

*European
Doctoral Programmes Association in Management
and Business Administration*

EDAMBA JOURNAL

EDAMBA Research Academy Series 2017

EDAMBA

European Doctoral Programmes Association in Management and Business Administration

ISSN: 1334-8078

Foreword from the Summer Academy Chair

EDAMBA, the European Doctoral programmes Association in Management and Business Administration has the mission to support and facilitate cooperation by providing and managing a network to exchange information, disseminate best practices and raise the quality of doctoral education among its members in Europe and beyond. For the past quarter century, **EDAMBA** has helped the participating schools to increase the quality of their Doctoral programmes, as well as to create an environment of excellence with a European perspective, all the while pursuing diversity. In many ways it has proved to be an unparalleled forum of discussion to schools that have a long established tradition of doctoral education and also to those who have recently started this new practice. The ultimate goal is to have the **EDAMBA** network reach as far and wide as possible, while at the same time maintaining the integrity of the various programmes within the network.

Currently EDAMBA has 60 doctoral programmes as members of the Association coming from 24 countries. It is governed by the General Assembly, which elects each year an Executive Committee. The main current activities of the Association are the Annual Meetings, the Research Summer Academy, the Consortium on Doctoral Supervision, the Thesis Competition.

The Summer Academy operating since 1992 with its international dimension has been the privileged forum for dialogue on research paradigms and methodologies while building a strong scholarly network among doctoral students coming from a broad range of programmes and disciplines.

The Summer Academy

- provide a forum for dialogue on research paradigms and methodologies in the field of management and business research
- allow participants to present their own research with a focus on its place in the research landscape in business and management
- Give young researchers means to motivate them to continue with their research and find a role and intellectual identity in today's research landscape
- build scholarly networks among young researchers from the various fields of management and business research

The first Summer Academy Series aims at publishing the work in progress of the delegates. With this publication, we hope to contribute to the dissemination of knowledge from throughout our network in Europe and worldwide.

Hans Siggard Jensen

EDAMBA Honorary President

EDAMBA Summer Academy Chair

EDAMBA acknowledges the expertise, time and effort of the Faculty members:

- Professor Eduard Bonet, ESADE, Barcelona
- Professor Dimitris Assimakopoulos, EM-Lyon Business School
- Professor Pierre Batteau, Université Aix-Marseille
- Professor John Ulhoei, Aarhus University/Denmark
- Professor Knut Ingar Westeren, Nord University/Norway
- Professor Hans Siggaard Jensen, Aarhus University/Denmark
- Professor Gill Wright, Manchester Metropolitan University (to be confirmed)
- Dr Stephen Gourlay, Kingston Business School
- Guest: Director Professor Joe Hair, Mitchell College of Business, University of Southern Alabama

Contents

Alieva Bakhar, Plekhanov Russian University of Economics, Russia External economic links of the United Kingdom at modern stage: main trends and prospects for the development	p. 5
Banerjee Preet, Henley Business School, University of Reading, U.K. A stochastic multiple linear regression on the efficacy of financial advice across a multi-channel framework	p. 10
Berezvai,Zombor, Corvinus University of Budapest, Hungary How innovation and geographical diversification patterns influence performance of the large European and US-based FMCG retailers?	p. 17
Booyesen Candice, University of Stellenbosch Business School, South Africa Antecedents to the Intention to Quit Amongst Gen Y IT Professionals in Software Development Organisations in South Africa	p. 22
Chartiyanon Kannapa, Leeds University Business School, U.K. The Complexity of Management Succession Process(es) in Family Multinationals	p. 23
Dahwa Charles Manchester Metropolitan University, U.K. Understanding People Management in Small and Medium Enterprises: An Entrepreneurial Learning Perspective	p. 28
Devney Gerard, Manchester Metropolitan University, U.K. Boundaries in arts marketing: exploring collaboration in audience development strategies between practice communities	p. 35
Hurst Cheryl, Leeds University Business School, U.K. The Underrepresentation of Women on Corporate Boards	p. 41
Kozyrev Andrey, Plekhanov Russian University of Economics, Russia Support mechanisms for startup companies in the Russian Federation	p. 45
Naimi Asma ESADE Business School, University Ramon Llull, Spain Social enterprises and their ability to create system change: a theoretical framework for future research	p. 46
Rudkowski Janice, Henley Business School, University of Reading, U.K. Conceptualizing Consumer-Employee Retailer Brand Equity with a New Dual Stakeholder Perspective	p. 47
Samara Georges, ESADE Business School, University Ramon Llull, Spain Pain or Gain? A Cultural Perspective on Management of Pay Disparity between Family and Non-Family Employees	p. 54
Terblanche Nicky, University of Stellenbosch Business School, South Africa A coaching framework to facilitate Transformative Learning during senior leadership transitions	p. 55
Zaman Tabish, Leeds University Business School, U.K. A Multi-View Perspective on Innovation Adoption: Framing the Stages & Perspectives	p. 61

“External economic links of the United Kingdom at modern stage: main trends and prospects for the development”

Alieva Bakhar

Plekhanov Russian University of Economics, Russia

Abstract:

The topicality of the thesis research theme is justified by the role of new global and regional trends in transformation of external economic links of the United Kingdom. The main goal of the study is to figure out new processes and directions in external links of the UK, to define the real purposes and possible consequences of Brexit in the context of future development of UK relationships with foreign partners.

The topicality of the research is justified by the role of new global and regional trends in transformation of external economic links of the UK. The substantial theoretical and practical significance is defined by the specific place of Great Britain in changing global macroeconomic situation, in whole, and its participation in European integration processes, in part. As results of referendum of Britain's withdrawal from EU, which itself is unprecedented event, because previously no country has exited the integration group, the more topical becomes the issue of the goals and consequences of Brexit for UK's external economic policy. It is worth to mention that these new events can influence substantially not only the bilateral links of the state and the rest of the Europe, but also leave imprint on the image of the world economic system.

The extent of previous investigation. Such aspects of British economy as its place in the process of international capital movement, problems of participation in the European integration, changes and new events in external trade, goals of external economic strategy, significant aspects of cooperation with Commonwealth of Nations and socialistic countries were analysed by soviet scientist Lomakin V. in his monography "External economic policy of the Great Britain". Later on, the questions of UK's economic situation study became a matter of great attention in the Institute of Europe of the Russian Academy of Sciences, particularly in the Center for British studies, headed by Ananieva E.

The aspects of national economic situation and external economic links of Great Britain were studied by major European scientists, among them Sean Glynn and Alan Booth, authors of monography “Modern Britain. An economic and social history», and Malcolm Sawyer, editor of the book “The UK Economy. International group of economists headed by Stephen Fox has made the study entitled «The European Business Environment: UK». The prospects of British participation in European Union were highlighted in collective monography «Britain's future in Europe. Reform, renegotiation, repatriation or secession?», which represents the results of cooperational research of the members of Centre for European Policy Studies, headed by professor Michael Emerson, famous by his researchs of international economic relations. The given aspect of UK's external economic links was also precisely analyzed in the paper «Renegotiation, Reform and Referendum: Does Britain have an EU future?», written by Adam Hug, Policy director in the Foreign Policy Centre in London, as well as was given comprehensive historic retrospective from the 1945 till the end of XX century in the research of David Gowland and Arthur Turner «Reluctant Europeans: Britain and European Integration 1945-1998».

The sphere of British relations with the Commonwealth of Nations' countries was explored by John Darwin («The Empire Project: The Rise and Fall of the British World System 1830-1970»); issues of innovative development were on the top of the agenda for major economists, such as Tom Nicolas, the author of «Technology, Innovation and Economic Growth in Britain Since 1870».

The goal and objectives of the thesis research. The main goal of the thesis research is to educe new processes and directions in the external economic links of the United Kingdom, outlining the main purposes and possible consequences of Brexit in the context of further development of the UK relationships with its foreign partners. According to the given goal the objectives of the research are as follows:

- 1) To define main tendencies of British external economic links development at modern stage;
- 2) To find the real purposes and goals of British withdrawal from EU;
- 3) To create an econometric model, highlighting the trends in external trade links of the state (using methods of statistical modelling and forecasting);
- 4) To define vectors of transformation of external economic links of the UK after results of Brexit referendum;
- 5) To name the key spheres of the industrial use of innovations and R&D development results in Britain in the context of strengthening of country's position at the global stage;

The object of the research is the external economic links of the UK at the modern stage from 1945 till nowadays. The subject is the process of forming and transformation of British external economic links.

Theoretical base of the research includes the basic statements of economic theory, conceptions of external economic links and integration processes transformation, scientific papers of Russian and foreign theoretics of macroeconomics as a whole and British economy in part.

Methodological base of the research, due to the complexity of the topic of the study, represents the combination of instruments of different methods: quality methods, structure and logical modelling, descriptive statistics tools, statistical modelling (analysis of time series, forecasting based on trend extrapolation, exponential smoothing, multiple recession within the correlation regression analysis) and in some cases geopolitical method.

Informational base of the research consists from several groups of various sources.

Firstly, it includes legal documents, regulating the sphere of the UK's external affairs.

Secondly, they are followed by the official programs papers on external trade and investment relations, along with reports of the Government, plans of development of the separate industries.

Thirdly, the author has based its research on the studies, papers and monographies of Russian and foreign scientists.

The major part of research base consists from the articles in scientific magazines, both Russian and foreign (International Economy and Economic Relations, Modern Europe, etc).

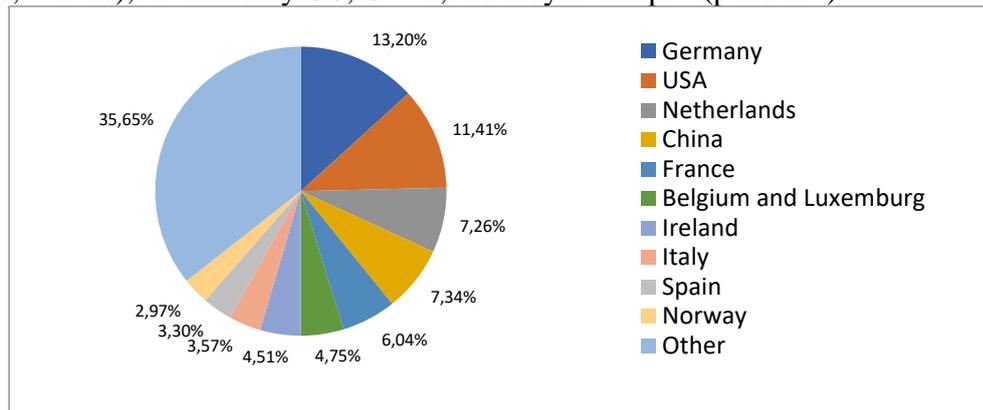
Next source for the research was the data of various statistical agencies, reflecting the modern state and retrospective dynamics of macroeconomic indicators of the state. Among these sources one should list the Office of the National Statistics, World Trade Organization, World Bank, World Economic Forum, Organisation for Economic Cooperation and Development, World Intellectual Property Organisation reports, reports of major rating agencies and British multinational corporations (Fortune Global 500), and indexes (Global Innovation Index).

Scientific innovation of the thesis research consists in the fact that there were educed and outlined the goals and consequences of the new precedent in the global economy called

Brexit on UK relations with both European and non-European partners. The main achievements of the study include the creation of UK external turnover trend econometric model, defining the key spheres of R&D results commercialisation recommendations on use of UK national exporters support experience in Russian practice.

The most significant results of the research:

1) Based on the method of statistical modelling and analysis, the author has named the main tendencies of the modern state of British external economic links, particularly, the overall trade balance deficit with small profit in trade in services.¹ The main articles of British external trade are the products of secondary industry, machinery, fuels, agricultural production. The main trade partners The main trade partner of the country remains EU (Germany, Netherlands, France), followed by US, China, Norway and Japan (picture 1).



Picture 1. Geographical structure of British external trade in goods, 2016, %.

Based on: UK Trade in goods, publication table, April 2017 // Office for National Statistics

In order to discover the weak and strong sides of British multinational corporations activities the author has made SWOT analysis of the largest corporations in UK, which allowed to discover the strategy of business development in Britain, such as orientation on developing economies, investment and project implementation in Asia and Latin America (table 1).

Table 1

SWOT analysis of British MNC.

<u>Strengths</u>	<u>Weaknesses</u>
<ul style="list-style-type: none"> ● Solid values of companies assets; ● Diversification of structure and geography of activities 	<ul style="list-style-type: none"> ● Decline of financial indicators; ● Negative reputation (in the sphere of environmental control); ● Decrease of business effectiveness in Western markets
<u>Opportunities</u>	<u>Threats</u>
<ul style="list-style-type: none"> ● Continuation of investment and project implementation in Asia and Latin America; ● Financial companies can spread successful British experience into other states upon condition of the regulatory environment correspondence 	<ul style="list-style-type: none"> ● Energy industry rules and regulation tightening; ● Global energy commodities demand decrease; ● Credit of trust reduction due to revealed financial machinations; ● British legislation tightening can lead

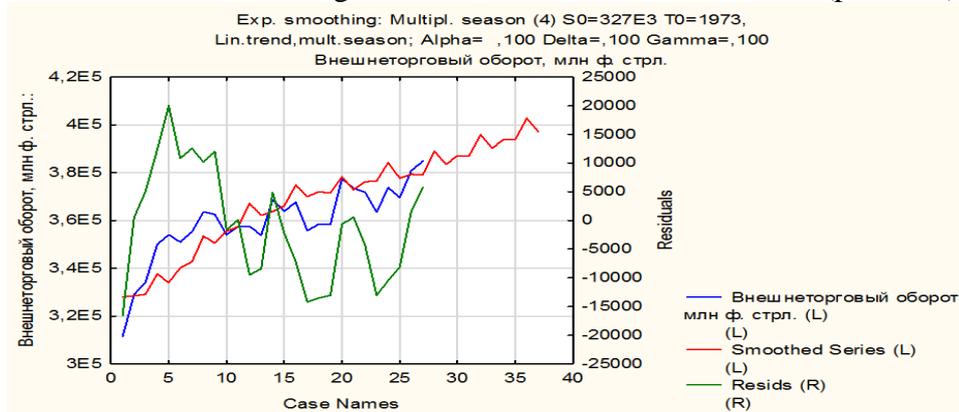
¹ UK Trade in goods, publication table, June 2016 // Office for National Statistics

to the tax increase for country's major banks;
 ● Economic development paces slowdown in China threatens the retardation of the regional economies development

Source: composed by author

2) The real ground of Brexit lies in the absence of exclusive leadership of the UK in integrational group and willing to strengthen its position at the world stage by clinching more advantageous deals with non-European states; on the other hand, from the economic point of view, selective withdrawal from EU common rules and regulations will increase risks of losses of guaranteed access to the European market, which, in turn, can cause negative influence on national production, investment inflows and general level of the country's competitiveness.

3) The forecast of external trade turnover dynamics is positive for the upcoming 2-3 years upon condition of all other things constant, i.e. reckon without Brexit (picture 2).

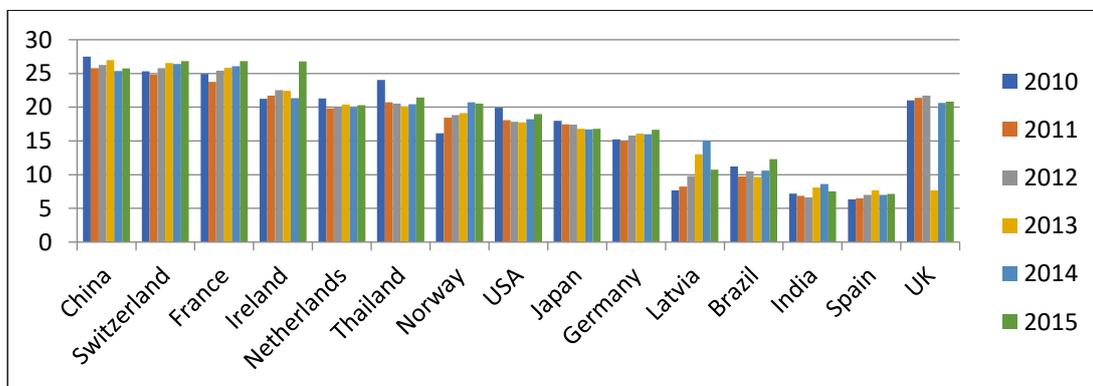


Picture 2. Factual, theoretic and forecast levels of the UK turnover and its seasonal component, Jan 1998 – Sept 2016.

Source: composed by author

4) The appearing tendency for reorientation of external economic affairs of UK will get even further, especially towards countries of the Commonwealth of Nations and USA.

5) Economic development of the UK in the context of the upcoming 4.0 Industry can be assured by commercialization of technological innovations, which can be implemented by the public-private partnership, which eventually should lead to the increase in share of high-technology production in the structure of export of several countries (picture 3).



Picture 3. Share of high-technology production in the structure of export of several countries, 2010-2015, %.

Composed by: High-technology exports (% of manufacture exports). Electronic source: <http://data.worldbank.org/indicator/TX.VAL.TECH.MF.ZS>. 14/05/2017.

Key technological spheres, where UK can have high competitive advantages will be robotic technologies and artificial intelligence development.

References:

1. Britain's Future in Europe. Reform, Renegotiation, Repatriation or Secession? Edited by M.Emerson / Rowman & Littlefield International, Ltd., London, 2015.
2. Renegotiation, Reform and Referendum: Does Britain have an EU future? Edited by A.Hug / The Foreign Policy Centre, London, 2014.
3. Darwin, J. The Empire Project: The Rise and Fall of the British World System 1830-1970, Cambridge University Press, 2011.
4. Review of the Balance of Competences between the United Kingdom and the European Union. EU budget / HM Government, 2014. Electronic source: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/332762/2902399_BoC_EU_Budget_acc.pdf. 05/01/2016.
5. UK Trade in goods, publication table, April 2017 // Office for National Statistics Electronic source: <http://www.ons.gov.uk/ons/datasets-and-tables>. 21/04/2017.
6. Global Innovation Index Past Reports. Electronic source: <https://www.globalinnovationindex.org/content/page/past-reports>. 27/04/2015.
7. High-technology exports (% of manufacture exports). Electronic source: <http://data.worldbank.org/indicator/TX.VAL.TECH.MF.ZS>. 17/06/2015.
8. How Brexit will change the world. Electronic source: <http://www.politico.com/magazine/story/2016/06/brexit-change-europe-britain-us-politics-213990>. 28/08/2016.
9. How important is China to the UK economy? Electronic source: <http://webarchive.nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/rel/international-transactions/outward-foreign-affiliates-statistics/how-important-is-china-to-the-uk-economy-/sty-china.html>. 28/12/2016.
10. In or Out? Britain's Future in Europe / Opinium Research, London, 2013 Electronic source: <http://opinium.co.uk/sites/default/files/opin-inouteurope.pdf>, 05/01/2016
11. International Trade Statistics 2015. World Trade Organization. Electronic source: https://www.wto.org/english/res_e/statis_e/its2015_e/its2015_e.pdf. 10/07/2017
12. Leaving the EU would not boost trade with Commonwealth countries – they'd abandon us for Ireland. Electronic source: www.independent.co.uk/voices/brexit-eu-referendum-commonwealth-trade-abandon-us-for-ireland-a7063281.html. 24/09/2016.

A stochastic multiple linear regression on the efficacy of financial advice across a multi-channel framework

Banerjee Preet

Henley Business School, University of Reading

Abstract

The wealth management industry, in particular the personal financial advice segment, employs many practitioners and impacts many more consumers. Whenever determining what the appropriate costs are for any service, a valid measurement of the value received is required. Currently there is a well-identified lack of consensus as to how to measure the value of financial advice.

The purpose of this study is two-fold: to develop a measurement of the value of financial advice in all contexts; and to find out if there is a difference in the impact of financial advice on households across the various channels available.

