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From the Editor's Desk

The Washington Business Research Journal is the result of a special meeting held on the campus of Howard University over thirty years ago. In 1985, members of the Washington Business Research Forum, consisting of local professors and graduate/doctoral students, gathered to share ideas on how to improve the overall quality of scholarly research. The proceedings led to the 2009 formation of the Washington Business Research Journal, a collaborative publication that aims to fulfill the goals and answer the questions of many minds across the academic spectrum.

Over the years, the Consortium of Universities Washington Metropolitan Area has recognized the need for a national expansion of its Abstract Proceedings. In partnership with the national HBCU business dean's roundtable, the Washington Business Forum has been able to expand its exposure nationally. In addition, due to the efforts of several universities including the consortium, as well as business schools nationally and internationally, the forum has now moved forward and publishes a journal semi-annually.

The Consortium of Universities Washington Metropolitan Area includes the following:

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The journal covers a wide variety of business topics, such as entrepreneurship, finance, marketing, and much more. This type of innovative cooperation has lead to valuable progress in research, and we expect those efforts to continually feed our hunger for knowledge.

The next Washington Business Research Forum will take place March 24-25, 2017 at the Embassy Suites in Crystal City, VA. We strongly encourage faculty members and graduate students nationwide to submit their abstracts and papers for the forum. Your idea could be the next breakthrough in scholarly research. The submission deadline is February 13, 2017. Please visit **www.wbrforum.org** for additional information.

Barron H. Harvey
Founding Editor-in-Chief

A SURVEY OF INVESTMENT BEHAVIOR AMONG EDUCATED AFRICAN AMERICANS

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ABSTRACT

This study explores African Americans' investment behaviors and whether financial literacy is important to that behavior. Specifically, researchers are exploring the relationship between educated African Americans' financial literacy and their investment behavior. An analysis of primary data collected from alumni, faculty and business professionals associated with a Liberal Arts university in the southeast, reveals that educated African Americans who are financially literate are more likely to invest in the stock market than educated African Americans who are not financially literate. With this sample, researchers can conclude that a well-educated professional does not necessarily translate into a financially literate professional. Additionally, African Americans who are not employed full time are less likely to invest in the stock market than those who are employed full time.

Key words: African American, Investment Behavior, Financial Literacy, Financial Knowledge

INTRODUCTION

Wealth is the value of all assets, physical and intangible, owned by individuals (Taylor, Kochhar, Fry, Velasco & Motel, 2011). In particular, wealth is calculated by summing the market value of all assets, which individuals own, and subtracting all debts against those assets (Taylor et al., 2011). Investing in the stock market is a great way to create wealth (Hussman, 2003). But why is wealth important? According to Wolff (1998), wealth is important for four reasons: (a) wealth represents democracy, and the distribution of wealth is often synonymous with the distribution of power; (b) wealth, in the form of housing ownership, provides its owner a safe haven or a place to live; (c) wealth, in the form of consumption, independent of income, can be converted into cash for immediate consumption or can be converted into cash in the future to achieve long-term goals; and (d) wealth, in the form of financial assets, can provide liquidity and a safety net against financial crises such as unemployment, sickness, or a family breakup.

In general, African Americans do not create wealth at the same rate as their Caucasian counterparts (Barsky, Bounds, Charles, & Lumpkin, 2002). Over the past two decades, the wealth disparity between African Americans and Caucasians has tripled, with Caucasians' median wealth being 20 times that of African Americans' median wealth and 18 times that of Hispanics' wealth (Taylor et al., 2011). This wealth disparity persists independent of income (Barsky et al., 2002). Every dollar earned by Caucasians equates to \$5.19 of wealth while every dollar earned by African Americans equates to \$.69 of wealth (Shapiro, Meschede & Osoro, 2013).

This research is necessary because African Americans are severely behind in wealth creation, and have not been active investors in the stock market (Ariel / Hewett, 2012). Creating wealth in the stock market is one way African Americans can protect themselves against financial stresses (Wolff, 1998). The U.S. stock market has done well following the recent financial crisis (Elwell, 2013). Since the S&P 500 hit an all-time low in May 2009, the S&P 500 has been on a five-year bull run and has surged 173% up to March 2014 (Russolillo, 2014). In fact, in 2015, the Dow Jones hit an all-time high of 18,312 (Trading Economics, 2015). Nevertheless, African Americans have not benefited from these wealth gains because they are typically not active participants in the stock market (Lusardi & Mitchell, 2005; Markus, 2010). Only 28% of African Americans invest in the stock market, which is about half of the investment rate of Caucasians (55%) (Markus, 2010). Additionally, African Americans are also less likely to invest in higher yielding stocks, which limits their long-term growth potential as well as their potential to create wealth (Ariel / Hewitt, 2012; Lusardi & Mitchell, 2005). Although stocks are a risky investment asset, they are the highest-yielding investments over the long term (Ariel / Hewitt, 2012).

Why is it that African Americans do not actively invest in the stock market? In other words, what are potential barriers to African Americans becoming investors in the stock market? For the general population, low financial literacy keeps individuals from investing in the stock market (Van Rooij, Lusardi & Alessie, 2011). Similarly, is financial literacy a barrier for African Americas investing in the stock market? The purpose of this study is to explore the relationship between educated African Americans' financial literacy and their investment behaviors. Thus the hypotheses are as follows:

> **H_1**: Educated African Americans who are financially literate are more likely to invest in the stock market.
>
> **H_0**: Educated African Americans who are financially literate are not more likely to invest in the stock market.

This study adds to the body of literature relating to educated African American's investment behavior and those factors that effect this behavior. Only a few studies have focused exclusively on African Americans' financial behavior and/or their investment behavior. Therefore, future research should focus on African Americans' financial behaviors. Moreover, the sample of this study consists of highly educated African Americans; for this study educated is defined as having at least a bachelors' degree. In this sample 99.8% hold at least a bachelor's degree, and of these college graduates, 79% hold a graduate degree. Therefore, if this hypothesis is proven with this sample of well-educated African Americans, it can be shown that well-educated professionals do not translate to financially literate individuals who are likely to become investors.

LITERATURE REVIEW

This study explored the relationship between educated African Americans' financial literacy and their investment behavior. Previous studies that focused on the general population found that financial literacy was required for an individual to feel comfortable and confident to invest in the stock market (Lusardi & Mitchell, 2005; Van Rooij et al., 2011). Thus, those individuals who are financially literate were more likely to be investors in the stock market (Lusardi & Mitchell, 2005; Van Rooij et al., 2011). Additionally, individuals with low financial literacy were less likely to invest in high-risk assets such as stocks, and avoid the stock market altogether due to their lack of financial knowledge (Van Rooij et al., 2011). While a few studies focused exclusively on African American investment behavior, as well as other studies that focused exclusively on African American financial literacy, fewer studies focused on the relationship between the two.

Previous studies have found that African Americans were less likely to be financially literate compared to the general population (Hilgert, Beverly, & Hogarth, 2003; Olsen & Whitman, 2007), and that African Americans were less likely to invest in the stock market (Ariel / Hewitt, 2012). This may be a result of African Americans being more risk adverse than their Caucasian counterparts and African Americans were therefore less willing to take a risk by investing in the stock market (Yao, Gutter & Hanna, 2005). In addition, African Americans lacked understanding about their 401k retirement plans and how to invest their funds (Prudential, 2013).

Reasons why African Americans are not Investors

One reason that African Americans' had not participated in the stock market might be that they do not understand how the stock market works (Hilgert, et al., 2003; Lusardi & Mitchell, 2005; Olsen & Whitman, 2007; Stevenson & Plath, 2002). Again, research found that African Americans lack the financial literacy necessary to invest in the stock market (Stevenson & Plath, 2002). Interesting enough, research had also found that access to financial education or financial information would be key to improving the financial literacy of African Americans; that is affordable financial information or financial education (Stevenson & Plath, 2002). Thus, if the financial services industry wanted to target the African American community as potential investors, an important aspect of an effective marketing strategies would have to include financial education or information through credible financial channels (Stevenson & Plath, 2002). Moreover, more must be understood about where African Americans got their financial information and how they were financially socialized. For example, research has found that African Americans depended on friends and family for their financial information (Olsen & Whitman, 2007).

This research is guided by the Theory of Planned Behavior, developed by Icek Ajzen (1991). The Theory of Planned Behavior is an expansion of the original Theory of Reasoned Action, created by Ajzen and Fishbein in 1975, to account for an individual's perceived control of a behavior. The hypothesis of this study asserts that financial knowledge is a significant element in educated African Americans' investment behavior. Thus, if an individual has financial knowledge of a behavior, their perceived control of that behavior would be better than if they lack knowledge of that behavior. Similarly, the Theory of Planned Behavior asserts that one's perceived control of a behavior has an impact on their planned behavior (Ajzen, 1991). In fact, one's intentions to perform behaviors can be accurately predicted from his or her attitude, the subjective norms, and the perceived control of that behavior (Ajzen, 1991).

Methodology, Data Collections and Sample

This exploratory study was chosen because African-Americans are not active investors in the stock market, and this inactivity contributes to their low levels of wealth (Taylor et al., 2011). A research design utilizing the survey method for data collection was employed for this study (Calder, Phillips, & Tybout, 1981). This survey was created and distributed with the Qualtrics survey assessment tool, and the logistic regression analysis was carried out through SPSS Version 22 in OS X Version 10.10.2.

The dataset used in this study was a 2014 survey of alumni, professors, and business professionals associated with a Liberal Arts university located in the southeast. A convenience sample was drawn from the last 40 years of graduates, professors, and business professionals with email addresses on file with the university. The first solicitation was emailed in October, 2014 and three additional e-mail reminders were sent to the non-respondents during the data collection period (October 3, 2014 to January 4, 2015).

Of the 10,529 persons in the database, 1,147 (11%) completed the online instrument. A list wise deletion of the cases with missing data resulted in a sample of 413 (4%) respondents. The drop in the number of cases from 11% to 4% was due to incomplete survey responses. Irrespective, the response rate is similar to that reported for other online surveys of recipients and consistent with a trend of declining response rates and lower response rates for lengthy surveys (Sax, Gilmartin, & Bryant, 2003; Sax, Gilmartin, Lee, & Hagedorn, 2003). The subset resulted in a sample of 413 recipients who responded affirmatively to the following question: "Do you (or your spouse/partner) have any other retirement accounts NOT through an employer, like an IRA, Keogh, SEP, or any other type of retirement account that you have set up yourself?"

Variables and Indexes

The hypothesis and the main focus of this study was the relationship between educated African Americans' financial literacy and their investment behavior. Therefore, the survey gathered information on their investment behavior, financial knowledge, as well as general demographic data. More specifically, this study used a comprehensive questionnaire designed to cover significant aspects of personal finance capabilities. In addition to 10 basic demographic questions, a subset of the respondents' responses was used to analyze their investment behaviors and financial knowledge.

As previously mentioned, a subset was created of 413 recipients who responded affirmatively to the following question: "Do you (or your spouse/partner) have any other retirement accounts NOT through an employer, like an IRA, Keogh, SEP, or any other type of retirement account that you have set up yourself?" Additionally, nine questions measured financial knowledge and three questions specifically for married respondents, which included their spousal responses. An investment behavior index was created from three investment questions listed in Table I. The questions were adapted from the results of the FINRA Investor Education Foundation, US Financial Capability Study. The self-reported respondents who answered "positively" to at least two or more of the three questions ($x \geq 67\%$) were determined to be in the stage of investing (Markus, 2010).

Financial literacy has been defined as utilizing and expanding financial knowledge, skills, and strategies (Huston, 2010). More specifically, financial literacy involves the knowledge, understanding, and skills to deal with financial concerns (OECD, 2012). An additive financial capacity scale was developed using respondents' answers to five financial capability questions to measure their financial literacy. The respondents were considered financially literate if they answered four or more questions ($x \geq 80\%$) correctly. Those answering three or fewer questions ($x \leq 60\%$) correctly were considered not to be financially literate (Lusardi & Mitchell, 2006; Robb & Woodyard, 2011).

TABLE 1
INVESTMENT BEHAVIOR EVALUATION QUESTIONS

	Investing Evaluation Questions	Response
1	Do you (or your spouse/partner) regularly contribute to a retirement account like a 401(k) or IRA?	Yes/No
2	How much of your (household's) retirement portfolio is invested in stocks or mutual funds that contain stocks?	More than half/Less than half/None
3	Are your (household's) retirement assets primarily invested in a life cycle or target-date fund?	Yes/No

TABLE 2
FINANCIAL LITERACY TOPICS

Financial Literacy Subjects	Male	Female	P-Value
Compounding	91.8%	84.7%	0.0293
Inflation	86.9%	71.8%	0.0007
Investing	62.3%	38.3%	<0.0001
Mortgages	93.4%	84.3%	0.0070
Risk	86.1%	72.1%	0.0017
Overall Financial Knowledge (Self-Report)	64.8%	32.9%	<0.0001
Determined Financially Literate	**67.9%**	**47.3%**	**<0.0001**

Statistical Analysis

The Lusardi and Mitchell (2005) model was used as the basis for developing the current model. Logistic regression was used to analyze the data to prove or disprove the study's hypothesis. The logistic regression model would predict the logit, which is the nature log of the odds of investing in the stock market; where π was the predicted probability of investing in the stock market, which was coded with 1, versus not investing in the stock market which was coded as 0. Furthermore, x_i represented the predictor variable financial literacy level as well as secondary variables, employment status, age, and marital status.

The following equations determined the predicted probability of having invested in the stock market (Pampel, 2000).

$$Logit\,(y) = \ln\left(\frac{\pi}{1-\pi}\right) = \alpha + \beta_1\chi_1 + \beta_2\chi_2$$

Therefore,

$$\pi = Probability\ (y = Outcome\ of\ Investing\ in\ stock\ market) \mid X_1 = \chi_1, X_2 = \chi_2$$

$$y_i = \frac{e^u}{1 - e^u}$$

$$u = \alpha + \beta_1\chi_1 + \beta_2\chi_2$$

The model analyzed the likelihood of the investment index in determining if a respondent was an investor. The model also provided the frequency analysis to determine the number of respondents who was investing and who was not investing in the stock market. The accuracy of the model was measured through a sensitivity and specificity test. The sensitivity test was the probability that the investment index indicated 'investor' statuses among those surveyed. The specificity test was the fraction of the non-investors identified as non-investors. The data set does not affect the results.

RESULTS

Of the 10,529 persons drawn from the convenience sample, 413 participants (4%) were included in this sample. As previously stated, the sample was comprised of all African-American participants with 33.9% males and 66.1% females. At the time of the survey, 70.2% of the respondents were engaged in full-time employment, while 9.2% were self-employed, and 13.8% were retired. The majority of the respondents (81.3%) reported an annual income of $50,000 and greater, whereas 10.1% reported an annual income less than $50,000 (Table III).

The distribution of age groups was relatively even across the sample. The Millenium group, age 34 or younger, were slightly less represented (23.5%). The next two age groups were virtually equal. The Generation X group made up 38.3% of the sample; Generation X were individuals between the ages 35 to 49 years. Baby Boomers make up the balance of the sample (37.8%); Baby Boomers were participants age 50 or older. The majority of the respondents (99.8%) were college graduates. Of these college graduates, 79% held a graduate degree. Lastly, 39% reported being single at the time of the survey, whereas 45.3% reported being married, 15.9% reported as other (Table III).

TABLE 3
DEMOGRAPHIC RESULTS

Categories		**Male**	**Female**	**Total N=413**
Ethnicity	African-Americans	33.9%	66.1%	100.0%
Annual Income	Less than $50,000	2.4%	7.7%	10.1%
	$50,000 and Greater	29.5%	51.8%	81.3%
	Other	1.9%	6.7%	8.6%
Employment Status	Full Time	23.2%	47.0%	70.2%
	Self Employed	3.9%	5.3%	9.2%
	Retired	4.6%	9.2%	13.8%
	Other	2.2%	4.6%	6.8%
Age Groups	Millennium	6.1%	17.4%	23.5%
	Generation X	14.1%	24.2%	38.3%
	Baby Boomer	13.8%	24.0%	37.8%
	Other	0.0%	0.4%	0.4%
Education Level	College Graduate	4.8%	16.0%	20.8%
	Post Graduate Ed	29.1%	49.9%	79.0%
	Other	0.0%	0.2%	0.2%
Marital Status	Married	22.5%	22.8%	45.3%
	Single	8.5%	30.5%	39.0%
	Other	2.9%	12.8%	15.7%

Investment Behavior Results

The main focus of this study was educated African Americans' investment behavior. Therefore, this section provides specific results relating to their investment behaviors. Of the 413 participants, 63.4% (262) were investors, while 36.6% (151) were identified as non-investors. Based on the frequency analysis, 66.8% of investors were financially literate as compared to 33.2% of those investors who were not financially literate (Table IV). Results also suggested that more African American females (61.5%) were investors versus African American males (38.5%). It is important to note that, in this sample, females outnumber males by a ratio of 2 to 1 (Table IV).

Also, a larger number of those in the Generation X population (45.4%) were investors versus the number of Baby Boomers (32.8%). Millennials had the least number of investors at 21.4%. Those persons who were employed full time had more investors (80.9%) than self-employed individuals (8.4%) and even more than retired individuals (6.5%) (Table IV).

TABLE 4
INVESTOR RESULTS

Categories		**Investors**	**Non-investors**	**Total N=413**
Financial Literacy	Literate	66.8%	32.5%	
	Not Literate	33.2%	67.5%	
Employment Status	Full-Time	80.9%	51.7%	
	Self-Employed	8.4%	10.6%	
	Retired	6.5%	26.5%	
	Other	4.2%	11.3%	
Age Groups	Millennium	21.4%	27.2%	
	Generation X	45.4%	25.8%	
	Baby Boomer	32.8%	46.4%	
Gender	Males	38.5%	25.8%	
	Females	61.5%	74.2%	

Logistics Regression Model Results

The hypothesis of this study was that educated African Americans who were financially literate were more likely to invest in the stock market as opposed to those educated African Americans who were not financially literate. This study found that there was a significant positive relationship between financial literacy and investment behavior. In other words, those educated African Americans who were financially literate were more likely to be investors as opposed to those educated African Americans who were not financially literate. Also, this study found a significant negative relationship between employment status and investment behaviors. Thus, those respondents who were not employed full time were less likely to invest in the stock market. There were no other significant relationships between African American investment behavior and other secondary variables.

A logistic regression model fitted to the data tested the research hypothesis regarding the relationship between the likelihood that investment behavior was related to financial literacy as well as the likelihood that investment behavior was related to secondary variables. Specifically, this study sought to determine if educated African-Americans' stock market investment behavior (invest or not) can be reliably predicted from the financial knowledge of an individual (literate or not). The resultant model is included in table V. According to the model, the log of the odds of a respondent having invested in the stock market was positively and significantly related to financial literacy ($p < .001$). In other words, if the respondent was financially literate, he or she was 3.763 times more likely to have started investing in the stock market. Employment status was negatively and significantly related to investment behavior with those not employed full-time being the least likely to invest in the stock market (Table V).

TABLE 5
LOGISTIC REGRESSION ANALYSIS RESULTS (N=413)

Variables:	β	*SE*	X^2	*df*	*p*	Odds Ratio
Constant	0.7247	.4472	2.6263	1	.1051	N/A
Employment	-0.6606	.1266	27.2491	1	.0000	0.5165
Financial Lit	1.3019	.2289	32.3508	1	.0000	3.763
Marital St.	-0.0809	.1578	0.2631	1	.6080	0.9223
Age	0.1796	.1556	1.3320	1	.2484	1.1968

Note:

Model Statistics	<u>X2</u>	<u>df</u>	<u>p</u>
Likelihood ratio test	466.3888	2	0.0000
Score test	73.6443	2	0.0000
Wald test	29.0893	1	0.0000
Goodness-of-fit test			
Hosmer & Lemeshow	1.5048	3	0.6812

In terms of model statistics, the model was improved by 5.8%. An improvement over the baseline (+ 12.3%) was examined using three inferential statistic tests: the likelihood ratio ($p < .01$), score ($p < .01$), and Wald ($p < .05$) tests. The inferential goodness-of-fit test of the model (Hosmer-Lemeshow test) yielded a X^2 (3) of 1.5048 and insignificant ($p > .05$), suggested that the model was well fitted to the data. The independent variables exceeded the usual significant levels. In addition, the natural log of the sample size used by the BIC equaled 6.023 for the sample. Subtracting this value from the Wald Statistic showed a very strong level of evidence for financial literacy and employment status.

