inside or between department, or with different

companies/institutes.

Figure 3 (see Appendices) shows team composition situation. Most of the companies have foreign employees in the team. There are seven companies with foreign members and only one company without foreign employees. Companies' reasons to employ foreign workers are different such as foreign worker competency, labor cost, etc. Usually, company employs foreign workers for cost down or efficiency reasons.

Figure 4 (see Appendices) shows the results of conflict type. The interviewees point out two types of conflict between the team members including communication problem and cultural conflict. Most of the interviewees have stated that their company has a bigger communication problem rather than cultural conflict. This result can help us to understand the importance of accurate communication to teamwork.

Figure 5 (see Appendices) demonstrates the results of conflict handling methods. Most of the managers solved out the conflict by investigating the conflict first. The managers started investigating what kind of conflict was, who involved in the conflict and how urgent the conflict was. After investigating the conflict, they would discuss and decide the appropriate method to solve out the conflict problem. These managers chose to investigate the conflict before making the decision. Some managers still immediately made the decision to solve out the conflicts occurred.

Figure 6 (see Appendices) shows the results of leadership style. From the interview results, there are five different kinds of leadership styles adopted by the managers. Every leader usually has a different leadership style that is different from each other. One of the interviewees uses both transformational leadership and transactional leadership in the company. Other companies' managers apply either transformational, transactional, participant, or authoritarian leadership style. And only one company's manager is without any specific leadership type. The leadership is changeable, which means it will change according to the subordinates' readiness

and situation.

Figure 7 (see Appendices) shows the results of performance assessment. Performance assessment is very important in company. All interviewees have stated that their company has a performance assessment. Each company has their own way of performance assessment. Five companies have an individual assessment, and three companies have team assessment.

Figure 8 (see Appendices) show the results of reward. Managers undertake performance assessment to see their employees' achievement in their work. The results of performance assessment are the consideration for the company to decide the reward for the employees. Most of the company gives a bonus to employees as a reward for their achievement. Companies also like to give the promotion for employees who have high work performance. However, some companies also have a different kind of rewards for their employees such as giving bonuses plus promotion, or increasing the salary plus promotion. Only a few of companies give more than one kind of rewards.

Figure 9 (see Appendices) shows the results of team cohesiveness. Different companies have a different way of increasing their employees' cohesion. From the interview, most of the companies use field trips and sport activity to increase the cohesion between team members. However, some companies also choose different ways such as celebrating the events, holding a carnival, using outsider, holding party, or giving a class. Companies' methods in increasing team cohesiveness are depending on their company style, and type of industry and their subordinates' character.

4.5 Similarity between Companies

This research compares the interview results from 8 company. This comparison aims to know the similarity and differences between 8 companies.

Figure 10 (see Appendices) provides the matrix correlation of coding for each company. From

Figure 10, it also can be seen the similarity and differences in each company. For the performance assessment, Company A, Company E, and Company G have the same type. They apply team performance assessment. Company B, Company C, Company D, Company F, and Company H use individual performance assessment. For rewarding systems, most of the company choose to give their employees a bonus or promotion. Only a few companies are increasing salary or giving incentives as rewards. Two companies give two different kinds of rewards for their employees. Company E is increasing employees' salary and giving them promotions as rewards, while Company F is giving bonuses and awards for their employees. In increasing team cohesiveness, each company has different ways according to the type of industry and working conditions. From the interview results, most of the companies use field trips to increase the cohesion between employees. Almost all companies have teamwork in their company with foreign workers in the team. From eight interviewees, only Company H doesn't have any foreign worker in the company. To expand its business, the company tries to do cooperation with other companies or the government. Company A, Company E, Company G, Company H have both cooperation with the companies in different industries and government. Company B only has cooperation with the companies in different industries. In terms of leadership, each manager has a different leadership style. Most of them only apply one type of leadership style. However, Company C manager uses both transformational and transactional leadership. Company E manager has no specific leadership style, and changes leadership style according to the situations and subordinates' conditions.

5. Conclusion

According to the results of interview data, this research provides general suggestions to cross-cultural teamwork study. Diversity is getting more attention in current business world. How to reduce conflict, how to increase cohesiveness, how to adapt appropriate leadership, and how to do teamwork performance measurement are important issues for managers who involved team members with greater heterogeneity in their teamwork.

Normally, performance assessment is including team assessment, individual assessment, monthly assessment, annual assessment, KPI, outside Assessor. But this research finds that managers prefer to use performance assessment involving teamwork and individual assessment. It is necessary to make subordinates know the content of performance assessment which provide the target to guide their future effort and achievement.

Conflict type normally are measured as investigating immediate communication barriers, and thinking different point of view, different language; cultural problems including different nationality and different language. But this research finds that teams have foreign members involved (heterogeneity), and conflict caused by cultural conflict and communication problem (because of language communication problem mainly). Managers prefer to solve conflicts by investigating causes, or immediate solved. Managers prefer to undertake immediate actions to solve out conflicts that may reduce more uncertainty and complexity of their operation in near future. Managers need to think about the effective ways to overcome language communication problem with foreign employees, for example, by using seed members with good language capability to be intermediary helping translation.

This research data collection is based on 8 companies CEOs' or managers' interviews, and MAXQDA analysis is applied to summary interview results in order to find similarity and difference between companies. The results show that companies' rewards methods in teamwork including promotion, salary increase, incentives, bonus, and award. Managers indicate that foreign employees prefer to have more incomes which they can remit more money to their family at home. Manager would like to build team cohesiveness through undertaking such activities as carnival, cross-cultural class, event celebration, field trip, outside trainer, party, and sport activity. Above activities are common ways for companies to undertake in Taiwan.

Managers' leadership styles involving in teamwork are changeable, transformational, transactional, participant, and authoritarian. Their teamwork has covered tasks between department, and assignments inside department. Leaders may need to consider how to adopt

appropriate leadership to guide their subordinates according to their readiness and situations.

This research contributes the observation based on diversity, conflict, cohesiveness, leadership, and performance measurement in cross-cultural teamwork operation in different industries. Future research can consider more interview cases in different industries, and more variances such as personality influences in communication, innovation capability, organizational support, environmental influences, and atmosphere of team which are relevant to cross-cultural teamwork research. And future research can describe more interactions between variances.

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APPENDICES

Interview Questions

1. Do you have teamwork in your company or in your department? If you have, please illustrate example.
2. When you have conflict with your subordinate, what do you do in your situation in order to handle conflict?
3. What method do you use to upgrade the relationship with your subordinate? How to increase cohesiveness of your team? Please illustrate example.
4. Do you have collaboration between department? Or collaboration between different industry? Please illustrate example.
5. What are your department employee teamwork involvement situation? What is your leadership involved in your team?
6. What aspect does your company evaluate teamwork performance? Would teamwork performance affect individual's annual performance assessment? Please explain performance assessment methods.

Tables

Table 1. Company Data

No	Company	Business Field
1	Company A	Marketing
2	Company B	Manufacture
3	Company C	Manufacture
4	Company D	Manufacture
5	Company E	Service
6	Company F	Manufacture
7	Company G	Manufacture
8	Company H	Service

Note: N=8

Table 2. Coding of Each Variable

Variable	Code
Reward	Promotion
	Salary
	Incentive
	Bonus
	Award
Team Cohesiveness	Carnival
	Cross-cultural Class
	Competition
	Dinner
	Event Celebration
	Field trip
	KTV
	Outside Trainer
	Party
	Regular Meeting
	Sport Activity
	Strategic Planning Activity
Performance Assessment	Team Assessment
	Individual Assessment
	Monthly Assessment
	Annual Assessment
	KPI

	Outside Assessor
Conflict Type	Investigate
	Immediate
Communication Barriers	Different Thinking
	Different Point of View
	Different Language
Cultural Problems	Different Nationality
	Different Language

Figures

Figure 1. Type of Teamwork

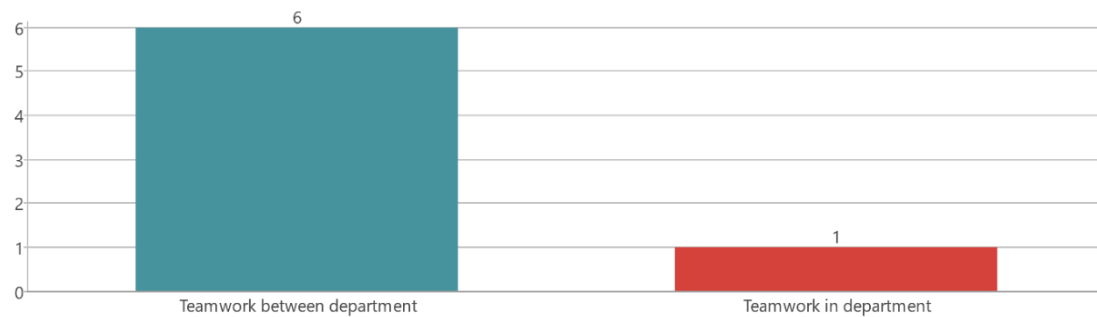


Figure 2. Type of Cooperation

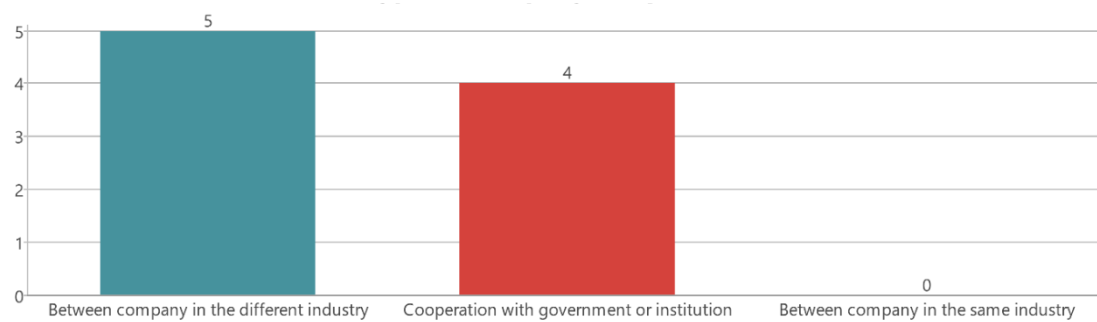


Figure 3. Team Composition

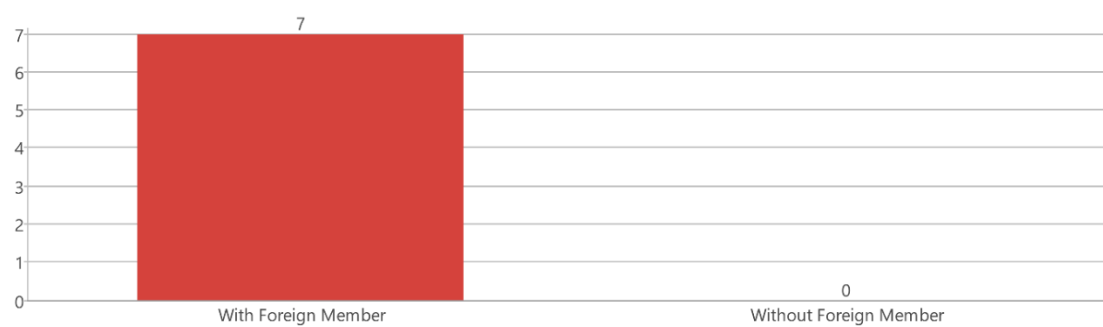


Figure 4. Conflict Type

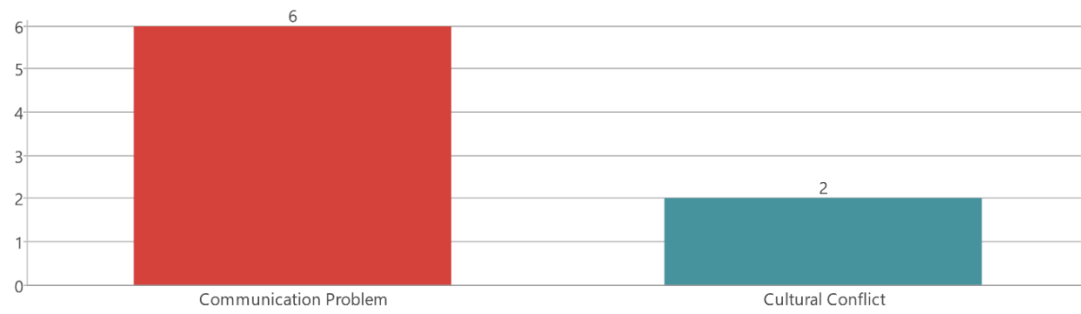


Figure 5. Conflict Handling Methods

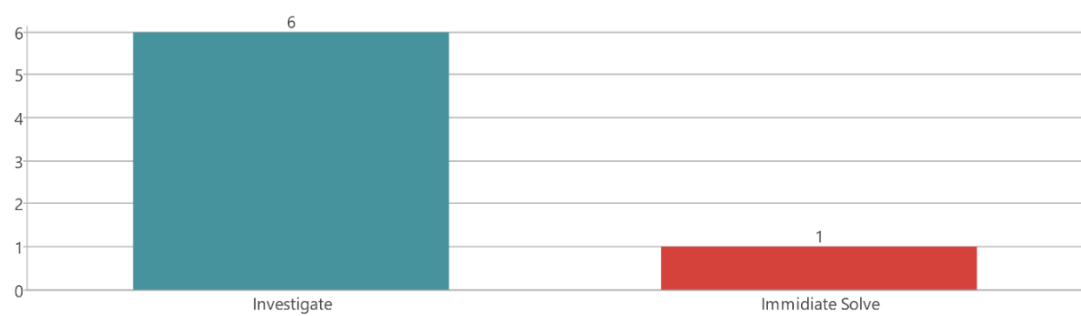


Figure 6. Leadership Style

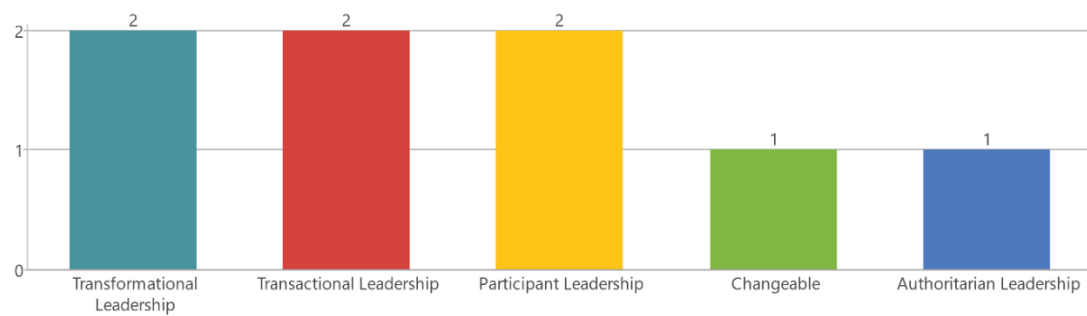


Figure 7. Performance Assessment

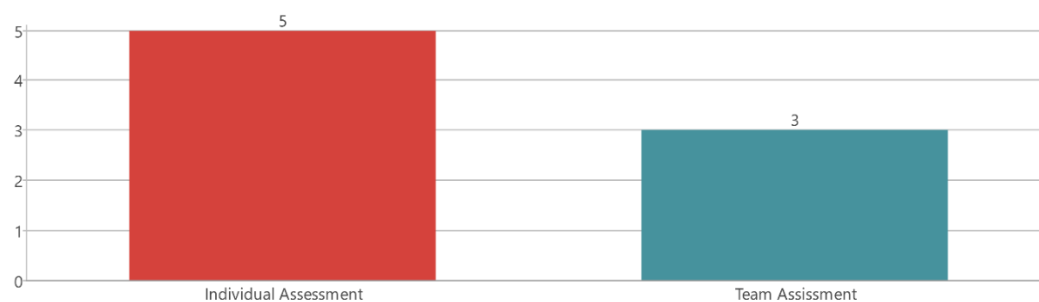


Figure 8. Reward

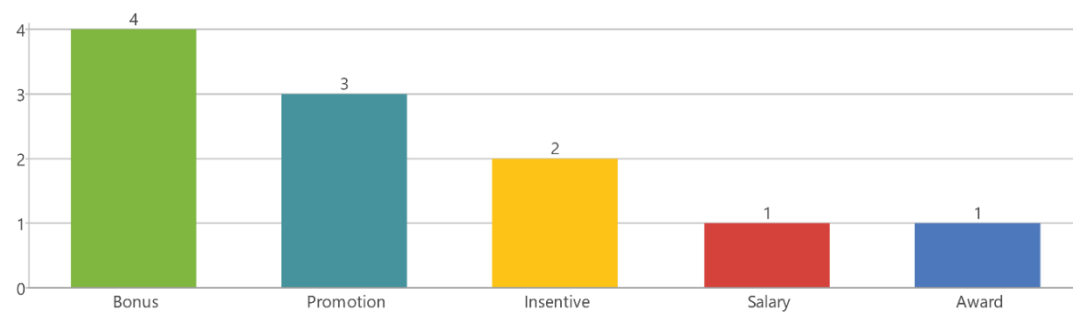


Figure 9. Team Cohesiveness

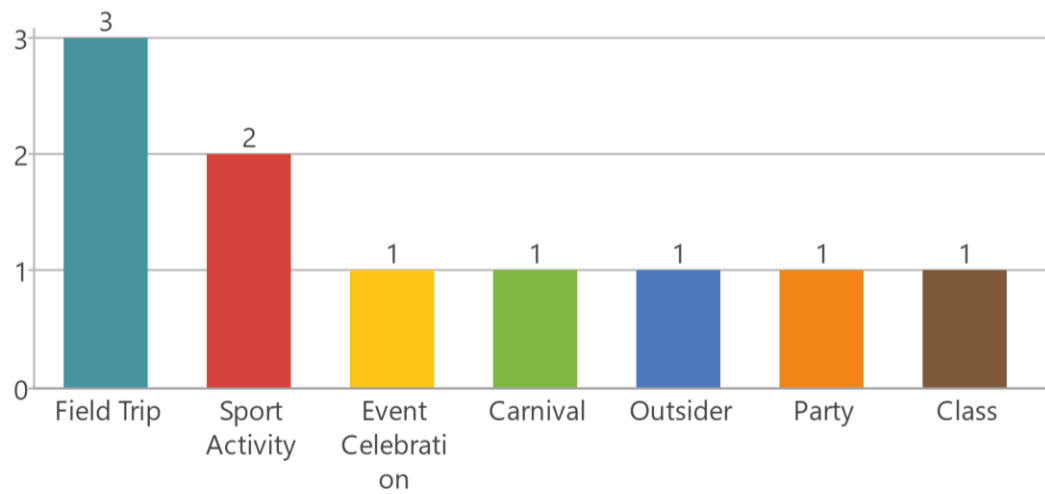


Figure 10. Matrix Correlation of Interviewed Companies

Code System	Company H	Company G	Company F	Company E	Company D	Company C	Company B	Company A	SUM
Performance Assessment									0
Team Assessment									3
Individual Assessment									5
Reward									0
Promotion									3
Salary									1
Incentive									2
Bonus									4
Award									1
Team Cohesiveness									0
Carnival									1
Class									1
Competition									0
Dinner									0
Event Celebration									1
Field Trip									3
KTV									0
Outsider									1
Party									1
Regular Meeting									0
Sport Activity									2
Strategic Activity									0
Type of Company Cooperation									0
Between company in the different indu:									5
Between company in the same industry									0
Cooperation with government or institu									4
Foreign Member									0
Without Foreign Member									0
With Foreign Member									7
Conflict Caused									0
Cultural Conflict									2
Communication Problem									6
Conflict									0
Investigate									6
Immediate Solve									1
Leadership Style									0
Changeable									1
Transformational Leadership									2
Transactional Leadership									2
Participant Leadership									2
Authoritarian Leadership									1
Type Teamwork									0
Teamwork between department									6
Teamwork in department									1
SUM	9	11	8	11	6	9	12	9	75

Paper Number: MS0022

Clash of the Titan: Geopolitical Competition and Cultural Dissemination along the Belt and Road Initiative Routes

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Clash of the Titan:

Geopolitical Competition and Cultural Dissemination along the Belt and Road Initiative Routes

Extended Abstract

Based on the hegemonic competition logic, the study proposes that the dynamic inter-state geopolitical competition determines whose culture would successfully disseminate in the third country. Contextualized in the escalating Sino-US competition along the Belt and Road Initiative (BRI) routes between 2009 and 2018, we found that China's stronger geopolitical influences as compared to that of US lead to a greater likelihood of establishment of Confucius Institutes in the focal country, an institute that carries with the mission to disseminate Chinese language and culture. Moreover, China's diplomatic efforts strengthen such effect and the launch of BRI further reinforces this moderating effect.

Keywords: Geopolitical Competition, Cultural Dissemination, Hegemonic Competition Logic, Confucius Institutes, Belt and Road Initiative

1. Introduction

Culture has been one of the most enduring topics in the international business (IB) domain. Prior studies have paid little attention to the antecedents of the emergence and/or evolution of cultures. Specifically, very few studies, if any, have been found to treat culture as the outcome variable by investigating the determinants and configuration of specific patterns and directions of changes in cultures (Caprar et al., 2015; Tung & Stahl, 2018).

Cultural dissemination is in sustaining the trading relationships especially under the recession of globalization yet it might be determined by inter-state geopolitical competition. Research on geopolitical competition has aroused general concern in the IB domain (Li, Van Assche, Li & Qian, 2021; Witt, 2019), where geopolitical competition refers to the national political endeavors in influencing geographic space and associated resources via military power and/or economic diplomacy (Shi,

Hoskisson & Zhang, 2016; Witt, 2019). In this study, we will focus on non-military force because it is more effective than military power nowadays (Ding & Saunders, 2006; Duanmu, 2014; Gertz & Evers, 2020). Among inter-state geopolitical competitions (e.g., Sino-US, US-Russia, Sino-India, Europe-Russia, etc.) in this multi-polar world (Flint & Zhu, 2019), the Sino-US contest has turned out to be most conspicuous as it determines, to a great extent, the future landscape of (de-) globalization (Flint & Waddoups, 2021; Witt, 2019), and may therefore exert enormous influences upon cultural dissemination. The increasingly intense geopolitical competition between China and US has provided an ideal platform to explore *whether and how it impacts the dissemination of Chinese culture, thus heeding to the calls for examination of the grand challenges in rapidly changing international situation* (Buckley, Doh, & Benischke, 2017). As a consequence, we focus on Sino-US geopolitical competition in the present study. The international relations literature on the hegemonic competition suggests that the political/economic power of one state relative to another may determine, to a great extent, the institutional settings in an interested territory (Ding & Saunders, 2006; Witt, 2019). Accordingly, we propose that the relative geopolitical influence of China and US will significantly impact the dissemination of Chinese culture in the focal country. Meanwhile, the diplomatic relations of China with the focal country can affect the calculation of benefits and costs involved in responses to the geopolitical influence by the two superpowers (DeBoom, 2020; Duanmu, 2014; Kastner & Saunders, 2012). We contend that the Belt and Road Initiative (BRI) presents an ideal context to explore the research question. The BRI, initiated by China in 2013, is intended to promote Eurasia economic connection and prosperity (Li et al., 2019; Wang & Liu, 2021), where countries long the route have increasingly become a new battlefield for the geopolitical competition between China and US.

Overall, the study contributes to the IB literature on three fronts. First, the study is among the first to investigate the antecedents of cultural dissemination from a geopolitical perspective. Against the backdrop of the CIs that have attracted broad media attention in recent years (e.g., Lien & Oh, 2014; Liu, Su, Wang, & Huang, 2020), the study directly responds to the calls for examination into the grand challenges particularly with respect to how political factors shape the international landscape (Buckley et al., 2017; Witt, 2019). Second, the study depicts the boundary conditions of geopolitical influence.

Third, the finding provides a new understanding of cultural dissemination under the influence of the BRI. It is the first time that we place cross-cultural studies into the context of BRI and we shed light on how it impacts the non-economic activity like cultures.

2. Literature Review and Hypotheses Development

2.1. Hypotheses Development

There are three primary reasons that may explain the positive relationship between geopolitical influences and cultural dissemination. First, China's geopolitical influences relative to that of US helps smooth the cultural dissemination. It should be noted that each nation tends to prioritize its national cultural identity (Flint, 2006). On top of those barriers that have to be surmounted, the dissemination of Chinese culture via CIs becomes even more problematic under the US's propagandistic stigmatization since it presents a direct challenge to the American hegemony in the focal country. Second, China's geopolitical influences make the establishment of CIs as a necessary condition for the maintenance of mutual interdependence. When accepting more China's debt over US's ones, the focal country has to make a strong commitment since the sovereign debt tends to be in large quantity to alleviate economic crises or finance infrastructure development (Flint & Waddoups, 2021). Third, from a bottom-up angle, China's geopolitical influences make the establishment of CIs demanded by the local citizens. The geopolitical influences from China relative to US should indicate a stronger economic penetration into the citizens' ordinary life (Flint & Zhu, 2019). Under this scenario, learning Chinese language and culture become attractive as those skills enable better employment and/or entrepreneurship opportunities (Ding & Saunders, 2006).

Hypothesis 1: The geopolitical influences of China relative to US will increase the likelihood of establishment of Confucius Institute in the focal country.

Since hegemonic competition mainly concerns inter-state relations (Shi et al., 2016), the diplomatic efforts of the competing parties may play a crucial role in shaping the effects of geopolitical influences. While each nation presents different preference in embracing the competing hegemons due to

geographic distance, religious dissimilarities, or others (Flint, 2006; Shi et al., 2016), diplomatic attention and courtesy could help build amicable political relations via frequent dialogues and support such that the geopolitical influences become more acceptable rather than resisted (Duanmu, 2014).

Hypothesis 2: China's diplomatic efforts positively moderate the positive relationship between the geopolitical influences of China relative to US and the likelihood of establishment of Confucius Institute in the focal country.

It should be noted that the effects of coercion and consent can be further reinforced if the hegemon controls the international institutions that define the legitimate behaviors and resource exchanges (Dirzauskaite & Ilinca, 2017). We deem that the interactional effects between China's geopolitical influences and diplomatic efforts on cultural dissemination would become stronger after the launch of BRI. Although U.S. used to have a significant appearance in the Eurasia areas (Deyermond, 2009), now most of them are the BRI countries (Li et al., 2019), China has established new regional rules and institutions under the BRI theme. Those China-centered institutions should further increase the economic integration and mutual trust caused by the geopolitical influences and diplomatic efforts.

Hypothesis 3: The launch of BRI strengthens the positive interaction effects between China's diplomatic efforts and geopolitical influences of China relative to US on the likelihood of establishment of Confucius Institute in the focal country.

3. Method

This study used the 10-year period 2009-2018 (inclusive) as the time window since the data on the key variables were available only until the year 2018. We use the number of Confucius institutes the ratio of China's outstanding claims to the US's, the differences in the quality of foreign relations on the "B&R" countries as a measurement of *cultural dissemination*, *geopolitical influence* and *diplomatic rank* respectively. We also control several variables in terms of institution, culture, economy and so on. When it comes to estimation approach, we employ appropriate econometric techniques to analyze our employed dataset with four data types: numeric, ordinal, nominal, and ranking. The last three data types

can be generalized as categorical, and we resort to categorical regression (CATREG) while standard linear regression best fits numeric data exclusively. CATREG quantifies categorical data by assigning numerical values to the categories of various data types, resulting in an optimal linear regression equation for the transformed variables.

4. Results

The results in Model 2 show that the coefficient of geopolitical influence is positive and significant ($\beta = 0.215$, $p = 0.003$), thus lending full support to the hypothesis 1. This suggests that cultural dissemination is more likely to happen in the B&R countries where China can exert greater geopolitical influence than the US. As predicted, coefficient for the interaction term of diplomatic rank and geopolitical influence is positive and significant ($\beta = 0.182$, $p = 0.001$). The result thus offers strong support for the hypothesis 2. But our result doesn't support hypothesis 3, even indicates a negative significance. We assert that economic penetration increases the concerns of Chinese cultural dissemination in target countries under the circumstance of a deeper Chinese geopolitical influence.

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Paper Number: MS0023

**Empirical Study of the Influencing Factors on Team
Development and Team Members' Changes**

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Empirical Study of the Influencing Factors on Team Development and Team Members' Changes

Abstract

This paper examines the relationships among team members characteristics, team atmosphere, communication, leadership, conflict, team development, and team members' changes. This paper has adopted questionnaire survey, and has 508 valid respondents.

The empirical results show that team members characteristics and team atmosphere have significant influences on communication, leadership, and conflict. Communication and leadership have significant influences on team development and team members' changes. Conflict has partial empirical supports on its influences on team development and team members' changes.

Keywords: team members characteristics, team atmosphere, team development, team members' changes, communication, leadership.

Paper Number: MS0024

**Computational Modeling of the Value Co-Creation Process in
Customer Service: An Application of the NK Model**

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Computational Modeling of the Value Co-Creation Process in Customer Service: An Application of the NK Model

Extended Abstract

Over the past decades, as the economy has shifted mainly to service-oriented, customer service has become increasingly important for attracting and retaining consumers in both manufacturing and service industries. Especially, the quality of the employee-customer interaction plays a critical role in service performance. Therefore, the main purpose of this study is to present a dynamic model to explore the service value co-creation process through the employee-customer interaction by adopting the computational simulation of the NK model and rugged landscape—a framework for estimating the impacts of interdependencies within an evolutive system—that were originally developed in the field of evolutionary biology. Specifically, we explore what kind of service is provided for what type of customers and when service performance improves according to the degree of interaction between service employees and customers.

By applying the NK model and rugged landscape, we created the hypothetical situation in which both employees and customers view local search and long jump as two types of decision making and action to co-create service value. The local search refers to the small movement by changing a few components, which can be compared to a step-by-step climbing to the mountain top in the rugged landscape by the incremental improvement of the customer service. On the other hand, the long jump refers to simultaneously changing a large number of elements out of multiple controllable ones, which aims to explore distant mountains in search of the dramatic improvement service value through creativity and innovation. Using a computer simulation, we examined how service value improves by manipulating the nature of decision making of both employees and customers (local search only or the combination of local search and long jump), the timing of the decision making between employees and customers (simultaneously or independently), and the degree of interdependence between employee and customers (high or low interactions/interdependence).

The results of the simulations show that the greatest service value can be achieved when employees and customers work together (making decisions simultaneously) by jointly performing a local search (90% in our simulation) and a long jump (10% in our simulation). However, if both employees and customers jointly perform a local search only, the service value can be stuck in a local optimum. In the cases that employees and customers make their independent improvement, either local search or long jump, the overall service value varies depending on the complexity of interactions (i.e., interdependence) between employees and customers. For example, the improvement in service value is the worst when employees and customers make long jumps at independent timings in a high level of employee-customer interdependence. Our computational simulations offer visible experimental-based insights into understanding the value co-creation process with employees and customers and benefiting the customer service field.

Keywords: *Customer service, value co-creation, NK model, rugged landscape, computer simulation*

Paper Number: MS0025

Assessing E-Filing Success: The Moderating Roles of Tax Complexity, Prior Experience, and Perceived Risk in Continuance Usage

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Assessing E-Filing Success: The Moderating Roles of Tax Complexity, Prior Experience, and Perceived Risk in Continuance Usage

Extended Abstract

The purpose of this study is to validate an extended integrated model of e-filing continuance usage. The base model, which has its theoretical basis in the IS Success Model and Expectancy-Confirmation Model (ECM), is extended by including three moderators: tax complexity, prior experience with other e-government services, and perceived risk. The data collected from 300 e-filing users in the Philippines was tested using PROCESS for SPSS. Results suggested that tax complexity has a moderating effect on the relationship between system quality and satisfaction while perceived risk has a moderating effect on the relationship between satisfaction and continuance intention.

Keywords: e-filing, continuance usage, IS success model, expectation confirmation model

1. Introduction

E-government is generally defined as the government's application of information and communication technologies (ICTs) in providing information and services to citizens, businesses, and other government agencies (Layne & Lee, 2001; Silcock, 2001). Using web-based applications, and more recently, mobile applications (Hung et al., 2013), government-to-citizen interactions have become more efficient and transparent. An impressive e-government service is electronic tax filing or e-filing. Taxpayers who have computer and internet access can file and pay their taxes electronically, which is timesaving and economical compared to the traditional manual filing (Liang & Lu, 2013). Furthermore, unlike manual filing which is prone to errors in detail and calculation (Wang, 2003), e-filing allows taxpayers to edit the information before submission and to pay electronically. Likewise, e-filing is beneficial for governments. For tax collection agencies, e-filing is far more convenient than manual filing since data is automatically transferred into their computer system (Chang et al., 2005).

Since the commercialization of the internet in the 1990s, the literature on e-government has rapidly expanded (Reddick, 2009). Specifically, researchers have focused on identifying factors that affect the acceptance of different e-government services. However, given their benefits to both the government and its constituents, it is essential to study not only adoption but also continuance usage. While adoption is a significant first step toward the success of an information system (IS), its benefits can only be reaped with its repeated use rather than first use (Bhattacharjee, 2001). Furthermore, several studies have focused on citizens' continuance intention, but intention may not always accurately predict behaviors. It is essential to examine continuance behavior because researchers' goal must be to predict factors that affect actual behavior and not only intention (Bhattacharjee et al., 2008). Moreover, researchers who study IS continuance usage borrowed constructs from technology adoption theories (Akram et al., 2019; Venkatesh et al., 2011). However, these theories and models may not adequately explain continuance usage behavior since they were developed to explain pre-adoption and not post-adoption behaviors (Veeramootoo et al., 2018).

To address these gaps in the literature, this study integrates two prominent models examining post-adoption behaviors – the updated IS Success Model (DeLone & McLean, 2003) and the extended Expectation-Confirmation Model (ECM) (Bhattacharjee et al., 2008). This study also extends the integrative model by adding tax complexity, prior experience with other e-government services, and perceived risk as moderating variables. The integrative model aims to examine continuance behavior toward e-filing in the context of a developing country such as the Philippines.

2. Literature and Framework

2.1. IS Success Model

A widely cited model useful in explaining IS post-adoption behavior is the IS Success Model developed by DeLone and McLean (2003). Originally developed in 1997, DeLone and McLean's extended model presented interrelated constructs that assess the 'net benefits' of IS. This study adopts four constructs from the updated IS Success Model (information quality, system quality, service quality, and

satisfaction). Because the ultimate goal of this research is to predict continuance behavior, ‘intention to use’ and ‘net benefits’ were omitted and replaced with ‘continuance behavior’ from the extended ECM.

2.2. Expectation-Confirmation Model (ECM)

The ECM was rooted in the expectation-disconfirmation theory (EDT) developed by Oliver (1980) in the marketing literature, which attempted to explain the antecedents of customer satisfaction in product repurchase and service continuance. Drawing from this theory, Bhattacharjee (2001) proposed a model examining the predictors of continuance intention. Realizing that intention may not always accurately predict behaviors, Bhattacharjee et al. (2008) extended this model by linking continuance intention to behavior. Since its inception, several studies have adopted, extended, and empirically tested the ECM in the context of e-learning, mobile applications, and e-commerce. This study adopts two constructs from this model, namely ‘satisfaction’ and ‘continuance behavior.’

2.3. Moderating Variables

This study extends the integrative model by adding three moderators: tax complexity, prior experience, and perceived risk. Tax complexity was inspired by the task complexity construct in the User Participation Model by McKeen et al. (1994), prior experience was adapted from the Theory of Innovation Adoption by Rogers (2010), perceived risk was based on the work of Bauer (1960) on consumer behavior as risk-taking. Researchers extend existing models for several reasons. First, original models might not adequately explain complex human behaviors, especially when applied in varying contexts. Second, as technology evolves, new factors affecting behavior must be investigated. Third, some variables may not directly or indirectly affect behavior but may strengthen or weaken the relationship between the independent and dependent variables.

2.4. Conceptual Model

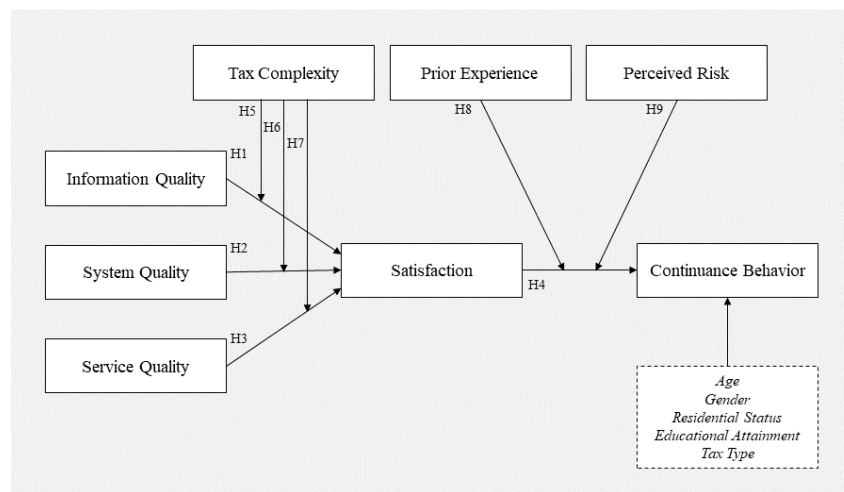


Figure 1. Conceptual Model

3. Method and Results

3.1. Instrument Development and Data Collection

All constructs were operationalized using validated items adapted from previous studies. Some items were slightly rephrased to fit the Philippine context, considering that the items' essence was retained. All constructs were measured using a seven-point Likert scale ranging from strongly disagree (1) to strongly agree (7). A pilot test was conducted with respondents consisting of academic professors and Filipino taxpayers. Slight modifications in the choice of words were made according to the respondents' comments and suggestions.

A web-based survey was used to collect primary information. Since this study's core objective is to examine continuance usage rather than first-time usage, the respondents were initially asked whether they have previously used the e-filing system. Only those who answered 'yes' were asked to proceed with the survey. Within two months, a total of 300 responses were collected. Demographic data shows that most survey respondents were female, ages 21-30, living in Metro Manila, and bachelor's degree holders. More than half of the respondents have used the eBIRForms to file individual income tax returns, while the rest used it to file corporate income tax returns.

3.2. Results and Findings

This study followed the two-step modeling approach to SEM recommended by Anderson and Gerbing (1988). Before testing the conceptual model, a confirmatory factor analysis (CFA) using SPSS and MPlus was carried out to test the scale's reliability and validity. An assessment of the measurement model's overall goodness-of-fit exhibited an adequate model fit as the indices were under the recommended levels.

After assessing the psychometric properties of the latent constructs, multiple regression using PROCESS Macro for SPSS was utilized to test the conceptual model. Since the proposed model has three independent variables, the researcher ran Model 4 (Mediation) and Model 35 (Moderated Mediation) three times each. The three mediation models yielded consistent results. All of the IS quality dimensions, information quality ($b = 0.7077$, $p < 0.001$), system quality ($b = 0.5318$, $p < 0.001$) and service quality ($b = 0.8910$, $p < 0.001$) were found to have significant effects on satisfaction. The results also showed a significant association between satisfaction and continuance intention for all three models ($b = 1.2843 / 1.3941 / 1.2274$, $p < 0.001$). For the moderators, tax complexity only had a moderating effect on the relationship between system quality and satisfaction ($b = 0.0251$, $p < 0.01$). Tax complexity did not affect the relationships of information quality and service quality with satisfaction. Among prior experience and perceived risk, only perceived risk was found to have a moderating effect on the relationship between satisfaction and continuance intention ($b = -0.1476 / 0.1564 / -0.1504$, $p < 0.01$).

4. Discussion

Based on the literature on IS success, specifically on the IS Success Model and the ECM, this study presented an extended integrated model on e-filing continuance usage. This extended integrative model was empirically tested in the context of a developing country such as the Philippines, where internet infrastructure and connectivity are yet to be improved. Moreover, it was applied in the context of a country with a perceived complex tax system – which explains why tax reform is currently in place.

The direct effects of the three IS quality dimensions (information quality, system quality, service quality) on satisfaction were tested. In turn, the direct effect of satisfaction on continuance behavior was tested. Using multiple regression, results showed that all IS quality dimensions (information quality, system quality and service quality) affected user satisfaction.

Since these relationships have already been validated or invalidated in several studies on IS continuance usage, the integrative model was extended by adding moderators that could possibly affect the strength of these relationships. Tax complexity was hypothesized to have moderating effects on the relationships between the three IS quality dimensions and satisfaction were tested. Results showed that among the three IS quality dimensions' relationships with satisfaction, tax complexity had a negative moderating effect only on the relationship between system quality and satisfaction.

Meanwhile, the moderating effects of prior experience with other e-government services and perceived risk on the relationship between satisfaction and continuance behavior were tested. Findings showed that prior experience with other e-government services did not moderate the relationship. Their satisfaction or dissatisfaction toward other e-government services did not reflect on their satisfaction toward the e-filing system. Perceived risk, on the other hand, had a negative moderating effect. Even with repeated use, users can still feel that is it risky to continue using the system. Despite being satisfied with the system, users may still decide to stop using it because of perceived risk.

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Paper Number: MS0027

**Career Development of Thai Migrant Workers from Rural Areas
to Urban Factories**

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Career Development of Thai Migrant Workers from Rural Areas to Urban Factories

Extended Abstract

Keywords: career development, Thailand, Phara, factory worker, migrant worker

1. Introduction

This study clarifies the career development process of Thai factory workers. Industrialization and capitalization of Thailand were accelerated since the 1990s due to increased investment of foreign manufacturers. Because of this, rural Thais started to migrate to industrial estates near Bangkok temporarily to work in factories

2. Literature and Framework

In previous studies, career development based on age was pointed by Edger H. Schein(1978) and Donald E. Super(1980). In addition, Mark L. Savickas(2011) revealed the internal point of view as “life theme” in his theory. Therefore, this study analyses Thai factory worker’s chronological career development and career theme through their life, by employing the above framework of Schein, Super, and Savickas.

3. Method and Results

The researcher conducted interviews based on the life-history method with 21 Thai factory workers in a Japanese steelmaker in Thailand. The targets of this study are migrant workers from rural areas because most factory works are carried out by them in Thailand today. Helping farming in a rural area in their childhood, they lived in rural area until they graduate high school or vocational school. Then, they move to an industrial area and start working in a factory. They work in an urban factory from the age of around 18 to 40. Their motivation for the migrant work is to earn cash income to maintain the rural life, which is called *Phara* (burden/duty) for them. The *Phara* is their “life theme”; their career development depends on the amount of Phara.

The migrant workers establish their identity in a rural area, and this is why they recognize their *Phara*. The *Phara* is not so big when they start working in a factory that young workers tend to change jobs to find appropriate working circumstances for the first few years. However, *Phara* increases gradually after several years, because they are going to have a child or buy houses and cars. Their motivation to change jobs will decrease because they are afraid that they cannot adjust to a new job or human relations so they cannot earn monthly income. They aim to retire early to go back to rural life and farm or own a small business. They hold the dream back until the *Phara* gets small enough.

4. Discussion

Sometimes they look very passive for promotion or planless in career from foreign managers' point of view. This is because Thai worker's core value stems from rural life. Therefore, understanding those values or "life theme" of those migrant workers might help managers who work with people in between rural life and urban factory.

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Paper Number: MS0028

High-Context Communication in Workplace – Case Study of Japanese Enterprises in Thailand

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High-Context Communication in Workplace - Case Study of Japanese Enterprises in Thailand

Extended Abstract

Keyword: cross-cultural communication, multinational enterprise, high-context, *enryo*, *krengjai*

1. Introduction

This study investigates the cause of cross-cultural miscommunication in workplaces in ‘high-context’ cultures based on the collected data of communication and interview with workers in Japanese enterprises in Thailand.

2. Literature and Framework

Cross-cultural communication between Japanese and Thai people in Japanese enterprises in Thailand is made through a translator. Both Japanese and Thai cultures are considered as ‘high-context’ cultures (Hall1969), in which a large amount of information is not made explicit. Unlike a ‘low-context’ culture, which relies on explicit verbal communications, a ‘high-context’ culture requires understanding of the cultural contexts. While both Japanese and Thai belong to the ‘high-context’ culture, the miscommunication between Japanese and Thai people is common as discussed as follows.

3. Method and Results

Based on our fieldwork, this study focuses attention on reporting and questioning. As Japanese company culture, the boss frequently asks their co-workers for a report on their work progress. When their report is not detailed enough, the boss asks them further questions. On the other hand, Thai employees tend to avoid reporting to their boss and hesitate to ask questions. Besides, they feel that they are being accused when their boss asks them questions. These differences cannot be accounted for by the concept of ‘high- context’ and the values of each culture need to be individually examined (Wierzbicka 2003).

4. Discussion

This study argues that the miscommunication described above derives from differences of the concept between Japanese *enryo* and Thai *krengjai*. They are both regarded as culture-specific concepts, which play an important role in their cultures (Wierzbicka 1999; Holmes et al. 2000). As they are close in meaning, *enryo* is often translated as *krengjai* and vice versa. However, they don't exactly correspond to each other in meaning. While *enryo* encourages people to avoid saying or doing something in order not to cause others trouble, *krengjai* makes people so afraid of their boss or business acquaintances that they refrain from saying or doing something. Thus, the resultant action is similar while it differs in the motivation. This superficial similarity predisposes Japanese to evaluate Thai people based on their own cultural values, which leads to the cause of miscommunication.

5. Conclusion and Practical Implication

Thus, Thai employees' avoiding reporting or questions is sometimes misinterpreted as 'irresponsible' or 'immature' by Japanese employers. It is imperative for Japanese employers to accurately understand the value of *krengjai* and help Thai employees to get rid of the unnecessary anxiety towards them. From these findings, this study considers implications for actual practice.

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Paper Number: MS0029

**The Role of Visual-Spatial Properties in Chinese Brand Names
Processing**

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The Role of Visual-Spatial Properties in Chinese Brand Names Processing

Abstract

Brand names play a critical role for communicating new products or their attributes to consumers. Although there is a vast and growing body literature on brand naming, most theories and principles were developed in Western markets and based on Western languages, and therefore have limited application to the Chinese-speaking context. Building on psychogeometric theory and previous literature on brand naming, this is the first study to systematically examine the role of visual-spatial properties in communicating Chinese brand names which is crucial for the processing and perceptions of brand names. A content analysis of about 15,000 newly registered Chinese brands was first conducted followed by a survey study of 700 American respondents. The results are useful for new brands that desire visual-spatial cues to positively influence consumers' perceptual processing and judgements.

Keywords: visual-spatial properties, Chinese brand names, content analysis, survey

Paper Number: MS0030

**The Influence of Paternalistic Leadership on
Employees Job Crafting**

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The Influence of Paternalistic Leadership on Employees Job Crafting

Extended Abstract

In this article, we explore interactive influence of two dimensions of paternalistic leadership (benevolent leadership and authoritarian leadership) on employees' job crafting and the mediating role of psychological empowerment. To examine our hypotheses, we conducted a questionnaire survey from 223 employees in Chinese enterprises. The results reveal that benevolent leadership is positively related to employees' job crafting through psychological empowerment. Moreover, authoritarian leadership moderates the relationship between benevolent leadership and employee job crafting. Implications and future research directions are discussed.

Keywords: paternalistic leadership, benevolent leadership, authoritarian leadership, psychological empowerment, job crafting

1 Introduction

In the current working environment, job crafting plays an increasingly important role in the organization to gain work meaningfulness (Berg et al., 2013; Petrou et al., 2017; Romeo et al., 2019; Wang et al., 2018). As one of the most important factors in organizational behavior, leadership styles can affect employees' job crafting. For example, scholars have found that transformational leadership (Wang et al., 2017) and servant leadership (Lichtenthaler & Fischbach, 2018) affect employees' job crafting behavior. However, there is little research exploring how paternalistic leadership influences employees' job crafting. It is significant to study this topic because paternalistic leadership style is popular in Chinese organizations. To fill this research gap, we introduce psychological empowerment as a mediator to explore the influence of paternalistic leadership on the employees' job crafting in Chinese organizations, which guides the healthy development of the organization and the design of the employees' jobs.

2 Literature and framework

This article proposes four hypotheses. Paternalistic leadership includes three dimensions: authoritarian leadership, moral leadership, and benevolent leadership (Cheng et al., 2004). The impact of those three dimensions on job crafting is different. Benevolent leadership can meet the needs of employees' belonging (Erkutlu & Chafra, 2016) and thus promote employees' job crafting behavior. We introduce psychological empowerment as a mediator between benevolent leadership and job crafting. Specifically, benevolent leadership have a positive impact on the employees' psychological empowerment. According to the self-determination theory, the satisfaction of employees' basic psychological needs can promote high-level intrinsic work motivation, which can promote employees' job crafting (Bakker & Oerlemans, 2019).

Further, we propose that authoritarian leadership moderates the relationship between benevolent leadership and psychological empowerment. Authoritarian leadership provide a strict and high-standard organizational environment in the organizations due to its high standards and high performance for tasks (Guo et al., 2018). When employees perceive authoritarian leadership as high, benevolent leadership will have a stronger effect on employees' job crafting. That is, when leadership care about employees, employees are willing to take proactive steps and actions to redesign what they do at work. In contrast, benevolent leadership will have a weaker effect on employees' job crafting at the context of low authoritarian leadership.

Hypothesis 1: Benevolent leadership is positively related to employees' job crafting.

Hypothesis 2: Psychological empowerment mediates the relationship between benevolent leadership and employees' job crafting.

Hypothesis 3: Authoritarian leadership moderates the relationship between benevolent leadership and employees' psychological empowerment such that this relationship is stronger when authoritarian leadership is high rather than low.

Hypothesis 4: Authoritarian leadership moderates the mediating effect of benevolent leadership on employees' job crafting through psychological empowerment such that this indirect effect is stronger when authoritarian leadership is high rather than low.

Figure 1 shows the theoretical model of this research.