Introduction

Historically, the financial advice industry has been primarily focused on the management of investment decisions, usually on a security-by-security basis. The industry later evolved to focus on portfolio management (the collective management of all securities within a singular portfolio). Later still, the industry had expanded to also focus on comprehensive wealth management whereby the promise of advice on all aspects of a household's finances would be delivered. This would include insurance advice, taxation advice, cash flow advice, debt management, retirement forecasting, estate planning, and more (Overton 2008).

The academic literature on financial advice, and specifically, the value of financial advice, is not sparse. However, the vast majority of the academic body of knowledge is portfolio-centric in its analysis. In other words, the academic world has largely seen financial advisors as solely responsible for advice on portfolios and not the other aspects of the household related to financial decisions.

The practitioner journals have long recognized a difference between financial transaction advice and "financial planning". Financial planning is a process which takes into account a variety of financial considerations to the household over and above investment advice.

The gap between the academic body of knowledge and the practitioner body of knowledge has recently been acknowledged as a gap that needs to be addressed by the academic literature. As recently as 2011, the editor of the *Journal of Financial Planning* remarked that the profession of financial planning does not actually have an academically based theory of financial planning.

This research hopes to create a measure of overall financial well-being, tentatively being called

the Financial Well-Being Indicator, or FWBI, which can serve as a measure of how financially secure households are in the context of a wide variety of the financial areas that can impact a household. Once this measure has been created, the FWBI can be tested for a large sample of households to try and establish what factors positively and negatively impact the FWBIs of households. The FWBI will be a continuous variable, and the overall research design will incorporate a stochastic linear multiple regression.

Methodological Considerations / Review

Since contemporary wealth management and personal financial advice has shifted towards a comprehensive model of advice, quantifying the benefits of financial advice should include a measurement that reflects all the areas of the household for which advice exists.

To study this, there could be two phases in the research:

1. Develop a quantitative measure or index of financial well-being that reflects the multiple aspects of household finance.
2. Measure the value of this index across different types of financial advisors, and against unadvised households.

The comprehensive index could be developed using a compendium of academic theories about household finance, such as portfolio performance, insurance coverage, consumption smoothing, etc. By measuring the change in this overall index level longitudinally, we can eliminate one element that has plagued previous efforts to evaluate the value of financial advisors: self-selection. Since financial advice has been valued more by households with higher asset levels, they have tended to be more receptive to financial advice, or to have sought it out more readily in the first place.

Because longitudinal studies have large drop off rates in participation, a cross-sectional study may prove to be more desirable in order to capture data on as many households as possible. Thought will be required in order to develop the second phase of this study.

Initial Qualitative Phase

First, more research is required to fine tune the quantitative survey before deployment. In order to understand the multitude of factors that a household considers before choosing a particular channel of advice, or a particular advisor, interviews will need to be conducted. The initial qualitative phase will ensure that the quantitative surveys will capture as much information as possible about these factors which would be crucial in teasing out the self-selection bias of households.

Simultaneous Mixed-Methods Phase

Next, a continuous scale measure of financial well-being will be developed based on a set of scale measures for the various financial aspects of a household. These will be based both on Overton's observations of what financial aspects of the household warrant inclusion in a comprehensive measure coupled with insights from key stakeholder interviews from the industry of financial advice (thought leaders, researchers, advocates, and practicing planners) as well as other insights from the academic literature.

A quantitative survey will be administered to gather information required to calculate the FWBI of a household along with information for other possible explanatory variables (see list later in this document) as well as control variables. Select qualitative interviews will be conducted to confirm the reliability of the quantitative surveys and to ascertain if there are other factors which may be important in explaining what drives value in financial advice for households.

Research Design and Methodology

Epistemological and Ontological Considerations

The planned study will rely on deductive reasoning. Previous studies have found varying relations between different types of financial advice against different measures of financial outcomes. The general inductive reasoning is that financial advice has an impact on financial outcomes, but by using a deductive approach, we can introduce other hypotheses for testing and attempt to generate more precise explanations for particular associations.

This research adopts a cautious realist ontological perspective as many gauges of financial success are imperfect and are interpreted slightly differently by observers. So while many financial aspects of a household can be directly measured, how these measures translate into financial gauges of success are also impacted by subjective interpretation. Therefore, being cognizant of discrepancies is necessary.

The epistemological assumption is positivist. The view of the researcher is that truth cannot be determined, but rather falsities can be rejected. By rejecting enough falsities, we can improve our understanding of the relationships that may describe how our world exists and the interactions within it.

Finally, a critical rationalism research paradigm will be used. The researcher believes pure observation is not possible and since a frame of reference is required for the context of all observations, this dovetails with the cautious realist perspective adopted.

Dependent Variable

The dependent variable will be the Financial Well-Being Indicator (FWBI). This will be a custom created measurement scale developed through the use of both a qualitative and quantitative set of analyses. Through a series of qualitative interviews with industry and subject matter experts in the field of financial advice, financial planning, and academic theories related to the household's financial decision making, the FWBI will be modified from an initial quantitative framework. Ultimately, the FWBI will be an objective measure of the financial well-being of a household that takes into account the life stage of a household, and measures the overall financial well-being in the context of a holistic, comprehensive view of household finances.

The FWBI will be a continuous variable. In order to gauge the FWBI of a household, data must be collected from a variety of financial aspects within the household. Based on a financial planning framework, the following 10 areas represent a holistic view of household financial considerations:

1. Credit Card Management
2. Overall Debt Management and Cash Flow Planning

3. Retirement Planning
4. Investment Management
5. Tax Management
6. Life Insurance Management
7. Disability Insurance Management
8. Emergency Fund Management
9. Wills and Powers of Attorney
10. Education Savings for Children

Each of these 10 factors will have a score assigned to them and by summing scores for all 10 factors, an individualized FWBI can be created. For example, suppose we collect the following scores (out of 10) for each of the 10 categories:

Credit Card	Overall Debt	Retirement Planning	Investment Management	Tax Management	Life Insurance	Disability Insurance	Emergency Fund	Wills and Powers of Attorney	Education Savings
3	7	7	4	3	8	5	10	10	10

The overall FWBI would be a simple summation of these factor scores, for a total score of 67 out of a possible 100. It would be difficult to capture all details important to the finances of all households as the financial goals for households vary, but using a simple framework for identifying basic financial security is an improvement over the existing measure (none).

Visual Variable Relationship Map

The relationships of the main groups of variables are visualized in Table 3.

Table 1: Dependent and Independent Variable List

Dependent Variable: Financial Well-Being Indicator (FWBI)	Main Explanatory Variables	Financial Planning
		Channel of Advice
	Secondary Explanatory Variables	Pension Plan Membership Diligence in Selecting Channel of Advice Propensity to Delegate to Advisor Interest in Personal Finance Childhood Financial Communication Childhood Financial Security Trust in Financial Services Financial Literacy
	Control Variables	Age Gender Occupation Relationship Status Household Size Education Income Province of Residence City of Residence Home Ownership

Statistical Tools

Stochastic Linear Multiple Regression

A stochastic multiple linear regression model will be employed to test the hypotheses of the general form:

$$Y = \beta_0 + \beta_1 X_1 + \dots + \beta_n X_n + e$$

The outcome variable will be the measure of the household's overall financial well-being (Financial Well-Being Indicator, or FWBI). As there will likely be many factors affecting the outcome variable, a multiple linear regression to examine the relationship of a wide variety of independent variables on a continuous dependent variable is a fairly standard approach.

Causality

It is expected that the regression may identify correlation, but causality would be harder to establish given that the data collected will be cross-sectional. A “difference-in-differences” analysis would be a logical tool to employ, but without first examining issues relating to self-selection by households to different channels of advice, the results would be biased.

One solution that has been proposed would be the use of a Regression Discontinuity Design.

Regression Discontinuity Design

A Regression Discontinuity Design (RDD) can be employed to simulate random assignment of like members of a sample into different treatment groups (Angrist, Joshua & Pischke 2009). When treatment groups are deterministic, as would be the case with distinct primary channels of advice, or the receipt of financial planning advice within any of those channels, then a “sharp RDD” can be used.

Before a regression discontinuity design can be employed, the selection criteria must first be established. The researcher proposes to use a threshold interval along the “Propensity to delegate to an advisor” variable. Respondents scoring low or high on this scale will have a strong preference to either delegate the household's financial management to an advisor or manage their affairs entirely themselves. But respondents scoring in the middle of this scale may be expected to be indifferent to using an advisor or not. By running a discontinuity regression on households in this particular range, the effects of self-selection can be controlled for.

Data Analysis

Using a multiple regression, it is hoped that the explanatory variables hypothesized by the researcher will produce statistically significant effects on the outcome variable in the quantitative phase. The requisite assumptions will be tested for before running any final analyses (i.e. linearity, homoscedasticity, normally distributed errors, etc.)

After coding the qualitative surveys, they will be compared to the corresponding quantitative surveys to address reliability in discerning the overall financial well-being of households between the two phases of the research.

References

- Altfest, L., 2004. Personal Financial Planning: Origins, Developments and a plan for Future Direction. *The American Economist*, 48(2), pp.53–60.
- Ando, Albert & Modigliani, F., 1963. The “Life Cycle” Hypothesis of Saving: Aggregate

- Implications and Tests. *American Economic Review*, 53(1), pp.55–84.
- Angrist, Joshua, D. & Pischke, J.-S., 2009. *Mostly Harmless Econometrics: An Empiricist's Companion*, Princeton: Princeton University Press.
- Bae, S.C. & Sandager, J.P., 1997. What Consumers Look For In Financial Planners. *Financial Counseling and Planning*, 8(2), pp.9–16.
- Becker, G.S., 1974. IS ECONOMIC THEORY WITH IT ? On the Relevance of the of the Family. *American Economic Review*, 64(2), pp.317–319.
- Bergstresser, D., Chalmers, J.M.R. & Tufano, P., 2009. Assessing the costs and benefits of brokers in the mutual fund industry. *Review of Financial Studies*, 22(10), pp.4129–4156.
- Black Jr., K., Ciccotello, C.S. & Skipper Jr., H.D., 2002. Issues in Comprehensive Personal Financial Planning. *Financial Services Review*, (11), pp.1–9. Available at: <http://66.147.244.54/~acadenf9/wp-content/uploads/2013/08/V11.pdf>.
- Calvet, L.E., Campbell, J.Y. & Sodini, P., 2009. Measuring the Financial Sophistication of Households. *American Economic Review*, 99, pp.393–398.
- Campbell, J.Y., 2006. Household finance. *Journal of Finance*, 61(4), pp.1553–1604.
- Cull, M., 2009. the Rise of the Financial Planning Industry. *Australasian Accounting Business & Finance Journal*, 3(1), pp.26–37. Available at: <http://ezproxy.library.capella.edu/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=47574315&site=ehost-live&scope=site>.
- David I, 2008. Life focused financial planning. *Journal of Personal Finance*, 6(2 & 3), pp.13–23.
- Farrell, C.J., 2006. Personal Financial Ratios : An Elegant Road Map to Financial Health and Retirement. *Fpa*, 0106, pp.1–10.
- Finke, M., 2012. Financial Advice: Does it Make a Difference? *Working Paper Series. Social Science Research Network*. Available at: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2051382.
- Garmaise, E., 2010. Patterns of Financial Well-Being and Their Implications for Financial Advice. *Journal of Financial Service Professionals*, (MAY), pp.68–77.
- Marsden, M., Zick, C.D. & Mayer, R.N., 2011. The Value of Seeking Financial Advice. *Journal of Family and Economic Issues*, 32(4), pp.625–643.
- Montmarquette, C. & Viennot-briot, N., 2012. Econometric Models on the Value of Advice of a Financial Advisor Project report.
- Overton, R.H., 2007. An Empirical Study of Financial Planning Theory and Practice. *Doctoral Thesis2*, p.264. Available at: <http://media.proquest.com.myaccess.library.utoronto.ca/media/pq/classic/doc/1390296541/fmt/ai/rep/NPDF?hl=&cit:auth=Overton,+Rosilyn+H.&cit:title=An+empirical+study+of+financial+planning+theory+and+practice&cit:pub=ProQuest+Dissertations+and+The+se> [Accessed November 20, 2014].
- Overton, R.H., 2008. Theories of the financial planning profession. *Journal of Personal Finance*, 7(1), pp.13–42.
- Schuchardt, J. et al., 2007. Personal Finance : An Interdisciplinary Profession. *Financial Counseling and Planning*, 18(1), pp.61–69. Available at: <http://scholar.google.com/scholar?hl=en&btnG=Search&q=intitle:Personal+Finance+:+An+Interdisciplinary+Profession#0>.

- Shefrin, H. & Thaler, R.H., 1988. The Behavioral Life-Cycle Hypothesis. *Economic Inquiry*, 26(4), pp.609 – 644.
- Srinivas, V.K., 1999. *Individual investors and financial advice: a model of advice-seeking behavior in the financial planning context*.
- Thaler, R.H. & Benartzi, S., 2004. Save More Tomorrow™: Using Behavioral Economics to Increase Employee Saving. *Journal of Political Economy*, 112(S1), pp.S164–S187.
- Warschauer, T., 2002. The role of universities in the development of the personal financial planning profession. *Financial Services Review*, 11(3), p.201.

How innovation and geographical diversification patterns influence performance of the large European and US-based FMCG retailers?

Berezvai, Zombor
Corvinus University of Budapest

Abstract

This research aims to better understand retail innovation and how it is related to geographical diversification and firm performance. Based on an extensive collection of innovation outcomes, we classify retail innovation into homogenous subgroups. This classification will be used to measure retail innovation. As a next step, we exploit panel econometric methods to identify the performance consequences of retail innovation and the moderation effect of geographical diversification on this relationship. Early results indicate positive (but decreasing) return for product and marketing innovations on operating margin. However, the moderation effect of geographical diversification is not supported by the data.

Introduction

The retail sector was affected significantly by the economic crisis started in 2008. Disposable income of the households declined significantly in almost all the developed countries that triggered a rather sizeable decay in retail volume as well (in average -2.1% in 2008 and -3.8% in 2009 in the OECD countries).

Retail companies reacted to the challenges in different ways. Pederzoli and Kuppelwieser (2015) reviewed the retail publications assessing the reactions of retail firms to market challenges. They identified mechanisms such as organizational capability building, innovation and internationalization to overcome on negative market and economic events. The purpose of my PhD thesis is to analyze innovation and international diversification of FMCG retailers and identify their performance consequences. During this work, innovation activity will get a special focus. This is mainly motivated by two reasons. First, retail innovation differs from manufacturing innovation in several ways (Hristov and Reynolds, 2007). One consequence of these differences is that it is more complicated to quantify retail innovation. While manufacturing innovation can be measured by R&D expenditures or by number of patents, retail innovation mostly does not have these indicators. The cost of a retail innovation is often marginal for the retailer (e.g. introducing a new private label tier) or it is a one-time operation cost (e.g. developing a new consumer mobile app) that is not reported as R&D expenditures in the accounting reports. Second, retail innovation may correlate with international diversification (e.g. Hitt et al., 1997) due to organizational learning, having access to larger markets, etc. However, this theory was not yet empirically tested in the marketing literature. This research gap can be due to the measurement problems of retail innovation.

The research goal of the PhD thesis is to suggest measurement options for retail innovation and provide therefore empirical results of the performance consequences of retail innovation as well as analyze the innovation-diversification patterns. During this research, we are focusing on European and US-based FMCG retailers for the period of 2007–2015.

Retail innovation

The concept of innovation is closely related to Schumpeter's theory proposing that economic development is driven by discontinuous emergence of new combinations resulting in economically more viable solutions than the previous ones. Hristov and Reynolds (2007) found that innovation of retailers is poorly understood and its research is still in its infancy.

To better understand innovations and identify their attributes, researchers developed several classification schemes. The Community Innovation Survey conducted by the European Union applies the typology of Oslo Manual (OECD and Eurostat, 2005). This distinguishes between product, marketing, organizational, and process innovation. This framework is useful to classify innovations for all the different industries. However, it is not retailer specific enough.

In retail context, Fornari et al. (2009) created subtypes of product innovations based on the novelty of the products (absolutely new products, new product lines, integration or extension of existing product lines, improvement of existing product lines, repositioning and cost reduction). With this grouping, Fornari et al. (2009) created homogenous subgroups for product innovations.

Hristov and Reynolds (2015) executed 57 interviews with retail and consulting executives to construct a classification scheme specifically for retail innovation. They identified offer-, support-, and organization-related innovations. Offer-related innovations focus on final consumers, support-related innovations include technologies and systems often facilitating offer-related innovations. Finally, organization-related innovations target strategic and operational solutions to increase communication within the company, automation processes to improve efficiency, etc. However, each of the groups are still diverse and may contain very different innovations.

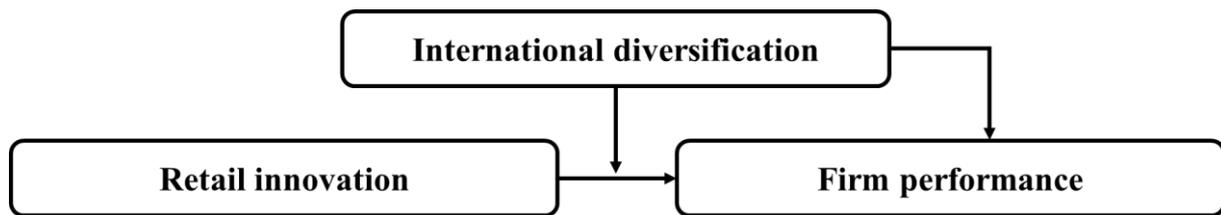
International diversification

Hitt et al. (2006) considered international diversification as a strategy whereby a firm expands the sales of its goods or services into different geographic locations (countries, regions). Prior literature (e.g. Hitt et al., 2006; Sohl, 2012) suggested that the performance consequences of international diversification might not be linear. When companies move into geographically or culturally closer markets where the firm should not change extensively its business model, the adaptation costs will be low. In consequence, Qian et al. (2010) and Sohl (2012) assumed that geographical expansion within the region positively influences the performance of the retailers. In contrast, entering markets outside the home region might mean very different operating environment. Based on Oh et al. (2015), increasing distance from domestic market will need higher level of adaptation to local environment leading to lower performance of the retailer due to the higher adjustment costs. This might happen due to the higher levels of inter-regional, more location-specific investments that are associated with higher risks (Qian et al., 2010). Michalache (2015) suggested that increasing international diversification might lead to higher performance only up to a certain point at which the financial performance of the company will be negatively affected by entering further markets.

Research concept

The current research aims to analyze how retail innovation influences the performance of the companies and what is the role of international diversification in this relationship. Figure 1 illustrates the possible relationships between these three elements.

Figure 1. Conceptual framework



Although access to new resources and innovative capabilities play an important role in entering new geographical markets, the research on how international diversification influences innovation is surprisingly limited (Michalache, 2015).

Reinartz et al. (2011) proposed that the relationship between retail innovation and performance could be moderated by several contingency variables such as the international diversification of the retailer. Castellani and Zanfei (2007) found that international operation of the firm makes the relationship between innovation and performance stronger. This might occur because international diversification exposes companies to diverse environments that lead to higher organizational learning and more intense innovation activities (Zahra et al., 2000).

Methodology

To comply with the aims of the PhD thesis, the methodology has two main parts. First, how to measure retail innovation; second, to quantify the performance consequences of innovation and international diversification.

We collect data from the largest European and US-based FMCG retailers for the period of 2007–2015. The list of the companies was determined based on the Global Powers of Retailing annual reports compiled by Deloitte. We applied two criteria for the sample: (1) the company appeared in the list of the TOP250 global retailers in at least 5 years (out of the 9 years examined); and (2) the company is stock exchange listed. The latter criteria were applied as public companies are in general more transparent, communicate more to the public, create and distribute annual reports. These sources of information were exploited to obtain innovation data of the companies. In total, our list contained 37 FMCG retailers.