In the final analysis, the logistic regression was conducted to determine which independent variables were predictors of educated African Americans investment behavior in the stock market (invest or not). Regression results indicated the overall model of two predictors (financial literacy and employment status) was statistically reliable in distinguishing between those in the sample who invest in the stock market and those who do not invest in the stock market.

Implications

This study adds to the body of literature relating to educated African Americans' financial behaviors and, specifically, their investment behavior. It is important to understand their specific financial behaviors, such as investing, in order to assist them in improving their financial literacy, regardless of income. Improved financial literacy is necessary for individuals to make sound financial decisions in order to improve their financial well-being (Hilgert, et al., 2003). Employers and the federal government would certainly be interested in the finding of this study, because these entities have a vested interest in improving African Americans' financial literacy.

Employers who offer retirement plans would certainly want their employees to participate and contribute to this retirement plan. And if financial literacy is a barrier to these employees participating in this retirement plan, employers have a vested interest in improving the financial literacy of all their employees including African American employees. Employers sometimes utilize the services of third-party financial professionals or financial educators to design financial education programs for their employees.

The federal government would be interested in this study because of their interest in improving American's financial awareness and financial literacy. A great example would be the Consumer Financial Protection Act of 2010, which is designed to protect Americans from injustices within the financial services industry (Slack, 2012). Additionally, the federal government is also interested in increasing the overall U.S. savings rate, so Americans are less dependent on programs like social security (Olsen & Whitman, 2007).

Discussions and Limitations

As stated previously, there are very few studies that have examined the relationship between African Americans' financial literacy and their investment behavior, while there are more studies that have focused on the general population. These studies have found that individuals who are financially literate are more likely to invest in the stock market than individuals who are not financially literate (Lusardi & Mitchell, 2005; Van Rooij et al., 2011). This current study likewise found that educated African Americans who are financially literate are more likely to invest in the stock market versus those who are not financially literate. Similar to previous studies, this study measures financial knowledge through nine questions established by Lusardi and Mitchell (2005). However, the way this study measures investment behavior is not common place in the industry. In this study, participants self-report their investment behavior by answering questions related to owning an investment account outside their employer.

One limitation for researchers of this study is the lack of previous research related specifically to African Americans' financial behavior. Most findings related to African Americans' financial behaviors are secondary findings and even fewer examine the relationship between their financial literacy and investment behavior. Another limitation is the fact that only individuals who have brokerage accounts or investment accounts outside their employer are included in the sample. Individuals who only have retirement plans or 401k plans with their employer and individuals who have both retirement accounts with their employers and accounts outside their employers are not included in the sample. Their exclusion probably decreases the sample size of this study.

CONCLUSION

In this study, we reject the null hypothesis and find that educated African Americans' financial literacy and their investment behavior are significantly and positively related. In other words, those educated African Americans who are financially literate are more likely to be stock market investors compared to those educated African Americans who are not financially literate. Additionally, this study found a significant and negative relationship between African Americans' employment status and their investment behavior. In other words, those educated African Americans who are not employed full time are less likely to be stock market investors. The relationships between those African Americans' investment behavior and other secondary variables such as marital status and age, are not significant.

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THE IMPACTS OF MULTICOMMUNICATION ON LISTENING AND COORDINATION DURING TEAM WRITING PROJECTS

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ABSTRACT

Teams of all kinds commonly engage in multicommunication, a form of multitasking that involves holding multiple conversations at the same time. This study explored the ways in which student teams multicommunicate during meetings. We surveyed 339 business and engineering students about how they communicated during their last team project that consisted of writing a paper and delivering a presentation. Our study examined various dimensions of multicommunication: influence, support, understanding, distractions, and availability. We found that some elements of multicommunication contributed positively to team listening and team coordination whereas other elements of multicommunication detracted from team listening and team coordination. We conclude with suggestions for how business educators can help students constructively multicommunicate in team meetings.

Key words: multicommunication, multitasking, computer-mediated communication, team listening, team coordination, teamwork

INTRODUCTION

With the explosive growth of computing and communication technologies, multitasking has become an increasingly commonplace mode of working. One form of multitasking that has recently received attention in management communication literature is multicommunicating – holding overlapping conversations simultaneously (Reinsch, Turner, & Tinsley, 2008; Stephens, 2012). The idea of holding more than one conversation with multiple partners is not new; however, it is communication technologies—particularly mobile technologies such as smart phones, tables, and laptops—that enable multicommunication on a scale previously unavailable.

No generation has embraced multicommunicating more so than the Millennial generation, and educators should seek to teach Millennial students in ways that cater to those multicommunication tendencies that are productive (Stephens, Murphy, & Kee, 2012). Yet, the notion of multicommunicating poses a variety of challenging questions for learning and the workplace. In school projects, can multicommunicating help students learn? Can it help them prepare for the workplace? Or, does it inhibit collaborative learning? In the workplace, can multicommunicating help teams perform better? Or, does it lead to perceptions of rudeness and lower relational outcomes? More fundamentally, what elements of multicommunicating are functional and dysfunctional?

In this study, we aimed to answer some of these questions about multicommunicating in the context of meetings for team writing projects. Specifically, we addressed the following issues with our research: (a) the extent of and ways in which student teams multicommunicate; (b) the impacts of students' multicommunication practices on perceived team listening environment and perceived team coordination; and (c) the variations in and implications of multicommunicator styles in team writing projects.

LITERATURE REVIEW

Teaching students to work in teams is one of the building blocks of many business courses (Clockburn-Wootten, Holmes, & Simpson, 2008; Hillier & Dunn-Jensen, 2013; Ingols & Shapiro, 2014); James, 2009; Krause, 2009; Wills & Clerkin, 2009; Seibold & Kang, 2008; Stratton & Julien, 2014). In fact, "teamwork" is the term most commonly used in course descriptions of business communication courses at the top 50 business schools (Sharp & Brumberger, 2013). Writing reports and delivering presentations are common team assignments in many courses. For example, in a nationwide survey of business communication courses in the United States (with responses from 505 business communication instructors at 321 institutions), writing reports and delivering group presentations were the two most common assignments, with 80.6 percent of courses requiring a written report and 79.4 percent requiring a group presentation (Russ, 2009).

Scholars have increasingly recognized the role that business instructors hold in actively helping students improve team coordination and team communication skills (Cox & Friedman, 2009; Ding & Ding, 2008; Fredrick, 2008; Keyton & Beck, 2008; Rentz et al., 2009; Snyder, 2009). Furthermore, they have also recognized the role of incorporating various communication technologies into team projects and learning (Barker & Stowers, 2009; Carmichael, 2011; Staggers, Garcia, Nagelhout, 2008; Stratton & Julien, 2014).

However, business education scholars have not yet examined how students use communication technologies to multicommunicate during team projects. For instructors to adequately intervene and guide student teams, they need to understand the types of multicommunication behaviors students are engaging in and the degree to which these behaviors impact team coordination. In this literature review, we examine the following: (a) the theoretical development of multicommunication; (b) the impacts of multicommunication on workplace performance and workplace relationships; and (c) the impacts of multicommunication on student learning.

Theoretical Development of Multicommunication

Turner and Reinsch (2007) coined the term *multicommunicating* and defined it as "a specific form of multitasking [that] involves engaging in multiple conversations at any one time" (p. 38). Later they defined multicommunicating as "engaging in two or more overlapping, synchronous conversations" (Reinsch, Turner, & Tinsley, 2008, p. 391). They grounded their work in the idea of *polychronicity* (and its opposite *monochronicity*), which has generally referred to cultural preferences about the degree to which multiple activities should overlap with one another (Bluedorn, 2002; Hall, 1959, 1983; Turner & Reinsch, 2002).

Multicommunication has developed theoretically primarily through three camps of researchers. Turner, Reinsch, and their colleagues are the originators of the construct through a series of research articles over the past decade or so (Reinsch & Turner, 2006; Reinsch, Turner, & Tinsley, 2008; Turner, 2011; Turner et al., 2006; Turner & Reinsch, 2002, 2007, 2010). Stephens and her colleagues have refined research about multicommunication and developed an instrument to measure it (Stephens, 2012; Stephens, Cho, & Ballard, 2012; Stephens & Davis, 2009; Stephens, Murphy, & Kee, 2012). Cameron and colleagues have focused primarily on the relational outcomes of multicommunicating (Cameron, Barki, & Plante, 2012; Cameron & Webster, 2005; 2011).

No scholarly work has identified demographic differences in multicommunication. However, previous work about polychronic time orientation—which served as the guiding theoretical development of multicommunication—has been identified as higher among African Americans than European Americans (Bailey & Oetzel, 2004; need to check: Conte & Gintoft, 2005; Poposki & Oswald, 2010). Research has also suggested that women are more polychronic than men (Kaufman-Scarborough & Lindquist, 1999; Lindquist & Kaufman-Scarborough, 2004; Manrai & Manrai, 1995).

Impacts of Multicommunication on Workplace Performance and Workplace Relationships

The research about multicommunication demonstrates negative and positive impacts on workplace performance and relationships. Negative impacts of multicommunicating may include the following: incivility and damaged work relationships, more interruptions to work and consequently less productivity, and higher stress. Positive impacts of multicommunicating in meetings may include more sharing of information, more cues to direct others, and more support and coaching.

Recent research has shown that civility or courtesy are among the most sought after soft skills by hiring managers, even more important than soft skills such as responsibility, interpersonal skills, positive attitude, professionalism, work ethic, and teamwork skills (Robles, 2012). Cameron and colleagues (Cameron, Barki, & Plante, 2012; Cameron & Webster, 2005; 2011) have conducted extensive research about the impact of multicommunication on perceptions of incivility. Cameron and Webster (2011) collected qualitative and quantitative surveys from 324 professionals who described recent cases of multicommunication in which their communication partner initiated multicommunication. They found that perceived incivility increased under the following conditions (where an *initiator* of multicommunicating is paired with a *partner* who is not participating in the multicommunicating): when the partner did not know who the initiator opened a second conversation with; when the second conversation was not contributing to the open conversation; when the initiator was unskilled or awkward at multicommunicating; when the initiator was not known for trying to be accessible to as many people as possible; when the initiator appeared to be hiding the second conversation; and when the initiator was perceived as using the wrong media for the second conversation.

Perhaps most significantly, Cameron and Webster's (2011) study showed that multicommunicating sometimes led to spiraling incivility and lowered trust in the initiator. The researchers found that while multicommunicating can be done successfully, it is more difficult to do well than other forms of multitasking since multitasking involves juggling tasks whereas multicommunicating involves "juggling. . .multiple people and often multiple media at the same time" (p. 754).

Cameron, Barki, and Plante (2012) extended this research on the outcomes of perceived incivility due to multicommunicating. They examined an analyst-user relationship in an information systems environment. They found that when analysts multicommunicated while working with users, even when it did not interfere with the conversation with the user, study participants expressed less willingness to work with or help the analysts in the future.

The impacts of multicommunicating on perceived incivility vary significantly by gender and generation. In research about the use of mobile phones for multicommunicating at formal and informal meetings, Washington, Okoro, and Cardon (2013) showed that professionals over 40 years old are three to five times more likely to consider checking texts and emails during meetings as rude or inappropriate. Similarly, women were about twice as likely as men to consider behaviors such as checking text messages or answering calls during informal meetings as rude behaviors.

The potential negative impacts of multicommunicating are not limited to incivility. Many studies have shown how disruptions—due to multitasking in a work environment—are counterproductive (Acquisti & Spiekermann, 2011; Rennecker & Godwin, 2005). For example, a typical office worker is interrupted on average every 3 minutes. Yet, it takes the average office worker 23 minutes to get back and completely focused on a task. Generally, workers compensate for the expectation of interruptions by working faster. Overall, this creates more stress, frustration, time pressure, and effort (Gonzalez & Mark; 2004; Mark, Gonzalez, & Harris, 2005; Mark, Gudith, & Klocke, 2008; Su & Mark, 2008). Since multicommunicating may hinder focused and sustained communication lines, it can hinder innovation (Turner, 2011). Turner and Reinsch (2010) suggested that it is the focus on efficiency that may even inhibit innovation. After researching successful and unsuccessful multicommunication episodes of 201 professionals, they concluded the following regarding unsuccessful multicommunicating:

> What seems most troubling about multicommunicating is the lack of strategic thought associated with its practice. Most respondents seemed to view the practice as an opportunity for efficiency—to do more in less time. The frenetic pace associated with communication and managing responses may be leading to a situation where a response is valued more highly than the content of the response. In this way, conversation becomes a game of high stakes juggling where the goal is to keep as many balls in the air as possible without dropping them. Additionally, the practice of multicommunicating becomes very sender focused with little attention on the receivers. (p. 283)

The emphasis on efficiency may be particularly detrimental to team development. Extensive research shows that teams rarely reach peak performance until they've gone through various cycles of development (often described as forming, storming, norming, and performing) (Tuckman, 1965). Rarely does a team reach peak performance within six months (Wheelan, 1999). It's quite possible that extensive multicommunicating may inhibit and extend progression through stages of optimal team development.

The research about the negative impacts of multicommunicating is compelling. Most professionals have experienced the negative impacts, and for this reason, *multitasking* generally and multicommunication *specifically* are often stigmatized. Yet, multicommunication is not necessarily counterproductive for workplace performance and relationships. In perhaps the seminal work on multicommunication, Reinsch, Turner, and Tinsley (2008) cited research showing that one company estimated saving up to $200 million per year due to multicommunicating between teams (Amin et al., 2001).

Among the first researchers to empirically examine the positive impacts of multicommunicating during meetings were Rennecker, Dennis, and Hansen (2010). They examined the many ways in which professionals use instant messaging (IM) to hold multiple conversations during meetings. Grounding their work in Goffman's (1959) terminology about interaction order (the process of regulating interactions), they identified six types of overlapping communication activities of IM during meetings: directing meetings, providing task support, seeking clarification, providing social support, participating in a parallel subgroup meeting, and managing extra-meeting activities. They found that many of these practices led to efficient and effective meetings.

Stephens (2012) built and tested a 23-item scale based on the work of Rennecker, Dennis, and Hansen (2010). Her scale contains five factors related to multicommunicating in meetings: influence (influencing the actions of others during meetings); support (coaching and encouraging others during meetings); parallel activities (distractions from meeting goals and blowing off steam); understanding (verifying and clarifying meeting content); and being available (ensuring accessibility to others not present at the meeting). They identified most of these factors as leading to positive outcomes.

The research about multicommunicating, however, is relatively limited, and many of the propositions of the original theoretical work on multicommunicating remain untested empirically. Some of these propositions state that multicommunicating becomes more challenging under the following conditions: higher number of open conversations, faster pace of open conversations, lower integration among social roles occupied in the open conversations, and higher number of topics. Clearly, the degree of challenge associated with various forms of multicommunicating impacts workplace performance and workplace relationships (Reinsch, Turner, & Tinsley, 2008; Turner & Reinsch, 2007).

Impacts of Multitasking and Multicommunicating on Student Learning

Many have called for a rethinking about how to teach communication in business courses and training given the new and emerging technologies (i.e., Turner & Reinsch, 2007). Studies of the use of mobile devices in classrooms have primarily demonstrated the negative impacts of multitasking. Kuznekoff and Titsworth (2013) ran several experiments to show the degree to which students using mobile phones in class were distracted from learning. They found that students who texted during a lecture video scored over one grade lower on an exam covering the content in the video. Other studies have likewise shown that texting, browsing and posting on social networking websites, and other social online activities while engaged in learning have lowered performance or at least distracted some learners (Baker, Lusk, & Neuhauser, 2012; Wei, Wang, & Klausner, 2012; Wood et al., 2012).

As discussed in the prior section, the term *multitasking* suffers a certain level of stigma, particularly in the case of mobile devices. Yet, multitasking with other tools during classes does not achieve as much condemnation. For example, one of the most common multitasking behaviors of students for centuries has been note-taking. Kobayashi (2006) conducted a meta-analysis of 33 note-taking studies found that students who take notes perform substantially better than those who do not.

In the classroom, various forms of multitasking are considered productive and unproductive. Kraushaar and Novak (2010) used activity-monitoring software to examine student use of laptops during class. They found that some programs were generally productive, such as word processing and spreadsheet software enhanced achievement. However, roughly 62 percent of laptop activities were considered distracting and lowered achievement in terms of quiz and exam scores and final grades.

While many studies have focused on multitasking with mobile devices in the classroom, only one known study has examined the impact of multicommunicating in the classroom on student learning. Stephens, Murphy, and Kee (2012) explained the rationale and successful application of multicommunicating in a classroom environment. From their review of literature about Millennials (also referred to as the *Net Generation* and *Digital Natives*), they found five distinct characteristics of this generation in terms of learning preferences: preference for blended classrooms, technology that fits their needs, immediate interaction with instructors, active learning, and fun learning. Millennials also *expect* to multitask in their learning and workplace environments. They carefully documented a case of intentionally introducing multicommunicating as a mode of learning and instruction.

After eight weeks of a course taught in a traditional manner, they concluded that students were disinterested and disengaged. They introduced web conferencing technology midway through the course to allow public and private chat, anonymous polls, and other features for students present in the classroom as well as elsewhere. The use of these tools of multicommunication led to dramatic increases in student engagement and learning. Attendance rose by 10 to 25 percent. The researchers found that students participated more broadly in what they considered a more egalitarian learning environment. For example, one student explained, "It was great being able to type and send a question during the presentation or make a comment, rather than waiting and allowing it to become irrelevant. It made conversation easier and greatly successful." (Stephens, Murphy, & Kee, 2012, p. 277)

Regarding this case, the researchers commented:

> The instructor openly displayed the backchannel communication via a chat log rolling behind her on a large screen while she stood in front of the classroom lecturing and periodically monitoring the rolling chat. She admitted that this was very nerve racking at first because she had no idea how the students would respond and if their behavior would be productive. The results was one of giving voice to students often unheard. The students communicated with one another by actively participating in the live chat instead of simply responding to the instructor's questions. Learning seemed to occur *student to student* in addition to instructor to student. (Stephens, Murphy, & Kee, 2012, p. 277)

The researchers examined backchannel chat and found that it was almost all focused on class content and learning objectives – only 5 percent of backchannel chat was off topic. Of this small portion of off-topic chat, the researchers considered it primarily rapport building. They did find that multicommunicating became counterproductive during the last five minutes of class.

Multicommunication is a fairly new communication construct. In this literature review, we have shown that it can have negative and positive impacts on task performance and workplace relationships. However, no research exists about how teams multicommunicate during team writing projects. Furthermore, no research exists about the connection between various types of multicommunicating and team listening and team coordination.

METHODOLOGY AND SAMPLE

Our primary interest was to understand how student teams multicommunicate when working on group projects that include a research paper and delivering a presentation. The primary rationale for this context is that this is a common requirement in business and professional communication courses. Also, this context involves a substantial project that requires a lot of time, coordination, and technology. As such, it is a team project that likely leads to multicommunicating.

We created a modified version of Stephens' (2012) multicommunicating scale. Stephens built and tested a 23-item scale based on the work of Rennecker, Dennis, & Hansen. Her scale contains five factors related to multicommunicating in meetings: influence; support; parallel activities (we label this factor *distractions* in the Findings section); understanding; and availability. We modified the scale slightly in two ways. We shortened the scale to 15 items to ensure students were more likely to complete the survey. Also, we added the following two items to capture the degree to which students contacted or remained available to teammates versus non-teammates: *Allow me to remain available to non-teammates (friends and family)* and *Allow me to remain available to teammates who are not attending the meeting in person*.

We examined two independent variables. First, we included a scale for team listening since research about multicommunicating has suggested that it can be uncivil and disruptive. For the team listening scale, we used Johnston, Reed, and Lawrence's (2011) team listening environment (TLE) scale. This measure showed high reliability, with a Cronbach's alpha of .93. Second, we assessed team coordination since research about multicommunicating has suggested that it can lead to lower team performance. We also focused on team coordination since business instructors frequently view developing teamwork skills as a primary learning objective in their courses. We used Jarvenpaa and Leidner's (1999) revised version of Taylor and Bower's (1972) scale for team coordination. In our survey, this measure showed high reliability with a Cronbach's alpha of .92.