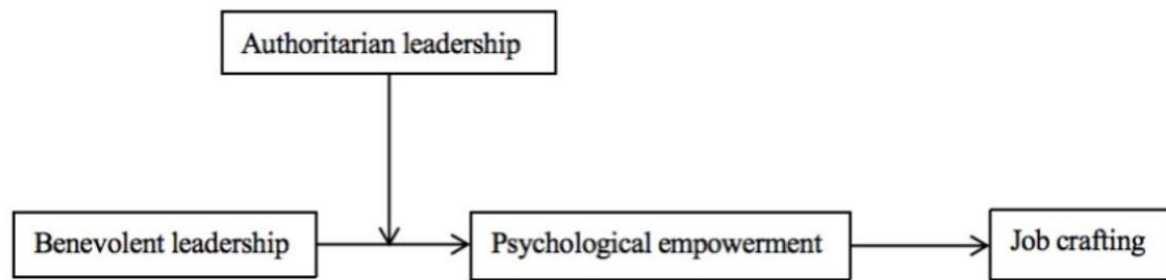


Figure 1 Theoretical model of this research

3 Method and results

To examine our hypotheses, we distributed our survey to participants who were full-time Chinese employees. We sent out our questionnaires to 231 employees and 223 usable surveys were returned, representing a response rate at 96.54%. Respondents were almost evenly split by gender, with 47.5% of them were male. For their education backgrounds, 7.1% reach three-year college or below, 69.5% held bachelor degrees, and 23.3% held master degrees or above. No significant differences were found between gender and education of respondents and non-respondents.

We used Cheng et al.'s (2003) paternalistic leadership scale to measure benevolent leadership (5 items) and authoritarian leadership (5 items). Employees' perceived psychological empowerment was measured using Spreitzer's (1995) 12-item scale. We assessed employee job crafting using Sekiguchi and colleagues' (2017) 9-item measure, which was based on Wrzesniewski and Dutton's (2001) original conceptualization. All items were responded on a 5-point Likert scale from 1 (strongly disagree) to 5 (strongly agree). Each scale's Cronbach's alpha is shown on the diagonal of Table 1. Control variables included the respondents' gender, age, education background, organizational tenure, and job position level.

Table 1 shows the correlation analysis between the research variables. As shown in Table 1, benevolent leadership is positively related to psychological empowerment ($r = 0.46$; $p < 0.01$), and positively related to employees' job crafting ($r = 0.46$; $p < 0.01$). Psychological empowerment is positively related to job crafting ($r = 0.67$; $p < 0.01$). Therefore, these results provide preliminary support for our hypotheses.

We conducted a series of regression analyses to examine Hypotheses 1–4. Model 6 and 7 in Table 2 indicate that both benevolent leadership and psychological empowerment are positively related to employees' job crafting ($\beta = 0.47$; $p < 0.01$ and $\beta = 0.67$; $p < 0.01$). Model 2 shows that benevolent leadership is positively related to psychological empowerment, supporting Hypotheses 1 and 2.

Moreover, Table 3 and Model 4 in Table 2 present that the interaction terms between benevolent and authoritarian leadership are positively related to psychological empowerment ($\beta = 0.16$; $p < 0.01$ and $\beta = 0.19$; $p < 0.01$). Subsequently, we conducted a process analysis. The result of in Table 3 does not contain 0 (LLCI = 0.05; ULCI = 0.26). In addition, we make a simple slope analysis to explore the interaction between benevolent leadership and authoritarian leadership. Figure 2 shows that when the degree of leadership authority is higher, benevolent leadership has a more significant impact on psychological empowerment, supporting Hypotheses 3 and 4.

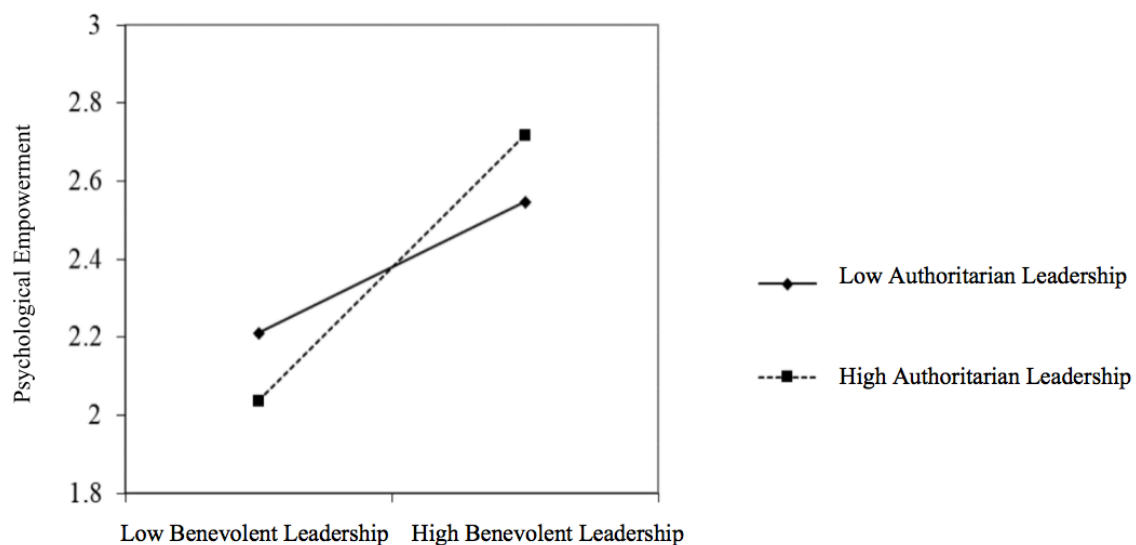


Figure 2 Interaction of Benevolent and Authoritarian Leadership on Psychological Empowerment

4 Discussions

This study demonstrates a moderated mediation model to explain the influence of paternalistic leadership on employee job crafting. According to our results, benevolent leadership is positively related to employees' job crafting through psychological empowerment. Additionally, we find that the relationship between benevolent leadership and job crafting is moderated by psychological

empowerment. Our research makes two theoretical contributions. First, we contribute to the research on psychological empowerment and job crafting in different national and cultural boundaries. Second, this study takes authoritarian leadership as a moderating variable and explores the positive moderating effect of authoritarian leadership.

Owing to space considerations, references are available from the authors upon request.

Table 1 Descriptive Statistics and Correlations for the Study Variables

	1	2	3	4	5	6	7	8	9
1. Benevolent leadership	(.89)								
2. Authoritarian leadership	−.03	(.71)							
3. Psychological empowerment	.46**	.06	(.91)						
4. Job crafting	.46**	.03	.67**	(.88)					
5. Gender	−.14*	−.12	−.04	−.11	--				
6. Age	.05	−.001	.10	.08	−.15*	--			
7. Education background	−.04	−.11	.002	.06	.003	.13	--		
8. Organizational tenure	.04	.12	.09	.03	.14*	.59**	−.16*	--	
9. Job position level	−.04	.08	.07	.06	.21**	.40**	−.06	.48**	--

Notes. $N = 223$. Education: 0 = junior high school; 1 = senior high school; 2=three-year college; 3 = Bachelor's; 4 = Master's~. Job position level: 0=entry-level employee; 1= first-level manager; 2=second-level manager; 3=senior manager. * $p < .05$, ** $p < .01$.

Table 3 Results of mediation analysis

Variable	β	SE	t	LLCI	ULCI
Mediator: Psychological empowerment					
Constant	3.38	.40	8.53**	2.60	4.16
Benevolent leadership	.32	.04	7.04**	.22	.40
Authoritarian leadership	−.001	.06	−.01	−.11	.11
Benevolent leadership \times Authoritarian leadership	.16	.05	2.91**	.05	.26
Dependent variable: job crafting					
Constant	2.12	.30	7.04**	1.52	2.71
Psychological empowerment	.46	.04	10.41**	.37	.55
Benevolent leadership	.11	.03	3.55**	.05	.18

Notes. $N = 223$.

* $p < .05$; ** $p < .01$.

Table 2 Hierarchical regression results

Variable	Psychological empowerment				Job crafting			
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8
Controlled variable								
Gender	−.03	.04	.05	.05	−.10	−.04	−.08	−.06
Age	.07	.04	.05	.07	.07	.03	.02	.01
Education background	−.01	.02	.02	.02	.05	.07	.05	.06
Industry	−.07	−.09	−.09	−.10	−.02	−.04	.03	.02
Working years	.03	.02	.01	.01	−.04	−.05	−.06	−.06
Position	.01	.07	.06	.03	.03	.09	.02	.05
Independent Variable								
Benevolent leadership		.47**	.47**	.43**		.47**		.20**
Mediator								
Psychological empowerment							.67**	.58**
Moderator								
Authoritarian leadership			.08	−.001				
Interactions term								
Benevolent leadership × Authoritarian leadership				.19**				
R^2	.02	.23	.23	.26	.02	.23	.46	.49
F	.66	9.02**	8.11**	8.40**	.77	9.28**	26.17**	25.71**
ΔR^2	.02	.21	.01	.03	.02	.21	.46	.26
ΔF	.66	58.12**	1.61	8.44**	.77	59.06**	26.17**	108.32**

Notes. $N = 223$.* $p < .05$; ** $p < .01$.

Paper Number: MS0031

Humanistic Leadership Post-COVID-19 under VUCA: Buddhist Perspectives

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Humanistic Leadership Post-COVID-19 Under VUCA: Buddhist Perspectives

Extended Abstract

COVID-19 may have magnified issues related to diversity, equity, and inclusion; and the significant volatility, uncertainty, complexity, and ambiguity in the business environment is undeniable. To overcome challenges and foster sustainable social foundations based on humanitarian competition, business leaders require humanistic leadership, based on humanistic values, along with vision, understanding, courage, and adaptability. Buddhism has taught us a belief that self-motivated, positive change within an individual leads to change in one's environment. Leaders must have the courage to push their limits and engage stakeholders to unify toward the common goal of humanitarian competition and ensure sustainable development of the world.

Keywords: VUCA, Buddhism, Humanitarian competition, Humanistic leadership, COVID-19

1. Introduction

Today's rapidly evolving businesses operate in a volatile, uncertain, complex, and ambiguous (VUCA) world, and the COVID-19 pandemic has certainly made the environment more so. In the VUCA world, even at the time of a crisis, such as COVID-19 pandemic, a series of updates is mandatory in the organizational system of a company. The challenges in a VUCA world call for business model innovations, dynamic capabilities, and strategic leadership to help organizations thrive [1].

There is also no doubt that pandemic has exposed weakness in leadership among various institutions at the cost of human lives. Simultaneously, the COVID-19 pandemic has magnified issues related to diversity, equity, and inclusion and has raised awareness about global racism and xenophobia.

The motivation of the research is to explore an alternative global business leadership approach required for the post COVID-19. While many leadership arguments have been centered around the western philosophy and business ideas, in order to fill the cultural missing piece, a viewpoint of the eastern

philosophy, Buddhism is explored. The new type of leadership under the VUCA and post-COVID 19 environment from the Buddhist perspective with emphasis of humanistic values, namely humanistic leadership inspired by Japanese philosophers and educators Makiguchi, Toda, and Ikeda with analogy of VUCA 2.0 which is introduced by George [2]. The research question will be stated as follows: while many leadership approaches after the COVID-19 have been discussed based on the western way of thinking, is there any concept available at least for the food of thoughts based on the eastern way of thinking which would synchronize the existing western based leadership.

2. Main Body

COVID-19 has brought to light several inequalities, including income inequality within and between nations. Campanella [3] finds that pandemics have typically led to a reduction in inequality in the past. Contrarily, the global stock markets surged, including the US stock markets, hitting historical highs without any strong evidence of neither economic recovery nor respite from the COVID-19 pandemic.

Since neither corporation nor government were prepared to adapt to the situation quickly, every organization needs to efficiently prepare and manage the crisis and survive the VUCA world, post COVID-19. In a VUCA world, organizations face certain challenges in helping leaders move forward with new possibilities and choices. While several approaches have been discussed, it is difficult to identify the single universal leadership approach. It should require articulating various leadership styles in order to overcome uncertainties.

Regardless of the type of leadership, the core values of new leadership in the post-COVID-19 world should be based on humanistic values. It is important to execute these challenges with the humanistic point of view or a management with moral and ethical restraints. The concept of humanistic management, whose core is humanistic values, is viewed as a holistic approach and as an alternative perspective to the economic paradigm in management and organization theories [4]. The new leadership based on humanism, namely humanistic leadership, which pursues the sustainability and prosperity at no cost of human lives.

Makiguchi [5] introduced the concept of humanitarian competition by identifying military, political, and economic competition in different periods of human history. Ikeda [6] explained that humanitarian competition compels a confrontation of the reality of competition while ensuring that it is conducted firmly based on humane values, and it therefore brings forth a synergistic reaction between humanitarian concerns and competitive energies. Unfortunately, more than a century has passed since the concept of humanitarian competition was introduced, but military, political, and economic competitions are intensifying around the world and COVID-19 may well have enhanced these conventional definitions of the competition.

If society strives for humanistic competition, which requires all nations to act together for the greater good, many social sustainability issues, such as pandemics, climate change, and hunger, will be effectively tackled. To pursue these human common goals, business leaders must stay focused on their mission and values based on humanistic value and have the courage to act.

George [2] described vision as the ability to see through the chaos to have a clear vision of the organization. During the pandemic, highly effective leaders who acknowledged and communicated the trade-offs, necessary to create plans that are responsive to public health concerns and economic imperatives, set clear direction, the third pillar of the cultural agility, and use their transparency and authenticity to effectively communicate the chosen course of action¹. Kosen-rufu,” world peace through individual happiness¹, will be an ideal vision for leaders in the post-COVID-19 world. While Kosen-rufu was originally defined as a movement to communicate the ultimate path to happiness, or to communicate the highest principle of peace to people of all classes and nations through the correct philosophy and teaching of Nichiren [7]. Kosen-rufu as the endeavoring of global harmony and peace through individual happiness or the vision of peace as a product of a universally accepted value anchored on the unwavering respect for the dignity of human lives [7]. To pursue the vision of the Kosen-rufu or build a peaceful society on an individual basis requires the construction of a state of life with indestructible happiness through a process of human revolution or inner-motivated change, so that individuals actively transform their own lives and contribute to their families and local communities. Ikeda stated that a great human revolution in just a single individual will help achieve change in the

destiny of a nation and, further, will enable change in the destiny of all humankind.

According to George [2], understanding involves an in-depth knowledge of the organization's capabilities and strategies to take advantage of rapidly changing circumstances by playing to their strengths while minimizing their weaknesses. George further emphasized the importance of listening and engagement because listening only to information sources and opinions that reinforce one's own views carries a great risk of missing other perspectives. Nichiren sought the power of human engagement through the earnest belief of human dignity rather than authoritative dignity. Ikeda analyzed "On Establishing" written as the form of dialog between authority and a Buddhist monk, or the host: It is faith in the proposition that all people possess infinite potential and the capacity to bring forth their unique and essential dignity [8].

George [2] advised that leaders need the courage to step up to these challenges and make bold decisions that embody risks and often go against the grain. From the cultural agility viewpoint, highly effective leaders integrate multiple perspectives to create a course of action during the pandemic by balancing health demands to protect employees with urgent, firm-level requirements for economic performance. To illustrate the concept of courage from the Buddhist perspective, Nichiren [9] introduced the concept of many in body, one in mind, which illustrates the importance of unity in bringing the courage to act. Business leaders should not only share the vision among stakeholders through a series of dialogs and encouragement, but they should also resonate throughout the organization to unite all stakeholders toward the common goals.

The fourth element of VUCA 2.0, adaptability is to be flexible in adapting to a rapidly changing environment [2]. With respect to the meaning of adaptability, a Buddhist concept of oneness of life and its environment, or non-duality of life and its environment [10], may well fit the core characteristics of adaptability required by the new leadership. Leadership in the post-COVID-19 world requires the fundamental block of the vision to be on the humanistic value, or the belief that self-motivated, positive change within the inner life of an individual will bring about a change in one's environment since life and its environment are essentially the same. Leaders must engage stakeholders to unify toward common

goals of humanistic competition, coexistence of economic prosperity, and sustainability.

With the vision of world peace through individual happiness, or Kosen-rufu in mind, business leaders in the post-COVID-19 era should actively construct their own lives and contribute to their families and local communities, or in other words to human revolution. To achieve a common vision, leaders should unite stakeholders through a series of dialogs with true compassion, since life and its organizational and natural environment are essentially one.

As the Japanese word for crisis or risk comprises two Chinese characters of danger and opportunity, COVID-19 has offered us an opportunity to rethink the type of new leadership. Unless leaders possess a vision based on inclusive leadership, funded by humanistic values, and adapt to a dynamic changing environment quickly, neither the internal nor the external environment of organizations will change.

3. Conclusion

COVID-19 has plunged the economic system, health, and society into an unprecedented crisis, widened inequality, and made the business environment more volatile, uncertain, complex, and ambiguous. To overcome these challenges and foster sustainable social foundations based on humanistic competition, business leaders require a different mindset based on humanistic values, along with the vision, understanding, courage, and adaptability. Buddhism has taught us to have a fundamental block of vision that self-motivated, positive change within the inner life of an individual would bring about change in one's environment. Even with a clear vision, business leaders must engage stakeholders to unify toward common goals of humanistic competition: coexistence of economic prosperity and sustainability. The humanistic leadership contrasts with VUCA 2.0 from the business perspectives and culturally agility from the academic perspectives. More commonalities than differences among two approaches, the humanistic leadership is considered a more comprehensive approach which focus on sustainability and the broader view of the leadership of any organization.

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Paper Number: MS0032

**The Impact of the COVID-19 Pandemic on
Organizational Attraction**

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The Impact of the COVID-19 Pandemic on Organizational Attraction

Extended Abstract

Companies are increasingly implementing corporate social responsibility (CSR) activities to improve their attractiveness to high-performing applicants. Previous research focused on the isolated effect of CSR on organizational attraction, which overlooks the complex decision process of applicants. To address this research gap, this study focuses on the relative importance of the ecological and social orientation of a company compared to remuneration and location. In addition, the generational differences in the workforce make it hard for recruiters to assess the necessary factors to attract qualified job seekers. Therefore, this study analyzes differences in organizational attraction between Generation X, Y, and Z and the impact of the COVID-19 pandemic on job choice decisions.

Keywords: Corporate Social Responsibility, Organizational Attraction, Generation XYZ, Human Resources, Policy Capturing

1. Introduction

Demographic change and the lack of young qualified applicants positions the recruitment process as a core component of an organization and increasingly forces companies to evaluate their attractiveness as employers. A shift in interests among young, qualified applicants raises the question of whether the integration of sustainable values into a company's business model, strategy, and brand can increase its attractiveness as an employer (Holt, Marques, & Way, 2012). The literature shows that the effects of sustainability on organizational determinants are still in need of further research. Previous studies observe a positive relationship between corporate social responsibility (CSR) and organizational attraction but fail to consider the complex nature of the decision process of applicants by only considering the isolated effect of CSR (Albinger & Freeman, 2000). Furthermore, various studies find different character traits among age groups (Cennamo & Gardner, 2008). This study tests the effects of

generational groups on different factors of organizational attraction so companies can e.g. more accurately design their job advertisement. The COVID-19 pandemic had and still has an impact on the workplace. Homeoffice regulations, flexible working hours, and more changes were implemented to accommodate the change in our daily lives. This study analyzes if a shift in priorities regarding job characteristics occurred for job seekers because of the COVID-19 pandemic.

2. Main Body

2.1. Literature and Research Design

Based on Signaling Theory and Social Identity Theory the relationship between CSR and organizational attraction has been analyzed. Companies send signals through various job characteristics. Job seekers want to associate themselves with companies sharing their values and offer programs best suited for their lifestyle. Therefore, the goal of this study is to analyze the relative importance of different dimensions of CSR on pursuit intention. To answer this research question, a questionnaire was designed using a policy-capturing design. This study examines four characteristics (ecological, social, remuneration, location) which were varied in two levels (high/low). Therefore, this study uses a 2x2x2x2 within-subjects design. All of the levels of each factor were fully crossed with each other, creating a completely crossed design with 16 scenarios. The description of each variable was derived from previous research and real job postings. The result of the iterative process of the systematic literature review was 74 relevant articles. The different analyzed variables in the identified literature and their description if available were grouped creating the first part of the scenario building process. For the second part, 100 different job postings were examined using the platform stepstone (<https://www.stepstone.de/en/>). The different benefits companies offered in their job posting were allocated to the four characteristics. The variables described in the literature and the job posting were compared and the most frequent named factors were taken to create the scenarios.

2.2. Results

The data were analyzed using multiple regression analysis in IBM SPSS Statistics 25. As shown in Table 1, environmental orientation, social orientation, remuneration, and location have a significant positive influence on pursuit intention. In addition to the direction of the effect, the policy-capturing approach allows an interpretation of the relative influence of each factor. The highest influence on pursuit intention is associated with the social dimension of CSR ($\beta = 0,454$, $p < 0,001$) and remuneration ($\beta = 0,443$, $p < 0,001$), followed by location and the ecological dimension.

Independent variable	Pursuit Intention
Ecological	0,220
Social	0,454
Remuneration	0,443
Location	0,317
R ²	0,551
F-Value	644,2
N	901
p < 0.001	

Table 1 Results of regression analysis

Many different Moderators and Mediators were tested in the literature with varying effects (Pfister, 2020). The respondents were clustered in different age groups using the theory of generations and adult development (Lyons, 2004). This theory suggests that people's personalities are influenced by their date of birth through differences in values and societal norms. The age groups relevant for this study are Generation X (born 1965-1980), Generation Y (born 1981-1995), and Generation Z (born 1996-2010). The results for the age effect between Generation X and Z show interesting differences (Table 2). The ecological orientation of a company is more important to Generation X than Z. This is contrary to the generational theory, as Gen X should see his employer more as a way to live and not be concerned with the impact on the environment. This argument is supported by the lower beta coefficient of remuneration compared to Gen Z. The more materialistic Gen X is less concerned with their pay than the supposed to be more ethically inclined Gen Z which values pay more than any other factor. The social orientation and location have no significant differences. More or less the same results yield the comparison between

Independent variable	Pursuit Intention	
	Model 1: Gen X	Model 2: Gen Z
Ecological	0,274	0,210
Social	0,441*	0,466*
Remuneration	0,382	0,504
Location	0,294*	0,275*
R ²	0,501	0,590
F-Value	51,91	48,77
N	211	140
p < 0.001 ; *t < 1,96		

Table 2 Results for Generation X and Z

Gen X and Gen Y. Remuneration is more important to Gen Y and the ecological orientation of a company has a lower beta than the Gen X. Location is valued more by respondents of Gen Y. This is also contrary to generation theory as Gen Y is described as more mobile. On the other hand, Gen Y values a creative work environment, which can be influenced by the location. Gen Y and Gen Z have only small differences noticeable. The question remains whether COVID-19 has shifted priorities in the job decision progress. In the questionnaire, students were asked if the four variables increased or decreased in relevancy or did they stay the same because of COVID-19. Table 3 shows the percentage within each generational group answering that the aspect has grown in relevancy for their job choice. Overall, the results show that social aspects are more important to students than before the pandemic, and with quite a margin from 36-50 % of the sample attribute more relevancy to social aspects. Interestingly, the social variable did not have significant differences in the regression analysis but we can see a lower score for Gen Y. The high impact of COVID-19 on social aspects is obvious. Many changes especially in Homeoffice regulations and flexible working hours had to be made to accommodate the new working environment. If employers are hesitant to give their workers this freedom in place and time, it can create dissatisfaction. Therefore, the social variable becomes more important

	Gen Z	Gen Y	Gen X
Ecological	9%	7%	16%
Social	49%	36%	50%
Remuneration	25%	10%	9%
Location	15%	19%	15%

Table 3 Results for higher relevancy

to students in looking for a future employer. Remuneration grows in relevancy especially for Gen Z.

There one can argue that in the early stages of your career money is a more important factor than in later stages. The regression analysis also supports this argument. Location is getting more important because of COVID-19 for every generational group. If one relied on public transportation for their commute to work it got difficult as COVID-19 regulations heavily influenced access to public transportation as well as their timetables. Based on these difficulties, location or the distance between your private residence and your work can influence future job decisions. The ecological aspects have seen the least mentions overall for higher relevancy. This aligns with the regression results. Gen X is still attributing more relevancy to ecological aspects because of COVID-19. A reason could be the growing conscience about the importance of environmental aspects and the need to still address these issues even within or after the pandemic.

3. Conclusions

The results of this study show that not all factors have the same impact on pursuit intention and the employer choice process. The social benefits a company can offer are the most important factor for students. Having flexible working hours and training opportunities show the investment the company is willing to make in its employees and the trust to fulfill their assignments on their schedule. Contrary to previous results, monetary compensation is only marginally less important than “soft factors” (Lis, 2018). Location followed by the ecological orientation still plays a role in the recruitment process but is less important to respondents. The results regarding the moderating effect show interesting implications as they are contrary to the generational theory. Generation Y and Z have only small differences in the relevance for each factor. Generation X values the ecological orientation of a company more than Generation Y and Z. However is less interested in the remuneration. There is a literature stream that disputes the generational theory and argues that differences aren’t based on the date of birth (Walter & Scheibe, 2013). It rather focuses on lifespan development and the differences that emerge from the different stages in life. The results of this study support this approach to age clusters. It can be argued that young people early in their careers need to focus on pay to finance their life. In time, a career position with adequate pay could be achieved and more “soft factors” become important. As a recommendation for recruiters, the results suggest not focus on generational differences in

characteristics when trying to attract a qualified workforce.

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Paper Number: MS0033

Is it Enough to Merely Survive in the Hong Kong Tourism Industry? A Study of Resilience in the Times of Crisis

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Is it Enough to Merely Survive in the Hong Kong Tourism Industry? A Study of Resilience in the Times of Crisis

Extended Abstract

The current pandemic crisis has generated a steep wave of global economic and social recession with unprecedented consequences. Although the COVID-19 pandemic, has placed significant pressures on Hong Kong's aviation, tourism, hotel, hospitality, and retail sectors; Hong Kong remains one of the perfect benchmarks in grasping opportunities and overcoming the challenges during crises. This study aims to bridge organizational and entrepreneurial theories to depict the strategies utilized to build resilience by organizations from the most heavily affected city's industry and provides a starting point for a more nuanced discussion on the application of resilience strategies and their character during crises.

Keyword: resilience, tourism industry, Covid-19, SARS, crisis.

1. Introduction

The current pandemic crisis has generated a steep wave of global economic and social recession with unprecedented consequences. A vast majority of these repercussions are economically disruptive in their nature and created challenges for business organizations requiring them to mature business resilience. At the time of economic and social crises, businesses face major threats to their financial performance and subsequently to their prospective survival. Despite that Hong Kong has suffered a severe blow since January 2020 onwards as a result of the COVID-19 pandemic, the city has recently been awarded the title of the most resilient economy in Asia, ranking 26th worldwide out of 130 countries according to FM Global Resilience Index (FM Global Resilience Index, 2021) and 13th in Bloomberg's Covid Resilience Ranking (Chang, Hong, & Varley, 2021). In this regard, a persistent and intuitive question is - how the economic actors were able to achieve these results and whether these have the capacity to be implemented in a longer term? To investigate and answer this and other adjacent questions, the theory proposes a thorough analysis

of the micro-foundations of strategic decision-oriented towards enhancing resilience. In this context, a conventional research stream is formulating on Knight's perception of entrepreneurship as judgmental decision-making under uncertainty (Foss, Foss, & Klein, 2007). This is typically related to capabilities that organizations use to respond to external and unforeseen changes that may also help them to proactively create the opportunity of profit and growth for the future, especially when there is an irrevocable change to a world of "New Normal". Correspondingly, another line of traditional research focuses on organizational learning through experiential wisdom and cognitive search (Gavetti & Levinthal, 2000) that is extensively applied to adverse situations.

Despite the scope congruence of these research streams, little has been done towards linking organizational resilience and learning to entrepreneurial theories. To elucidate this omission, the authors provide a starting point for a more nuanced discussion on the strategies utilized to enhance resilience by various actors in one of the city's most important industries. This study not only investigates current strategies but also considers whether learnings from the previous severe-acute-respiratory syndrome (SARS) have contributed to building better resilience.

2. Theory and Proposition Development

The resilience construct is bidirectionally relevant to business and entrepreneurial activities for two reasons. First, scholars often use resilience synonymously with preparedness, hardiness, persistence, or self-efficacy to explain why some entrepreneurs and their firms perform better than their non-resilient peers do. Second, cognitive, and behavioral entrepreneurial traits and distinct forms of entrepreneurship such as social entrepreneurs are said to foster the ability of firms to adjust to new circumstances and to contribute to long-term sustainability through innovation (Biggs et al., 2010). The relevancy is solidified further through a focus on preparedness in the face of potential disruptions: resilience as an *ex-ante*, inherent characteristic of entrepreneurial individuals and firms that arises from different adjacent factors, psychological resilience that reinforces entrepreneurial intentions, entrepreneurial behavior that fosters organizational resilience, and entrepreneurial firms (and individuals) as enhancing regional economic or community resilience.

Additionally, the concept is relevant from the *post-disruption* perspective when it is perceived as resilience that enables individual entrepreneurs to bounce back from failure or to survive tough times (Hayward et al., 2010), and resilience as a *dynamic process* of adjustments of individuals, firms, and macro-level entities to new contextual circumstances (Dewald & Bowen, 2010).

Considering the circumstances, there is a rigorous need that entails a more dynamic conceptualization of resilience as well as to explore what role entrepreneurship plays in shaping the positive trajectory of recovering and adapting to a new normal. Thence we propose that:

Proposition 1: The exercise of entrepreneurialism is positively related to resilience during the Covid-19 pandemic.

We argue that when facing crises, adversity, and extreme uncertainty, organizations employ entrepreneurialism manifested via a set of cognitions and judgments (Kaul, Ganco, & Raffiee, 2021) that can be treated as a function of judgments as informed by past crisis experiences, analogical reasoning, and long-term orientation. Likewise, analogical reasoning may help to make intelligent choices in a novel context (Gavetti, Levinthal, & Rivkin, 2005). Hence, we propose that:

Proposition 2: The exercise of analogical reasoning strengthens the effect of entrepreneurialism on resilience during the Covid-19 pandemic.

Further, we posit that organizations employ looking backward experiential wisdom to learn from previous past experiences while engaging in solution-seeking search processes during adversity (Gavetti & Levinthal, 2000). “Learning in crises”, as part of organizational learning theory, utilizes the historical analogies during crisis decision making (Houghton, 2001). It involves learning from the past while mobilizing support for the “correct” decision they have previously made and utilizing them for diminishing the impact of the current crisis (Roux-Dufort, 2007). Organizations could utilize their accumulated learnings and expertise to anticipate and prevent a certain phenomenon that can trigger a lengthier crisis period. In this regard, we propose that:

Proposition 3: Past crisis experiences strengthen the effect of entrepreneurialism on resilience during the Covid-19 pandemic.

Furthermore, we also argue that organizations seek to enhance their resilience through cognition search (Gavetti & Levinthal, 2000) and long-term orientation. Utilizing the organizational time-sensitivity arguments, we employ a long-term orientation criterion which is defined as the tendency to prioritize the long-range implications and impact of decisions and actions that come to fruition after an extended time (Yu, Lumpkin, & Sorenson, 2012). This dimension will also influence entrepreneurialism through forecasting, planning, and evaluating the long-range consequences of current actions' utility. Therefore, we posit that:

Proposition 4: Long-term orientation strengthens the effect of entrepreneurialism on resilience during the Covid-19 pandemic.

3. Methods

This study employs an inductive, phenomenological-driven qualitative analysis to construct a small number of cases in an attempt to investigate the sui generis settings of the Covid19 crisis in Hong Kong. The methodological background of the study is rooted in the case study approach which provides imperative advantages when elaborating a theory in an area in which limited data or theory exists (Yin, 1984). This specific construct of qualitative case research is built on: 1) publicly available secondary data and 2) data collected from interviews covering diverse perspectives from the top and middle-tier management teams. Data collection, data analysis, and conceptualization will be iterative (Glaser & Strauss, 1967); some individuals will be contacted multiple times to complete the previous, new, or contrasting opinions. In addition, to refine the analysis, clustering methodology will be utilized. In this regard, we will generate clusters labels for migration and cognitive search and compare the differences.

4. Preliminary Results and Discussion

A third of the initially planned interviews have been conducted and preliminary analyses compiled.

Considering the available results, we are inclined to believe that hotel owners and other retailers in Hong Kong are extensively efficient in employing entrepreneurial judgment when designing and taking strategic decisions to enhance resilience. For example, some of the top-management team members have shared that they have considerably revised their business models and learned how to survive with a reduced number of customers. Some hotels have switched to providing mandatory-self quarantine or hotel apartment services. In this regard, it is also imperative to consider their motivations, which from the provided information resemble a more socially responsible nuance than a profit-driven one. Others have designed very attractive vacation packages for young couples and families. This is a strategy to partially substitute the drastic decrease in the number of mainland Chinese tourists.

Furthermore, managerial teams (especially those who are part of larger chains) would frequently employ analogical reasoning to solve current and medium-term problems by adopting successful strategies from their satellite organizations or other actors. There is also clear evidence that the majority of the interviewees employed their past learnings from the SARS crisis to overcome the current issues related to the pandemic. Managers have shared that previous crises taught them how to make decisions quickly and avoid or diminish disruptions. For example, a four-star hotel top manager shared: “The SARS epidemic let us realize that business can change from 90% to a single-digit occupancy rate.... How could we survive? So, it gave us an idea and prompted us to think about our plan”.

Lastly, the industry is dominated by a general sentiment that it will take three to five years to fully recover, hence a vast majority of the current strategies are long-term oriented. As another hotel chain top manager shared: “We are positive in the mid-long range. But it will depend on how we can recover. Hopefully, the China / HK border will be reopened by the end of this year and maybe before the 2nd half of next year for other Asian cities with better control of Covid”.

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Paper Number: MS0034

**Learning from Crisis?
Taiwan Tells You No: Revisiting Crisis Management Phase**

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Learning from Crisis? Taiwan Tells You No: Revisiting Crisis Management Phase

Extended Abstract

In light of the current COVID-19 pandemic, firms face tremendous challenges in a complicated world. In order to combat successfully in the crisis, learning is considered as a crucial factor in crisis management. However, there is little research examines the antecedent of learning. In this conceptual paper, we believe that managerial competencies influence learning capacity of a firm subsequently, as a result, it needs to be incorporate in the pre-crisis phase. Moreover, learning needs to be examined in both in-crisis and post-crisis phases.

Keywords: COVID-19, managerial competencies, learning, crisis management phase

1. Introduction

The novel Coronavirus (COVID-19) has challenged the entire global economy. The whole world has been suffering the greatest recession since the Great Depression recording from April 2020 (Habel et al., 2020). In the first quarter of 2020, the real GDP (Gross Domestic Product) in Taiwan grew 1.54 percent. Statistics showed that firms in Taiwan performed much better than other counterparts in the world. However, in May, 2021, Taiwan has start suffering from the negative impacts of COVID-19 pandemic severely. An interesting question raises up, have these firms learnt from experience as the crisis management assumes or vice versa?

In previous research, learning is only examined in the post-crisis phase, in our point of view, we believe it is problematic as firms may be self-righteous, they believe they have learnt but literally they have not. As a result, we propose that learning also needs to be also inspected in the in-crisis phase.

Furthermore, learning requires capacity of the firms and therefore managerial competencies need to be considered as the antecedent of learning in the pre-crisis phase. In this conceptual study, we

incorporate managerial competencies (external, interpersonal, and personal competencies) as the antecedent of learning.

2. Literature Review

2.1. Organizational Crisis

Originating from Greek word *krisis*, crisis denotes choice, decision, or judgement (Parakevas, 2006). According to crisis management literature, crisis can be viewed as two main strands, an event or a process (Jacques, 2009). In the COVID-19 outbreak, we believe it is more sensible to perceive a crisis as a sequences of sub-events instead of a singular and large event. As a result, we adopt the definition of crisis from Pedersen, Ritter, and Benedetto (2020), “a crisis as a sequence of events that can be substantial negative consequences if not managed appropriately.”

As the world has become converged due to globalization, it has undergone numerous, as we term, crisis, from 1997 Asian financial crisis, 2008 global financial crisis, 2003 SARS (severe acute respiratory syndrome), 2014 Ebola pandemic, to 2020 unfolding COVID-19. In traditional financial crises, the global economy will eventually bounce up as the matter of fact. For instance, firms can target new markets with less grave impact to alley their economic standstill. However, organizational crises from health hazards have severer influences vanquish multiple industries in almost every geographical region. Specifically, Taiwan is targeted as the major study context. We purposely select Taiwan for two reasons. First, in the first quarter of 2020, the real gross domestic product (GDP) in Taiwan grew 1.54 per cent and the consumer price index (CPI) in April increased 0.05 per cent (Bureau of Foreign Trade, Ministry of Economic Affairs, 2020). While other countries have suffered from increasing number of employment rate such as Hong Kong’s 6.3 per cent, South Korea’s 4.1, and the United States’ 6.7 per cent (Central News Agency, 2020), we wonder why do firms in Taiwan perform better than firms in other countries in 2020. Second, learning and accumulating crises from both 2003 SARS outbreak and 2020 COVID-19 epidemic, it is anticipated that Taiwanese firms can still act as a bellwethers both economically and strategically. Unfortunately, in May 2021, Taiwan’s unemployment rate reached 4.1 per cent, in fact, it marked the highest rate since December 2013 (Chang, 2021). An interesting question raises up, are those firms really learn from experience as the

crisis management phase assumes or vice versa?

Crisis management has been studied extensively (Alves et al., 2020), the majority of literature has focused on traditional financial crises, composing 51%, strategy with 41%, and institutional environment with 8% (Eggers, 2020). Examining the impact of COVID-19 pandemic and how firms react to such crisis, Kuckertz et al. (2020) interviewed 16 startups in Germany and found startups who demonstrated flexibility in their business models were more likely to manage crisis effectively than those who could not grasped opportunities. Ritter and Pedersen (2020) proposed an alignment squared model and applied to eight business-to-business firms in Denmark in order to examine its usefulness. The finding showed the model was applicable and helped firms to make accurate strategic analyses and assessments in the period of COVID-19 pandemic. However, up to date there is only limited understanding regarding Asian SMEs' response to crisis stemming from health hazards particularly at different phases of crisis.

2.2. Phases of Crisis Management

After World War 2, crisis management has been caught the attention of the world (Jacques, 2009). In order to understand how firms deal with crisis, some researchers examine the responses of the firms after a crisis happens. Crisis management, considering a cynical process, includes pre-crisis, crisis, and post crisis phases (Tokakis, Plychroniou, & Boustras, 2019). Pre-crisis phases is defined as “the signal detection of forthcoming crisis, crisis preparation and crisis prevention” (Tokakis, Plychroniou, & Boustras, 2019). Studies have shown that firms handle crisis better in the following conditions: (1) when they have crisis plan which is updated at least once a year, (2) when they possess a crisis management team, (3) they conduct exercises to test the plans at least once a year, and (4) they pre-draft crisis messages (Barton, 2001; Coombs, 2006).

Crisis phases starts with a trigger event and it includes “crisis recognition and containment” (Tokakis, Plychroniou, & Boustras, 2019) and the post-crisis phases contains recovery and learning. According to Boin et al. (2005), post-crisis stage consists two aspects: First, the crisis is terminated and firms start to revive, and second, firms accumulate lessons that they have learnt from the crisis and seek

ways for future improvement. In the pre-crisis phase, firms prevent and prepare for crisis with the purpose to mitigate its damage to the organizations (Coombs & Laufer, 2018). In the crisis phase, it focuses on firms responses to the crisis, for instances, the reactions of the organizations and stakeholders (Coombs & Laufer, 2018; Cleeren et al., 2013). In the post-crisis phase, where it has attracted the least researched attention (Coombs & Laufer, 2018), it concerns organizational learning in the aftermath of a crisis. Concerning the importance of both the time immediately before and after the crisis, some studies incorporate those two periods and suggest a model of five phases (Pedersen, Ritter, & Benedetto, 2020): pre-crisis normality, emergence, occurrence, aftermath, and post-crisis normality. In the pre-crisis normality, firms seek to prevent, predict, or prepare for imminent crisis that the entities anticipate might occur. Before reaching to the phase of post-crisis, firms needs to undergo crisis aftermath phase, according to Pedersen et al (2020), the major managerial tasks are recovery and remedy.

Despite crisis management should be whether defined into either three or five phases, we find out that learning capacity of the firms only examines after the crisis is terminated. As mentioned previously, Taiwanese firms performed exceptionally in 2020 when the COVID-19 outbreak just began. For the first time in 30 years, with GDP grew by 5.6 percent, Taiwan's economy outgrew China (Everington, 2020). It is assumed that firms will learn from the experience and apply the absorbed knowledge into future crisis. If the assumption deems accurate, then we wonder why Taiwanese firms have start suffering severe impacts from COVID-19 outbreak in May, 2021? Have firms in Taiwan learnt from this crisis or vice versa? Or Taiwanese firms believed that they have learnt but actually they did not. As a result, we believe it is a need for firms to examine their learning capacity both in-crisis and post-crisis phases.

2.3. Rethinking Crisis Management Phases: The Impact of Managerial competencies and Learning

In the pre-crisis phase, it is necessary to incorporate managerial competencies. In line with Cardona and Lomdardia (2005), we regard managerial competencies as a three dimensional measure, namely, external competencies, interpersonal competencies, and personal competencies. First, external competencies are defined as a capacity to implement strategies in order to improve firm performances

(Lara & Salas-Vallina, 2010). Second, interpersonal competencies are known as capacity to lead teams effectively (Cheng et al., 2005). Third, personal competencies focus on self-capacity that can facilitate to solve a certain issue.

We propose that managerial competencies are crucial in the pre-crisis phase of crisis management as research examines how managerial competencies in the pre-crisis phase influence learning capability in both in-crisis and post-crisis phases is scant. We view it as an issue because not every firm will eventually learn from crisis. It explains why firms in Taiwan have started suffering from COVID-19 pandemic in 2021, even though they successfully navigated the outbreak in 2020 when the crisis just began. External competencies enable managers to sense forces that have a highly possibility to impact firms negatively. Interpersonal competencies allow managers to communicate with other employees in the firms regarding the negative forces and seek for effective collaboration. Personal competencies help the managers to generate possible solutions to problems. As a result, in the pre-crisis phase, managerial competencies, external competencies, interpersonal competencies, and personal competencies should be incorporated.

In crisis management, it is assumed that firms eventually will ultimately learn from the experience. Consequently, learning only is examined in the post-crisis phase. As mentioned previously, without the antecedent of managerial competencies, learning seems hardly to occur. In learning capacity, we drawn upon Huber's (1991) framework, four constructs are identified, knowledge acquisition, information distribution, knowledge utilization, and organizational memory. In the in-crisis phase, managers need to scrutinize the knowledge that he or she acquires from the in-crisis phase and distribute the knowledge to other employees. Then, managers apply knowledge that he or she obtains and results in actions and strategies for crisis resolution (WAng, 2008). Examining knowledge acquisition, information distribution, and knowledge utilization in the in-crisis phase act as a check point to ensure that the firm is actually learning. In the post-crisis, managers need to restore knowledge in a timely and accurate manner for the preparation of future crisis. We incorporate both managerial competencies and learning into crisis management phase in fig. 1.

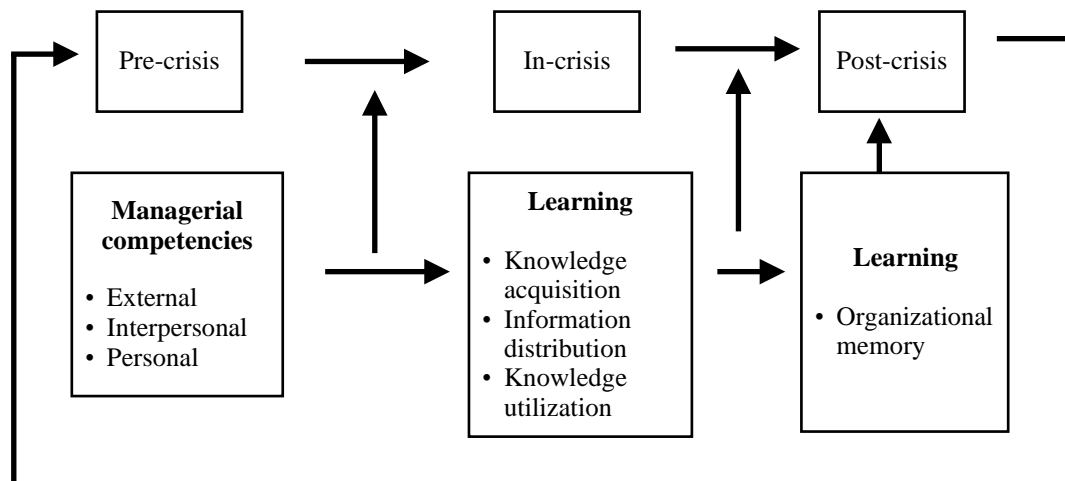


Figure 1: Crisis Management Phase

3. Conclusions

This article explored the managerial competencies and learning in crisis management phase. We believe it is necessary to examine the learning in both in-crisis and post-crisis phases. In the in-crisis learning, managers need to acquire knowledge, distribute information, and utilize knowledge. It performs as a check point, managers will know whether they are actually learning. In the post-crisis phase, in order to improve preparation for crises in the future, managers need to restore information in a timely and accurate manner. Furthermore, incorporating managerial competencies is also necessary as it explains why some firms do not successfully navigate in the crisis. Managerial competencies play as an antecedent of learning and this crucial factor needs to be put into consideration. The assumption that firms learn from experience should be modified by incorporating managerial competencies, (external, interpersonal, and personal competencies) as the antecedent of learning. Simply presume that firms learn from crisis will trap them into complacency which we regard it as an issue that need further modification. Although this article is solely a conceptual paper, we genuinely hope it can be a starting point to attract more attention on refinement of crisis management particularly in current world where floods with uncertainties and turbulence.

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Paper Number: MS0035

Characters of Acts Defining De-internationalisation

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Characters of Acts Defining De-internationalisation

Extended Abstract

This paper offers a sharp and succinct explanation about the characters of acts defining de-internationalization. It explains that de-internationalization can happen because of decoupling and psychic distance. It also elaborates that decoupling manifests as a de-internationalization response due to means-ends reason, and that psychic distance occurs as a de-internationalization response due to needs-ends reason. The explanation and elaboration about de-internationalization herein should help to clarify this novel phenomenon in international business.

Keywords: Decoupling, Psychic distance, Means-end, Needs-end, De-internationalization

1. Introduction

De-internationalization is the opposite of internationalization. While internationalization is the increase of international business activities, de-internationalization is the decrease of such activities. The extant literature on internationalization is rich (Donthu et al., 2021; Kumar et al., 2021), though the same cannot be said for de-internationalization whose literature is scarce (Mandrinos & Lim, 2021). Noteworthy, the idea of de-internationalization remains underexplored and thus takes center stage in this paper. Therefore, the objective of this paper is to provide a sharp and succinct explanation about the characters of acts defining de-internationalization.

2. De-internationalization

In an opaque field, firms, when exposed to threats, evoke some form of specific acts, which includes de-internationalization.

When a firm's intended position is to internationalize but they instead decide to de-internationalize, then it is said that decoupling occurs. This is because *decoupling* is the act of creating and maintaining gaps

between firm policy and practice in international business (Lim & Mandrinos, 2020; Meyer & Rowan, 1977). However, de-internationalization manifested through decoupling may simply imply a decrease in international business activity, and not the elimination of it. This is because internationalization is recognized as a *means* to the *ends* for the firm, which is to maintain a presence in international markets. In this regard, it is proposed that:

Proposition 1. Firms de-internationalize by reducing international business activity when means-ends decoupling occur.

When a firm's intended position is to de-internationalize and they follow up by de-internationalizing, then it is said that psychic distance manifests. This is because *psychic distance* is the act shaped by the perception of differences between two points, namely the *needs* and the *ends* (Evans et al., 2000; Sousa & Bradley, 2006; Sousa & Tan, 2015). That is to say, when the ends do not meet the needs, firms do not see the point of engaging in international business activity and thus withdraw from international business activity and exit international market(s). In this regard, it is proposed that:

Proposition 2. Firms de-internationalize by withdrawing international business activity when needs-ends psychic distance occur.

3. Conclusion

In conclusion, this paper makes clear that de-internationalization can be explained by the concepts of means-ends decoupling and needs-ends psychic distance. Two propositions are proposed based on this explanation, which can be validated in future research through various methods (e.g., case studies). This should help to overcome the main limitation of this paper, which is its sole focus on conceptual insights. Nonetheless, the sharp and succinct explanation about de-internationalization herein should be useful to gain a fresh way of approaching this novel international business phenomena. Further elaboration on the insights herein—be it conceptually or empirically—is encouraged.

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Paper Number: MS0036

**The Labor Survey of the Aboriginal Ethics in Taiwan:
Investigation of the Rising Unemployment Issue**

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The Labor Survey of the Aboriginal Ethics in Taiwan: Investigation of the Rising Unemployment Issue

1 Research goals

Taiwan's aborigines are a relatively diversified group in Asian area. Because many of Taiwan aborigines are grass-roots laborers for various sources of domestic production manpower, Taiwan industries are either forced to close or move factories to China and Southeast Asia amid the industrial downturn. After hiring a large number of foreign migrant workers, many job opportunities disappeared for the aboriginal people in the metropolitan area in Taiwan, making the aboriginal people the biggest victims of the transformation of Taiwan economic system.

When Taiwan industrial structure changes toward the high-tech and knowledge-based economic systems, the aborigines with low education levels are constrained to highly substitutable labor work due to insufficient academic qualifications and poor communication skills as well as skills expected by the industrial/commercial society. Taiwan manpower resources have been replaced by foreigners; therefore, Taiwan aborigines have a significant gap in their occupational status and income compared with the general population in Taiwan.

Keywords: aborigines, work, ethnic

2 Research design

Since 2000 to date, the social and economic status of aborigines in Taiwan, in terms of education and employment, has improved in the past 20 years, there is still a huge gap compared with the overall Taiwanese society. Taiwan mainstream industries are more and more trending to high-end service industries such as high-tech and knowledge-based economy, resulting in two streams of "high-tech" and "low-tech" work. The aborigines with skills can obtain full-time and high paying jobs, while the rest are facing losing work opportunities or being replaced. Taiwan is experiencing "atypical work patterns", even if you have multiple jobs, it still is difficult to support the family. The Taiwan aborigines Committee released the annual report of "Aboriginal Employment Survey in 2015", which showed that in 2016 the labor force of Taiwan aborigines was 258,112, and the participation rate was

60.87%, which was 1.52% higher than the 2015 average, 59.35% of the population; the aboriginal unemployment rate was 3.95%, a decrease of 0.18 % from the 2015 average of 4.13%. The aborigines reside in Taiwan urban area are even more likely to not continue working for lifelong if they encounter occupational injuries, because their jobs are physically exhausting and of high risk, which might put him and their families into unemployment and poverty. Taiwan mainstream society still has ethnic prejudices, stereotypes, or discrimination against the aborigines. Despite the Employment Service Law expressly prohibits discrimination, there are still many biased employers believe that the Taiwan aborigines might be "lazy" or "not punctual", choosing not to hire them so as to avoid future troubles. Observation in the past five years shows that such workplace discrimination has declined from 6.76% in December 2012 to 2.56% in December 2013, but again in December 2016, it rose to 5.10%, and then trending upward gradually (資料來源:行政院原住民委員會統計資料).