Classifying retail innovation

As it was indicated previously, the quantitative measurement of retail innovation is complicated due to several problems (lack of R&D expenditures and patents, imitability, etc.). The approach we are following in this regard is rather new as we focus on observable innovation outcomes. We search for innovation outcomes of the retailers in our sample using the following sources: MarketLine, Business Source Premier, corporate websites and annual reports. We exploit the searching options and use key words like “new”, “launch”, “introduce”, “initiative” that were derived based on pre-tests and definitions of retail innovation.

Observation bias is an important issue that we address during data collection in two ways. First, we analyze solely stock exchange listed companies that are in general more transparent and provide more details to the public regarding their operations. Second, we use multiple data sources to obtain innovation outcomes.

As a next step, the observed innovation outcomes will be classified into more homogenous groups. We strive to create such groups that contain roughly similar innovations. Since the innovations are similar within the groups, they can be measured by the number of executed innovations per retailer per year per group. For e.g., if creating new consumer mobile applications is a group, and 2 and 3 such innovations were executed in 2010 and 2011, respectively by retailer A and 3 and 0 by retailer B, then these numbers can be used in a

quantitative analysis. This is similar to and in some ways an extension of Fornari et al. (2009) that created more homogenous subtypes for product innovation.

This work has already started, and we reviewed closely 20,000 articles about the 37 retailers. These articles contained closely 1,700 innovation outcomes that will be classified in the upcoming months.

Measuring the effect of innovations on firm performance and the moderation effect of international diversification

For the empirical analysis part of the thesis, we use fixed effect and dynamic panel models. Similar methodology was applied by Qian et al. (2008), Sohl (2012) and Oh et al. (2015). Furthermore, we use the moderated regression approach (Sharma et al., 1981) to test the moderation effect of geographical diversification on the innovation-performance relationship.

Early results, implications, and conclusions

The early results of the analyses are based on less accurate innovation classifications. We studied product and marketing innovations in a moderation regression framework as these innovations are less exposed to observation bias. In this case, innovation was quantified as the number of observed marketing and product innovation outcomes per company per year. To account for the decreasing return, we applied natural logarithm transformation (Mishra, 2017). Performance consequences of product and marketing innovations show that they have a positive impact, but the marginal contributions are decreasing. Executing two innovations indicates *ceteris paribus* 0.5 percentage points increase in operating margin, while 3 innovations would mean +0.8% in operating margin. At 6 innovations (sample average) it means 1.2 percentage points increase in operating margin. However, the moderation effect of international diversification proved to be insignificant.

In the future, we plan to finalize the classification of retail innovations mentioned earlier in this paper. This will help us to refine the empirical model and identify the performance consequences of different innovations as well as their relationships with international diversification.

The research findings have both academic and business implications. The academic research can benefit from a more in-depth understanding of the relationship among international diversification, innovation, and firm performance in the FMCG retailing sector. Retailers might use the results for more effective calibration of their internationalization and innovation objectives. Considering the decreasing return of innovation and inter-regional diversification,² there is an optimal mix of strategies for retailers. To find this optimum, we need to incorporate the cost of innovation and expansion and find the less costly way of performance improvement or surviving economic downturns. This research can be therefore important for retail managers to plan their diversification and innovation activities and to create the financial plans behind them.

References

Castellani, D., & Zanfei, A. (2007). Internationalisation, innovation and productivity: how do firms differ in Italy? *The World Economy*, 30, 156-176.

² Result not shown in this proposal due to space limitations.

- Fornari, D., Grandi, S., & Fornari, E. (2009). The role and management of product innovation in retailer assortments: evidence from the Italian FMCG market. *The International Review of Retail, Distribution and Consumer Research*, 19, 29-43.
- Hitt, M., Hoskisson, R.E., & Kim, D.H. (1997). International Diversification: Effects on Innovation and Firm Performance in Product-Diversified Firms. *The Academy of Management Journal*, 40, 767-798.
- Hitt, M., Tihanyi, L., Miller, T., & Connelly, B. (2006). International Diversification: Antecedents, Outcomes, and Moderators. *Journal of Management*, 32, 831-867.
- Hristov, L., & Reynolds, J. (2007). *Innovation in the UK retail sector. Report for NESTA December 2007*. The Oxford Institute of Retail Management. Saïd Business School Oxford.
- Hristov, L., & Reynolds, J. (2015). Perceptions and practices of innovation in retailing. *International Journal of Retail and Distribution Management*, 43, 126-147.
- Michalache, M. (2015). *Leveraging the International Context. Essays on building offshoring capabilities and enhancing firm innovation*. Rotterdam: Doctoral Thesis of the Erasmus Research Institute of Management.
- Mishra, D.R. (2017). Post-innovation CSR Performance and Firm Value. *Journal of Business Ethics*, 140, 285-306.
- OECD, & Eurostat. (2005). *Oslo Manual: Guidelines for Collecting and Interpreting Innovation Data. 3rd edition*. Paris: OECD Publishing.
- Oh, C.H., Sohl, T., & Rugman, A.M. (2015). Regional and product diversification and the performance of retail multinationals. *Journal of International Management*, 21, 220-234.
- Pederzoli, D., & Kuppelwieser, V.G. (2015). Retail companies' internationalization behavior and the 2008 crisis. *International Journal of Retail and Distribution Management*, 43, 870-894.
- Qian, G., Khoury, T.A., Peng, M.W., & Quian, Z. (2010). The performance implications of intra- and inter-regional geographic diversification. *Strategic Management Journal*, 31, 1018-1030.
- Qian, G., Li, L., Li, J., & Qian, Z. (2008). Regional Diversification and Firm Performance. *Journal of International Business Studies*, 39, 197-214.
- Reinartz, W., Dellaert, B., Kraft, M., Kumar, V., & Varadarajan, R. (2011). Retailing innovations in a globalizing retail market environment. *Journal of Retailing*, 87, 53-66.
- Sharma, S., Durand, R.M., & Gur-Arie, O. (1981). Identification and Analysis of Moderator Variables. *Journal of Marketing Research*, 18, 291-300.
- Sohl, T. (2012). *Diversification strategies in the global retailing industry: Essays on the dimensions and performance implications*. Sankt-Gallen: Dissertation of the University of St. Gallen, School of Management, Economics, Law, Social Sciences and International Affairs.
- Zahra, S.A., Ireland, R.D., & Hitt, M.A. (2000). International Expansion by New Venture Firms: International Diversity, Mode of Market Entry, Technological Learning, and Performance. *Academy of Management Journal*, 43, 925-950.

Antecedents to the Intention to Quit Amongst Gen Y IT Professionals in Software Development Organisations in South Africa

Candice Booysen

University of Stellenbosch Business School, South Africa

Abstract

The current study is positioned within the emerging field of positive organisational behaviour and aims to explore the relationships between job embeddedness, leadership, organizational characteristics such as job resources and organizational supportive climate and intention to quit within the Generation Y (Gen Y) context in South Africa. This study employs a hybrid methodology where the salience of the variables identified as antecedents, along with other variables that have not yet been identified as antecedents, was established in the qualitative phase of this research. The quantitative phase of the study is aimed at empirically evaluating the measurement model, as well as testing the propositions relating to the structural model proposed. The qualitative findings informing the structural model are proposed in this paper.

[Link to paper -](#)

The Complexity of Management Succession Process(es) in Family Multinationals

Chartiyanon Kannapa

Leeds University Business School, U.K.

Abstract

While research focus on family as a central subject of management succession, a gap exists in understanding how nonfamily within the firm involve throughout the process particularly in the large and complex structure of a hybrid organization of family multinationals. This study aims at holistically examining process – sequence and rhythm of management succession to understand how actors in FMNEs balance family and business objectives. By employing historical analysis of two case studies of Thai family multinationals, the findings of this study should further an explanation for the concept of succession process and illustrate value extraction from changing of managers to maintain dynamic capabilities within an organization.

Introduction

Many multinational enterprises in advanced and emerging markets are family-influenced. (see for example Bjornberg et al. in McKinsey Quarterly Special Issue on Working with Family, 2016). By 2025, the proportion of family business is expected to grow up to 40% given the rise of emerging markets multinationals especially from Southeast Asia. While practitioners are aware of future challenges in working with family business particularly the large one, scholars have not yet delved into the complexity of family involvement in multicultural organization of MNEs. The key question to be addressed for both business and academic world is “how do family multinationals balance family and business objectives between family and nonfamily within an organization?”

Management succession is one of the most challenging discourse in family business literature. Given the long-term orientation of family business and the desire of current incumbents to pass on business to next generations, leadership transformation could lead to organization changes and uncertainties. Many research has investigated the impact of succession on business and found that during transition, there are impacts on family business financial performance (e.g. Mehrotra et al., 2011; Pérez-González, 2006). Nevertheless, empirical statistics show high failure rate on family succession in the past 10 years (US Census Bureau, 2015). Nevertheless, there has been no clear conclusion on how family and nonfamily within an organization balance their two opposed objectives, the succession process is yet remains to be investigated (Le Breton-Miller et al., 2004; Daspit et al., 2016). This study aims to offer the insight through process lens to explain how FMNEs capture the most value and maintain their dynamic capabilities through changes of human resources in the organization.

Literature Review

In order to maintain dynamic capabilities of the organization, firms are required to effectively orchestrate and capitalize the most value of their resources (Sirmon et al, 2011). The role of controlling family in FMNEs is to allocate the most appropriate people to fulfil requirements for each positions (Chirico et al., 2011). In regards to succession, family's desire for socioemotional wealth renewal through business continuity in the next generation (Berrone et al., 2012) has marked challenges throughout the succession process.

Family business researchers make certain assumptions on the succession process in family business based on family business characteristics. First and foremost, major assumption in family business succession rest on reciprocal altruism relationship within family. Hence, there is a direct relationship between incumbent and successor. Many researchers, imply that family internalize the succession process and important management positions are restricted to family members (Gallo & Sveen, 1991; Gallo & Pont, 1996; Yeung, 2000) as they believe that only family insiders can fulfil both objective of succession; family harmonization and business continuity. Second, due to long-term characteristics of family business, researchers assume that succession is planned given the desire to pass on business within their dynasties. It is further presumed that planning is the first stage of management succession. For example, Le Bretton-Miller et al.'s (2004) conceptual model on the succession process identify four stages of succession process namely ground rules, development of successors, selection and handoff. Research set out to explain succession process, therefore, start by looking at antecedents of succession planning and consequence of planning. Nevertheless, there has not been attempts to discuss when succession process starts and whether succession plan is beneficial for management transition within family firm.

In regard to empirical studies underlying the succession process, the majority of studies set their research context in small and medium size family business which succession affects only small group of people and mostly family members in the business. Given the fact that family business are not limited to small and medium size but can grow as large as other private-owned These assumptions can be problematic when applying into the FMNEs succession process. In contrast, family MNEs are the combination of family business and multinational enterprises in which, by definition, large complex and involve wide range of stakeholders. Though some previous research use large family business as the context of study for the succession process, previous research has neglected to holistically view the succession process in the light of complex organization setting. Many researchers have explicitly pointed out that there could be some influence from nonfamily during each stage of the succession process (e.g. Daspit et al., 2016, Michel & Kammerlander, 2015). Nevertheless, family business research looking at the role of nonfamily in strategic decision is limited.

It is inevitable that when family business grows larger and older, the family business becomes active in engaging with nonfamily parties. In the case of FMNEs, although family desire minimum engagement of nonfamily in their business, recent studies found that when family firms include non-family members such as financial institutions as second block holder (Sanchez-Bueno and Usero, 2014) foreign ownership (Gaur and Delios, 2015), or management experts (Arregle et al., 2012) in strategic decision making team, they bring positive impact on internationalization decisions by influence family firms to undertake risk through international

diversification. The involvement of external parties allows family firms to see vast business opportunity and willing to take risk that may distort family harmony but eventually pays back into their business and wider stakeholders. That put onus on family to comply themselves with institutional pressures outside the family related matters (Miller, 2013) with the ultimate aim to balance family socioemotional wealth and business objectives. Building on this observation from the literature, this study assume that FMNEs are hybrid organization in the overlapping area of family business and multinational enterprises literature. The investigation will be guided by two research questions; (1) How can family and nonfamily managers create balance between family and business objectives throughout the succession process? (2) Under what mechanism(s) family multinationals can optimize the full value of family and nonfamily member resources?

Methodology

Resting on Stake's (1995) interpretive philosophical paradigm for case study research, this study seek to understand underlying mechanisms of an investigated phenomenon through my subjective viewpoint and reflexivity upon data collection and analysis. Realising there may be idiosyncrasies of each phenomenon, this study highly emphasizes on the context which might bring nuance into the explanatory power of the theory.

Thailand and Thai family multinationals mark appropriate context of this study. At country level, Thailand was chosen as a context of study because the absence of succession tax and inheritance tax law. These two variables have been concluded to have influences over successful management transition within family business, however, been omitted from researchers studying management succession. While this limitation posts challenges for studies, family firms rest in Thai context do not accounted for this obligation when making decisions. At case selection level, following Eisenhardt's (1989) sampling for similarities, the two case family multinationals case purposively selected given their multiple successions through generations and explicit engagement of nonfamily within the organization. Those characteristics of the selected cases correspond the proposed research questions which attempt to investigate the process involving nonfamily members.

I will combine the strength of building "better construct" (Eisenhardt, 1989) and "better story (Dyer & Wilkin, 1991) in in-depth study of two case companies to find similarities and idiosyncrasies of the cases to draw on process theory. To response to this attempt, the study follows process studies research design which address common questions of 'how does the issue emerge, develop, grow, or terminate overtime?' (Van de Ven, 2007, p.145). Following this approach, this study adopts process study design to investigate the complexity under multinational enterprises context (Welch & Paavalainen-Mantymaki, 2014). Bear in mind that there could be multiple processes interacting under the succession process, the study combines real-time and retrospective approaches to understand processes from longitudinal perspective. To do so, I intend to collect data from different sources including company archives, interviews and participative observation in the case companies. Multiple sources of data helps minimising the risk of data imperfection when designing longitudinal studies. Historical lens of analysis will be used to draw narratives and succession process model that visualize sequences, changes, speed and processes underlying the surface ground of succession process (Pentland, 1999).

Expected Contributions

Following calls for more holistic view on the succession process (Daspit et al., 2016), this study hopes to extend the concept of management succession in family business. By bridging the two perspectives, this study aims to offer several contributions to literature. First, based on the

context of MNEs, findings from this study should shed lights on the coalition of firm value (family socioemotional wealth) and firm resource management (management orchestration) maintain dynamic capabilities of the organization through role changes of top managements. Second, building upon Le Breton-Miller et al. (2004) succession process model, this study should help researchers explain the complexity of underlying mechanism(s) in the succession process involving family and nonfamily top managements in family multinationals and explain processes behind the surface level and get a more full-fledged picture of what management succession process in family multinationals is all about.

Reference

- Arregle, J.L., Naldi, L., Nordqvist, M. and Hitt, M.A. 2012. Internationalization of family-controlled firms: A study of the effects of external involvement in governance. *Entrepreneurship Theory and Practice*. **36**(6), pp.1115-1143.
- Berrone, P., Cruz, C. and Gomez-Mejia, L.R. 2012. Socioemotional wealth in family firms theoretical dimensions, assessment approaches, and agenda for future research. *Family Business Review*. **25**(3), pp.258-279.
- Bjornberg, A., Dias, A.K. and Elstrodt, H.-P. 2016. Fine-tuning family businesses for a new era. *McKinsey Quarterly*.
- Chirico, F., Sirmon, D.G., Sciascia, S. and Mazzola, P. 2011. Resource orchestration in family firms: Investigating how entrepreneurial orientation, generational involvement, and participative strategy affect performance. *Strategic Entrepreneurship Journal*. **5**(4), pp.307-326.
- Daspit, J.J., Holt, D.T., Chrisman, J.J. and Long, R.G. 2016. Examining family firm succession from a social exchange perspective: a multiphase, multistakeholder review. *Family Business Review*. **29**(1), pp.44-64.
- Dyer, W.G. and Wilkins, A.L. 1991. Better stories, not better constructs, to generate better theory: A rejoinder to Eisenhardt. *Academy of management review*. **16**(3), pp.613-619.
- Eisenhardt, K.M. 1989. Building Theories From Case Study Research. *Academy of Management. The Academy of Management Review*. **14**(4), p532.
- Gallo, M.A. and Pont, C.G. 1996. Important factors in family business internationalization. *Family Business Review*. **9**(1), pp.45-59.
- Gallo, M.A. and Sveen, J. 1991. Internationalizing the family business: Facilitating and restraining factors. *Family Business Review*. **4**(2), pp.181-190.
- Gaur, A. and Delios, A. 2015. International Diversification of Emerging Market Firms: The Role of Ownership Structure and Group Affiliation. *Management International Review*. **55**(2), pp.235-253.
- Le Breton-Miller, I., Miller, D. and Steier, L.P. 2004. Toward an integrative model of effective FOB succession. *Entrepreneurship theory and practice*. **28**(4), pp.305-328.
- Mehrotra, V., Morck, R., Shim, J. and Wiwattanakantang, Y. 2011. Must love kill the family firm? Some exploratory evidence. *Entrepreneurship Theory and Practice*. **35**(6), pp.1121-1148.
- Michel, A. and Kammerlander, N. 2015. Trusted advisors in a family business's succession-planning process-An agency perspective. *Journal of Family Business Strategy*. **6**(1), pp.45-57.
- Pérez-González, F. 2006. Inherited Control and Firm Performance. *The American Economic Review*. **96**(5), pp.1559-1588.
- Sanchez-Bueno, M.J. and Usero, B. 2014. How may the nature of family firms explain the decisions concerning international diversification? *Journal of Business Research*. **67**(7), pp.1311-1320.

- Sirmon, D.G., Hitt, M.A., Ireland, R.D. and Gilbert, B.A. 2011. Resource orchestration to create competitive advantage: Breadth, depth, and life cycle effects. *Journal of management*. **37**(5), pp.1390-1412.
- Stake, R.E. 1995. *The art of case study research*. Sage.
- Van de Ven, A.H. 2007. *Engaged scholarship: A guide for organizational and social research*. Oxford University Press on Demand.
- Welch, C. and Paavilainen-Mäntymäki, E. 2014. Putting process (back) in: research on the internationalization process of the firm. *International Journal of Management Reviews*. **16**(1), pp.2-23.
- Yeung, H.W.-c. and Soh, T.M. 2000. Corporate governance and the global reach of Chinese family firms in Singapore. *Seoul Journal of Economics*. **13**(3), p301.

Understanding People Management in Small and Medium Enterprises: An Entrepreneurial Learning Perspective

Dahwa Charles

Manchester Metropolitan University

Abstract:

This is an interpretivist, social constructionist, cross sectional, qualitative and constructivism grounded theory study through which I seek to explore how SME owner managers conceptualize human resources management (HRM). Further, as entrepreneurs, how they go about learning, acquiring, developing and utilizing human resource knowledge, discharging it into the kind of people management in small and medium enterprises (PMSMEs) that we witness in small and medium enterprise (SME) ventures today. I shall immerse myself in the natural setting of 30 SME owner managers drawn from the Greater Manchester City Region in the United Kingdom with a view to interpret the meaning of their people management: language, behaviour and processes leading to theorizing and generation of a localized substantive theory about PMSMEs.