We surveyed business and engineering students about team writing and presenting projects at five universities located in the East, Southeast, Midwest, and West regions of the United States (see Table 1 for specific demographics of survey respondents). We achieved enough diversity in terms of discipline (business and engineering), gender, and ethnicity (European American and African Americans) that we could test for statistical differences among these groups.

TABLE 1
DEMOGRAPHICS OF SURVEY RESPONDENTS

	#	%
Discipline		
Business	250	73.7
Engineering	89	26.3
Gender		
Men	185	54.6
Women	154	45.4
Ethnicity		
African American	125	36.9
Asian American	10	2.9
Hispanic American	12	3.5
European American	158	46.6
Native American	1	.3
International Students	9	2.7
Other	22	6.5
Total	339	100

FINDINGS

We asked students to describe the nature of their meetings for their most recent major writing project (involving a research paper and a presentation). We found that the average size of groups was about four students. On average, teams held roughly three face-to-face meetings over the course of their projects. For nearly two of these meetings, at least one team member was not able to attend. On average, teams spent nearly six hours meeting during the course of their projects (see Table 2 for detailed information about student team meetings).

TABLE 2
NATURE OF MEETINGS FOR STUDENT TEAMS

	M	*SD*
Group Size	3.86	1.17
Number of F2F Meetings	3.17	1.56
Number of F2F Meetings with Not All Team Members Present	1.74	1.61
Total Number of Meeting Hours	5.87	3.17

Note. F2F = face-to-face. Means may be slightly lower because the upper limit for meeting hours was *10 or more hours*.

Students multicommunicated frequently during meetings (see Table 3 for specific details for the multicommunication scale) for many reasons. For four of the factors—influence, support, understanding, and availability—means generally fell in the 3.3 to 3.7 range, indicating students reported using mobile devices to hold multiple conversations *sometimes* to *often* during meetings. For the distractions factor, means generally fell between 2.4 and 2.8, indicating that students reported using mobile devices in distracting ways *rarely* to *sometimes* during meetings.

TABLE 3
MULTICOMMUNICATION FACTORS AND ITEMS

How often did you use communication technologies (such as mobile phones, tablets, or laptops) during meetings to do the following?	*M*	*SD*
Influence Factor		
Influence teammates during meetings.	3.31	1.22
Give advice to teammates during meetings.	3.43	1.12
Support Factor		
Offer support to or encourage teammates during meetings.	3.37	1.13
Coach teammates during meetings.	3.09	1.20
Joke with or make sarcastic comments to teammates.*	2.41	1.18
Distractions Factor		
Distract you from your meeting goals.	2.43	1.19
Communicate with non-teammates (friends and family).	2.78	1.19
Look at content unrelated to the meeting.	2.60	1.20
Understanding Factor		
Ask questions to teammates.	3.47	1.12
Answer questions from teammates.	3.56	1.06
Give information to teammates at the meeting.	3.69	1.12
Give information to teammates not at the meeting.	3.50	1.25

Allow me to remain available to teammates who are not attending the meeting in person.	3.53	1.23
Availability Factor		
Allow me to remain available to non-teammates (friends and family).	3.23	1.21
Make sure I'm reachable during a meeting.	3.86	1.09

Note. Scale for this survey item was the following: 1 = never; 2 = rarely; 3 = sometimes; 4 = often; 5 = constantly. Cronbach's alpha for the factors were as follows: influence = .81; support = .80; distractions = .81; understanding = .82; availability = .88. * Removed after factor analysis revealed poor fit.

Means for team listening orientation and team coordination items are shown in Tables 4 and 5. On average, students reported good team listening environments and fairly good work coordination. The least supported work coordination item was *Everyone in my team understood what to do and how to do it*.

TABLE 4
TEAM LISTENING ORIENTATION

	M	*SD*
The other team members genuinely wanted to hear my point of view.	4.04	.91
The other team members showed me that they understood what I say.	4.07	.83
The other team members listened to what I had to say.	4.21	.84
The other team members understood me.	4.12	.80
The other team members seemed attentive to what others had to say.	4.04	.93
The other team members paid attention to me.	4.15	.88
Overall team listening	24.63	4.49

Note. Each item was on a scale from 1, strongly disagree, to 5, strongly agree. Cronbach's alpha = .93.

TABLE 5
TEAM COORDINATION

	M	*SD*
Members in my team planned together and coordinated efforts effectively.	3.87	1.02
Everyone in my team understood what to do and how to do it.	3.62	1.07
As a team, we were dedicated to meeting our objectives successfully.	3.93	1.00
Team members worked hard to provide substantive and timely feedback on ideas and work presented.	3.80	1.11
My team was usually aware of important project requirements and deadlines.	3.99	1.05

The people in my team made my job easier by sharing their ideas and opinions with me.	3.89	1.14
Overall team coordination	23.11	5.42

Note. Each item was on a scale from 1, strongly disagree, to 5, strongly agree. Cronbach's alpha = .92.

We ran two regressions (see Table 6). In the first regression (Model 1 in Table 6), we set team listening environment as the independent variable. Discipline (business versus engineering), ethnicity, and gender had no impacts. Total meeting time was significantly and positively related to team listening environment, and the number of team members was significantly and negatively related to team listening environment. Two of the multicommunication factors were significant predictors of team listening environment: distractions were negatively related to team listening environment and availability was positively related to team listening environment.

In the second regression (Model 2 in Table 6), we set team coordination as the independent variable. Discipline (business versus engineering), ethnicity, and gender had no impacts. Total meeting time was significantly and positively related to team coordination, and the number of team members was significantly negatively related to team coordination. Two of the multicommunication factors were significant predictors of team coordination: supporting was positively related to team coordination and distractions were negatively related to team coordination.

TABLE 6
REGRESSIONS FOR TEAM LISTENING AND TEAM COORDINATION

	Model 1: Team Listening			Model 2: Team Coordination		
	B	*SE B*	*p*	*B*	*SE B*	*p*
Discipline (Business)						
Engineering	.07	.60	.91	-.55	.71	.44
Ethnicity (Other)						
African Americans	.69	.74	.35	.73	.88	.41
European Americans	-.29	.68	.67	-.79	.81	.33
Gender (Women)						
Men	.28	.49	.57	.32	.58	.59
Total Meeting Time	.25	.08	.00**	.33	.09	.00**

Group Size	-.62	.21	.00**	-.88	.25	.00**
Multicommunication						
Influence	.05	.18	.79	-.03	.22	.88
Support	.05	.18	.77	.44	.21	.04*
Understanding	.07	.08	.34	.02	.09	.81
Distractions	-.25	.09	.00**	-.22	.10	.03*
Availability	.33	.14	.02*	.25	17	.13

Note. R^2 =.14** for Model 1; R^2 = .11** for Model 2. *p < .05. **p < .01. Variables in parentheses are baseline measures for dummy coded variables. **Positive coefficients** imply that as this variable increases, team listening or team coordination increase as well. **Negative coefficients** imply that as this variable increases, team listening or team coordination decreases.

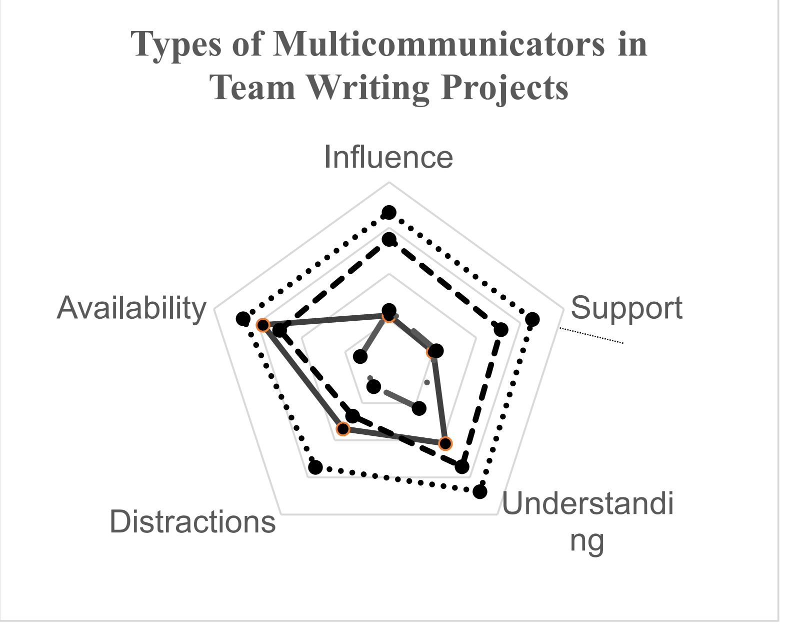
Our final statistical analysis involving grouping types of multicommunicators. In our experience, business professionals and students respond well to training that provides reliable groupings of communication styles. We conducted a *K*-means cluster analysis of multicommunicator styles and found that students clustered into four types (see Table 7 and Figure 1). Roughly 20 percent of these students can be considered *constant multicommunicators*. They report engaging in all multicommunicating behaviors often or constantly. Another 20 percent of these students can be considered *frequent distracted multicommunicators*. These students report rarely engaging in influencing or supporting behaviors but sometimes or often engaging in distracting, understanding, and availability behaviors.

The largest group, comprising approximately 50 percent of these students can be considered *frequent influencer multicommunicators*. These students report often using mobile devices during meetings for influence, support, and understanding. Yet, they report rarely using mobile devices in ways that are distracting. The smallest group by far, comprising just ten percent of these students, are *light multicommunicators*. On average, they report using mobile devices for multicommunicating rarely for essentially all multicommunication behaviors.

TABLE 7
TYPES OF MULTICOMMUNICATORS

	Influence Mean	Support Mean	Distraction Mean	Understanding Mean	Availability Mean
Constant MC (*n* = 67)	4.34	4.28	3.72	4.37	4.34
Frequent Distracted MC (*n* = 67)	2.10	2.01	2.69	3.09	3.88
Frequent Influencer MC (*n* = 166)	3.75	3.56	2.34	3.71	3.50
Light MC (*n* = 35)	2.21	2.09	1.56	2.13	1.66

FIGURE 1
TYPE OF MULTICOMMUNICATORS
IN TEAM WRITING PROJECTS



CONCLUSIONS

This study provides a number of insights about improving team writing and team development skills. We think business educators should hold conversations with their student teams about using mobile devices to multicommunicate effectively. As a result, we state our conclusions largely in ways that can be part of a conversation with students about how to improve their team meetings. In other words, we frame most of our conclusions in ways to *talk about how we meet*.

Multicommunicating is an inevitable part of student meetings. This study shows quite conclusively that virtually all students are using their mobile devices during team meetings to hold more than one conversation at the same time. Just ten percent of students clustered into the *light multicommunicator* group, and even light multicommunicators reported using mobile devices for multicommunicating, albeit rarely. Even for instructors who encourage less multicommunicating, they should recognize that multicommunicating in student teams is commonplace and frequent. As a result, they should find ways to discuss the most productive ways to do it.

Total meeting time and team size matter a lot. Aside from multicommunicating behaviors, total meeting time positively impacts team listening and team coordination. Instructors can confidently encourage students to increase meeting time and explain that this investment in time yields significantly better team listening and coordination. Additionally, group size had a major negative impact on team listening and team coordination. Instructors have an opportunity to explain how much more difficult it gets to achieve team coordination as the number of team members grows. In fact, team size has a larger impact on team coordination than any other factor. Instructors should create teams of four or fewer if they expect student teams to perform at their best.

Some multicommunicating behaviors are functional and others are counterproductive. The study showed that distracting mobile phone behaviors significantly decreased team listening and team coordination. On the other hand, other multicommunicating behaviors had a positive effect. Supporting multicommunication behaviors had a positive impact on team coordination and availability had a positive impact on team listening environment.

Many people do not have the discipline to multicommunicate productively. In particular, *constant multicommunicators* and *frequent but distracted multicommunicators*, together accounting for roughly 40 percent of students in this study, often or constantly use their mobile devices to view content unrelated to meetings, communicate with non-team members, and ensure they are receiving incoming messages (staying available). It is these two groups of students that instructors most need to influence. Table 8 summarizes the various multicommunicator types and the potential challenges they face in team meetings.

TABLE 8
TYPES OF MULTICOMMUNICATORS AND RELATED STRENGTHS AND WEAKNESSES

MC Type	Potential Strengths	Potential Weaknesses
Constant MC (*about 20 percent of students*)	• Reaching out to team members to direct, support, and share information • Well-suited to straightforward projects involving teammates in various locations	• Not taking time for deep, substantive meetings and conversations • Some professionals, especially *Light MC*s and *Frequent Influencer MC*s, may be offended/frustrated by their level of multicommunication
Frequent Distracted MC (*about 20 percent of students*)	• Staying available to teammates not at meetings	• Lacking discipline to use mobile devices productively • Often off task
Frequent Influencer MC (*about 50 percent of students*)	• Using mobile communication technologies for primarily constructive purposes: influencing, supporting, and understanding • Disciplined enough to keep distractions to a minimum	• Focusing on efficiency and quick consensus rather than taking the time for higher-quality conversations and decision-making
Light MC (*about 10 percent of students*)	• Committed to developing high-quality relationships and careful decision-making • Paying full attention to teammates as they speak	• Potentially missing opportunities to communicate efficiently for straightforward, project-related matters • Potentially missing opportunities to connect with teammates who are more naturally inclined to multicommunicate and rely on mobile communication technologies

Note. MC refers to multicommunicator.

The impacts of multicommunicating do not differ by ethnicity or gender. Prior research has suggested that African Americans adopt a more polychronic time orientation than European Americans (Bailey & Oetzel, 2004; Conte & Gintoft, 2005; Poposki & Oswald, 2010). This research, however, did not show that African Americans perceived multicommunicating as differentially leading to different outcomes in team listening or team coordination. Research has also suggested that women are more polychronic than men (Kaufman-Scarborough & Lindquist, 1999; Lindquist & Kaufman-Scarborough, 2004; Manrai & Manrai, 1995). Yet, gender likewise played no role in perceptions of multicommunicating and its impacts on team listening and team coordination. It may be that gender and ethnicity have little influence on Millennials' perceptions of multicommunicating.

Limitations and Future Research

This research contains several limitations. First, the research is based on self-perceptions. In particular, the link between multicommunicating and team listening environment and team coordination is based on self-perceptions. Since multicommunicating often causes strong reactions by teammates and colleagues, it would be useful conduct similar studies involving perceptions of others' multicommunicating. Second, this study is confined to self-report survey items, which may not capture some of the nuances of multicommunicating, such as the nature of projects, the status of people involved, and other factors. Third, the research is limited to university students. To make reliable generalizations about how forms of multicommunicating impact team listening environment, team coordination, and other aspects of workplace outcomes, similar studies should be conducted among working professionals of various generations.

We encourage business education scholars to adopt a flexible and open view of multicommunication, examining and researching its many forms of practice and related impacts on workplace relationships and outcomes. As we started this research, we realized we had certain biases against multicommunication. As we have conducted the research, we've recognized that multicommunication is complex in its impacts. Much like Kaufman-Scarborough and Lindquist (1999) called for respect between individuals and cultures on opposite ends of the monochronic and polychronic modes to work as legitimate, we encourage business education scholars and instructors to remain open to various modes of multicommunicating as potentially normal and productive.

Similarly, we recommend research that seeks to develop typologies of multicommunicators. Our research indicates that among students, there appear to be four distinct orientations to multicommunicating (see Table 8). By further identifying and refining these typologies through empirical research, business scholars will be positioned to given practical advice about how professionals can adapt to the multicommunicator styles of their teammates and other professional contacts.

SUMMARY

This research was the first empirical study of how various forms of multicommunicating may impact team listening environment and team coordination. We found that in student teams for writing projects, distracting multicommunicating behaviors led to significantly less team listening and team coordination. On the other hand, multicommunicating to remain available led to higher team listening and multicommunicating to support teammates led to higher team coordination. We encourage business educators to hold conversations with writing teams about multicommunicating during meetings, focusing on identifying those multicommunicating practices that are productive and those that are counterproductive.

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GLOBALIZING AFRICAN AMERICAN BUSINESS MAJORS: AN EXAMINATION OF HOW THEY VIEW AFRICANS AT ONE HISTORICALLY BLACK BUSINESS SCHOOL

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ABSTRACT

With the international growth and expansion of corporations, business recruiters want graduates to have a general openness to the rest of the world. U.S. businesses that are genuinely committed to diversifying their workforce incur challenges when identifying minorities who are globally prepared to manage their growing international operations. One program that contributes to this openness is a study abroad experience. In addition to financial barriers, cultural barriers, such as the belief that they will be discriminated against, have impacted minority students' willingness to participate in international experiences such as study abroad and engage with international groups. If minority students are in fact willing to participate in a study abroad program, they typically select regions where they have a cultural affinity. For African American students, such regions include the Sub-Saharan region of Africa. Aside from this cultural affinity, are levels of social distance, the tendency to withdraw from an ethnic group in social settings, still present? Is social distance present among African American students who attend a Historically Black College or University, institutions that have historically had connections to Africa? This study examines how African American business students at an HBCU perceive Sub-Saharan Africans from the context of social distance.

Key words: Historically Black Colleges and Universities, Social Distance, Business Education and Culture, Globalization

INTRODUCTION

With the international growth and expansion of corporations, business recruiters want graduates to have a general openness to the rest of the world (Di Meglio, 2013). One program that contributes to this openness is a study abroad experience. Selling the study abroad experiences to minority students attribute to them learning a second language, being more accepting of other cultures, and increasing their level of adaptability in new and challenging experiences (Gasman, 2010). Students who have participated in study abroad experiences were more likely to report that they interacted with and learned from the local community, engaged in reflection, and had greater personal change (Fischer, 2015).

Despite the infusion of globalization and multiculturalism in business education, challenges exist in globalizing American students through study abroad participation. In general, the number of Americans who participate in study abroad experiences remains incredibly low – fewer than 10% of undergraduate students and just 2% of the total college population (Fischer, 2015). In a study conducted by the British Council (2015), 54% of the 4,625 American students expressed interest in studying abroad while the rest lacked the desire or were unsure of their interest level for international travel. Among the respondents who were interested, 40% admitted that it would be difficult to leave their families (British Council, 2015).

Minority American students also lag in the participation of study aboard experiences. In 2003/04, only 5.0% of Latino students participated in a study abroad experience. In 2013/14, 8.3% of Latino students participated in a study abroad experience, a growth of 3.3% across a 10-year period. For African American students, 3.4% participated in a study abroad experience in 2003/04. In 2013/14, 5.6% of African American students participated in a study abroad experience, a growth of only 2.2% in a 10-year period. In 2013/14, 74.3% of Caucasian students participated in a study abroad experience (Institute of International Education, 2015b). Consequently, U.S. businesses that are genuinely committed to diversifying their workforce incur challenges when identifying minorities who are globally prepared to manage their growing international operations (McGiffert, 2014a).

The benefits associated with study abroad participation align with certain skills that industry wants from business graduates: flexibility, agility, teamwork, communication, and adaptability (King, 2015;

Robles, 2012). So why is there such a gap in the participation of African Americans and Latinos in global experiences such as study abroad? The primary reason is financial barriers (British Council, 2015; Hembroff & Rusz, 1993; McGiffert, 2014a; 2014b). To address this barrier, financial resources have been funneled into various international opportunities such as the Fulbright program and 100,000 Strong US-China initiative to mitigate the financial burden for students. But there are also cultural reasons, such as the lack of travel knowledge/experiences and apprehension of overseas travel, fear of discrimination, and that international travel and study has not traditionally been a part of minority students' culture, which thereby affect minority students' willingness to participate in global experiences (Brown, 2002; Hembroff & Rusz, 1993; McGiffert, 2014a; 2014b).

Research conducted by Powell and Rey (2015) revealed that African American marketing majors displayed high levels of social distance, the tendency to withdraw from an ethnic group in social settings, toward international groups such as Chinese, South Koreans, Indians, and Saudi Arabians. If minority students are willing to participate in global experiences such as study abroad, they typically select regions where they have a cultural affinity. For African American students, such regions include Sub-Saharan Africa or countries such as Brazil due to their large Afro-Brazilian population (McGiffert, 2014a; Penn & Tanner, 2008). Latino students prefer to study in Spain or countries in Latin America (McGiffert 2014a).