2.1 Questionnaire

According to the survey results of the Taiwan Aborigines Committee, from the perspective of Taiwan three major industries in 2016, the employment of aborigines was the highest in the service industry, accounting for 52.68%; followed by industrial industry, accounting for 36.63%; as to agriculture, forestry, fishery and animal husbandry, accounting for 10.69%. Comparing Taiwan aborigines with the entire population in industries, it can be found that the percentage (18.40%) of aborigines engaged in "construction industry" is 10.41% higher than that of the entire population, and the percentage (10.69%) of aborigines engaged in agriculture, forestry, fishery and animal husbandry is 5.74% higher than that of the entire population (資料來源:行政院原住民委員會統計資料).

2.1.1 Sample

According to the population data from the Aborigines' Household Registration provided by the Taiwan Aboriginal Association, at the end of September 2020, the aborigines households in Taiwan (at least one person over 15 years old in the household and with an aboriginal identity) are 241,721 households, of which the aboriginal population over 15 years old totals 462,452. According to survey

estimates, in September 2020, there were 274,464 aboriginal laborers, and the labor force participation rate was 62.22%; the number of employed was 263,631, while the unemployed was 10,833, that made the unemployment rate of 3.95% (資料來源:行政院原住民委員會統計資料).

2.1.2 Aboriginal labor status

(1) Up to September 2020 residing in non-aboriginal areas, the rate of Taiwan aborigines over 15 was the largest (45.70%), of which the Amis group was maximum in number (38.34%). Age distribution of the aborigines in Taiwan: 25 to 44 years old accounted for 38.60%, 45 to 64 years old accounted for 30.74%, 15 to 24 years old accounted for 20.09%, 65 years old and above only accounted for 10.56%. As to the education levels, vocational/ high school had the highest rate (37.24%), followed by university and above, then junior middle school, elementary school and below, accounting for 22.22%, 18.80% and 14.26% respectively. Comparing the labor force participation rate of the aborigines with that of the entire population, the labor force participation rate (62.22%) of the aborigines in September 2020 was higher than that of the entire population (59.12%) (資料來源:行政院原住民委員會統計資料).

2.1.3 Aboriginal employment status

(1) In September 2020, the aborigines working in manufacturing industry had the highest rate (15.49%), followed by construction engineering industry (14.99%) and accommodation and catering industry (10.47%). In terms of occupations, service and sales staff had the highest rate (22.85%), followed by skills-related staff (17.67%), basic-level technicians/laborers (16.35%) and mechanical equipment operation/assembly personnel (13.26%).

(2) In September 2020, 76.04% of the aboriginal employment status were private employees (71.26% were employed by companies/enterprises, 4.78% by non-profit organizations), and 10.29% were employed by the government. Among those employed by the government, 37.12% had formal civil service appointment qualifications, and 62.88% didn't have.

(3) In September 2020, the average monthly income of aboriginal employees from their main jobs was 30,270 NT. The average working hours per week of the aboriginal employees is 41.98 hours,

and working 35~44 hours per week was the highest, accounting for 60.48%. The ratio of the work location was highest in Taoyuan City (14.10%), followed by Hualien County (12.02%), New Taipei City (11.89%), and Taitung County (11.07%).

In September 2020, 2.68% of the aborigines employed were engaged in temporary work provided by the government, and 1.62% temporarily worked for more than 12 months; they believed that engaging in temporary government work is helpful to household (including very helpful/helpful) is 94.32%, and the ratio of those who think it is helpful for the future jobs (including very helpful/helpful) is 87.89% (資料來源:行政院原住民委員會統計資料).

2.1.4 The aboriginal unemployment status

- (1) In September 2020 (September 13~19), there were 274,464 aboriginal laborers, of which 10,833 were unemployed, and the unemployment rate was 3.95%.
- (2) The survey in September 2020 shows that the average number of unemployed weeks for unemployed aborigines is 21.33 weeks per year.
- (3) In September 2020, the highest rate (47.95%) of the job search channels for the unemployed aborigines went to "applying to Private Manpower Banks (including Internet)", followed by 46.40% of "recommended by relatives, friends and teachers", and 46.40% of "applying to public employment service agencies (including internet)", meanwhile the rates of "reading newspaper", "self-recommendation and inquiry" were 10.42%, 9.52% and 6.65% respectively.
- (4) In September 2020, 35.76% of unemployed aborigines had obtained job opportunities when searching jobs. The type of job opportunities was mainly full-time work (58.72%), followed by part-time work (34.90%); The main reason for not going to work was "not meeting expectations" (37.48%), followed by "bad working environment" (23.70%), "unsuitable working hours" (17.71%), and "too far away from home" (16.21%).
- (5) In September 2020, 64.24% of the unemployed aborigines did not get a job opportunity when looking for a job. Further analysis of the difficulties to find a job is "insufficient information on

employment" (34.39%), followed by "their own incompatibility" (23.34%), and "there is no job opportunity around" (14.89%).

(6) In September 2020, 27.93% of the aboriginal unemployed were first-time job seekers, and 72.07% were not. Among the non-first-time job seekers, 52.68% of them voluntarily left their last job, and 47.32% were involuntary. Among the non-first-time job seekers, the main reason for leaving their last job is "business tightening or closing in the workplace" (21.62%), followed by "dismissed due to their own work problems" (17.66%) and "seasonal or temporary work ends" (16.91%).

(7) In September 2020, the job content that the unemployed aborigines desire to do is "administrative business" (19.54%), followed by "information software" (15.79%), "computer hardware" (12.55%) and "communication media" (12.09%).

(8) In September 2020, the main financial source for the general unemployed aborigines during the unemployment period was "savings" (53.79%), followed by "family assistance" (44.37%), then "assistance of relatives/ friends" (6.14%) (資料來源:行政院原住民委員會統計資料).

4. Conclusion

The rising unemployment rate of Taiwan aborigines has been investigated and taken seriously by the Supervisory Institute. Since 2015, the Taiwan Aborigines Committee has been investigated and corrected. After the project research and investigation have continued to track for 5 years, the unemployment rate of Taiwan aborigines has decreased from 8.69% in 2015 to 4.05% at the end of 2020. In addition to the decrease in Taiwan national unemployment rate during the period (the national unemployment rate was 6.04% in September 2015 and 3.79% in December 2020), it was in line with Taiwan national unemployment rate. The gap has also narrowed, which is helpful to safeguard the right to subsistence of aborigines and boost their life quality.

The Taiwan Supervisory Office stated that after the proposal was corrected, the Taiwan Aborigines Association will promote the "Aborigines Vocational Training Application Program" in order to avoid overlapping resources and separate it from the vocational training program of the Taiwan Ministry of

Labor. It trained 760 people in 2000, 917 in 2012 and 923 in 2013. The employment rate after training increased from 55.7% in 2016 to 74% in 2013; Taiwan's Ministry of Labor cooperated with the Aborigines Association to boost the "Promotion of Aborigines Employment Program". 2,051 people were trained, and 2,288 people were trained in 2002, which will enable more aborigines to have employment expertise. Following the care, the Taiwan Aborigines Committee strives to assist villagers living in the city.

5. Discussion: Multiple Factors of Unemployment of Taiwan Aborigines

5.1 The Taiwan aborigines staying at their hometowns have lived in poverty and hardship. Most of their hometowns are remote. The aborigines living in the mountains grow crops for their livelihoods, while the aborigines living along the east coast are engaged in fishing or farming mainly. Usually, there are limited job opportunities, along with less and less profitable traditional economic activities, not only lack of promising in development, but also unviable. Many young people are unwilling to work at hometowns and move to cities one after another. How can aborigines increase their income sources? Aborigines currently have only a few old people and long-abandoned land left in their hometowns. How can the government assist to increase work opportunities in their hometowns and attract young people to return to farming or sightseeing business?

The tourism authorities have analyzed that the land that the aborigines of Taiwan can inherit in their hometowns is not much and barren, and it is difficult for them to survive. Therefore, most of the young people of Taiwan aborigines seek employment opportunities abroad. At present, even if some people in the original tribes are willing to cultivate, most of them are elderly people who do some activities on their muscles, or the women who stay in the village grow some supplementary grains in their spare time. Can they participate in sightseeing activities with the theme of tribes as the main business? Can be developed.

5.2 Most of aborigines move to cities to seek jobs for making a living, in a bid to eliminate job seeking difficulties and living problems of their native tribes. The aborigines believe that urban areas have more opportunities and better living standards. In addition, the poor living environment of the

indigenous hometowns has made many financially disadvantaged families unable to provide their children better educational opportunities. Therefore, many high school graduate aborigines and those who have not yet graduated from high school start leaving home to make a living in the cities.

Taiwan aborigines undoubtedly desire to quit their bad habits at hometowns and revive their fighting spirit. Although the government has been advocating the development of indigenous industries in recent years, the development of most indigenous tribes is still extremely limited, and job opportunities are still very slim. The disadvantaged aborigines who continue to stay at hometowns have almost nothing to do all day long, and can only immerse themselves in the cycle of drinking, gambling, and idling, thus gradually losing their morale and motivation to work (Xu Peiru, 2009). Additionally, the aborigines choosing to come to city and staying away from the bad habits at hometowns represent hope and regain the strength of striving in the city (資料來源:弘光學報 59 期).

To help Taiwan aborigines emerge from poverty, some manufacturers have proposed a project called “Dawn Project” as Corporate Social Responsibility (CSR). The leader of the “Dawn Project” team, Chen Yazhen said that “Guangyuan” is the first company in Taiwan in name of CSR. Ten percent of the profit will be used to promote the educational/ industrial development of the indigenous tribes. Friends who support the concept are also welcome to participate in the investment. Only NT\$2,000 per season, one can adopt ten square meters of land. Every two weeks, “Guangyuan” will deliver three kilograms of fresh vegetables to one’s home from the producing places (the delivery cost is extra). She emphasized that if the tribe has a good production base, it will be able to attract more people to return home to work in the tribe. This will promote the sustainable development of the tribes. The cost of adoption will support the aborigines in local employment. The adopters will not only get fresh organic vegetables, can also visit the adopted land, and be welcome to go up the mountain to be a farmer. This is the best result since our research, and we hope that “Dawn Project” can expand to every community of the aboriginal tribes in Taiwan.

Paper Number: MS0037

**A Conceptualization of the Choice of a CEO in
Thai Family Firms**

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A Conceptualization of the Choice of a CEO in Thai Family Firms¹

Extended Abstract

The choice of a CEO is crucial for firm survivorship and growth. This research attempts to conceptualize what kinds of family firms probably have a family CEO or a non-family CEO in the context of Thailand, and how such CEOs influence firm performance when family firms require high managerial ability, have large control-ownership divergence and have high expected agency costs of minority shareholders. Further, the study provides proposed methods of empirically validating the proposed conceptual framework. The results of this study benefit the planning of CEO succession in family firms. This topic has received little attention in the past.

Keywords: Family firms, CEOs, performance, managerial skills, firm characteristics

1. Introduction

Family firms are prevalent and play an essential role in social and economic activities (Claessens et al., 2000; La Porta et al., 1999). However, finance research on the sources of heterogeneity in family firms has not been extensively examined. The particular concern of firms owned by families is that controlling families may pursue their private benefits and expropriate other minority shareholders. One corporate decision that may bring the conflict of interest between families and other shareholders is whether a CEO is a family member or a non-family manager (Dyer, 2018). Prior research has documented that family firms tend to have a low survival rate (Morris et al. 1997). The low rate is not associated with cultural context but may involve a CEO with different background (family members or professionals) (Lank et al., 1994; Morris et al., 1997). Furthermore, most family business research has focused on CEO succession transition or highlighted the determinants of CEO compensation (Ansari et al., 2014; Fredrickson et al., 1988). However, relatively little research investigates whether a CEO's efforts to enhance firm performance and the governance role played by controlling families, particularly in emerging markets characterized by weak investor protection and institutional environment. Therefore,

¹ This research is funded by Sukhothai Thammathirat Open University. All remaining errors are my sole responsibility.

this study goes one step further to empirically examine what kinds of family firms are more likely to have a family CEO or a non-family CEO (coming from non-family employees currently working in family firms or outside professional managers). This research also investigates how such CEOs influence firm performance when family firms require high managerial ability, have large control-ownership divergence, and have high expected agency costs of minority shareholders. Based on the above discussion and review, I propose a conceptual framework to guide this research.

2. Theoretical Framework

From a governance perspective, agency theory suggests that the separation of ownership and control can lead to the conflict of interest between managers and shareholders, and managerial incentives to pursue private benefits might fail to maximize firm value (Jensen and Meckling, 1976). In the context of family firms, Villalonga and Amit (2006) show that compared to other types of shareholders, families who are the controlling shareholders have strong incentives to monitor managers leading to another conflict of interest between controlling families and minority shareholders. Theoretically, a family CEO may be concerned about long-term survivorship, maintaining reputation, and passing on wealth to descendants (Anderson and Reeb, 2003). Due to the alignment of their interests with other shareholders, the family CEO can reduce monitoring costs and increase firm performance (Anderson and Reeb, 2003; Villalonga and Amit, 2006). However, instead of economic goals, the family CEO also has other non-economic goals. Hence, it is possible that the family CEO pursues personal benefits and uses his or her power to expropriate minority shareholders (Johnson et al., 2000). These expropriation incentives may reduce the performance of family firms (Claessens et al., 2002). Therefore, controlling families are more likely to keep management within the family firms as long as the benefits of a family CEO exceed the costs (Lin and Hu, 2007). Alternatively, appointing a non-family CEO from non-family employees currently working in family firms or outside professional managers can be considered for the CEO position. Since a non-family CEO comes from competitive labor markets, they may make better corporate decisions (Bennedsen et al., 2007). However, the main cost of appointing the non-family CEO is the discrepancy in management between controlling families and the non-family CEO (Burkart et al., 2003).

As a result, this might raise the conflict of interest between controlling families and managers. Interestingly, compared to the outside professional managers, the non-family employees currently working in the family firms seem to understand the norms and values of business operations, so the non-family employees may act in ways that will meet the controlling families' expectations (Dyer, 1989). In Thailand, family firms are prevalent and have historically played an essential role in the country's economic growth (Wiwattanakantang, 2001). Thai family firms have been established for decades, and they are concerned about their survivorship (Charumilind et al., 2006; Swanpitak et al., 2020b). Most of these family firms use control-ownership divergence between control rights and cash flow rights via family business groups (Claessens et al., 2002). Family members are also involved in managing the business, and it is difficult for the board of directors to be independent (Bunkanwanicha et al., 2013; Swanpitak et al., 2020a).

Typically, controlling families will choose a CEO who can maximize families' economic goals and non-economic goals (Burkart et al., 2003). Thus, a family CEO seems to be the first choice for family firms because controlling families can keep their power and control via family management. However, the main cost of limiting the CEO position to family members is the lack of management talent within the family firms (Dyer, 1989). Lin and Hu (2007) show that the ability of family management on average is more likely to be lower than that of professional management. Significantly, appointing an outside professional CEO from professional labor markets can contribute more to firm performance than other CEO types emerging from the pool of family members or of non-family employees within family firms (Lin and Hu, 2007). Also, when family firms require high managerial ability, the discrepancy in management between controlling families and the non-family CEO is more likely to be reduced (Shleifer and Vishny, 1986). Thus, the ability of a CEO plays a vital role in firm performance, particularly when firms' operations require specific or high managerial skills (Burkart et al., 2003). Based on the discussion and review, the following proposition is advanced:

Proposition 1. When family firms require high managerial ability, the firms having a professional CEO will outperform those having other CEO types.

The governance role played by controlling families is essential and can influence the relationship between the CEO and firm performance. Controlling families can use their power via control-ownership

divergence between control rights and cash flow rights (Claessens et al., 2002; Connelly et al., 2012). In this regard, larger control-ownership divergence reflects stronger control by controlling families affecting a CEO's efforts to increase firm performance (Connelly et al., 2012). Since the CEO position is ultimately accountable for a company's business decisions, using a family member as a CEO can facilitate the controlling families (Anderson and Reeb, 2003). In addition, Dyer (1989) indicates that a non-family CEO may not understand human issues in family firms and is more likely to focus more on financial performance in the short-run relative to a family CEO. In Thailand, as family firms have long-established, controlling families are concerned about their reputation (Swanpitak et al., 2020b). Taken together, large control-ownership divergence reflecting substantial control by the families may mitigate an entrenchment cost and moderate the impact of a family CEO on firm performance (Connelly et al., 2012; Swanpitak et al., 2020b). Based on the discussion and review, the following proposition is advanced:

Proposition 2. When family firms have larger control-ownership divergence, the firms having a family CEO will outperform those having other CEO types.

Firm value can be determined by minority shareholders who would expect more risk of expropriation by controlling families (La Porta et al., 2000b). The expected agency costs of minority shareholders result from the inefficient use of firms' resources by controlling families (Jensen and Meckling, 1976; Villalonga and Amit, 2006). This issue is more pronounced in emerging markets like Thailand (La Porta et al., 2000a). Whether a CEO comes from family members, non-family employees currently working in family firms, or outside professional managers, the CEO can extract firms' resources for personal benefits, leading to increasing or decreasing in firm performance (Lin and Hu, 2007). Since family firms are concerned about their reputations and long-term survivorship, a family CEO who understands family norms and values is more likely to increase firm performance than other CEO types. Also, since family members often hold more ownership stakes than non-family employees or professional managers, a family CEO has more incentives to increase firm value (Lin and Hu, 2007). Therefore, higher expected agency costs of minority shareholders in family firms are more likely to urge the family CEO to perform better (La Porta et al., 2000a). Based on the discussion and review, the following proposition is advanced:

Proposition 3. When family firms have high expected agency costs of minority shareholders, the firms having a family CEO outperform those having other CEO types.

3. Research Method

This research aims to test the relationships between the choice of a CEO and firm performance, so a quantitative methodology is the most appropriate manner. Data of the publicly listed companies will be collected from the Stock Exchange of Thailand (SET) between 2009-2020. The sample excludes companies with irregular financial reporting and firms in the finance industry as they have different accounting standards and leverage arrangements. It is important to obtain accurate information on family ownership structure and the CEO position at the helm of the family firms. Thus, the data such as control rights, cash flow rights, and the CEO's background are manually collected for each firm in this study from SET Market Analysis and Reporting Tool (SETSMARTS) provided by the SET. For a given company in its annual report, the ownership data include shareholders with at least 0.5% stakes. Finally, the ownership and management data are matched with the firm market and accounting data obtained from the Bloomberg database.

The data analysis for testing descriptive statistics such as percentage, mean and standard deviation is adopted. To empirically examine the relationship between the choice of a CEO and firm performance, a difference-in-difference (DID) framework and control for firm fixed effects are estimated. To evaluate the reliability and internal consistency of the proposed relationship, the factor loading of each item should be greater than the benchmark level of 0.50. Also, the results are robust to potential endogeneity issues, matched samples, and alternative proxies for firm market and accounting performance, family ownership and control variables.

4. Managerial Contribution

Notably, there are some important implications for market participants in these kinds of developing economies like Thailand. First, regulators need to develop legal systems and regulations that can remove the agency problem and enhance the quality of governance. Such policy aims to protect the rights of shareholders, greater disclosure and transparency, and the roles of stakeholders. Second, the choice of a CEO can affect corporate strategies and performance, particularly when family firms require high managerial ability and receive the influence of controlling families. This choice needs to be recognized by

both investors and policy-makers regarding firms' ability to survive since a family or non-family CEO can play a critical role in enhancing firm performance. Furthermore, leadership succession planning matters for firm survivorship (Blumentritt et al., 2013; Smith and Amoako-Adu, 1999). CEO transition from the founder to new leaders is not easy. The new leaders should be capable of running a family business after the founder is gone (Amore et al., 2011).

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Paper Number: MS0038

**When does R&D Internationalization Enhance the Innovation
Outcome of Emerging Multinationals?
Evidence of Chinese Firms**

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When does R&D Internationalization Enhance the Innovation Outcome of Emerging Multinationals? Evidence of Chinese Firms

Extended Abstract

Despite the extensive research on emerging market multinational enterprises (EMNEs)' internationalization and catch-up strategies, the topic of how EMNEs vary in enhancing their innovativeness through different R&D internationalization pathways remains under-studied. Based on knowledge-based view and organizational learning theory, this paper investigates how EMNEs build their own innovative capabilities by strategically investing in knowledge sourcing activities on a global scale. Using panel data of Chinese EMNEs' overseas R&D affiliates, this study reveals that exploiting a proper level of diverse knowledge search and cooperation with foreign firms can positively affect the results of EMNEs' technological capabilities building.

Keywords: Emerging Market Multinational Enterprises (EMNEs); Knowledge Sourcing; Innovation; R&D Internationalization; Organizational Learning Theory

1. Introduction

Innovation is critical to building competitive advantages in global markets (Bartlett & Ghoshal, 1989). In recent decades, a continuously increasing number of emerging market multinational enterprises (EMNEs) have expanded their knowledge-sourcing activities beyond borders (Qiao, Lv, & Zeng, 2021). Despite the wealth of literature that has focused on the motivations and uniqueness of EMNEs, past studies have yet provided sufficient understanding towards what results in the difference in innovative performance among EMNEs which internationalized their R&D activities (Elia, Kafourous, & Buckley, 2020). Given the gradual turning of EMNEs from being market followers to market

leaders (Kotabe & Kothari, 2016), latest research has started to focus on the divergence of internationalization patterns among EMNEs (Wang & Li-Ying, 2014; Elia et al., 2020). Some argue that each EMNE has different strategic patterns of internationalization (Kedia, Gaffney, & Clampit, 2012). In line with this view, the current research attempts to further understand the latecomer firms' different knowledge sourcing pathways from each other and their impact on innovative capacity building. Specifically, we focused on two aspects of EMNEs' internationalizing strategies: how diversely they search external knowledge and to what extent they involve foreign firms in the process of knowledge acquisition.

2. Literature and Framework

2.1 Geographical Diversity in Knowledge Search

Based on organizational learning theory, a broad search of diverse knowledge is essential for creating new knowledge (Laursen, 2012). Innovation usually sprouts from various knowledge sources (Grillitsch, Tödtling, & Höglinger, 2015). Geographic diversification enables MNEs to tap into the specialized technology market and location-specific knowledge (Sambharya & Lee, 2014).

Nevertheless, as geographic locations become more diverse, knowledge search and integration can be more complex and costly (Hsu, Lien, & Chen, 2015). Hence, we contend that diverse search of knowledge can enhance knowledge sourcing outcome. Still, the marginal positive effect of broad searches on innovation outcomes will decrease as the level of diversity continues to grow.

Hypothesis 1. A moderate level of geographic diversity in global knowledge search enhances EMNEs' innovativeness more than lower or higher levels of diversity.

2.2 Foreign Unit Involvement in Knowledge Acquisition

The establishment mode that an EMNE chooses when entering foreign markets can affect the firm's ability to access and assimilate overseas knowledge (Elia et al., 2020). Many EMNEs leapfrog to advanced technologies by linking with foreign units (Mathews, 2006). By involving foreign units' cooperation in the form of joint ventures (JVs) and acquisition, EMNEs can quickly access existing overseas knowledge, especially when they intend to obtain the technological and managerial know-

how deeply embedded in the foreign organizations (Kedia et al., 2012). However, high degrees of unfamiliar units' involvement can also create obstacles for knowledge transfer and integration due to issues such as cultural distance and lack of trust (Bresman et al., 1999). Therefore, we posit that involving foreign units through acquisitions and joint ventures can facilitate EMNEs' knowledge acquisition. In contrast, an excessive level of foreign units' involvement can impede knowledge assimilation and result in more costs and challenges when integrating two different bodies of knowledge.

Hypothesis 2. When sourcing overseas knowledge through entry modes that involve foreign units (i.e., JVs and acquisition), EMNEs enhance their innovativeness more than they do with lower or higher levels of foreign units' involvement.

2.3 Learning from Prior International Experience

Not all the knowledge flows can be equally absorbed and integrated to develop new knowledge. A firm's extant knowledge pool affects its capability to identify and utilize new knowledge (Cohen & Levinthal, 1990). The increase of absorptive capacity can be affected by a firm's prior experience, which includes knowledge of the unique features of one specific market and how to internationalize and collaborate with foreign firms (Eriksson & Chetty, 2003). Related experience enables firms to identify valuable knowledge and integrate it with existent knowledge (Nonaka, 1994). Besides, international experience increases a firm's comprehensive capabilities in knowledge transfer and help the firm overcome its liability of foreignness (Hsu et al., 2015).

Hypothesis 3a. The benefits of diverse searching on innovation outcome are greater for EMNEs with more international experience.

Hypothesis 3b. The benefits of foreign units' involvement on innovation outcome are greater for EMNEs with more international experience.

3. Method and Results

3.1 Sample and Measurement

We tested the hypotheses using the panel data on Chinese MNEs' affiliates that have performed R&D

functions abroad. Negative binomial estimation was used since the dependent variable was measured by non-negative count numbers (i.e., number of patent applications). The sample size contains 1,028 unique Chinese listed firms, which have conducted OFDI during the period of 2008-2017. Recently, many Chinese MNEs have quickly transformed from "followers" to "rapid-followers" and even "leaders" by leveraging their R&D internationalization strategies (Di Minin et al., 2012: 191). This makes China a suitable setting to examine EMNEs' R&D internationalization pathways.

3.2 Results

Table 1 summarizes the main results of the regressions. The results in Model 1 and Model 2 support Hypothesis 1 and Hypothesis 2, respectively. The main-effect relationships are illustrated in Figure 2-1 and Figure 2-2. Model 3 and Model 4 present the results for Hypothesis 3a and 3b. In Figure 2-3, the upward shape is steepened as the firm has more international experience and, although a high level of diversity cannot avoid bringing negative effect on innovation, experienced firms remain relatively higher innovative performance than less experienced firms. This is consistent with Hypothesis 3a. In Figure 2-4, experience steepens the positive effect of foreign units' involvement. However, as foreign units' involvement reaches a certain high level, firms with less international experience outperform more experienced firms. A possible reason could be firms with more international experience are those who undertook OFDI in the early years. These firms are aged so they are path-dependent and locked-in (Winter & Nelson, 1982). Thus, Hypothesis 3b is partially supported.

4. Discussion

Draw on organizational learning theory, this study shows that EMNEs can enhance their innovation outcomes by (1) accessing overseas knowledge in diverse locations and (2) market entry patterns that involve foreign firms. Moreover, optimal points can be achieved by appropriate degrees of extensive search and cooperation with foreign firms. Overall, this study contributes to our understanding on how EMNEs' choice of strategies for overseas knowledge sourcing can have different impact on the building of their innovative capabilities. Additionally, the benefits of overseas knowledge sourcing on enhancing innovativeness are not absolute enlarging, but contingent on the extent of geographic

diversity, entry modes, and their interaction with the firm's accumulated international experience.

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Appendix

Table 1. Key Results from Negative Binomial Regressions

Variables	Main effects		Interaction effects	
	Model 1	Model 2	Model 3	Model 4
<i>DV: Number of patent applications</i>				
Control variables (omitted)				
Main Effects				
Diversity of knowledge search	0.036***		0.027***	
Diversity of knowledge search_squared	-0.031***		-0.019***	
Foreign units' involvement		0.023***		0.016**
Foreign units' involvement_squared		-0.028***		-0.014*
Interaction Effects				
International experience			0.000+	0.000
Diversity*Experience			0.002***	
Diversity_squared*Experience			-0.003**	
Involvement*Experience				0.002**
Involvement_squared*Experience				-0.004**

Robust standard errors in parentheses

*** p<0.001, ** p<0.01, * p<0.05, + p<0.1

Figure 2-1. Impact of diversity on innovation outcomes

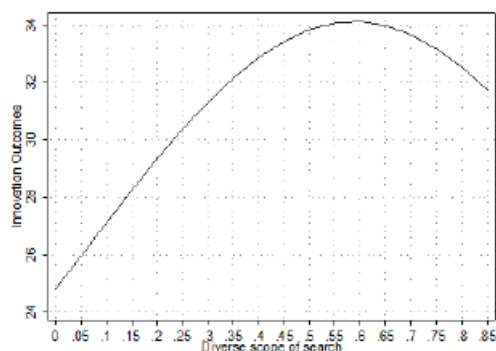


Figure 2-2. Impact of foreign units' involvement on innovation outcomes

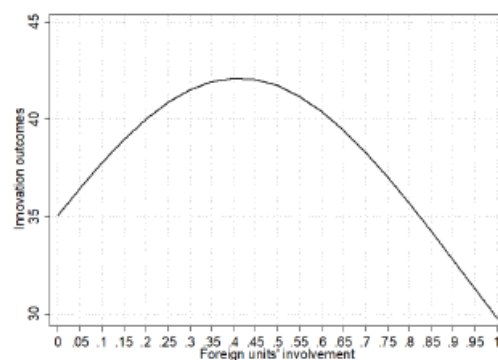


Figure 2-3. Impact of diversity on innovation outcomes for varying degrees of experience

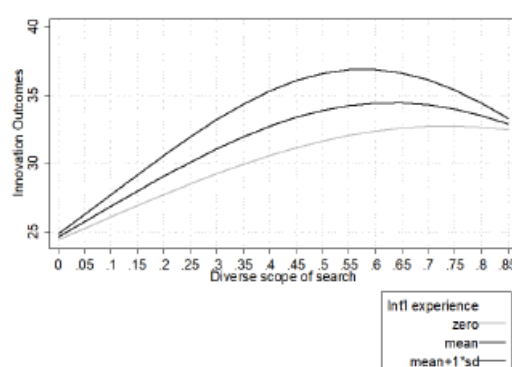
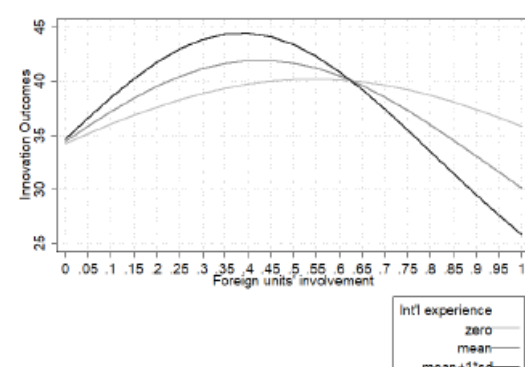


Figure 2-4. Impact of foreign units' involvement on innovation outcomes for varying degrees of experience



Paper Number: MS0039

**Estimating Human Resources from Outer Space:
A Preliminary Study of Thailand**

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Estimating Human Resources from Outer Space: A Preliminary Study of Thailand

Abstract

The purpose of this study is to estimate human resource abundance (HRA), referring to Clark's theory and VARI, an index obtained from satellite imagery. Human resource is a vital management resource, and its abundance should be estimated correctly. Using Clark's theory and the VARI, we can estimate abundance more accurately from official statistics such as labour force surveys. Our results indicate as follows: First, human resource agglomerates in Bangkok and its surroundings, suggesting Clark's theory is suitable. Second, the VARI index has a positive effect, suggesting that human resource becomes abundant with urbanization.

Keywords: Human resource abundance; Visible Atmospherically Resistant Index; Bayesian inference; Urbanization

Introduction

Purpose and background

The objective of this study is to estimate human resource abundance while referring to official statistics and satellite imagery. Human resource is a vital management resource and its abundance should be understood correctly. This abundance fluctuates over time because

of recruitment / retirement. It suggests that aggregate HR in companies is likely to compose of not only existing employees but also candidates in a labour market and potential sources, including unemployed persons and persons not in the labour force. Official labour statistics such as *Labour force survey* helps estimate the HRA to understand the abundance.

One concern of the statistics is frequency of the survey. ASEAN is a good example. The frequency of the labour force survey differs among the countries in the ASEAN. It is Monthly in Malaysia, Singapore, and Thailand; Quarterly in Vietnam and Philippines; Semi-annually in Indonesia and Myanmar; annually in Brunei and Cambodia; and estimated from other statistics in Lao. The frequency of survey appears lower in some countries. we must combine other sources to estimate the HRA with the existing statistics.

Satellite imagery helps overcome such an obstacle. Satellite imagery refers to images recorded by artificial satellites and synthesized images from color band information (Sakamoto, Shibayama, Kimura, & Takada, 2011). The imagery contains rich information such as color band, location, date, among others. Using satellite imagery, researchers in social science have estimated population and GDP and extent of urbanization (Galimberti, 2020). Using information from the imagery, not only can we understand the seasonal information but also the regional situation.

Target and methodology

Certain methods can obtain information from satellite imagery and we can calculate variety of indices from the information. Among the indices, we apply Visible Atmospherically Resistant Index (VARI), an index expressing the characteristics of imagery. The VARI has multiple advantages: obtaining imagery is convenient and it has wide applicability (Starý, Jelínek, Kurnhálková, Chyba, & Balážová, 2020). The VARI only requires RGB color band information ($VARI = \frac{Red - Green + Blue}{Red + Green + Blue}$) allowing us to calculate the index even from smartphone image. To calculate the VARI, we obtained 50 of satellite images from the Google Earth Engine (GEE), randomly per province.

A theory on urban population will also help us understand the dynamics of the labour force distribution. Despite several modifications of Clark's seminal theory (Clark, 1951), the main body of the accumulated models remains substantially the same: As the distance from a central city increases, the population in a certain region declines. Newling revised a general

model and proposed a term expressing the glamour of an area (Newling, 1969). We applied Newling's model to our data to estimate the impact of VARI, the glamour of a region, and the gravity of Bangkok, the capital city of Thailand.

We developed a model representing the mechanism of human resource abundance, VARI, and distance between Bangkok and other provinces. Here, we describe the model, $Y_i \sim \text{lognormal}(\beta_1 \text{vari}_i + \alpha \exp(\beta_3 d - \beta_2 d_p^2), \sigma^2)$, where *vari* indicates VARI; *d* indicates distance from the capital city. We estimated α , β_1 , β_2 , coefficients of our model.

Our target is Thailand. As the primary actor in the “East Asian Miracle,” the country has been a driving force of regional economic prosperity. The main source of Thailand's economic growth is FDI by manufacturers, (Asian Development Bank, 2015). Foreign companies expanded to obtain relatively cheap labour or enter promising markets.

To estimate the valuables, we employed the Bayesian regression approach. This method allows us flexibility in building our regression model setting the probability distribution by term. We the fit the model to the data using the Markov chain Monte Carlo method in Stan (Carpenter et al., 2017) of R (R Core Team, 2021). To confirm the independence of the posterior probability on initial values, we executed four independent iterations. We obtained estimates from 500 iterations, thinning at intervals of 2.

Results

Describing the situation in Thailand

We confirmed keen polarization (Figure 1). The map describes the current labour force by province. In the second quarter of 2019, there were 37,482,442.86 persons comprising the current labour force of Thailand. Of this, 5,315,678.9 (approximately 14.2%) comprising the labour force in the second quarter of 2019. Among provinces surrounding the Bangkok, such as Samut Prakan, Nonthaburi, Pathum Thani, Phra Nakhon Si Ayutthaya, and the eastern industrial area, the labour force comprised of 13,242,633 persons (approximately 35%). These facts suggest that the current labour force agglomerates Bangkok and its surroundings, Clark's theory is applicable.

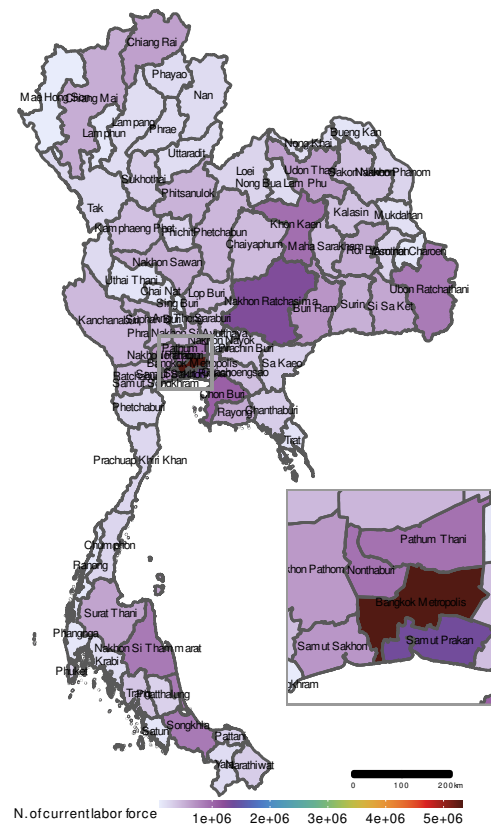


Figure 1: Map of Thailand colored with the current labour force. Source: Labour Force Survey of Thailand by NSO. We obtained map data from GADM (https://gadm.org/download_country_v3.html). For convenience, we have enlarged the Bangkok Metropolis and surrounding provinces in the bottom-right corner of the map.

Bayesian inference: Impact of VARI and distance from Bangkok

Our inference results show the positive effect of the VARI ($\beta_1 = 3.14$) toward the HRA, suggesting that HRA increases as urbanization progresses. We predicted the α , HRA in Bangkok, 15.27 ($\approx \log(4,282,297)$), indicating that our model predicts the HRA with precision. However, problems persist with the estimation of β_2 and β_3 . Based on the estimated results, 15.44 in β_2 and 16.01 in β_3 appear reasonable. Their upper 95% CIs are quite large and so are the estimated errors. Our study estimates need to modify the estimation model.

Discussion

Discussion

Our study estimates human resource abundance referring to Clark's theory and the VARI, an index obtained from satellite imagery. Using the Bayesian inference model, we computed the impact of distance from a central city, and influence of regional glamour of human resource abundance.

The results were as follows: In Thailand, human resource agglomerates in Bangkok and its surroundings. Approximately 35 % of the HR agglomerates in Bangkok, suggesting that Clark's model is applicable. Second, the gravity of the central city (Bangkok) is strong. In terms of human resource abundance, Bangkok is likely to possess a dominant position. Third, the VARI has a positive and significant effect on human resource abundance, suggesting that HRA increases when a region urbanizes. However, it does not mean that attraction of provinces other than BKK is low. The results show that β_1 , which denotes attraction, is substantially the same as β_2 . It suggests a struggle between the glamour of provinces and the gravity of BKK to obtain human resources from each other.

Conclusion

Combining the VARI index and Clark's model, we developed a more precise model to predict human resource abundance. The VARI indicates a significant impact of regional situation. A company wanting to hire employees in Thailand quickly, will find it easier to establish a base in Bangkok. This megacity has abundant human resources and the company will find sufficient human resources. However, the situation changes in the long term. The company may find it more reasonable to locate outside Bangkok. Some provinces will have human resource abundance and the company might find it suitable to continue in such places.

Acknowledgements

This work was partly supported by JSPS Grant Number 18K01799 and 21K01653.

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Paper Number: MS0040

**What Makes Diverse Teams Effective?
A Case Study of Professional Soccer**

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What Makes Diverse Teams Effective? A Case Study of Professional Soccer

Extended Abstract

In all industries, the technical term "diversity" is often the subject of controversial discussions. Studies provide conflicting results on the impact of diversity on team performance. With a specific focus on professional soccer, this paper provides a brief review of the literature and presents open research areas based on this review. Since contradictory results occur here as well, they are discussed subsequently.

Keywords: Diversity, Multinational Teams, Professional Soccer

1. Introduction

The topic of 'diversity' has become a buzzword over the last decade. More and more companies worldwide are running activities to establish a 'diversity management' although much of empirical support on assessing particular practices is conflicting (Horwitz, 2005; Pelled, Eisenhardt, & Xin, 1999; Webber & Donahue, 2001). In theory it may sound easy to place diverse individuals together into work teams and await superior performance. Often, in reality, many irreconcilable divisions among heterogeneous individuals lead to dysfunctional team interaction and, thus, poor performance and decreased morale. Besides affecting performance, diversity has also become a social issue in management (Barry & Bateman, 1996; Liff, 1997; Mazur, 2010).

To integrate diverse individuals (e.g. coming from different nationalities) into high-performing work teams seems to be a difficult task for industrial companies. By having a look into the sports sector, one could get the impression that there might exist some best practice cases to form diverse individuals into high-performing work teams. Since the 1960s, increasing numbers of football players from Eastern Europe, South America, Africa, and Asia have been migrating to the top leagues in Western Europe

(England, France, Germany, Italy, and Spain). This development has been massively fostered by the “Bosman ruling” of the European Court of Justice in December 1995 (Frick, 2009). Recently, there have been some successful teams that stood out because of their heterogeneity. France for example won the 2018 FIFA World Cup in Russia with 23 players, of whom 15 had a second citizenship and could have played for different national teams as well.

2. Theoretical foundation

As the title already mentions, this paper concentrates on diversity research in professional soccer. By reading articles from the popular press, one could get the impression that diversity is predominantly about bringing individuals from different nationalities together. In this article, the term shall also cover demographic aspects. Horwitz and Horwitz (2007) define demographic diversity as diversity of all readily detectable attributes or surface-level diversity in contrast to underlying attributes or deep-level diversity such as diversity of personal attitudes, beliefs, values or abilities. Since aspects like gender are irrelevant in the specific context of professional male association soccer, this paper defines diversity by covering aspects of demographic diversity such as diversity of age, race and ethnicity, nationality, functional diversity (e.g. player or coaching staff, offense or defense player position) and tenure.

The theoretical literature on diversity in organizations can generally be divided into a positive and a negative perspective (Williams & O'Reilly, 1998). The positive perspective mainly draws on theories of information and decision making that highlight the benefits of different information resources. Different ethnic backgrounds, for example, may provide different distributions of skills and knowledge (Lazear, 1999). The negative perspective draws on the theories of social categorization (e.g. van Lange, Kruglanski, & Higgins, 2012) or similarity attraction (Byrne, 1997). These theories suggest that diversity nurtures conflict and turnover and decreases social identification, cohesion, and performance. Given the contrasting theories, the overall effect of increasing demographic diversity is unclear (Williams & O'Reilly, 1998).

The empirical literature that addresses demographic diversity effects in different area of sports presents

inconsistent results as well as the following example shall show. Testing racial and age diversity of professional basketball and baseball teams for instance, Timmerman (2000) found evidence that both diversity dimensions decreased the teams' winning percentage in basketball and were irrelevant in baseball. He explained the contradicting results by different levels of interaction and interdependence that moderate the effect of demographic diversity.

3. Literature Review

In the following section, the author briefly presents the specific findings on the impact of diversity on team performance in soccer. The basis for the presentation of the literature review was a systematic review. The search, selection and inclusion of publications is described in detail in Geyer (2020).

Beck and Meyer (2012) have been looking for the following variables: Tenure, overall tenure, age, nationality, experience, and success. As the authors found out, the empirical results showed that team heterogeneity especially regarding the players's ages significantly decreases performance on the playground.

Nüesch (2009) has shown in his article that significant correlations between age and tenure diversity and team performance are confounded by mean values of the demographic attributes and contextual aspects. But he also mentions that by „holding these “third variables” constant, neither age, nor race, nor tenure diversity significantly affects the final outcome of a game“. This does not necessarily mean that demographic diversity is irrelevant per se. Even though other authors argue that professional sports teams provide an accurate representation of work teams in organizations, he said he „cannot deny some important differences that may limit the generalization of the results“. So he mentions some of the key differences between industrial work teams and work teams in sports, as the industrial ones spend more time on strategy formulation and innovation than their counterparts in sports.

Maderer, Holtbrügge, and Schuster (2014) present findings revealing that cultural diversity has a negative effect on team success. Thus supporting the similarity–attraction theory, in contrast to some

previous studies which showed that cultural diversity has either no impact e.g. (Brandes, Franck, & Theiler, 2009) or a positive impact (e.g. Hungenberg & Wulf, 2006) on the sporting success of football teams.

The consideration of relative team performance measures reveals that culturally heterogeneous teams are less successful than teams that consist of players with the same nationality. Additionally, the authors tested the role of team managers. This study reveals a negative effect of a coach's intercultural experience in terms of foreign assignments and the sporting success of the team (Maderer et al., 2014). The findings of Haas and Nüesch (2012) report that homogenous teams are more likely to win a game than multinational teams, controlling for unobservable team heterogeneity. The authors argue that national diversity seems to complicate team interaction and collaboration.

An interesting finding of Gelade (2018) is that diverse teams create more goals and even concede more goals. Because the effect on conceding goals is higher, he found an overall negative effect of diversity on team performance. Gerhads and Mutz (2017) found out in their study, that the winning team is highly predictable. The market value of a team is by far the most important single predictor, whereas different features of a team's composition – inequality, cultural diversity, and fluctuation – are less decisive. However, the market value of a team does not play the same role in all of the leagues. The lower the degree of financial inequality in a league, the lower the impact of the market value on teams' performance.

4. Conclusion

The results of this brief review outlined the major topics related to diversity research in association football. There are controversial findings regarding the question how a team should be composed. Further research in this area should discuss the methodological approaches of the studies to explain their different findings.

This review found a concentration of studies on the German Bundesliga and on the English Premier

League; other leagues are underrepresented. Further research could focus on the Italian Serie A, American Major League Soccer or Spanish Primera Division. Publications referring to second or third division leagues could not be identified, which could also offer an interesting direction for further empirical study. After such studies become available, a meta-analysis could be carried out to examine the overall effects of team heterogeneity and compare these to other fields of industry.

National teams and international tournaments like World Cups or Continental Cups are not currently the focus of research—even though this area could be fascinating to explore. As those tournaments are often played in a group stage phase followed by a knockout phase, e. g. some of the players' demographic attributes might be more or less important in comparison to league matches, because of different moderating factors. This area might be also of practitioners' interest.

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Paper Number: MS0041

**Institutionalized or Individualized?
A Tripartite Approach to Organizational Socialization Tactics**

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Institutionalized or Individualized? A Tripartite Approach to Organizational Socialization Tactics

Extended Abstract

One of the most studied topics in organization socialization literature is socialization tactics theory proposed by Van Maanen and Schein (1979) and expanded by Jones (1986). Recent work on socialization begins to put the spotlight on the mechanisms of newcomer's socialization experience but fails to describe the differential of socialization strategies that organizations provide to newcomers. Extending the theory, we present a new tripartite framework linking the three tactical aspects of socialization (context, content and social) as a triangulation to systemize organizational strategic socialization approaches. In doing so, this study explores socialization tactics beyond the singular continuum conceptual idea and illustrates the differences in socialization approaches based on organizational practices. This study provides new insights into the socialization literature and suggests directions for future in-depth investigations.

Keyword: organizational socialization, socialization tactics, tripartite socialization, newcomers

1. Introduction

Organizational socialization describes how newcomers adjust to their new working environment and gain the necessary knowledge, skills, and attitudes to fulfil their new roles. Effective newcomer socialization is associated with positive outcomes including performance, engagement, and retention (Van Maanen & Schein, 1979). Given the high mobility of today's workforce (Chong, Beenen, Gagne

& Dunlop, 2021), high attention is paid to socialization practices to facilitate new employees' learning processes. Training, mentoring, and supporting are the examples of ways to socialize newcomers in the early stages of socialization process (Ellis, Nifadkar, Bauer & Erdogan, 2017).

Literatures has identified different types of socialization tactics (Jones, 1986; Van Maanen & Schein, 1979) that differentiate organizational interventions to newcomers. In the past 40 years, empirical studies have mainly studied socialization tactics theory by examining the antecedents or outcomes of the socialization process. However, most studies have adopted socialization tactics as one bipolar conceptual factor that only a few studies attempted to go beyond this basic approach (Ashforth & Saks, 1996; Bauer & Green, 1998; Chu & Chu, 2011; Kim, Cable & Kim, 2005). This is problematic because measuring socialization tactics as one singular factor hypothesizes that only two extreme socialization experience can be provided. However, how organization manage newcomers' socialization experience send the signals about the culture of organization (Jones, 1986), and organizational culture can be distinct. Furthermore, the assumption that organization has the control of socialization process at the early stage has been challenged since newcomers' proactive behavior is proved to play a critical role during the process (Black & Ashford, 1995; Kim et al., 2015). Instead of finding who take the lead in the process (institutionalized or individualized), we should be asking how structure the socialization tactics organization can provide, and which aspect is their focus point. Hence, focusing on the socialization tactics framework, there is limited theoretical advancement in our understanding of socialization tactics and many questions are left unanswered.

There is evidence to suggest that socialization experiences should be designed based on the need of the uniqueness of individual, role and organizational culture (Gruman & Saks, 2011), indicating that a single bipolar factor with a 'one-fit-for-all' approach is not feasible. Therefore, the present study seeks to address this limitation by expanding the context of the framework. We aim to provide a theoretical conceptual framework for future research for a detailed and better understanding of organizational socialization.

2. Socialization tactics

2.1. Classification and definition of organizational socialization tactics

2.1.1. *Organizational socialization tactics framework – six dimensions*

Socialization tactics are organizational approaches to provide information to newcomers. Prior studies use uncertainty reduction theory and sense-making theory to explain the need for socialization and its effects on employee outcomes (Kim & Moon, 2021; Saks & Ashforth, 1997a, 1997b). Van Maanen and Schein (1979) developed the most popular socialization framework identifying six tactical dimensions existing on a bipolar continuum concept. Collective (versus individual) tactics are organizational practices to provide a set of common experiences to a group of newcomers, whereas individual tactics refer to singularly treating individual newcomers with unique experiences. Formal (versus informal) tactics pertain to training programs through which newcomers learn the roles and responsibilities before starting their work, while informal tactics allow newcomers to integrate into team settings and learn from their errors and mistakes with existing employees. Sequential (versus random) tactics involve a sequence of learning processes with clear milestones, compared to random tactics of which the learning process is more ambiguous. Under a fixed (versus variable) tactic approach, detailed information of each stage of the socialization process is given, whereas newcomers have no specific timetable under the variable tactic approach. Serial (versus disjunctive) tactics allow newcomers to socialize with experienced employees who serve as role models or mentors, whereas disjunctive tactics lack insiders to aid newcomers. Finally, investiture (versus divestiture) tactics are associated with the support from surroundings reinforcing newcomers' beliefs of their prior role, whereas divestiture tactics may lead to the discomfort of newcomers' own identity through negative social experiences. Each socialization tactic aims to familiarize the newcomer through different processes; for example, although divestiture tactics may not help newcomers adapt through mentoring, several studies found that without the definition of a role as provided by others, newcomers may question the current situation and create innovative ideas about their new role (Black & Ashford, 1995; Cooper-Thomas & Anderson, 2002; Filstad, 2011). In other words, divestiture tactics may not make newcomers to fit the role but, conversely, make the role to suit the newcomer.