Introduction:

Since the 1990's, there is so much we know about people management in large enterprises than in SMEs and yet SMEs account for not less than 95% of global businesses and on average contributing around 50% of private sector income and 60% private sector jobs, (World Bank, 2015). In UK alone, 99.9% of all businesses are SMEs and these account for 47% of private sector income and 60% job creation, (BIS, 2015). This dearth of knowledge about PMSMEs follows a historic scholarly circumvention of SMEs (Lai *et al*, 2016; IPD, 1999, Duberley & Walley, 1995) as academia preferred to port their HRM studies in large enterprises. The orthodoxy has been to treat SMEs as some kind of "small big businesses", hence exporting HRM practices (HRMP) from large enterprises to SMEs, (ibid). Although this notion and treatment has largely changed however what PMSMEs entails remains scantily studied (Nolan & Garavan, 2016) and there is a general view within academic, private sector and government circles (Bounds, 2016; ITC, 2016; CIPD, 2015; Rizzo, & Fulford, 2012; Gorgievski, Ascalon & Stephan, 2011) that SME owner managers are not fully exploiting the productive potential for their workers. Stakeholders believe this is a key factor of the various reasons SMEs have higher business failure rates and inferior economic efficiency in comparison to large enterprisers, (WTO, 2017; Ropega, 2011).

Literature Review:

Since the past decade, there is increasing evidence mostly from large enterprises that HRM is positively associated with business performance (BP), here-in the (HRM-BP Nexus). Although similar scholarly interest is also rising in SMEs, (Lai *et al*, 2016, Latorre *et al*, 2016) and while SME owner managers have high strategic autonomy and decision-making (Jaouen, & Lasch, 2015; Basco, 2014) hence great opportunity to exploit this HRM-BP Nexus, however, studies question their people management capability. Even more worrying is the serious lack of clarity and knowledge regarding what PMSMEs entails and should be, (Nolan & Garavan, 2016; Georgiadisa, & Pitelis, 2012; Tocher, & Rutherford, 2009). Currently four schools of thought

contest each other, thus: SMEs should: put in place traditional formal HRMP, (Lai *et al*, 2016); adopt sophisticated high performance work systems, (Latorre *et al*, 2016); blend formal and informal HRMP, (Atkinson *et al*, 2016); cherry pick whatsoever HRMP, (Raymond *et al*, 2013), see figure below.

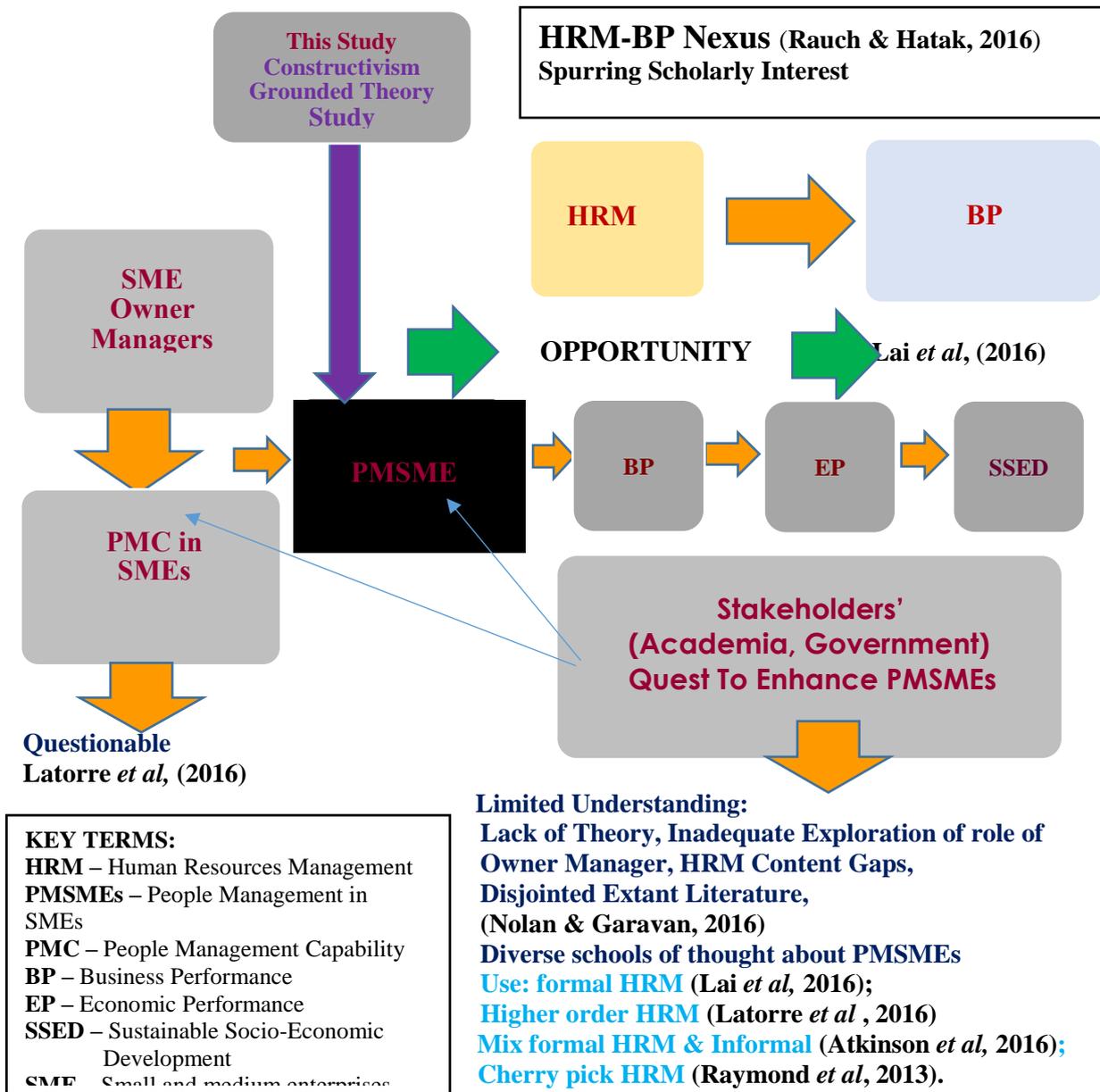


Figure 1: PMSMEs Problem Statement: Author's Own Depiction

Further complicating matters, Rae, (2005) and Cope, (2005) deem SME owner managers to be entrepreneurs who learn variably throughout their business experiences. The knowledge gap in this regard is that there are scanty studies that look into how SME owner managers as entrepreneurs go about learning, acquiring, developing and utilizing HRM knowledge discharging it into the kind of PMSMEs that we witness in SMEs today. Overall, for as long as PMSMEs remains a black box then this controversy shall persist and so will the tendency to import HRMP from large enterprises in seeking to understand PMSMEs, hence the proposal for this study.

Primary Research Question:

How do SME owner managers conceptualize HRM and as entrepreneurs, how do they learn, acquire, develop and utilize HRM knowledge discharging it as PMSMEs?

Research Aim:

To understand how SME owner managers conceptualize HRM and as entrepreneurs learn, acquire, develop and utilize HRM knowledge discharging it as PMSMEs.

Research Objectives:

1. To explore how SME owner managers conceptualize HRM and discharge this conceptualization as PMSMEs.
2. To explore how SME owner managers as entrepreneurs learn, acquire, develop and utilize HRM knowledge.
3. To make appropriate recommendations based on the above.

Research Design:Proposed philosophical stance:

Drawing on Burrell and Morgan, (1979) and Chalmers, (1999), I seek to argue that how SME owner managers conceptualize HRM, learn, acquire, develop and utilize HRM Knowledge and discharging it as PMSMEs is a social phenomenon that does not exist independently of consciousness but a matter of subjective interpretation and multiple realities. Consequently, I shall adopt interpretivism as my ontology given that my focus shall be to generate idiographic understanding as opposed to objective nomothetic knowledge. As such, my epistemology shall be social constructionism through which I shall be an active participant in constructing the reality of this social phenomenon (i.e. PMSMEs).

Research Approach:

I shall use the inductive approach (Chalmers, 1999) which commences with fieldwork making observations and subsequent analysis and abstraction to the macro environment. Deductive is not ideal as this requires use of theoretical constructs premised on extant literature and yet my focus is to theorize and come up with some new constructs. In this regard, in line with the tradition for theory generating studies (Creswell, 2013; Eisenhardt, 1989) I shall not undertake comprehensive literature review except that which is adequate to scope my study.

Research Methodology:

As an interpretivist and social constructionist I shall make use of a qualitative methodology (Creswell, 2013), through which I shall immerse myself in the natural settings of the SME owner managers so as to interpret the meaning of their language, behaviour and processes in as far as they relate to PMSMEs.

Time Horizon:

This shall be a cross sectional study although I shall innovate by asking participants back in time, current time and futuristic so as to exploit the benefits of longitudinal study thus explore variation of phenomena such as learning HRM knowledge across different time points, (Creswell, 2013).

Research Strategy:

Given the complexity of PMSMEs and the scanty studies about it and in particular the paucity of theory about PMSMEs (Nolan & Garavan, 2016) I shall employ constructivism grounded

theory, (Charmaz, 2006). Constructivism grounded theory is more suitable as opposed to post-positivistic grounded theory versions proffered by Glaser, (1992) as well as Strauss and Corbin, (1990). This is because being constructivist will allow me closer proximity with research participants than adopting a semi-detachment if I was to be post-positivistic. Crucially, using post-positivistic grounded theory would entail usage of extant literature driven constructs as a framework or as interview guides in semi structured questions while at the same time seeking some form of objectivity out of this subjective process, hence triangulation becomes a major focus. On the other hand, constructivism grounded theory enables me to empower participants and triangulation is not really an issue. I could also use case study but it is less oriented towards theory generating than grounded theory, for instance, theoretical sampling, constant comparison and category saturation are all alien to traditional case study strategy.

Research Purpose:

This study is purely revelatory, exploratory and instrumental seeking to come up with a localized substantive theory about PMSMEs.

Sampling Design:

The question, “what is the right sample size” is relative in qualitative research (e.g. based on purpose) and regarding grounded theory, scholars (Bryman & Bell, 2015; Creswell, 2013) recommend at least 30 participants, hence this shall be my sample size.

Sampling Strategy:

I shall make use of non-probability purposive sampling techniques (typical, critical, criterion and theoretical) to select 30 SME owner managers who are currently operating in the Greater Manchester City Region. Further, each of these owner managers should have a minimum cumulative experience of at least 3 years running their businesses and managing their workers regardless of how many businesses they may have started and closed. In addition, their current business should be employing at least 4 workers.

From the above broad criteria, I shall then seek to invite at least 10 SME owner managers who are operating micro enterprises (i.e. 0-9 workers); 10 SME owner managers running small enterprises (10-49 workers) and 10 SME owner managers operating medium enterprises (50-249 workers), (BIS, 2015). In addition, I will also strive to include variety of current firm ages so as to indicate the diversity in firm development, that is those under three years; between three and five years and those above five years in operation. The rationale here is to ensure I explore PMSMEs across various specific contexts (e.g. entrepreneur’s cumulative business experience, firm age, and firm size), (Rae, 1999). I shall also ensure I draw participants from both a homogeneous economic sector (e.g. construction) and heterogeneous sectors (e.g. manufacturing, hospitality, IT). Critically, the rationale is not to generalize to SME population neither to a particular economic sector but generalizing to theory and based on these 30 participants.

Data Generation:

I shall make use of multiple sources (Creswell, 2013; Charmaz, 2006) of data namely interviews, documents, archival, artefacts, audio-visuals except observation due to expected accessibility challenges and time constraints. Using multiple sources of data is vital to enhance exploration of social phenomena under study, (ibid).

Data Generation Procedures:

I shall uphold ethics governing research such as obtaining participants' consent, assuring them of confidentiality and acknowledging their right to pull out of the study whenever they feel like. Beginning with a pilot study to acclimatize as well as to test audio-video equipment I shall proceed to the main study by arranging an interview appointment with the first participant. In general, being a social constructionist, I will let participants choose their preferred venue and time, thus according them control. The interview shall proceed based on two unstructured questions that asks the participants to firstly tell in brief the story about themselves as individuals and secondly about their businesses and how the experience has been like so far. This broad approach is vital to allow participants freedom to choose where to start their story telling and in addition serves as a friendly platform from which participants can flow into hard issues about employment relations and entrepreneurial learning of HRM knowledge. Further, it is critical that these issues of HRM and HRM knowledge and learning come out naturally from participants' narratives than for my prejudices and PMSMEs constructs (disguised as opening questions) to trigger them. Therefore, my role shall be to listen attentively using my chief research instruments (i.e. my ears, eyes and mind) while at the same time audio/video recording their narratives. I will then follow up with different probing questions to seek clarification on issues raised in interviews and also those that I pick from documents, artefacts and audio-visuals. After interviews, I will explore documents, artefacts and any audio-visuals present. At the end of the interview, I will keep my audio recorder open so as to capture after thoughts of participants. Upon arrival at my office, I will immediately do a post mortem of the data collection writing my views in a theoretical memo, a diary in which beginning with my pilot phase I shall be recording all my ideas, fears, prejudices and challenges. This theoretical memo is crucial for my reflexive thinking as a researcher and for transparently unveiling how my role as a researcher evolves and affects the study. I shall then capture data and analyze through Nvivo qualitative software and making at least three separate computer backups under password protection for data security. I shall do this simultaneous data collection and analysis from one participant to another enhancing theoretical sampling, saturating categories and maximising constant comparison of data and categories until all the 30 participants are finished.

Data Interpretation:

To analyze data I shall firstly do initial coding, which is detailed line by line analysis of interview transcripts leading to formation of several categories: short word phrases explaining what was said and how it was said by participants and in participants' own terminology (i.e. Nvivo language), (Charmaz, 2006). In the second phase I will do focussed coding where I identify at most 5 key categories (Creswell, 2013, Charmaz, 2006) that is, those which bear the underlying narrative for my study (e.g. PMSMEs) as well as those that are densely clustered in terms of being heavily coded. The third phase is where I do theoretical coding, that is, building concepts out of the 5 key categories and exploring the underlying cross relationships. The theoretical memo is of great importance in theorizing in this final stage, (ibid). It is very important to note that I shall be innovative by introducing *a theory-deepening phase* and *a theory testing and broadening phase*. The theory deepening phase shall comprise of the initial, focussed and theoretical coding of the first 15 interviews drawn from homogeneous economic sector (e.g. construction) leading to an initial emerging localized substantive theory. I shall then subject this initial substantive theory to further theoretical sampling and constant comparison via additional initial, focussed and theoretical coding of the second batch of 15 interviews thus testing and broadening it and making it more robust.

Data Presentation:

I shall start by presenting the narrative of the fieldwork and eventually submit the substantive theory backing it up with some participants' own language (Nvivo) key features from the study.

Critically, it is at this stage that I shall fully engage with extant literature in discussing the substantive theory given that prior to data collection, I would not have done a comprehensive literature review. This engagement gives my study the academic locus standi it so requires.

Merit & Contribution to Science:

In light of the gaps in theory highlighted in the latest systemic review done by Nolan & Garavan, (2016) my study shall potentially be the first to come up with a localized substantive theory about PMSMEs and in addition illuminate entrepreneurial learning, which is also scantily studied. My study enhances methodology by introducing theory deepening and theory broadening data collection and analysis phases. Further, my study has potential to empower SME owner managers, HRM practitioners as well as informing policy through evidence-based recommendations. At the same time, my localized substantive theory is poised to trigger several positivistic survey studies and in the process enlighten current scholarly interest seeking to establish the HRM-BP Nexus in SMEs.

References:

Atkinson, c., Mallett, o. & Wapshott, r. 2016. 'You try to be a fair employer': Regulation and employment relationships in medium-sized firms. *International Small Business Journal*, 34, 16-33.

Basco, R. 2014. Exploring the influence of the family upon firm performance: Does strategic behaviour matter? *International Small Business Journal*, 32, 967-995.

Bounds, A. 2016. 'UK Government calls on small businesses to show ambition: Companies' confidence in economy turns negative for first time in four years.' *Financial Times*. 22nd September.

Bryman, A. and Bell, E. 2015. *Business research methods*. 4th ed., Oxford: Oxford University Press

Burrell, G., and Morgan, G. 1979. *Sociological paradigms and organizational analysis: Elements of the sociology of corporate life*. London: Heinemann.

CIPD, 2015. *Changing HR operating models: A collection of thought pieces February 2015*. Unknown place of publication: CIPD.

Chalmers, A. F. 1999. *What is this thing called science?* Open University Press.

Charmaz, K. 2006. *Constructing grounded theory*. 2nd Edition. London. Sage Publication

Cope, J. 2005. Toward a dynamic learning perspective of entrepreneurship. *Entrepreneurship Theory and Practice*, 29, 373-397.

Creswell, J. W. 2007. *Qualitative inquiry & research design: Choosing among five approaches*, California, Sage Publications.

Duberley, J. & Walley, P. 1995. Assessing the adoption of HRM by small and medium-sized manufacturing organizations. *The International Journal of Human Resource Management*, 6, 891-909.

Georgiadisa, a. & Pitelis, C. N. 2012. Human resources and SME performance in services: empirical evidence from the UK. *The International Journal of Human Resource Management*, 23:4, 808–825

Glaser, B. 1992. *Basics of grounded theory analysis: Emergency vs forcing*. Mill Valley, CA: Sociology Press

Gorgievski, M. J., Ascalon, M. E. & Stephan, U. 2011. Small business owners' success criteria, a values approach to personal differences. *Journal of Small Business Management*, 49, 207-232.

- IPD, 1999. *The impact of people management practices on business performance: A literature review*. London: Institute of Personnel and Development.
- ITC, 2016. *SME competitiveness outlook 2016*. International Trade Centre.
- Jaouen, A. & Lasch, F. 2015. A new typology of micro-firm owner-managers. *International Small Business Journal*, 33, 397-421.
- Lai, Y., Saridakis, G. & Johnstone, S. 2016. Human resource practices, employee attitudes and small firm performance. *International Small Business Journal*, 1-25
- Latorre, F., Guest, D., Ramos, J. & Gracia, F. J. 2016. High commitment HR practices, the employment relationship and job performance: A test of a mediation model. *European Management Journal*, 34, 328-337.
- Nolan, C. T. & Garavan, T. N. 2016. Human resource development in SMEs: A Systematic review of the literature. *International Journal of Management Reviews*, 18, 85-107.
- Rae, D. 1999. *The entrepreneurial spirit: Learning to unlock value*, Dublin, Blackhall Publishing.
- Rae, D. 2005. Entrepreneurial learning: a narrative-based conceptual model. *Journal of Small Business and Enterprise Development*, 12, 323-335.
- Rauch, A. & Hatak, I. 2016. A meta-analysis of different HR-enhancing practices and performance of small and medium sized firms. *Journal of Business Venturing*, 31, 485-504.
- Raymond, I., Marchand, M., St-Pierre, J., Cadieux, L. & Labelle, F. 2013. Dimensions of small business performance from the owner-manager's perspective: A re-conceptualization and empirical validation. *Entrepreneurship and Regional Development*, 25, 468-499.
- Rizzo, A. & Fulford, H. 2012. Understanding small business strategy: A grounded theory study on small firms in the E.U. State of Malta. *Journal of Enterprising Culture*, 20, 287-332.
- Ropega, J. 2011. The reasons and symptoms of failure in SME. *International Advances in Economic Research*, 17, 476-483.
- Strauss, A. & Corbin, J. 1990. *Basics of qualitative research: Grounded theory procedures and techniques*. Newbury Park: CA. Sage.
- Tocher, N. & Rutherford, M. W. 2009. Perceived acute human resource management problems in small and medium firms: An empirical examination. *Entrepreneurship: Theory and Practice*, 33, 455-479.
- World Bank. 2015. *Small and medium enterprises (SMEs) finance*. 1 September.
- WTO. 2017. *World trade report 2016: Levelling the trading field for SMEs*. World Trade Organization

Boundaries in arts marketing: exploring collaboration in audience development strategies between practice communities

Devney Gerard
Manchester Metropolitan University, U.K.

Abstract:

Following a brief presentation of arts marketing as a practice facing a dilemma of target-led and product-led marketing, the literature review establishes convergence marketing as a means of delivering a relational approach to resolve this. The institutionalisation of marketing in the field of audience development offers an environment for research focusing on the collaborative practices of in-house marketers and agency experts. Using Wenger's (2000) communities of practice as a theoretical lens an ethnography of practice is proposed to explore if the relational approach is currently being used or even possible.