Historically Black Colleges and Universities (HBCUs), which tend to have a higher enrollment of African American students, have had strong connections to Africa. HBCUs such as Tuskegee University, in Alabama have worked in Africa and had connections to Africa for over a century. Tuskegee's founder, Booker T. Washington, sent four of his students to Togo back in 1901. Tuskegee University was also the model for Liberia's Booker Washington Institute. This initiated a long-standing international relationship between the two institutions (Fischer, 2014). Other HBCUs that have participated in study abroad programs in and/or collaborated with entities in Africa include Dillard University (Ghana), Howard University (Kenya, South Africa, and Nigeria) (Oguntoyinbo, 2014) and Southern University and A & M College's Business School (Uganda).

Aside from this cultural affinity, are levels of social distance, the tendency to withdraw from an ethnic group in social settings, still present? Is social distance present among African American students who attend a Historically Black College or University, institutions that have historically had connections to Africa? Also, are there any significant group differences? This exploratory study examines how African American business students perceive Sub-Saharan Africans. For Minority Serving Institutions (MSIs), particularly, HBCUs, this study considers curricular implications, such as the response of HBCUs toward industry needs and the diversity of entrepreneurship opportunities.

Social Distance and Global Business

Some of the top soft skills that business executives want from potential employees have social, global, and cross cultural implications – collaboration and teamwork, communication, interpersonal skills, adaptability, and flexibility (King, 2015; Robles, 2012). For business students, these skills are critical in areas such as influencing and persuading across cultures (Martin, 2010) and being hired by corporate entities (King, 2015). Global branding efforts in emerging markets for companies such as Heinz (Johnson, 2011) and KFC (Bell & Shelman, 2011), requires marketing students to easily adapt in multicultural environments.

From the context of minority business students and multicultural experiences, the researchers contend that when minority business students are engaged with multicultural and global experiences, the more positive their feelings and perceptions toward international groups become. This also includes international groups in which African Americans have some level of cultural affinity (Sub-Saharan Africans and Afro-Brazilians). Hence, their cultural awareness, adaptability, and global preparedness increases. The theoretical foundation for this study is grounded in the Social Distance Theory, the tendency to withdraw from an ethnic group in social settings. Social distance postulates, "that individuals are susceptible to particular attributes of others, and this susceptibility influences interaction patterns among individuals" (Young & Fox, 2002, p. 537).

Social Distance Among Ethnic and Racial Groups

McGiffert (2014a) contends that African Americans are more likely to travel to Africa because of cultural affinity and Capehart (2004) posits that they share a number of similarities. However, African-Americans have negative perceptions and deep misconceptions about Africans that can deeply impact social distance from varying contexts. Based on the literature, key underpinnings for social distance and negative perceptions among ethnic groups are the real or perceived historical structure and the residual effects stemming from it, real or perceived ethnic and racial stratification, and social identities and group connection.

Divergent views on slavery and the plight of African Americans in the United States are drivers of negative perceptions (McLaughlin, 2009; Mora, 2010; Mwakikagile, 2007; Mwakikagile, 2009 & Reddick, 1998). Such forms of interethnic group distance tend to be rooted materially. This stems from objective or perceived structures and histories of racial and ethnic stratification that mimic the distribution of desirable rewards (Vedlitz & Zahran, 2007).

Perceived differences in accents (McLaughlin, 2009; Mora, 2010; Mwakikagile, 2007; Mwakikagile, 2009 & Reddick, 1998) and superior attitudes toward Africans (McLaughlin, 2009; Mwakikagile, 2009 & Reddick, 1998) have also impacted certain perceptions and misconceptions. These perceptions envelop group attachment and social identity, which examines an individual's ethnic and racial connectedness by how closely they feel in their in their ideas and feelings toward members of their own racial and ethnic group and by their patterns of spoken language. Hence, "individuals with high in-group ethnic and racial connectedness are more likely to distance themselves socially from other racial and ethnic groups" (Vedlitz & Zahran, 2007, p. 592). Negative attitudes and cynicism arise between individuals of different racial and ethnic identities due to differing comparisons among the groups thus forming an "us" versus "them" concept.

Conflict over job availability and class levels (Mwakikagile, 2009 & Reddick, 1998) can also exacerbate social distance. This aligns with socioeconomic considerations and group conflict. Socioeconomic considerations include real or perceived structures of racial and ethnic competition, scarcity of resources, and inequality and stratification. Therefore, social distance is heightened when racial and ethnic groups who feel subordinated seek to rectify the current structures of racial and ethnic dominance (Vedlitz & Zahran, 2007).

METHODOLOGY

The research was conducted at a medium four-year, state supported, HBCU located in the southern region of the United States. The

Association to Advance Collegiate Schools of Business (AACSB) – International accredits the College of Business at this particular HBCU. The researchers collected data across the institution's College of Business. This study examined African American business students' perceptions due to the growth and global expansion of U.S. corporations and the immediate need for globally-prepared business graduates. The sample of useable online surveys for this study included a survey of 117 African American, undergraduate, business students. The data was collected during the Spring 2015 and Spring 2016 semesters. Aside from examining the descriptive statistics, the researchers employed a Mann-Whitney *U* to examine group differences.

Survey Instrument

A questionnaire that consisted of statements from all four domains (previous contact, social willingness, knowledge, and affect) was utilized for data collection. General and specific demographic data was initially collected to ascertain a profile of the respondents. Respondents then provided Likert-type responses on a 1 to 4 scale of strongly agree, agree, disagree, and strongly disagree. The questionnaire statements referenced individuals from African countries such as Nigeria, Kenya, and Ethiopia due to their increased growth in the United States (Anderson, 2015a, 2015b; Gambino, Trevelyan, & Fitzwater, 2014 ; Zong & Batalova, 2014) and the growth of these students studying in colleges and universities in the United States within recent years (Institute of International Education, 2015a; Kigotho, 2015). African immigrants are more likely to settle in the southern region of the United States (38%) (Anderson, 2015b). A number of African students also study in the southern region of the United States (Newman, 2014).

Sample

The respondents were comprised of 117 African American, undergraduate business students. The respondents were majority female (71 respondents or 60.7 percent). Only 39 (33.3 percent) of the respondents indicated that they had traveled outside of the United States. The following table highlights the participants by major.

TABLE 1
SURVEY PARTICIPANTS BY MAJOR

Major	Frequency	Percent
Accounting	34	29.0
Finance	8	6.9
Management	42	35.9
Marketing	33	28.2
Total	117	100.0

RESULTS

Descriptive Statistics

The descriptive statistics revealed that the respondents have relatively positive perceptions of Africans. For example, a high number of respondents disagreed with Knowledge-based statements such as these groups "come to the U.S. and take jobs from American citizens" (M = 1.85) and "they tend to cheat Americans out of their money" (M = 1.81). However, some levels of social distance do exist among African American business and Africans. Table 2 highlights levels of social distance by domain.

TABLE 2
DESCRIPTIVE STATISTICS – NOTABLE FINDINGS

Statement **4-point Likert Scale**	***M***	***SD***
Previous Contact		
I have worked with people from African countries such as Nigeria, Kenya, or Ethiopia before.	2.62	0.85
When I was a child, I saw my parents spend time with people who were from African countries such as Nigeria, Kenya, or Ethiopia.	2.35	0.82
When the subject comes up, I have heard people say bad things about people from African countries such as Nigeria, Kenya, or Ethiopia.	2.50	0.70
I have helped people from African countries such as Nigeria, Kenya, or Ethiopia during the last month.	2.28	0.78

I have had a person from an African country such as Nigeria, Kenya, or Ethiopia visit my home.	2.47	0.91
Social Willingness		
I would like to voluntarily spend time once a week with an at-risk child from an African country such as Nigeria, Kenya, or Ethiopia.	2.90	0.74
Affect Domain		
I just feel sorry for people from African countries such as Nigeria, Kenya, or Ethiopia.	2.01	0.76
When watching telethons about people from African countries such as Nigeria, Kenya, or Ethiopia, I have felt like giving money.	2.84	0.74

Note: 4 = strongly agree; *1* = strongly disagree

Group Differences

To gain a more in-depth understanding of African American students, the researchers examined group differences based upon the demographic information that was collected. Key areas that were examined included gender differences, classification (freshmen and sophomores/juniors and seniors), major ("hard majors" versus "soft majors", age, family responsibilities such as children, first generation vs. second generation college students, and employment. Tables 3-8 highlight significant group differences by domain.

TABLE 3
GROUP DIFFERENCES BASED ON GENDER

Null Hypothesis	Sig.
The distribution of "People from African countries such as Nigeria, Kenya, or Ethiopia usually act peculiar" is the same across categories of gender.	.039
The distribution of "I have seen people from African countries such as Nigeria, Kenya, or Ethiopia being ridiculed or made fun of by other people in social situations" is the same across categories of gender.	.027
The distribution of "I have worked with people from African countries such as Nigeria, Kenya, or Ethiopia" is the same across categories of gender.	.013

Group differences were present based on gender. Higher levels of social distance were present among the male students in the knowledge domain. Female students indicated higher levels of social distance within the previous contact domain.

TABLE 4
GROUP DIFFERENCES BASED ON CLASSIFICATION

Null Hypothesis	Sig.
The distribution of "People from African countries such as Nigeria, Kenya, or Ethiopia are rude and do not have any manners" is the same across categories of classification.	.029
The distribution of "I think that people from African countries such as Nigeria, Kenya, or Ethiopia come to the United States and take jobs from American citizens" is the same across categories of classification.	.029
The distribution of "People from African countries such as Nigeria, Kenya, or Ethiopia are more likely to be terrorists" is the same across categories of classification.	.005
The distribution of "There are entirely too many people from African countries such as Nigeria, Kenya, or Ethiopia immigrating to the United States" is the same across categories of classification.	.017
The distribution of "I have helped people from an African country such as Nigeria, Kenya, or Ethiopia during the last month" is the same across categories of classification.	.047
The distribution of "I have spoken to a person from an African country such as Nigeria, Kenya, or Ethiopia during the last month" is the same across categories of classification.	.044
The distribution of "I have had an unpleasant experience with people from African countries such as Nigeria, Kenya, or Ethiopia during the past year" is the same across categories of classification.	.016

There were significant group differences based on classification (lower level students and upper level students). These group differences were displayed in the knowledge, social willingness, and previous content domain. Upper level students (juniors and seniors) displayed higher levels in the knowledge domain. However, upper level students displayed lower social distance in the previous contact and social willingness domains.

TABLE 5
GROUP DIFFERENCES BASED ON MAJOR

Null Hypothesis	Sig.
The distribution of "I have had an unpleasant experience with people from African countries such as Nigeria, Kenya, or Ethiopia during the past year" is the same across categories of major.	.004
The distribution of "I have been warned to stay away from people that come from African countries such as Nigeria, Kenya, or Ethiopia because they do weird things" is the same across categories of major.	.015

The distribution of "When the subject comes up, I have heard people in my family say good things about people from African countries such as Nigeria, Kenya, or Ethiopia" is the same across categories of major.	.029
The distribution of "I have seen a person from African countries such as Nigeria, Kenya, or Ethiopia before in public places/settings" is the same across categories of major.	.002
The distribution of "I would talk to people from African countries such as Nigeria, Kenya, or Ethiopia while waiting in line or in a social setting" is the same across categories of major.	.008
The distribution of "I would go to a movie with a person from an African country such as Nigeria, Kenya, or Ethiopia" is the same across categories of major.	.013
The distribution of "I would invite a person from an African country such as Nigeria, Kenya, or Ethiopia to my house" is the same across categories of major.	.037
The distribution of "I would sit next to a person from an African country such as Nigeria, Kenya, or Ethiopia in a social situation" is the same across categories of major.	.019
The distribution of "I would eat lunch with someone from an African country such as Nigeria, Kenya, or Ethiopia" is the same across categories of major.	.002
The distribution of "I would help a person from an African country such as Nigeria, Kenya, or Ethiopia if we were in a leisure setting together" is the same across categories of major.	.011
The distribution of "I like having people from African countries such as Nigeria, Kenya, or Ethiopia participate in the same leisure activities I do" is the same across categories of major.	.035
The distribution of "I would invite a person from an African country such as Nigeria, Kenya, or Ethiopia to spend the weekend with my family" is the same across categories of major.	.030
The distribution of "I would eat dinner with a person from an African country such as Nigeria, Kenya, or Ethiopia if I were invited to dinner at his/her home" is the same across categories of major.	.002
The distribution of "I would give a person from an African country such as Nigeria, Kenya, or Ethiopia a ride home on my personal vehicle" is the same across categories of major.	.010
The distribution of "I would like to voluntarily spend time once a week with an at-risk child from an African country such as Nigeria, Kenya, or Ethiopia" is the same across categories of major.	.049
The distribution of "I would be friends with a person from an African country such as Nigeria, Kenya, or Ethiopia" is the same across categories of major.	.005
The distribution of "I think that people from African countries such as Nigeria, Kenya, or Ethiopia come to the United States and take jobs from American citizens" is the same across categories of major.	.048

The distribution of "People from African countries such as Nigeria, Kenya, or Ethiopia are more likely to be terrorists" is the same across categories of major.	.034
The distribution of "There are entirely too many people from African countries such as Nigeria, Kenya, or Ethiopia immigrating to the United States" is the same across categories of major.	.006
The distribution of "I just feel sorry for people from African countries such as Nigeria, Kenya, or Ethiopia" is the same across categories of major.	.034
The distribution of "It can be rewarding for me to talk with or help people from African countries such as Nigeria, Kenya, or Ethiopia" is the same across categories of major.	.046
The distribution of "When watching telethons about people from African countries such as Nigeria, Kenya, or Ethiopia, I have felt like giving money" is the same across categories of major.	.013

The researchers wanted to examine differences by major. Therefore, the majors were examined based on "hard majors" (majors that are more quantitatively-based such as accounting and finance) and "soft majors" (majors that are more people-based such as management and marketing). Higher levels of social distance across all domains were present among the hard majors such as accounting and finance.

TABLE 6
GROUP DIFFERENCES BASED ON AGE

Null Hypothesis	Sig.
The distribution of "People from African countries such as Nigeria, Kenya, or Ethiopia are more likely to be terrorists" is the same across categories of age.	.034
The distribution of "People from African countries such as Nigeria, Kenya, or Ethiopia often try to cheat Americans out of their money" is the same across categories of age.	.038
The distribution of "I think I can learn a lot about people in general by being with people from African countries such as Nigeria, Kenya, or Ethiopia" is the same across categories of age.	.015
The distribution of "I would give a person from an African country such as Nigeria, Kenya, or Ethiopia a ride home on my personal vehicle" is the same across categories of age.	.048
The distribution of "I would be friends with a person from an African country such as Nigeria, Kenya, or Ethiopia" is the same across categories of age.	.037
The distribution of "I avoid looking at or walking by people from African countries such as Nigeria, Kenya, or Ethiopia when I see them on the street" is the same across categories such as age.	.021

The distribution of “I have had an unpleasant experience with people from African countries such as Nigeria, Kenya, or Ethiopia during the past year" is the same across categories of age.	.017
The distribution of “I have seen a person from African countries such as Nigeria, Kenya, or Ethiopia before in public places/settings” is the same across categories of age.	.038
The distribution of “I have seen people from African countries such as Nigeria, Kenya, or Ethiopia being ridiculed or made fun of by other people in social situations” is the same across categories of age.	.007
The distribution of “When watching telethons about people from African countries such as Nigeria, Kenya, or Ethiopia, I have felt like giving money” is the same across categories of age.	.021
The distribution of “I was scared by a person from an African country such as Nigeria, Kenya, or Ethiopia when they approached me” is the same across categories such as age.	.002

Due to the pedagogical implications, the researchers tested group differences based on age (18 to 24 for traditional students and 25 and older for nontraditional students). The findings indicated higher levels of social distance across among nontraditional students (ages 25 and older) across all domains.

TABLE 7
GROUP DIFFERENCES BASED ON FAMILY RESPONSIBILITY - CHILDREN

Null Hypothesis	Sig.
The distribution of “When I was a child, I saw my parents spend time with people who were from African countries such as Nigeria, Kenya, or Ethiopia” is the same across categories of family responsibilities – children.	.004
The distribution of “I have worked with people from African countries such as Nigeria, Kenya, or Ethiopia before” is the same across categories of family responsibilities – children.	.019
The distribution of “When the subject comes up, I have heard people say bad things about people from African countries such as Nigeria, Kenya, or Ethiopia” is the same across categories of family responsibilities – children.	.020
The distribution of “I have seen a person from African countries such as Nigeria, Kenya, or Ethiopia before in recreational areas” is the same across categories of family responsibilities – children.	.026

The distribution of “I have seen people from African countries such as Nigeria, Kenya, or Ethiopia being ridiculed or made fun of by other people in social situations” is the same across categories of family responsibilities – children.	.022

The researchers wanted to keep with the nontraditional factors due to their implications on pedagogy and advisement. Therefore, they also tested group differences based on whether or not the students have children. Significant differences were only found in the previous contact domain. The previous contact among students without children was less positive.

TABLE 8
GROUP DIFFERENCES BASED ON FIRST AND SECOND GENERATION STATUS

Null Hypothesis	Sig.
The distribution of “People from African countries such as Nigeria, Kenya, or Ethiopia are more likely to be terrorists” is the same across categories of college attendance by generation.	.018
The distribution of “I would sit next to a person from an African country such as Nigeria, Kenya, or Ethiopia in a social situation” is the same across categories of college attendance by generation.	.035
The distribution of “I like to network and build professional relationships with people from African countries such as Nigeria, Kenya, or Ethiopia” is the same across categories of college attendance by generation.	.015
The distribution of “I would give a person from an African country such as Nigeria, Kenya, or Ethiopia a ride home on my personal vehicle” is the same across categories of college attendance by generation.	.030
The distribution of “It makes me feel a little disgusted being around people from African countries such as Nigeria, Kenya, or Ethiopia, especially when they are speaking their native language” is the same across categories of college attendance by generation.	.003
The distribution of “When watching telethons about people from African countries such as Nigeria, Kenya, or Ethiopia, I have felt like giving money” is the same across categories of college attendance by generation.	.004

The respondents were also examined based on whether or not they were first generation students. College attendance by generation revealed significant differences across three of the domains. The findings indicated higher levels of social distance across first generation students across three of the domains.

GROUP DIFFERENCES BASED ON EMPLOYMENT

The researchers also wanted to know if social distance based on employment (those students who were employed and those students who were not employed) was present. There were no significant group differences based on employment status.

IMPLICATIONS AND CONSIDERATIONS

HBCUs have been making strides toward globalizing their programs (Morris, 2014; Oguntoyinbo, 2014). Despite their efforts, there is still more work to do (Arnett, 2014; Oguntoyinbo, 2014). The results from this study revealed that African American business students do display some level of social distance toward Africans across all of the domains. Although this study is exploratory in nature, it does address key issues in globalizing business students. Hence, listed below are some considerations that business educators may want to take into account when developing or building robust business programs with a global focus.

Marketing Efforts with a Male Focus

From the aspect of gender, social distance in this study was higher among males. Historically, males participate less in study abroad programs as compared to females (Fischer, 2012a; Institute of International Education, 2015b). What is interesting to note is that business students, which have a strong male representation in the business profession, are the second largest group participating in study abroad. To increase male participation, HBCU business schools may have to consider a strategy that heavily focuses on the male student market. Emphasis on the practical bottom line benefits is key. This may include offering programs that are not just linked to students' majors but also selling study abroad in places that male students can see themselves working long term (Fischer, 2012b).

Global and Cultural Curricular Consideration

Higher levels of social distance were prevalent among upper level students – juniors and seniors. Ensuring that the curriculum is complementary to industry needs and what companies want from business graduates is important. When the IBM Institute for Business Value surveyed a group of academic and industry leaders about the current state of higher education the findings indicated that 51% of survey participants believed that the current higher education system fails to meet the needs of students. Nearly 60% of survey participants believe it fails to meet the needs of industry (King, 2015).