2.1.2. Bipolar organizational socialization tactics framework

Jones (1986) extended the socialization tactics framework by categorizing the bipolar continuum concept as institutionalized and individualized. The major function of the institutionalized tactics (collective, formal, sequential, fixed, serial, and investiture) is to maintain the organization's status quo with formalized and systematic practices (Saks, Uggerslev & Fassina, 2007). On the contrary, individualized tactics (individual, informal, random, variable, disjunctive, and divestiture) which represents the personalized socialization experiences encourages newcomers to develop their own approach to their role. Two meta-analyses found that institutionalized tactics are positively related to self-efficacy, job satisfaction, organizational commitment, and job performance, and negatively related to turnover intention and role conflict (Bauer, Bodner, Erdogan, Truxillo, & Tucker, 2007; Saks et al., 2007). Empirical studies also showed that institutionalized tactics, in practice, have a more positive impact on graduate newcomers who are more likely to follow the rules, while the experienced newcomers tend to put more effort to forge their roles and are less affected by the designed socialization experience (Bauer et al., 2007; Cooper-Thomas, Anderson, Cash, 2012).

2.1.3. Organizational socialization tactics framework – three aspects

Jones (1986) proposed that the six bipolar tactics can be classified into three socialization aspects: context (collective and formal), content (sequential and fixed) and social (serial and investiture). This revised classification framework received even more attention. Several researchers found out that these three aspects could lead to different outcomes (Bauer et al., 2007; Cable & Parsons, 2001; Kowtha, 2018). The social aspect is considered the most influential as the interpersonal connections and interaction can facilitate the learning process. Positive feedback, mentoring and encouragement from colleagues can lead to a greater social acceptance. Content aspects plays an essential part of the socialization process as it shows whether newcomers are trained well. A clear set of goals and vision reinforces the organization's values and encourages newcomers to follow the guidance (Cable & Parsons, 2001). Lastly, the context aspect emphasizes how the information is delivered to newcomers.

Providing knowledge through learning experience, for example, helps newcomers to adjust their expectation and reduce the uncertainty (Ashforth & Saks, 1996).

2.2. Mixed approach – Tripartite socialization approach framework

Studies conducted in the past have mostly measured the three tactical aspects separately but conceptualized them as one singular factor. The two extremes, institutionalized and individualized, are placed on a singular spectrum just because they are highly positively inter-correlated (Batistič, 2018; Kim et al., 2005). However, different tactics are theoretically expected related to different outcomes (Ashforth & Saks, 1996; Saks & Ashforth, 1997b). Under the Jones' (1986) framework, past studies have many theoretically contributions but limited practical implication as the “one-fit-for-all” approach is not feasible. Reviewing the socialization literatures, it is believed that most organization socialize newcomers with different strategies and view the socialization experiences as part of the human resources (Oh, 2018; Saks et al., 2007). Thus, we suggest that the identification of the socialization approaches of organization presented is needed to allow a more accurate measurement of how and why certain strategies may lead to a particular outcome.

Expanding the Jones' (1986) three aspects (context, content and social) framework, the new tripartite framework highlights organizational practices and systemizes organizational strategic socialization approaches (see Figure 1). The first three primary forms of socialization tactics approaches are knowledge-oriented (context-focused), generalist-oriented (content-focused) and relationship-oriented (social-focused). In addition to that, the secondary form of socialization tactics approaches is also proposed by combining two aspects, which are job-oriented (content-focused and social-focused), specialist-oriented (context-focused and social-focused) and task-oriented (context-focused and content-focused). Although further research is required to support this conceptual idea, this suggested framework can shed light on the socialization process and explain the interaction events between newcomers and organization. More importantly, it is critical for future studies to examine and adjust the tripartite framework to be more practical for human resources practitioners to use.

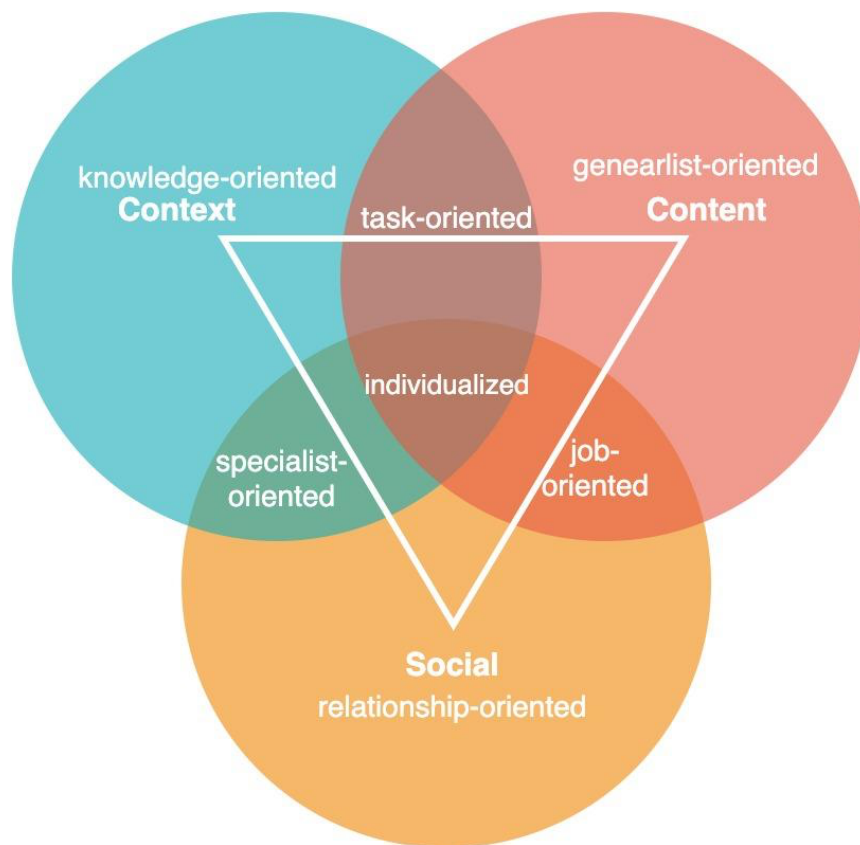


Figure 1 – Proposed tripartite socialization tactics framework

3. Conclusion

In this paper, we have proposed a new conceptual framework connecting three socialization tactical aspects. The focus point of this framework is which approaches organizations choose to manage socialization experience when newcomers try to become part of the community. Since not all newcomers have equal expectations, experience, skills, and objectives (Ashford & Nurmohamed, 2012), we suggest that ‘one-fit-for-all’ socialization approach cannot express the actual socialization experience. Although the suggested conceptualized framework provides a basic idea specifying the socialization approaches newcomers may experience, it is arguably that whether the three aspects Jones’ (1986) proposed are treated equally in practice. Newcomers may experience the social aspect throughout the socialization process, but the context aspect is mainly presented during the the start of the process as it is an information-based practice (Saks et al., 2007). Hence, a more detail version of the framework is required for future empirical studies to examine the conceptual ideas with specific

employee outcomes. To conclude, we believe that this conceptual framework extending the original framework significantly can explore the capability of socialization progress on newcomer's performance and outcomes.

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Paper Number: MS0042

Does Oorganizational Support Foster Career Dependence? A Japan-US Comparison

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Does Organizational Support Foster Career Dependence? A Japan-US Comparison

Extended Abstract

This study aims to examine how the impact of perceived organizational support (POS) on career development differs between Japan and the US. We predicted that POS would cause dependence on career development in Japan. Our results showed that the effect of POS on career motivation varied depending on the type of support. We also found that a specific kind of support resulted in career dependence in Japan, but not in the US. The implications of this study are also discussed.

Keyword: Perceived Organizational Support, Career Responsibility, Dependence, Career Motivation

1. Introduction

Career development has recently become less an organizational responsibility and more an individual responsibility (Hirschi & Koen, 2021). Even so, the various supports provided by organizations are still important resources for career development (Baruch, 2006). However, the relationship between organizational support and individual career development has mostly been examined in the Western context so far. Research on new career has also uncritically assumed the Western view of the self that the individual is an autonomous, independent being (Inkson, Gunz, Ganech & Roper, 2012). Thus, this study aims to examine how the impact of organizational support on career development differs between Japan and the US. In doing so, this study focuses on the phenomenon of dependence on support.

2. Literature and framework

Perceived organizational support (POS) is defined as the “global beliefs concerning the extent to which the organization values their contributions and cares about their well-being” (Eisenberger, Huntington, Hutchison, & Sowa, 1986: 501). While the relationship between specific support and career development has been examined, the effect of POS on career development has not been sufficiently

investigated (Sturges, Conway & Liefvooghe, 2010). Hence, the present study begins by considering this relationship. First, POS is predicted to promote proactive career development among employees. According to career motivation theory, organizational support enhances career motivation by assisting in acquiring career direction (London, 1983). Hence, the following hypothesis is derived:

Hypothesis 1: POS promotes career motivation in both countries.

Second, the effect of POS can be mediated by career responsibility. Cobb (1976) pointed out that social support may provoke dependence on support. However, support-induced dependence has not been examined in the context of career studies. Therefore, to observe this phenomenon, the concept of career responsibility was introduced. Although career responsibility has been mentioned in various studies of new career, it has not been conceptualized. In this research, we cite Ichimura (2017) and define career responsibility as an attitude of extending self-control over events that occur in one's career. If dependence arises from organizational support, it manifests as a diminishment of career responsibility.

Cultural differences are also expected to affect the way people hold their responsibilities. For example, in Japanese companies which prioritize long-term employment, career responsibility may be suppressed because of the prominent role that companies play in the career development of individuals. Furthermore, as Markus and Kitayama (1991) pointed out, in Asian cultures (including Japan), there is a complementary view of the self in which the boundaries with others are ambiguous. Under this view, careers are seen as something that "we" (me and my company) form rather than "I". If this is the case, then there is a possibility of career development dependence, which leads to the following hypothesis:

Hypothesis 2: In Japan, POS is negatively related to career responsibility (2a), and career responsibility is positively related to career motivation (2b).

Hypothesis 3: In the US, POS is positively related to career responsibility (3a), and career responsibility is positively related to career motivation (3b).

3. Method and results

3.1. Method

The Japanese data were collected by a survey agency in November 2016, while the US data were collected from US residents via Amazon MTurk in February, March, and July 2020 (sample sizes: 507 and 360, respectively). As for POS, the scale developed by Eisenberger et al. (1986) was utilized (α is described below). To measure career responsibility, a scale developed by Ichimura (2017) was used ($\alpha = .77$ [Japan], $.64$ [US]). For career motivation, nine items from the scale developed by Noe, Noe, & Bachhuber (1990) were used ($\alpha = .81$ [Japan], $.85$ [US]). Gender, age, and company size were also examined as control variables. Firstly, confirmatory factor analysis (CFA) on POS was conducted, considering it has passed a long time since it was first developed, and the result might differ according to its possible sub-dimensions. Exploratory factor analysis (EFA) and CFA were also conducted for career responsibility since the scale was relatively new. Finally, hypotheses were tested by SEM

3.2. Results

For POS, the CFA with a one-factor structure drawn from the theoretical assumption did not provide a good fit for the Japanese data, so a three-factor structure with a better fit was adopted (CFI=.90, RMSEA=.06, $\chi^2=935.15$, $p<.001$, $df=347$). CFA was also conducted on the US data, and a two-factor model was adopted (CFI=.91, RMSEA=.07, $\chi^2=1377.06$, $p<.001$, $df=526$). Each factor was named “perceived care (perception of care from the company; $\alpha=.93$ [Japan], $.96$ [US])” and “perceived safety (perception of not being mistreated by the company; $\alpha=.82$ [Japan], $.95$ [US])”. The third factor in the Japanese data was named “perceived job security (perception that employment is protected; $\alpha = .68$)”. For career responsibility, EFA/CFA confirmed the one-factor structure in both Japanese and US data.

Next, we tested our hypotheses using the SEM. We adopted the model shown in Figure 1, which indicated the best fit for each of the Japanese and US data (Japanese data: CFI=.88, RMSEA=.05, $\chi^2=1701.78$, $p<.001$, $df=693$; US data: CFI=.89, RMSEA=.06, $\chi^2=2392.55$, $p<.001$, $df=1072$). Although the path coefficients between perceived care and career motivation were high in the US data, Deegan

(1978) pointed out that it was theoretically possible for standardized regression coefficients to be substantial, even outside of the range from -1.0 to 1.0, in a model with correlations among independent variables. Considering the possibility of multicollinearity, we also checked the VIF. We found that 2.04 for perceived care and 2.06 for perceived safety were both less than 10, so we judged the model to be interpretable. Regarding career motivation, perceived care had a positive effect, and perceived safety negatively affected both Japan and the US. Thus, Hypothesis 1 was partially supported. As for career responsibility, in both Japan and the US, perceived care had a positive effect. In only the Japanese data, perceived job security had a positive effect, and perceived safety had a negative effect. Thus, Hypotheses 2a and 3a were partially supported. However, hypotheses 2b and 3b were rejected because there was no mediating effect of career responsibility in either Japan or the US.

4. Discussion and conclusion

The results confirmed that the effect of POS on career motivation depended on the nature of support. While some types of support suppressed responsibility (career dependence), there was no effect on career motivation through responsibility. One of the theoretical contributions of this study is that career responsibility may be suppressed depending on the type of organizational support, which may also reflect cultural differences. Since perceived safety reduced responsibility in Japan, the possibility that organizational support may have unintended effects in Asian culture needs to be further examined. Another contribution is the discovery that the relationship between organizational support and career development does not necessarily depend on the presence or absence of responsibility. Although personal characteristics such as career responsibility are viewed as a prerequisite in the literature of new career, it may be fruitful to consider contextual factors as well as individual factors in the future.

5. Figure

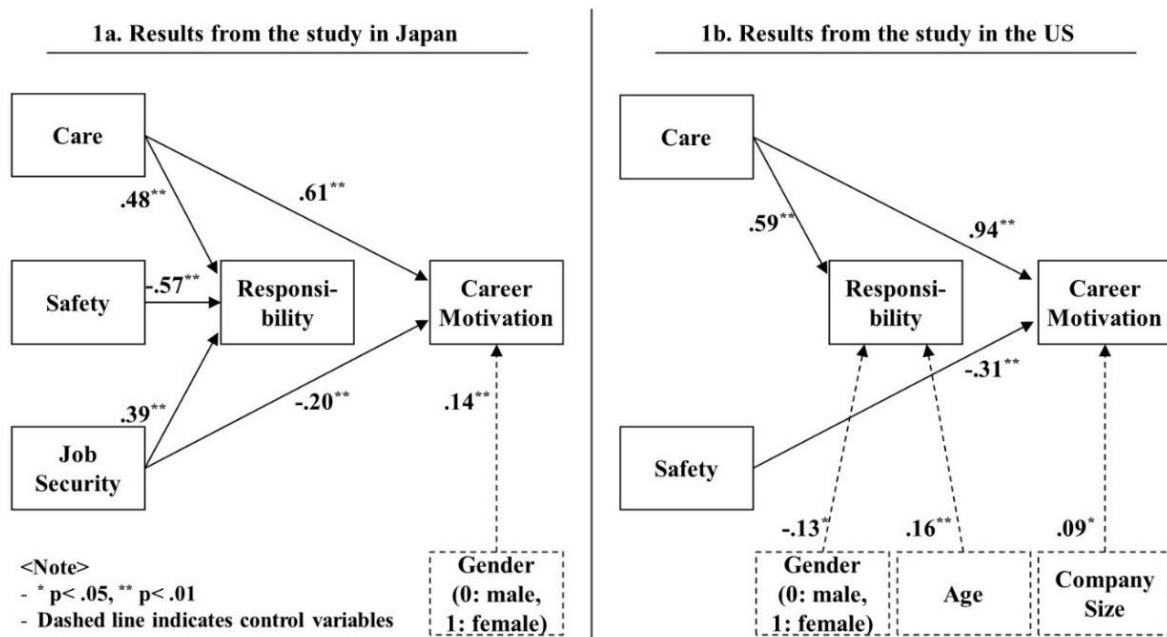


Figure 1. SEM results from the data of Japan and the US

*This work was supported by a research grant from JSPS KAKENHI Grant Number JP18K12844 (Grant-in-Aid for Young Scientists (B)).

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Paper Number: MS0043

**The Rise of China Railway Express during the Covid-19
Outbreak: Why China's Development Model Matters**

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The Rise of China Railway Express during the Covid-19 Outbreak: Why China's Development Model Matters

Extended Abstract

China has applied its infrastructure-led growth model to develop the economic corridors along the Belt and Road. Aiming to better integrate China and the Eurasian economies, the China Railway Express (CRE) bears profound implications for international trade and business. Its prominent rise during the outbreak of Covid-19 as a key means of transport has contrasted sharply to the gloomy picture of the CRE painted by early studies. This paper argues that previous studies have ignored the strategic intervention of the central government since 2016, resulting in a more orderly market competition in a much expanded market. Thus, the CRE has already entered a new stage of development in recent years, with rapid growth having already been recorded before the Covid-19 outbreak.

Keywords: China Railway Express, Belt and Road, transport, infrastructure-led growth, China development model

1. Introduction

The outbreak of the Covid-19 has hit the global economy hard. The lockdown measures in many countries have adversely affected their economic activities. The disruptions in transport further exacerbated the downfall of production and trade. However, during this difficult time of the pandemic outbreak, rail cargo transport between China and European countries has registered an exceptionally high growth rate. In 2020, the China Railway Express (CRE) grew by 56% in the number of containers being transported. In the first half of 2021, CR Express operated 7,377 freight trains and delivered about 707 thousands TEUs, representing a year-on-year growth of 43% and 52% respectively.

The prominent growth of the CRE services in recent years has led to divergent interpretations as to whether the expansion is a temporary or permanent change. To some, it would be unlikely for CRE services to grow rapidly because, according to early studies of the CRE, there were insurmountable operational and institutional problems (Chang, 2018; Hillman, 2018; Tjia, 2020). These studies, however,

have ignored the impacts of subsequent strategic interventions by the central government. This paper argues that, since 2016, the Chinese government has positioned CRE as a flagship project of the Belt and Road Initiative. The enhanced coordination among central ministries and competing cities have brought about a more orderly market competition in a much expanded market. The CRE has entered a new stage of development in recent years. Rapid growth had already been recorded before the Covid-19 outbreak. For instance, train departures on the CRE grew by 73% and 29% in 2018 and 2019 respectively. The number of containers delivered surged by 70% and 33% during the same period of time (Choi, 2021).

2. Development of the CRE in the initial stage (2011-2015)

Inaugurated in 2011, the CRE started as a local government project of Chongqing that attempted to connect the city to Eurasian countries. The first train went to Duisburg in Germany via the Alashankou Port at the border of Xinjiang. Later on, recognising the huge potential of future development, more cities in China's inland region started to offer services.

During this initial stage of development, city governments attempted to improve the efficiency of the transport infrastructure that runs across national borders. To facilitate the seamless journey between China and Europe, Chongqing municipal government, together with the former Ministry of Railways and the General Administration of Customs, have signed the agreements with the railway companies and customs of the countries along the route to establish a new mode of customs clearance. The redundant checks were eliminated and direct delivery after only one custom examination was thus possible. The efficiency of gauge-changing transit has improved gradually. The CRE has demonstrated to the Chinese cities its great potential as an efficient China-Europe logistics alternative. CRE was able to deliver the goods to Europe in just 16 days, about 30 days shorter than the sea transport.

The primary objective of the city governments joining the CRE service was to establish its city as a logistic hub. By doing so, it can attract cargoes from its hinterlands and expand its economy. More aggressive local governments also plan to integrate the development of the CRE with local industrial development. Traditionally, inland areas of China were at a disadvantageous position in global industrial

competition due to their high cost of accessing the international market. The CRE provides the inland provinces and municipalities with a direct link to Europe at a lower generalised transportation cost, i.e. the aggregation of time and monetary costs in transportation. Thus, the development of the CRE would provide the inland region an opportunity to access the market in Eurasian countries, which in turn would attract investors to set up production bases in the inland region.

However, the CRE service was not competitive at the time due to several reasons. Firstly, sea transport provides a low-price alternative to train transport. Although the goods could be delivered by railway to Europe in about two weeks, i.e. half of the shipping time of the sea freight transport, the charge of CRE was two to three times that of the latter. Except those high-value-added and time-sensitive products such as notebooks and other electronic projects, most of the producers would prefer delivery by ships to train services. It was difficult for the CRE to attract sufficient cargoes to share the high fixed cost of the operation of each train. This drove up the per-unit freight cost and led to a huge deficit of the CRE service provider.

Secondly, higher operating cost had resulted from the unbalanced shipment of cargoes in the two directions. China has long been a major exporter in the world. Its volume of imports from Europe is significantly smaller than the exports to Europe. As a consequence, after the trains arrived in European cities, they found that they did not have many goods to deliver back to China. Many containers on the inbound CRE freight trains were actually empty in the early years of operation. This implied that the high fixed cost of operating the CRE freight trains could not be shared by the two-way traffic, and the Chinese shippers had to bear higher costs.

Thirdly, the problem is exacerbated by the large number of cities that tried to adopt the same strategy to enter the market. Each of the cities was only able to capture a small share of the market. The operation lacks scale economy, thus leading to large amounts of losses.

To increase the competitiveness and market share of CRE freight services in the transnational transport market, the local governments tried to provide subsidies so as to keep the freight charge to the service users low, at a level not much higher than that of sea transport. The subsidies could be as much as USD

6,000-7,000 per container.

The local governments later tried to attract more goods from the other countries in Northeast and Southeast Asian countries, as an attempt to lower the per unit freight cost of CRE and reduce the deficit. To do so, they tried to develop the cities under their administration into a multi-modal transport hub with seamless connection to provide an efficient and reliable alternative for goods delivery to Central Asia, Middle East and Europe. This helped CRE increase the occupancy rate of the freight trains, and thus the high fixed cost of trains could be shared by more shippers.

The local governments tried to alleviate the imbalance in the flow of goods between the Chinese cities and Europe by promoting the use of the CRE services by exporters in European cities. The Chinese city governments set up offices in the targeted European cities to promote their CRE services.

In any case, all the cities were making huge losses in providing the CRE service at the time. However, in consideration of the potential external benefits of future industrial development, local governments were willing to subsidize the business. More precisely, each of the city governments provided subsidies to its so-called “logistic platform company”, which charged the service-users a very low price for shipping products to foreign countries along the CRE. The competition of cities on the CRE lines has been considered as unconstructive by the central government, which decided to step in after allowing local experiments for a few years.

3. Central coordination since 2016

Along with the progress of the Belt and Road Initiatives in 2016, the central government found it an opportune time to step in. A comprehensive plan entitled “*Construction and Development Plan for China Railway Express Construction (2016-2020)*” (hereafter, the Plan) was formulated and released. Essentially, the CRE has been positioned as having strategic importance in the development of the Belt and Road Initiative. Thus, central coordination mechanisms have been established to achieve the strategic goals. Major measures to enhance the development of the CRE have been adopted. The Office of the Leading Group for the Construction of Belt and Road has been assigned the coordination

role for the development of CRE, responsible for ensuring synchronisation of actions among central bureaus and local authorities. The Plan has laid out the directions for enhancing better communication with foreign parties, increasing the investment along the CRE, improving trade and customs policies and encouraging the innovation and application of new transport technologies.

The coordinating measures of the central government aimed at promoting a more orderly competition and diversification of roles among the cities along the CRE lines in the following directions. First, the central government has set a cap on the amount of subsidies that local governments can give the CRE users. The measure apparently would reduce the total demand for CRE service. Yet, the apparently negative impact would not be significant when other market-expanding measures were introduced. Second, the Plan has clarified the corridors and defined the hubs along each corridor. Expectedly, more transport capacity and investment would be allocated to these hubs. They would be able to grow to the size that can hopefully benefit from the economies of scale. Other cities, being allowed to provide smaller amounts of subsidies than before, would find themselves less competitive in providing CRE services. They will thus differentiate their roles from those of the hub cities. Third, central-level ministries and commissions have included CRE issues in the agendas of bilateral and multilateral negotiations on investment, trade, transport and customs clearance. They are also responsible for establishing a coordination system involving both central units and local governments.

4. Conclusion

More generally, the growth of CRE represents an application of the typical experimental approach for economic development. Local governments are allowed to engage in inter-jurisdictional competition, usually triggering over investments in the sector. Problems can then be identified and solutions will be proposed. In the case of CRE, the Plan represents the attempt of the central government to solve the problem of disordered competition and insufficient demand. The situation has improved gradually in the subsequent years. In 2018, a total of 6,300 trains travelled on CRE, already exceeding the 2020 target specified by the Plan. When the Covid-19 broke out in 2020, the transport along CRE saw an opportunity to expand rapidly.

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Paper Number: MS0044

**Top Management Team Members' Party Affiliation and its
Effect on Firms' FDI Location Choices and Expansion Speed:
The Mediating Effect of Government Supportive Policy and
Bank Loans**

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Top Management Team Members' Party Affiliation and its Effect on Firms' FDI Location Choices and Expansion Speed: The Mediating Effect of Government Supportive Policy and Bank Loans

Extended abstract

Many geopolitical or political problems derive from misunderstanding, especially the misunderstanding towards the Chinese Communist Party (CPC). The purpose of this research is to investigate the basic working mechanism of CPC members in the top management teams and how it would make an impact on firms' location choices and expansion speed to shorten the distance between the west and China. Two mediators will be used, namely government supportive policy, bank loans. The members of the National Peoples' Congress and the Chinese People's Political Consultative Conference, investment size, regions of firms, local government policies are control variables.

Keywords: Top management team, Party affiliation, FDI location choices, FDI expansion speed

1.Introduction

In recent years, much research has investigated the importance and the influence of top management team. One stream of the research focuses on the impact of FDI due to different characteristics of top management team. However, the influence of the composition of TMT is overlooked in TMT literature, in particular, in the Chinese context, the role of party affiliation is limited in the management discipline.

The purpose of my study is to investigate the role of party affiliation and its effect on firms' FDI location choices and expansion speed. My research question is whether TMT members' party affiliation would influence firms' FDI location choices and expansion speed. Two mediators will be used, namely government supportive policy, bank loans. Another two questions are to investigate whether government supportive policy will benefit firms' location choices and expansion speed and whether bank loans will exert a positive effect on location choices and expansion speed.

2.Literature and framework

2.1 Literature review

The relationship between TMT and FDI has been explored from different perspectives, for example, when exploring the relationship between TMT international experience and tenure and FDI location choices (Clarke et al., 2013, Hutzschenreuter and Horstkotte, 2013, Mohr and Batsakis, 2019, Herrmann and Datta, 2006), scholars argued that top management team with greater international experience are more likely to choose an institutionally distant country as their location; top management team with shorter individual tenure and shorter team tenure prone to choose institutionally distant countries as their location.

The influence of CPC draws scholars' attention. The finding shows that both positive effects and negative effects have been generated by the control of CPC (Chang and Wong, 2004, Cordero and Miller, 2019, Dickson, 2007, Hackenesch and Bader, 2020, Li et al., 2018). When party control over the largest shareholders, it will bring positive effects. For example, it will mitigate the expropriation and lower the agency problem, while when control over managers, it will decrease the efficiency.

2.2 Conceptual framework

Party member are important sectors in top management team. A stream of research focuses on nationality, culture diversity, functional diversity background, etc., but Party member, one of the crucial elements within the context of China has not been studied enough. It is necessary to investigate what impact top managers with Party identity would have when Chinese firms launch FD.

Hypothesis 1: top managers who are CPC managers will exert a positive effect on firms' FDI expansion speed.

Hypothesis 2: top managers who are CPC managers will influence firms' FDI location choices.

The home government's policy requirements and preferences can also affect investing firms' capabilities to take risks in the context of uncertainty and information asymmetries concerning

foreign markets.

Hypothesis 3: Top managers who are CPC members will lead to a positive effect on obtaining government support.

Hypothesis 4: Government support will positively affect firms' FDI expansion speed.

Hypothesis 5: Government support will positively affect firms' FDI location choice.

Banks are another influential actors for companies since it provides capital for companies' further development. For SOEs, it is easy to generate a preference that banks are prone to offer loans to state-owned companies. Loans to state-owned companies may also make extra benefits to banks, but this merit cannot get loans to private companies. Because of the discrimination and information asymmetry, private firms cannot get enough loans, or even cannot get the loan. In a word. Loans are important for companies' development.

Hypothesis 6: Top managers who are CPC members will lead to a positive effect on obtaining bank loans.

Hypothesis 7: Bank loans will exert a positive effect on FDI expansion speed.

Hypothesis 8: Bank loans will exert a positive effect on FDI location choice.

3.Methodology

3.1 Data collection

Related information will be collected from the Shanghai and Shenzhen Stock Exchanges, annual reports, Financial Times, Customs General Administration of China (CGAC) database, and Bureau van Dijk. These databases have been used in published papers on FDI topics.

4.Discussion

This study is still in progress, but we believe this study makes an important contribution from both theoretical and practical perspectives. Theoretically, it enriches the literature of TMT diversity, in

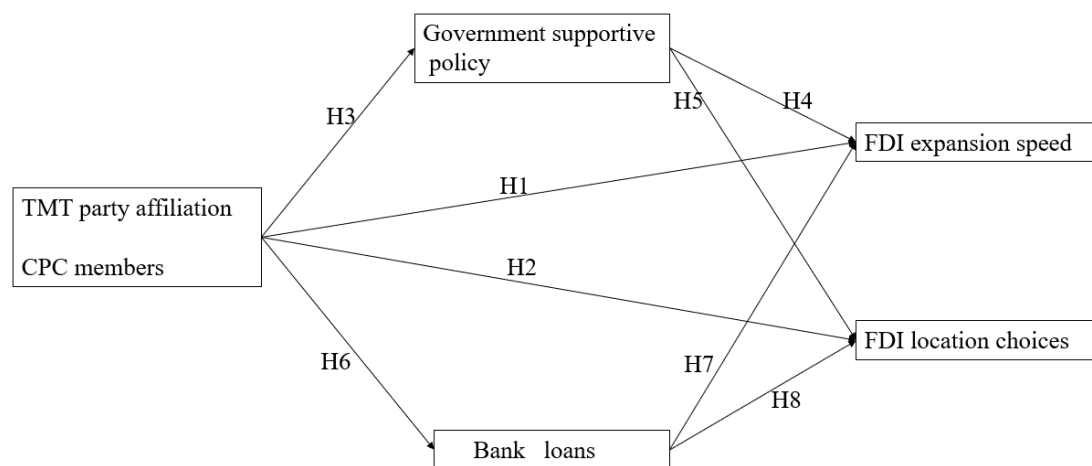
particular, the composition of TMT. Through demonstrating the working mechanism of CPC will have an impact on clarifying the misunderstanding of CPC, which may decrease the conflict among countries or regions and promote collaboration. Practically, to some extent, they can make full use of this political connection. TMT members who are Party members or have a position in the Party are much more familiar with the policies as well as the hidden rules. More importantly, they would consider the situation from a political perspective.

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Figure 1: conceptual framework



Paper Number: MS0047

**The Sustainable Factors of Pawn-broking Industry:
A Case Study of Taiwanese Pawn-broking Industry**

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The Sustainable Factors of Pawn-broking Industry: A Case Study of Taiwanese Pawn-broking Industry

Extended Abstract

This paper aims to discover the factors of corporate sustainability (CS) of the Taiwanese pawn-broking industry. Data were collected from 10 pawnshops owners in different cities in Taiwan. Factors are pair-wise compared and analyzed by Analytic Hierarchy Process (AHP). The results surprisingly emphasize the customer satisfaction and CSR dimensions. On account of the geographical features of Taiwan, location draws less importance. Future studies will devote to improve the image of pawnshops and the relationship with CSR gaining extreme value from the pawnshop owners.

1. Introduction

The researcher noticed American pawnshops and Taiwanese pawnshops are distinct from exteriors to business models, from shop owners and staff to the consumers. The majority of the Taiwanese has a negative impression of pawnshops, why has it become one of the oldest industries? Can we find something positive from it? The phenomena motivated the researcher to understand the pawn-broking industry and the sustainable factors the industry. Texas Office of Consumer Credit Commissioner elaborated the definition of a pawnshop. "A pawnshop is a business where a consumer may pledge personal property as collateral for a loan. The personal property is then held by the pawnshop, and may be bought back by the consumer for a set price within a set period of time." It nowadays plays the role as a financial service provider loaning a small amount for low to the moderate-income family (Bos & Carter & Skiba, 2012; Prager, 2014.) Pursuing an eternal life is the ultimate goal for human beings and corporates. Corporate sustainability involved internal (leadership and the business case) and external drivers (reputation, customer demands and expectations, and regulation and legislation) (Lozan, 2015.) As one of the oldest industry, what are the sustainable factors to the industry? In the following paragraphs, the recent studies will be presented in the next section to provide the relevant theories and researches for carrying out the hypothesis and methodologies employed in this paper.

2. Literature Review

Pawn-broking services can mainly categorize into financial services and related services (Akimova, 2018). A successful pawn transaction involves many aspects. The clients from high or low income groups prefer the less formality with efficiency and convenient business hour, more privacy with no credit evaluation, better service with mutual trust and location. (Skully, 1994.) Pawn-broking industry intertwines with corporate social responsibility and corporate sustainability sharing mutual elements.

2.1 Image

CSR is appraised as the intermediate stage to achieve the ultimate goal of enterprises. (Marrewijk, 2003.) A good reputation motivates corporate to engage CSR, and CSR is a means for building corporate's reputation (Blumberg & Lin-Hi, 2018.) The research also showed pawnshops which are with a valid legality are preferred (Primandaru, 2020.)

2.2 Accessibility

From the survey conducted in 2020 by the National Pawnbroker Association of the U.K, more than 37 percent of borrowers agreed with that loaning from pawnshops convenient, quick without complicated processes (Davies & Finney, 2020). An extensive credit check is not required and consumer can rapidly access credit. (Adams, et al, 2021.)

2.3 Customer Satisfaction

The pawn-broking industry enjoyed high level of borrowers' satisfaction (Edwards & Lomax, 2017). The borrowers more than 90% consumers were satisfied with the service from the pawnshops; and 83% of consumers believed that renewing loans is important, and 62 percent of them used only one pawnshop.

2.4 Capital Management

Based on the definition of SMEs world known by the EU (European Union), pawn shops are defined as SMEs; around 87 percent of pawnshops are run by independent owners in the U.S. and Sweden (Bos et al., 2012.) Because of the regulations, it is difficult to raise funds to expand their business.

2.5 Location

As a matter of fact, the locations of the service providers are influenced by the socioeconomic status and the number of factories. (Cover & Fowler & Kleit, 2014.) The first reason for consumers choosing the pawnshop is the distance. The farther from their residence, they are less willing to visit (Primandaru, 2020.) Pawnshop is also important to thousands of less educated population (Ahmad & Ismail, 1997); hence the pawnshop owners choosing the location where dwell the high percentage of residents excluded by the mainstream financial services.

3. Methodology

The research is designed to assess significance from different dimensions of the sustainable factors of pawnshops in Taiwan. The primary data is collected using questionnaire survey, and distributes to the pawnshops owners in different cities in Taiwan. Questionnaires were filled up by 10 pawnshop owners in different cities in Taiwan (Pingtung, Kaohsiung, Tainan, Chia Yi...etc.) The questionnaire is designed into three levels. In the figure 1 below, the top level is the goal; the next level is the dimensions composed mainly of image, accessibility, customer satisfaction, capital management and location. The third level is the factors, and they are independent.

4. Result

A. Image of pawnshops: The result of image of pawnshop was carried out by analyzing the concepts namely CSR, legal certificate and positive reputation. Analysis of image obtained the weight 0.2114.

B. Accessibility for loaning: Assessment of accessibility shows 0.1941 of the weight. For coping with the competitive market, Taiwanese pawnshops carefully check consumers' credit.

C. Customer satisfaction: Attributes to measure customer satisfaction level consist of four aspects; they are loan rate, effective and quick service, renewing contract and feeling safe in the transaction. The result of the Customer Satisfaction Index obtained 0.2187 by calculations.

D. Capital management: Capital management is composed of plenty of cash, business person and finance access. Based on the results of the questionnaire, it can be seen it weighs 0.2105.

E. Location: Location includes three conditions, namely distance, population and resident social level. Based on the results of the questionnaire, it possesses the weight of 0.1653.

5. Discussion

The results and discussion provide the basis for drawing a number of conclusions. Customer satisfaction obtained the highest of weight of all dimensions, and the CSR surprisingly possessed the next. It expressed that public underestimated the contribution and the ethics cognition of the pawn-broking industry. On account of the geographical features of Taiwan, location draws less importance.

6. Directions for future study

The researcher here suggests several directions for future research. First of all, improving the image of the pawn-broking industry will require further exploration. The pawn-broking industry provides a considerable contribution to finance in many countries and Taiwan; however, the public inevitably associates the industry with crime, usury, and the exploiters of pauperism (Yan & Hyman, 2018.) Those misapprehensions were caused by the mass media (Edwards & Lomax, 2017.) Second, the survey conducts an unexpected result. Every pawnshop owner considered CSR important and its reputation. Even so, we've hardly seen the studies pay attention to it. CSR of the pawn-broking industry should be addressed. Third, due to Taiwanese culture, the pawn-broking industry has developed a unique business model, the affection between the shop owners and customers. It would be a fascinating topic for future research.

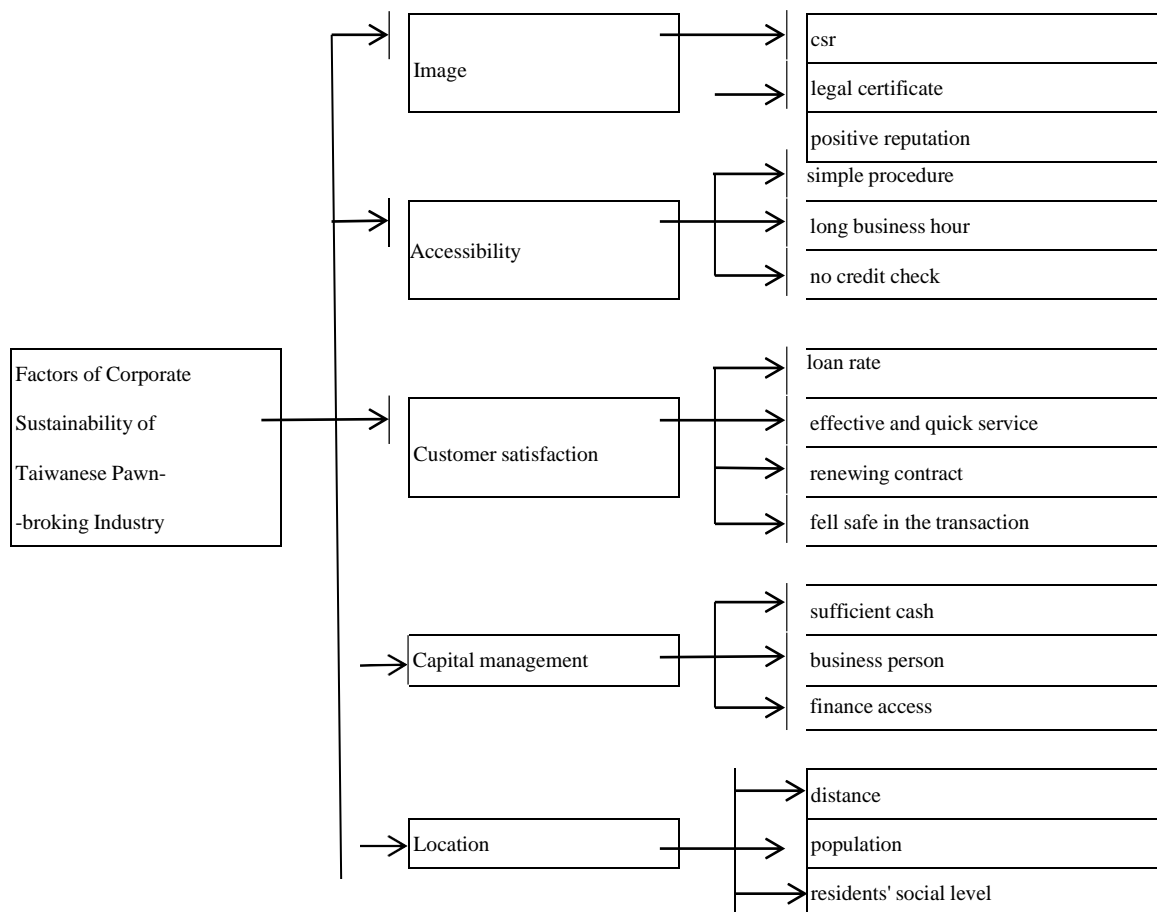


Fig. 1 The construction of the sustainable factors of Taiwanese pawn-broking industry

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Paper Number: MS0048

**A Comprehensive Retail Brand Personality Scale:
Integrated Emic and Etic Perspectives from the United States
and Taiwan**

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A Comprehensive Retail Brand Personality Scale: Integrated Emic and Etic Perspectives from the United States and Taiwan

Extended Abstract

To resolve the debate on whether the dimensions of Aaker's BPS delineates retailer brands and the issue of various incomparable scales of retail brand personality, this study developed a comprehensive framework of the retail brand personality scale (RBPS), comparable to Aaker's BPS and across retail formats. To address cultural differences, an emic-etic approach was applied in the scale development on American (n=411) and Taiwanese (n=412) samples. Results of this study indicate: (1) two overlapping dimensions to BPS and five unique dimensions of RBPS (2) three common dimensions across cultures, three culture-specific dimensions for the U.S. and one dimension for Taiwan.

Keywords: *Brand Personality, Scale Development, Retail Brand Personality, Cross-Cultural Marketing Research, Retail Formats*

1. Introduction

Brand personality has been considerably examined as a variety of human personality traits related with brands (Aaker, 1997). Although brand personality has been a subject of attention in marketing literature and has been studied extensively, literature concerning to brand personality in the retailer area is rather limited. Specifically, the renowned Brand Personality Scale (BPS) (Aaker, 1997), which distinguishes five brand personality dimensions, has been applied to delineate brand personalities in general. However, past literature has revealed that retail brands are different from product brands due to their multi-sensory nature (Ailawadi & Keller, 2004).

While some research continued using the BPS in the context of retailing (e.g., Chua, Kim, Lee, & Han, 2019; Zentes, Morschett & Schramm-Klein, 2008), they found a lower scale reliability (Zentes et al., 2008) and applicability (Merrilees & Miller, 2002). Those who concentrated on developing retail specific scales which define the distinctive nature of retailers (e.g., d'Astous and Le'vesque, 2003; Das, Datta, & Guin, 2012; Willems, Swinnen, Janssens & Brengman, 2011) also established scales applicable only to particular retailing formats such as fashion stores and department stores, which makes them incomparable.

To fill the above gaps, the present research addresses two encompassing and core research questions. First, with a mixed view of generalized brand personality and retailer brand personality, what is retail brand personality? To respond to the first research question, this study investigates into retail brand personality dimensions in comparison to those in general brands and develops a comprehensive scale of retail brand personality, which is coined Retail Brand Personality Scale (RBPS), comparable to the BPS and reflective of the distinctive features of the retail setting. Second, what RBPS dimensions are common across cultures or culturally-specific in the west or east? This research explores into the framework of the RBPS on English and Chinese speakers in the United States and Taiwan.

2. Literature Review

Aaker (1997) describes brand personality as “the set of human characteristics associated with a brand” (Aaker, 1997: 347). Drawing on the Big Five model of personality traits (Goldberg, 1993), Aaker (1997) utilized a sample to measure the degree to which human personality traits could be descriptive of 60 brands across different products and categories. This pioneering research identified five brand personality dimensions, which are *excitement*, *sincerity*, *ruggedness*, *competence*, and *sophistication*. Even though Aaker (1997) created the BPS for every brand, only three retail brands were included within the 60 brands in her study. Due to this reason, substantial criticism on the BPS is converged on whether its applicable to the field of retailing. For example, Merrilees and Miller (2002) reproduced Aaker's (1997) study on a retail store in Australia, but found that only two out of five of Aaker's (1997) BPS dimensions significantly depicted retailer personality, which are Competence and Sincerity.

Zentes et al. (2008) also found lower reliability of the BPS dimensions when applied to the retailing context. In response to this, some researchers have developed unique scales to assess retail brand personality dimensions. However, these scales were intended only for specific retailing formats (e.g., fashion retailers or department stores), which lack generalizability and impede comparison between retail formats. To fill the above gaps, it is necessary to develop an alternative scale that is valid to retail contexts and also comparable across different retail formats.

3. Methodology and Results

3.1. Pre-test

A total of 148 items were included as personality traits based on Aaker's BPS, other retail specialized scales of brand personality (e.g., Das et al., 2012; Willems et al., 2011) and two focus group interviews (FGI) in the U.S. (21 undergraduate students) and Taiwan (23 undergraduate and graduate students). Translations were made by three language experts to establish measurement equivalence in both languages of English and Chinese. Lastly, five American and five Taiwanese adult consumers were recruited to evaluate all adjectives from the integrated pool and to remove the ones unresponsive of human personality (e.g., convenient). A total of 81 items were left for subsequent testing. The 81 items were tested in the pre-test with an exploratory factor analysis (EFA) in the U.S. ($n = 194$) and Taiwan ($n = 188$), which left 58 items for a main-test.

3.2. Main-test

A main-test was conducted on consumer samples in Taiwan ($n = 412$) and the U.S. ($n = 411$) to purify the dimensionality of the RBPS. For the main-test, an EFA was conducted with a principal component analysis using promax rotation for both U.S. and Taiwanese samples. For the Taiwanese sample, the KMO statistic is 0.953 and Bartlett's Test of Sphericity was statistically significant ($p < 0.01$). Five factors with 46 items were retained, which explained 65.39% of the total variance. The five factors are *enthusiasm*, *traditionalism*, *sincerity*, *unpleasantness* and *innovativeness*. All factors have reliability ($\alpha > 0.8$) with the exception of innovativeness, which was discarded because of low reliability ($\alpha = 0.69$).

For the U.S. sample, the KMO statistic is 0.943 and Bartlett's Test of Sphericity was statistically significant ($p < 0.01$). Six factors with 35 items were retained, which explained 67.44% of the total variance. The six factors are *sophistication*, *innovativeness*, *sincerity*, *traditionalism*, *unpleasantness*, and *antagonism*. All factors have reliability ($\alpha > 0.7$). To simplify the scale, all five items from each dimension with the highest factor loadings were selected (Ahmad & Thyagaraj., 2017). A Confirmatory Factor Analysis (CFA) was then tested for the scales, which both indicated model fit. The Taiwanese model fit indices indicated adequacy: $\chi^2 = 183.567$ (df=84); $\chi^2/\text{df}=2.185$; CFI=0.982; SRMR=0.041; RMSEA=0.054. The U.S model also fit the data: $\chi^2 = 461.118$ (df=198); $\chi^2/\text{df}=2.329$; CFI=0.951; SRMR=0.090; RMSEA=0.057. Both models also established composite reliability ($CR > 0.7$ for all factors), convergent validity (Average Variance Extracted (AVE) > 0.5 for all factors) and divergent validity (AVE $>$ all inter-factor correlations).

4. Discussion

To resolve the debate on whether the BPS (Aaker, 1997) can be applied to the retailing setting and address incomparable retail formats by various scales of retail brand personality, this research developed a comprehensible scale which is comparable to the BPS and also delineates the distinctive nature of retail brands. As expected, the RBPS is comparable to the BPS and share similar dimensions: *Sophistication* and *Sincerity*. Meanwhile, the unique dimensions of the RBPS are *Enthusiasm*, *Traditionalism*, *Innovativeness*, *Unpleasantness* and *Antagonism* as seen in Table 1. To address the variations of personality in culture, this study adopted an integrated etic-emic approach, including Western (U.S) and Eastern (Taiwan) cultural perspectives, in the scale development. Our final scale, which is named the RBPS, depicts a framework of four dimensions in Taiwan and six dimensions in the U.S. (Table 2). Specifically, three dimensions are common across the cultures: *Sincerity*, *Traditionalism* and *Unpleasantness*; one is culturally-specific in Taiwan: *Enthusiasm*; and three are culturally-specific in the U.S.: *Sophistication*, *Innovativeness* and *Antagonism*. This research contributes to international marketing and branding literature and also to retail practitioners. First, this study is one of the first to develop a retail brand personality scale (RBPS) that compares its

dimensions to those found in Aaker's (1997) BPS and offers a framework cross-comparable in retail formats. Furthermore, the comprehensible RBPS resolved the debate on the BPS's applicability in retailing. Second, the current study is also a leading research that encompasses both etic and emic personality traits tested from cross-cultural samples in the retailing field. The current research findings also provide managerial implications for marketing practitioners on how they can adjust global retail strategies by incorporating cultural values within their retail brands.

Table 1. Comparison of the Brand Personality Scale (BPS) and the RBPS

	Brand Personality Scale	Retail Brand Personality Scale
Unique Dimensions	Excitement Competence Ruggedness	Unpleasantness Traditionalism Enthusiasm Antagonism Innovativeness
Overlapping dimensions	Sincerity Sophistication	

Table 2. Retail Brand Personality Scale (RBPS) Dimensions Across Cultures

	Retail Brand Personality	
	Taiwan	United States
Culture-Specific Dimensions	Enthusiasm	Sophistication Antagonism Innovativeness
Common dimensions	Unpleasantness Traditionalism Sincerity	

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Paper Number: MS0049

Unlocking CSR in Small and Medium Enterprises in Singapore: Compliance, Conviction, Burden or Opportunity?

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Unlocking CSR in Small and Medium Enterprises in Singapore: Compliance, Conviction, Burden or Opportunity

Extended Abstract

Using stakeholder framework, in-depth interviews with 31 small and medium enterprises (SMEs) in Singapore to understand motivators and barriers in Corporate Social Responsibility (CSR). Two SME CSRs emerge from our analysis; a) compliance - CSR in highly normative sector; b) conviction - CSR in less normative sector. For the former sector, CSR is limited to focusing on the legal context, mandated by law and international regulations. While to the latter, CSR motivations were grounded in responsibilities to the larger environment and community, SMEs choose to practice conviction—CSR. Our results also highlight the importance of aligning SMEs' overall strategy with CSR.