Research Problem:

Audience development within the arts is recognised as one of the most important activities that arts marketing practitioners are expected to undertake (Tench and Yeomans, 2013, Scheff Bernstein, 2007). While practice in this field may be much broader than arts marketing alone - incorporating the objectives of social inclusion policies - the institutional dilemma of adopting a target-led or product-led approach to arts marketing cannot sustain these objectives (Lindelof, 2014). The problem lies in the split foci of audience development experts adopting a target-led approach delivered through short-term projects and the in-house marketing teams of Performing Arts Organisations (PAOs) maintaining a traditional product-led approach. In order to confront this, a relational approach has been suggested whereby the success of arts marketing depends on its capacity to support and reinforce artistic experiences (Boorsma and Chiaravallotti, 2010). This study aims to investigate marketing practice to explore the degree of collaboration taking place between these two groups that could facilitate the relational approach. This is proposed as a vital step for PAOs to sustain their audiences and avoid financial hardship.

To date, the majority of research into audience development has focused on the audience experience in attending a performance in order to ensure appropriate outreach and engagement activities are taken up (Radbourne, 2013) By taking an institutional focus on marketing practice this study will help identify potential for collaboration between professionals adopting target-led or product-led approaches to help deliver the relational approach called for.

Literature Review:

Since the New Labour government of 1997, social inclusion policies within the arts began to take shape, resulting in public funding for audience development initiatives at non-profit organisations. This funding resulted in 'missionary' approaches to convert those non-attending publics, while mainstream marketing approaches were employed to publicise their offer and a division between target-led and product-led marketing was born (Hayes and Slater, 2002). While a welcome addition to the marketing strategies available, neither approach has provided a long-term fix to the problem of sustaining arts audiences: a product-led approach appeals to those already engaged in the arts, eventually leading to attrition of the same market (Morison and Dalglish, 1993); and a target-led approach requires investment in a single project that may not promote further attendance.

In appealing to new audiences, the target-led approach is regarded as limited owing to the work of Bourdieu (1984) in his observation of a phenomenon he describes as *habitus*. *Habitus* holds that publics divested of social, cultural and economic capital will never be able to acquire cultural taste and as such poses a massive impediment to audience development initiatives engaging in outreach programmes with those publics not typically attending arts organisations. This has been echoed more recently in the work of social policy researcher, Kawashima (2006) who highlights its relevance to audience development practices:

“The acquisition and accumulation of cultural competence by those without any in the first place is such a long-term enterprise that the majority of audience development projects cannot tackle the root of this issue” (Kawashima, 2006:65).

According to Bourdieu (1984), individuals and institutions reproduce positions and tastes within society through the phenomenon of *habitus* that “immanently transforms situations into positions” (Robbins, 2000:31). This problem is manifest in arts marketing practices as the institutionalisation of marketing as an organisational philosophy resigns practice to a traditional product-led orientation (Lee, 2005). This maintains the authority of the arts in a paternalistic relationship with the publics it seeks to serve, observed through the “proliferation of arts marketing experts and consultants, and the expansion of relevant training courses, seminars and conferences” (Lee, 2005:294). While organisational practice should address issues of access that would promise broader public service and greater financial sustainability, it is the practitioners themselves as cultural intermediaries who determine how social inclusion is delivered according to their position within the organisation: “[Their position] determines the extent to which he or she reinforces a definition of the arts that is inherently elitist” (Glow, 2013:45).

Although relationships developed between the arts and their audiences have been demonstrated as being effective at achieving attitudinal and behavioural change (Scollen, 2008, 2009), practice has largely been limited to relationship marketing addressing those audiences already in attendance. This stems from the range of qualitative research conducted investigating such factors as loyalty and segmentation (Guillon, 2011), experiential products or services (Eisingrich and Bell, 2007), and cultural attitudes to attendance (Roper and Savelsberg, 2009). Qualitative research has been well received across the arts marketing industry providing information on audience motivations in attending and enabling the retention of audiences (Osborne and Rentschler, 2010), but in identifying the institutional dilemma of a target-led or product-led approach to audience development that persists (Lindelof, 2014) the prospect of convergence marketing identified by Radbourne (2013) could provide a solution.

Convergence marketing recognises the potential participation of the audience in the product, providing a holistic, relational approach that could resolve the dilemma of target-led versus product-led marketing. As this dilemma is currently manifest in the different practice perspectives of in-house marketers and audience development experts, an institutional focus is suggested as the locus of further research, using Wenger’s (2000) Communities of Practice as a perspective through which to investigate if an integrated solution is possible through collaborative practices. Wenger and Snyder (2000) defined a CoP as “groups of people informally bound together by shared expertise and passion for a joint enterprise” while Roberts (2006) points out that the context that a CoP inhabits is a major factor in determining its success at creating and transferring knowledge. As the practice of audience development is conducted in those PAOs that are actively committed to delivering community cohesion, it will be valuable to see if collaboration between in-house staff and agency experts is achieved more fruitfully as a result of this, or if it is bound by legacy marketing traditions of the target-led and product-led approaches. In order to address the research problem as outlined above, and in respect of the literature above, the following research questions have been posited:

1. What differences are there in the arts marketing practices of agency and in-house staff?
2. Why is there a difference between the marketing practices of in-house and agency experts in audience development projects?
3. In what ways will audience development objectives be influenced by collaborative practices?

Methodology:

In contrast to the critical theorist approach of Bourdieu in researching audience development and arts marketing currently in practice, the new research proposed here seeks to explore how collaborative practices take shape in delivering audience development. By adopting a social constructionist approach guided by Wenger's (2000) Communities of Practice as a perspective, an interpretivist philosophy would be maintained, appropriate to the explanation of relationships via qualitative research (Guest et al, 2013). In so doing, the focus of research will be a process study, revolving around the emergent collaboration between the practitioners of in-house marketing and audience development experts during a specific period of outreach as opposed to the PAO as a historically bound institution that critical theory would seek to address.

The perspective of Wenger's (2000) Communities of Practice (CoP) is useful in its alignment with Bourdieu's concept of *habitus*, exploring the competence and experience of practice members that may reveal institutional elitism or communality as it is constructed. This study would therefore address the roles that cultural intermediaries play in the way defined by Glow (2013) above. The social constructionist approach to research has been suggested owing to its dual focus on the "processes of interactions among individuals [and its] focus on the specific contexts in which people live and work, in order to understand the historical and cultural settings of the participants" (Creswell, 2009:8) presenting a critical alignment with Bourdieu's earlier research. As a piece of qualitative research that may be compromised in terms of its generalisability (Bryman, 2012), research that may prove comparable or contrastive to Bourdieu will help achieve greater validity in its findings.

A number of criticisms can be made of qualitative research such as that it is too subjective, difficult to replicate, and has problems of generalisation and transparency, however the validity of the findings can be checked via triangulation, member checking, use of 'thick description', and by clarifying bias as a reflective step. Although inductive research is largely associated with qualitative research, this research will adopt a specifically abductive approach. This is because of its capacity to answer 'what' as well as 'why' questions (Blaikie, 2010) as posited above, and also because the data collected will be grounded in the particular worldview exhibited by the participants (Bryman, 2012)

Method

Owing to the emergent nature of collaborative practices between in-house and agency experts an ethnographic approach presents the most suitable research design for studying organisational culture (Myers, 2013). This will provide a fuller portrayal of marketing practice as it occurs as: "the ethnographer sees what people are doing as well as what they say they are doing" (Myers, 2013:97). This will also be useful owing to the project-based nature of audience development initiatives conducted over a specific period. Ethnography also benefits the study from the point of view of flexibility as it "allows researchers to submerge themselves in a social setting with a fairly general research focus in mind" which gradually becomes narrower through observations (Bryman, 2012:402). The flexibility of this approach will be well-suited to an environment that has not been investigated in this way, refocussing on interesting phenomenon as they occur.

The most serious concern for the ethnographer is arguably access, and this has currently been secured at a biennial arts festival in 2019 providing sufficient time to develop good relations with the organisation to help establish key informants while accounting for gatekeeper bias that might otherwise influence the data collected (Bryman, 2012). Access significantly affects the quality of the data gathered because the researcher is the research instrument. This is accommodated in the concept of 'participant observation' whereby the researcher is acknowledged as a constituent of the research field. At this stage it is only envisaged that research be conducted at the level of a 'partially participating observer' as this recognises the organisations' level of familiarity with the researcher. Participant observation has criticisms of being either too far removed from the nuances of the practice to interpret it properly, or alternatively being too blasé with the environment to pick up on relevant information, however as a partially participating observer interviews and document may also be admissible for building up the picture of what is going on (Bryman, 2012). It is proposed that in adopting the role of the partially participating observer research would be conducted overtly which may therefore result in the 'observer effect' whereby those being studied may behave differently in the researcher's presence, however this is contested by Monahan and Fisher (2010) who argue that this may entail heightened demonstration of practice for the benefit of the researcher. This prospect could be even more likely given that the festival's remit is to present wholly original work demanding greater audience development for each event than more familiar works.

Data Collection

Fieldwork for the study will be conducted in two main ways: fieldnotes and semi-structured interviews, with a consideration of supporting documents and photographs to provide additional context and to enable the development of 'thick description' if suitable. Taking account of the setting, the actors, the events and the processes observed, the validation of the study will be further supported by the employment of protocols for both observational data (for example splitting descriptive notes from reflexive and demographic notes) and interviews which will help standardise the approach between participants.

Comprehensive fieldnotes will allow the capture of practice as it happens while 'thick description' will help to develop focus in the research conducted. Complementing this, semi-structured interviews will help this exploratory study understand the context in which practices are observed (Saunders, 2016). Using interviews may not provide data that is as authentic or reliable as the fieldnotes, however as a complementary source it does provide a means of accessing authentic accounts that may not be observable in action. Through appropriate scheduling of interviews prior to the period of ethnographic research it is hoped that an appropriate grasp of practitioner vernacular may be established, while interviews conducted during the festival period may offer practitioners' reflections on specific events.

Analysis

The method of analysis proposed for this study is Charmaz' (2006) version of Grounded Theory, chosen for its specific alignment with social constructionism, its greater flexibility in application, and its accommodation of the researcher playing an active role in the interpretation of data. It is also deemed suitable on account of its iterative process in the development of theory: "grounded theory suggests there should be continuous interplay between data collection and analysis" (Myers, 2013:104) which also fits with the collection of data in an ethnography which narrows in its focus as the research is conducted. Grounded theory is also consistent with the abductive research approach proposed, and therefore should offer some answers to the research questions set. The difficulty of applying Grounded Theory in this study is the

preconceived perspective offered by Wenger's Communities of Practice, which at best may provide initial coding categories for themes to develop within, or at worst may be taken to prescribe focus in developing the data. The strength of using CoP as a theoretical lens in this study is the potential for forming "interpretations that call for action agendas for reform and change" (Creswell, 2009:190) allowing for further reflection on Bourdieu's critical theory of *habitus*.

References

Blaikie, N. 2010. *Designing social research*. Polity.

Boorsma, M., and Chiaravalloti, F. (2010) "Arts marketing performance: An artistic-mission-led approach to evaluation." *The journal of arts management, law, and society* vol. 40, no. 4, pp. 297-317

Bourdieu, P., (1984) *Distinction: A social critique of the judgement of taste*. Harvard University Press.

Bryman, A., 2012. 2001. *Social research methods*.

Charmaz, K. 2006, '*Constructing grounded theory: a practical guide through qualitative analysis*,' SAGE, London.

Creswell, J.W., 2009. Qualitative procedures. *Research design: Qualitative, quantitative, and mixed methods approaches*, pp.173-202.

Eisingerich, A. B., & Bell, S. J. (2007). 'Maintaining customer relationships in high credence services.' *Journal of Services Marketing*, 21(4), pp. 253-262.

Guest, G., Namey, E.E. & Mitchell, M.L. (2013), *Collecting qualitative data: a field manual for applied research*, SAGE Publications, Thousand Oaks

Guillon, O. (2011) "Loyalty Behaviours and Segmentation of Performing Arts Audiences: The Case of Théâtre de l'Athénée in Paris", *International Journal of Arts Management*, vol. 14, no. 1, pp. 32-44.

Hayes, D., & Slater, A. (2002) 'Rethinking the missionary position'-the quest for sustainable audience development strategies.' *Managing Leisure*, 7(1), pp. 1-17.

Kawashima, N., (2006) Audience development and social inclusion in Britain: Tensions, contradictions and paradoxes in policy and their implications for cultural management. *International journal of cultural policy*, 12(1), pp.55-72.

Lee, H. (2005) "WHEN ARTS MET MARKETING", *International Journal of Cultural Policy*, vol. 11, no. 3, pp. 289-305.

Lindelof, A.M. (2014) "Audience development and its blind spot: a quest for pleasure and play in the discussion of performing arts institutions", *International Journal of Cultural Policy*, vol. 21, no. 2, pp. 200-19.

- Monahan, T. and Fisher, J.A., 2010. Benefits of 'observer effects': lessons from the field. *Qualitative Research*, 10(3), pp.357-376.
- Morison, B.G. and Dalgleish, J.G. (1993) *Waiting in the wings: a larger audience for the arts and how to develop it*, second edition, New York, American Council for the Arts.
- Myers, M.D., 2013. *Qualitative research in business and management*. Sage.
- Osborne, A., & Rentschler, R. (2010). 'Conversation, collaboration and cooperation: courting new audiences for a new century.' *Marketing the arts: a fresh approach*, pp. 54-71.
- Radbourne, J., Glow, H. and Johanson, K., 2013. The audience experience: A critical analysis of audiences in the performing arts.
- Robbins, D., 2000. *Bourdieu and culture*. Sage.
- Roberts, J., (2006) Limits to communities of practice. *Journal of management studies*, 43(3), pp.623-639.
- de Roeper, J. & Savelsberg, H.J. 2009, "Challenging the youth policy imperative: engaging young people through the arts", *Journal of Youth Studies*, vol. 12, no. 2, pp. 209-225.
- Saunders, M., Lewis, P. & Thornhill, A. 2012, *Research methods for business students*, 6th edn, Pearson, New York; Harlow, England.
- Scollen, R. (2008) "Regional voices talk theatre: audience development for the performing arts", *International Journal of Nonprofit and Voluntary Sector Marketing*, vol. 13, no. 1, pp. 45-56.
- Scollen, R. (2009). 'Talking theatre is more than a test drive: two audience development methodologies under review.' *International journal of arts management*, pp. 4-13.
- Scheff Bernstein, J., 2007. Arts marketing insights. *The Dynamics of Building and Retaining Performing Arts Audiences*, Hoboken.
- Wenger, E., (2000) Communities of practice and social learning systems. *Organization*, 7(2), pp.225-246.
- Wenger, E.C. and Snyder, W.M., 2000. Communities of practice: The organizational frontier. *Harvard business review*, 78(1), pp.139-146.
- Tench, R. & Yeomans, L. (2013), *Exploring public relations*, Pearson, Boston, Massachusetts.

The Underrepresentation of Women on Corporate Boards

Hurst Cheryl

Leeds University Business School, U.K.

Abstract

This paper stems from early research exploring how members of organizations discursively construct their understanding of the underrepresentation of women on corporate boards, focusing on methods to intervene such as quotas, targets, and other forms of positive action. This report questions the current understanding of the business system, highlighting barriers that prevent women from penetrating closed 'business elite' networks. This report contributes an individualized qualitative approach to the literature, as existing research has been heavily focused on quantitative measures or broad analysis.

Introduction

Over the last decade the concern for the underrepresentation of women in corporate boardrooms has steadily increased (Huse, Nielson & Hagen, 2009). The disproportionate amount of women at the top of organizations has pushed the agenda for determining the circumstances and factors that both promote and impede women's access to these top levels (Burke & Mattis, 2000). The major themes in existing literature include: the reasons women are underrepresented, why the underrepresentation is a cause for concern, the use of quotas or targets as interventions to balance the underrepresentation, and the subsequent consequences of these interventions (Brammer et al., 2015). As the debate continues, women's progress to the top levels of corporate specific hierarchies is still moving at a speed that is inconsistent with the available female talent pool. In the United Kingdom, corporate boardrooms are made up of 26% women as of 2015, an increase from 12.5% in 2010 (Vinnicombe et al., 2015). This progress is a result of considerable effort and pioneering by third parties as well as organizations themselves, and while it is worth celebrating, the battle for gender parity is far from over. There are still structural and institutional barriers that prevent women from reaching top positions.

The present study addresses a gap in the literature through the use of qualitative methodology and Critical Discourse Analysis. This follows the philosophy that our access to reality is through language, not as a reflection, but as a process of which reality is constructed (Fairclough, 1995). The intervention methods used to increase female representation, such as quotas and targets, will be the focus of discussion through interviews, focus groups, and observation with members of UK organizations. This specific report addresses the need for this approach, while highlighting some of the barriers facing women. This report explicitly focuses on the exclusivity of organizational networks and the formation of the male business elite. The role of the business system in the underrepresentation of women is also discussed.

Existing Barriers

A persistent barrier to women in management is the stereotype that associates management with being male (Schein, 2007). A key theme is the idea that women's traits make them less effective as leaders (Paustian-Underdahl et al., 2014). Men are believed to be "agentic", with more achievement-oriented traits which are the same traits associated with

successful leaders and managerial roles (Schein, 2007). Women are labeled as having “communal” behavioral patterns, with more social-and-service-oriented traits (Bakan, 1966). These traditional stereotypes of men and women appear pervasive and resistant to change, specifically in regards to organizational settings. The key characteristics associated with these labels are thus seen to represent each individual gender (ie: men seen as aggressive and decisive with women appearing kind and sympathetic; Heilman, 2001). Though women are identified as having their own positive attributes (decision making, empathy, etc) these attributes are considered non-essential when looking at what is required to be at the top levels of corporate hierarchies (Koenig et al., 2011). In order to get ahead in organizations women therefore perceive the need to adopt the behaviors and attitudes of their male colleagues (Tutchell & Edmonds, 2015). This means that a woman’s presence on a corporate board might be largely conditional on her ability to modify her behavior, negating any individual skillset she might bring to the table (Heilman, 2001). This contributes to the cycle of women being seen as not suitable for leadership positions, with men seeing female leaders as ‘not a typical woman’ due to her ‘masculine-like’ behavior and accrediting these behaviors to her success (Tutchell & Edmonds, 2015). Adopting stereotypically male qualities, however, does not necessarily improve the likelihood of a women being hired for a position; women who adopt agentic traits are seen differently than men with these same traits (Heilman, 2001). Behavior that is viewed as beneficial for men, such as confidence, is actually detrimental to women, as they are viewed as abrasive (Snyder, 2014). This dynamic places women in a near impossible situation as they attempt to orient themselves in a male dominated environment.

An additional reason for the under representation of women goes beyond that of structural and institutional barriers and is more reflective of behavior differences and the creation of exclusive business elite networks. As women attempt to participate in their organizations’ networking activities they are faced with issues such as the ‘old boys’ club’ due to the male dominated environment (Oakley, 2000). In March of 2016, the Equality and Human Right commission probed the FTSE 350 board appointments to find that outdated attitudes and informal selection processes are still being used. In discussions with corporate women it is clear that senior male managers become close with each other and that “informal mentoring gets done on golf courses” (Konrad, Kramer, & Erkut, 2008). The Old boy’s network present within organizations is still responsible for the majority of promotions, rewards, and recruitment with networking events still largely organized around traditionally male interests (Gamba & Kleiner, 2001). This informal system allows the maintenance of an all-male social system, or *male* business elite, at the top of organizations that leaves women out of important opportunities (Oakley, 2000).

In order to increase the diversity of corporate boards, the dissolution of the male business elite is increasingly important but not without hesitation. An introduction of women, along with more transparent appointment processes, threatens the status quo that is currently quite lucrative for those at the top. The organizational norms of appointments through kinship, expanding salaries, and other related perks of being a part of ‘the old boys’ club’ are under threat with the rise of women on boards and related interventions (Oakley, 2000).