To make more business students amenable to a career outside of the United States, HBCU business schools may want to consider inviting African speakers/business practitioners. The schools can further expand on this initiative by inviting Chinese and Indian business professionals as well. Business faculty should also consider a globally, flipped classroom model that also include international business practitioners and globally-based classroom projects.

Curriculum changes should also be considered, particularly in the "hard" majors such as accounting and finance. The findings indicated higher levels of social distance in the accounting and finance majors. Aside from international speakers in their respective fields, culturally and globally responsive curricula can be integrated. Students may be interested to learn of the economic and financial impacts associated with apartheid in South Africa and the economic growth and financial opportunities that have developed in Africa (Bruce, 2015).

Leveraging Faculty in the Classroom and During Advisement Sessions

Based on the higher levels of social distance among nontraditional students and first generation students, HBCU business schools should also sell the study abroad experience in developmental advisement sessions and in the classroom. Faculty members in HBCU business schools play a strong advisement role in students' course selection and career selection (Fischer, 2014). Academic advising should be considered by business faculty as an extension of the teaching role in which they demonstrate concern for their students' professional future (Elbe, 1988). Faculty plays a crucial role in advising and mentoring students, especially for nontraditional students. Nontraditional students primarily receive social integration and participation in academic advising sessions and in the classroom (Leonard, 2002; Tinto, 2007). Their roles are also paramount for first generation students (Bruce, 2015). These academic advisement sessions can be utilized to inform students of the value-added benefits associated with study abroad and the financial opportunities that are available to them.

Selling A Short-Term Study Abroad

For students with minimal international exposure and limited financial resources, faculty can sell a short-term study abroad program. A short-term study abroad can be a rich introduction for students and may be viewed as a more feasible option. Moreover, this experience can stimulate additional curricular interests such as learning a second language (Bruce, 2015). Short-term study abroad is more appealing to male students, low-income students, students who are not of traditional college age (25 years of age or older), and students with work and family commitments (Fischer, 2012a).

LIMITATIONS AND FUTURE RESEARCH

This study includes a number of limitations that restrict generalizations of the findings. Some limitations inform future directions for further research. First, the context of the research was confined to one Historically Black business school in the southern region of the United States. Therefore, generalizing the findings to other Historically Black business schools in the south and in other regions of the United States is limited without further application in the southern region and in other regions of the United States. Another limitation is the fact that the sample population was confined to undergraduate students. This limits the generalizability of the research to a wider population of business students such as graduate students who are pursuing a master's degree in business administration. Also, future research studies should examine perceptions among both Caucasian business majors and minority business majors, which is an area that this study did not address.

Although this study contains notable limitations, there is limited research on African American business students and their perceptions of Africans. Given the diversity and globalization of business, this study is one of the few that seeks to explore this area. Therefore, it can be used as a reference tool so HBCUs can work toward culturally educating them and helping students to build their global brand as they continue to move forward and meet industry needs.

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NEW VENTURE CREATION PROCESSES OF IMMIGRANT VERSUS NON-IMMIGRANT WOMEN ENTREPRENEURS IN THE U.S.: A CONCEPTUAL DISCUSSION

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ABSTRACT

Research has found differences between male and female entrepreneurs, as well as immigrant and non-immigrant entrepreneurs. As the population and demographic makeup of the nation changes, it will become more and more important to better understand differences between subgroups in terms of their economic activity. This will allow researchers and policymakers to make decisions about how best to maintain and grow the highly diversified U.S. economy. In this paper, we focus on the theoretical differences between immigrant and non-immigrant women entrepreneurs. Female immigrant entrepreneurs have been largely ignored in the literature. Following a brief literature review of immigration statistics and entrepreneurship factors, we develop four propositions based primarily on Bhave's (1994) model of the entrepreneurial opportunity recognition process. These propositions offer possible ways in which immigrant women entrepreneurs differ from non-immigrant entrepreneurs with respect to opportunity recognition and new venture creation processes, and provide a basis for understanding the influence of context on their entrepreneurial activities. We close with a discussion of the theoretical and practical implications, as well as limitations and future research directions.

INTRODUCTION

As the 2016 presidential election approaches, political debate and media attention has increasingly focused on immigrants and their perceived costs to the economy. Negative opinions about immigrants are not new (Citrin, Green, Muste, & Wong, 1997; Espenshade & Hempstead, 1996), and political rhetoric and public opinion often blame immigrants for taking jobs away from American workers (Savino, 2014). However, there is little evidence that immigration has significant negative macro-level impacts on jobs or wages of U.S. workers (Card, 2005; Orrenius & Zavodny, 2007). The workers most likely to be affected by new waves of immigration are earlier immigrants, based on substitution effects (Orrenius & Zavodny, 2012).

Whatever one thinks about immigration policies, the reality is that immigrants are an important part of the U.S. economy. According to the U.S. Department of Labor (2015), in 2014, there were over 25 million foreign-born persons in the labor force of the United States, comprising over 16 percent of the nation's total workforce. Immigrants' energy and intellectual capital are needed in the labor market. In addition, immigrants are more likely to engage in new venture creation and entrepreneurship than non-immigrants (Fairlie, 2012; Hohn, 2012; Marrero, 2012), making them an important source of economic stimulus and job creation.

There are growing concerns about declining U.S. business dynamism over the last several decades (see Hathaway & Litan, 2014; Lockhart, 2013; Ozimek, 2013; Pethokoukis, 2014; Singh & Ogbolu, 2015). Using Census data, Hathaway and Litan (2014) found that the firm entry rate – measured as the percentage of all firms in the U.S. economy that are less than one year old – has steadily declined since the late 1970s. In 1978, new business startups made up nearly 15 percent of all firms, but had fallen to just over 8 percent of all firms by 2011 (Hathaway & Litan, 2014). Similarly, Singh and Ogbolu (2015) reported that the percentage of self-employed individuals had fallen from 12.5 percent of all employed workers in 1967 to under 10 percent by mid-2014. Entrepreneurs, new venture creation, and the small business sector significantly contribute to the U.S. economy (Reynolds, Carter, Gartner, & Greene, 2004; Schumpeter, 1934), with some estimates crediting entrepreneurial activity for being responsible for half of U.S. GDP (Cornwall, 2008). To this end, new ventures and small businesses have been largely responsible for creating most of the net new jobs in the U.S. economy over the last several decades (Birch, 1987; Kirchoff & Phillips, 1988; Scarborough, Wilson, & Zimmerer, 2009; Van Stel & Storey, 2004). Given the importance of entrepreneurship, the long-term economic trends identified above, and the elevated rate of self-employment and new venture creation within immigrant communities (Fairlie, 2012; Hohn, 2012; Marrero, 2012), we believe that further research of immigrant entrepreneurship is important.

While most studies on immigrant entrepreneurship have focused on men (Pearce, Clifford, & Tandon, 2011), less attention has been paid to entrepreneurship among female immigrants (Collins & Low, 2010). Based on the last decennial census, women made up more than 50 percent of all immigrants entering the country by 2010 (Grieco *et al*., 2012). In addition, recent research has shown that the firm founding rate of women is double that of men in the U.S. (U.S. Department of Commerce, 2010). Allen, Langowitz, and Minniti (2007) suggest that the economy suffers when women are unable to fully develop their economic potential. It is therefore likely that when women are encouraged and supported to maximize their economic potential by establishing ventures, the economy benefits from lower unemployment rates and less dependence on welfare benefits.

As far back as the early nineties, Brush (1992) reported an increase in women business owner rates in the United States. Although her study did not distinguish between immigrant and non-immigrant women, two decades after her report, statistics still support her claims. Pearce and her associates (2011) found that a remarkably higher number of immigrant women participated in entrepreneurship between 2000 and 2010. According to them, the number of immigrant women entrepreneurs in the U.S. by the end of 2010 was over 980,000, accounting for 40 percent of the total population of immigrant entrepreneurs, and 20 percent of all women business owners. Based on these figures, Pearce and her colleagues concluded that "there is a quiet revolution of immigrant women's business ownership that is organically growing, but is going relatively unnoticed in the culture at large" (Pearce *et al.*, 2011, p. 2).

Given the body of literature in entrepreneurship research that shows that differences exist between male and female entrepreneurs (Allen *et al.*, 2007; DeMartino & Barbato, 2003; Minniti, 2010), and in light of the evidence that immigrants differ from non-immigrants in general (Altonji & Card, 1991; Arai & Vilhelmsson, 2004; Conway, 2010; Kennedy, Dalgarno, Bennett, Judd, Gray & Chang, 2008), we believe that it is likely that immigrant and non-immigrant women entrepreneurs differ with respect to their ventures and entrepreneurial processes. The implications for the U.S. economy as a whole are salient. Immigrant entrepreneurs are contributing to the economy in various ways, and as the number of women increases among the immigrant population, any knowledge on how they do business would be useful for researchers who currently understand far less about immigrant women entrepreneurs than they do their male counterparts. Exploration of the differences and similarities that exist among different groups of women should enable researchers to develop theory on women's entrepreneurship.

In this paper, we attempt to address the gap in literature on immigrant women entrepreneurs and their non-immigrant counterparts. After a brief literature review of immigration statistics and entrepreneurship factors, we develop four propositions based primarily on Bhave's (1994) model of the entrepreneurial opportunity recognition process. These propositions offer possible ways in which immigrant women entrepreneurs differ from non-immigrant entrepreneurs in opportunity recognition and new venture creation. Following the propositions and a discussion of the theoretical and practical implications, limitations and future research directions are presented.

LITERATURE REVIEW

Immigrant Population in the United States

Before moving forward, it is important to understand immigration patterns and how the U.S. population is changing as a result. There are many reasons people from other countries migrate to the US, as revealed by the various routes and visa categories available to them on the United States Citizenship and Immigration Services (USCIS) website. Whatever the reason, the rate of growth for the population of immigrants into the United States has been increasing steadily since 1970, with the highest numbers recorded between 2001 and 2010.

The Department of Homeland Security (2014) presented data to show that the highest population of lawful permanent residents who came into the United States in 2013 came from Asia, followed by the Americas. Immigrants from these two regions combined accounted for about 80 percent of the total, while the remaining 20 percent of the immigrant population came from Africa, Europe, Australia, and other places (Monger & Yankay, 2014). Upon arrival in the United States, research shows that immigrants tend to be geographically concentrated, with immigrants from one region having a tendency to settle where other immigrants from that region have settled (Chiswick & Miller, 2004). In their bid to identify the top locations where immigrants settle in the U.S., Chiswick and Miller (2004) found that immigrants are more likely to settle in California, New York, Texas, Florida, New Jersey and Illinois, based on the languages spoken, job opportunities, proximity to country of origin and proximity to an international airport. Such settlement patterns have consequences for the entrepreneurial and general economic activities of immigrants. While immigrant entrepreneurs may find themselves located in areas surrounded by co-ethnic customers, enclave location has been found to be adverse for entrepreneurship, as ethnic communities and minorities in enclaves tend to have less purchasing power than those who live in the suburbs (Cummings, 1999).

In conjunction with the Center for Immigration Studies, Camarota (2010) provided a profile of the immigrants in the U.S. based on the 2010 census. According to him, immigrant men have higher rates of work than their non-immigrant counterparts, while the opposite holds true for immigrant women. He also found that almost a quarter of all immigrants were living in poverty, while just 13.5 percent of non-immigrants and their children live in poverty. Additionally, he found that 28 percent of immigrants between the ages of 25-65 had not completed high school, compared to just seven percent of non-immigrants, resulting in lower socioeconomic status of immigrants.

Such findings suggest that entrepreneurship may be an attractive option for some immigrants, particularly female immigrants who may not have other employment options. It is also likely that entrepreneurial activities of immigrants will differ from those of non-immigrants, as entrepreneurship has been found to be correlated with education (Singh & Hills, 2003); social networks (Aldrich & Zimmer, 1986; Greve & Salaff, 2003; Singh, 2000; Singh, Hills, Lumpkin, & Hybels, 1999); and human and financial capital (Chandler & Hanks, 1998; Cooper, Gimeno-Gascon, & Woo, 1994; Dunn & Holtz-Eakin, 2000).

New Venture Creation and Opportunity Recognition

According to Hills and Singh (2004), "the fundamental activity of entrepreneurship is new venture creation" (p. 259), and opportunity recognition marks the beginning of the entrepreneurship process. This is in line with Shane and Venkataraman (2000), who defined entrepreneurship as "the scholarly examination of how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated, and exploited" (p. 218). Regardless of the definition adopted, it is apparent that opportunity recognition is the starting point of all entrepreneurial activity (Singh, 2000; Singh & Gibbs, 2013).

Lumpkin, Hills, and Shrader (2004) defined opportunity recognition as the perception of a possibility to create new businesses, or significantly improve the position of an existing one. Singh (2000) defines an opportunity as "a feasible, profit-seeking potential venture that provides an innovative new product or service to the market, improves on an existing product/service, or imitates a profitable product/service in a less than saturated market." (p.23). Bhave (1994) laid out two processes for opportunity recognition. The first process, which he termed the internally-stimulated opportunity recognition process, involves an entrepreneur making a decision to start a business prior to discovering an opportunity. While the reasons for making such decisions varied, Bhave (1994) found that a unifying factor for all the entrepreneurs he interviewed who adopted this route was that the decision to start a business preceded the selection of the opportunity. Conversely, in the externally-stimulated opportunity recognition route, Bhave (1994) found that the entrepreneurs established a firm first, even without having discovered an opportunity first.

Existing research testing Bhave's (1994) model have reported different findings to support the model, as well as point out the differences in outcomes when entrepreneurs choose to exploit each of the routes. Gibbs (2014) found that black male entrepreneurs had a higher chance of choosing internally-stimulated opportunity recognition route compared to black female entrepreneurs. In an earlier work, Singh and Hills (2003) had found that level of education was positively related to the choice of opportunity recognition route, with higher levels of education being associated with higher tendencies to choose an internally-stimulated opportunity to pursue. Singh and Gibbs (2013) also reported that black entrepreneurs who chose the internally-stimulated opportunity recognition route tend to outperform their counterparts who chose the externally-stimulated route. While all three aforementioned works had either blacks or black versus white samples, it is likely the case that differences in the choice of route will also abound when immigrant and non-immigrant women are compared, given the differences in their levels of education, access to capital, entrepreneurial networks, and other relevant resources relative to the general population.

In the following section, we introduce some of the differences between immigrant and non-immigrant women which will provide a framework for the propositions that we develop specifying differences in the opportunity recognition and new venture creation processes of entrepreneurs of these two groups.

Differences Between Immigrant and Non-Immigrant Women Entrepreneurs

Immigrant women are likely to differ from non-immigrant women as they relate to entrepreneurship in a number of ways. According to the U.S Department of Labor (2015), in 2014, 23.8 percent of the foreign-born labor force aged 25 and over had not completed high school, compared with 4.6 percent of the native-born labor force. In addition, female immigrants often come to the U.S. with less formal education than male immigrants due to cultural differences in their home countries. Given that level of education and experience have been found in the entrepreneurial literature to be positively related to entrepreneurial success (Soriano & Castrogiovanni, 2012), it is likely that immigrant women will be more limited in their entrepreneurial pursuits than non-immigrant women.

In their study of Swedish women, Abbasian and Yazdanfar (2013) found that differences exist between the immigrant versus non-immigrant women in their sample in regard to financing at the start-up stage of their venture creation process. They reported that immigrant women were more likely to rely on family members for capital than take bank loans.

Another area in which immigrant women differ from non-immigrant women relates to the stress associated with relocation and adjustment. Being in a new country could be a daunting experience for some, especially when the cultural distance is large (Hofstede, 1993). According to Aldrich and Waldinger (1990), immigrants have peculiar problems which result from relocating and settling in a different environment, and these problems are heightened by governmental mechanisms. Immigrant women also differ from non-immigrant women in terms of their residency status. When an immigrant woman is issued a non-immigrant visa, it automatically comes with certain restrictions. Such restrictions imply limitations as to what kind of work they can do, and how they are viewed by financial institutions and other possible sources of financial resources. Bates (1997) stated that non-minorities and non-immigrants are more likely to receive loans from financial institutions than immigrants. Therefore, a non-immigrant woman is less constrained with regards to accessing loans from financial institutions than an immigrant woman.

In the following section, we argue that the aforementioned differences play a significant role in how immigrant versus non-immigrant women entrepreneurs recognize entrepreneurial opportunities and pursue them, and four propositions are developed.

THEORETICAL PROPOSITION DEVELOPMENT

Opportunity Recognition of Immigrant Women

Despite the possibility that certain opportunities in the U.S. may not be available to female immigrants in their home country for cultural or religious reasons, immigrant women generally have to deal with the strains and pressures that come from relocating to a different environment (Frame & Shehan, 1994). Such stress results from these women having peculiar issues to contend with – their unfamiliarity with the new environment, stress associated with moving, racial issues, and cultural differences – in addition to the challenges that every woman entrepreneur faces.

Many immigrant women also have low levels of education when compared with non-immigrant women (U.S. Department of Labor, 2015). Considering that education has been found to be positively related to entrepreneurship (Dickson, Solomon, & Weaver, 2008), it is possible that such low levels of education affect immigrant women differently than non-immigrant women.

As mentioned earlier, another challenge immigrant women tend to face relates to difficulty in accessing resources. Research shows that women often experience more difficulties in accessing financial capital than men (Brush, 1992), but for immigrant women it is even more difficult than for their non-immigrant counterparts to secure loans from banks and other financial institutions (Bates, 1997) due to the fact that they need to establish some form of credit history. The banks could also require them to ascertain that they will not abscond to their home country upon taking the loan.

Even more pronounced is their exclusion from many job opportunities as a result of visa restrictions, leading them to consider entrepreneurship a viable alternative (Aldrich & Waldinger, 1990).

Consequently, immigrant women are likely to make the decision to found a venture even before they have figured out what kind of business they would like to establish or recognized an entrepreneurial opportunity, or have the resources to exploit such opportunities. This is consistent with pursuing an externally-stimulated opportunity (Bhave, 1994).

In addition, higher levels of educational attainment and greater net worth are more consistent with pursuing internally-stimulated opportunities (Singh & Hills, 2003). Thus, we propose the following:

Proposition 1: Immigrant women are more likely to pursue externally-stimulated opportunities than non-immigrant women

According to Bhave (1994), venture creation roughly begins with the discovery of an idea for a business and ends when the entrepreneur sells the products or services that result from the business to customers in the market. By definition, externally-stimulated opportunity recognition involves making a decision to create a new venture prior to having the business idea or recognizing an entrepreneurial opportunity (Bhave, 1994). As posited above, immigrant women are more likely to pursue externally-stimulated opportunities even without having the means and resources necessary for new venture creation. The pursuit of such opportunities also has been found to result in smaller (i.e., less lucrative) potential ventures (Singh & Hills, 2003; Singh, Knox, & Crump, 2008). As previously discussed, immigrant women are more likely to see entrepreneurship as their solution to employment problems, given their limited access to job opportunities available to non-immigrant women. Such externally-stimulated opportunity recognition may imply that they do not take time to plan, and end up with ventures that fail. Internally-stimulated opportunities, on the other hand, are more likely to necessitate immediate exploitation than externally-stimulated opportunities (Singh, Knox, & Crump, 2008)

The networks of immigrant women are also likely to be made up of other immigrants (McPherson, Smith-Lovin, & Cook, 2001), and they are likely to create firms that are targeted at meeting the needs of other immigrants. As noted by Hart and Acs (2011), immigrant entrepreneurs are more likely to locate their businesses in places with high immigrant populations. Such locations imply that their access to information on issues such as permits, regulations (Aldrich & Waldinger, 1990), and funding will be limited to their fellow immigrants, unlike non-immigrants who are more likely to have a wider network. Additionally, they are also likely to be in urban enclaves while non-immigrants are more likely to live and work in suburban areas.