Keyword: CSR, SME, Compliance, Conviction, Stakeholder

1. Introduction

In the recent decades, there is a growing recognition that CSR engagement by SMEs could have greater social and environmental impact. The Organisation for Economic Co-operation and Development (OECD) recently urged governments to develop a cohesive strategy for SMEs to level the playing field so that SMEs can contribute to economic and social contexts effectively (i.e., OECD SME report, 2018, p 5). However, many conceptual and empirical CSR studies are based on large companies. Such research, though insightful, may not be applicable to SMEs. SMEs differ from large companies in various ways, such as history, size, institutional structures and their orientation towards profit (Spence, 1999; Spence & Rutherford, 2003), management styles (Perez-Sanchez, 2003; Tilley, 2000) and cultures (Del Baldo, 2012), all of which could have different implications to the content, nature and extent of SMEs' CSR engagement. As a result, several scholars (Von Weltzien & Shankar 2011; Morsing & Perrini 2009; Perrini et al. 2007; Carrasco & Pérez 2012) have called for studies to better understand the nature and dynamics of CSR engagement by SMEs. This study responds to the recent call by focusing on CSR engagement of SMEs in Singapore. We employed the stakeholder approach

(Freeman, 1984) and conducted in-depth semi-structural interviews with 31 SMEs from 18 different industries. Assessing their organizational practices, routines, and procedures, we identified motivators and barriers faced by these SMEs. Two categories of SMEs have emerged from the findings, i.e., highly normative SMEs and less normative SMEs, as they engaged into “compliance” and “conviction” CSRs respectively driven by different motivations. Our findings enrich the research about SMEs’ CSR, as well as shed light to policy-makers and business practitioners about the possible ways of engaging SMEs into CSRs that benefit both the enterprises and society.

2. Literature review

Advocated by Freeman (1984), the stakeholder perspective has been widely used by a number of scholars and practitioners to understand CSR (e.g., Graafland & de Ven, 2006; Lindgreen & Swaen, 2010). Similarly, stakeholders influence on SMEs’ CSR deserves more research. In this research, we focus on the five primary stakeholders (shareholders, employees, customers, suppliers, institutions).

Companies may be driven or prevented by shareholders to engage into CSR. CSR could grant companies legitimacy (or a licence to operate) and reputation (Porter & Kramer, 2006). In turn, these reinforce the financial performance of companies, thus meeting the expectations of shareholders (Rodriguez-Fernandez, 2016). On the other hand, shareholders may perceive CSR commitment as a type of agency cost. For instance, if shareholders believe that managers dedicate resources to CSR to benefit themselves (Brown et al., 2005), or divert resources away from more lucrative purposes to CSR (Cardamone et al. (2012), then chances these shareholders would resist CSR, are higher. Employees are another motivation for firm to engage into CSR. According to social identity theory, employees are willing to work for a socially responsible company because doing so strengthens their self-image, helps to identify themselves with the company, and fulfils the need for belonging and membership (Turban & Greening, 1997). Based on this argument, evidence shows that CSR positively impacts employee recruitment, satisfaction, retention, loyalty and commitment (Heslin & Ochoa, 2008; Aguilera et al., 2007). On the other hand, research shows that when employees perceive their companies’ CSR as window-dressing (Connors et al., 2017) or symbolic (Donia et al., 2019) could adversely affect their organizational commitment (Schons & Steinmeier, 2016). For example, backlash against the company

(McShane & Cunningham, 2012) or when CSR is perceived as extra-role, (Hobfoll et al., 2018), both instances could weaken their CSR engagement. Next, customers demand greater transparency and exert pressure on companies to commit into CSR (Morsing, 2003). However, in the wake of green marketing, some evidence indicates that customers may suspect companies' CSR practice as "greenwashing" (Arendt & Brette, 2010) and question firms' underlying motives (Ellen et al., 2006). This could explain the negative relationship between CSR and firm value particularly when firms with high public awareness were penalized for CSR concerns (Servaes & Tamayo, 2013). Also, supply chain members' requirement constitutes another motivation for firms' commitment into CSR. Particularly for large firms, much of the content for their products is made by suppliers and contract manufacturers and are increasingly held responsible for the conditions under which their products are produced (Pederson & Anderson, 2006). Hence, large firms use instruments such as codes of conduct, a set of written principles, guidelines or standards (Graafland et al., 2003) that also extends to their suppliers (Roberts, 2003; Jenkins, 2006) to improve their companies' social and environmental performance. For example, series of certifications such as ISO 14001, SA 8000, and ISO26000 have played a significant role in the development of CSR for supply chain management (Feng et al, 2017). Last, government and Non-Governmental Organizations (NGOs) also play a role in driving firms' CSR practices. The former formulates legislation in key areas such as occupational safety and health, fair labor practices, consumer protection, and environment protection (Gonzalez & Martinez, 2004). According to Toker (2014) and Ruggie (2004), NGOs have been working together with some large MNCs to promote social and environmental actions, provide technical assistance to corporations, elaborate commonly agreed certification schemes, promote and design CSR standards, as well as participating in CSR monitoring, management, and auditing. Our study examines motivations behind SMEs CSR practices based on the salience of five primary stakeholders.

3. Methodology and results

This study employed a qualitative research approach by interviewing 31 Singaporean SMEs on their perceptions, practices, motivators and barriers around CSR. Table 1 gives the description of their

operations and demographic information. All of them have been in operation ranging from 1 year to 40 years in business, reflected in Table 1 in this study. Interview questions are in the Appendix section.

-----Insert Table 1 around here-----

Data collection and analysis

Data collection was conducted between July 2018 and April 2019. Ethics approval for the study was secured from the Ethics Committees in the authors' university. To analyse the interview, we adopted a thematic approach to find out common responses or 'themes' (Smith & Firth, 2011). The raw, unstructured text-based data collected from interviews were transcribed, coded and categorized into themes falling into 4 categories of CSR perceptions, practices, motivators and barriers (Coppa & Sriramesh, 2013) with the assistance of a qualitative diagnostic tool MAXQDA. A brief of the coding procedure in MAXQDA is provided in the note and emergence of ten themes are shown in Table 2.

-----Insert Table 2 around here-----

Results

Among the common themes, "business responsibility to society" is shared by all the thirty-one SMEs. Specifically, five SMEs (SME27-31) operating in credit rating, shipping, manufacturing and pharmaceutical encounter and adhere to prevailing standards and audit procedures established by government or industry norms to control their product/service quality, work-environment safety and environmental protection. In that sense, they are operating in highly normative sectors. The remaining twenty-six SMEs(SME1-26) operate in fourteen different businesses that follow regulatory framework that every Singapore company must operate (i.e., Corporate Tax returns with IRAS, Goods and Services Tax registration, filing annual returns with ACRA, labour laws, personal data protection compliance, Singapore's contracts laws, and anti-competitive activities). Compared to the former sector, these SMEs operate in less normative sectors. A summary of the SMEs' businesses, CSR practices, motivations, barriers and arising themes is presented in Table 3.

-----Insert Table 3 around here-----

Our findings first reveal that SMEs practise different CSRs because of their business needs, influenced by the salience and expectations of their stakeholders. To the five SMEs from highly normative sectors,

CSR is no more than a set of compliance-driven practices, by which companies earn and retain their licence to operate, by following established regulations and industry standards in terms of environment protection, product/service quality and safety and work-environment safety. When taking a closer look, it is found that the products / services supplied in these sectors have to meet relatively hard criteria and tend to be more standardized. Moreover, compliance to regulations and industry standards aligns well with catering to clients. For example, managing the risks related to social and environmental issues are indeed crucial for these SMEs to avoid penalties or negative repercussions, as well as to gain trust from clients. In this regard, SME31 a pharmaceutical company clarifies about its stance on legitimacy through client satisfaction as follows; *“Our company takes serious view of customer complaints and thru Codes of Good Practices and conduct of audit inspections”*. Also, SME28 from the manufacturing industry aptly highlighted the need to abide to regulations: *“We have to abide by the law to protect our environment with regards to air, water and sound pollution. In fact, this is enforced by the government”*. Taking care of their employees to retain talents and to enhance employee-bonding was identified as another important CSR driver to three SMEs (i.e., SMEs 27, 28 and 31). Narratives of employee-focused CSR are as follows; *“...younger employees act as Ambassadors of CSR... CSR can be used to even retain our staff and that is very promising for our company” (SME27), “CSR...is taking care of the staff, taking care of their needs” (SME28), and “their welfare, to foster greater employee bonding” (SME31)*. In that sense, SMEs in highly normative sectors are more pre-occupied with their day-to-day business operations in order to stay competitive and therefore resources allocated for CSR are limited. They have minimal incentive to commit into CSR other than compliance. The fact that their low awareness of firstly how to implement CSR in their daily operations and secondly to engage their employees adds on to the dilemma. This brings home the point that SMEs from highly normative industries practice CSR act defensively (El-Baz et al, 2016). Their notion of CSR is all about compliance. In contrast, companies in less normative industries go beyond “compliance” CSR, and proactively develop CSR policies, programs and strategies, motivated by the perceived expectations of different stakeholders (Matten & Moon, 2008). Five CSR motivators emerge from the analysis: (a) top management support, (b) employee-investment, (c) community-involvement with philanthropy, (d) branding, and lastly and more interestingly, (e) catering to the younger generation. In fact, a climate

where management and employees have open conversations, allows the younger workforce to lead in CSR activities with ideas and talents drawn from their previous work experiences with large companies. Three SMEs (SME2, SME6 and SME22) postulated that younger employees can drive and even act as a catalyst of CSRs. Taken together these five CSR motivators, enhance SMEs' corporate citizenship and incentivises them to leverage CSR because of their strong "conviction" that doing good and doing well can co-exist (Meyer,2015). While, key CSR motivations emanate from top management and employees in some cases, the very same could result in CSR disengagement when their support is discontinued or disrupted. This is a significant drawback elaborated by SME22; *"The main barrier towards CSR would be the inability to sustain an initiative due to burnout or a failure to rotate employees for a certain CSR project"*, and therefore, *"engaging employees is the biggest barrier; although we tried to initiate CSR activities, not all employees were willing to participate. Some gave the reason of family commitment... They do not see the benefits of engaging into such CSRs... As such, we have to refine our CSR strategies to align them with employees' interest."* These drawbacks could also result from the potential dysfunctional effects of CSR communication with stakeholders which some SMEs(SME8,SME23) find hard to overcome making their CSR strategies weak or less successful to implement.

4.Discussion

Our results provided two-fold contribution to the literature on SMEs' CSR. First, prior studies have given inconclusive picture of SMEs' engagement into CSR. In our study, two types of CSRs emerged from our analysis, i.e., compliance - CSR in SMEs in highly normative sector and secondly, conviction - CSR in SMEs from less normative sector. For the former sector, their CSR is at the minimal level by focusing on the legal context, mandated by law and international regulations. While for the latter sector, their CSR motivations are grounded in responsibilities to the larger environment and community while balancing to integrate the primary concern with profits. The identification of such compliance and conviction CSR helps SMEs in adopting CSR that depended on their business needs, and to what extent CSR could add value to their business. Second, previous studies debated whether CSR burdens SMEs or can be an opportunity. Our results highlighted the importance that CSR could be designed and

developed to assist SMEs' overall strategy (engaging employees, establishing legitimacy with clients and community) evidencing that creating 'shared value' is possible (Porter & Kramer, 2006).

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Table 1. Demographic Information of the 31 SMEs

Small Medium Enterprise (SME) #	Sector	Division of industry (DOS)	Business description	Years in operation in Singapore	Number of full-time (FT) and part-time (PT) employees	Sales Turnover	CSR decision making by: committee / owner/manager
Less Normative Sector							
SME1	Corporate consultancy	Service	Corporate training and motivational workshops	Less than 2	3(FT)	Less than \$500 K	Owner
SME2	Food & Beverage	Service	A global franchise restaurant and delivery service of Japanese cuisine.	7	170(FT), 267(PT)	Declined	CSR committee
SME3	Tourism	Service	An island Eco beach resort with its own natural-spring- water-landscape pool.	12	70(FT)	Less than \$20 M	Sustainability committee
SME4	Fitness	Service	Provides customized health and fitness programs, including schools.	4	3 (FT), 25(PT)	Less than \$500 K	Owner
SME5	Corporate consultancy	Service	Accounting and Secretarial services	8	14(FT)	Less than \$1 M	Manager
SME6	Corporate consultancy	Service	Corporate advisory services	18	20(FT)	Declined	Manager
SME7	Digital Marketing	Service	Digital marketing and supply of talent media	4	30 (FT)	Less than \$1 M	Owner
SME8	Digital Marketing Consultancy & Training	Service	Provision of digital marketing and training services	1	5(FT)	Less than \$500 K	Owner
SME9	Corporate consultancy	Service	Provision of IT services	5	3(FT)	Less than \$500 K	Owner
SME10	Wholesale and Retail -eyewear	Service	Provision of eye glasses	1	2(FT)	Declined	Owner
SME11	Freight forwarding	Service	Provision of freight for commodities	31	30(FT)	Less than \$1 M	Manager
SME12	Food & Beverage	Service	Restaurant business	8	10 (FT)	Less than \$1 M	Owner
SME13	Automobile-repair	Service	Car repair, sale of car accessories	30	6(FT)	Less than \$1 M	Owner
SME14	Education	Service	Tuition services- primary and Secondary	Less than 5	19(FT), 50 (PT)	Less than \$5 M	Owner
SME15	Fitness	Service	Gym	6 months	6 (FT)	Less than \$5 M	Owner
SME16	Automobile-repair	Service	Sales of car parts, air-con service	30	6 (FT)	Less than \$ 1 M	Owner
SME17	Finance	Service	Sale of foreign currencies	12	2(FT)	Less than \$20 M	Owner
SME18	E-commerce	Service	Online delivery portal of daily necessities	4	15(FT)	Less than \$500 K	Owner
SME19	Corporate consultancy	Service	Provision of consultancy, training to corporate clients	22	3 (FT)	Less than \$500 K	Owner
SME20	Corporate consultancy	Service	IT, Business Process Consultants, Implement SAP	22	3(FT)	Less than \$500 K	Owner

SME21	Finance	Service	Online Financial Aggregator- loans	10	125(FT)	Less than \$20 M	Owner
SME22	Cleaning	Service	Environmental Cleaning Services	40	1600(FT and PT)	Less than \$100 M	CSR committee
SME23	Cleaning	Service	cleaning -indoors	7	22	Less than \$1 M	Manager
SME24	Education	Service	Undergraduate and masters program	8	72 (FT)	Less than \$20 M	CSR committee
SME25	Data analytics	Service	Data & Artificial Intelligence (AI) Consulting Services	11	50 +	Less than \$20 M	Owner
SME26	Engineering	Service	Engineering services	16	21 (FT)	Less than \$5 M	Owner
Highly Normative SMEs							
SME27	Credit rating	Service	Credit reporting and Business information services	18	70(FT)	Less than \$50 M	CSR committee
SME28	Manufacturing	Manufacturing	Parts trading and forklift trader	35	25(FT)	Less than \$1 M	Owner
SME29	Shipping	Service	Freight forward logistics	13	10 (FT)	Less than \$20 M	Owner
SME30	Shipping	Service	Supply of ISO tank containers for shipping	12	< 200 (FT)	Less than \$100 M	Manager
SME31	Pharmaceutical	Service	therapeutic solutions for brain stroke patients	18	50	Declined	Manager

Table 2 Thematic Analysis Results based on MAXQDA

		Perception	Motivators/Themes						Barriers/Themes		
Less Normative/ Highly Normative SMEs	Small Medium Enterprise (SME)	Business responsibility to society	Community involvement	Philanthropy	Employee- invested	Institutional compliance	Branding	Top management support	Profit- driven	Lack of CSR agenda	
										Lack of awareness	CSR strategy needs redefining
Less normative	SME1	2	1	1	2	1	2	1	0	0	0
	SME2	5	2	0	6	0	1	4	0	1	0
	SME3	3	2	1	3	1	0	1	1	1	1
	SME4	2	2	3	1	0	3	2	2	1	2
	SME5	1	0	0	3	5	1	2	3	0	3
	SME6	1	0	2	0	1	0	2	0	4	0
	SME7	6	2	1	1	0	1	1	1	0	1
	SME8	5	0	2	1	0	0	1	0	0	1
	SME9	3	0	2	0	3	1	1	0	1	0
	SME10	1	1	0	0	0	1	0	2	0	1
	SME11	2	0	2	1	0	0	1	1	1	2
	SME12	4	1	0	1	0	0	2	0	0	2
	SME13	2	0	1	0	0	0	1	0	1	0
	SME14	2	2	3	1	0	3	2	2	1	2
	SME15	3	1	1	0	0	3	1	1	0	0
	SME16	4	1	2	1	0	0	2	1	0	0
	SME17	4	1	0	0	0	2	1	1	0	0
	SME18	3	4	2	3	1	0	4	0	1	0
	SME19	5	3	1	1	0	0	4	1	0	0
	SME20	3	1	0	1	0	0	1	1	0	1
	SME21	0	0	0	1	1	1	1	3	1	0
	SME22	6	2	1	3	2	0	3	1	0	1
	SME23	3	0	0	2	4	0	1	0	1	0

	SME24	3	2	2	3	0	0	5	1	0	0
	SME25	2	2	1	2	0	1	1	1	0	2
	SME26	4	0	2	1	1	3	0	1	0	0
Sum of coded segments		=79	=30	=30	=38	=20	=23	=45	=24	=14	=19
Highly Normative SMEs											
Highly normative	SME27	2	1	1	2	1	1	1	0	0	3
	SME28	1	0	0	3	5	1	2	3	0	0
	SME29	1	0	2	0	1	0	2	0	4	0
	SME30	1	0	0	0	4	5	0	0	1	0
	SME31	1	0	0	3	1	1	1	2	2	2
Sum of coded segments		=6	=1	=3	=8	=12	=8	=6	=5	=7	=5

Note: The coding was conducted in MAXQDA, a qualitative diagnostic tool which assists with the sorting, documenting and analysis of the transcripts. Once the transcripts were loaded onto MAXQDA, the transcript of each SME was reviewed in-depth and segments containing these themes were then codified. Codes that occur in a given document can be counted, on a per-document basis arriving at the frequencies of each code.

Table 3. CSR practices, motivators by themes, barriers and salience of stakeholders for the interviewed 31 SMEs

Branch of CSR	Industry	Nature of business	CSR practices	Types of CSR involved, some with quotes	CSR Motivators	Stakeholders	Barriers
Conviction	Less normative	SME1 (Consultancy)	Philanthropy and Community (overseas)	-Philanthropy overseas (Philippines), feeding undernourished children, providing necessities annually - community	Employee- invested Top management support, Branding, Institutional compliance	Customers, Top management	Time
		SME2 (Food & Beverages)	Greater CSR initiatives to the employees and their engagement in CSR	-Sports and fitness for employees -philanthropy food donation drive to community	Employee- invested. Top management support, Branding	Employees, Top management	Younger employees are more creative, wanting to try new CSR initiatives while older employees are more hesitant
		SME3 (Eco-Tourism)	Employees and eco-environment	-educating guests about the protection of environment -green education program -holiday season charity events -hiring employees with disabilities	Employee- invested, Top management support, Institutional compliance	Employees, Customers, Top management	Alignment of economic profits and social responsibilities are challenged
		SME4 (Fitness)	Community involvement, Philanthropy	-Free fitness sessions for charities for kids and elderly -free sessions for donation for church -donation of used/unused clothes - involve customers, employees and partners -insurance, encourage career development	Employee- invested, Top management support, Branding	Owner and, Customers	Time and effort and money
		SME5 (Consultancy)	Community involvement, Philanthropy	-community service (Clean the homes Annually) -Philanthropy (donation such as yard sales. Activities at 'Helping Hands' are bi-monthly activity)	Employee- invested, Top management support, Branding, Institutional compliance	Owner and employees	Time and effort and money
		SME6 (Consultancy)	Community involvement, Philanthropy	-Philanthropy (food donations on festive occasions to elderly in the community) - going 'Green'- less wastage, recycle, reuse etc	Institutional compliance and Top management support	Owner	-Time and effort and money -young employees could do more in volunteering
		SME7 (Digital Marketing)	Community involvement, Philanthropy	-free mentorship, training to employees to kickstart their own business, belief and practice work-life balance -adhere environmental policies -Philanthropy to community, pro-bono marketing skills to non-profits and volunteer work at least twice a year - encourage customers to go digital so as to use less paper, environmental support	Employee- invested, Top management support, Branding	Owner and employees	-CSR strategy needs redefining, more attempts to collaborate with other SMEs, stakeholders with same

							motivation to do good
		SME8 (Digital Marketing Consultancy & Training)	-Community. Charity, Volunteer work, mentorship etc. -Philanthropy (student sponsorship)	- support a couple of charities including HCSA Halfway House for their Xmas event - provide mentorship and sponsoring events for students. -environment friendly- digitalization via Google Drive, Google Sheets, e-signatures is how we work and have urged our customers to work with us. V	Employee- invested, Top management support	Owner	-tax exemptions could help more with their existing CSR initiatives
		SME9 (Consultancy)	-Community -Philanthropy -Digitalization towards being 'green'	- Engaging in charitable and volunteering efforts 6 times a year - environmentally friendly activities such as reducing wastages -Safe and healthy work environment	-Top management support , Branding	Owner	-lack of CSR awareness,
		SME10 (Wholesale and Retail – eyewear)	-None- Startup less than a year -We employ people – and believe in above market rates of salary	None - <i>“But if the question is whether we as human beings have an obligation to issues and civil society greater than ourselves, the answer is absolutely yes”</i>	Employee- invested	Owner	-profit driven, CSR strategy needs redefining - Start up with limited resources
		Freight forwarding- SME11	-Philanthropy	-Sponsor sports tournaments. -Donation to worthwhile causes.	Employee matter, Top management support	Top management	-CSR strategy needs redefining, Profit driven,
		Food & Beverage- SME12	-inclusion criteria – employ people with disabilities -Philanthropy -environmentally friendly- go Green -community	- <i>“We employ a deaf person in our café as a barista and even sent her for hygiene and barista courses”</i> - <i>“We use environmentally friendly- plastic straws to metal straws and paper straws”</i> - <i>“We also donate to National Heart Foundation and World Wide Fund for Nature (WWF)”</i>	Employee- invested, Top management support	Owner, customers, employees	-Cost, -limited resources
		Auto repair- SME13	-Philanthropy - environmentally friendly	-donations to temples a few times a year -recycling	Top management	Owner	-profit driven and cost
		Education- SME14	-Philanthropy -environmentally friendly- go Green	-sponsored 4 students when realized they faced financial difficulties -environmentally friendly- recycling	Top management	Owner	-lack of CSR awareness -time and cost
		Fitness- SME15	-Community	-free talk on health and fitness, educating public, free health checks once a year	Top management, Branding	Owner- partners	-limited resources -csr strategy not aligned
		Auto repair- SME16	-Philanthropy -Community -environmentally friendly	-Temple donations six times a year -Recycling	Top management	Owner	-time

		Finance- SME17	-Philanthropy -environmentally friendly	-Donations a few times a year to community causes -Recycling	Top management, Branding	Owner	-profit driven and time
		E-commerce- SME18	-community -Philanthropy	- SPCA (pet shelter), homes for the aged(Orange Valley), "Helping Huts"(ie drug rehab place for men from age of 18 onwards) every month – twice - <i>"our employees and their families are actively involved in our CSR"</i>	Employee- invested, Branding,, Top management	Owner, employees	-CSR lack of awareness (We don't seem to know where are the needy places. That information is not there. Owner feels there should be proper channel is not easily found)
		Consultancy- SME19	-Philanthropy- -community	-pro bono – <i>we run a training company and our clientele who needs more professional help in communication skill, Crisis management, interview etc we advise them further by giving our number or email to contact us and provide advices without charging them</i> - <i>"I deliver food to the less privileged in island wide program " Willing hearts"</i> .	Top management	Owner	-profit driven .poor leadership -tax benefits for SMEs in CSR are less
		Consultancy- SME20	-Environmentally friendly (waste management)	- None - <i>"Some of our customers, Mitsubishi Electric, Starwood- Sheraton hotels-international companies (businesses) are much larger than us and have CSR programs, and includes us in their CSR"</i>	Customers (large companies)	Owner	-time and size of firm
		Finance- SME21	-None	-None	Not motivated by their customers, suppliers from large financial institutions (Our suppliers are large financial institutions. They probably view CSR more favourably, not SME)	Owner	-Profit driven, lack of CSR awareness and no CSR strategy
		Environmental- SME22	-Philanthropy -employee health and safety and wellness - smaller carbon footprint by having more recycling	- <i>We are currently engaged with various youth organisations with donation drives, fundraisers and educational tours for our recycling facility</i> - <i>We have in place employee insurance policies that cover our employees on their daily work, health and safety aspects and additionally other benefits and events tied in to their employment, which engages them in team bonding events, health awareness checks and other events.</i>	Employee- invested, Institutional compliance, Top management	Top Management, Suppliers, Employees	-cost, time and effort -for sustainable CSR, more employees involvement is expected (The main barriers towards CSR would be the inability to sustain an

							initiative due to burnout or a failure to rotate employees for a certain CSR project. Another shortfall would be the lack of finances especially for SMEs to cater to regular CSR)
		Environmental- SME23	-Institutional compliance (product and employee safety) -environmentally friendly	- “we educate our staff on usage of plastic products and the way to dispose them and we also ensure water is conserved and used appropriately as part of their training as new staff”	Suppliers, Employee-invested	Owners	-Lack of CSR strategy
		Education- SME24	-Philanthropy - community -Environmentally friendly	- “As an educational institution, we give free, or highly subsidised education, tuition to the needy individuals and self-help groups. Our annual scholarships can range anything between \$100k and \$150k.” - “we support the children with disabilities” - “we also ask our employees to contribute to their own causes and let us know, so we can evaluate support as an organisation if found to be suitable” - Outstanding Environment Outreach Project Award “Yellow Flame Award”, Schools Green Award, the highest award for higher education schools category	Top management, Employee- invested	Top management	-Leadership is important for CSR to continue
		Data analytics- SME25	-None -Digitalization to go Green-environmentally friendly	“We try to be as digital as possible, avoiding printing etc. We also have a small office to minimize our carbon footprint”	Branding	Owner	-time and effort(manpower)
		Construction _ SME26	-Philanthropy - Institutional compliance	-Donations yearly to community -Waste disposal	Branding, Institutional compliance,	Owner	-profit driven, Lack of CSR strategy, lack of awareness
Branch of CSR	Industry	Nature of business	CSR practices	Examples of CSR involved	Common CSR Motivators	Stakeholders	Barriers
Compliance	Highly normative	Credit rating- SME27	-Philanthropy - Community -Environmentally friendly -Code of Conduct,	- “community involvement programs involving our employees, board is to have good collaboration with our external parties (ie our beneficiaries/partners, non-profits” - “Fitness programs as mentioned where we provide for our employees as part of taking care of their welfare” - Code of Conduct addressed to our employees advocates fair practices.	Employee- invested, Institutional compliance, Top management	Employees, Customers, Suppliers, Community	-CSR strategy needs redefining (if it brings value added and more employees to drive the CSR movement)

							- time, money and effort
		Manufacturing- SME28	Employee and codes of conduct	-organize dinner for employees -find ways to recycle used rubber -dispose of chemical waste thru proper channels and absorbing the cost. -reverse osmosis in plant	Employee- invested, Institutional compliance, Branding, Top management	Institutions, customers	Profit-driven
		Shipping -SME29	Codes of conduct	-donations once a year --adhere to environmental , smoke emission	Institutional compliance, Top management	Institutions, customers	Lack of awareness
		Shipping- SME30	Codes of conduct	-donations - adhere to international tanker codes ITCO	Institutional compliance, Branding	Institutions, customers	Lack of CSR awareness
		Pharmaceutical -SME31	Codes of Good Practices	-due to clinical trials of drugs caring for patients(customers) from post-stroke - employee bonding activities - audited every 2 years	Employee- invested, Institutional compliance, Branding, Top management		Profit-driven, Lack of CSR awareness, CSR strategy needs redefining

Appendix

INTERVIEW QUESTIONS

Company name

Years of operation in Singapore

Main Activity of business

Designation of Respondent (CSR)

*Are you the Owner/Manager-CSR

☐ Owner ☐ Manager

Number of employees <200

The turnover per annum (2017) of your company:

Tick boxes:

☐ < \$500,000 ☐ < \$1 000,000 ☐ < \$5 000,000 ☐
 < \$20,000,000
☐ < \$50,000,000
☐ < \$100,000,000

1. Are you familiar with the term “corporate social responsibility “or CSR? What is your understanding of it? Please explain.
2. Do you think CSR is important to your company?
3. Do you have a designated person in your company who makes all the CSR decisions?
4. Do you think your company has engaged in any CSR activities? What are those activities?
5. What policies that motivate and protect your employees does your company support?
6. What does your company do to take care of your customers?
7. Do you think your company’s views on CSR is shared by your suppliers? What does your company do to make sure it is shared?
8. What does your company do to contribute to the community? How often in a year and in what ways?
9. What does your company do to ensure environmental friendliness?
10. What motivates your company towards CSR?
11. What are the main barriers towards CSR?

Paper Number: MS0050

**Green Buying or Conspicuous Consumption?
Investigating the Association between Consumer Personality and
the Purchase Intention on Eco-Friendly Products**

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Green Buying or Conspicuous Consumption? Investigating the Association between Consumer Personality and the Purchase Intention on Eco-Friendly Products

Extended Abstract

With increasing world consumption, green products and sustainability are becoming vastly important. To facilitate green consumption, effective green marketing strategies are essential. This study investigates the relationship between consumer personality traits (materialism, conformity, vanity, narcissism) and their purchase intention on eco-friendly products. Furthermore, it examines how product conspicuousness moderates these relationships. 300 subjects were recruited globally through an online questionnaire on MTurk. Results indicate that narcissism and vanity have a positive effect on purchase intention of green products. Furthermore, this relationship was enhanced by product conspicuousness for vanity. Research implications are further discussed for green marketing literature and strategies.

Keyword: *Personality, Eco-friendly Products, Product Conspicuousness, Purchase Intention, Consumer Behavior*

1. Introduction

Corporate Social Responsibility (CSR) has been widely discussed in both academic and practical perspectives in recent years (Lee, Kim, Lee & Li, 2012). It is observed that the majority of consumers are aware that their purchasing behaviors have a direct impact on environmental issues such as air pollution and global warming (Krause, 1993). Moreover, consumers are increasingly found to expect higher levels of CSR in firms throughout the years (Mohr, Webb & Harris, 2001).

To satisfy consumer expectations, firms have increasingly emphasized and introduced eco-friendly innovations into their products. Nowadays, many companies spend an immense amount of budget on marketing and advertising tailored to specific pro-environmental consumer segments. In segmentation, the psychographic approach is an important way to understand consumers. In the past, most studies on the consumption of eco-friendly products focused on segmenting consumers with factors such as demographics, behavior, and beliefs. (e.g., Laroche, Bergeron & Barbaro-Forleo, 2001; Majumdar & Swain, 2017). Although the above studies show the importance of using a psychographic approach to segment consumers, they have ignored personality traits. To fill the gap, this study investigates the relationship between personality traits and consumer buying behavior toward eco-friendly products.

Previous literature has found variations of consumer purchase intention across conspicuous and inconspicuous products (Zhou and Wong, 2008). For instance, Kang and Park (2016) noticed the conspicuousness of luxury products can greatly positively influence consumer buying intentions with their brand image and logo. Similar to luxury products, some manufactured eco-friendly products are viewed as more conspicuous due to being more scarce, unique in design and expensive. Based on the above, it is important to examine how perceived product conspicuousness affects the purchase intention on green products. This study aims to examine two research questions: First, what is the relationship between consumer personality traits and their purchase intention on eco-friendly products? In particular, this study encompasses the personality traits of materialism, conformity, narcissism, and vanity. Second, how does product conspicuousness moderate these relationships? The current research contributes to the literature of green consumption by identifying personality traits that associate with eco-friendly product purchase intention. The findings also provide marketing practitioners guidelines and strategies for targeting and segmenting consumers.

2. Literature Review

Allport (1937) was the first to propose the concept of personality in the field of psychology. He defined

personality as a person's pattern of behavior, thoughts and feelings (Allport, 1961). In marketing, personality has been widely examined to understand and predict consumer behavior such as beliefs, brand preferences, and purchase intention (e.g. Lee, Gregg & Park, 2013). However, there is limited research on the relationship between personality and the purchase intention of green products. Below are the hypotheses of the research. Figure 1 (Appendix) presents the conceptual framework of this study.

H1a: Narcissism is positively related to the purchase intention on eco-friendly products.

H1b: The relationship between narcissism and the purchase intention on eco-friendly products are positively moderated by product conspicuousness.

H2a: Materialism is negatively related to the purchase intention on eco-friendly products.

H2b: The relationship between materialism and the purchase intention on eco-friendly products are positively moderated by product conspicuousness.

H3a: Conformity is positively related to the purchase intention on eco-friendly products.

H3b: The relationship between conformity and the purchase intention on eco-friendly products are positively moderated by product conspicuousness.

H4a: Vanity is positively related to the purchase intention on eco-friendly products.

H4b: The relationship between vanity and the purchase intention on eco-friendly products are positively moderated by product conspicuousness.

3. Methodology and Results

3.1. Sample Profile, Measurement, Correlations and Multiple Regression Results

This research designed an online questionnaire and recruited 300 subjects globally on Amazon Mechanical Turk (MTurk). Among the respondents, 214 were male (71.3%), 131 were between 21 and 30 years of age (43.7%), 176 had a bachelor's degree (58.7%), 65 respondents had lower income than 1000 USD (21.7%), and 218 respondents had purchased eco-friendly products in recent years (72.7%). For the variables, the dependent variable is the purchase intention on eco-friendly products (Summers, Belleau & Xu, 2006) and the personality traits are the independent variables. Narcissism was measured through the NPI-13 scale (α : 0.81) developed by Gentile et al. (2013). Materialism was assessed through a 9-item scale (Cronbach's α : 0.78) adopted from Kilbourne and Pickett (2008).

Conformity was adopted through a scale of 11 items (Cronbach's α : 0.76) by Mehrabian and Steffl (1995). Vanity was measured from a 21-item scale (Cronbach's α : 0.90) developed by Netemeyer, Burton & Lichtenstein (1995). The moderator, product conspicuousness, was adopted through a scale by Gierl and Huettl (2010). Lastly, age, income and purchase experience of eco-friendly products are the control variables.

Table 1 presents the mean, standard deviation and correlations of variables. Table 2 shows the multiple regression analysis results on the effects of consumer personality on the purchase intention of eco-friendly products. As Table 2 shows, narcissism ($\beta = 0.211$; $p < 0.05$) and vanity ($\beta = 0.493$; $p < 0.01$) have a significant positive relationship with the purchase intention on eco-friendly products. Therefore, H1a and H4a are both supported. H2a and H3a are not significant and not supported. For the moderating effects, the interaction between narcissism and product conspicuousness is negative and significant ($\beta = -3.621$; $p < 0.01$). However, since the hypothesis predicted a positive effect, H1b is not supported. As predicted, product conspicuousness has a significant positive moderating effect on the relationship between vanity and the purchase intention on eco-friendly products ($\beta = 4.951$; $p < 0.01$). Thus, H4b is supported. Lastly, H2b and H3b are not statistically significant and not supported.

4. Discussion

This research has shed light on understanding the effects of consumer personality traits on the purchase intention on eco-friendly products. Additionally, it has also investigated into how product conspicuousness affects these relationships as a moderator. Based on the results, consumers with personality traits of vanity and narcissism are more likely to purchase eco-friendly products. Moreover, this relationship is significantly enhanced by product conspicuousness for the trait of vanity. This study contributes to the field in marketing literature by spotting personality traits associated with green consumption. For managerial implications, firms and marketing practitioners can better understand, target and segment consumers. For instance, green companies can focus their marketing strategies on attracting consumers with personality traits of vanity and narcissism. Firms can use tools such as social media and advertising to attract consumers with vain traits since they enjoy following trends and celebrities (Chen & Tsai, 2010). Furthermore, companies can improve their packaging design and use creative colors to enhance the degree of conspicuousness of their green products to attract consumers.

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Appendix

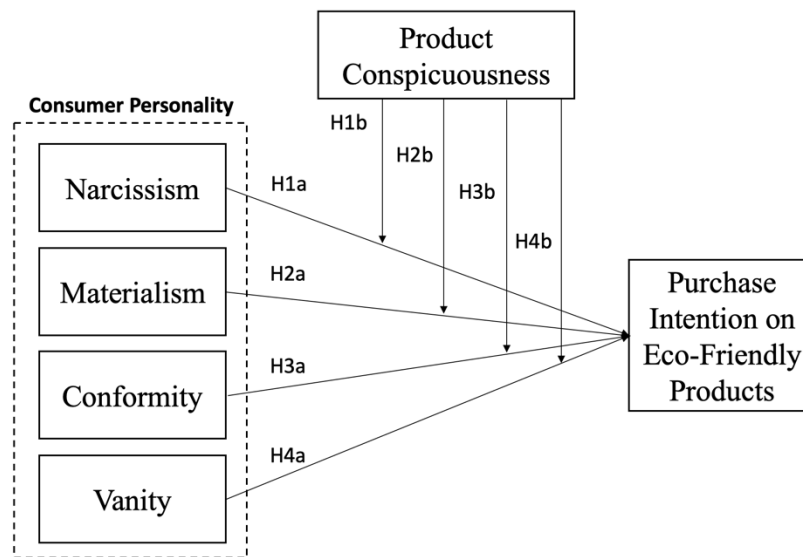


Figure 1. Conceptual Framework

Table 1. Descriptive Statistics and Correlations

Variables	Mean	SD	1	2	3	4	5	6	7
Narcissism	0.015	0.445							
Materialism	0.022	0.431	0.502**						
Conformity	0.042	0.359	0.496**	0.281**					
Vanity	0.021	0.507	0.849**	0.446**	0.500*				
Age	34.66	10.461	-0.211**	-0.155**	-0.216**	-0.174**			
Income	3.23	1.738	0.090	-0.002	-0.079	0.153**	0.187**		
Purchase Exp	0.72	0.448	0.042	0.000	-0.032	0.104	0.021	0.066	
Product Cons	4.88	1.713	0.622**	0.308**	0.0370**	0.719**	-0.095	0.095	0.054

Notes: N = 300. * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$.

Table 2. Effects of Consumer Personality on the Purchase Intention of Eco-Friendly Products

Control Variables	Model 1	Model 2	Model 3
Age	-.205**	-.060	-1.826
Income	.144*	.025	.462
Purchase Experience on Eco-Products	.101	.046	1.378
Independent Variables			
Narcissism		.211*	.219
Materialism		-.043	-1.239
Conformity		-.007	.261
Vanity		.493**	5.840**
Interaction Variables			
Narcissism x Product Conspicuousness			-3.621**
Materialism x Product Conspicuousness			.257
Conformity x Product Conspicuousness			-.648
Vanity x Product Conspicuousness			4.951**
R ²	0.063	0.463	0.521
F Value	6.628	36.001	25.994

Notes: N = 300. * $p < 0.05$; ** $p < 0.01$.

Paper Number: MS0051

Book-Tax Tradeoff Theory and Corporate Acquisitions: Evidence from China

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Book-Tax Tradeoff Theory and Corporate Acquisitions: Evidence from China

Abstract

A number of studies in both accounting and finance have examined factors that can inform the choice of a corporate acquisition payment method including tax consideration, but their evidences focus on how a particular payment method can help the acquirers and targets minimize or defer their tax obligations after acquisition. This study tests the applicability of the book-tax trade-off theory in an M&A (merger and acquisition) context. Specifically, we investigate the relationship between an acquirer's tax avoidance behavior and the choice of an acquisition payment method. We find that a lower (higher) level of tax avoidance is related to the choice of stock (cash) financed acquisitions. Information transparency and corporate governance however can moderate the relationship. Propensity score matching, reverse causality test and other sensitivity analyses support the robustness of the main results. So far as can be determined, this study represents the first effort to validate the book-tax tradeoff theory in an M&A context. Being able to identify and explain the relationship between tax avoidance behaviors and the choice of an acquisition payment method based on an established theory allow investors and other M&A stakeholders better assess firm performance and reporting, as well as potential tax obligations after acquisitions.

Paper Number: MS0052

**Not Easy to be a Career Crafter:
The Detrimental Role of Job Precariousness
via Future Work Self and Protean Career Orientation**

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Not Easy to be a Career Crafter: The Detrimental Role of Job Precariousness via Future Work Self and Protean Career Orientation

Extended Abstract

1. Introduction

In today's dynamic career context, people cannot rely on a sustained career in one organization any more (Savickas, 2013). Also, the nature of people's needs and values are constantly changing that a job can no longer be satisfying all the time (Sullivant & Baruch, 2009). Facing this situation, individuals could be benefited from career crafting behaviors (i.e., as a set of proactive and congruence-seeking behaviors) to improve meaning at work and in life (Lee et al., 2021).

However, career crafting behaviors are inevitably discouraged by negative work experiences, especially for emerging adults who might not have a clear career goal. In China, doing a temporary assignment or a part-time job is becoming increasingly more generally-accepted among university students. The precariousness they experienced is likely to challenge their existing work identities or traditional identities learned in school (Fevre et al., 2012), even make them being described as the precarious generation (Bessant et al., 2017). Thus, they may lower their self-directed attitudes (i.e., protean career orientation, Hall, 2004) and expectancies of future selves at workplace (i.e., future work self, Strauss, 2011) and accordingly present less career crafting behaviors.

Our study contributes to the vocational behavior and career development literature as follows: 1) To give a brief discussion of the negative influence of precariousness; 2) To explore the detrimental effects of precariousness on part-time student's career crafting behaviors by verifying the mechanism of two mediators: future work self and protean career orientation; 3) To provide practical implications for future career research and guidance.

2. Literature and framework

2.1 Precarious work and precariousness

Precarious work refers to “work that is insecure and uncertain, often low-paying, and in which the risks of work are shifted from employers and the government to workers (Kalleberg, 2018, p.241)”. Despite its incidence and impact differ depending on a country’s macro-level structures such as social welfare and labor market systems, precarious work is increasingly common and potentially increases economic inequality worldwide (Kalleberg, 2018). Emerging adults are among the most vulnerable groups who often suffer the pervasive impact of precarious working conditions, the precariousness they experienced (i.e., job conditions, job remuneration, job security, job flexibility) undermines the development of a healthy and productive identity (Creed et al., 2021), and thus demotivates young people to craft their career trajectories (Lee et al., 2021).

Hypothesis 1: Job precariousness is negatively related to career crafting behavior.

2.2 Job precariousness, future work self, career crafting behaviors

Future work self refers to a person's future representation that reflects one’s hopes and aspirations in relation to work (Strauss, 2012). It could potentially motivate individuals’ ambition and enhance their vision of future possibilities (Strauss, 2012), which facilitates them to shape their future careers (Claes & Ruiz-Quintanilla, 1998). Future work self salience refers to the degree to which a person's future work self is clear and easily imagined (Strauss, 2012). The behaviors of those with salient future work self are directed and motivated by their set targets and prospective results (Bandura, 2001).

However, precarious working experiences potentially reduce part-time students’ expectations about work in the future (Fevre et al., 2012). Specifically, part-timers’ behaviors may be negatively influenced by low job security, poor working conditions, or unacceptable income (Vosko, 2010). The comparison between part-timers’ expected future work self and the current precarious self could probably results in a psychological discrepancy (Strauss, 2012). The discrepancy may confuse people and reduce their perceptions of achievement and trigger bad feelings, such as uncertainty, anxiety, and worry (Elliot,

Sheldon & Church, 1997). Without salient future work selves, part-time students may be discouraged to give up striving for their desired career goals in accordance with their values and interests (Strauss, 2012). In other words, students without salient future work selves may find it struggling to craft their career trajectories and find meaningful career goals (Lee et al., 2021).

Hypothesis 2: Future work self mediates the relationship between job precariousness and career crafting behavior.

2.3 Job precariousness, protean career orientation, career crafting behavior

Protean career orientation reflects “an agentic attitude toward one’s career, in which a person aspires to be self-directed in his or her career choices and guided by intrinsic values (Hall, 2004, p.8)”. As being self-directed, an individual is the one in charge of making personal career objectives, which may not be bounded by the organization (Arthur, Khapova, & Wilderom, 2005). Moreover, people’s internal values navigate themselves and assess the success of their vocational decisions (Briscoe & Hall, 2006). Individuals with protean career orientation engage in more career behaviors based on their intrinsic values and personal interests, such as making connections with people who share their career interests and attending events that will help them explore different career paths (Herrmann, Hirschi, & Baruch, 2015). In other words, protean career orientation would drive people’s career crafting behaviors.

According to career construction theory (Savickas, 2002), a person’s identity is crucial because it addresses a fundamental component of autonomy over career growth and provides guidance and meaning to career development. Identity and expectation towards a career directly impact individuals’ development of interest, goals, and actions (Rodrigues et al., 2019; Adachi, 2004). However, precarious employment disrupts their identities and career aspirations (Allan et al., 2021; Creed, Hood, et al., 2020). Specifically, job precariousness weakens individuals’ awareness of intrinsic values and independent goals related to their careers. In addition, job precariousness causes students to feel a loss of personal control. (Glavin, 2013) and might inhibit their motivation to engage in self-management of their career. Therefore, we propose that job precariousness would lower protean career orientation.

Hypothesis 3: Protean career orientation mediates the relationship between job precariousness and career crafting behavior.

--Figure 1 about here--

3. Method and results

3.1 Participants and procedure

Participants in the current study were 363 full-time undergraduate students who were recruited online by five research assistants. Among the respondents, there were 178 male (49%) and 170 female (46.8%), 146 (40.2%) rural students and 217 (59.8%) urban students. Most of our respondents rated their grade as 75 to 90 (71.3%) and reported as being university students (89.5%) versus junior college students (10.5%).

3.2 Measures

Job precariousness was measured with 12-item Job Precariousness Scale for Student Who Work (Creed et al., 2020). Future work self was measured with 4-item Chinese version of future work self scale (Guan et al., 2014; Strauss et al., 2012). Protean career orientation was measured with 7-item short form Protean Career Attitudes scale (Porter et al., 2015). Career crafting behavior was measured with 16-item Career Crafting Assessment scale (Lee et al., 2021). Internal consistency for the study variables was shown in Table 1.

--Table 1 about here--

3.3 Results

Descriptive analysis was firstly conducted, intercorrelations and alphas of study variables were presented in Table 1, job precariousness was negatively associated with career crafting behavior ($r = -.60$, $p < .001$), supporting our hypothesis 1. The other hypotheses were tested using SPSS PROCESS (model 4). Our results showed that job precariousness was negatively related to future work self ($b = -.61$, $p < .001$)

and protean career orientation ($b = -.45$, $p < .001$), while future work self ($b = .18$, $p < .001$) and protean career orientation ($b = .49$, $p < .001$) were positively related to career crafting behavior. The indirect effects of job precariousness on career crafting behavior via future work self ($b = -.11$, 95%CI $[-.17, -.06]$) and protean career orientation ($b = -.22$, 95%CI $[-.28, -.16]$) were both significant, supporting our hypotheses 2 and 3 (see Table 2).

--Table 2 about here--

4. Discussion

The growth in precarious work has led to more vulnerable and unorganized workers (Webster et al., 2017). This paper proposed a dual-mediator model to examine how job precariousness is related to career crafting behavior among working undergraduates in China. There are some implications.

Firstly, Barrech et al. (2016) have demonstrated that traumatic working experiences may indeed have significant and long-term negative results. Job precariousness is such a painful experience of vulnerability and instability in well-being and security at work, including the dread of harassment, injury and mistreatment (Allan et al., 2021). Our study results are noteworthy because they show that job precariousness harms individuals' positive career behaviors and hinders them from pursuing career growth.

Secondly, our findings add to career research by connecting some related concepts (i.e., future work self and protean career orientation) and addressing their relevance for vocational outcomes, such as career crafting behavior. The findings support the idea that identity-based motivation is associated with the engagement of positive and congruence-seeking behaviors (Oyserman & Destin, 2010).

Thirdly, our findings could be practical to career counselors who work with young people. In view of the increased precariousness and uncertainty of employment (Kalleberg, 2009), career counselors should encourage students to cultivate clear future work selves by building connections between the present and future (Strauss & Kelly, 2016), increase their self-direction by training on career self-management, and affirm their intrinsic values through self-assessment of personal values (Hall et al.,

2018).

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Figures and tables

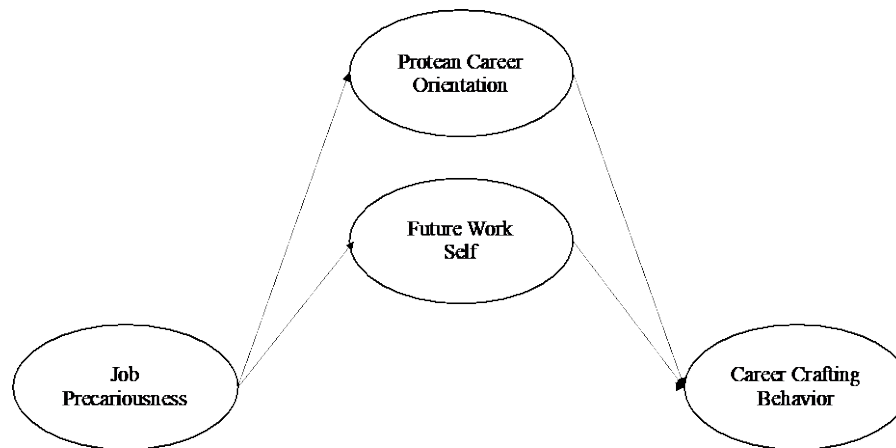


Figure 1

Table 1 & 2

Table 1

Zero-Order Correlations and Alphas

	JP	PCO	FWS	CCB	Gender	Grade	Place
JP	(.90)						
PCO	-.573**	(.86)					
FWS	-.593**	.656**	(.90)				
CCB	-.600**	.742**	.662**	(.96)			
Gender	.109*	-.073	-.027	-.018	-		
Grade	-.297**	.286**	.282**	.329**	.074	-	
Place	-.241**	.201**	.215**	.229**	.048	.291**	-

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

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

Table 2

Hypothesis Testing

	Effect	LLCI	ULCI
Direct effect			
Job precariousness --> career crafting behavior	-0.15	-0.21	-0.08
Indirect effect			
1. Job precariousness --> protean career orientation --> career crafting behavior	-0.22	-0.28	-0.16
2. Job precariousness --> future work self --> career crafting behavior	-0.11	-0.17	-0.06

Paper Number: MS0053

**The Dark Side of International Inter-Organizational
Relationships (IORs): A Systematic Review**

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The Dark Side of International Inter-Organisational Relationships (IORs): A Systematic Review

Extended Abstract

This article presents a chronological analysis of a systematic and comprehensive review of the dark side of international inter-organisational relationships (IORs) research based on 141 articles published between 1993 and 2021. The results indicate that the research area had a significant increase. Also, the findings reveal the theoretical foundation, research designs, fieldwork characteristics of the studies and conceptual methods and interrelationships between the constructs of the interest. This review serves as a valuable reference for researchers to further study this phenomenon or acquire fundamental knowledge on the subject.