Questioning the business system

The present study refers to the business elite in conjunction with the notion of an ‘old boys’ network’ as a barrier that prevents women from gaining positions in top levels of corporate hierarchies. On a micro level, this study questions aspects of the business system such as promotion, recruitment, and appointment processes.

It is often argued that board appointment processes are, and should be, based on merit (Castilla & Benard, 2010). Given the amount of available women, however, it is argued here that merit is not currently the prevailing factor when making decisions. Women have gained notable human capital, surpassing the number of men in tertiary education for decades as well

as earning relevant degrees and international experience (Singh, Terjesen, & Vinnicombe, 2008). This introduces an uncomfortable argument regarding the business system by questioning the role of merit for those who currently hold positions (Noon, 2010). Women are also given fewer opportunities, either through networks or training, to gain the qualifications considered to show 'merit' for available positions (Castilla & Benard, 2010). Out of necessity, women have altered their career paths, often gaining equivalent but different experience in both the public and private sector. When looking to appoint board positions, however, members are likely to choose candidates with similar career paths as the appointer, therefore excluding women who have had to change their specific career progression path (Castilla & Benard). The problem is not the availability of women, but that by consistently adhering to a traditional and limited idea of merit organizations are missing women who are able to enhance their boards and fulfill the required needs (Thornton, 2007).

The progress that has been made in organizations has stalled since UK organizations reached the initial target of 25%. Recent social and political developments have served to distract from the necessary pledge to make diversity management a priority among businesses. As the business elite begin to respond to the changing economic order, it is necessary to bring focus back the problems of diversity and creating a representative business system (Vinnicombe et al., 2016).

Research Methodology

The present study is a response to the existing concentration on quantitative research, such as performance outcomes after an increase of women on boards. It also fills the gap within qualitative analysis that has previously focused on board dynamics or board characteristics (Terjesen, Sealy & Singh, 2009). This research will focus on members of organizations and their specific discursive representation of intervention methods. Critical Discourse Analysis will be used, representing a set of philosophical premises and methodological guidelines for studying the relationship between language use and social context (Jorgenson & Phillips, 2002). The discussion of intervention methods by organizational members is both constitutive of the social reality and constituted by social practices (Fairclough, 1995). Language, therefore, is not viewed as neutral but as both a cause and result of political, social, racial, and other cultural formations (Fairclough, 1995). For this research, language is viewed as a vital component of the maintenance of the business elite and the resulting underrepresentation of women. This view provides a step back from research on a 'global elite' and instead attempts to provide a more concentrated and nuanced understanding of the business system that has been overlooked in diversity research.

References

- Bakan, D., 1966. The duality of human existence: An essay on psychology and religion.
- Brammer, S., Rayton, B. and Grosvold, J., 2016. Women on Corporate Boards: A Comparative Institutional Analysis.
- Burke, R. J. and M. C. Mattis: 2000, 'Women Corporate Boards of Directors: Where Do We Go from Here?'. Kluwer Academic Publishers.
- Castilla, E.J. and Benard, S., 2010. The paradox of meritocracy in organizations. *Administrative Science Quarterly*, 55(4), pp.543-676
- Fairclough, N., 1995. Critical discourse analysis. The critical study of language. Language in social life series.
- Gamba, M. and Kleiner, B.H., 2001. The old boys' network today. *International Journal of Sociology and Social Policy*, 21(8/9/10), pp.101-107.

- Heilman, M.E., 2001. Description and prescription: How gender stereotypes prevent women's ascent up the organizational ladder. *Journal of social issues*, 57(4).
- Huse, M., Nielsen, S.T. and Hagen, I.M., 2009. Women and employee-elected board members, and their contributions to board control tasks. *Journal of Business Ethics*, 89(4), pp.581-597.
- Jørgensen, M.W. and Phillips, L.J., 2002. *Discourse analysis as theory and method*. Sage.
- Koenig, A.M., Eagly, A.H., Mitchell, A.A. and Ristikari, T., 2011. Are leader stereotypes masculine? A meta-analysis of three research paradigms. Konrad, A.M., Kramer, V. and Erkut, S., 2008. Critical Mass:: The Impact of Three or More Women on Corporate Boards. *Organizational dynamics*, 37(2), pp.145-164.
- Noon, M., 2010. The shackled runner: time to rethink positive discrimination?. *Work, Employment and Society*, 24(4), pp.728-739.
- Oakley, J.G., 2000. Gender-based barriers to senior management positions: Understanding the scarcity of female CEOs. *Journal of business ethics*, 27(4), pp.321-334.
- Paustian-Underdahl, S.C., Walker, L.S. and Woehr, D.J., 2014. Gender and perceptions of leadership effectiveness: A meta-analysis of contextual moderators.
- Schein, V.E., 2007. Women in management: reflections and projections. *Women in management review*, 22(1), pp.6-18.
- Singh, V., Terjesen, S. and Vinnicombe, S., 2008. Newly appointed directors in the boardroom:: How do women and men differ?. *European Management Journal*, 26(1), pp.48-58.
- Snyder, K., 2014. The abrasiveness trap: High-achieving men and women are described differently in reviews. *Fortune Magazine*.
- Terjesen, S., Sealy, R. and Singh, V., 2009. Women directors on corporate boards: A review and research agenda. *Corporate governance: an international review*, 17(3), pp.320-337.
- Thornton, M., 2007. Otherness on the bench: how merit is gendered. *Sydney L. Rev.*, 29, p.391.
- Vinnicombe, S., Doldor, E., Sealy, R., Pryce, P. and Turner, C., 2015. The Female FTSE Board Report 2015.
- Wellington, S. and Spence, B., Catalyst.(2001). *Be Your Own Mentor: Strategies from Top Women on the Secret of Success*.

Support Mechanisms for Startup Companies in the Russian Federation

Andrey Kozyrev

Plekhanov Russian University of Economics, Russia

Abstract

This article explores the sources of funds that are accessible by the startup founders in the Russian economy and that act as decisive influencing factors of the startup companies' ultimate success. The article focuses on the opportunities and problems that are associated with using such sources within the current economic environment of the Russian Federation. The proposed mechanism of startup funding creates a synergy between the startup sector of the state economy and the stock market. Within this mechanism a considerable amount of prospective startup companies form an open joint stock company, which, supported by the state institutions, issues common shares on the high-tech segment of the national stock market.

[Link to paper](#)

Social Enterprises and their Ability to Create System Change: A Theoretical Framework for Future Research

Asma Naimi

ESADE Business School, University Ramon Llull, Spain

Abstract

The main aim of this thesis is to aggregate and organise the existing knowledge in the management literature on the research question: How are social enterprises (SEs) able to create system change? The systematic literature review, covering a final sample of 39 articles, has resulted in a theoretical framework providing a more complete picture of mechanisms applied by SEs to create change on multiple levels: combining logics, communication, collaboration, and bricolage. These mechanisms are based on the main theoretical concepts in the social enterprise literature on social change and strategies identified from the in-depth case studies on specific Grand Challenges/Wicked Problems. Areas for future research have been identified based on the outcomes of the systematic literature review.

[Link to paper](#)

Conceptualizing Consumer-Employee Retailer Brand Equity with a New Dual Stakeholder Perspective

Rudkowski Janice

Henley Business School, University of Reading, U.K.

Abstract

This research conceptualizes and measures retailer brand equity from a new dual stakeholder perspective, consumer-employees. They are an important stakeholder who shop and work at the retailer, and offer internal and external perspectives of the retailer brand. Using multiple brand equity theories as a framework, consumer-employee retailer brand equity (CE-RBE) is conceptualized as a key intervening factor between consumer-based retailer brand equity and employee-based retailer brand equity on proposed outcomes (eg. employee behaviours and compensation). An online survey is deployed to collect data, and PLS-SEM is used to develop the model and analyse the data. A pilot study of 52 store-level employees of apparel and accessories retailers across Canada revealed an interesting pattern of preliminary results, laying the groundwork for further exploration and investment into data collection and analyses.

PREFACE

This research includes three phases. Phases one and two are complete and preliminary results are shared in this paper. Phase three is in progress.

- *Phase One:* conduct literature review; define and conceptualize variables that contribute to the formation of CE-RBE; develop the research instrument (online survey).
- *Phase Two:* conduct pilot study to refine the research instrument, simplify and test the feasibility of the CE-RBE model for a large scale study.
- *Phase Three:* conduct large scale data collection; empirically test the CE-RBE model using survey data and PLS-SEM. Discuss limitations, managerial implications and future areas of research.

RESEARCH PROBLEM

Three decades of brand equity research has produced a strong body of literature, whereby brand equity is conceptualized and measured from different stakeholder perspectives (eg. financial, consumer or employee) and across goods, services and retailers. According to the National Retail Federation, the retail sector "...is the largest private employer in the United States...supports 42 million jobs, provides \$1.6 trillion in labor income and contributes \$2.6 trillion annually to US GDP" (PwC, 2014: E-1). Despite the increasing power and influence of retailer brands and the importance of the employee as a critical stakeholder, current brand equity research is focused largely on the *consumer stakeholder perspective* and a *goods-centered approach*.

Store level employees are a critical stakeholder for retailers as they are at the front lines of service delivery and represent a considerable investment for the firm, accounting for 15% of all store expenses (PWC, 2013). They are the 'face' of the retailer brand and responsible for

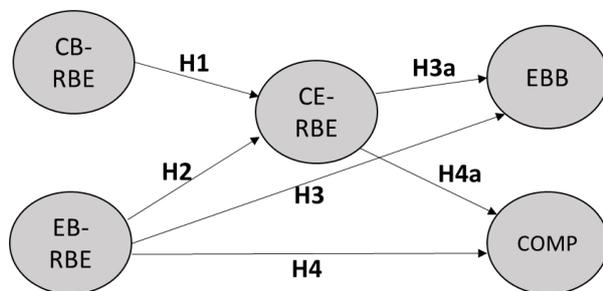
delivering the organization’s brand promise in both online and offline channels. As the lines between online and offline retail channels become increasingly blurred for consumers, so do the lines between consumers and employees. Thus, this research argues that a store-level employee does not just provide a single internal perspective of the retailer. This research proposes a new dual-perspective stakeholder, the consumer-employee; someone who *shops* and *works* at the retailer, and offers internal and external perspectives of the retailer brand. There is mounting evidence (Davcik et al., 2015; Iglesias et al., 2013; Hult et al., 2011; King et al., 2011; Cristodoulides, De Chernatony, Furrer, Shiu and Abimbola, 2006) that retailer brand equity is co-created and should include additional perspectives beyond the consumer..

Current literature places heavy emphasis on examining only *one* stakeholder perspective, for example the consumer *or* the employee (DelVecchio et al., 2007; King and Grace, 2010; Gil-Saura et al., 2013; Tavassoli et al., 2014), but rarely are they *examined together* within the same study (Chun and Davies, 2006). This research proposes that the current approaches to conceptualizing consumer-based and employee-based retailer brand equity are incomplete, thus, it seeks to advance the employee-based retailer brand equity literature.

PROPOSED MODEL AND HYPOTHESES

Following an extensive literature review, a CE-RBE model is conceptualized, shown in Figure 1, and six hypotheses are formulated. CE-RBE is formed by two second-order latent constructs, consumer-based retailer brand equity (CB-RBE) and employee-based retailer brand equity (EB-RBE), and CE-RBE leads to two proposed outcomes, employee based behaviours (EBB) and compensation (COMP).

Figure 1: Consumer-Employee Retailer Brand Equity (CE-RBE) Model



We follow Keller’s (1993) definition of consumer-based brand equity: “...the differential effect of brand knowledge on consumer response to the marketing of a brand” (Keller, 1993: 8). We conceptualize CB-RBE as a four-dimensional second-order latent construct consisting of: *loyalty* (Arnett et al., 2003), *quality* (Arnett et al., 2003), *associations* (Yoo, Donthu and Lee, 2000; Pappu and Quester, 2008) and *value* (Arnett et al., 2003). While many studies (Aaker, 1991; Yoo, Donthu and Lee, 2000; Arnett et al., 2003) include *awareness* as a key dimension of CB-RBE, this research excludes it due to an employee’s knowledge and awareness of the retailer where they are employed.

We follow King and Grace’s definition of employee-based brand equity: “...the differential effect that brand knowledge has on an employee’s response to their work environment” (King and Grace, 2009: 130). We conceptualize EB-RBE as a six dimensional second-order latent construct consisting of: *internal advancement* (DelVecchio et al., 2007), *skills development* (DelVecchio et al., 2007), *work ethic* (DelVecchio et al., 2007), *resume power* (DelVecchio et al., 2007), *perceived brand equity* (DelVecchio et al., 2007) and *brand commitment* (King and

Grace, 2010). Employee brand behaviour (EBB) (measured using three dimensions: brand endorsement, brand allegiance and brand consistent behaviour) (King et al., 2012) is a potential outcome that could result from strong perceived CE-RBE. Compensation levels (including hourly wages and benefits) are also potential outcomes that may be impacted by the strong perceived CE-RBE.

The line between consumer and employee is increasingly blurred. As DelVecchio et al. (2007: 150) observed, "...for a college graduate seeking an entry-level job, the primary interaction with many companies is as a consumer...through advertising exposure and/or product use." Employees' perceptions of and feelings towards their employer's brand can be powerful since, "...people consume numerous products but typically hold only one job at a time" (Tavassoli et al. 2014: 678). This leads to the first hypothesis:

H1. CB-RBE positively and directly influences the creation of CE-RBE.

Miles and Mangold (2004) proposed that employees impact several key facets of business from brand equity, brand messages and advertising to compensation, corporate culture and quality of service delivery; all of which are very relevant elements of the retail organization. These ideas led to the development of the second hypothesis:

H2. EB-RBE positively and directly influences the creation of CE-RBE.

Williams and Connell's (2010) argued the "...hybrid 'worker-consumer'...identifies with and finds pleasure being associated with particular brands" (Williams and Connell, 2010: 351). Williams and Connell's (2010) 'worker-consumer' shares similar traits as the consumer-employee introduced in this paper. They found that "...workers consent despite the deplorable conditions because these (retailers) resonate with their consumer interests, not with their interests as workers" (Williams and Connell, 2010: 351). Therefore, we propose the following hypotheses:

H3. Store-level retail employees will demonstrate positive brand behaviors the stronger the perceived retailer brand equity.

H3a. The effect is stronger for consumer-employees.

While consumer brand equity researchers seek to understand the *premium that consumers will pay* for brands (Aaker, 1991; Keller 1993), this research also seeks to understand what *employees will give up* in order to work for an organization with strong brand equity (Tavassoli et al., 2014). Giving up something or making a trade-off is fundamental to compensating wage differential theory. Eberts and Stone (1985) and Rosen (1986) argued that employees will accept lower wages in return for positive intangible aspects of work or fringe benefits. These ideas led to the development of final set of hypotheses:

H4. Store-level retail employees will accept lower total compensation the stronger the perceived retailer brand equity.

H4a. The effect is stronger for consumer-employees.

METHOD

In Phase Two a pilot study was conducted to refine the research instrument, simplify and test the feasibility of the CE-RBE model for a large scale study. Data was collected via Qualtrics using an online survey, in January 2016. The consumer-based and employee-based retailer

brand equity variables were measured using a 5-point Likert scale. The sample (n=52) comprised of English speaking store-level employees of apparel and accessories retailers in Canada, consisting of 34 females and 18 males. The respondents were employed by a variety of major retailers: Hudson’s Bay Company, JOE Fresh, Winners, Harry Rosen and Foot Locker. 56% of the respondents were between the ages of 18-34 years. 58% of the respondents are employed full-time, and 27% employed at that retailer for less than one year.

The proposed CE-RBE Model is a hierarchical component model (HCM) containing two second order constructs (CE-RBE and EB-RBE) and requiring two levels of abstraction (Hair et al., 2018). To initially test the model, CE-RBE and EB-RBE were characterized as Type II: Reflective-Formative HCM’s and specified separately using the repeated indicators approach. An initial assessment of the PLS-SEM model was conducted using Smart PLS3. Table 1 presents a summary of results for CB-RBE.

CB-RBE Inner path coefficient sizes: The inner model suggests that *associations* have the strongest effect (0.453) on CB-RBE, followed by quality (0.344), value (0.269) and loyalty (0.197). We can conclude that each relationship is statistically significant. **Indicator Reliability:** According to Hair et al. (2017), outer loadings should be 0.708 or higher. Each indicator was squared to find the indicator reliability value where 0.70 or higher is preferred (Wong, 2013). Loy3, Val2 and Assoc1-6 will be carefully examined to determine whether or not their elimination from the model will effect composite reliability and content validity. **Internal Consistency Reliability:** All composite reliability scores are acceptable as they are 0.7 or higher. **Convergent validity:** All AVE values are above 0.50, therefore, they are deemed acceptable because each construct (Loyalty, Quality, Value and Associations) explains more than half of the variance of its indicators (Hair et al., 2017).

Table 1: Reliability and Validity: Results Summary of CB-RBE

Latent Variable	Indicators	Outer Loadings	Indicator Reliability (squared)	Composite Reliability	AVE
Loyalty	Loy1	0.894	0.799	0.927	0.760
	Loy2	0.897	0.804		
	Loy3	0.816	0.666		
	Loy4	0.877	0.769		
Quality	Qual1	0.907	0.823	0.935	0.829
	Qual2	0.929	0.863		
	Qual3	0.895	0.801		
Value	Val1	0.892	0.796	0.853	0.663
	Val2	0.654	0.428		
	Val3	0.875	0.766		
Associations	Assoc1	0.758	0.575	0.865	0.520
	Assoc2	0.736	0.542		
	Assoc3	0.826	0.682		
	Assoc4	0.630	0.397		
	Assoc5	0.605	0.366		
	Assoc6	0.748	0.559		

EB-RBE Inner path coefficient sizes: The inner model suggests that *commitment* has the strongest effect (0.319) on EB-RBE, followed by resume power (0.310), advancement (0.204), brand equity (0.203), skills development (0.178) and work ethic (0.067). Work ethic (< 0.1) is the only latent variable that does not predict EB-RBE directly. **Indicator Reliability:** The indicators in italics and bold in Table 2 do not meet the 0.70 requirement, therefore, they will be carefully examined to determine whether or not their elimination from the model will effect composite reliability and content validity. **Internal Consistency Reliability:** All composite

reliability scores are acceptable as they are 0.6 or higher. **Convergent validity:** All AVE values should be above 0.50, therefore, Brand Equity will be closely examined as this construct explains less than half of the variance of its indicators (Hair et al., 2017).

Table 2: Reliability and Validity: Results Summary of EB-RBE

Latent Variable	Indicators	Outer Loadings	Indicator Reliability (squared)	Composite Reliability	AVE
Advancement	Adv1	0.861	0.741	0.953	0.872
	Adv2	0.962	0.925		
	Adv3	0.975	0.951		
Skills Development	Skildev1	0.975	0.951	N/A	N/A
	Skildev2	0.798	0.637		
	Skildev3	0.818	0.669		
Work Ethic	WE1	0.790	0.624	0.803	0.506
	WE2	0.706	0.498		
	WE3	0.659	0.434		
	WE4	0.685	0.469		
Resume Power	RP1	0.867	0.752	0.958	0.850
	RP2	0.945	0.893		
	RP3	0.935	0.874		
	RP4	0.939	0.882		
Brand Equity	BE1	0.782	0.611	0.756	0.485
	BE2	0.642	0.412		
	BE3	-0.526	0.277		
	BE4	0.732	0.536		
	BE5	0.731	0.534		
	BE6	0.733	0.537		
Commitment	Com1	0.918	0.842	N/A	N/A
	Com2	0.938	0.879		
	Com3	0.776	0.602		
	Com4	0.794	0.630		
	Com5	0.762	0.581		

DISCUSSION AND NEXT STEPS

An initial assessment of the measurement model using SmartPLS3 presents an opportunity to simplify the CB-RBE portion of the model and reduce the initial pool of 16 items to 10, and to reduce the EB-RBE portion of the model from 25 items to 16.