Because immigrant women tend to be located where other immigrants live, there is a high tendency for them to consider their fellow immigrants as potential customers. According to Aldrich & Waldinger (1990), the tastes of other immigrants could be seen by immigrant entrepreneurs as a protected market, as the other immigrants may prefer to deal with a fellow immigrant entrepreneur, thereby discouraging non-immigrant entrepreneurs. They also argue, in line with Cummings (1999), that this could result in proliferation of the available market, intense competition, and a high failure rate in which those who manage to survive have very low returns. With the greater number of competitors, the customer base for each competitor is likely to remain small and margins would remain low as firms compete on price. Other studies have also suggested that necessity-driven entrepreneurs, such as immigrant women, are more likely to have lower aspirations than opportunity-driven ones (non-immigrant women in this context) and be satisfied with lower profits due to differences in wages paid in their origin and destination countries (De Bruin, Brush, & Welter, 2006). We therefore posit that:

Proposition 2: Ventures created by immigrant women will be smaller than those created by non-immigrant women.

DeTienne & Chandler (2007) found that gender makes no significant difference with regard to the level of innovativeness of new firms. Regardless of whether a woman entrepreneur is an immigrant or not, risk is involved in the new venture creation process (Aldrich & Auster, 1986). Immigrant women therefore have to contend with various types of risk regarding the amount of innovation they can adopt in their entrepreneurial pursuit. While immigrant women are not exempt from discovering opportunities and being innovative, the restrictions that accompany their immigration status pose a challenge to them in different ways. Introducing high innovation requires overcoming resistance (Garcia, Bardhi, & Friedrich, 2007; Ram & Sheth, 1989), and immigrant women usually start ventures based on their desire to create income and in response to unfavorable situations in conventional labor market (Aldrich & Waldinger, 1990). Therefore, immigrant women are more likely to end up with easy-to-imitate ventures which do not require high innovation. This is again more consistent with an externally-stimulated opportunity than an internally-stimulated opportunity (Bhave, 1994).

Aldrich and Waldinger (1990) contend that all kinds of businesses are affected by the liability of newness and smallness, regardless of whether they are ethnic or native. They posit that ethnic businesses are particularly affected by the entrepreneurial dimensions of innovation and risk. “Rather than breaking new ground in products, process, or administrative form, most businesses simply replicate and reproduce old forms. Simple reproduction is especially likely in the retail and services sector, where most ethnic enterprises are founded” (Aldrich & Waldinger, 1990:112).

Immigrant women are more likely to live where other co-ethnic individuals live, and associate with people of similar cultures and background. Their resulting network is likely to be more homogenous than that of non-immigrant women, with potential for strong ties (Granovetter, 1973; McPherson *et al.*, 2001). A consequence of such network composition is their inability to introduce innovation into their business. Martinez and Aldrich (2011) have found that innovation is tied to diversity rather than cohesion. According to them, becoming an entrepreneur at the opportunity stage is more likely when one has strong ties with other entrepreneurs, but being innovative often requires one to have ties with a diverse set of people rather than strong ties with a few.

We consequently argue that immigrant women, who are more likely to have a small network with whom they have strong ties rather than a large network with a well-balanced combination of both strong ties and weak ties will find it more difficult to introduce innovation into their businesses, and end up with businesses that replicate other people’s businesses and are easy to imitate as well. As a result of this argument, we propose the following:

Proposition 3: Firms founded by immigrant women are less innovative than those founded by non-immigrant women,

The end result of the smaller size, increased competition, and lack of innovation is that immigrant women are less likely to achieve success in their ventures. More formally, we offer the following final proposition:

Proposition 4: The failure rate of ventures founded by immigrant women will be higher than that of non-immigrant women.

DISCUSSION

Ettl and Welter (2010) identified the value of context in understanding entrepreneurship. Two women under different conditions are unlikely to feel exactly the same way about anything, due to personal and environmental differences. The same holds true for entrepreneurship, and in this paper, we have highlighted the place of context in understanding the new venture creation and opportunity recognition patterns of immigrant versus non-immigrant women in the U.S. While this paper is not exhaustive, we believe that it makes researchers aware of a growing demographic of entrepreneurs and increases our understanding of the challenges faced by immigrant women who choose to pursue entrepreneurial ventures.

There is no question that the demographics and makeup of the U.S. population is changing. U.S. Census data shows that over the last several decades the indigenous white majority population has aged and become a smaller percentage of the overall population. At the same time, the minority and immigrant populations have grown. With respect to the focus of this paper, immigrant populations are expected to grow over the years, with one-fifth of the U.S. population being foreign born by 2060 (Humes, Jones, & Ramirez, 2011). The numbers make it clear that researchers and policy-makers need to understand how and why economic behavior works in these populations. It will become more and more critical to encourage economic growth within immigrant communities, thereby harnessing the fiscal benefits of immigration (Lee & Miller, 2000), and reducing pressure on the social security system and other state-offered benefits.

In this paper, we bring attention to the largely understudied immigrant women entrepreneurs. As we discussed earlier in the paper, research has shown differences between immigrants and non-immigrants in terms of entrepreneurial behavior, and there is a body of literature that has shown that male and female entrepreneurs differ in many ways. However, very little research has focused on the new venture creation motivations, behaviors, and processes of immigrant women. Using Bhave's (1994) model as an underlying theoretical framework, we made our propositions about the differences between immigrant and non-immigrant women entrepreneurs.

In line with Bhave's (1994) model, we argued that immigrant women will more likely pursue externally stimulated opportunities while non-immigrant women will tend to pursue internally stimulated opportunities. Immigrant women as defined in this paper are particularly likely to be constrained by difficulties that stem from having visa restrictions, limited access to labor markets and capital, the liabilities of foreignness (Zaheer, 1995) and relocation stress. This would result in their likelihood of making a decision to establish a business, even when they have not recognized an entrepreneurial opportunity and do not have the required resources required for new venture creation. This is consistent with pursuing an externally-stimulated opportunity which would likely result in such things as creating a smaller, less-innovative venture with a market limited to others in the entrepreneur's ethnic enclave. This can also limit profit potential and the ability to survive and succeed.

We also touched on the size of the immigrant women entrepreneurs' networks, which are likely to be different from those of non-immigrant women, with immigrant women being more likely to have more homogenous networks.

Limitations and Future Research Directions

We believe that empirical testing of the propositions could help build the body of knowledge surrounding women entrepreneurs and immigrant entrepreneurs. However, there are a number of limitations that bear mentioning. First, we do not distinguish between legal and illegal immigrants. We would argue that most of the discussion and the propositions would hold for both types of immigrants. In fact, illegal immigrants may be more likely to pursue self-employment in order to avoid legal paperwork when applying for most jobs. Providing services such as child care, home cleaning, landscaping, and home repair can often be done for cash and without significant legal documentation – but all of these could easily fit within the smaller, less innovative opportunities that were discussed for female immigrant entrepreneurs above. Given that there are millions of undocumented, illegal immigrants in the country, more study of these entrepreneurs and the underground economy they are likely to be operating within may be interesting.

Another limitation of this paper is that we have not taken into account the differences that exist even among different groups of women, but have broadly categorized all women entrepreneurs into immigrant versus non-immigrant. Again, while we expect to find the propositions supported across all groups, it is possible that some groups might differ from others. Not all immigrants are the same. It is likely cultural differences affecting the roles and responsibilities of women exist. We therefore suggest that future research examine inter-group differences between immigrants from different countries controlling for the effects of culture and country of origin.

Finally, we do not discuss differences between male and female immigrant entrepreneurs. Most research on immigrant entrepreneurs have studied male immigrants. Given that there is a body of literature that shows that there are differences between male and female entrepreneurs, in general, it is likely that there are differences between male and female immigrant entrepreneurs and these should be studied.

Implications and Conclusion

From a research standpoint, we have introduced and argued for further study of a subset of entrepreneurs – female immigrants – who we believe will become a larger and more important group of entrepreneurs in the future. We have presented four propositions that we believe should be empirically tested. In addition to studying those propositions, we have laid out several other directions for researchers in the previous section. More specifically, we believe that there are differences between male and female immigrant entrepreneurs, and given the numbers of illegal immigrants in the U.S., studying differences between illegal and legal immigrants may yield additional insights. Further research will provide the basis for better understanding immigrant entrepreneurship of women, and given the higher rate of participation of both immigrants and women in entrepreneurship, broaden our general understanding of the role of context in entrepreneurship.

Beyond scholarly research, there is the practical fact that the growing immigrant population plays an increasingly important part in the U.S. economy and could help reverse the steady decline of economic dynamism. As the population and demographic makeup of the nation changes, it will become more and more important to better understand differences between subgroups in terms of their economic activity. This will allow researchers and policymakers to develop best practices and principles to maintain and grow the highly diversified U.S. economy.

The economic value of immigrant women's contribution to the U.S. economy cannot be separated from the social context in which their entrepreneurial activities take place. The output of entrepreneurship is the creation of new ventures, which results in the establishment of organizations. Therefore, to understand the meaningfulness of the resulting organizations created by immigrant women, research that enables a better appreciation of the social factors and context that affect their decisions and operation is vital.

Despite the limitations mentioned earlier, this paper contributes to our understanding of entrepreneurship within the growing and ever more important immigrant population. Given the changing demographics, and the large deficits and growing fiscal obligations of the federal government for large programs such as Social Security and Medicare, finding ways to increase labor and economic participation among all segments of the U.S. population is critical. We hope that entrepreneurship, social science, and public policy scholars begin to advance the directions of knowledge we have laid out in this paper. Certainly much work – particularly longitudinal research – is needed on this important topic.

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AFFECTIVE STATES OF THE CONSUMER AND THE LEVEL OF IMPORTANCE ATTACHED TO THE SERVICES IN THE PASSENGER AIRLINE INDUSTRY

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ABSTRACT

As competition in the airline industry intensifies, how airline companies structure the design of their service offerings becomes crucial to survival. This paper examines the level of importance attached by consumers to different elementary services customarily provided by airlines, and determines if and how this is influenced by consumer's affective states. Two major forms of affective state of the consumer are examined, namely: (i) mood, and (ii) quality of life. Findings showed that while mood did not have significant influence, consumers' quality of life tends to have significant influence on the level of importance they attached to services in the airline industry. Even then, some services tend to be more influenced than others by this affective state of the consumer. Managerial implications of these findings for design of service offering in the airline industry are discussed and directions for future research are given.

Key words: Services marketing, service offering, airline services, airline industry, affective state, mood, quality of life.

INTRODUCTION

Deregulation and liberalization have rendered the airline industry highly dynamic and very competitive (Fageda and Flores-Fillol 2012; Huang 2010). The increasing commoditization of the market only accentuates this competition (Rothkopf and Wald, 2011), so is increased passenger "access to up-to-date airfare and other carrier information through the internet." (Suzuki, 2000, p. 44) This situation has obligated many airline firms to rapidly adopt and apply the marketing concept for survival. In order to effectively apply the marketing concept however, marketers in this industry first need to ascertain the real needs of the consumers, and "develop passenger-focused services." (Ataman, Behram, and Eşgi, 2011, P. 73**)** A viable way for airlines to do this is to determine the level of importance that consumers attach to services commonly rendered in the airline industry and what factors influence this level. Knowing this will help firms in the airline industry to better meet the needs of the customer and thus remain competitive and profitable.

However, little has changed since Shiv and Fedorikhiin (1999) observed that: "Much of consumer research has been predominantly cognitive in nature and the role of affect has received inadequate attention" (p. 27). This inadequacy has been the object of criticisms at much earlier times. Holbrook and Hirschman (1982), and Bettman (1993) are examples of authors who have expressed concerns on the issue. Nevertheless, in talking about the influence of affect on consumer evaluation, Garbarino and Edell (l997) pointed out that "it is becoming increasingly clear that a brand's attributes are not the only elements, and perhaps not the most important elements, in determining consumers' attitudes" (p. 147). The authors went on to say that consumers' affective states could influence consumers' brand attitudes, product ratings, and product categorization. Likewise, Lee and Sternthal (l999) after reporting that "a positive mood enhances the learning of brand names" relative to a neutral one submitted that: "These findings add to the growing evidence that mood affects the strategies used by consumers to process information" (p. 115). In the light of all this, the present paper examines the affective states of the consumer and if and how these influence the level of importance he attaches to services customarily offered in the airline industry. Two major forms of affective state of the consumer are examined in this paper, namely: mood and quality of life. The selected affective characteristics make interesting contrast. While the former is a feeling state that is transient and temporary, the latter is relatively stable and permanent (Gardner 1985). It will be informative to know how these two contrasting affective states differ (if ever) in their influence on consumer's level of importance attached to services in the airline industry. Thus, this research has the promise of having both theoretical and managerial impacts in the field of services marketing. In the area of theory, the relationship between affect and level of importance that will be examined is based on the congruency/accessibility theory (Bower 1981; Isen et al 1978). The hypotheses that will be tested in this research will provide evidence in support or in disproof of this theory. Managerially, the findings of this research could change the way that airlines design their service offerings in response to the real need of the consumer.

THEORETICAL FOUNDATION

The relationship between affective states and level of importance finds its basis in the congruency/accessibility theory (Bower 1981; Isen et al. 1978). According to this theory, the individual's emotional state partially determines the available cognitive materials in the memory that is necessary for assessment and decision-making, and these in turn reinforce the emotional state in progress. Assessment or evaluation is influenced by the mood in that the cognitive materials made available in memory are congruent to the affective state in progress. Thus, positive affective states created by a stimulus would prime, or induce accessibility of positive material stored in memory regarding that stimulus. Similarly, negative materials would be primed if a stimulus created negative affective states in the subject (Gardner 1985). The theory was well explained by Goldberg and Gom (1987, p. 388) who wrote:

> "To illustrate . . . a happy (television) program might put people in a positive mood. Suppose then a breakfast food commercial interrupts the program. Viewers are likely to have an array of stored memories regarding breakfast, both positive and negative. A positive mood created by the program would likely increase the accessibility of positive material stored in memory. The opposite would be hypothesized when viewers would see the same commercial in a sad program."

In like manner, Griffitt and Guay (1969, pp. 1-2, italics added) advanced that:

> ". . . evaluation of any given stimulus object is a positive linear 'function of the proportion of stimuli with positive reinforcement properties associated with it. Stimuli with positive and negative reinforcement properties are hypothesized to act as unconditioned stimuli, which evoke implicit affective responses. . . . *The affective responses, in turn, mediate overt evaluative responses such as verbal assessments, preferences, and approach-avoidance behaviors*."

As discussed below, hypotheses based on this theory are tested and reported in this paper.

The concept of importance has been linked in the literature to the concept of aspiration and subsequently to that of consumer needs. According to Clawson (1968), the concept of aspiration was initially developed by Kurt Lewin in 1950. His analysis was based on the proposition which holds that: the consumer associates three levels of satisfaction with every need or desire felt. These are (1) the realization level–the level of satisfaction he/she perceives is already attained, (2) the aspiration level– the level of satisfaction that he/she desires to attain by taking a particular action or actions, and (3) the ideal level– the highest level of satisfaction that he/she wishes is attained. Howard and Sheth (1969) advanced the argument that the individual establishes his/her aspiration level based on his/her own self-image. Consumers would restrict possible solutions to those product brands from which they believe they could derive sufficient satisfaction according to their aspirations. Nicosia (1971) submitted that the notions of need, objective, and aspiration level are equivalent. Logically, the real need of a consumer would be of importance to him/her. Hence, airlines could deduce the needs of their consumers from the level of importance they attach to the services rendered. Also necessary is the knowledge of what factors influence this level of importance. From the viewpoint of the concept of service offering, this knowledge can be very useful in service design or redesign. The concept of service offering stipulates that all service enterprises never propose one, but several services, to their customers (Eiglier and Langeard, 1979, 1981, 1983, 1987). These services, called elementary services, combine together to form the *service offering* of the firm. Each of these elementary services could be classified as (1) the basic service, (2) peripheral service, or (3) annex basic service. Viewed from the firm's standpoint, the basic service is the principal reason for which the organization was set up, its main mission. Whereas this service could not be eliminated from the offering, the peripheral services could be. Adjusting the number and type of peripheral services provides a strategic opportunity for redesigning and enhancing the overall service offering of a service firm.

LITERATURE

Several studies have suggested that consumer's affective state has some influence on his assessment of products (Axelrod 1963; Dommermuth and Millard 1967; Isen et al. 1978; Isen et al. 1982; Isen and Shalker 1982; Westbrook 1980). The affective state can be transient, like the mood (Wessman and Rick 1966), or relatively steady, like the quality of life of an individual (Andrew and Withey 1976). Studies on consumer behavior (Axelrod 1963; Dommermuth and Millard 1967) suggested that good moods, among others, could influence the consumer's judgment of the quality of a product. This belief has been supported by the work of Isen et al. (1978), who discovered that manipulations that caused good moods among the subjects increased

the favorability of their assessment of various products, including those that belonged to the respondents themselves.

Westbrook (1980), in an experiment with some 194 university students, tested the hypothesis stating: "satisfaction in relation to a product varies directly with the favorability of the mood." This hypothesis was not confirmed which goes in opposition to the proposition of Isen et al. (1978), Axelrod (1963), and Dommermuth and Millard (1967). Nevertheless, Westbrook (1980) advances the explanation that presumably; the fact that he interrogates his subjects in a common situation prevents them from feeling extremes of moods that are strong enough to engender pronounced influences on satisfaction. Alternatively, he said that perhaps the effects of the mood of his subjects were limited only to their judgment of the quality of the products, as it was the case in the aforementioned previous studies, without having any influence on their level of satisfaction.

In a study of patients in a Canadian specialized acute care hospital however, Dube, Belanger, and Trudeau (1996) reported that positive emotions had favorable influence on level of satisfaction with the health care received. Nevertheless, negative emotions were reported to have mixed influence on satisfaction. Other-attributed negative emotions for example, reportedly had detrimental effect on satisfaction.

With regards to the quality of life, Handy (1978) remarks that a precise and universal definition of this concept does not exist, and that it may even be futile to search for such a definition. Liu (1975) is of the same opinion saying, by way of an exaggeration that: there are as many definitions of quality of life as there are people! Arndt (1978), in agreement with this view suggests that, presumably, the universal attraction that the notion of quality of life has is due precisely to its ambiguity. Arndt advances that at the end of the day, quality of life cannot be conceived separately from the viewpoints of the individual concerned. Several authors agree with Arndt (1978). Cosmas, Samli and Meadow (1979) define quality of life as a set of desires, that when satisfied, produce feelings of well being in the individual. Day (1978) also says that quality of life is a personal judgment that describes the level to which a thing, or an experience, meets up to a standard of comparison. This standard of comparison, he continues, is to be selected, and defined by the individual himself. Nason (1996) noted that quality of life "is often construed as being reflected by life satisfaction or subjective well-being" (p. 1).

This difficulty of definition put apart, several authors (Leavitt 1976; Westbrook and Côté 1979; Cosmas, Saudi and Meadow 1979) believe that there is a relation between the "quality of life" of the consumer and the concept of satisfaction. Leavitt (1976) is of the opinion that the individual always search for pleasant experiences, and being satisfied with the products that they buy they are happier with their life. Westbrook (1980) even suggested that people who are satisfied with their life tend to be more satisfied with products in general. In his experiment with 194 university students, Westbrook (1980) tested the hypothesis stating that satisfaction in relation to the product varies directly with satisfaction in life. His hypothesis was supported, at least in the case of one of the two products used for the experiment.

In a study of consumer satisfaction with the vehicles they own, Peterson and Wilson (1992) report positive and significant correlation between vehicle satisfaction (VS) and mood (.19), and between vehicle satisfaction (VS) and life satisfaction (.27). They concluded that their tentative findings suggest the need for further research on this subject. Andreasen (1984) also found a significant correlation between stress (due to negative changes in life status) and customer satisfaction. Likewise, LeVois, Nguyen and Attkinsson (198 1) reported a significant correlation of .45 between life satisfaction and mental health treatment. In a more related study to this research, Oyewole (2002) found that affective states of the consumer significantly influenced his level of satisfaction with consumed services rendered in the airline industry, albeit that some elementary services were more so influenced than others. On the basis of the foregoing therefore: Could mood and quality of life also influence the *level of importance* that consumers attach to services they consume as in the airline industry? No known study has focused on that issue. Present paper examines this question. To examine this issue, and based on the theoretical foundation above and literature reviewed so far, the following hypotheses are formulated for testing:

H.1. Significant differences exist as to the level of importance that consumers attach to the 20 retained elementary services in the airline industry depending on the quality of life of the passenger.

H.2. Significant differences exist as to the level of importance that consumers attach to the 20 retained elementary services in the airline industry depending on the mood of the passenger.