Keywords: Dark Side, International Inter-Organisational Relationships, Systematic Review

1. Introduction

Research in international inter-organisational relationships (IORs) shed light on how seemingly successful relationships can deteriorate. This insight refers to the "dark side" of relationships, where relationships that appear to be going well are frequently the most vulnerable to forces of destruction forming silently beneath the relationship's surface (Spitzberg & Cupach, 2013). In an international business context, a literature review acknowledges the dark side effects of early network-based firm internationalisation research (L. Oliveira & Johanson, 2021). However, little research has been done on the particular subject in a foreign business setting, even though all IORs face a serious risk of experiencing a dark side. Aykol & Leonidou (2018) emphasise the need for additional study to uncover new facets of the dark side of international (export) IORs, as well as the circumstances that lead to it. This paper aims to address this gap by providing a comprehensive and systematic review of the existing empirical research, mainly on the dark side of international IORs, from the beginning to the present time. More precisely, we want to conduct a chronological study of the theoretical basis, research design,

fieldwork characteristics, and conceptual framework to fill in the gaps and make recommendations for future research.

2. Main Body

2.1. Literature Review

Early research on the dark side focuses on buyer-seller relationships, showing a small but steady growth since the late 1980s. Moreover, the importance of understanding the dark side of IORs has been demonstrated by decades of research in various management fields. Notwithstanding, IORs are prone to dysfunction and failure, our understanding of the underlying dysfunctions of IORs and their implications on business performance is still limited (N. Oliveira & Lumineau, 2019).

The prior literature reveals some manifestations of the dark side of international IORs. First, research on the dark side of international IORs primarily focuses on conflict, opportunism, and unethical practices. Abosag, Yen & Barnes (2016) argue that the dark side is characterised by negative attitudes towards conflict, high tension, extreme conflict, and the degradation of confidence, loyalty, and cooperation. Relationships with embedded tension carry many adverse side effects, including concerns about opportunism and a higher probability of misbehaviour. Indeed, in many studies, the term "opportunism" has been used as a true dark force that negatively influences relationships (e.g., Crosno & Dahlstrom, 2008; Nunlee, 2005; Wang & Yang, 2013). Meanwhile, Achrol & Stern (1988) assert that uncertainty immediately emerges once the dark side appears in a relationship. Other common characteristics of the dark side manifestations are the deterioration of relationship strength over time (Hibbard, Kumar, & Stern, 2011), interest in a relationship is decreasing with time (Bennett, 1996), and due to inertia, firms continue to engage in unproductive or unsustainable relations long after they should have been ended. (Haytko, 2004).

2.2. Methodology

This study used Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA)

adapted from Moher, Liberati, Tetzlaff & Altman (2009). The bibliographic research was carried out on one primary journal database, namely Web of Science (WoS). The systematic review process involved four stages. The first stage was identifying keywords used for the search process. We searched for the term "dark side" and a set of search words concerning the international IORs in the abstract. As for the keywords about "dark side", we understood that not all articles used the word "dark side" (e.g., articles on betrayal; e.g., Leonidou, Aykol, Fotiadis, & Christodoulides, 2018). At the same time, not all articles using the term "dark side" were relevant to the dark side of international IORs (e.g., Deng, Liesch, & Wang, 2021). Based on previous studies (e.g., N. Oliveira & Lumineau, 2019) and words that display a primarily negative valence and appear in the related literature on the dark side, keywords related to "dark side" were used. We also followed the definition provided by Aykol & Leonidou (2018) for the keywords of international IORs (see Table 1). The results were then filtered by the following criteria: (1) business and management area and (2) articles that had been published in Social Science Citation Index (SSCI) Journal. The search was not limited to a specific period. The review resulted in a total of 141 articles that were used for the analysis published in 40 different journals (see Figure 1).

2.3. Results and Discussions

2.3.1. Theoretical basis

The majority of the articles (86.5%) on the dark side of international IORs reported that their studies were based on at least one theory. The most commonly adopted theories in theoretical frameworks were transaction cost economics (TCE) (26.3%), relational exchange theory (RET) (11.8%), social exchange theory (SET) (11.3%), and resource-based view (RBV) (6.5%). Other less widely used theories were resource dependency theory, social capital theory, institutional theory, agency theory, knowledge-based theory, and internationalisation process.

2.3.2. Context

The fieldwork details point out that China (17.1%) represented the most popular country as a research setting. Asia (49.7%) and Europe (25.2%) were the two most concentrated regions. Developed countries (58.5%) received more research interest than developing countries. More than half of the articles (69.0%)

adopted a sampling derived from multiple industries. In most cases (66.7%), the focus was on manufacturing products. Furthermore, the study analysis explained that international IORs occur in many different forms, where 28.4% focus solely on exporters and importers relationships, while 43.2% using international/cross border buyer-seller/supplier and international business relationships. There are also two other forms of international IORs that have been studied in this review, mainly are international joint venture (21.3%), cross-border strategic alliance (5.0%) and international multinational enterprise (MNEs) (2.1%). The analysis indicated that the studies primarily emphasise large-sized firms (27.1%), and a significant number of studies (9.3%) are paying attention to investigate small and medium-sized enterprises (SMEs).

2.3.3. Research Design

About majority (86.5%) of the articles reviewed used formalised approaches to answer research questions by testing the hypotheses. Nevertheless, exploratory studies were found in only 13.5% of the total articles examined. Concerning topical scope, the majority of articles reviewed adopted a statistical approach (86.5%). Such an approach was commonly used in studies with large sample numbers that allowed statistical analysis and studies that collected data through surveys using specific research instruments. On the other hand, case studies were rarely used (reportedly in only 13.5% of the articles). Notably, most of the studies (87.9%) used cross-sectional research, while only a few articles reported longitudinal design. Meanwhile, 87.2% of the articles focus on determining the cause-and-effect of relationships using variables associated in a causal way. Compared to descriptive studies, which mainly focus on describing demographic segment data, represented only a small proportion (12.7%).

2.3.4. Conceptual Framework

Many antecedents are found to have a significant influence on the dark side of international IORs. This study identified 235 variables throughout the study period. In regards to the findings, relationship characteristics (46.0%) and behavioural dimensions (35.3%) were primarily the topic of empirical investigation, followed by environmental influences (14.0%). On the other hand, internal influences

(4.6%) garnered far less attention. In terms of the outcomes of dark side manifestation, 145 different variables were observed across time. Almost half of the articles (47.6%) examined the influence of the dark side on relational outcomes, followed by behavioural dimensions-related outcomes (24.8%) and performance-related outcomes (19.3%). Furthermore, other scholars also looked into the association between the dark side and strategic-related outcomes (8.3%). The findings also revealed that moderator variables had been used to investigate indirect relationships between these topics. Specifically, 104 variables are studied about the moderating effects upon the link between the predictors and dark side manifestation or outcomes. Our review shows that relationship's characteristics (e.g., relationship length, governance mechanism) and environmental influences (e.g., environmental uncertainty, country characteristics) are the main moderators. The conceptual framework (see Figure 2) is proposed based on the review.

3. Conclusion

This study's integrated and comprehensive approach has provided a fresh insight into the dark side of the international IORs phenomenon and shows how this study is evolving. The studies revealed that research on the dark side of the international IORs has extensive theoretical backing. Even though transaction cost economics is the most commonly adopted theory in the studies, between 2011 and 2021, researchers are paying particular attention to theory from other disciplines such as sociology (e.g., Social Exchange Theory). More research is also required to uncover new dimensions of the dark side in international IORs and the conditions that lead to their emergence and outcomes, linking with theory from the field of social psychology. The research on the dark side of the international IORs has emphasised the negative aspects. However, direct and indirect experiences with dark activities, on the other hand, can improve a firm's management operations, mission and long-term strategy. Hence, researchers should investigate how dark side experiences will influence a firm's strategic decision making, using relevant theories such as dynamic capabilities. Future research also should focus on examining the process of learning and forgetting about the dark side of IORs, as supported by organisational learning theory. This review can help provide an integrated, organised and synthesised body of knowledge related to the dark side of international IORs, which could be helpful to get a basic

understanding of the subject and as a reference for researchers to study this phenomenon in the future further.

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Appendix

Table 1: The search string used for the systematic review process

Database	Construct	Keywords used
Web of Science	dark side	dark side* OR dark side OR conflict* OR discrimin* OR manipul* OR neglect* OR unfair* OR dishonest* OR misuse* OR uncertain* OR opportunis* OR power imbalances OR infidelity OR betrayal OR unethical practice* OR distrust*
	international IORs	exporter importer OR exporter importer relationships OR international business relationships OR overseas buyer-seller OR overseas buyer-supplier OR international buyer-seller OR international buyer- supplier OR cross-border buyer-seller OR cross border buyer-supplier OR cross border business relationship OR international joint venture

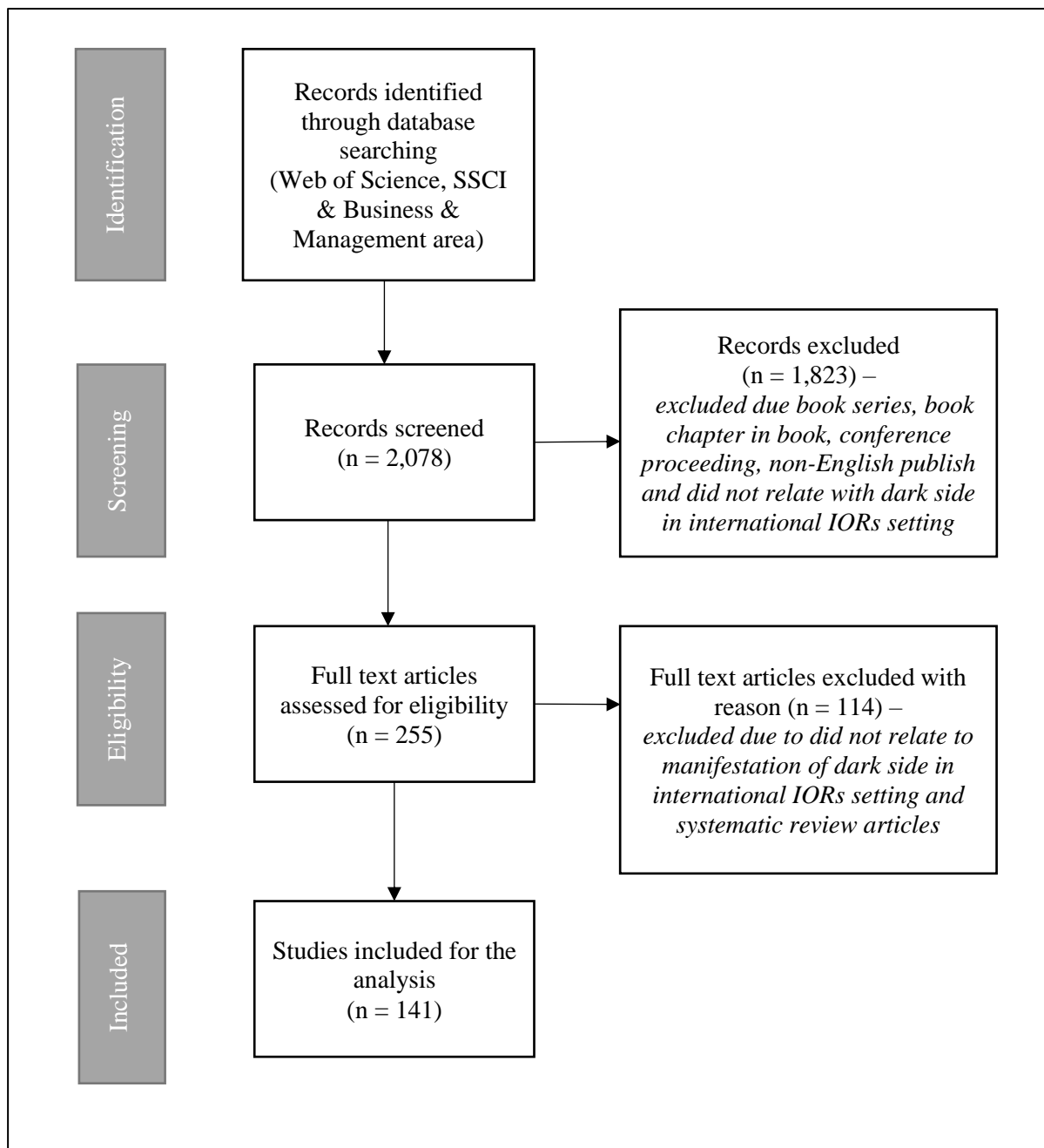


Figure 1: The flow diagram of the study (Adapted from Moher et al. 2009)

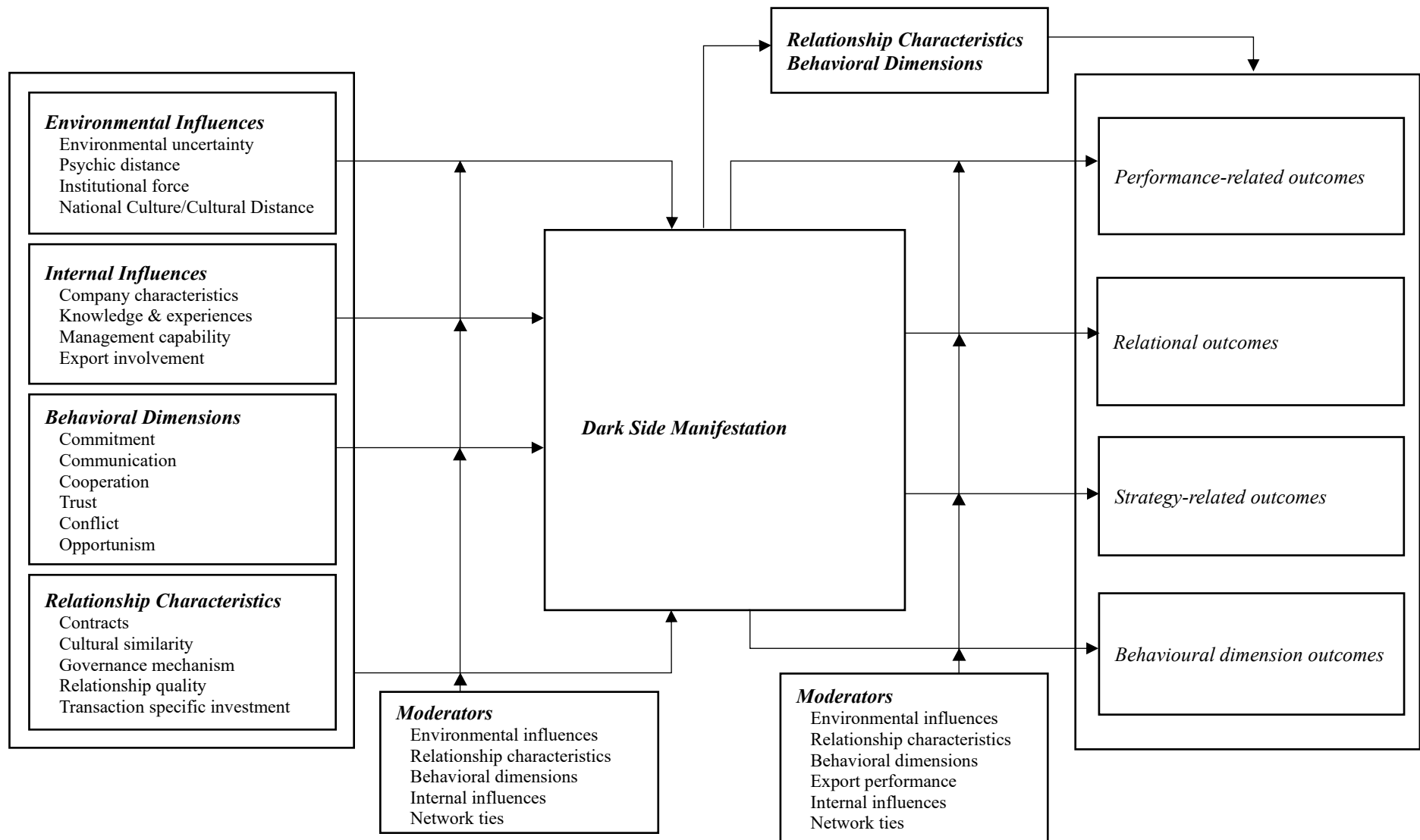


Figure 2: A Conceptual Framework of Dark Side of International IORs

Paper Number: MS0054

**The Entrepreneurial Resilience:
What are the Specific Factors Differentiating from
Psychological Resilience?**

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The Entrepreneurial Resilience: What are the Specific Factors Differentiating from Psychological Resilience?

Extended Abstract

This research makes an attempt to find the meaning of resilience research in the context of entrepreneurship based on the discussion of psychology. By organizing psychological and management literature, I conduct systematic literature review, and discuss the specific factors differentiating from psychological resilience. As a result, I show two specific factors of entrepreneurial resilience - process (social resilience / financial resilience) and performance (sustainable business / serial entrepreneurship / business failure). Moreover, this research attributes the cause that entrepreneurial resilience research is still under development to ambiguity of its definition.

Keywords: Organizational behavior, Entrepreneur, Resilience

1. Introduction and Literature

What are the specific factors differentiating entrepreneurial resilience from psychological resilience?

- The purpose of this study is to answer this question. Tracing back to its origin, resilience became the object of research in 1970s (Masten, 2001). Recently, however, it's been exposed to criticism from researchers in terms of ambiguities in definitions and central terminology (e.g. Luthar, Cicchetti, and Becker, 2000). Regarding ambiguities, Fletcher and Sarkar (2013), who reviewed the past literatures of psychological resilience comprehensively, abstracted its essence from following standpoints; adversity and positive adaptation, and a trait or a process, on the basis of the research of Luthar et al(2000). According to their research, resilience can be defined as positive adaptive traits or processes against adversities. Their definition is simple and captures the essence of the concept, but it is too broad, which makes it difficult to discern the difference between psychopathological and management matters.

On the other hand, in management studies, Luthans (2002a, 2002b) applied resilience to workplace,

with combining the stream of positive psychology. Especially, Luthans (2002b) defined resilience as “the positive psychological capacity to rebound, to ‘bounce back’ from adversity, uncertainty, conflict, failure or even positive change, progress and increased responsibility (Luthans, 2002b: 702) “ as one element of Psychological Capital (PsyCap, which is consisted of hope, self-efficacy, resilience, and optimism). This definition is cited by much of the subsequent literature (Linnenluecke, 2015). After that, Luthans, Vogelgesang, and Lester (2006) focused on resilience itself and Luthans, Youssef, and Avolio (2007) defined resilience as follows; “When beset by problems and adversity, sustaining and bouncing back and even beyond to attain success (Luthans et al, 2007: 3).” The distinguishing point of their definition is that it includes success. They showed relationships between PsyCap and job performance, and between PsyCap and job satisfaction (Luthans, Avolio, Avey, and Norman, 2007), which conveys that PsyCap is the concept specialized in workplace. Like their definition, considering performance (including success) as a result of or through the process of overcoming adversities enables us to explain not only psychological resilience but also resilience phenomenon in workplace.

In summary, resilience can be defined as positive adaptive traits or processes against adversities to attain success. Then resilience can be classified into three large factors; (1) (positive adaptive) Traits related factors, (2) (positive adaptive) Process related factors, and (3) Outcome of resilience (the results of being resilient such as job performance or success). This research calls these factors “*three factors of resilience*” tentatively, and proceeds to literature review with this concept. In addition, though entrepreneur is in the same condition as ordinary workers in terms of workplace, the reason I target entrepreneur for research is he/she face more difficulties through their business than employees. By focusing on entrepreneur, I can describe resilience more precisely than in cases of investigating organizational members. Adversely, if I just applied *the three factors of resilience* to entrepreneur, I couldn’t explain the phenomenon sufficiently. In this way, I choose entrepreneur.

2. Methodology and Results

This literature conducts systematic literature review on entrepreneurial resilience and shows the research framework. On reviewing, I search the Web of Science and the Scopus for literatures

including the keyword “entrepreneur*” AND “resilien*” in their titles, abstracts, or keywords. In order to ensure the quality of the paper, this study only selects the samples which were published (or are in press) in refereed journals and were cited more than 10 times. While there are a lot of other databases, these two databases are highly reliable and both satisfied the standards above. As a result, 521 papers are displayed. Among these, I pick up studies which focus on individual entrepreneur or several entrepreneurs (that are relatively close to individual entrepreneur) , excluding duplicates. Finally, 34 studies are included in this project (listed on **5. References** with asterisk).

3. Research Framework and Discussion

Through the review, I present two findings. First, the resilience research in the context of entrepreneurship derives both from psychology and from management studies and both disciplines coexist in this field. In psychology, ambiguities of definition have been criticized, however, even in entrepreneurial resilience research, there are several approaches to describe one concept. To illustrate, Bockorny and Youssef-Morgan (2019) treated each PsyCap components individually, but Ayala and Manzano (2014) regarded resilience as the concept including hardiness, resourcefulness and optimism. If some project attempts to elucidate resilience from the standpoint of management (i.e. entrepreneurship), it can't dismiss the PsyCap theory. Nonetheless, not all research from psychological perspective make clear the relation between them. It's problematic to start to discuss entrepreneurial resilience without organizing each concepts. To that end, we should build consensus on the definition as a first step of entrepreneurial resilience research.

Second, bearing *the three factors of resilience* in mind, the result of this systematic review can be illustrated as follows.

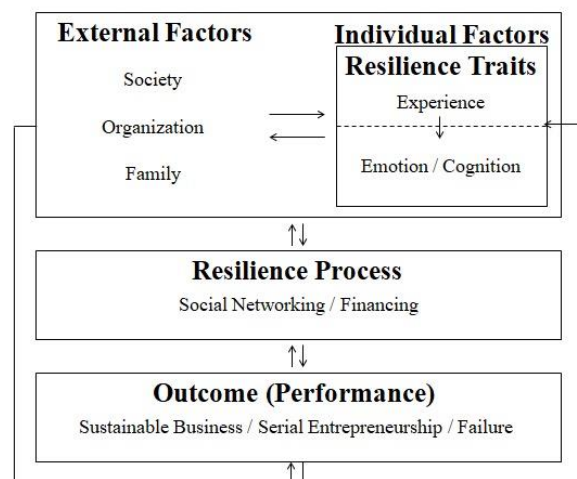


Figure1. The specific factors of entrepreneurial resilience

This framework is constructed on the studies of Ducheck (2017) and Hayward, Forster, Sarasvathy, and Fredrickson (2010) and can explain entrepreneurial resilience comprehensively. In order to give an accurate explanation for entrepreneurial resilience, we should turn our attention to *process* and *performance* peculiar to entrepreneur.

Duchek (2017) exhibited a model of entrepreneurial resilience based on Cooper, Flint-Taylor, and Pearn (2013), which is also consistent with *the three factors of resilience*.

On the other hand, there are three points that the model can't fully explain entrepreneurial resilience. First, about the relationships between *situational factors* and *individual factors*, not only parents but also other factors such as community culture (Huggins and Thompson, 2015), spouses (Yang and Danes, 2015), or team members (Vaag, Giaever, and Bjerkeset, 2014) should be included. Therefore, I expand *situational factors* into *external factors* and cover not only family (including parents) but also organization and society. I also change the arrow from one way into interactive way (fig3.1.1). Second, in case *process* refers to learning and experience, or, work attitudes and behaviors, it becomes difficult to clarify the distinction when organizational members (especially entrepreneurs) are studied. Third, among *outcome*, mental health and well-being is limited to individual psychology, which makes it hard to draw a line between entrepreneurial resilience and psychological one.

Meanwhile, Hayward et al (2010) complements these arguments. For example, they pointed out social

and financial resilience as a characteristic of entrepreneurial resilience process. They also showed the example of outcome of being resilient such as serial entrepreneurship or failure. On the contrary, it is unreasonable just to apply their description to analysis of entrepreneurial resilience. They confirmed that confidence engenders second order effects of resilience which allows them to start new ventures, but they didn't state the inclusive mechanism of entrepreneurial resilience, which lacks generalizability.

Other research also supplements the Ducheck's model. With regard to *outcome* (fig3.1.1), it can also contains sustainable business because entrepreneur always face difficulties through their business (Baron, Franklin, and Hmieleski, 2016), then it can be regarded as great success to sustain their business (Yang and Danes, 2015; Zamfir, Mocanu, and Grigorescu, 2018).

4. Conclusion

By focusing on entrepreneur, this research can add clarity and specificity to resilience research which is discussed widely in psychology and entrepreneurship. I point out that in order to differentiate entrepreneurial resilience from psychological resilience, it is important to make (2) Process related factors and (3) Outcome of resilience of *the three factors of resilience* more precise; that is (2) social and financial resilience (Hayward et al,2010), (3) serial entrepreneurship (Hayward et al,2010) and sustainable business (Yang and Danes, 2015; Zamfir et al, 2018). These are the specific factors that differentiate from psychological resilience.

As for limitation, I state the scarcity of literatures. The reason seems to associate with its unclear definitions. While this subject remains a nascent, it is important to limit the scope of entrepreneurial resilience and keep it in shooting distance for future research.

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* The results of systematic literature review

Paper Number: MS0055

**Can Geographically Dispersed Multinational SMEs Expect
Stronger Financial Performance in the Early Stage of
International Expansion?**

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Can Geographically Dispersed Multinational SMEs Expect Stronger Financial Performance in the Early Stage of International Expansion?

Extended Abstract

In this study, we find that geographically dispersed multinational SME shows weaker financial performance with firm-specific advantages and country-specific advantages being accounted for both ex ante and ex post their international expansion. This indicates that there is intrinsic liability rather than viability of multinationality in the early stage of SME international expansion.

Keywords: Firm-specific advantage, country specific advantage, geographic dispersion, SME

1. Introduction

Research on multinationality-performance (M-P) relationship has entered an interesting soul-searching phase wherein debate on theoretical soundness, methodological rigor as well as need for contextualization seems to have taken the center stage (e.g., Berry & Kaul, 2016; Contractor, 2012; Hennart, 2007, 2011; Li, 2007; Pisani, Garcia-Bernardo, Heemskerk, 2020; Verbeke, Li, Goerzen, 2009). The recent scholarly efforts, in part through meta-analyses (Kirca et al., 2011), has led to such a consensus that firm-specific assets (or advantages) (FSA) play an essential role (directly and indirectly through multinational presence) in affecting firm performance – consistent with the predictions of internalization theory and the resource and capability-based view. The controversy remains as to whether multinationality itself is theoretically sensible to exercise a direct (and beneficial) impact on firm performance (Kirca et al., 2011; Pisani et al., 2020; Verbeke and Forootan, 2012). The issue at hand is of great significance. If there is no theoretical reason to believe that multinationality itself affects firm performance, it would be futile to try to uncover the M-P relationship. This study embraces the view that the M-P linkage can only be theoretically articulated when several important conditions are met: (1) M and P, as two broad concepts, are conceptually (re)defined to address a specific research question

under consideration (Li, 2007; Verbeke et al., 2009); (2) the linkage is examined in a fine-grained context (Hennart, 2007); (3) endogeneity of multinationality is accounted for in the empirical analysis (Kirca et al., 2011; Li, 2007; Verbeke and Forootan, 2012); (4) country-specific assets (CSA) are examined along with FSA; and (5) the multinational governance structure (e.g., subsidiary versus alliance) is explicitly identified as a critical condition for understanding internalization effects. Specifically, this study reveals if geographically dispersed multinational SME shows stronger performance in early stage of international expansion.

2. Literature and Framework

The design of the study is conceived for two main purposes: One is to theorize and test M-P relationship in a fine-grained context in which both FSA and CSA are critical and can be closely investigated; the other is to focus on early stage of international expansion and differential governance structures, a neglected aspect in the literature of M-P relationship. In our context, we define multinationality in terms of geographical dispersion of firm foreign business activities and diversity of foreign environments the firm faces (cf. Goerzen & Beamish, 2003; Verbeke et al., 2009). Such a two-dimensional definition helps to integrate the resource and capability-based view (arguing for great geographical dispersion for firms to leverage FSA) and internalization theory (cautioning against transaction cost increases with great environmental diversity) in the context of multinational operations. We also extend the recent theoretical discussion and empirical investigation (e.g., Kirca et al., 2011) by considering the roles of FSA and CSA both ex ante and ex post firm internationalization.

3. Method and Results

We examine a sample of listed US biopharmaceutical SMEs over 15 years and generated some key results. Geographically dispersed multinational SME shows weaker financial performance with FSA and CSA being accounted for both ex ante and ex post their internationalization. This indicates that there is intrinsic liability rather than viability of multinationality (i.e., geographical dispersion here) in the early stage of SME international expansion. Overall, the liability is found to be less severe with

foreign alliances than subsidiaries. The unique findings are that high-level FSA further alleviates liability of multinationality with foreign alliances being the governance structure whereas high level CSA lowers that with foreign subsidiaries being the governance structure. Also we find that high level environmental diversity exacerbates liability of multinationality with foreign subsidiaries only.

4. Discussion and Contributions

This study contributes to the M-P literature in several ways. First, we probe into the financial impact of the dual-facets of multinationality (i.e., geographical dispersion of foreign operations and environmental diversity) in the early stage of SME international expansion. As noted earlier, this is theoretically important, but is rarely examined in the M-P literature, especially in the context of SMEs (cf. Verbeke et al., 2009). Second, we take into account the roles of both FSAs and CSAs ex ante and ex post firm 14 international expansion. The comparison of effect differences between foreign subsidiaries and alliances reveals some unique results which challenge the traditional tenet of internalization or FSA transfer/combination via hierarchy. Third, our results caution against the growing rationale that SMEs in high-tech (or knowledge-intensive) industries can venture abroad more rapidly and reap the benefits of multinationality faster than those in lower-technology or less knowledge-intensive sectors. It seems that the “learning advantages of newness” may be harder to come by for SMEs than suggested in the literature. To initiate and manage international expansion properly, high-tech SME decision makers are advised to overcome the potential downside of their propensity for (ad-hoc) strategic flexibilities and try to contain the geographical dispersion and environment diversity of their business operations to a certain extent. They should also try to leverage foreign alliances to exploit their FSA and rely more upon foreign subsidiaries to get access to CSA.

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Paper Number: MS0056

**The Invisible-Touch Model for Cross-border M&As by EMNEs:
An Integrative Framework of Post-Merger Integration**

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The Invisible-Touch Model for Cross-border M&As by EMNEs: An Integrative Framework of Post-Merger Integration

Abstract

We examine the salient characteristics of, and underlying rationales, for a unique approach to post-merger integration (PMI) adopted in successful cross-border mergers and acquisitions (CM&As) by Chinese multinationals in Germany. Our central contribution is the development of an integrative framework of PMI process, i.e., the invisible-touch model in terms of little or limited integration on the surface while much or substantial integration at a deep level. We propose that the perspective of yin-yang balancing about the paradox of leveraging opposite elements as complementary is the underlying logic for PMI that maintaining tensions and complementarities between intangible strategic assets, governance modes and cultural values is central to value co-creation and co-capture in CM&As. Overall, we develop a holistic and dynamic framework of PMI process (i.e., the invisible-touch model) and provide insights into international business research by focusing on CM&As in advanced markets by firms from emerging economies.

Keywords: invisible-touch model, cross-border mergers and acquisitions, yin-yang balancing, case study, China

Paper Number: MS0057

**Entrepreneurial Aspiration and Flexibility for Business Model
Innovation: HQ-Enabled Dynamic Capability of Medium-sized
MNE for Cross-Divide Entry**

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Entrepreneurial Aspiration and Flexibility for Business Model Innovation: HQ-Enabled Dynamic Capability of Medium-sized MNE for Cross-Divide Entry

Abstract

Primarily due to the large gaps in economic and institutional contexts between advanced and emerging economies, effective business models in the two distinctive contexts tend to differ. In particular, the business model innovation (BMI) at the subsidiary level plays an important role in the success of multinational enterprises (MNE) from advanced economies operating in emerging economies as top-down ventures. While some studies claim that direct involvement of headquarters (HQ) in the operations of subsidiaries is critical, surprisingly little is known about how HQ enable BMI specifically at the subsidiary level, especially for medium-sized MNE. Adopting the method of comparative and longitudinal case study, we tracked the BMI processes of six Danish medium-sized MNE with subsidiaries in China. The emergent framework posits that entrepreneurial aspiration and flexibility at the HQ level are two primary enablers of BMI (in terms of new value creation and new value capture) at the subsidiary level via dynamic capability (in terms of sensing and seizing new opportunities) as the underlying mechanism. Further, we also found that BMI can contribute to the initial enablers in a feedback loop. By opening the black boxes of BMI and dynamic capability, we contribute by enriching both research streams, especially the critical link between BMI and dynamic capability in the context of international strategic entrepreneurship.

Keywords: Business Model Innovation; Dynamic Capability; Aspiration; Flexibility; Cross-Divide; Emerging Economies; Medium-Sized MNE; International Strategic Entrepreneurship.

Paper Number: MS0062

The Political Conflict between the U.S. and China: How does it Affect the Status of Hong Kong as a Financial Hub in the Globe

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The Political Conflict between the U.S. and China: How does it Affect the Status of Hong Kong as a Financial Hub in the Globe

Abstract

The US government perceives that China is aggressive. Likewise, China can never be at ease in a global system dominated by the U.S. because such a liberal system will undermine China's own status and authority. Indeed, the two countries have been competing for economic supremacy but the pandemic has tipped the rivalry in China's favour.

Accounting firms that audit the US-listed Chinese companies have long refused to allow the U.S. Public Company Accounting Oversight Board (PCAOB) to inspect their audit papers. They have argued that the surrender of audit papers would violate the Chinese laws that prohibit anyone from providing documents to overseas regulators. As a response, the US Senate approved the "Holding Foreign Companies Accountable Act" to enforce the audit papers delivered to the SEC. If any Chinese company fails to submit the audit papers, it may be forcibly delisted from America.

If the US government insists on delisting the Chinese firms, the Chinese companies may swap their stock for an equivalent stake issued in Hong Kong. Meantime, Beijing is pressing the Chinese companies to drop US listing plans and opt for Hong Kong instead because of Beijing growing concerns that US regulators will potentially gain greater access to audit documents of New York-listed Chinese companies. Hong Kong, once again, becomes a spotlight because of its geographical focus for Chinese companies' primary listing.

This article carries the following objectives:

- 1) Conceive the root cause of conflict between the two countries;
- 2) Generate the economic consequence after the delisting of the Chinese companies in America
- 3) Comprehend the status and role of Hong Kong as a financial centre from the perspective of transnational corporations
- 4) Provide business guidelines for transnational corporations to operate in this region

Paper Number: MS0063

Influencing Factors of Work-Life Balance among Chinese Professional Women: An Exploratory Study in Mainland China

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Influencing Factors of Work-Life Balance among Chinese Professional Women: An Exploratory Study in Mainland China

Abstract

With the globalization of the labor market, the number of working women continues to increase. This study conducts semi-structured interviews to explore the influencing factors of Chinese professional women's work-life balance. Interviewees in this study have been selected with women who have received higher education, professional qualifications and full-time employment in the Chinese mainland (N=20). This study found that due to individual-level factors, familial-level factors, job-level factors and contextual-level factors, participants have differences in how to perceive and achieve work-life balance.

Keywords: professional women; work-life balance; qualitative research; mainland China

1. Introduction

The number of working women increased dramatically during the last several decades (Percheski, 2008) which has made a fundamental change in family structure from one breadwinner and one housewife model to a dual career model (Liana, 2005; Stock, Strecker, & Bieling, 2016). According to the statistical monitoring report on Chinese Women's Development Program (2011-2020), women's participation in the whole social labor accounted for 43.2% in 2019, and the number of urban female employees was 66.842 million, there was an increase of 18.227 million, an increase of 37.5% since 2010 (National Bureau of Statistics, 2020), which means there have been great increases and significant changes in the past decade. This study aims to advance the understanding of work-life issues among Chinese professional women and attempts to get to grips with the factors that influence Chinese professional women's work-life balance.

2. Literature Review

There were numerous researches about the definition of work-life balance (Greenhaus & Allen, 2011, Haar, Russo, Suñe, & Ollier-Malaterre, 2014, Hall, Kossek, Briscoe, Pichler, & Lee, 2013). In this study, work-life balance was defined as the perceptions of how well individuals balance their life roles

(Haar et al., 2014, Kossek and Lirio, 2014, Nicole, 2020). With regard to the impact of WLB, existing studies have shown that people who believe in the balance of work and life roles become happier with their own life and have fewer diseases and less psychological problems (Brough et al., 2014; Haar et al., 2014).

There is a consensus that work-family tensions have a significant impact on physical and mental health (Tsai & Chen, 2017). Women feel more stress at home which can lead to a higher level of emotional exhaustion and increase depression and anxiety (Ma, 2017, Natasha et al., 2015, Wang et al., 2020). China is an interesting context to conduct work-life balance research due to its traditional collectivist society which attaches great importance to collectivism and family (J. Li & Angerer, 2014). In China, women's "half sky" status is more prominent. The increasing number of working women has changed significantly both work and family structures and roles (J. Li & Angerer, 2014). The dominant Confucianism philosophy still plays a central role in guiding Chinese behavior and norms (J. Li & Angerer, 2014).

Aligned with the situationist perspective, the present study addresses a fundamental research question regarding work-life balance in Chinese setting: What factors influence Chinese professional women to achieve a work-life balance?

3. Methods

This study adopts an exploratory qualitative research method with semi-structured interviews because the interviewees can easily provide answers through interpersonal dialogue (Qu and Dumay, 2011, Kreiner et al., 2009). This study on Chinese professional women's work-life balance was conducted from November 2020 to April 2021 only in mainland China.

20 single, divorced and married tertiary-educated Chinese professional women aged between 24 and - 50 were selected with four criteria simultaneously (Nelson and Quick, 1985). First, the female received undergraduate education or above. Second, the female should possess professional qualifications. Third, the female should have a full-time regular employment status in the workplace

and be economically independent. Last, the female should have the intention of a long or temporary stay for working and living in mainland China. These participants were sourced from the researcher's own personal contacts, and upon snowballing from the participants in order to keep the diversity of the sample. Considering the influence of Covid-19, the participants were interviewed both on-site such as in coffee shops and offices during the period without epidemic risk as well as online via Wechat voice call. All the dialogues were spoken in Mandarin, a few dialects or Mixed Chinese and English. The interviews were recorded with an electronic recording pen, and each interview lasted about 40 to 60 minutes. Descriptive contents of interviewees are shown in Table 3.1.

The interviews were transcribed verbatim, and the sentence structure remained unchanged despite possible grammatical errors (Zerwas, 2019). The transcripts were coded by me to create the initial coding scheme (Bryman, 2016). This research uses the computer software of NVivo 12 to conduct data analysis. Drawing on thematic analysis as the guiding set of principles (Kuckartz, 2014, p. 70, Zerwas, 2019), the author follows the ways of representing and classifying coding progression developed by Strauss and Corbin (1990) which are open coding, axial coding and selective coding. After the three-level coding, the researcher selected two female employees to interview around the interview outline to test the saturation of the three-level coding. Through in-depth mining of the interview data, no new concept that can affect the three-level coding was found, the results have reached theoretical saturation.

Table 3.1 Participant Characteristics

Code	Industry (Type)	Age	Marital Status	Number of Children	Region	Educational Level	Job Title
A1	Manufacturing	36	Divorced	1	Nanjing	Master	Finance Analyst
A2	Agriculture	38	Married	1	Nanjing	Bachelor	Personnel Manager
A3	Public Management	37	Married	2	Lianyungang	Bachelor	Deputy Director of Office
A4	Finance	37	Married	1	Huai'an	Bachelor	Product Manager
A5	Transport	38	Single	0	Nanjing	Master	Director of Corporate Culture Department
A6	Business Services	42	Married	1	Shanghai	Bachelor	Sales Director
A7	Education	43	Married	1	Suzhou	Doctor	Entrepreneurs
A8	Education	40	Married	2	Beijing	Master	CEO
A9	Finance	42	Divorced	0	Shanghai	Bachelor	Accountant
A10	Logistics	29	Married	1	Shenzhen	Bachelor	Store Manager
A11	Information Technology	40	Married	2	Shanghai	Bachelor	Engineer
A12	Sanitation	35	Married	1	Shanghai	Master	Doctor
A13	Finance	39	Married	1	Nantong	Bachelor	Product Manager
A14	Education	50	Married	1	Nantong	Bachelor	Associate Professor
A15	Social Security	45	Married	2	Nantong	Bachelor	Accountant
A16	Education	41	Married	1	Nanjing	Master	Lecturer
A17	Finance	48	Married	2	Zhengzhou	Master	Department Vice President
A18	Sanitation	37	Married	0	Beijing	Master	Sales Manager
A19	Education	36	Married	1	Xi'an	Master	Brand Founder
A20	Education	24	Single	0	Shanghai	Bachelor	Educator

4. Findings

The final category system is summarized in Table 4.1 as below. The dimensions were adapted from the original framework of (Zhang, 2020), however, the original “Individual factors of workers” dimension and the “Individual demographic factors” were fused in this study to get a better understand of professional women themselves work-life influences. A new dimension “familial factor” was separated from the original “Individual factors of workers”. The four dimensions are closely linked with each other. The dimensional ordering is based on the number of categories in the transcript in NVivo 12. The significant sequence is individual factors (42.16%), organizational factors (31.25%), familial factors (15.14%) and societal factors (11.35%). The concentration towards the trend from individual dimension to the modern society dimension.

Table 4.1 Final Category System

Core Category (Number of Selective Coding)	Subcategory (Number of Axial Coding)
Individual Factors (78)	Demographic Characteristics (34)
	Ability (16)
	Achievement Motivation (13)
	Personality (10)
	Gender Difference (3)
	Women's Value (2)
Organizational Factors (58)	Work Environment (36)
	Organizational Culture (12)
	Supportive Leader (10)
Family Factors (28)	Parental Support (14)
	Spousal Support (8)
	Family Pattern (4)
	External Service Providers (2)
Societal Factors (21)	National Labor Policy (15)
	Social Recognition (4)
	Chinese Traditional Culture (2)
Total number of codings	185

5. Discussion

With regard to the factors that form WLB, our findings emphasize the situationist perspective (Hayman, 2005). The work-life balance of Chinese professional females is formed by the interaction

of complex factors at the personal level, family level, organizational level and social level. The results also highlight the multifaceted nature of Chinese professional women and the uniqueness of contemporary China.

Most of the participants perceived a high level of work-life balance. That might because the founding of the PRC in 1949 ushered in a new era for women in China which promote women's social status from an oppressed and enslaved group to the masters of their own destiny.

Chinese cultural background is closely related to the worldview of the corresponding culture (Wang et al., 2021). Modern Chinese wisdom psychologists tend to accept the wisdom metatheory of "unity of wisdom and morality". Therefore, Chinese philosophy advocates using wisdom to solve practical problems (Wang et al., 2021). Western thinkers pay attention to the practical problems of the material world, such as reconciling the conflict between people and the world by understanding and changing the environment (Ferrari and Alhosseini, 2019). However, the results emphasize that Chinese professional women pay attention to improve their personal realm in order to solve their internal contradictions.

This research makes contribution by exploring Chinese professional women's WLB and the related influencing factors. Contextualization helps researcher to deepen the understanding of the structure of cultural embeddedness to a certain extent (Aichia et al., 2015), this research contributes to the theoretical void by exploring the work-life balance in a Chinese context. This context is a particularly fruitful vantage point to gain new theoretical understandings of work-life balance of Chinese professional women.

Paper Number: MS0065

A Big Data Analysis of Guanxi from an ‘Insider-outsider’ Perspective

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A Big Data Analysis of Guanxi from an ‘Insider-outsider’ Perspective

Abstract

1. Introduction

Guanxi, coined as the “Chinese” way of doing business, has received a significant amount of interest amongst scholars. This paper utilizes an outside-in marketing approach to explore the megatrends impacting guanxi and how the image of guanxi is interpreted from an insider-outsider perspective.

2. Methodology

This paper uses 162 million guanxi-related online news articles from 2017-2020 sourced from the Global Database of Events, Language and Tone (GDELT). The big data research methodology framework is adopted. The insider, China, is compared with two culturally distant outsiders, the US and Germany.

3. Key Findings

The findings revealed that guanxi was heavily influenced by geopolitical and public health issues. The study also discovered a major contrast in the overall sentiment between China, being slightly positive, and the US and Germany, largely negative. The association varies according to changes in the marketing ecosystem.

4. Research implications

The findings provide a new method to understand the state of business relationships (guanxi) and inter-country dynamics through the lens of an insider (China) and outsider (Germany and the US). This approach provides first-mover advantages for international business practitioners.

Keywords: business-to-business relations; big data; GDELT; Guanxi; outside-in marketing

Paper Number: MS0066

**Attributes of Young Adults' Favorite Retail Shops:
A Qualitative Study**

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Attributes of Young Adults' Favorite Retail Shops: A Qualitative Study

Extended Abstract

The purpose of this paper is to investigate the common attributes of brick-and-mortar retail shops liked by young adults using the 7Ps of the marketing mix as a study framework. Face-to-face interviews were conducted among 24 young adults. The findings of the study revealed that the favorite shops of young adults are clothing retailers and grocery stores for snacks. Attributes of favorite shops include stylish product design, cozy physical environment, and technology-assisted shopping process. Young adults seek taste and artistic presentation in consumption. Self-expression and social communication of consumption plays a major role in retail selection.

Keywords: Appropriation, Store attributes, Store atmosphere, Customer satisfaction, Retail technology

1. Introduction

Retail stores have their own image, which influences their customers and the perception of their products. The image affects customers' decisions on where to shop (Schiffman & Kanuk, 2010). The retail industry is one of the top five fundamental industries in Hong Kong. About 260,000 persons are employed in the retail establishment. However, with the social movement in 2019 and Covid-19 in 2020, the retail industry in Hong Kong was badly hit and further threatened by online shopping from vendors across the border. In this regard, there is an urgent need to understand customer satisfaction with the retail experience in the digital era to keep customers during difficult times and rebound when the economic situation improves.

2. Literature and framework

Shopping is an essential part of the life of Hong Kong people. Hong Kong's omnipresent shopping malls are venues where people are acculturated in everyday life (Ng, 2009). Youth represents the major target audience of the retail industry because of the active social lifestyle of young people (Yip, Chan, & Poon,

2012). In-shop shopping is still preferred by youth as they can shop with friends, possess the goods immediately and also shop for gift for friends (Cardoso & Pinto, 2010; Chan, 2010; Tofugear, 2018). Previous studies found that customer satisfaction had positive link with business profit and cultivate loyalty and shop revisiting (Gomez, McLaughlin, & Wittink, 2004; Terblanche & Boshoff, 2006). Main attributes of shops that satisfy young consumers were identified in previous studies including product quality, price, physical evidence of the shop, and friendly sales staff (Yip et al., 2012). However, digitalization was reported to be affecting how people shop, while seldom studies were found about the impacts of digitalization on the attributes of shops liked by youth (Pantano & Gandini, 2018; Simonson, 2015). This study therefore designed a study using the 7Ps marketing mix as framework to examine factors that young adults consider most appealing in selecting a favorite shop in the digital era.

3. Method and findings

A convenience sample of 24 young adults aged 20 to 22 was asked to take photos showing the exterior and interior of their favorite shop in Hong Kong. They were interviewed face to face to explain why they like these shops. Other information about the shopping context, including frequency of visit and whether shopping alone or with friends, was collected.

The favorite shops of young adults are clothing retailers and grocery stores for snacks. Attributes of favorite shops include stylish product design, cozy physical environment, and technology-assisted shopping process. Young adults seek taste and artistic presentation in consumption. Self-expression and social communication of consumption plays a major role in retail selection. Five themes were identified, including “sophisticated product design as a way of self-expression”, “variety of choice and unique products create strong customer stickiness”, “spacious environment, exquisite shop design, and organized display provide a leisure shopping experience”, “digital technology and friendly return policy enhance store satisfaction”, and “promotion and membership-only privileges stimulate purchase”.

4. Discussion and research implication

The study deepens the understanding of how young adults perceive store and process attributes of shops

that are attractive to them. It demonstrates that tangible qualities such as product and physical space play a more important role than intangible attributes such as friendly frontline or sales staff, which was different from previous study (Yip et al., 2012). Young adults also showed appreciation of user-friendly self-help and tech-driven services. This change can be explained by the heavy reliance on the internet for communication, interaction, and information searching among Hong Kong's young adults (Census and Statistics Department, 2021). Besides, participants in this study reported that their favorite shop assists them in self-expression and in appreciation of the unique style and taste of their friends. The match of style between shop and self-image is emphasized among the participants of the study, which is in line with the developmental process of consumer socialization proposed by John (1999). Participants also appreciate a friendly return process in their favorite shops as they sometimes make impulsive purchases and regret them afterwards (Brici, Hodkinson, & Sullivan-Mort, 2013). The results imply that retailers need to pay attention to a shop's interior design, as well as develop seamless integration of online and offline shopping processes to engage customers.