The means and standard deviations were also examined (not presented in this paper) for two dependent variables (compensation and employee brand behaviors) and ten independent variables (quality, loyalty, associations and value, work ethic, resume power, internal advancement, commitment, brand equity and skills development). The employees were categorized according to shopping frequency, to identify employees from consumer-employees as follows: ‘never’, ‘yearly’, ‘monthly’, and ‘weekly’. Based on a ranking analysis, ‘weekly consumer-employees’, compared to other employee types, shopped the most frequently at the retailer, are paid the highest hourly wage, perceive their retailers to have the highest consumer based brand equity and employee brand equity, and have the highest brand behavior scores. Phase one and two offers an interesting pattern of preliminary results to support the investment into phase three whereby the model will be refined and empirically tested.

Research next steps include refining the online survey and deploying it to a larger sample of store-level employees, and potentially expand the geographic scope to include Canada and USA. The sample size for phase three will be determined based on the guidelines within PLS-SEM. Hair et al. (2014) recommend taking the maximum number of arrows pointing at a construct and multiplying this by ten to achieve the sample size.

This paper describes the CE-RBE model that contributes to the conceptualization and understanding of retailer brand equity. It introduces and defines a new and important dual stakeholder perspective, the consumer-employee. As retailers continue to grow in power and influence, and store-level employees continue to impact business and brand success, we offer a model that addresses a substantial research gap and advances the employee and retailer brand equity literature.

REFERENCES

- Aaker, D. A. 1991. *Managing brand equity: capitalizing on the value of a brand name*. New York: Free Press.
- Arnett, D. B., Laverie, D. A. & Meiers, A. 2003. Developing parsimonious retailer equity indexes using partial least squares analysis: a method and applications. *Journal of Retailing*, 79(3): 161-170.
- Cristodoulides, G., De Chernatony, L., Furrer, O., Shiu, E., & Abimbola, T. 2006. Conceptualizing and Measuring the Equity of Online Brands. *Journal of Marketing Management*, 22:799-825.
- Chun, R. & Davies, G. 2006. The Influence of Corporate Character on Customers and Employees: Exploring Similarities and Differences. *Journal of the Academy of Marketing Science*, 34(2): 138-146.
- Davcik, N.S. and Sharma, P. 2015b. Impact of product differentiation, marketing investments and brand equity on pricing strategies: a brand level investigation. *European Journal of Marketing*.
- DelVecchio, D., Jarvis, C. B., Klink, R. R. & Dineen, B. R. 2007. Leveraging brand equity to attract human capital. *Marketing Letters*, 18(3): 149-164.
- Eberts, R. W. & Stone, J. A. 1985. *Unions and Public Schools: the non-wage effect of collective bargaining in American education*. Lexington Books.
- Gil-Saura, I., Ruiz-Molina, M. E., Michel, G. & Corraliza-Zapata, A. 2013. Retail brand equity: a model based on its dimensions and effects. *The International Review of Retail, Distribution and Consumer Research*, 23(2): 111-136.
- Hair, J. F., Hult, G. T. M., Ringle, C. M. & Sarstedt, M. 2017. *A Primer on Partial Least Squares Structural Equation Modelling (PLS-SEM) Second Edition*. SAGE Publications Inc., USA.
- Hair, J. F., Sarstedt, M., Ringle, C. M. & Gudergan, S.P. 2018. *Advanced Issues in Partial Least Squares Structural Equation Modeling*. SAGE Publications Inc., USA.
- Keller, K. L. 1993. Conceptualizing, Measuring, and Managing Customer-Based Brand Equity. *Journal of Marketing*, 57(1): 1-22.
- King, C. & Grace, D. 2009. Employee Based Brand Equity: A Third Perspective. *Services Marketing Quarterly*, 30(2): 122-147.
- King, C. & Grace, D. 2010. Building and measuring employee-based brand equity. *European Journal of Marketing*, 44(7/8): 938-971.
- King, C., Grace, D. & Funk, D. C. 2012. Employee brand equity: Scale development and validation. *Journal of Brand Management*, 19(4): 268-288.
- Miles, S. J. & Mangold, G. 2004. A Conceptualization of the Employee Branding Process. *Journal of Relationship Marketing*, 3(2-3): 65-87.
- Pappu, R. & Quester, P. G. 2008. Does brand equity vary between department stores and clothing stores? Results of an empirical investigation. *Journal of Product & Brand Management*, 17(7): 425-435.
- PwC. 2013. *Measuring Up: Retail Benchmarking Survey*. PwC and Retail Council of

- Canada. Online at: <http://www.retailcouncil.org/sites/default/files/documents/pwc-benchmarking-study-2013-11-en.pdf> (accessed 03/04/2016)
- PwC. 2014. *The Economic Impact of the US Retail Industry*. National Retail Federation. Online at: <http://www.nrf.com/retailsimpact> (accessed 06/01/2017)
- Rosen, S. 1986. The theory of equalizing differences. In: Ashenfelter & Layard (Eds.), *Handbook of Labor Economics*, 1: 641–692.
- Tavassoli, N. T., Sorescu, A. & Chandy, R. 2014. Employee-Based Brand Equity: Why Firms with Strong Brands Pay Their Executives Less. *Journal of Marketing Research (JMR)*, 51(6): 676-690.
- Williams, C. L. & Connell, C. 2010. Looking Good and Sounding Right: Aesthetic Labor and Social Inequality in the Retail Industry. *Work and Occupations*, 37(3): 349-377.
- Wong, K.K.K. 2013. Partial Least Squares Structural Equation Modeling (PLS-SEM) Techniques using SmartPLS. *Marketing Bulletin*, 24: 1-32.
- Yoo, B., Donthu, N. & Lee, S. 2000. An Examination of Selected Marketing Mix Elements and Brand Equity. *Journal of the Academy of Marketing Science*, 28(2): 195-211.

Pain or Gain? A Cultural Perspective on Management of Pay Disparity between Family and Non-Family Employees

Samara Georges

ESADE Business School, University Ramon Llull, Spain

Abstract:

Providing adequate compensation that fits family and non-family employees' contributions is a critical determinant of family business performance. Yet, due to altruism of family controlling owners towards their kin, there is a significant number of family businesses that overcompensate family employees relative to their non-family counterparts regardless of their contributions. How will this pay disparity affect family business performance? We conceptually claim that in a Collectivist high Power Distance culture family employees will reciprocate overcompensation by increasing their inputs and non-family employees will not expect equal compensation; and that the opposite will be true in an Individualist low Power Distance culture. By integrating equity theory and Hofstede's cultural dimensions we conclude that, depending on the cultural setting, pay disparity can be either a threat or an opportunity. We extend the boundaries of equity theory by discussing its implications in the distinctive context of family businesses and conclude with practical implications.

[Link to paper](#)

A coaching framework to facilitate Transformative Learning during senior leadership transitions

Nicky Terblanche,

University of Stellenbosch Business School, South Africa

ABSTRACT

Career transitions into a senior leadership position are complex and challenging. Many transitioning leaders fail, with negative consequences for the individual and organisation. This research set out to develop a novel Transformative Transition Coaching (TTC) framework to address the problem of transition failure. A two-phased research approach was followed. In phase one grounded theory principles were used to derive a draft TTC framework, followed by an action research phase that refined the framework. The resultant TTC framework combines transition coaching and transformative learning theory to facilitate deep, lasting changes in transitioning leaders' meaning perspectives through a structured coaching process.

BACKGROUND AND PROBLEM ADDRESSED

The main theoretical perspectives relevant to this research are leadership development theory with specific focus on leadership transitions, coaching theory with specific focus on transition coaching and adult learning theory with a focus on transformative learning as depicted in the conceptual framework (see figure 1).

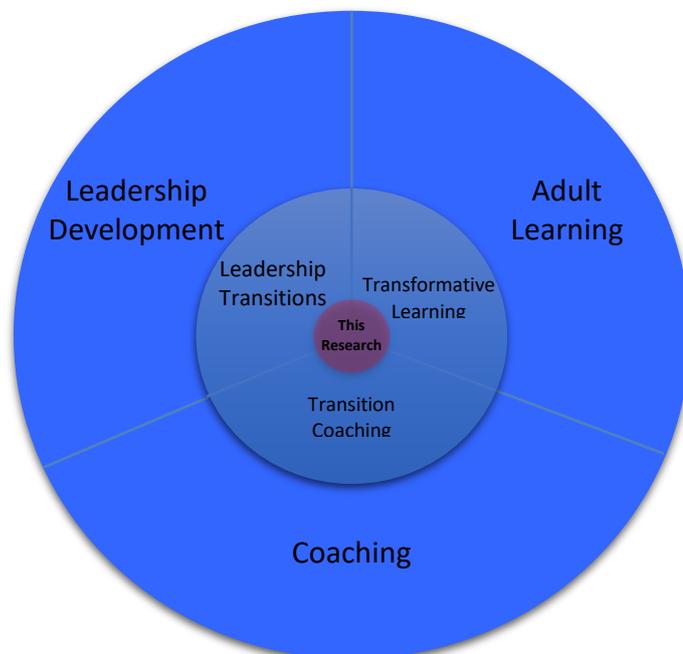


Figure 1 Conceptual framework of theoretical perspectives underpinning this research.

A brief overview of these theoretical perspectives and how they relate to the research problem is provided here.

Leadership development and of late leadership transitions have received much attention in the popular, business and academic press. Charan, Drotter and Noel (2011) brought attention to the notion of leadership transitions through their Leadership Pipeline model that describes six

leadership passages and the significant challenges faced at each stage. Career transitions are described as ‘nothing less than corner-office crucibles’ (Watkins, 2009, p. 47). Linked to the notion of transition is the concept of management derailment, the phenomenon where fast-track leaders stop advancing before reaching their full potential on their way up the leadership ladder (Denton & van Lill, 2006; Lombardo & Eichinger, 1995; Morrison, et al., 1987). In sum, leadership transitions are challenging and failures are common.

Many strategies, tools, models and frameworks are provided to help overcome career transition challenges including coaching (Bradford, 1995; Charan, et al., 2011; Dotlich, et al., 2004; Sutton, 2008; Watkins, 2003). Coaching may assist with charisma and inspiration, improved goal-setting and self-regard, aiding in skills transfer, positive peer perception of individual effectiveness, enhanced resilience, assisting in stress reduction and general higher workplace performance (Passmore, 2010; Peltier, 2010). It would appear that coaching may be effective in helping senior leaders transition to the next level, but does coaching go far enough to also facilitate transformative learning in the process? Why is transformational learning important in this context?

Transformative learning theory (developed by Jack Mezirow in 1978) is a complex and multifaceted process of deep, structural shifts in basic premises of thought, feeling and action (Kitchenham, 2008). Transformative learning may start with a disorienting dilemma (Mezirow, 1978) such as moving into a senior leadership role (Dotlich, Noel, & Walker, 2004). For a senior leader to avoid derailment and succeed in the long run, transformative learning and not mere change and adaptation are required during a transition (Charan, et al., 2011; Denton & van Lill, 2006; Poutiatine, 2010).

Research investigating the role of transition coaching is limited with only one empirical study found thus far (Reynolds, 2011). Reynold’s research was limited to senior leaders and did not include the view of coaches, HR practitioners and line managers, as is the case in my study. Reynold’s study also did not report on the coaching process but concentrated on the outcomes of the coaching only.

Given the three theoretical underpinnings of my research, a literature review found that limited research has been done on combinations of the disciplines. Given the high cost of leadership failures to both the individual and company and the fact that coaching is already used as a transition strategy, research into how coaching could potentially facilitate transformation during the transition and hence assist in a more successful outcome, seems warranted.

RESEARCH QUESTIONS

The question that the PhD research addressed was:

How can the coaching process be designed to facilitate transformative learning during senior leadership transitions?

Sub-questions:

1. What are the experiences of managers during the transition into senior leadership?
2. How does coaching assist in overcoming challenges faced during a transition?
3. What is the contribution of coaching to facilitate transformative learning during senior leadership transitions?

This paper reports specifically on the main research question, which culminated in the TTC framework.

METHODOLOGY AND ANALYSIS

This research employed a two-phased, interpretivist qualitative design. In phase one grounded theory principles (Charmaz, 2014) were followed to create an initial coaching framework. In

phase two, Canonical Action Research (Davison, et al., 2012) was used to refine the framework into the final Transformative Transition Coaching framework.

PHASE 1: GROUNDED THEORY

By applying constructivist grounded theory principles, themes emerged through a continuous interplay between analysis and data collection (Glaser & Strauss, 1967; Strauss & Corbin, 1990). Purposeful, theoretical sampling was used to identify 16 participants (eight transitioning leaders, five coaches, two HR practitioners and one line manager) from various organisations (Strauss & Corbin, 1990). Open-ended interviews lasting approximately one hour were conducted with each participant. Interviews were digitally recorded, transcribed and analysed. Analysis and memo writing occurred after each interview to inform the interview strategy and questions for the next participant in accordance with grounded theory principles of constant comparison and theoretical sampling (Charmaz, 2014; Goulding, 2002). In this study line-by-line coding, focused coding and category identification through extensive memo writing were applied (Charmaz, 2014).

Two main themes emerged from this phase: “Fulfilling the new role” and “Experiencing Transition Coaching”. The second theme, containing sub-themes that hinted at the coaching process and techniques used or experienced by the 16 participants, gave rise to a draft Transformative Transition Coaching framework which was used in the second research phase.

PHASE 2: ACTION RESEARCH

Action research is an approach to research that aims ‘both at taking action and creating knowledge or theory about that action’ (Coughlan & Coughlan, 2002, p. 220). The Canonical Action Research (CAR) steps of plan, act, evaluate and reflect (Davison, et al., 2012) were applied in an iterative spiral (Zuber-Skerrit, 2001) to gradually evolve the draft TTC framework from phase one. Convenience sampling was used to select six recently promoted senior managers who had not received any coaching during their careers.

I coached the six senior managers for five sessions each over a period of four months. The intervention was divided into five coaching sets or macro cycles, each set consisting of six sessions, one each per manager. During each coaching session, data was collected via observation notes as well as structured reflection questionnaires that were completed by the coachees after each session. Throughout I continued writing extensive memos in order to reflect on the evolution of the framework during each macro cycle. Qualitative content analysis was used to analyse the data collected and the TTC framework was adjusted after each macro cycle based on the output of the analysis.

RESULTS

The primary objective of this research project was to create a coaching framework that could facilitate transformative learning when applied during a senior leadership transition. The result is the Transformative Transition Coaching (TTC) framework as illustrated in figure 2 below.

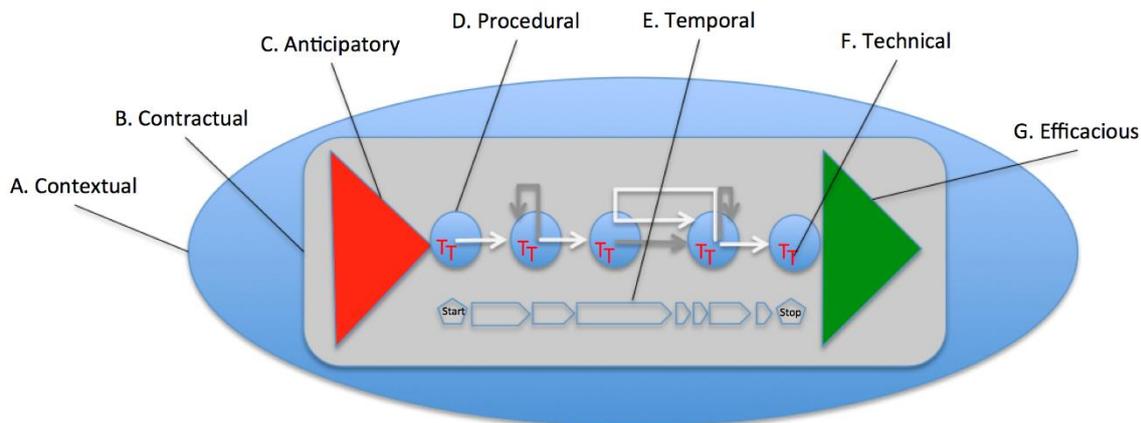


Figure 2 - The Transformative Transition Coaching framework

The framework consists of seven aspects:

A. Contextual

The focus of the coaching must explicitly be set to be ‘transformative transition coaching’, dealing with supporting the transitioning leader by facilitating transformative learning. To achieve this, frameworks and theory about career transition and transformative learning must be shared with the coachee. Eliciting ‘life story’ and drawing organisational network diagrams assists in setting creating the necessary context for the coaching intervention.

B. Contractual

A contract to guide the coaching intervention and to manage the expectation of all parties involved must be agreed between the coach, transitioning leader and their organisation. This contract must spell out the rules of engagement and emphasis must be placed on the confidential nature of the coaching, to the exclusion of the organisation.

C. Anticipatory

Coaching goals must be agreed and recorded with the input of the organisation. These coaching goals must relate to challenges faced by the transitioning leader in relation to the new role.

D. Procedural

This research revealed that there are five distinct stages involved during a transformative transition coaching intervention. The coach must track the progress of the transitioning leader using these phases. Note that a transitioning leader could remain in one of these stages for a number of coaching sessions or regress to previous stages.

- a. **Initiate:** Define the context for the coaching, agree the contract and identify the most pressing challenges faced by the transitioning leader
- b. **Understand:** Analyse the current perspectives held by the transitioning leader by using the perspectives questionnaire (developed in this research) to assess their view on all eight of the Mezirow perspectives (Mezirow, 1994): sociolinguistic, moral-ethical, epistemic, philosophical, psychological, health, political, aesthetic.
- c. **Identity and design:** Identify the most problematic perspective from the list in the previous step; reflect on the reasons for and impact of this perspective on success in the new role using Mezirow’s (1994) three levels of reflection (content, process, premise); conceptualise the desired new perspective and then design a behavioural experiment in an attempt to change the problematic perspective.
- d. **Reflect and Redesign:** Reflect on the progress with transforming the problematic perspective by using Hoggan’s transformative learning criteria (Hoggan, 2016) and design a new behavioural experiment to deepen the transformative process.

- e. **Complete:** This state is reached when the transitioning leader shows an acceptable level of perspective transformation according to Hoggan's criteria. A strategy is defined to secure the transformation, stretch goals are set and a decision is made to terminate the coaching or select a new problematic perspective to transform.

E. Temporal

Coaching must start before the promotion takes effect (two to three sessions a few weeks apart), followed by frequent coaching sessions (every two to four weeks) for the first six months after the promotion and less frequent coaching (every one to three months) for at least another one year. The duration of each coaching session is minimum one hour but should be flexible regarding max time to allow for crucial insights.

F. Technical

This research found that the main coaching techniques that promote transformative learning are questioning (and listening), reflection, active experimentation, using frameworks and theory (about career transitions and transformative learning) and challenging views and assumptions. These techniques must be used together with the coach's standard techniques and tools.

G. Efficacious:

The ideal end result of the coaching is the transformation of one or more problematic perspectives held by the transitioning leader and evidence of the transitioning leader being more successful in the new role.

CONCLUSION

This research addresses the apparent lack of an existing, empirically researched coaching framework specifically aimed at facilitating lasting change in transitioning leaders. The Transformative Transition Coaching (TTC) framework derived in this research addresses this issue by operationalizing transformative learning in a transition coaching process. The TTC framework contributes to both academia and coaching practice. In terms of academia, a new sub-genre of coaching theory (transformative transition coaching) is proposed. Adult learning theory is also enhanced through the application of transformative learning theory outside of the traditional domain of adult education (in the workplace). In terms of coaching practice coaches, coachees and HR practitioners may benefit from using an empirically researched coaching framework specifically aimed at supporting transitioning leaders. The cost of leadership transition failure is significant. It is hoped that this empirically researched, pragmatic TTC framework may assist in reducing the rate of career transition failures.