METHODOLOGY

In carrying out this research, which is a part of a larger study, a list of services that make up the typical service offering in the passenger airline industry was first drawn up. The basic service for this part of the tertiary sector of the economy is to airlift passengers from one location to the other. However, in addition to this basic service, several other peripheral services are included in the service offering. Based on a review of the literature on the subject, as well as personal interviews with the executives of several airlines, a total of 20 elementary services often offered by companies in the industry were identified. Excluded were such ad hoc services that may be offered by the airlines in cases of emergency, as well as general airport services, immigration control services, car rental services, etc., over which the airlines have little or no control (for evaluation of such services, see Hackett and Foxall 1997).

The 20 elementary services that were retained are as follows:

i. Distribution of printed materials for general information
ii. Ticket sale
iii. Reservation service
iv. Passenger check in
v. Baggage service
vi. Information service by the airline at the airport
vii. The flight itself (air lift)
viii. Communication of the flight progress to the passengers
ix. Demonstration of the life jacket
x. Distribution of newspapers
xi. Provision of music aboard
xii. Movie shows aboard
xiii. Food (or refreshment) service aboard
xiv. Provision of non-alcoholic beverages aboard
xv. Provision of alcoholic beverages aboard
xvi. Off-tax sales aboard
xvii. Toilet facilities aboard
xviii. Bar service aboard
xix. Gift giving to passengers
xx. Communication of the time and weather condition at destination (meteorological service).

Data for this study was collected by means of structured questionnaires distributed at an international airport. The respondents were adult passengers (18 years and above) on an international flight of 6-7 hours non-stop duration. This flight was of long enough duration to have all the 20 elementary services listed above offered to the passengers. Questionnaires were administered to the passengers as they waited for their luggage in the arrival hall of the airport. A total of 271 questionnaires were completed by the respondents. Of these however, 10 were unusable and were thus discarded. Hence a net total of 261 questionnaires were analyzed.

The questionnaire asked for the level of importance that the respondents attach to each of the 20 elementary services retained for this study. Respondents indicated their level of importance by circling one percentage value on an 11-point scale that went from 0 (Not at all important) to 10 (Extremely important).

To measure the quality of life, Andrews and Withey's (1976) "Delighted-Terrible" scale, a 7-point numeric verbal scale was used. In order to perform some of the analyses, the scores on this measure were regrouped into 5 categories (or levels) namely:

Level 1: Very satisfied
Level 2: Rather satisfied
Level 3: Neither satisfied nor unsatisfied
Level 4: Rather unsatisfied, and
Level 5: Very unsatisfied.

To measure the respondent's mood, the two scales of Wessman and Rick (1966) were used. The first is the 10-point "rejoicing-depression" scale. The second is the scale of "harmony-anger," also a 10-point scale. These two were combined, by adding their scores together during the data analysis, to form a more reliable composite measure (Westbrook 1980). The resulting composite scores were then regrouped into 5 mood categories (or levels) namely:

Level 1: Very bad mood
Level 2: Bad mood
Level 3: Average mood
Level 4 Good mood, and
Level 5: Very good mood.

Hypotheses H1 and H2 were tested by multivariate analysis of variance (MANOVA), as well as, univariate analysis of variance (ANOVA). The results of the tests are presented below.

RESULTS

Level of Importance Attached to the 20 Elementary Services

Respondents were asked to indicate the level of importance they attach to each of the 20 elementary services included in the study using an 11-point scale ranging from 0 (not at all important) to 10 (extremely important). Average scores across all respondents for each elementary service was then calculated along with the corresponding standard deviations. Table 1 provides the average scores on the 11-point importance scale for each elementary service. The scores are sorted in descending order allowing the ranking of importance of an elementary service relative to others. This ranking is in the fourth column of Table 1.

As shown in the table, the elementary service occupying the first place is the service of toilets with an average score of 8.77. The flight itself, here the core service, comes second with an average score of 8.68. Third in order is the luggage service with an average score of 8.64. Reservation, and registration services share fourth place with an average score of 8.15 each. Apart from these five elementary services, the only other to achieve an average score of 8 is the meal service on board with an average score of 8.09 ranking sixth. All others have less than 8. In fact, bar services, gifts, tax-free sales, alcoholic beverages, newspapers, and printed general information all have a mean score below 6. This analysis clearly shows that all the elementary services offered by airlines are not equally important to consumers. The standard deviations of the importance ratings (ranging from 1.97 to 3.43), however, indicate that consumers differ in their views on the importance of elementary services considered. It is thus the goal of this research to determine if consumers' affective factors influence the level of importance they attached to the elementary services provided in the passenger airline industry.

TABLE 1
DISTRIBUTION OF IMPORTANCE SCORES OF THE 20 ELEMENTARY SERVICES

SERVICE	MEAN SCORE	STANDARD DEVIATIO N	RANK
TOILET	8.77	1.97	1
ACTUAL FLIGHT	8.68	2.05	2
BAGGAGE	8.64	2.44	3
RESERVATION	8.15	2.54	4,5
CHECK-IN	8.15	2.52	4,5
MEALS	8.09	2.29	6
METEOROLOGY	7.59	2.39	7
INFORMATION	7.36	2.79	8
TICKETS	7.34	2.97	9

SERVICE	MEAN SCORE	STANDARD DEVIATIO N	RANK
NON-ALCOHOLIC BEVERAGES	7.33	2.70	10
LIFE JACKET	7.32	2.39	11
PROGRESS OF FLIGHT	7.22	2.37	12
MOVIES	6.46	2.80	13
MUSIC	6.28	3.00	14
PRINTED MATERIALS	5.74	3.25	15
NEWSPAPERS	5.53	3.12	16
ALCOHOLIC BEVERAGES	5.07	3.29	17
DUTY FREE SALES	4.92	3.10	18
GIFTS	4.85	3.43	19
BAR	4.10	3.09	20

Quality of Life and Level of Importance: Test of Hypothesis 1

As discussed above, hypothesis H1 of this research states as follows:

H.1. Significant differences exist as to the level of importance that consumers attach to the 20 retained elementary services in the airline industry depending on the quality of life of the passenger.

A multivariate analysis of variance was used to test the hypothesis. The independent variable was the quality of life of respondents measured with the 7-point D-T scale regrouped as described above. The dependent variable is the level of importance attached to the elementary services measured on the 11-point rating scale discussed above. The result of the test of this hypothesis is reported in Table 2. As shown in column 6 of the table, each of the three tests of multivariate analysis of variance - Pillais, Hotellings, and Wilks - gives a value of F which is significant at the 0.05 level. According to this result, hypothesis H1is not rejected. Thus, there is evidence to support the hypothesis that consumers' quality of life influence how much importance they attach to the elementary services offered in the airline industry.

TABLE 2
MULTIVARIATE ANALYSIS OF VARIANCE: RESULT OF TEST OF HYPOTHESIS 1

NAME OF TEST	VALUE OF TEST	APPROX. F	HYPOTHE SISD.F.	ERROR D.F.	SIG. of F
PILLAIS	0.46583	1.58169	80	960	0.001
HOTELLIN GS	0.55743	1.64093	80	942	0.001
WILKS	0.60157	1 .61137	80	937	0.001

Notes:
APPROX. F = The value of F that roughly equals the value of the given test.
D.F. = Degree of Freedom.
SIG. of F = Significance level, i.e. α risk.

Following the support of hypothesis H1, a univariate analysis of variance was conducted to determine which elementary services have contributed particularly to the significant difference in the means vector. The result of this analysis is reported in Table 3. Columns 2, 3, 4, 5 and 6 of the table show the average level of importance attached to the 20 elementary services by the five categories of respondents grouped according to their levels of quality of life. The F values are in column 7, while the thresholds at which these values are significant are given in column 8. The table shows that services of reservation, check-in, baggage, information, newspapers, music, movie, meals, and toilets have a value of F which, with degrees of freedom of 4 and 256, is significant at 0.1 levels. As shown in columns 2, 3, 4, 5 and 6 of the table, respondents most satisfied with their life (i.e.: the class of "Very Satisfied" and "Rather Satisfied") tend to attach a higher level of importance to these 9 services than other groups of respondents.

TABLE 3
UNIVARIATE ANALYSIS OF VARIANCE:
RESULT OF TEST OF HYPOTHESIS 1

SERVICE	Average Importance Score					F	Sig. of F
	Very Satis-fied	Rathe r Satis -fied	Neither Satisfied nor Unsatisfie d	Rathe r Unsa ti-sfied	Very Unsa ti-sfied		
PRINTED MATERIALS	5.91	5.53	5.88	5.00	3.33	1.08	
TICKETS	7.22	7.22	7.38	6.00	5.83	0.63	
RESERVATION	8.48	8.15	7.67	9.50	5.00	3.49	0.00 9
CHECK-IN	8.62	8.08	7.67	7.00	3.83	6.51	0.00 0
BAGGAGE	8.90	8.77	8.52	7.00	3.17	9.22	0.00 0
INFORMATION	7.59	7.31	7.48	4.00	3.67	3.73	0.00 6
ACTUAL FLIGHT	8.97	8.54	8.56	7.00	6.33	3.12	
PROGRESS OF FLIGHT	7.22	7.17	7.44	9.00	5.67	1.04	
LIFE JACKET	7.33	7.30	7.42	5.50	7.17	0.25	
NEWSPAPERS	5.84	5.39	5.58	0.00	2.67	3.27	0.01 2
MUSIC	6.43	6.36	6.42	1.50	2.33	4.15	0.03 8
MOVIES	6.68	6.49	6.31	1.50	4.50	2.59	0.00 1
MEALS	8.34	8.23	7.75	5.50	4.83	4.57	0.27
NON-ALCOHOLIC BEVERAGES	7.34	7.74	7.02	6.50	4.17	2.80	

SERVICE	Average Importance Score					F	Sig. of F
	Very Satis-fied	Rather Satis-fied	Neither Satisfied nor Unsatisfied	Rather Unsati-sfied	Very Unsati-sfied		
ALCOHOLIC BEVERAGES	5.34	5.13	4.50	0.00	5.17	1.77	
DUTY FREE SALES	4.89	5.19	4.79	1.00	4.17	1.07	
TOILET	8.88	8.99	8.08	10.00	8.67	2.01	0.092
BAR	4.25	4.27	3.75	0.00	3.17	1.30	
GIFTS	5.25	4.39	4.85	0.00	4.67	1.81	
METEOROLOGY	7.70	7.41	7.73	5.00	7.67	0.80	

Notes:
Empty cell in column 8 denotes F is not significant.
SIG. of F = Significance level, i.e. α risk.

Mood and Level of Importance: Test of Hypothesis 2

From discussion above, hypothesis H2 of this research states as follows:

H.2. Significant differences exist as to the level of importance that consumers attach to the 20 retained elementary services in the airline industry depending on the mood of the passenger.

A multivariate analysis of variance was used to test the hypothesis. The independent variable was the mood the respondents measured using the "rejoicing-depression" scale, and the "harmony-anger" scale of Wessman and Rick (1966) regrouped as described above. The dependent variable is the level of importance respondents attached to the elementary services measured on the 11-point rating scale also discussed above. The result of the test of this hypothesis is reported in Table 4. As shown in column 6 of the table, none of the three tests of multivariate analysis of variance - Pillais, Hotellings, and Wilks - gives an F value that is significant at 0.05. According to this result, hypothesis

H2 is not supported. Thus, according to the data of this research, mood of consumers does not seem to influence the level of importance they attach to services offered in the airline industry.

Since the multivariate tests are not significant, there was no need to perform any univariate analysis done for quality of life in hypothesis H1 above. Hence none was performed. One reason for the difference between the results of hypotheses H1 and H2 may lie in the fact that while the quality of life is an affective characteristic that is rather stable, mood is transitory and therefore has no influence on the level of importance attached to the 20 elementary services.

TABLE 4
MULTIVARIATE ANALYSIS OF VARIANCE: RESULT OF TEST OF HYPOTHESIS 2

NAME OF TEST	VALUE OF TEST	APPROX. F	HYPOTHESIS D.F.	ERROR D.F.	SIG. of F
PILLAIS	0.30344	0.98504	80	960	0.518
HOTELLINGS	0.33011	0.97177	80	960	0.550
WILKS	0.72878	0.97841	80	960	0.534

Notes:
APPROX. F = The value of F that roughly equals the value of the given test.
D.F. = Degree of Freedom.
SIG. of F = Significance level, i.e. α risk.

MANAGERIAL IMPLICATIONS

Results of this research have some crucial managerial implications for airlines. Managements should realize that not all services that they render are necessary to meet the real needs of the passengers. Some of the elementary services rendered are not considered very important by the respondents. Hence, airline managements could redesign their service offerings by eliminating services with lower than (say) 6.0 importance ratings. According to the results of this study, that action would reduce the 20 elementary services to 14 with resulting reduction in operation costs, greater efficiency, and higher competitiveness in the airline market.

Another managerial implication is the need for airline management to enhance, or augment the quality of elementary services that are found to be the most important ones in this study, and communicate this enhancement to the consumers in their promotional campaigns. For example, toilet service on board was found to rank 1st with a mean importance rating of 8.77 on a 10-point scale! Curiously, it was even ranked higher than the flight itself (which was ranked 2nd)! Managements should therefore seek all means to enhance or augment this type of elementary service in their offering. For example, instead of just having two toilets for passengers, one at one end of the plane, the second at the other far end of the plane, it would be better to have four toilets with two at the center of the plane in addition to the two at both ends. This will better meet consumer needs, reducing traveling distance to and from toilet, and eliminating or reducing waiting to get in to use the toilet. Likewise, the toilets could be made bigger/ roomier to ensure greater comfort and ease of use. If such enhancements of most important elementary services are made and adequately communicated in promotional campaigns by an airline, it would enjoy greater competitiveness in the marketplace. This strategy will be very useful both for low cost carriers (LCC), as well as full service airlines (FSA), but especially the LCC who for now competes mainly on low fare (Thanasupsin, Chaichana, and Pliankarom 2010).

Also, seeing that quality of life was found to influence the level of importance attached to services in the airline industry, airline managements should connect their services to improvement of quality of life of the consumers in their marketing communications. In addition to the positive attributes of their transportation services from one location to the other, personal benefits to consumers of being so transported should be emphasized. Benefits that may denote improved quality of life may include traveling for schooling, wedding, tourism, or concluding a business deal, etc. Through adequate promotional campaigns, airlines should make consumers aware of their role in such positive life events. They should present themselves as “enablers” of such events that enhance the quality of life, or life satisfaction, of the consumers. If this connection is made, then consumers would tend to place higher level of importance on the services they do receive from the airlines and consequently may even be willing to pay more for those services to the delight of managements!

CONCLUSION AND LIMITATIONS

This study has examined the influence of the affective states on the level of importance that consumers attach to services in the passenger airline industry. The non-rejection of hypothesis H1 lends some support to the congruency/accessibility theory (Bower 1981; Isen et al. 1978). Although mood, tested in hypothesis H2, was not found to significantly influence level of importance attached to services in the airline industry, quality of life was. The difference in results could be due to the transient nature of mood vis-à-vis the more stable nature of quality of life. In Oyewole (2002), both affective states were found to significantly influence *satisfaction* with services in the airline industry. However, this is not the case with the more enduring concept of *importance* examined in this paper.

Some limitations of this research should be noted. This study was based on a flight of 6-7 hours duration and so results may differ for different durations. Future studies should retest the hypotheses of this research with several different flight durations. Also, prices may vary even for passengers in the same class, depending on where they bought their ticket and under what program. Future studies should have larger samples and make these distinctions of different classes and prices in the analysis. Finally, mood and life satisfaction were measured on a continuum in this paper without disaggregating into their various dimensions (Westbrook and Oliver 1991). Future research should make provisions to examine this refinement in their analysis. In view of the foregoing, the present study should be taken as exploratory as far as the airline industry is concerned. However that may be, its findings have contributed to our knowledge of the influence of affect on consumer evaluation of product/service offerings in response to the concerns of several authors (e.g. Bettman 1993; Gardner 1985; Holbrook and Hirschman 1982; Hoch and Loewenstein 1991; Shiv and Fedorikhin 1999) on the need to fully explore this important aspect of consumer behavior.

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THE RELATIONSHIP BETWEEN CEO CHANGE, ADMINISTRATIVE RATIO, AND ORGANIZATIONAL EFFICIENCY: A THEORETICAL DISCUSSION

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ABSTRACT

Change in management has been a common trend among many organizations. This change may lead to a change in leadership or administrative positions and also may impact the efficiency of the organization as a whole. It is necessary for organizations to understand how changes in leadership affect their operations. This paper explores the relationships that exist between CEO change, administrative ratio, and organizational efficiency when organizations face environmental uncertainty/disturbance or stability. Six theory-based propositions and a basic research model are developed which may help researchers and practicing executives better understand when and how changes should be implemented in organizations when new CEOs are hired. We close with a discussion of the theoretical and practical implications, as well as limitations and future research directions.

INTRODUCTION

Management change has been a topic of interest to many researchers for over half a century (Burnes, 2003; Edmonds, 2011). In spite of the difficulties associated with the implementation of change, management alterations, especially change of the chief executive officer (CEO), has been a common trend among many organizations. CEO change can be defined as the replacement, substitution, or alteration of the CEO of an organization due to different reasons that are dependent on the organization making the changes (Orridge, 2009; Rothwell, Lindholm, & Wallick, 2003). Hoskisson, Hitt, and Ireland (2008) asserted that CEO change could be attributed to the dynamism of the markets or a change in the strategic direction of the organization, as well as changes in its objectives. According to Hall (2002), management alterations are inherent to the creation of new political alliances or affiliation, structural redesign, and a shift in power base. Some scholars believe that organizational success is highly dependent on the timely overhaul of the administrative structure in response to external and internal environmental changes (Cameron & Green, 2012).

Cameron and Green (2012) argued that change of the CEO can significantly affect the operational and strategic aspect of an organization. This is because every CEO uses his or her own ideas, models, and strategies, thus affecting the operations and strategy. CEO change is often accompanied by structural reorganization (Hall, 2002) which usually includes changes in leadership or administrative positions. Ultimately, these changes result in changes to the administrative ratio of the firm (Chakrabarty & Bhattacharya, 2005). According to Holdaway and Blowers (1971), the administrative ratio is the association between the proportions of the employees holding administrative positions, relative to the size of the organization. This ratio is of major concern to many organizations because employee potency is highly dependent on supervision, as well as other factors such as remuneration and motivation (Budd, 2006; Liff, 2011; Walter, 2010).

Organizational efficiency can be defined as the degree of success that organizations can attain by utilizing the least possible input to produce the best possible output (Daft & Marcic, 2011; Low, 2000). Organizations are constantly attempting to find an appropriate and efficient administrative ratio (Kusluvan, 2003). Malinowski's (2009) research on the administrative ratio showed that determination of a suitable ratio is dependent on factors such as the type of industry as well as the needs, and strategies of the organization. Companies might choose to increase or decrease administrative positions if they believe it would change their performance in the market. For some companies, maintaining a low administrative ratio to avoid expenses and to encourage the existing managers to work harder is preferred. On the other hand, some organizations may choose a higher ratio in order to monitor all employees.

This paper identifies the relationship that exists between administrative changes, specifically change of the CEO, administrative ratio, and organizational efficiency. In addition, the paper integrates and extends (1951) Lewin's, change management model into a new proposed model. (1951) Lewin (1951) theorized that organizational change has three major steps: unfreeze, change, and refreeze. According to Lewin (1951), the unfreeze phase occurs when an organization detects the need for change due to uncertainty within the organizational setup. This is followed by the change phase, which occurs when people begin to address the uncertainty created during the unfreeze phase. Lastly, the refreeze phase occurs when the people within the organization embrace and begin utilizing the new changes. Following a literature review, this paper proposes a new model that may be used to identify the relationship between CEO change, administrative ratio, and organizational efficiency. Implications and future research directions are offered.