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Paper Number: MS0067

**The Impact of Belt and Road Initiative on Supply Chain
Restructuring under Precarious Global Trade Environment:
The Case of Hong Kong's Clothing Sector**

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The Impact of Belt and Road Initiative on Supply Chain Restructuring under Precarious Global Trade Environment: The Case of Hong Kong's Clothing Sector

Extended Abstract

1. Introduction

Recent policy challenges from the trade war between the United States (US) and China have been troubling for the global business landscape (Cuervo-Cazurra et al., 2017; Prashantham et al., 2018). Restrictions in trade from China to the US market could compel the relocation of many clothing manufacturers from China to other countries to lower the trade barriers and trade costs to the US market (Liu et al., 2010). As for clothing firms in Hong Kong (HK), the Belt and Road Initiative (BRI) of China might be the means new market entry. This would necessitate new relocation strategies and even supply chain restructuring to better adapt to the new challenges in the business environment due to the political tension triggered by the US-China trade war (Smith, 2017). This trade war not only presents a challenge but it could also initiate opportunities for exporting and importing businesses in the clothing industry. This research aims to study the changes in the trade patterns (e.g. historical events) of the clothing industry after the establishment of the BRI in 2013, and in turn, aims to evaluate the impact of the US-China trade war on clothing trade between HK, China and the Belt and Road (B&R) countries.

2. Literature and framework

The trade configuration in the post US-China trade war era is expected to create new international trade relationships. Furthermore, factors that drive the relocation of clothing production from HK/China to the neighbouring B&R countries will also be investigated by examining foreign direct investment (FDI) in those countries and their attractiveness for FDI opportunities. The project will develop a benchmarking tool that helps the B&R countries to identify the facilitators and barriers in economic, social and environmental

aspects that affect clothing production and trade. This tool will also be useful for companies who seek to explore the B&R countries for opportunities in establishing new production facilities and sourcing clothing products.

To achieve the research objectives, this study employs a new approach of analysis by extending the gravity trade model to analyze the individual and combined effect of the US-China trade war and the BRI on clothing trade and production. Besides economic factors, the model will build on the triple bottom line framework and assess key sustainability issues such as energy mix, carbon emission, and water supply currently influencing the industry. Until recently, gravity model has mainly been applied in aggregated data using cross-sectional or time-series data estimation techniques in analyzing trade data.

3. Methodology

In this study, the model is applied to the T&C industry and extended to cover new factors neglected in past studies, especially the trade policies imposed by the US and China (Ekanayake et al., 2010; Chi and Kilduff, 2010; Martinez-Zarzoso, 2003; Huot and Kakinaka, 2007, Polder 2000, Chan et al. 2007 and 2016). These factors include FDI and energy consumption, those concerning the business environments, and the BRI. Unlike cross sectional or time series estimation, panel analysis allows the exploration of changes and manipulation in the data quality and quantity (Baltagi, 2013). The proposed model will investigate the impacts of the US-China trade war using relevant political determinants and economic variables relevant to the trade performance of HK, China and the B&R countries. The difference-in-difference (DiD) estimation method will be applied to evaluate the effects of the pre- and post-policy changes. A Poisson pseudo maximum likelihood (PPML) estimator will be used to provide unbiased and consistent estimates that are robust to any heteroscedasticity in the data. An empirical analysis will identify the extent that determinants globally contribute to clothing trade.

4. Discussion

The study will generate a dataset and develop a Sustainability Development Index (SDI) for clothing production and trade in the B&R countries. This will contribute to sustaining the business development of HK companies that are considering relocation in response to higher expectations on corporate social responsibility (CSR). In sum, this research will add to the literature on our understanding of emerging factors that shape the restructuring of clothing supply chains to adapt to in a rapidly changing and dynamic global trading environment.

Keywords: Belt and Road Initiative; Entry modes and relocation; Institutional change and FDI, Clothing industry

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Paper Number: MS0069

**Unleashing Home Market Opportunities through Outward
International Activities:
Insights from an Emerging Conglomerate in China**

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Unleashing Home Market Opportunities through Outward International Activities: Insights from an Emerging Conglomerate in China

Extended Abstract

Research in the internationalization of emerging market firms has recognized the importance of home country effects on foreign market entry and outward international activities (e.g., Cuervo-Cazurra, Luo, Ramamurti & Ang, 2018; Gaur, Ma & Ding, 2018; Lu, Liu, Wright, & Filatotchev, 2014; Luo & Wang, 2012). Among other things, economic growth, institutional hardship, state ownership advantages, competitive pressure, and inward international operations are highlighted as important factors in shaping the unique nature of international strategies of emerging market firms. These include the choice of international market locations, outward foreign direct investment (FDI), cross-border merge & acquisition (M&A) decisions, and the dynamics of global catch-up activities (Luo & Zhang, 2016). The key argument underlying this line of research is that the influence of home market conditions represents a significant departure in the internationalization of emerging market firms away from their counterparts in advanced economies (Hernandez & Guillén, 2018; Lu, Ma, Taksa, & Wang, 2017; Luo & Tung, 2007). Given their latecomer disadvantages in global markets, multinationals from emerging markets (hereafter EMNEs) are being described to pursue internationalization as “springboard” as opposed to a progressive or an evolutionary manner (Luo & Tung, 2007). Hernandez and Guillén (2018, p. 25) asserted that “emerging markets offer the opportunity to observe the origin of the capabilities of MNEs in general and the development of the institutional ecosystem that supports internationalization”.

However, previous studies have not made a clear distinction between what a firm does in

terms of outward international activities and what it achieves from its outward international activities at home or abroad. Instead, it is generally assumed that to the extent an emerging market firm engages in global catch-up activities and acquisitions of firms in advanced countries, it will gain strategic assets and capabilities from such endeavors (Peng et al., 2018). In view of the increased levels of risk and uncertainty in cross-border seeking of resources and technologies (Shimizu, Hitt, Vaidyanath, & Pisano; 2004), it can be expected that not all EMNEs benefit to the same extent from their outward international activities. In addition, what gains in firm-specific advantages for business operations in overseas markets are likely to be different from those aimed for home markets (Luo & Tung, 2018). Therefore, it is crucial to delineate not only what outward international activities are engaged by emerging market firms, but more importantly how such activities are turned into value-bearing capabilities at home or abroad. Indeed, Cui and Xu (2019) have shown that emerging market firms benefit more from outward FDI when diversifying from home resource dependence.

In this study, we focus specifically on the question of how EMNEs leverage international strategies to create and capture market opportunities at home. To this end, we address the internationalization of emerging market firms that is intended to the development of market-driven capabilities for achieving a home-based competitive position through firm-specific advantages. This particular facet of internationalization and home country effects has received insufficient scholarly attention in the current literature. Although theoretical advances have been made in the general understanding of home-based impacts on EMNEs (Luo & Tung, 2007; 2018), the cross-border development of market-driven capabilities has not been addressed yet. In contrast to the conventional understandings of macro-level challenges and opportunities that explain the international strategy and behavior of EMNEs (e.g., Sun, Peng, Lee, & Tan, 2015), the current

study brings the focus to outward international activities as value-bearing assets that deliver innovative offerings for consumers in the home country. We illustrate the internationalization of emerging market firms as both an entrepreneurial act and a market-orientation strategy that enable these firms to develop a competitive market position. The overarching goal is to provide a more complete picture of the connection between outward internationalization and the development of market-driven capabilities of EMNEs at home.

This study takes Fosun Group as a context for the investigation. Despite under institutional hardship due to their private ownership, Fosun is one of a handful of Chinese conglomerates that leapt head first into a broad scope of international markets soon after their establishment in 1992. While Fosun is perhaps best known for a radical engagement in outward foreign direct investments, particularly with respect to their cross-border acquisitions spinning across industry boundaries, there are few insights related to their home-based market orientation underpinning their global catch-up ambitions. With detailed secondary sources of data compiled from both the company's internal reports and the press released interviews with the company's top management officials over the years, this study unveils the role of multifaceted outward activities in shaping home-based market innovation by breaking through platform business model. In the midst of China's economic growth and consumption upgrading, Fosun's outward FDI holds stakes in a large assortment of value-creating opportunities. To some extent, this case represents a typical global catch-up ambition among the emerging market firms in China. For most EMNEs, internationalization is not just a path to explore growth potential in foreign markets; rather, it reflects how these firms leverage global assets to create and capture market opportunities at home.

There are several intended contributions to the literature. First, this study attempts to extend the springboard theory developed by Luo and Tung (2007) beyond the international expansion of

emerging market firms to the creation and capture of market-oriented value in the organization. At the core of the theory, international expansion of emerging market firms is deliberately described as a *springboard* to acquire critical resources needed to compete more effectively against their global rivals at home and abroad and to reduce their vulnerability to domestic institutional and market constraints. We take one step further by focusing on the value-bearing capacity of outward international activities that deliver superior value to the end consumers at home.

Second, this article provides a further development of the internationalization process of emerging multinationals from the perspective of linkage, leverage and learning (LLL) developed by (Mathews, 2006). The key to LLL is that it explains the dynamic capabilities underlying the radical and accelerated internationalization of emerging multinationals. The core capabilities involve in various aspects of linkage with global value networks, leverage with technologies or other critical resources, and learning from such linkage and leverage activities. In the current study, it is tried to extend the LLL perspective toward the development of firm-specific advantages at home. We illustrate that the LLL represents a way through which EMNEs can fast-track their innovative solutions for home markets. And finally, we address the issue of a global business strategy to reap the benefits of resource fungibility cross borders. In the context of international business, resource fungibility underlies a firm's resources and capabilities that are interchangeable and capable of being utilized in different geographic and country settings (Johanson & Vahlne, 2009; Sapienza, Autio, George & Zahra, 2006). This aspect of internationalization is relevant for cross-border integration of a firm's capacity in improving market positions.

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Paper Number: MS0070

A Qualitative Investigation of Within-Organization Sustainable Career

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A Qualitative Investigation of Within-Organization Sustainable Career

Abstract

This research tackles the need to examine what constitutes a within-organization sustainable career (WOSC). Following in-depth interviews, this study found that WOSC comprises three essential elements: (1) bearable workload and work stress, (2) growing as an individual while the company grows, and (3) supportive employer for career development. From these findings, organizations and career counselors can take actions to help build and enhance employees' WOSC, which in turn is beneficial for both the employees and the employers.

Keywords: Sustainable Career, Work Stress, Continuous Learning, Supportive Employer

1. Introduction

Contemporary career trends and workplace stress have led to an increased potential for poorer well-being and reduced productivity, which has weakened individuals' ability to manage and maintain their careers in a sustainable way. Career research has begun to focus on the maintenance and development of sustainable careers, which enable employees to remain healthy, happy, and productive throughout their careers. Prior research has explored sustainable careers from a broad perspective by looking at factors that occur within and outside the context of the present job or employing organization (e.g., Bozionelos et al., 2020; Brzykcy et al., 2019; De Hauw & Greenhaus, 2015; De Vos et al., 2020). However, a sustainable career that extends beyond a single organization may have negative implications on organizational productivity due to high employee turnover. This study highlights the need to narrow down the scope of a sustainable career within an organization, which is referred to as a within-organization sustainable career (WOSC), and investigate what constitutes a WOSC through in-depth interviews.

2. Literature Review

2.1 Conceptualization of a Sustainable Career

Several conceptualizations of sustainable careers can be found in the literature (e.g., McDonald & Hite, 2018; Newman, 2011; Valcour, 2015). According to Van der Heijden and De Vos (2015: 7), a

sustainable career involves "the sequence of an individual's different career experiences, reflected through a variety of patterns of continuity over time, crossing several social spaces, and characterized by individual agency, herewith providing meaning to the individual". In brief, a sustainable career requires individual agency, and it is contingent upon influences stemming from multiple contexts in which individuals' careers develop. In turn, it offers mutually beneficial consequences (e.g., happy, healthy, productive) for the person and their surrounding contexts over time (De Hauw & Greenhaus, 2015; De Vos et al., 2020).

2.2 The Motivation to Study Sustainable Career from “Within Organization” Perspective

Existing empirical research generally operationalizes sustainable career through different indicators, such as perceived employability, career ambition, career satisfaction, life satisfaction, physical and mental health, work ability, and so on (e.g., Blokker et al., 2019; Bozionelos et al., 2020; Tordera et al., 2020). Rather than focusing on “within-organization,” these indicators capture individuals’ career experiences over the long term, which can involve changes in the job, organizations, or even across jobs, professions, and organizations. This study reduces some of the heterogeneity by focusing on “within-organization”, which is in a single context, instead of across multiple professions or organizations.

3. Method

This study adopted an interpretive phenomenological approach to investigate working adults' sustainable career experience within an organization through in-depth interviews. The purpose of these in-depth interviews was to explore the participants' subjective experience of a sustainable career within an organization as a means to understand the boundary and content of what constitutes a WOSC through the process of identifying general themes encompassing each individual's unique story (Smith et al., 2009).

3.1 Sample and Procedure

This study employed purposive sampling to recruit participants who have more than five years of work experience with the same company. Personal contacts were used to approach potential participants who met the criteria. A total of 10 working adults were interviewed. Interviews were

conducted via a video-conferencing application and lasted approximately 60 minutes on average. The participants have been with the same company for six to 20 years. All participants hold managerial and top-level executive positions in different industries, including housing development firms, hospitals, audit, and insurance agencies.

3.2 Data Analysis

Upon completion of the interviews, coding and content analysis of the qualitative data were conducted to reduce and organize large amounts of raw empirical data from the interview transcripts into specific themes that aid in interpreting the data (Auerbach & Silverstein, 2003). Throughout the entire coding process, two researchers of this study independently identified relevant codes from the transcripts and compared the codes against each other. Subsequently, the inconsistencies were discussed together, and final themes were formed when a consensus was reached about the coding results. Eventually, three key themes emerged: (1) bearable workload and work stress, (2) growing as an individual while the company grows, and (3) supportive employer for career development.

4. Results

The findings that surfaced from the interviews are presented below.

4.1 Theme 1: Bearable Workload and Work Stress

Bearable workload and tolerable work stress within the company surfaced as one of the main reasons individuals stay and grow their careers within the company. Participants expressed that excessive amount of work and tension experienced at work, which affects their health and nonwork life, is the trigger that makes them consider pursuing a career somewhere else. For example, a general manager who has been working with a housing development firm for 20 years alluded that:

Yes, I had thought about joining another company when it was about my fourth year in this company [...] The workload was getting very heavy, and the bosses were expecting more from me. I was a little bit stressed back then, to the extent that I couldn't sleep at night. [P1, assistant manager, nine years with the housing development firm]

4.2 Theme 2: Growing as an Individual while the Company Grows

Growing as an individual while the company grows was another significant aspect that contributed to participants' career sustainability within the organization. Opportunities for continuous learning and development in the workplace allowed them to progress further in their careers and ultimately realize their intended personal and career aspirations. A participant who has been working in a hospital for eight years claimed that he would stay and pursue his career in the hospital if he is continuously given new tasks and responsibilities:

Everyone has different reasons for staying [within the company]. For me, I enjoy the entire chain of learning. I like projects, which allow me to be involved in the whole process of planning and implementation. [...] I like to learn new things. So, as long as the company is able to give me new things to do, I think I will continue to stay. [P7, operation manager, eight years with the hospital]

4.3 Theme 3: Supportive Employer for Career Development

“Supportive employer for career development” involves support received from the organization (and/or supervisor) and career advancement opportunities within the organization. These are also the key facets that influence participants' decisions to sustain their careers within the company. For instance, Participants narrated that a supervisor who facilitates career growth could help them progress their careers from junior positions to higher positions in the company. This view was illustrated by a participant who joined her company eight years ago as an accounting intern and was promoted to an audit manager:

My supervisor(s) have been very important in my career development. They value my work, [they] review my work, and give correct and positive feedback, and also let me know what I can perform better and guide me through how I can perform better or what I've done well, you know, to continue my career development in this company and also to better prepare myself for the next role. [P3, manager, eight years with the audit firm]

5. Discussion and Conclusion

These findings offer core implications for research in sustainable careers. While previous studies focus on a sustainable career over one's entire life that can involve multiple jobs and organizations, this study focuses on "within an organization" instead of across multiple organizations. Featuring a

sustainable career within the context of an organization, the distinct boundary of WOSC, therefore, makes it more pragmatically useful for organizations to identify effective strategies to retain employees and enrich their positive career experiences in the organization. This study underlines the roles of human resource managers and employers in identifying specific organizational practices or strategies, which serve to enhance employees' WOSC so that they will stay motivated at work and continue to pursue their careers with the organization, subsequently contributing to organizational effectiveness.

Given the importance of WOSC, this study encourages employers to always keep an eye on their employees' work demands and stress, as this aspect is an important influence of employees' WOSC. For example, ensuring reasonable working hours, offering manageable workloads, assigning reasonable deadlines, and matching job tasks to employees' capabilities can potentially minimize the employees' workplace stress. This study also highlights the importance of the organization in creating opportunities for employees' continuous personal growth and learning at work. For instance, organizations can provide employees with a variety of learning opportunities, such as formal training programs, job rotation, as well as information sharing sessions (e.g., Becker & Bish, 2017; Kampkötter et al., 2018). Furthermore, employers are also encouraged to provide their employees with clear career paths and ladders within the organization. These career advancement opportunities are essential to maintain and heighten employees' motivation and productivity at work while reducing their turnover intention. By nurturing and building employees' WOSC, it is believed that organizations can effectively retain talent and prevent them from leaving to the competitors.

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Paper Number: MS0071

**Promoting Cooperative Compliance by Financially Licensed
Firms in Hong Kong: A Relational Signaling Perspective**

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Promoting Cooperative Compliance by Financially Licensed Firms in Hong Kong: A Relational Signaling Perspective

Abstract

The Hong Kong Securities and Futures Commission (SFC) is emphasizing effective cooperation to reduce regulatory cost. Licensed firms are seeking to enhance the function of compliance within their organizations so as to better work with the SFC. This study adopts a relational signaling approach to analyze the varying meanings of the behaviors that regulator and regulatees adopt when engaging in cooperation. This study draws on an archive of the SFC's inspection reports on licensed firms from 2015 to 2020 to construct case studies. A systematic process is applied to identify the common patterns of each party's interpretation of cooperative compliance. The findings of this research provide practical implications for licensed firms and the SFC on how to better promote cooperative compliance.

Keywords: Cooperative compliance, regulatory interaction, relational perspective.

1. Introduction

Previous studies reveal that regulator-regulatee relationships are characterized by ambiguity and uncertainty about the interpretation of the meanings and intentions behind each party's actions (Etienne, 2013). Because of their different and potentially conflicting roles, regulators and regulatees face difficulties in understanding one another's actions. A significant amount of time and frequent interactions may be necessary in order for the parties to develop mutual understanding and trust (Etienne, 2013). Regulatees may feel uneasy about authentically expressing their pursuit of cooperation with regulators. Furthermore, regulators may sometimes arrive at negative interpretations of regulatees' behaviors that do not reflect regulatees' actual intentions (Etienne, 2013). We consider that it would be conducive to promoting effective cooperation and reducing regulatory cost, if the expectations of each party regarding appropriate conduct during regulatory encounters can be clarified and aligned. Effective regulation implementation requires mutual understanding and cooperation by both parties (Pérezts & Sébastien, 2015). We consider that a relational signaling approach in seeking to understand the attitudes

and perceptions of regulators and regulatees during their interactions. Accordingly, this study adopts a relational signaling approach to analyze the meanings attributed by regulator and regulatees to various behaviors during their encounters.

2. Literature and conceptual framework

2.1 Regulatory interactions: the relational perspective

Effective regulation typically relies on the dynamic relationships between regulator and the regulated (Parker & Nielsen, 2011). It is an emergent and ongoing process involving meaning clarification among both parties (Nielsen & Parker, 2008). Scholars have also emphasized that it is necessary for professionals to interpret regulations by couching them in managerial logics and delivering them through specific compliance practices (Pérezts & Picard, 2015). Both regulator and the regulated play active roles in interpreting regulations, constructing the meaning of new laws, and working out how to implement them within organizations (Edelman & Talesh, 2011; Pérezts & Picard, 2015). Recognizing the need for active involvement of both parties in both regulation and compliance implies that is also necessary to understand how each party interprets regulations and how perceived how these should be implemented in practice (Pérezts & Picard, 2015).

2.2 Compliance

A recent trend in compliance is to rely on insiders within regulated organizations to help operate a “regime of control” through enhancing their organizations’ ‘internal responsibility, accountability and risk management control’ (Power, 1997). This has entailed increased emphasis on the function of compliance within organizations and on strengthening the development and institutionalization of a mindset of compliance (Edwards & Wolfe, 2005; Pérezts & Picard, 2015). Extent studies of compliance have focused on ‘business firms and their responses to and implementation of regulation’ but have not paid attention to their dynamic relationships with regulators (Parker & Nielsen, 2011). Understanding the effective practices of regulation within organizations is a complex challenge (Pérezts & Picard, 2015). There is an evident gap between the issuance of formal regulations and their actual daily implementation (Pérezts & Picard, 2015). Thus, it is important to study how to improve the alignment

between the implementation of compliance by regulatees and the associated intentions of regulators.

Accordingly, this study seeks to understand and analyze compliance from a relational perspective. This involves understanding the perceptions and motivations of individuals when implementing compliance in organizations. In particular, we focus on how compliance is actively interpreted, negotiated and embodied when regulated firms are interacting with a regulator.

2.2 The rise of cooperative compliance

The direction of regulatory practice is shifting from being ‘enforcement-led’ to embodying a socially constructed process, which is based on collaboration rather than on one-way enforcement (Burdon, 2020). The Securities and Futures Commission (SFC) in Hong Kong has been attempting to encourage licensed financial firms and individuals within them to cooperate with them in improving the efficiency and effectiveness of compliance. The SFC (2017) issued a “Guidance Note on Cooperation with the SFC” (i.e., “the Guidance”). The Guidance seeks to clarify what constitutes cooperation, outlines criteria for assessing cooperation, introduces measures to encourage cooperation, and explains existing practices for following up on the proceedings of civil courts or the Market Misconduct Tribunal (MMT). The Guidance lists out several “forms of cooperation”. These relate to how the regulatees are expected to provide evidence and information to the SFC (i.e., reporting), and how they should go about accepting liability, taking rectification measures, waiving legal professional privilege, commissioning third-party reviews, and giving directors’ undertakings to address the SFC’s regulatory concerns (SFC, 2017; Hallatt, Tan, & Tao, 2017). The Guidance to some extent provides clarity both to regulatees and to the public about the SFC’s concerns and major approaches to meeting regulatory requirements. However, it only reflects one step in expressing the regulator’s commitment to establishing a cooperative regulatory climate.

3. Method and results

This study adopts an interpretive, qualitative research approach. Drawing from an archive of the SFC’s inspection reports on licensed firms from 2015 to 2020 we develop case studies to address the research question (a) of how the regulator and regulatees go about interpreting one another’s actions and

intentions and (b) how this can result in the mutual alignment of expectations and practices, resulting in cooperative compliance. We apply a systematic process of data transcribing, data coding and theme development to identify the common patterns that answer the research question.

4. Discussion

This research provides practical implications for licensed firms in Hong Kong on how to cooperate effectively with the SFC. Furthermore, the findings of this research can provide guidance for the SFC on how to better promote cooperative compliance and thereby reduce regulatory costs.

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Paper Number: MS0072

**How Foreign-owned Subsidiaries Develop Local Network
Relationships through CSR**

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How Foreign-owned Subsidiaries Develop Local Network Relationships through CSR

Abstract

We investigate how foreign-owned subsidiaries develop local network relationships through CSR strategic foci. We surveyed 203 foreign-owned subsidiaries located in Thailand and Taiwan. Our results show that CSR focus is a key complementary strategy to develop local network relationships even for subsidiaries with high specialised resources in institutionally distant host locations. For managers, our results indicate that liabilities of foreignness might be dealt with through CSR strategy in contextually distant locations. Our article provides conceptual originality by developing a framework based on the complementarities between institutional theory and network theories in a CSR strategy context.

Keywords: CSR; multinationals; subsidiaries; network perspective; fsQCA

1. Introduction

The objective of this study is to develop an understanding of how foreign-owned subsidiaries use corporate social responsibility (CSR) strategic focus to develop local network relationships. CSR strategy is a “concerted pattern of actions to improve ... performance by managing the institutional or societal context of economic competition” (Mellahi *et al.*, 2016, p.144). The contemporary Multinational Enterprise (MNE) is a complex network of globally dispersed subsidiaries, which are linked in their host country economies with countless business and non-business actors (Asmussen and Fosfuri, 2019; Fransen, Kolk, & Rivera-Santos, 2019). Consequently, in a world that is globally interconnected through various mass and social media, the actions taken by subsidiaries located in any place of the world can have important implications for the MNE as a whole (Jimenez and Boehe, 2018). Relevant examples are the Coco-Cola groundwater investigation in India or the Volkswagen emissions scandal uncovered in the US state of California. This global interconnectedness, and the increasing importance of local actors for learning and innovation has sparked renewed interest in CSR as a means

to develop and foster local network relationships.

We define CSR strategic focus as the importance given by the subsidiary top management to the environment, social causes, job creation, and community projects (Husted and Allen, 2006). As CSR is gaining traction globally, it is crucial to understand how MNEs' subsidiaries use CSR strategies to cultivate valuable local network relationships (Joyner and Payne, 2002). However, there is a gap in our knowledge on how this is achieved.

This research contributes to the current literature as follows. Firstly, we emphasise the importance of the hitherto rather neglected network perspective in the CSR strategy literature. Accordingly, we develop and empirically test a comprehensive framework based on institutional theory (Doh *et al.*, 2012), the network perspective (Hadjikhani *et al.*, 2016), and recent international business and strategic management literatures (Bondy and Starkey, 2014). Second, we test our framework on a sample of foreign-owned subsidiaries located in the emerging economies of Taiwan and Thailand. Lastly, by focussing on non-symmetric data analytical method in the form of fuzzy set qualitative comparative analysis (fsQCA), we also overcome some of the limitations that characterise symmetric studies such as the limited number of interaction or moderating terms which can hinder theory development (Fiss, 2011; Feurer *et al.*, 2016; Greckhamer *et al.*, 2018).

2. Configurational research query

Johanson and Vahlne (2009) argued that location-specific advantages that are embedded in local business networks might not be freely accessible to the MNE. The local business community might create barriers for MNEs to gain access to such networks. Hence, a CSR focussed strategy might help the subsidiary to develop local business network linkages through increased credibility. Nevertheless, CSR distance between home and host country might also influence the outcome of such strategic efforts. For instance, subsidiaries with headquarters in home countries with similar CSR setting to the host country might be tempted to simply follow standard local procedure, due to a perceived institutional functional equivalence, which might not have the intended positive signalling effect on the local business and non-business network actors (Darendeli and Hill, 2016). Therefore, being headquartered

in a home country with greater CSR differences might allow managers to put their own twist on CSR strategy (O'Brien *et al.*, 2018). This distinctiveness might help to generate a more pronounced legitimisation effect for network development in creating mutual trust and commitment (Hadjikhani *et al.*, 2016). Thus, there could be more than one path to achieve greater local network strength through CSR strategic focus. This reasoning leads to the following research query.

Research query 1: What are the characteristics of causal conditions that predict strong local network relationships?

3. Research method

3.1. Data collection and sample

We collected data from foreign-owned subsidiaries located in the emerging economies of Thailand and Taiwan. Data collection procedures followed the guidelines by the world enterprise survey conducted by the World Bank (World Bank, 2011) as well as Dillman's tailored design method (TDM) (Dillman, 2000). The data collection was organised around research teams located in two prestigious universities in the host countries (World Bank, 2011). The efforts resulted in 101 responses from Taiwan (equals a response rate of 13.1%) and 102 responses from Thailand (equals a response rate of 7%).

4. Analysis

We proceed with the analysis of sufficient condition combinations. The most relevant solutions are the ones with the highest raw coverage (Greckhamer *et al.*, 2018). Adopting the usual conventions (Fiss, 2011), ● means the condition is present, ⊗ means the condition is absent, and 'blank space' means do not care.

The first analysis is looking at configurations that explain high non-business network relationships (table 1). We find from solution 1 that high CSR strategic importance and high specialised resources are key to develop strong non-business networks in countries that have a similar CSR context. Solution 2 shows that a combination of high CSR strategic focus, specialised resources and long establishment

in the host location also drive strong non-business network development. Solution 3 is of importance despite of a relatively small raw coverage because it shows interestingly that in locations at a large distance in terms of culture and CSR context, CSR strategy does not matter, whereas a recent establishment of the subsidiary in combination with specialised resources support the development of such networks. This might indicate a greater technological knowledge sourcing and development focus of non-business network actors toward newcomers.

Table 1 shows the configuration's that lead to high business network development. Solution 1 has the largest raw coverage and contains only the conditions of specialised resources and the small CSR distance, while CSR strategic focus does not matter itself. This could indicate that CSR might have not yet become relevant in the business world of emerging economies and the focus is more on technology. Solution 2 suggests a combination of CSR strategic focus, specialised resources, and longer establishment are required to achieve high integration in business networks. Solution 3 suggests that in culturally different host countries, CSR strategic focus and specialised resources lead to the development of strong local business network relationships. This suggests a complementarity of specialised resources and CSR strategy to develop business network relationships.

Table 1: fsQCA results (about here)

5. Discussion of the results

Our results suggest that a mix of high CSR strategic foci and specialised resources are important conditions to develop a strong integration into local non-business networks. It appears that local governmental institutions as well as universities and science centres cherish not only the competencies in the subsidiary, but also its CSR strategic effort. This suggests a complementarity between those two. High business network relationships, on the other hand are predominantly driven by specialised resources in the subsidiary, especially in locations that have great cultural similarity. CSR strategic importance matters mostly for subsidiaries of greater age as well as in culturally different backgrounds. However, specialised resources still play a major role, which might indicate that CSR strategic focus is used as a complementary strategy to develop local business networks, even though the subsidiary is

well equipped with specialised resources. This finding is in line with the conceptual arguments brought forward in Doh *et al.* (2012) who argue that CSR matters even in emerging markets, where the focus of local businesses might be more on knowledge exchange and learning.

This is because we show that even in emerging markets, CSR strategic foci is a valuable complement for many subsidiaries to develop local network relationships, even though the CSR standards and expectations might be comparatively low in such locations.

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Table 1: fsQCA results

	Strong Business Networks							
	1	2	3	4	5	6	7	8
CSR strategic focus	●	●				●	●	●
International Market Mandate	●	●	●		⊗	⊗		
Autonomy			●	●	●	⊗	●	●
CSR distance		⊗	⊗	⊗	●	●		⊗
Geographic Distance	⊗			●	⊗	●	⊗	
Raw coverage	0.367	0.349	0.333	0.245	0.171	0.120	0.380	0.344
Unique coverage	0.023	0.041	0.038	0.024	0.021	0.012	0.005	0.000
Consistency	0.803	0.855	0.872	0.778	0.800	0.805	0.843	0.868
Solution consistency	0.767							
Solution coverage	0.728							
frequency cutoff:	3							
consistency cutoff:	0.804							
	Strong Non-Business Networks							
	1	2	3	4	5			
CSR strategic focus	●	●		●				
International Market Mandate	●		●	⊗	●			
Autonomy		●	●	⊗	⊗			
CSR distance	⊗		⊗	●	●			
Geographic Distance		⊗	⊗		⊗			
Raw coverage	0.336	0.365	0.203	0.189	0.184			
Unique coverage	0.140	0.133	0.030	0.046	0.044			
Consistency	0.806	0.793	0.804	0.828	0.816			
Solution consistency	0.771							
Solution coverage	0.668							
frequency cutoff:	3							
consistency cutoff:	0.808							

Note: Intermediate solution. ⊗ = *absent*, ● = *present*, blank space = *“do not care”*. Consistency reflects the sample supports the solution, coverage reflects the power of the solution, as the “R” in regression method.

Paper Number: MS0073

Exploring the Role of Knowledge-based Resources on the Act of Responsible Business and Profitability among Asian Economies

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Exploring the Role of Knowledge-based Resources on the Act of Responsible Business and Profitability among Asian Economies

Abstract

Corporate social responsibility (CSR) and knowledge-based resources, *i.e.* intellectual capital (IC), improve financial performance. These factors were combined to examine how IC moderates the influence of CSR on financial performance. A total of 4,722 firm-year observations of 787 listed firms were analyzed, from 2012 to 2017, for eleven Asian economies (Hong Kong, Japan, Singapore, South Korea, Taiwan, China, India, Indonesia, Malaysia, Philippines, and Thailand). Empirically, CSR has a positive effect, amplified by IC, on financial performance. This study provides a comprehensive model to explain how IC moderates the effect of CSR on financial performance, filling in the following knowledge gaps.

Keywords: Corporate Social Responsibility, Value-Added Intellectual Capital, Financial Performance, Asian Economies, Sustainability

Paper Number: MS0074

How does Religion Affect Social Networks: The case of Wasta Utilization with Christian and Muslim Arabs

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How does Religion Affect Social Networks: The Case of Wasta Utilization with Christian and Muslim Arabs

The importance of developing and utilizing business relationships and networks in socially based societies has long been recognized as an important component for businesses. Socially based business networks and relationships include Guanxi in the context of China and Wasta in Arab countries. This study uses social capital theory to investigate how Wasta and religion has an influence on satisfaction and performance between Muslims and Christians. Results have shown that Mojamala is a pre-requisite to Hamola and Somah, where Hamola directly leads to performance for Muslims. For Christians, satisfaction is a pre-requisite for performance. This is the first study that investigates the impact of religion on business performance.

Keywords: Wasta, social capital theory, Arab World, Religion

Paper Number: MS0076

**Taking on the World:
The Global Expansion of City Football Group**

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Taking on the World: the Global Expansion of City Football Group

Abstract

The world of sport is characterized by spatial boundaries, and football is certainly no exception, being simultaneously a global sport and one that is defined by fiercely guarded local boundaries. This global-local interaction presents an interesting avenue for international business (IB) inquiry, where space and place are also cornerstones of the research agenda. Certainly from a practical perspective the IB implications are quite obvious: any organisation that seeks to succeed within the industry must be cognisant of this global-local tension and strategise accordingly. For a firm operating within this potentially lucrative industry and with ambitions of establishing a strong international presence for itself, a balance must be struck between riding on the game's global appeal on the one hand and the need to somehow embed itself within particular local spaces on the other. This study examines how one such firm, the holding company City Football Group (CFG), is going about achieving this. Based on material from the public domain, including media articles and company websites, three factors are found to be especially pertinent: (1) the composition of CFG's top management team; (2) the attempts to establish a unifying 'City identity'; and (3) CFG's forays into more peripheral leagues around the world, after having established itself at the 'top end' of the game.

Keywords: City Football Group, football, internationalisation, global-local interactions

Paper Number: MS0077

**Should I Stay or Should I Go?
Family Considerations on Work Decisions among Business SIEs**

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Should I Stay or should I Go? Family Considerations on Work Decisions among Business SIEs

Abstract

Turbulent environmental conditions such as the Covid-19 pandemic push multinational enterprises to consider alternative assignees such as business self-initiated expatriates (business SIEs). In the international business literature, however, little attention has been given to examine business SIEs in relation to global staffing. The aim of this study is to understand the familial factors on work decisions among business SIEs. Using the family-relatedness of work decisions (FRWD) and family system theory (FST), the paper examines the experience of expatriates and their accompanying family members and explores how these family members influence work decisions. We draw on in-depth interviews with 10 business SIEs who moved abroad as assigned expatriates but left their employers and sought alternative work in their host country. Data were analysed using thematic analysis. The findings revealed that previous experience of trailing family influence work decisions to remain in host country. Recognizing that organizations are increasingly utilizing flexible forms of global staffing in response to Covid-19, this study suggests that familial factors should be taken account when managing business SIEs.

Paper Number: MS0078

**Changing Comes from Doing:
How Deliberate Practice Enables Job Crafting
in a Learning-oriented Workplace**

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Changing Comes from Doing: How Deliberate Practice Enables Job Crafting in a Learning-oriented Workplace

Extended Abstract

During the COVID-19 pandemic, employees urge for self-initiated job crafting in a proactive way, in order to live with uncertainty and maintain competitiveness. However, organizations usually require their employees to firstly keep doing their current job well. This paper aims to discuss whether employees can achieve initiating changes from “repetitive doing”, especially in a learning-oriented workplace. The concept of deliberate practice is adopted for elaboration. This paper will help to resolve the current conflicting mindsets existing in organizations as to whether changing or doing should be emphasized for employees. Theoretical and practical implications will be discussed.

Keywords: Deliberate Practice, Approach Job Crafting, Learning Climate, Proactive Motivation

1. Introduction

This era embraces changes, especially during the turbulent COVID-19 pandemic. In this rapidly developing marketplace, change seems the only constant. For employees, approach job crafting, which is to initiate change for their own work, is not only eye-catching, exhibiting their competence and proactivity, but also necessary for self-development. To the contrary, performing almost the same work content day by day seems boring and not promising. However, large proportion of most employees' job content seems repetitive but fundamental. Therefore, organizations usually hope that their employees can firstly do their own work well before they are capable to take over and craft their job. These conflicting mindsets brings out one question: whether “initiating changes” is contradictory to “repetitive doing” in the workplace. This paper discusses this question and uses the concept of deliberate practice as a manifestation of repetitive doing in the workplace.

Deliberate practice was a concept raised by Ericsson, Krampe and Tesch-Römer (1993), who defined

as the engaging process in structured and repetitive activities aiming to improve competence in a domain. It has two core features: first, the activities are repetitive in nature; second, these activities have a clear goal which is to increase competence. This paper would mainly draw on model of proactive motivation (Parker, Bindl & Strauss, 2010) to explain how employees' deliberate practice can activate and foster their different motivational processes to their approach job crafting. In addition, this paper would also explore learning climate as the contextual influence by which these processes can be strengthened. Learning is for acquisition of long-term competence, which has its significance under a broader context of international gloomy economy. The theoretical model is shown in Figure 1.

2. Literature and Framework

Proactive motivation and approach job crafting

Proactivity is self-initiated, change oriented and future focused (Grant & Ashford, 2008). Parker *et al.* (2010) identified three motivational states –“*can do*,” “*reason to*,” and “*energized to*” – that can prompt proactive goal generation and sustain goal striving. “Can do” motivation asks the question: “Can I do it?”. It is based on self-efficacy perceptions. “Reason to” motivation is related to the question: “Should I do it?”. It includes responsibilities and utility judgement. “Energized to” approach refers that proactive behaviors can be activated and prompted by positive affective states.

This paper's research focus - approach job crafting - is one type of proactive behavior and captures the upward changes and redesign initiated by employees in their own work domain. Bruning and Campion (2018) developed approach-avoidance taxonomy for job crafting based on approach-avoidance motivation theory (Elliot, 2006). Approach job crafting results from accepting challenge stressors, managing to increase resources, and desiring to improve work experience (Bruning & Campion, 2018). Unlike avoidance job crafting, which is rather passive and dysfunctional, approach job crafting is proactive in nature (Zhang & Parker, 2019).

Deliberate practice and “Can do” proactive motivation

The core assumption of deliberate practice (Ericsson *et al.*, 1993; Ericsson, 2002) is that competence is established gradually, and individuals can master their focused work sequentially through suitable training tasks. Through this improving process, employee will acquire confidence in his or her ability to perform the job well, which is job-related self-efficacy.

According to self-determination theory (Deci & Ryan, 2000), when individuals gain self-efficacy towards their jobs, they are motivated to invest more resources to their job, in order to initiate change and strengthen their current position. Therefore, individuals' job-related self-efficacy can further empower them to craft their job for better performance. Thus, we propose that:

Hypothesis 1: Deliberate practice is positively and indirectly related to approach job crafting through one's job-related self-efficacy.

Deliberate practice and “Reason to” proactive motivation

The “*reason to*” motivation describes the felt obligation and responsibilities to conduct specific proactive behaviors. According to Pierce, Kostova and Dirks (2001)'s psychological ownership theory, feeling psychological ownership on one's job fosters the felt responsibilities to maintain, protect and enhance it. Individuals develop sense of psychological ownership when they invest the self into the target (Pierce *et al.*, 2001). Deliberate practice involves investing time, physical, psychological and intellectual energies into one's work. The more employees invest themselves into their job, the stronger they feel that they psychologically owned their job. When work is what they possess and becomes part of themselves, employees are entitled to the rights to reshape their job to meet future challenges, thus more likely to take approach-oriented job crafting. Thus, we propose that:

Hypothesis 2: Deliberate practice is positively and indirectly related to approach job crafting through one's psychological ownership to the job.

Deliberate practice and “Energize to” proactive motivation

Though may not be inherently enjoyable, deliberate practice provides opportunities for learning and skill acquisition (Ericsson & Charness, 1994). It aligns with one’s own values and interests, thus is more likely to be self-endorsed and autonomous rather than controlled by external forces.

According to self-determination theory, when people are self-motivated, they perceive increased vitality, which refers to “the sense of aliveness and vigor that energizes volitional actions” (Ryan & Frederick, 1997). Through deliberate practice, employees establish certain routines by engaging in repetitive activities at a regular pace, which enable them to keep a physically active state (Coughlan, Williams, McRobert & Ford, 2014). The clear goal to improve competence motivates them to judge and self-monitor their behaviors to align with their goal, which keep them cognitively alert, while the perceived progress towards the goal can lift up affective state as being energetic (Bandura, 1991).

Vigor can broaden people’s momentary action-thought repertoires and promote pursuing more challenging goals (Fredrickson, 1998). As an energetic and positive affective state, it can help filling individuals’ resource pool and get them prepared for sequential proactive behaviors, such as approach job crafting. As discussed, we propose that:

Hypothesis 3: Deliberate practice is positively and indirectly related to approach job crafting through one’s state of vigor.

Moderating role of organizational learning climate

The COVID-19 pandemic has exacerbated competitions among organizations, cleaning out those disadvantageous ones. Organizations must find their way for long-term development. It is well recognized that an organization’s long-term development depends on the learning potential of its workforce (Kim & Park, 2020). Organizational learning climate is defined as “employees’ perceptions of organizational policies, and practices aimed at facilitating, rewarding and supporting employee learning behavior” (Nikolova, Van Ruysseveldt, De Witte, & Van Dam, 2014). Learning in organization

is always not the ends but the means to improve their employees' competence so as to keep the organizations in a competitive position. A high level of learning climate would have high tolerance for the time costed and errors made during one's competence developmental process. Thus, organizational learning climate provides supportive environment for deliberate practice to unfold its effects, therefore can strengthen these motivational processes mentioned above. Thus, we propose that:

Hypothesis 4: The organization's learning climate moderates the indirect effect of deliberate practice on approach job crafting through (5a) job-based self-efficacy, (5b) state of vigor, (5c) job-based psychological ownership, such that these indirect effects are stronger when learning climate is high rather than low.

3. Method

We are currently collecting three-wave multi-level data in Mainland China through researchers' personal contacts. Sample size is set to around 200 working employees. At Time 1, we collect deliberate practice, organizational learning climate (higher level), demographic information and control variables (trait affect, proactive personality, big-five personality, work engagement, informal learning). At Time 2 (one month later), all mediating variables (job-based self-efficacy, state of vigor and job-based psychological ownership) are collected. At both Time 1 and 2, approach job crafting is collected for control. At Time 3 (another one month later), we collect employees' approach job crafting. The sources for all measures are summarized in Table 1.

Before testing the hypotheses, we will conduct explanatory factor analysis (EFA) and confirmatory factor analyses (CFAs) to evaluate the convergent and discriminant validity of our self-developed construct - deliberate practice. To examine the proposed multilevel model, we will conduct hierarchical linear modeling (HLM) using Mplus 8.3 (Muthén, Muthén & Asparouhov, 2017).

4. Discussion

This paper contributes to the literature in several ways. First, previous research in job crafting emphasize

on changing, isolating its relationship with other more constant and repetitive elements in job. This paper contributes to job crafting literature by illustrating that change can also arise from constant practice. Second, this paper's finding will indicate that deliberate practice is not mindless repetition; it is rather wise repetition which can cultivate different motivational states to enable proactive behaviors. Parker *et al.* (2010)'s motivational model of proactivity did not elaborate how these motivational states can be triggered or fostered. This paper uses deliberate practice as research focus to depict a rather whole picture. Third, as a construct originated from expert literature, deliberate practice is only discussed within single occupation in organizational research. This paper applies and generalizes this construct to diversified occupations, hoping to call for more future research.

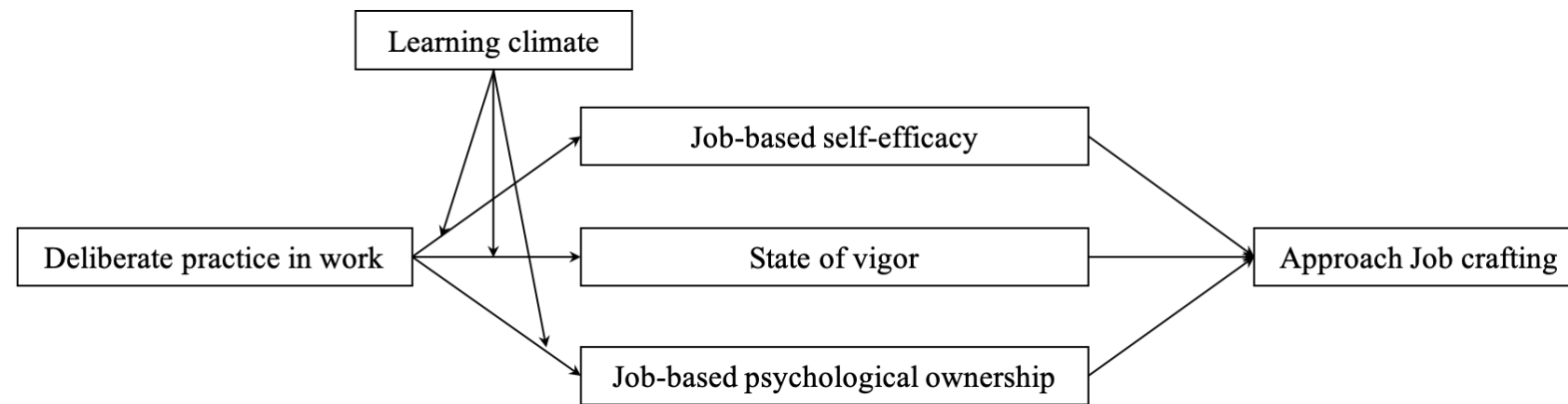
Figure 1. Theoretical model illustration

Table 1. Measure summary

Measure Name	Citation	Sample Item
Deliberate practice	Self-developed	“I intentionally practice those work activities which can strengthen my competence.”
Job-based self-efficacy	Wilk & Moynihan (2005)	“I am certain I can meet the performance standards of this job.”
Vigor state	Shirom (2003)	“I feel vigorous.”
Job-based psychological ownership	Van Dyne & Pierce (2004)	“I feel a very high degree of personal ownership for my job.”
Approach job crafting	Bruning & Campion (2018)	“Expand my work activities to acquire resources that will help me do my job.”
Organizational learning climate	Nikolova, Van Ruysseveldt, De Witte, & Van Dam (2014)	“My organization provides sufficient resources to develop my competences.”
Trait affect	Mackinnon <i>et al.</i> (1999)	Positive affect: “I generally feel inspired.”
Proactive personality	Seibert, Crant, & Kraimer (1999)	“I am constantly on the lookout for new ways to improve my life.”
Big-five personality	Donnellan, Oswald, Baird, & Lucas (2006)	Extroversion: “I talk to a lot of different people at parties.”

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Paper Number: MS0079

The Impact of Executive's Resilience on Firms' Recovery from COVID-19

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The Impact of Executive's Resilience on Firms' Recovery from COVID-19

Extended Abstract

Previous studies have revealed the pivotal role of the executive's resilience in stimulating the firm performance during the crisis. However, the mechanism underlying this positive effect has not been fully explored. Building on the upper echelon theory and using the survey data collected from 237 SMEs in China during COVID-19, this study found that executive's resilience positively influences firm strategic flexibility, thereby promoting the subsequent performance. Moreover, the competitive intensity weakens this effect. This study explores the "black box" underlying the effect of executive's resilience on firms' recovery from the crisis and reveals its contingency factor.

Keywords: Executive's resilience, Strategic flexibility, Competitive intensity, Organizational performance, SMEs

1. Introduction

The World Bank has forecasted that, due to the COVID-19 pandemic, global GDP would contract by 5.2% in 2020, which is the deepest global recession in the past eight decades (World Bank, 2020). Such a turbulent environment has seriously threatened the operation of firms (Wang, Hong, Li, & Gao, 2020). Under this condition, how firms respond to and cope with a crisis should be further explored by strategy scholars (Wenzel, Stanske, & Lieberman, 2020). Built on the upper echelons theory, previous studies have revealed the salient role of executive resilience on firm performance in crisis (e.g., Hmieleski, Carr, & Baron, 2015; Hayes, 2016). Yet, these studies have explored the positive impact of resilience on firm performance while ignored the mediating mechanisms underlying this relationship. In other words, we still have scant knowledge about how resilient executives cope with crises, thereby leading to firm recovery from uncertainties. Moreover, contextual factors that moderate such the mechanism need to be further explored to enhance our understanding of the positive role of executive resilience.

Built on the upper echelons theory and resilience literature, this study first proposed that strategic

flexibility, which is defined as a firm's ability to respond to as well as to adapt to the uncertain and rapidly changing environment (Aaker & Mascarenhas, 1984), mediates the positive relationship between the executive's resilience and firm performance. Second, this study postulated that competitive intensity weakens the positive effect of resilience on strategic flexibility. In other words, under the higher level of competitive intensity, the positive effect of the resilient executive on strategic flexibility is weakened. Our study used a sample of 237 SMEs in China to verify such propositions. The Fig.1. depicts the conceptual model of this study.

This study makes several contributions. First, this study contributes to the upper echelons theory by revealing the important role of an executive psychological trait in improving firm performance when facing a crisis. Second, this paper extends the line of research on executive resilience by identifying strategic flexibility as an essential mechanism mediating the impact of executive resilience on firm performance. Third, this study also enriches the research of executive resilience by exploring the boundary condition of this mediating mechanism.

2. Literature and Hypothesis Development

2.1. Executive's resilience and strategic flexibility

Resilience is defined as "the capacity to rebound or bounce back from adversity, conflict, failure, or even positive events, progress, and increased responsibility" (Luthans, 2002, p.702). We postulate that the executive's resilience increases strategic flexibility. Existing studies have demonstrated that individuals with high resilience do not only afraid of adversity, but also take proactive action to adapt to negative changes in the external environment (Newman, Ucbasaran, Zhu, & Hirst, 2014; Santoro, Bertoldi, Giachino, & Candelo, 2020). Researchers also suggested that resilient individuals prefer to respond to adversity in a more flexible way (Feldman & Gross, 2001). Accordingly, when faced with a crisis, executives with a high level of resilience often have a strong desire to bounce back from negative external stimuli and could cope with them persistently (Peterson, Walumbwa, Byron, & Myrowitz, 2009). Such a strong desire enables executives to stay proactive and adapt their firm's strategy to the changing environment, which increases their firms' strategic flexibility. Thus, we propose:

Hypothesis 1. Executive resilience is positively related to strategic flexibility.