REFERENCES

- Bradford, J. (1995). Role change: Are you wasting talent? *Management Development Review* , 8 (6), 1-4.
- Charan, R., Drotter, S., & Noel, J. (2011). *The Leadership Pipeline*. San Fransisco: John Wiley & Sons.
- Charmaz, K. 2014. *Constructing Grounded Theory*. Thousand Oaks, CA: Sage Publications.
- Coughlan, P., & Coughlan, D. (2002). Action research for operations management. *International Journal of Operations & Production Management* , 22 (2), 220-240.
- Davison, R., Martinsons, M., & Ou, C. (2012). The role of theory in Canonical Action Research. *MIS Quarterly* , 36 (3), 763-786.

- Denton, J., & van Lill, J. (2006, August). Managerial Derailment. *Vilakshan, XIMB Journal of Management* , 231-250.
- Dotlich, D. L., Noel, J. L., & Walker, N. (2004). *Leadership Passages*. San Fransisco: John Wiley & Sons.
- Glaser, B., & Strauss, A. (1967). *The discovery of grounded theory: strategies for qualitative research*. Chicago: Aldine Publishing.
- Goulding, C. (2002). *Grounded Theory A Practical Guide for Management, Business and Market Researchers*. CA: Sage Publications.
- Hoggan, C.D. (2016). Transformative Learning as a Metatheory: Definition, Criteria, and Typology. *Adult Education Quarterly*, 66 (1), 57-75
- Kitchenham, A. (2008). The Evolution of John Mezirow's Transformative Learning Theory. *Journal of Transformative Education* , 6 (2), 104-123.
- Lomdarbo, M., & Eichinger, R. (1995). *Preventing derailment: what todo before it's too late*. Greensboro, Norht Carolina: Centre for Creative Leadering.
- Mezirow, J. (1978). Perspective transformation. *Adult Education* , 28 (1), 100-110.
- Mezirow, J. (1994). Understanding transformation theory. *Adult Education Quarterly* , 44 (4), 222-232.
- Morrison, A., White, R., & Van Velsor, E. (1987). *Breaking the glass ceiling: can woman make it to the top?* Reading, MA: Addison-Wesley.
- Passmore, J., & Fillery-Travis, A. (2011). A critical review of executive coaching research: a decade of progress and what's to come. *Coaching: An International Journal of Theory, Research and Practice* , 4 (2), 70-88.
- Peltier, B. (2010). *The Psychology of Executive Coaching: Theory and Application* (Second Edition ed.). New York, NY: Routledge.
- Poutiatine, M. I. (2010). What is Transformation?: Nine Principles Toward an Understanding of the Transformational Process for Transformational Leadership. *Journal of Transformative Education* , 7 (3), 189-208.
- Reynolds, G. (2011). Exploring the meaning of coaching for newly appointed senior leaders in their first twelve to eighteen months in role. *International Journal of Evidence Based Coaching and Mentoring* , *Special Issue* (5), 39-53.
- Strauss, A., & Corbin, J. (1990). *Basic Qualitative Research: Grounded Theory Procedures and Techniques*. Newbury Park, CA: Sage Publications.
- Sutton, J. (2008). Coaching leadership transitions. In D. O. LLC, *The 2008 Pfeiffer Annual Leadership Development* (pp. 199-207). Wiley and Sons.
- Watkins, M. D. (2009, January 1). Picking the right transition strategy. *Harvard Business Review* , pp. 47-53.
- Watkins, M. (2003). *The first 90 days*. Boston, MA: Harvard Business School Press.
- Zuber-Skerrit, O. (2001). Action Learning and Action Research: paradigm, praxis and programs. In S. Sankaran, B. Dick, R. Passfield, & P. Swepson, *Effective Change Management Using Action Learning and Action Research: concepts, frameworks, processes, applications*. Lismore: Southern Cross University.

A Multi-View Perspective on Innovation Adoption: Framing the Stages & Perspectives

Tabish Zaman
Leeds University Business School, U.K.

In the context of healthcare, the research is an attempt to understand adoption of innovation by theorising how actors engage in the act of framing. Frames which contribute to the eventual stages in adoption of innovation, is built on ideas of sensemaking from different groups engaged in the process. The research is an interplay between technology and human interaction is looking to establish a cognitive perspective of innovation adoption.

Keywords: Innovation Adoption, Framing, Sensemaking

IMPORTANCE OF THE STUDY^[TP1]

Focussing on teams in the organisation, the research is built on what is already known about the innovation adoption process. Innovation adoption results in the assimilation of a product, service, process or practice, often new to the adopting organization (Pichlak, 2016). Various ^[G2]^[G3]^[G4]scholars have considered innovation adoption (Gopalakrishnan and Damanpour, 1997; Frambach and Schillewaert, 2002; Damanpour and Schneider, 2006) and the antecedents of innovation adoption in organisations (Kimberly and Evanisko, 1981; Galende and de la Fuente, 2003; Wischnevsky, Damanpour, and Mendez, 2011; Hameed and Counsell, 2012; Kapoor, Dwivedi, and Williams, 2014; Prajogo and McDermott, 2014). Theorists have gone on to develop integrative conceptual models of innovation adoption process (Hameed, Counsell and Swift, 2012). At the organisation level, innovation adoption research has been made sense of through multi-stages frameworks of Gopalakrishnan and Damanpour (1997), Klien and Sorra (1996), Frambach and Schillewaert (2002) and various others. While some theorists have shaped a linear and sequential model to describe the innovation adoption process (Howieson, Lawley, and Selen, 2014) others have used a dynamic and recursive approach to describe the innovation adoption process (Adams, Bessant and Phelps, 2006). The psychometric nature of studies on innovation adoption and a statistical model of the process has undoubtedly generated a huge amount of literature but sadly enough still limits our knowledge on the innovation adoption process. These models not only provide a one-dimensional understanding of innovation adoption process; they also fail to provide an account of how these processes are played out in the organisation as they produce a pattern of cognition and emotion when being adopted.^[G5]

BACKGROUND

In the United Kingdom, for decades the healthcare system has been struggling with rising costs, fragmented structures, inappropriate variation in [G6][G7]care quality, patient dissatisfaction and limited or no improvements in health outcomes (Paulus, Davis, and Steele, 2008). Among all these, poor quality of care has resulted in nearly 100,000 preventable deaths and has reduced the quality of life through adverse events such as hospital-acquired infection and medication errors (Leape, 1997).[G8][G9] [TP10]

Healthcare organizations in their quest to improve quality are implementing large-scale, transformative [G11][G12]health information technologies (Morrison, Robertson, and [G13]Cresswell, 2011; Bates, 2000). To reduce the medication error[TP14], medicine management and improve the quality of patient care, substantial investment is being made in electronic health records, electronic prescribing and related technologies (Creswell, Bates, and Shiekh, 2013)[G15]. On the ground, however, these innovations are proving frustrating to frontline clinicians and organizations as the identified innovation[G16] technology is failing to fit in their usual workflows which delay the individual and organizational benefits of the identified innovation (S[G17]hiekh, Cornford, Barber, Avery, 2011).[G18][G19][G20][G21]

INNOVATION ADOPTION LITERATURE

Damanpour (1991) defined adoption of innovation ‘as the generation, development and implementation of new initiatives or activities’. Adoption of innovation leads to the assimilation of a product, service, process or practice (Hameed, Counsell and Swift, 2012).[G22]

Insights on innovation adoption process and antecedents of the adoption of innovation in organizations exists in large numbers (Frambach and Schillewert, 2002; Damanpour and Schneider, 2006; Kapoor, Dwivedi and Williams, 2014; Prajogo and McDermott, 2014). Innovation adoption research has been categorized into innovation process research and innovation variance research (King, 1990). Innovation process research explores the process of diffusion of innovation and innovativeness for organizations (Rogers, 1983). The innovation variance research, on the other hand, attempts to understand the organizational determinants of innovation adoption and effects of innovation adoption on organizational performance (Subramania and Nilakanta, 1996). Two main approaches in this context have been the focus of innovation adoption literature, i.e. the process and the factor approach (Rogers 1983; Benbasat, 1984). The process approach is an attempt to understand the behaviour of the organization [G23][G24][G25][G26][G27][G28][G29]which it experiences during the adoption and implementation of innovation (Hameed, Counsell and Swift, 2012). The frameworks vary from two stage to a more detailed five or more stages which offer variations in the level of generalizations (Gopalakrishnan and Damanpour, 1997; Kwon and Zmud, 1987). Scholars have also used the ‘stage gate’ approach to examine the innovation adoption process in a sequential and linear way (Howieson, Lawley and Selen, 2014). Innovation adoption process has also been examined through a dynamic and recursive approach which is characterized by feedback and feed-forward loops as shown by Adams, Bessant and Phelps (2006).[G30][G31][G32][G33][G34][G35][G36][G37][G38][G39][G40][G41][G42]

The most frequently used model, however, remains the ‘unitary sequential model’ which splits the innovation adoption process into three phases, i.e. initiation, adoption-decision, and implementation. This mod[G43][G44][G45]el is adopted from Lewin’s (1951 model of the change process (Pichlak, 2016). Recognising the need, searching for solutions, awareness of the existing solution, forming an initial attitude and proposal of innovation for adoption constitutes the initiation or pre-adoption stage (Hameed, Counsell and Swift, 2012; Rogers, 1995) the second stage, i.e. the adoption decision stage involves the acceptance of the proposed innovation through evaluation of the solution based on strategic, financial or technological

parameters (Damanpour and Schneider, 2006). The implementation phase, also known as the post-adoption phase involves activities related to the modification of the chosen solution, preparing it for the general use, performing a trial for confirmation and subsequent acceptance of innovation by the employees (Rogers, 1995; Hameed, Counsell [G46][G47] and Swift, 2012).

The factor approach examines the innovation attributes which influences the innovation adoption and diffusion over time (Wolfe, 1994). Presented as a multidimensional phenomenon, three perspectives of innovation adoption research has been put forward by Pierce and Delbecq (1977). The first perspective highlights the role of context and structure for organizational innovation while the second perspective focuses on the attitude of the organizational members as a source of change. The final perspective views organizational innovation as a dynamic and continuous process in which structure and membership are of main concern (Kaurtz and Nielsen, 2004). Slappendel's (1996) has concurred with three perspectives by labelling them as 'structuralist', 'individualist' and 'interactive process' perspectives.

Antecedents of innovation adoption have also been looked at in the innovation literature. The focus of which has been the organizational structure bringing in distinctions such as mechanistic and organic to describe the makeup of the organization (Burns and Stalker, 1961). Recent work has sought to understand the individual attributes of the organisational structure and antecedents of innovation adoption such as 'specialisation', 'horizontal and vertical differentiation', 'centralization', 'formalisation' etc. has been studied ([G48][G49][G50] Baldrige and Burnham, 1975; Pierce and Delbecq, 1977; Kimberly and Evanisko, 1981; Damanpour, 1991; Damanpour and Schneider, 2006).

Based on the literature above, my research is seeking answers to the following questions:

1. When faced with innovation implementation, how do end users negotiate the process of innovation adoption?
2. What frames are created and recreated by the actors as they try to make sense of the implementation process?

THEORETICAL LENS

Sensemaking

Sensemaking as a concept has gained considerable traction over the years. Although an individual phenomenon, it is but central to organising. It is a process through which individuals try to work out novel, ambiguous or confusing events around them (Maitlis, Christianson, 2014). The encounter with ambiguity and confusion calls for clarification wherein individuals use cues from environment to make sense of what has occurred around them (Weick, Sutcliffe and Obstfeld, 2005). Sensemaking as a concept goes beyond just the interpretation. Besides providing order to the situation, it involves dynamic authoring of events which allows people to construct the situation as they try to comprehend (Sutcliffe, 2013). With people constructing the situation around them, the perspectives are unique description of realities. My research relies on these realities which are transformed into frames.

Goffman's Frames

The concept of frames and framing whether used in social movement theorisation, policy studies or any other field of scholarship as mentioned above stems from Gregory Bateson's work (1955/1972a). The base of his ideas is what Goffman describes as the frame and refers to an individuals' sense of 'what is going on here' – a notion that involves individual 'who can be

alive at the particular moment' (Goffman, 1974; Pg.8). This sense within an individual is based on the experience which is organized as 'schemas' or 'active developing patterns' (Bartlett, 1932). [G51][G52][G53]According to Goffman (1977; Pg. 313), a frame is like an environment or language'; it has an individual in it and for it (Hazelrigg, 1992). Bateson used a scenario where he observed monkeys biting each other and quipped that they are 'engaged in an interactive sequence of which the unit action or signals were like but not the same as those of combat' (1955; Pg. 152). As a casual observer, this action may be fighting or playing to which Bateson further added that monkeys may have some form of meta-communication that discerns if it was fighting or playing. In other words, they were framing their actions to indicate each other and signal if the act of biting was fighting or [TP54]playing (van Hulst [G55]and Yanow, 2016). George Herbert Mead (1934; Pg. 42-43) used a similar illustration (dogfight), parallel to framing, to theorize social interaction. Both Herbert Mead and Bateson's illustration shows framing in the light of 'understanding the situation' which is dynamic in nature and changes through the interaction of the parties involved (van Hulst [G56]and Yanow, 2016). Bateson added another layer to his idea of frames and framing, i.e. meta-communication which distinguishes his theorisation of social interaction to that of Herbert Mead. Erving Goffman used Bateson's notions in his work 'Frame Analysis' for ideas around self-interpersonal constructions and focused on 'definition of situations' which occurs as people negotiate the meaning of their interactions (Goffman, 1974; Pg. 10).[G57]

The concept of frames and framing have been used in a variety of institutional contexts which also includes studies on the diffusion of new ideas and practices (Ansari, Fiss and Zajac, 2010). For institutional theory, the framing construct exhibits a dual character by capturing the institutionalization of meaning structures as well as providing a structural basis for actors' cognition, motivation and discourse at a micro level (Cornelissen and Werner, 2014). This dualism is an extension of the foundational work (For example, Bateson 1955, 1972; Burke, 1937 and Goffman, 1974) which focusses on the use of common cultural frames by actors to define and label experiences in certain contexts. These frames lend actors a 'cognitive schema of interpretation' and allows them to impress meaning upon events and experiences (Goffman, 1974; Pg. 21). For actors, these are culturally motivated templates which help them organize the experience (Cornelissen and Werner, 2014). These frames can be altered, questioned and manipulated when applied by actors in a specific context (Diehl and McFarland, 2010; Sewell, 1992). Within agentic cultural cognitive traditions of neo-institutional theory, frames are considered integral to institutions (Beckert, 2010). Cognitive frames and meaning structures are vital within institutions as they broaden the notion of the institution by emphasizing the economic outcomes (Beckert, 2010; Pg. 607). The act of framing is seen central to a cultural-cognitive aspect of institutions which includes 'creation of shared conceptions that constitute the nature of social reality and the frames through which meaning is made' (Scott, 2003; Pg.880).[G58][G59][G60][G61][G62][G63][G64][G65][G66][G67]

RESEARCH CONTEXT

The investigation has been carried out at one of the major hospitals in north east of England. The research centres around the replacement of paper based drug charts with an electronic version of the drug chart also known as EMEDs (electronic drug charts – computers on wheel). Consultants, nurses and pharmacists have been using these drug charts to prescribe, administer and review medicines for patients across the hospital. Adoption of EMEDs across wards involves two distinct set of actors, i.e., implementers and users.

Users	Implementers
<ul style="list-style-type: none"> • Ward Consultants(WC) • Ward Nurses(WN) • Ward Pharmacists(WP) 	<ul style="list-style-type: none"> • Team EMEDs(TE) • Team Consultant (TC) • Team Nursing(TN) • Team Pharmacists(TP)

There are 7 groups in total, who have been studied for their sensemaking efforts during the adoption of EMEDs. Individual accounts have been aggregated into team level narratives.

DATA COLLECTION & DATA ANALYSIS

Between August 2016 and April 2017, more than 50 such interviews were conducted. While the notes were taken during the interview, all the interviews have been audiotaped and later transcribed. The duration of the interview varied between 15 and 60 minutes. Memos were produced out of the audio recordings. The data set therefore comprised of project related documents, 50+ semi structured interviews, 10+ team meeting and more than 30 hours of observation.

To begin with individual narratives were combined to construct a group level perceptions on a range of issues. This resulted in thick description and encompassed every activity during the adoption of EMEDs. Applying the principles of open coding, I began analysing and identifying the initial concepts in the data and started grouping them into similar categories. I followed this principle for each group. 1st order codes from each group resulted in around 80-85 codes. These 80-85 codes were cleansed, reviewed for further analysis. Using the axial coding principles, I looked for relationships among these codes which facilitated the assembly and categorisation of these 1st order codes. Each of the aggregated themes represent the sensemaking efforts which resulted in group level frames.

REFERENCES

- ANSARI, S. M., FISS, P. C. & ZAJAC, E. J. 2010. Made to fit: How practices vary as they diffuse. *Academy of Management Review*, 35, 67-92.
- BATESON, G. 1955. A theory of play and fantasy. *Psychiatric research reports*.
- BENFORD, R. D. & SNOW, D. A. 2000. Framing processes and social movements: An overview and assessment. *Annual review of sociology*, 611-639.
- BERGER, P. L. & LUCKMANN, T. 1966 The social construction of reality: a treatise in the sociology of knowledge. *Garden City, NY: Anchor*.
- CORNELISSEN, J. P. & WERNER, M. D. 2014. Putting framing in perspective: A review of framing and frame analysis across the management and organizational literature. *The Academy of Management Annals*, 8, 181-235.
- DAMANPOUR, F. 1991. Organizational innovation: A meta-analysis of effects of determinants and moderators. *Academy of management journal*, 34, 555-590.
- FRAMBACH, R. T. & SCHILLEWAERT, N. 2002. Organizational innovation adoption: A multi-level framework of determinants and opportunities for future research. *Journal of Business Research*, 55, 163-176.
- GOFFMAN, E. 1990. 1963 Stigma. *Notes on the Management of Spoiled Identity*. London, New York, Camberwell, Toronto, Panchseel Park, Auckland, Rosebank: Penguin Books.

- GOPALAKRISHNAN, S. & DAMANPOUR, F. 1997. A review of innovation research in economics, sociology and technology management. *Omega*, 25, 15-28.
- GRAY, B., PURDY, J. M. & ANSARI, S. S. 2015. From interactions to institutions: Microprocesses of framing and mechanisms for the structuring of institutional fields. *Academy of Management Review*, 40, 115-143.
- HAMEED, M. A., COUNSELL, S. & SWIFT, S. 2012. A conceptual model for the process of IT innovation adoption in organizations. *Journal of Engineering and Technology Management*, 29, 358-390.
- HAZELRIGG, L. 1992. Reading Goffman's framing as provocation of a discipline. *Human Studies*, 15, 239-264.
- KAPLAN, S. 2008. Framing contests: Strategy making under uncertainty. *Organization Science*, 19, 729-752.
- MAITLIS, S. & LAWRENCE, T. B. 2007. Triggers and enablers of sensegiving in organizations. *Academy of management Journal*, 50, 57-84.
- MANNING, P. 2016. Goffman and empirical research. *Symbolic Interaction*, 39, 143-152.
- PICHLAK, M. The innovation adoption process: A multidimensional approach. *Journal of Management & Organization*, 1-19.
- TANNEN, D. & WALLAT, C. 1987. Interactive frames and knowledge schemas in interaction: Examples from a medical examination/interview. *Social psychology quarterly*, 205-216.
- WISCHNEVSKY, J. D., DAMANPOUR, F. & MENDEZ, F. A. 2011. Influence of environmental factors and prior changes on the organizational adoption of changes in products and in technological and administrative processes. *British Journal of Management*, 22, 132-149.