LITERATURE REVIEW

CEO Change and Firm Performance

Changing an organization's CEO has become a common practice among many organizations, especially due to the dynamism of today's business environment (Headlight International, 2010). These constant shifts and fluctuation in the business environment have prompted many firms to reorganize their leadership on a regular basis in a bid to avoid stale administrative practices (Jenlink, Stewart, & Stewart, 2012). Even though the role of a CEO is considered essential, studies show that scholars have conflicting views on the degree of importance of the CEO to the organization. For example, Cohen and March (1974) stated that some organization, such as higher education institutions, have a complex decision-making process, which diminishes the power of individual leaders. Similarly, according to Adams, Almeida, and Ferreira (2007), CEOs often have a marginal effect on the efficiency of the large, complex organizations. However, most research indicates that the CEO is critical.

A study by Johnson, Magee, Nagarajan, and Newman (1985) showed that the sudden death of a CEO of an organization is often accompanied by a positive change in the stock prices due to speculative reasons, where investors expect the new CEO to improve the image of the company as well as the performance. Morck, Shleifer, and Vishny (1988) asserted that hierarchical CEO successions, which occur within a founding family, are more likely to lead to negative valuation in the stock market if the succeeding member is only in the position by virtue of being handpicked and holds no stake or interest in the company. On the other hand, Morck, Strangeland, and Yeung (2000) stated that having a founder family member in an executive position has a probable positive effect in the stock market because they hold a stake in the company. As a result, they have a special ability to resist any challenges that may impact negatively on their organizations. Anderson and Reeb (2003) were supportive of this concept when they provided evidence showing that family firms with a consistent succession plan have a comparatively higher market valuation and better organizational performance than non-family organizations.

Research that has focused on determining how CEO changes affected organizational market performance has indicated that CEO changes have a great impact on the performance and efficiency of the firm (Bennedsen, Kasper, Pérez-González, & Wolfenzon, 2007; Perez-Gonzalez, 2006). Perez-Gonzalez (2006) research on inherited control of firms yielded similar results to that of Morck, Shleifer, and Vishny (1988); that is, inherited succession of the CEO is accompanied by decreased performance in the stock market. Bennedsen, Kasper, Pérez-González, and Wolfenzon (2007), found that CEO change is often associated with organizational restructuring and reorganizations, which might affect the investors perception of the company, thus lowering the company's value in the market. In contrast, Sraer and Thesmar (2007) suggested that family control and succession plans often enhance company performance in the market.

Although scholars have contrasting views on how CEO changes might affect an organization, it appears that there is more evidence to suggest that a change of a CEO eventually determines whether a company will have a positive or negative valuation in the market (Tang, 2008). As such, the value of a CEO cannot be viewed as peripheral or marginal to the organization (Morck, Shleifer, & Vishny, 1989).

Changes of CEO often facilitate significant organizational changes in terms of leadership style, culture, structure, and sometimes values. For this reason, it creates opportunities for evolution and revolution, thus promoting expectancy among other members of the organization (Villalonga & Amit, 2006). Beyond influencing valuation, CEOs have the ability to instigate a revolution that may lead to organizational restructuring. This, in turn, often leads to changes in the administrative ratio.

Administrative Ratio

As stated earlier, the proportion of administrative personnel relative to the total number of employees (administrative ratio) has been deemed as one of the most important aspects of an organization (Champion & Betterton, 1974). According to Terrien and Mill (1955), the administrative ratio changes with a change in the size and complexity of the organization. Anderson and Warkov (1961) who suggested that as firms increase in size and complexity, the administrative ratio changes, supported Terrien and Mill's (1955) notion of administrative changes causing alterations, as the organization increases in complexity. However, it remains unclear how the administrative ratio changes in relation to changes in other variables such as administrative expenses ratio. Research on the issue has yielded contradictory results.

Terrien and Mill (1955) showed that organizational size and complexity are directly correlated to the administrative ratio. As such, the authors stated that the greater the complexity and size of the organization, the greater the proportion of the administrative component. In contrast, Bendix (1956) asserted that the administrative ratio decreased with increase in size and complexity of the organizations. According to Bendix (1956), large organizations with complex functional structures have a higher propensity of having a low administrative ratio. Anderson and Warkov (1961) who studied the concept of the administrative ratio in 49 hospitals noted that administrative ratios changed with complexity. However, the authors were unable to find conclusive evidence to support the notion that administrative ratio and organization size were negatively related. While Anderson and Warkov (1961) failed to find conclusive evidence, Haas, Hall, and Norman (1967) asserted that there is an indirect relationship between organizational size and administrative ratio, such that the relative administrative ratio decreases as organizational size and complexity increases. Tosi and Patt (1967) found a positive correlation between the size of the organization and the administrative ratio. These authors stated that administrative ratio increases with increase in the size of the organization.

The conflicting results would seem to suggest a contingency approach to administrative ratios for firms. That is, one size does not fit all – context matters. With this in mind, while most research on the subject has attempted to find the correlation between organizational size and administrative ratio, Malinowski (2009) took a different approach and attempted to determine the factors that contributed to the administrative ratio. Malinowski (2009) conducted a survey of 12 organizations and found that different organizations had different administrative ratios depending on their complexity, values, policies, and strategies. In fact, she also found that some organizations had no particular strategy, and their practices were not based on a specific approach. Other organizations determined the ratio on a case-to-case basis. In her conclusion, Malinowski (2009) states that there is no consistent strategy to use in determining the administrative ratio of an organization. This inconsistency can be attributed to the fact that today's organizations have made it difficult to identify an administrative position. Jobs have evolved to the extent that companies have hybrid positions that are neither administrative nor subordinate. Furthermore, contemporary firms have customized structures, which make them highly dissimilar to one another. For this reason, it is difficult to have a consistent model for determining an administrative ratio that should apply to all organizations.

The changes in administrative ratio often come with a price to the organization. For some organizations, the changes in administrative ratio might imply a change in the structure and hierarchy of the organization (Villalonga & Amit, 2006). The resulting effect of the changes in structure may vary from simple reorganization and reassignment of staff members to complex events such as alteration of organizational efficiency. Essentially, the alterations of administrative ratio have a domino effect on the organizational setup, which leads to a chain of reactions and eventually leads to changes in the organization's efficiency.

Organization Efficiency

Low (2000) explained that organizational efficiency is the measure of the relationship between organizational input and output. More specifically, according to Low (2000), efficiency measures the degree of success that organizations can gain from using the least expenses in the form of input resources. Similarly, Vijayan (2013) suggested that organizational efficiency is achievable through the maximization of outcomes of an action and can be estimated by comparing the outcomes to the input effort. Measuring organizational efficiency requires an individual to be aware of input such as human effort and resources. In addition to this, it requires a person to be aware of the expected output. Organizations can determine their efficiency by comparing the input to the outcome of a venture or activity. For example, efficiency can be measured by comparing the costs incurred for labor to the value generated by the labor. Efficient organizations have lower costs of input and higher values of outcomes than their less efficient peers. Obviously, most organizations strive to achieve efficiency in a bid to increase revenue and minimize their operational expenditures (Weimer, 2009).

Low (2000) proposed that the strategies used in transforming an organization's input to output determine its level of coherence. Pinprayong and Siengthai (2012) stated that organization efficiency is a reflection of the improvement of the internal organizational setup such as culture, community, values, and structures. They believed that organizational efficiency could be determined by seven major factors: strategy, design, management systems, employee and corporate style, motivation, goals, and skills. The proper levels of organizational efficiency tend to positively affect the performance of a firm in the form of productivity, management, quality, and profitability.

While Pinprayong and Siengthai (2012) focused on input and output when determining organizational efficiency, Kumar and Gulati (2010) based their concept of efficiency on resources. They argued that efficiency entails the conventional allocation of resources across alternative uses. According to Kumar and Gulati (2010), organizational efficiency should not be mistaken for market performance, although it can be used to reveal operation excellence of an organization. In addition to this, the authors suggested that efficiency could also be viewed as the degree of excellence in resource utilization of a company (Kumar & Gulati, 2010).

RESEARCH MODEL

Lewin's (1951) Change Management Model

According to Lewin's (1951) change management model, organizational change takes place in three phases: unfreeze, change, and refreeze (Montana & Charnov, 2008). The unfreeze phase occurs when organizations see there is a need for change. This phase is often set in motion by a disturbance in the environment, such as changes in attitudes, values, and consumer behavior. The second phase, which is the actual change phase, is usually considered an action-oriented stage during which the situation at hand is diagnosed, researched, and analyzed, and change is implemented. The change stage is often expected to be accompanied by the development of new attitudes, values, and behaviors in order to address the condition that prompted the company to unfreeze its setup. The third and final stage of change management is the refreezing stage. This stage is about establishing organizational stability (Abrantes, 2013). The refreezing stage entails converting the new changes introduced in the second phase into organizational routines, culture, policy, or practice. As such, the refreeze phase is all about accepting change and making it the organizational norm (Lewin, 1951; Russell & Russell, 2006).

CEO Change and Organizational Efficiency

In the context of Lewin's (1951) model, a change of the CEO can be considered the starting point of the unfreeze phase. CEO change is often done because an organization is underperforming and is in need of a change in strategy. During the change phase, the new CEO implements new strategies and undertakes efforts to change organizational endeavors. As suggested by Miller, Droge, and Toulouse (1988), new CEOs often conduct administrative, as well as systems and structural design, reorganizations in a bid to address the new organizational factors that triggered the change.

Pfeffer (1981) argued that CEO change due to environmental shifts is likely to have a greater impact on the organization than CEO changes in firms that are performing well. New CEOs usually have little or no commitment to the strategies set by their predecessors, especially when the internal and external environments demand change. For instance, the change of CEO in Apple Inc. in 2011 saw the appointment of Tim Cook. After his appointment, he shifted policy, specifically on the size of iPhones (Edwards, 2014). Whereas Steve Jobs had once claimed that no one would buy a bigger iPhone and indicated that the company would stick to manufacturing smaller phones (Ziegler, 2010), Tim Cook changed this concept because the external environment had changed and bigger phones were in fashion. As a result, in 2015, Apple Inc. released the iPhone 6-plus, which had a bigger screen, in a bid to compete with other manufacturers like Samsung. The tendency to ignore the strategies of the previous CEO can partially be attributed to the difference in personality, functional background, or the CEO's perception of the organization's internal and external environment. These attributes are extremely influential in the decision-making and interpretation of an organization's needs by the new CEO.

If the factors that triggered the change of the CEO were caused by a disturbance in the environmental forces, such as poor market and/or financial performance, then the new CEO is bound to initiate changes. These changes may include structural, administrative, and system redesign (Goldschmidt, 2015; Miller, Droge, & Toulouse, 1988). If the structural, administrative, and system changes initiated by the CEO are positive, the organization will experience positive changes. According to Lewin (1951), organizational changes are accompanied by a refreeze phase, which ensures that the new changes are integrated into the organization and made the norm. Similarly, CEO change that is accompanied by positive effects undergoes the refreeze to attain stability. This leads to the first proposition:

Proposition 1(a): *When an organization faces a disturbance in its environmental forces, change of the CEO will result in change in efficiency.*

Sometimes the change of a CEO may occur when the organizational is stable. For instance, a case where the CEO of an organization retires and a new CEO has to be appointed. In such cases, the new CEO could adhere to structural, administrative, and system setup of his predecessor. Based on Lewin's (1951) change management model the organization would only undergo the unfreeze stage due to the CEO change. However, the change and refreeze phase would not be applicable as the new CEO would be inclined to maintain the existing structures, and systems in order to continue to enjoy organizational stability. Tran and Tian (2013) stated that stability of organizational structures and systems often leads to stability or an improvement in the efficiency levels of an organization. As such, by maintaining the stability of organizational structures, systems, and administrative aspect the CEO cannot affect the organization's stability. This leads to the second proposition:

Proposition 1(b): When an organization operates in a stable environment, change of the CEO does not affect organizational efficiency.

CEO Change and Administrative Ratio

Even though no research has established the relationship between administrative ratio and CEO change, Thompson (1967) suggested that CEO change is influential to the organizational structure, particularly due to the complexity of modern organizations. According to Thompson (1967), highly complex organizations that undergo CEO changes usually experience a change in their strategic approach. Schein (2010) was of a similar opinion when he indicated that new leaders often induce changes in an organization. The changes usually come in terms of staff reorganization, policy changes, strategy shifts, and change in leadership style. It is rare for new CEOs to maintain the staff composition and organization of his or her predecessor.

When an organization changes the CEO due to disturbances in the environment, the new CEO would be forced to induce changes on an administrative level. The reorganization of staff members coupled with the changes in strategy, and leadership style are often likely to have an effect on the ratio of employees to administrators/managers (Goldschmidt, 2015). New CEOs have the capacity to increase, decrease, or maintain a constant administrative ratio depending on their views of the environment, their intended leadership style, and their beliefs in relation to the administrative ratio. Miller, Droge, and Toulouse (1988) suggested that CEOs influence the direction of a firm by redesigning its administrative framework. Porter (2008) offered a similar argument that the impact of a CEO on an organization's administrative framework depends on the strategy the CEO adopts, as well as the process he/she utilizes in developing the strategy. More formally we propose the following:

Proposition 2(a): *When an organization faces a disturbance in its environmental forces, change of the CEO results in change in administrative ratio.*

However, sometimes the organization is stable, and the change of the CEO is not accompanied by changes in the administrative positions. According to Lussier & Achua (2016), good leadership requires the CEOs to maintain stability where necessary and initiate change where necessary. If an organization is performing well and the leader changes, it is important to maintain all organizational aspects in order to continue achieving solid performance (Lussier & Achua, 2016). The authors asserted that retaining essential aspects such as culture and supervision structure of an organization usually leads to organizational stability.

This stability could be extended to all organizational aspects including, administrative ratio for firms that are already performing well. This leads to the following proposition:

Proposition 2 (b): When an organization operates in a stable environment, change of the CEO does not affect administrative ratio

Administrative Ratio and Organization Efficiency

There is also limited literature on the association between administrative ratio and organizational efficiency. The proportion of employees relative to the administrative personnel often varies from organization to organization (Malinowski, 2009). Nevertheless, Goldschmidt (2015) stated that despite the lack of clarity on how different organizations choose their administrative ratio, it is evident that organizational efficiency is dependent on the administrative ratio and human effort. Kumar and Gulati (2010) who were of the idea that organizational efficiency is a subset of human effort in the utilization of resources to ensure maximum output can also be considered proponents of the notion that administrative ratio has an effect on organizational efficiency. This is because administrators often control human effort in an organization (Goldschmidt, 2015).

Changes of administrative ratio that occur as a result of environmental disturbances are often likely to lead to changes in some attributes of the organization. According to Goldschmidt (2015), the tasks of many CEOs and administrators include setting organizational goals, determining strategy, and providing procedures and controls that employees use to ensure efficient operations. Environmental disturbances often lead to changes in how administrators approach their tasks as well as the administrative ratio. Consequently, employee efficiency and input changes depending on how the administrators change their strategy, goals, and capacity to provide proper directions due to the disturbance in the environment. Goldschmidt (2015) proposed that for employees to receive proper direction and improve organizational efficiency, it is imperative to decrease the administrative ratio and ask the employees to do more. More formally:

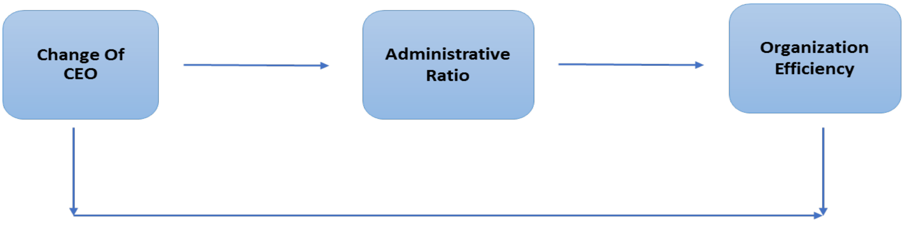
Proposition 3(a): *When an organization faces a disturbance in its environmental forces, changes in administrative ratio positively affect the organizational efficiency*

On the other hand, when an organization enjoys stability, the tasks of the administrators remain the same after a change in CEO. Consequently, there is no need to change the administrative ratio in order to increase employee efficiency. According to Goldschmidt (2015), when an organization is operating efficiently, there is no need to change the ratio of administrators. As such, the organization continues to operate with stability in order to maintain its level of efficiency. Thus, in such a case, the administrative ratio remains stable. This results in our final proposition;

Proposition 3(b): When an organization operates in a stable environment, change of the CEO does not change in administration ratio.

Figure 1 shows the relationships that exist between CEO change, administrative ratio, and organizational efficiency. However, CEO change has an effect on both administrative ratio and organizational efficiency as shown in the model below:

FIGURE 1
PROPOSED RELATIONSHIPS BETWEEN CEO CHANGE, ADMINISTRATIVE RATIO, AND ORGANIZATIONAL EFFICIENCY



Despite the different arguments on the relationship between CEO changes, administrative ratio, and organizational efficiency (Goldschmidt, 2015; Nwachukwu, 2011; Terrien & Mill, 1955), in this paper, we propose that changes of CEO will impact the administrative ratio and organizational efficiency, and that the relationship between CEO change and efficiency is mediated by changes in administrative ratio.

DISCUSSION

This paper sought to contextualize and discuss the relationships between CEO change, administrative ratio, and organizational efficiency. It is surprising how little has been published in the extant literature on these relationships. The goals and value of the paper is that it introduces the reader to these topics through a review of the literature and develops theory-based propositions that could assist organizations determine how change of the CEO would affect the general operations. According to Armstrong and Stephens (2005), it is imperative that organizations understand how changes in leadership affect the operations. This not only helps an organization prepare to adjust to a new environment if/when a new CEO decides change is necessary, but also when the choice should be for little or no change to ensure organizational stability.

The arguments, propositions, and model advanced in this article are also valuable, as they provide scholars with a viable platform for conducting empirical research on this topic. The propositions are testable and could be used as hypotheses for future research on effects that changes of a CEO could have on an organization. Armstrong and Stephens (2005) assert that leadership change might lead to transformational change, strategic change, or organizational change. This paper addresses these issues as well as provides a conceptual framework that can be used in testing organizational change, and when changes should be made to the administrative ratio in order to improve or maintain organizational efficiency.

Limitations and Future Research Direction

There are two limitations that bear mention. First, the paper only considered conditions under which CEOs initiate decisions on their own with regard to structural changes, which may then result in changes in organizational ratio. It does not consider situations where CEOs acts under some compulsion from others like the board or the owner whichever case applies. Such a situation is rather complicated and requires additional study. We considered the bi-polar situationa of when a firm faces environmental uncertainty or stability, and a change in CEO is made. The propositions explain that a new CEO's decision to implement change is driven by their personal experiences and the needs of the organization. However, if a new CEO is brought in by a board to change strategy pre-emptively – in a time of prosperity and environmental stability – then change processes would be different.

Second, most indicators of organizational performance take time to manifest after change is made. We do not specify the time frame in which organizational changes may impact efficiency, and ultimately performance measures. It is likely that there are time effects on the relationships discussed in this paper, but these may differ for different firms as a result of the scope of the changes or the industries that firms operate within. Future research and theory development should include a more comprehensive consideration of time effects.

Future longitudinal research of firms in a variety of industries and facing different internal and external environments such as active or passive boards, technological advances, changing customer preferences, etc. would help to clarify the relationships discussed in the paper. By surveying CEOs and stakeholders in these companies, and gathering both qualitative and quantitative information about the behaviors, activities, and outcomes surrounding CEO changes, with a specific focus on impacts to administrative ratios and organizational efficiency, we believe that prescriptive solutions and strategic decision-making could be improved for organizations in various industries. As further research is conducted, we could improve our understanding of how, when, and what type of strategic changes should be implemented by new CEOs, especially as the appropriate statistical metrics are collected and analyzed across industries and in different contexts.

CONCLUSION

CEO change is common for organizations, whether it be to replace a retiring CEO or due to a need to refresh systems, reorganize structures, and improve the organizational design. We explored how CEO change can impact administrative ratios and organizational efficiency in an effort to make scholars more aware of the theoretical relationships between these variables. Based on the six propositions that were developed, we believe that researchers have a new direction to follow that may help us better understand how and when changes should be made within organizations. We also incorporated differences that should be expected when environmental uncertainty is elevated versus when an organization enjoys stability. We hope that this paper leads organizational scholars to examine the proposed relationships in future research, as we believe that much more work – particularly longitudinal study – is needed to better understand these important concepts and relationships.

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