2.2. Strategic flexibility and firm performance

We propose that strategic flexibility positively influences firm performance during a crisis. Researchers suggested that strategic flexibility plays a salient role in firm performance in a dynamic environment (Claussen, Essling, & Peukert, 2018). A firm with high strategic flexibility can coordinate resources flexibly and restructure its operation when needed, thus gaining competitive advantages in turbulent environments (Zhou & Wu, 2010). As a crisis in the external environment is often associated with high uncertainties and changes, we expect that firms with flexible strategies shall have a better performance than those with rigid and static strategies. In addition, as crises sometimes could also bring opportunities, flexible strategy enables firms to adjust their operation quickly and seize opportunities in adversity, which leads to better firm performance. Previous studies also provided empirical support for the positive effect of strategic flexibility on firm performance in an uncertain environment (e.g., Grewal & Tansuhaj, 2001; Guo & Cao, 2014). Thus, we propose:

Hypothesis 2. Strategic flexibility is positively related to firm performance.

2.3. The mediating role of strategic flexibility

Strategic flexibility has been recognized as an essential determinant of executives' influence on firm performance in the strategic management literature (Katsaros, Tsirikas, & Bani, 2014). As before mentioned, resilience motivates executives to interpret negative external stimuli positively and to respond to crises proactively, which increases their firm's strategic flexibility. This ability enables firms to reallocate resources quickly in turbulent environments and even seize opportunities in crises, thereby eventually recovering from crises. Thus, we expect that executive resilience improves firm performance during the crisis through its effect on stimulating firm strategic flexibility, leading to the hypothesis:

Hypothesis 3. Strategic flexibility mediates the relationship between executive resilience and firm performance.

2.4. The moderating role of competitive intensity

We argue that the positive effect of executive resilience on strategic flexibility is moderated by competitive intensity. Competitive intensity refers to the intensity of competition in a certain industry. It can be manifested in rapid imitations of new products or services by competitors, fierce price wars, and advertisement battles, etc. (Jaworski & Kohli, 1993). Higher competition intensifies the unpredictability and uncertainty of the industry environment (Auh & Menguc, 2005). Such strong negative environment cues increase the ambiguity of information that executive perceived, which in turn enhancing selective as well as interpretative bias. As a result, executives are less likely to positively interpret their surrounding environment, reducing their willingness to adopt proactive and flexible strategies. Thus, we propose:

Hypothesis 4. Competitive intensity moderates the indirect effect of executive' resilience on strategic flexibility, such the positive effect will be attenuated when competitive intensity is high.

3. Method and results

3.1. Sample

The final sample consists of 237 SMEs in China, with a response rate of 31.1% (237 out of 763 firms). Participating firms were from industries including medical, high-tech, service, logistics, and manufacturing sectors. The average number of employees for the sample firms was 254, in line with the general characteristic of SMEs. We followed prior research (Atuahene-Gima, 2005) to use screening questionnaires to ensure that the informants participated in and had an influence on the strategic decisions of their enterprises during the COVID-19.

3.2. Measurement and Validity

We adopted the measurement scales for most of our constructs from the existing literature using the seven-point Likert scale. We also controlled the potential confounding effects of firm size, firm age, firm annual sales, executive age, and job year. We followed Anderson and Gerbing (1988) to adopt a two-step approach to investigate the validity and reliability of constructs. The result of the two analyses demonstrated that constructs have sufficient reliability and validity. In addition, we conducted Harman's

one-factor test to examine the issue of common method bias. The first factor did not account for the majority of the variance (only 17.94%), indicating that common method bias is unlikely to be a serious concern in our study (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003).

3.3 Analyses and Results

This study tested hypotheses using PROCESS v.3.5 in SPSS (Hayes, 2012). Results for the mediation model (see Table 1) showed that executive resilience is positively (Coeff = .610; 95% CI [.457, .763]) related to strategic flexibility, providing strong support for H1. Likewise, the strategic flexibility positively (Coeff = .529; 95% CI [.312, .746]) contributes to firm performance. This result provided support for H2. The result for the indirect effect (Coeff = .323; 95% CI [.170, .497]) indicated that strategic flexibility mediates the relationship between executive resilience and firm performance, supporting H3. Table 2 showed that the coefficient of the interaction term between executive resilience and competitive intensity on strategic flexibility was negative and significant (Coeff = -.193; 95% CI [-.345, -.041]), providing support for H4. We also conducted a simple slope analysis to delineate the moderating role of competitive intensity (see Fig. 2.). The figure showed that the positive relationship between executive resilience and strategic flexibility is attenuated when competitive intensity is high.

4. Discussion

This study offers some theoretical contributions. First, our study contributes to the upper echelons theory by revealing that executive psychological characteristics such as resilience could play an important role in corporate performance especially for SMEs in turbulent environments like crises. This research also extends the application of upper echelons theory to the research on crisis management. Second, our study uncovers the process through which executive resilience influences firm outcomes during crises. Specifically, this paper reveals that resilient executives are more likely to increase strategic flexibility during the crisis, thereby promoting firm performance. Third, it also identifies an industry environment, competitive intensity, as the boundary condition for such mediating mechanism. Specifically, under the condition of higher competitive intensity, the effect of mediating mechanism is weakened and vice versa.

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Fig.1.

Conceptual model of study

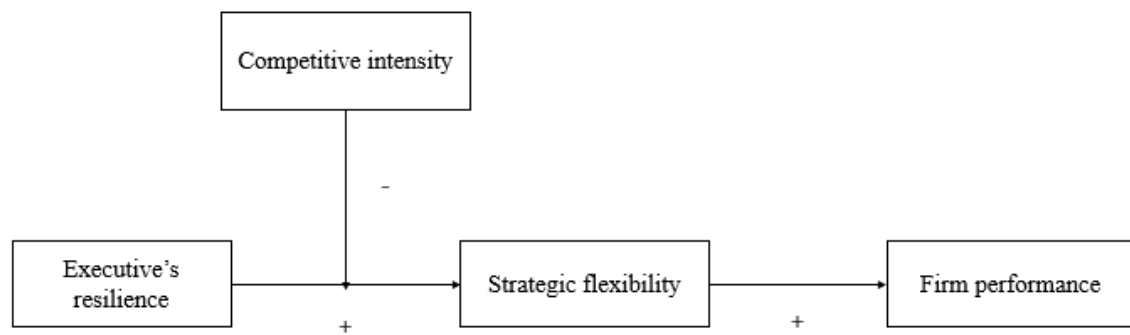


Table 1

Model for the effect of executive resilience on firm performance mediated by strategic flexibility.

	Strategic flexibility					Firm performance				
	<i>Coeff.</i>	<i>SE</i>	<i>p</i>	<i>LLCI</i>	<i>ULCI</i>	<i>Coeff.</i>	<i>SE</i>	<i>p</i>	<i>LLCI</i>	<i>ULCI</i>
Executive resilience	.610	.078	.000	.457	.763	-.074	.146	.615	-.362	.215
Strategic flexibility	-	-	-	-	-	.529	.110	.000	.312	.746
Constant	1.798	.582	.002	.651	2.945	.139	.991	.889	-1.813	2.091
R ² =.257, <i>p</i> = .000					R ² =.174, <i>p</i> = .000					
Indirect effect: ab=.323, SE=.084, CI [0.170, 0.497]										

Table 2Moderation Results for Executive resilience \times Competitive intensity on strategic flexibility

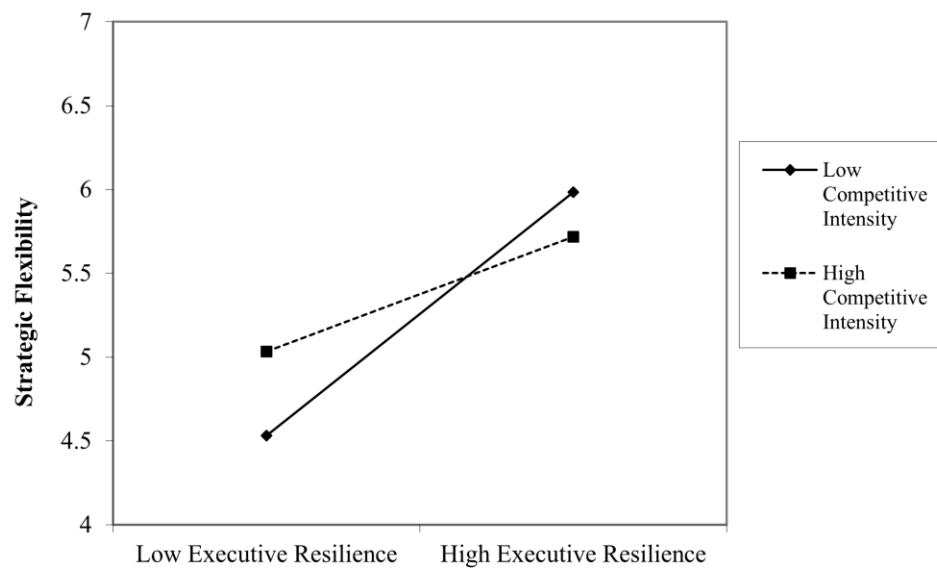
Predictor	Coeff.	SE	95% CI		R ²	F
Outcome variable: Strategic flexibility					.279	10.999**
ES	.534	.083	[.371	.696]		
CI	.059	.047	[-.034	.152]		
ES × CI	-.193	.077	[-.345	-.041]		
Conditional direct effects of ES on SF at the different levels of CI						
-1SD	.741	.095	[.553	.929]		
0	.534	.083	[.371	.696]		
1SD	.326	.136	[.059	.593]		

Note: ES= executive resilience; CI= competitive intensity; SF= strategic flexibility

**p< .01 (two-tailed).

Fig.2.

The moderating effect of competitive intensity on the relationship between executive resilience and strategic flexibility



Paper Number: MS0080

Expatriate Leadership and Host Country National Knowledge Sharing: A Self-Expansion Perspective

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Expatriate Leadership and Host Country National Knowledge Sharing: A Self-Expansion Perspective

Extended Abstract

Knowledge sharing is essential to the competitiveness and survival of multinational corporations (MNCs). However, knowledge sharing between expatriates and host country national (HCN) colleagues continues to be problematic. We therefore aim to reveal how the knowledge sharing process between expatriates and HCNs can be enhanced. We propose the important role of an expatriate's empowering leadership behaviors for HCN knowledge sharing to occur. Specifically, by drawing on self-expansion theory we propose that an expatriate's empowering leadership will enhance HCN knowledge sharing via a self-expansion process. Furthermore, we propose that an HCN's cross-cultural competence acts as an important enabler of this process.

Keywords: Expatriation, Global Leadership, Knowledge Management

1. Introduction

Knowledge sharing is essential to the competitiveness and survival of multinational corporations (MNCs), particularly in today's highly globalized knowledge-based economy (Syed, Murray, Hislop, & Mouzoughi, 2018). In particular, expatriates are often used by MNCs as knowledge agents to disseminate and transfer critical knowledge from the parent organization to its host country operations and vice versa (Armstrong & Li, 2017; Harzing, Pudelko, & Reiche, 2016). However, despite the proliferation of international assignments, knowledge sharing between expatriates and host country national (HCN) colleagues continues to be problematic, particularly when individual differences between the expatriate and HCNs are pronounced (Gilson, Lim, Luciano, & Choi, 2013; Mäkelä, Andersson, & Seppälä, 2012). This conundrum raises an intriguing research question: how can the knowledge sharing process between expatriates and HCNs be enhanced in the presence of individual differences?

Given that expatriates are usually assigned to take up leadership roles in the host country (Elenkov & Manev, 2009) and that leaders are central to the process of knowledge sharing (Bryant, 2003), we investigate how expatriate's leadership behavior contributes to HCN knowledge sharing. In particular, we focus on empowering leadership, which refers to a leadership style which enables and motivates followers to achieve a high level of performance by creating a sense of psychological empowerment through sharing power, responsibility, and autonomy (Arnold et al., 2000; Srivastava, Bartol & Locke, 2006).

Drawing on self-expansion theory (Aron & Aron, 1986), we propose that an expatriate's empowering leadership will enhance HCN knowledge sharing via a self-expansion process indicated by psychological closeness. Self-expansion represents a process through which an individual (e.g., a HCN) includes another (e.g., an expatriate leader) into the self thereby broadening one's beliefs about oneself and one's resources, enabling him/her to act more effectively (Gardner, Gabriel & Hochschild, 2002). Such a process is especially relevant to the MNC context because greater diversity (e.g., in terms of culture, nationality, ethnicity, language) provides greater opportunities for the expansion of resources, and thereby higher levels of one's self-expansion (Leary, 2007). Moreover, because not every individual is willing or able to expand their sense of self, a greater understanding of the facilitators of self-expansion is essential. This study takes a first step by proposing that HCNs' cross-cultural competence (i.e. cultural intelligence [CQ]) acts as an important enabler. That is, we argue that the relationship between expatriate empowering leadership and knowledge sharing via a self-expansion process is moderated by HCNs' CQ.

This study will contribute to the literature in two important ways. First, by introducing and testing a self-expansion theory framework for expatriate-HCN knowledge sharing, we not only advance and extend the self-expansion literature but improve understanding about how expatriate leadership behavior is likely to foster psychological closeness with HCNs, and in turn, the knowledge sharing process. Additionally, we hypothesize that when a HCN's CQ is high, the mediated relationship between expatriate's empowering leadership and knowledge sharing via psychological closeness will be stronger. Thus, in addition to traditional inquiries that focus on "what" facilitates knowledge transfer, we delve deeper by advancing

understanding why and when knowledge sharing can be fostered between culturally dissimilar dyadic partners. Further, because the current literature neglects the role of expatriate leadership in achieving important organizational outcomes, by focusing on expatriate leadership we help to advance and extend both the expatriate management and leadership literatures (Chaudhuri & Alagaraja, 2014, Elenkov & Manev, 2009).

Second, by investigating knowledge sharing from the perspective of HCNs, we also add to a literature which is predominantly “expatriate-centric” (Takeuchi, 2010). Given that knowledge sharing is a dyadic process, examining it from the expatriate’s view alone is insufficient. Being socializing agents, expatriates need to rely on HCNs’ information and knowledge about the local business environment (Toh & DeNisi, 2007), making an investigation of the HCNs’ role in the knowledge sharing process important. By examining knowledge sharing from both perspectives, we address the much-criticized practice of ignoring the second party involved in the knowledge sharing process (Toh & DeNisi, 2005; Vance, Vaiman, & Andersen, 2009) and respond to calls in the international business literature for greater attention to the role of HCNs in MNCs (Takeuchi, 2010).

Lastly, our study intends to offer new insights to practice. For example, expatriate management practices typically rely on the selection and training of expatriates in order to achieve specific organizational objectives such as knowledge sharing. What is missing is leadership development. As our study proposes, the assessment and development of expatriate leadership behaviors are likely to play a salient role in cross-national knowledge sharing in which expatriates and HCNs often differ significantly in terms of cultural expectations about one another’s behaviors.

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Paper Number: MS0081

**Transformational CEO's Entrepreneurship
in Pacific-rim Countries**

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Transformational CEO's Entrepreneurship in Pacific-rim Countries

Extended Abstract

There are two types of entrepreneurships among transformational CEO's. Presently, PIF(Proto-Image of Firm)-type companies are prominent in Japan whereas In China (& Taiwan), PA(Profit Arithmetic) types are more common. As for Korea, even where there are some elements of PA type, PIF-like elements are retained. Among Japanese CEOs, there is a tendency towards PIF types; There are also some proprietors with PA-like decision-making approaches in Japan. Nevertheless, it is also difficult to deny the present economic conditions among Japanese and Chinese. Existing social circumstances are appropriate for proprietors of either PIF or PA.

Keyword: Entrepreneurship, Transformational CEO, Proto-Image of Firm, Profit Arithmetic

1. Introduction

Top managers who are capable of responding effectively to changing external environmental conditions have been labeled "Transformational Leadership" (Burns, 1978). Presented here are examples of such transformational CEOs in Pacific-rim countries. Kase et al. (2005) utilizes an analytical, schematic categorization of two decision-making procedures: PIF (Proto-Image of the Firm) and PA (Profit Arithmetic), by analyzing four Japanese firms. We will use some analytical method as them.

2. Literature Review

Japanese companies advanced significantly in the global economy, particularly in the 1970s and '80s. Many researchers sought the cause in what came to be identified as "Japanese management style," and they pointed to improvements in the areas of middle management and in production as corresponding to external changes (Kanai, 1991; Kanter, 1983; Nonaka, 1988a, 1988b). As suggested by Porter (1996), the reported "excellent operation" is taken to mean "To do the same business better than competitors." The identifiable "features of the Japanese company" are speed of product development, elimination of

both cost production and product defects, utilization of lean manufacturing systems such as JIT (just-in-time), TQM (total quality management), etc., “The practice of communication in the organization is the merit of the knowledge and the utilization (Nonaka 1988a, 1988b, 1991; Takeuchi, Sakakibara, Kagono, Okumura and Nonaka 1986). The promotion of the system of life-time employment also functioned to support “excellent operation.”

In view of the fact that Japan’s competitive power has declined following the 1990s, “excellent operation” has become a necessary condition wherever competitive power exists, so much so that presence of “executive ability” might become a sufficient condition of merit to rectify the problem of demerits and losses of the enterprise. The CEO’s merits lie in strategy-making and the ability of implementing that strategy. However, perception of such an approach and argumentation for it has scarcely appeared in Japanese firms.

It is suggested here that the study of transformational CEOs may have much to offer for Japanese companies. Dvir et al. (2002) discusses aspects of strengthening of the organization as an identifiable unit/group and Burns (1978) analyzed subordinates’ motivation and self-actualization.

It is assumed that there must be some identifiable patterns that serve as clues to the recognition of successful features of Japanese companies in terms of decision-making.

One significant concern is in being able to understand and identify the minimal period of time necessary for the management resources, which are essential for the enterprise, to appropriately assess the external environment and to successfully communicate that to the proprietor(s). The business world is replete with cases of uncertainty and ambiguity, often where information about external circumstances is insufficient. Nonetheless, the proprietor stands in a position that justifies the request of the kind of assessment that enables a timely decision. What is meant here is that from the proprietor’s epistemological point of view, “recognition,” “conceptualization,” and “reorganization of a concept” all entail taking the point of view of how something is to be performed successfully. Such a viewpoint has been utilized (Mintzberg and Walters, 1985; Schwentk, 1995) for enabling analysis of the proprietor’s

management style. Of necessity, a person must adopt an approach of “rationality and restriction” (Simon, 1957) when confronted with excessive and ambiguous information (Miller, 1956), especially arriving at the same time, as the proprietor must both select information and make decisions based on his or her own experience and knowledge. In other words, simplification is essential for achieving a timely grasp of a complicated situation (Kiesler and Sproull, 1982). This “personal logic” of the proprietor can be called the proprietor’s “recognition model.”

Alternatively, the person in charge, who is generally concerned with the management plan of an enterprise, may choose to engage the expertise of a consultant. In giving advice to a proprietor, it is necessary to be fully cognizant of the “guts” of the company and also to recognize and understand both the strengths and weaknesses of the firm, and with that fundamental knowledge to be able to communicate such matters to the proprietor and, most importantly, help in establishing suitable goals, targets, and timeframes. When making decisions that concern corporate strategy, such analysis is essential; however, it is not uncommon for the much-needed information to be scant or lacking, yet nonetheless judgments and decisions must be made and implemented. How is the proprietor to handle matters in such circumstances?

3. Method

3.1. Method of Analysis

Details of each corporate analysis judged PIF or PA type, based on the explanations every 10 items indicated in Table-1.

3.2. Case Analysis

Case analysis of firms and CEOs were considered and selected as follows; (1) high accomplishment and public attention by characteristic products and business model, (2) global enterprise which may encounter with the difference of culture and values, (3) growing SMEs in Japan, (4) market-pull type industry (apparel industry) and product-push type industry (PC industry), (5) Far East (China, Taiwan,

Korea and Japan), Europe and an American (Spain, US), (6) Eco (environment) management.

Information of the firm and CEO's characteristics are collected from corporate web site, concerned or individuals directly related to a company. And we asked a comment on the judgment of the PIF/PA type from directly related individuals to a company, as the need arises. Basic information on these enterprises and CEO's achievement etc. are used as case discussion at the lecture of our university. There, it was confirmation whether consent was sympathetic to judgment of PIF/PA. Some judgment of PIF or PA type was changed through these processes.

Table-1 Comparison of PIF and PA

	PIF (Proto-Image of the Firm)	PA (Profit Arithmetic)
{1}Essential element	Image of the Firm	Actions oriented to profit lever
{2}Shaping or constituent factors	Professional background, environment, firm's Business culture and institutionalization	Professional background, environment, knowledge of the firm and industry, and sense of business
{3}Familiarity with the firm	Necessity	Not so essential
{4}Time frame	Focus on Mid-to-long term	Percent for short term
{5}Domain	Wide, new competences and products are fostered	Narrow, existing portfolio
{6}Cash-flow position	Affluence requires	At the time of crisis, the only option is to survive
{7}Explicit or implicit instruction from the top	Implicit, second guessed	Explicit
{8}Applicable when changing firms?	Difficult	Possible
{9}Succession	Relatively easy	Imitability or replicability low
{10}Combination with the approach	PIF: top management	PA: top management
	PA: lower management	Not PIF: lower management

Source : Kase et al. (2005)

4. Result and Discussion

The result of the PIF/PA type analysis was as shown in Table-2.

From the result of the PIF/PA type analysis, PIF type was observed in Mr. Ortega (ZARA), Mr. Li (YOUNGOR), Mr. Steve Jobs (APPLE: US), Mr. Stan Shih (ACER: Taiwan), Mr. Lee (SAMSUNG: Korea), Mr. Nishida (TOSHIBA : Japan), Mr. Mitarai (CANON: Japan), Mr. Nishimoto (NORITSU KOKI: Japan), and three companies among four local SMEs in Saitama.

On the other hand, PIF type was observed in Mr. Yanai (UNICLO), Mr. Ohoga (SONY : Japan), Mr.

Liu (LENOVO : China), Mr. Sakurai (RICOH: Japan), Mr. Masahiro Shima (SHIMA SEIKI: Japan), Mr. Saika (TOYO RICE: Japan), and one companies among four local SMEs in Saitama.

Table-2 Result of Analysis

Company	CEOs	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	Total Evaluation
UNIQLO	YANAI	PIF	PIF	PIF	PIF	PIF	PIF	PIF	PIF	PIF	PIF	PIF
YOUNGER	LI	PA	PA	PA	PA	PIF	PA	PA	PA	—	—	PA (partially PIF)
ZARA	ORTEGA	PA	PA	PA	PA	PIF	PA	PA	PA	—	—	PA (partially PIF)
SONY	OHOGA	PIF	PIF	PIF	PIF	PIF	PIF	PIF	PIF	PIF	PIF	PIF
LENOVO	LIU	PA	PA	PA	PA	PIF	PA	PA	PA	—	—	PA (partially PIF)
APPLE	JOBS	PIF	PIF	PIF	PIF	PIF	PA	PA	PA	—	—	PIF (partially PA)
SAMSUNG	LEE	PIF TM	PIF	PIF	PIF	PIF	PIF	PA	PA	PIF	PIF	PIF (partially PA)
ACER	Stan Shih	PA	PA	PA	PA	PA	PA	PA	PA	PA	PA	PA
TOSHIBA	NISHIDA	PA	PA	PA	PA	PA	PA	PA	PA	PA	PA	PA
CANON	MITARAI	PA	PA	PA	PA	PA	PA	PA	PA	PA	PA	PA
RICOH	SAKURAI	PIF	PIF	PIF	PIF	PIF	PA	PA	PA	PIF	PIF	PIF (partially PA)
NORITSU	NISHIMOTO	PIF TM	PIF	PIF	PIF	PIF	PIF	PA	PA	PA	PA	PA (partially PIF)
SHIMA SEIKI	SHIMA	PIF TM	PIF	PA	PIF TM	PIF	PA	PA	PA	PIF	PIF	PIF (partially PA)
TOYO RICE	SAIKA	PIF TM	PIF	PIF	PA	PIF	PIF	PA	PA	PIF	PIF	PIF (partially PA)
INDUSTRIA	TAKAHASHI	PIF	PIF	PIF	PA	PA	PA	PA	PIF	PIF	PA	PA (partially PIF)
PROWOOD	ICHINOSE	PA	PA	PA	PA	PA	PIF	PA	PA	PA	PA	PA
CLEATION	NISHIURA	PIF	PA	PA	PA	PIF	PA	PA	PA	PA	PIF	PIF (partially PA)
FUJI SEIKI	SAITO	PA	PA	PA	PA	PA	PA	PIF	PIF	PIF	PA	PA (partially PIF)

Source : By author.

5. Conclusion

Presently, PIF-type companies are prominent in Japan. In China (& Taiwan), typically there are PA types which emphasize profit arithmetic for CEOs. Presumably they are trying to emulate American management. As for Korea, there are elements of PA type, but PIF-like elements are remained. Furthermore, in Saitama, Japan, among four SME CEOs, there exist one PIF type and three PA types. There tend to be a lot of PIF types among Japanese CEOs. But PA type exists among proprietors of long overseas experience. There is also some proprietor of PA-like decision-making approach in Japan. But it's too early to conclude that Japan is PIF type and China is PA type. Nevertheless, it's also difficult to deny that present economic condition among Japanese and Chinese, and their social circumstances are appropriate for a proprietor of one of PIF or PA. The analysis of strategy change is now planning.

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Paper Number: MS0082

Enhance Creativity, Adapt to Environmental Challenges, and Proactivity Learn Talents

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Enhance Creativity, Adapt to Environmental Challenges, and Proactivity Learn Talents

Extended Abstract

Will organizational climate help to unleash employees' creativity? If so, what organizational mechanism will best foster creativity and adaptivity needed from employees to yield constructive results by means of knowledge sharing?

Using 「442」 quantitative samples extracted from diverse industries, this study attempts to unlock the mystery of how learning and sharing among employees are at its best in the organizational setting to generate much needed results for creativity and adaptivity to build firm-specific competitiveness in the era of digitization while facing the pandemic of covid.

The results of this study, through the mutual influence of "Individual Creativity Behavior" (Proactivity, Adaptivity, Knowledge donating, Knowledge collect), "perceived organizational support for creativity" and "Individual Creativity" Perceive the support of the organization's climate and other factors to enhance the creativity of the members of the organization.

Keyword: Creativity, Perceived organizational support for creativity, Proactivity, Perceived learning climate

1. Introduction

In 2019, COVID-19 spread to the world, causing many companies around the world to face many crises and challenges. Relevant research shows that Individual creativity has a positive effect on crisis management and personal development. The advancement of new technology can affect the viability of enterprises. Based on the above, the higher the individual Creativity of employee, the more it can help the company solve the challenges and crises it faces, and it can affect the company's viability. This study collected questionnaires from employees in different industries to explore "Individual Creativity

Behavior" "Perceived Climate" has a mediation effect on "Individual Creativity". Individual Creativity behavior or the environment in which the Perceived Climate has a greater impact on the creativity of employees, or both factors are equally important.

2. Literature and framework

2.1 Individual Creativity, Proactivity, Adaptivity

Creativity is to find new solutions or key new products and services. Individual Creativity will be affected by personality and perceived support in the field of work. proactivity behavior will challenge the status quo, make extra effort or deviate from the assigned task,(Adam, M. Grant., and Susan, J. Ashford, 2008).When the environment is highly changing and uncertain, it is necessary to respond and adapt to changes. In order to create better working methods, members with higher proactivity will actively carry out continuous improvement and innovation.We therefore propose the following hypothesis: **Hypothesis 1** : The Proactivity is positively related to Individual Creativity. **Hypothesis 2** : The Adaptivity is positively related to Individual Creativity.

2.2 Knowledge donating, Knowledge collect

When you perceived that the organization supports knowledge sharing, the more you can develop knowledge and increase innovative behaviors (Sang, Soo. Kim, 2020). Knowledge collect can improve personal learning and enhance organizational creativity. We propose the following:

Hypothesis 3 : The Knowledge donating is positively related to Individual Creativity.

Hypothesis 4 : The Knowledge collect is positively related to Individual Creativity.

2.3 Mediation effect of affective Perceived organizational support for Creativity(POSC) and Perceived Learning Climate(PLC)

Organizations will emphasize support for creativity by perceiving the organization, encouraging and agreeing with employees who express creativity, so that employees feel that creativity is supported by the organization, and employees will be creative and try to find new methods and new ideas at work.

(Jing, Zhou., and Jennifer, M. George, 2001). **Hypothesis 5-1** : POSC plays a mediating role between affective Proactivity and Individual Creativity. **Hypothesis 5-2** : POSC plays a mediating role between affective Adaptivity and Individual Creativity. **Hypothesis 5-3** : POSC plays a mediating role between affective Knowledge donating and Individual Creativity. **Hypothesis 5-4** : POSC plays a mediating role between affective Knowledge collect and Individual Creativity.

Perceived learning climate has a positive impact on proactivity, Knowledge Share, Creativity and Adaptivity, enabling employees to grow and provide a competitive advantage for the organization (Liat, Eldor., and Itzhak, Harpaz, 2016)5 . A learning organization can enable the organization to produce innovation, flexibility and improvement. We propose the following hypotheses:

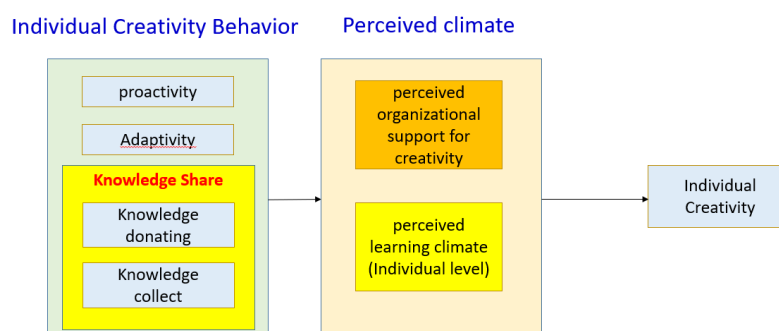
Hypothesis 6-1 : PLC plays a mediating role between affective Proactivity and Individual Creativity.

Hypothesis 6-2 : PLC plays a mediating role between affective Proactivity and Individual Creativity.

Hypothesis 6-3 : PLC plays a mediating role between affective Knowledge donating and Individual Creativity. **Hypothesis 6-4** : PLC plays a mediating role between affective Knowledge collect and Individual Creativity.

Based on the above arguments, our research framework is shown in Figure 2.4.1:

Figure 2.4.1 Individual Creativity: A Hypothetical Model



3. Method and results

3.1 Sample

In Taiwan, 442 online questionnaires were distributed to employees in different industries, and a total

of 442 responses were received (the response rate was 100%).

3.2 Measures

Control variables. We considered several potentially relevant control variables including Gender, Age, Education, Position and, Scale and Industry. **Individual Creativity** with the 12-item Creativity scale by Zhou and George (2001). ($\alpha=0.942 > 0.7$). **Proactivity** with the 3-item Proactivity scale by Mark A. Griffin., Andrew Neal and Sharon K. Parker(2007). ($\alpha=0.916 > 0.7$). **Adaptivity** with the 3-item Adaptivity scale by Mark A. Griffin., Andrew Neal and Sharon K. Parker(2007). ($\alpha=0.877 > 0.7$). **Knowledge donating** with the 4-item Knowledge donating scale by Reinout E. de Vries., Bart van den Hooff and Jan A. de Ridder (2006). ($\alpha=0.844 > 0.7$). **Knowledge collect** with the 4-item Knowledge collect scale by Reinout E. de Vries., Bart van den Hooff and Jan A. de Ridder (2006). ($\alpha=0.895 > 0.7$). **Perceived Organizational support for Creativity** with the 4-item Creativity scale by Zhou and George (2001). ($\alpha= 0.923 > 0.7$). **Perceived Learning Climate** with the 13-item Creativity scale by Victoria J. Marsick and Karen E. Watkins (2003). ($\alpha=0.942 > 0.7$).

3.3 Assessment of Common Method Variance

Using SPSS Statistics software exploratory factor analysis, the results show that the variance explanation rate of the first factor reaches $42.9\% < 50\%$, so there is no common method bias.

3.4 Results

Using SPSS Statistics software to perform factor analysis on each dimension, the factor load of each item is >0.5 , so the item is not deleted. Use Mplus software for mediation model analysis, the analysis results: $RMSEA=0.063 < 0.08$ (mediocre fit), $P < 0.001$, $CFI=0.906 > 0.9$ (good fit), $P < 0.001$ and $SRMR=0.053 < 0.08$ (good fit), $P < 0.001$. The analysis results can determine that this architecture is Model Fit. Three steps to test mediation : (1) X predicts Y, and the P value must be significant : All

significant $P < 0.05$, can proceed to the second step. (2) X predicts M, P value must be significant : Only **Knowledge donating** predicts Perceived Organizational support for Creativity, P value $0.015 < 0.05$ is significant, **Adaptivity** predicts Perceived Organizational support for Creativity, and the P value is $0.033 < 0.05$ significantly, **Knowledge donating** predicts Perceived Learning Climate, P value $0.001 < 0.05$ is significant, can proceed to the second step. (3) X and mediation predict Y at the same time, if it is significant, it is partially mediated, if not significant, it is completely mediated : Perceived Organizational support for Creativity between Knowledge donating and Individual Creativity, there is a positive effect of 0.09, with a P value of $0.02 < 0.05$, significant, which is a part mediation Perceived Learning Climate is between Knowledge donating and Individual Creativity, with a positive effect of 0.01, with a P value of $0.6 > 0.05$, which is not significant, which is a complete mediation., Perceived Organizational support for Creativity between Adaptivity and Individual Creativity, there is a positive effect of 0.059, with a P value of $0.041 < 0.05$, significant, which is part of the mediation. Therefore, Hypothesis 1 to Hypothesis 4, Hypothesis 5-2, Hypothesis 5-3, and Hypothesis 6-3 are true, but Hypothesis 6-3 is the complete mediation effect.

4. Discussion

Individual Creativity (Proactivity, Adaptivity, Knowledge donating, Knowledge collect) has a positive effect on all of Individual Creativity. However, the mediation effect of Perceived Organizational support for Creativity and Perceived Learning Climate influencing Individual Creativity is relatively low. However, the intermediary role of Perceived Organizational support for Creativity has a positive impact on Creativity in Knowledge donating and Adaptivity. Perceived Learning Climate There is already a very good learning environment in the enterprise, so no matter whether there is knowledge donating or not, the enterprise will share knowledge with the enterprise Learning Climate to increase employee Individual creativity.

4.1 Practical Implications

Compare the impact of the two on creativity and let the company know that it can do it when the

company needs creative talents. In these ways, companies can have different strategies to directly recruit employees with creative behaviors, or create an environment where employees can learn and innovate.

4.2 Study Limitations

Although this research has collected questionnaire data for different industries for analysis, it is only limited to the Taiwan region. The follow-up empirical research suggests that the research can be conducted in different countries to analyze the differences in the influence of factors in the personal creativity model of different countries.

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Paper Number: MS0083

In the Name of Protecting Trade Secrets: Reduced Disclosure of Major Customer Identities in China

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In the Name of Protecting Trade Secrets: Reduced Disclosure of Major Customer Identities in China

Extended Abstract

Using data during 2009–2019, we document an increase in Chinese listed firms’ tendency to avoid disclosing the names of their top five customers. We examine whether this reduced disclosure is driven by the proprietary cost motive to protect trade secrets and thus benefit all common shareholders or by the agency cost motive to avoid attracting unwanted outside scrutiny and thus benefit the controlling shareholders. We also examine whether the agency cost motive is more likely to apply in firms with weak governance. We find that both proprietary and agency costs play a role in motivating firms to reduce disclosure.

Keyword: Customer Identity, Proprietary Cost, Agency Cost, Voluntary Disclosure, Trade Secrets

1. Introduction

Although more than 50% of Chinese listed firms disclosed the names of their top five customers before 2012, only 11% did so in 2019. Firms frequently cite the new disclosure exemption rule of the China Securities Regulatory Commission (CSRC)—the protection of trade secrets and therefore the competitive position in the product market—as their motive for withholding customer names (the “proprietary cost” motive). However, it is also possible that firms are driven by agency motives, i.e., the desire of controlling shareholders to obfuscate related-party sales and reduce outside scrutiny by regulators and minority shareholders (the “agency cost” motive). In this study, we investigate which of these two non-mutually exclusive motives is behind firms’ drastic change in their voluntary disclosure policy.

The CSRC encourages listed firms to voluntarily disclose a breakdown of sales and the names of their top five customers in annual reports. In recent years, the CSRC has introduced two new rules for

annual reporting. First, in 2015, regarding the exemption from disclosing information that could harm a firm's trade secrets, the CSRC adopted a "*comply or explain*" approach. A firm is exempted from disclosing its proprietary information if disclosing this information would harm its trade secrets, provided that appropriate explanations are provided. Compared with previous practice stipulating that a firm must file an application with the stock exchange and obtain *ex ante* approval for disclosure exemption, a firm effectively has more discretion over the amount of proprietary information to disclose. Second, in 2016, to better protect the interests of minority shareholders, the CSRC encouraged firms to voluntarily indicate which of their top five customers is a *related party*. Disclosing this information side by side should help regulators and minority shareholders to easily identify a firm's related parties among its top five customers and to know how much the firm relies on its related parties for revenue. Taken together, the regulatory change of 2015-2016 significantly increased a firm's disclosure discretion in the name of protecting trade secrets. Firms with more conflicts of interest between controlling shareholders and minority shareholders may have more reasons to take advantage of this discretion to protect controlling shareholders' private benefits of control.

2. Literature and framework

Our study is closely related to Ellis, Fee, and Thomas (2012), the first study to comprehensively examine the determinants of customer identity information disclosure. They focus on managers' trade-off between the benefits of the capital market and the proprietary costs of disclosure when deciding how much customer information to disclose. Using U.S. data from 1976 to 2006, they find that firms with higher proprietary costs are much more likely to conceal the names of their major customers. Li, Lin, and Zhang (2018) extend this line of research by identifying the causal effect of proprietary costs on firms' disclosure of customer identities. They exploit the impact of the staggered adoption of the inevitable disclosure doctrine (IDD) across U.S. state courts as an exogenous shock generating variations in the proprietary costs of disclosure. They argue that the adoption of IDD increases the proprietary costs of disclosure and find that firms respond to this shock by reducing the

level of disclosure of their customers' identities, supporting the proprietary cost hypothesis. Closely following the research design of Ellis et al. (2012) and using Chinese data from 2007 to 2011, Tang, He, and Xu (2015) find that firms with high proprietary costs are more likely to hide the names of their top five customers.

Our study is also related to the literature on the determinants of voluntary disclosure in the context of segment reporting. Berger and Hann (2007) are the first to examine managers' proprietary and agency cost motives to conceal segment profits. They test two hypotheses at the same time: when the proprietary cost motive dominates, managers tend to hide segments with relatively high abnormal profits; when the agency cost motive dominates, managers tend to hide segments with relatively low abnormal profits. They find evidence consistent with the agency cost motive hypothesis. Using a unique data set, Bens, Berger, and Monahan (2011) also examine the proprietary and agency cost motives for non-disclosure in segment reporting. They find evidence consistent with the two motives. In addition, Bugeja, Czernekowski, and Moran (2015) study the same question using Australian data and find evidence suggesting that segment information is withheld mainly for agency cost reasons. Agency costs in the segment reporting literature posit that information is withheld due to conflicts of interest between managers and shareholders (Berger and Hann, 2007). Disclosing too much negative information can affect managers' compensation and attract outside scrutiny and increased monitoring. Thus, managers are motivated to hide segments with relatively low abnormal profits.

However, unlike developed economies, such as the U.S. and Australia, where the agency problem mainly exists between managers and shareholders, in China's stock market, the agency problem between controlling shareholders and minority shareholders is more prominent, especially in state-owned enterprises (SOEs). Controlling shareholders are found to use related-party transactions to extract private control benefits at the expense of outside minority shareholders (Jian and Wong, 2010; Jiang, Lee, and Yue, 2010). Since 2016, to better protect the interests of minority shareholders, in addition to disclosing the names of the top five customers, the CSRC has encouraged firms to indicate which of the top five customers is a related party. If customer names and related-party indicators are disclosed as a single line item side by side, this information may help regulators and

minority shareholders to easily identify a firm's related parties in its major customer list and to know how much the firm relies on its related parties for revenue. Therefore, managers may have more incentive to hide their customer names to obfuscate their related-party sales or manipulative practices.

What motivates firms to change their voluntary disclosure policy from disclosing to withholding customer information? Is it to protect firms' trade secrets for the benefit of controlling shareholders and non-controlling shareholders (proprietary cost motive) or to obfuscate related-party sales for the benefit of controlling shareholders (agency cost motive)? These two motives are distinct but not mutually exclusive. As the regulatory change of 2015–2016 focused on strengthening the protection of trade secrets and the protection of minority investors, both the proprietary and the agency costs of disclosure increased after the regulatory change. Thus, we hypothesize that the higher proprietary and agency costs of disclosure due to this regulatory change increased the probability of firms' changing their disclosure policy from disclosing to withholding the names of their major customers after the regulatory change.

3. Method and results

Our sample include all A-share firms listed on the Shanghai and Shenzhen Stock Exchanges from 2009 to 2019. The data is extracted from the China Stock Market & Accounting Research (CSMAR) database. If data on a firm's customers are missing, we obtain the firm's annual reports and manually double check whether its customer information is disclosed.

We first examine the role of proprietary costs and agency costs as motives for firms' decision to conceal the names of their top five customers. These two motives are distinct but not mutually exclusive. They can apply differently across firms. We include corporate governance variables in the model to test whether the agency cost motive is more likely to apply in firms with weak governance. Second, we use a pre- vs. post-change design to examine how the recent regulatory change has affected firms' decision to conceal the names of their top five customers. Changes in the proxy coefficients for the two motives should provide evidence of the relative role of proprietary costs and

agency costs in non-disclosure after the regulatory change. Finally, we compare firms' disclosure decision in 2013 and in 2017 to construct matched samples of firms disclosing in 2013 but not in 2017 against firms disclosing in 2013 and 2017. Using these matched samples, we re-estimate the role of these two motives in firms' decision to withhold the names of their top five customers. Our empirical evidence of the relative role played by these two motives before and after the regulatory change and the interaction between agency costs and corporate governance will have important policy implications.

4. Discussion

We make two main contributions to the literature. First, it adds to the literature on the determinants of firms' disclosure of the names of their major customers. Previous research (Ellis et al., 2012; Li et al., 2018; Tang et al., 2015) primarily focuses on the proprietary costs of disclosure. We extend this line of literature by incorporating both the proprietary and the agency costs of disclosure and the interaction between agency costs and corporate governance into our analysis. In addition, while previous research examines firms' decision to disclose the names of their major customers, we examine the change in their disclosure decision, i.e., from disclosure to non-disclosure. We explore whether the determinants of firms' disclosure decision documented in previous research also apply to firms' decision to decrease their disclosure. Moreover, the disclosure of the names of major customers in the U.S. is a mandatory disclosure requirement, while it is entirely voluntary in China.

Second, this study is related to the broader literature on voluntary disclosure. The literature (Berger and Hann, 2007; Bens et al., 2011; Bugeja et al., 2015) primarily uses data from developed economies with strong institutions. However, China's stock market, similar to other emerging markets, has weak institutions (Wong, 2014). Whether the determinants of voluntary disclosure documented in the literature also apply to emerging markets with weak institutions is an empirical question. We provide evidence from China to help answer this question. More specifically, we contribute to the literature by examining a different type of agency cost: information is withheld due to conflicts of interest between controlling shareholders and minority shareholders.

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Paper Number: MS0086

**The Introduction and Performance of Enterprise Innovation:
The Roles of Leadership Style**

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The Introduction and Performance of Enterprise Innovation: The Roles of Leadership Style

This study integrates corporate innovation culture introduction, organizational change, and innovation outcome (including product/service innovation and organizational innovation), performance (market performance and operation performance) as the independent variable, a mediator variable, and a dependent variable in the research model. We further discuss the effects of several moderating factors. In the process of the study, two enterprise managers are invited for case interviews and a questionnaire survey (samples from 197 companies were received). Research results indicate that innovation culture tends to increase the outcome of product/service innovation and organizational innovation. Organizational change is helpful to firms' organizational innovation, but has no effect on product/service production innovation when comparing with innovation culture. Product/service innovation and organizational innovation both improve firms' market or operation performance.

Keywords: innovation culture, organizational change, leadership style

1. Introduction

Innovation adopted by firms is important and can lead to competitive advantages and performances (Sorescu & Spanjol, 2008; Naidoo, 2010; Wu, Lin, & Chen, 2013). Innovation culture and organizational change could generate a satisfied outcome (Hogan & Coote, 2014; Azar & Ciabuschi, 2017; Bel, Smirnov & Wait, 2018) and performance (see Petrakis, Kostis & Valsamis, 2015; Aksoy, 2017; Michaelis, Aladin & Pollack, 2018). By adopting an integrated perspective emphasizing the roles of innovation culture and organizational change, this paper addresses a key gap in the literature by developing empirical firm-innovation outcome and market/operation performance explanations for Taiwanese market economics and related academic research.

2. Literature review

2.1 Innovation culture and organizational change

It is widely recognized that an innovation culture is related to increased new product performance (Cooper & Kleinschmidt, 1995), and organizational innovation (Shahzad, 2014; Shahzad et al., 2017). In this study, we consider innovation culture will determine enterprise innovation outcomes (e.g. product/service innovation and organizational innovation) and thus present H1.

Hypothesis 1: The perceived introduction level of enterprises' innovation culture determines their outcomes from innovation.

In this study, we consider that appropriate organizational change accompanied with innovation culture introduction could spur firms' innovation outcome (e.g. product/service innovation and organizational innovation). Accordingly, we submit H2 as follows.

Hypothesis 2: The perceived level of organizational change in enterprises determines their outcomes from innovation.

2.2 The effects of innovation outcomes on market and operation performance

Researchers have identified that product/service innovation (Damanpour & Gopalakrishnan, 2001) and organizational innovation (Azar & Ciabuschi, 2017; Rajapathirana & Hui, 2018) help enterprises' profit, market performance (Pérez-López & Alegre, 2012; Aksoy, 2017; Rajapathirana & Hui, 2018), or operation performance (Powell & DentMicallef, 1997; Shih, 2018). Accordingly, this study considers that the effects of innovation outcomes on firm market performance and operation performance are positive. The following hypothesis thus submitted accordingly.

Hypothesis 3: The perceived outcomes from enterprises' innovation determine their market performance.

Hypothesis 4: The perceived outcomes of innovation of enterprises determine their operation performance.

3. Research methodology

From a theoretical basis, this research designs a questionnaire and performs a case study. We invited industrial experts to provide suggestions for the questionnaire design and responses for the questions. The research results are built on the target firms' innovation culture, organizational change, innovation outcome, and market and operational performances in order to provide practical development suggestions for them. Furthermore, questionnaire surveys of manager viewpoints in the target firms are also conducted by the study. The attributes of innovation culture, organizational change, innovation outcome, and market and operation performances are all considered during the questionnaire design process. The research results can be a reference to firms and the government to advance industry and domestic enterprises. Figure 1 illustrates the research framework.

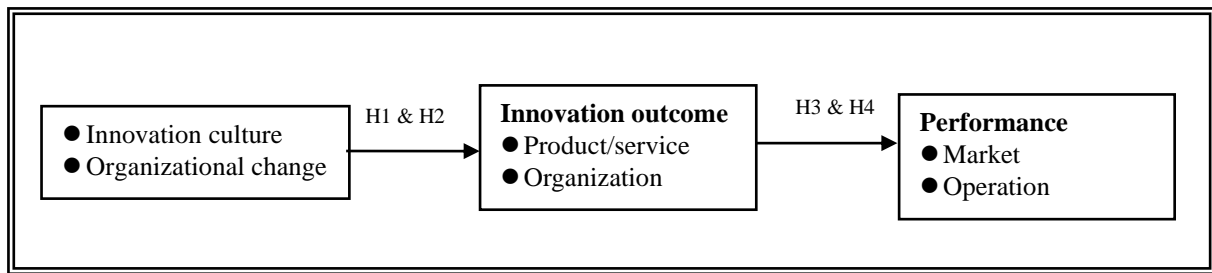


Figure 1. Research Framework

4. Data collection and analysis method

4.1 Sampling and survey methodology

This study selects Taiwan's financial industry and electronics and information and technology industries as the sampling targets. The research invites targeted respondents to answer the questionnaire based on different considerations that relate to innovation culture, organizational change, innovation outcome, and performance. The moderating factors include leadership styles. In total, 197 responding firms made up the sample in this study thus far. The questionnaires were distributed to the sampling targets by Internet, phone, mail, or face-to-face interviews in terms of several research assistants or e-documents sent via the university. Data analysis methods used in this research include descriptive statistics, factor analysis, correlation analysis, linear regression method, and univariate analysis.

4.2 Factor and validity analysis

All the eigenvalues of factors exceed 1, while Cronbach's α value for every factor exceeds 0.7. These results show acceptable validity and reliability of the dimensional factors.

4.3. The influence level of individual factors on firms innovation outcome and performance

These results display the importance of moderating roles of specific factors on model path development, and thus it is worth discussing their moderating roles in the next section. The final results from the regression models suggest partial support for *H1* and *H2* and significantly support *H3*

and H4.

5. Discussion and conclusion

For product/service innovation and organizational innovation, firms may first focus on establishing innovation culture - for instance, encourage managers or employees to innovate and take risks, submit creative ideas, experiment with new ideas, implement new processes, etc. Organizational change could stir organizational innovation, but has few impacts on product/service innovation in comparison with innovation culture. Second, either on market performance or on operation performance, product/service innovation and organizational innovation have significantly positive impacts. Finally, some moderating factors identified from leadership styles display positive roles. Consequently, our research raises additional questions about the importance of leadership styles, the patterns of Taiwanese electronics and financial firms' innovation modes, and the relationships between the discussed factors and firms' market or operation performance practices.

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