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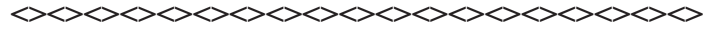
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Editorial Note

It is with great pleasure that I present to you the spring 2009 issue of the *Journal of International Business Disciplines*. I would like to express my appreciation to the President of Frostburg State University, Jonathan Gibraltar; Board of Directors of the International Academy of Business Disciplines; and my distinguished colleagues who served on *JIBD* Editorial Board, for making this publication possible.

My special thanks to Micaela Karinshak, editor; Louis Falk, web coordinator; Reza Eftekharzadeh, IABD VP for Administration and Finance; and Robert Page, managing editor, for their outstanding contribution towards completion of this task.

The Editorial Board members and I hope that you enjoy reading this issue, and assure you of our commitment to continuously publishing high quality scholarly papers in the future issues of *JIBD*.

Ahmad Tootoonchi, Chief Editor
Journal of International Business Disciplines

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HOPE-CENTERED LEADERSHIP: SOME PRACTICAL TIPS

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ABSTRACT

Inspiring hope has been a more or less implicit leadership task, but until recently has not been included in leadership models. With the rise of a solid empirical foundation within the discipline of psychology, hopefulness is now being construed as a central characteristic of a leader and primary leadership task. This article briefly reviews the psychological foundations of hope, especially in the work of Snyder (1994), and Luthans and Avolio's (2003) Authentic Leadership model which applies Snyder's (1994) operationalization of hope to leadership. There is, however, very little literature on practical steps toward inspiring and developing hope in individuals and organizations. The present article aims to fill this gap by offering twenty-nine tips to inspire hope in individuals and organizations.

INTRODUCTION

Leadership has been defined in numerous ways. It has been defined, for example, as an integral part of group process (Green & Mitchell, 1979; Krech & Crutchfield, 1948) and as an influence process (Bass, 1960). Two of the key dimensions of most of these definitions are that leadership is a group phenomenon and is goal directed (Nahavandi, 2009). Nahavandi also provides this definition: "A leader is a person who influences individuals and groups within an organization, helps them in establishing goals, and guides them toward achievement of those goals, thereby allowing them to be effective" (p. 291).

Leaders, however, can be good or bad leaders, effective or ineffective. What is an effective leader? Leadership effectiveness can be defined in terms of group performance (Fiedler, 1978), follower satisfaction (House, 1971), and successful implementation of large-scale change in an organization (Bass, 1985, 1990; Bennis & Nanus, 1985; Conger & Kanungo, 1988). Nahavandi espouses that effective leadership is based on goal achievement, smooth internal processes, and external adaptability by the group (Nahavandi, 2009).

There exist a plethora of leadership models. Earlier models include the contingency model (Fiedler, 1967), normative decision model (Vroom & Jago, 1988), path-goal theory (House, 1971; House & Dessler, 1974), attributional model (Green & Mitchell, 1979, Mitchell & Wood, 1980), and leader-member exchange (Dansereau, Graen, & Haga, 1975). Somewhat more

contemporary models include neo-charismatic leadership (House, 1977; Conger, 1999), transactional leadership (Burns, 1978) with its contingent reward (Bass, 1985; Walker, 2006)) and management by exception components (Bass & Avolio, 1990), transformational leadership (Bass, 1985; Bennis & Nanus, 1985; Conger & Kanungo, 1998), spiritual leadership (Fry, 2005), value-based leadership (Moxley, 2000), and authentic leadership (George, 2007).

The concept of hope has begun to emerge in some models of leadership (Adams, Snyder, Sigman, & Pulyers, 2002; Helland & Winston, 2005). Peterson and Luthans (2003) and Luthans (2005) found that hope-centered leadership positively impacts organizational outcomes. Others have found that hope can play a central role in organizations in the areas of goal setting, innovation, and motivation (Helland & Winston, 2005; Snyder & Lopez, 2006).

Essentially, leaders need to understand that generating hope for potential followers can help them become a more effective leader. One remaining question is “How can I generate hope?” Consequently, the primary purpose of this article is to present a number of tips that can help a leader create hope. Let us begin with a review the psychological foundations of hope.

THE PSYCHOLOGICAL FOUNDATION OF HOPE

Over the course of the past two decades hope theory has developed a solid empirical foundation based largely on the work of C.R. Snyder and his colleagues at the University of Kansas. Snyder (1995) defines hope as “the process of thinking about one’s goals along with the motivation to move toward (agency) and the ways to achieve (pathways) these goals” (p. 355). Some researchers have denigrated the validity of hope theory because early definitions of hope situated hope in the realm of the emotions (Stotland, 1969; Averill, Catlin & Chon, 1990). Snyder does not deny an affective component of hope; rather, he argues that previous definitions are incomplete or do not lend themselves to empirical investigation (Snyder, 1995).

Based on Snyder’s (1995) definition of hope, Snyder, Rand, and Sigmon (2002) propose a model of hope that consists of three essential components: goals, pathways thinking, and agency thinking. Goals are assumed to motivate behavior. On this basis it can be said that hope is future oriented. Pathways thinking “signifies one’s perceived capabilities at generating workable routes to desired behaviors” (Snyder et al., 2002, p. 258). High hope individuals are capable to developing multiple strategies toward achieving their goals. Agency thinking is “the perceived capacity to use one’s pathways so as to reach desired goals (Snyder et al., 2002, p. 258). In hope theory, both pathways thinking and agency thinking act in concert. This point is critical in distinguishing hope from other, related constructs such as optimism and self-efficacy.

Seligman’s (1991) optimism construct is concerned with how people explain negative events in their lives. Individuals who attribute negative events to external, variable, and specific causes, in contrast to internal, stable, and global causes, are said to be optimistic (Seligman, 1991). Self-efficacy differs from hope theory in two important ways. First, self-efficacy is thought by Bandura (1997) to operate in specific contexts; hope is thought to operate across many contexts. Self-efficacy as an estimation by a person that one can engage in a particular behavior, whereas hope goes beyond possibility to intention, or willingness, to carry out a particular behavior (Snyder et al., 2002).

Hope has been shown to positively impact academic (Snyder, Cheavens, & Michael, 1999; Snyder, Hoza, Pelham, Rapoff, Ware, et al., 1997) and athletic performance (Curry, Snyder, Cook, Ruby, Rehm, 1997), physical health (Snyder & Feldman, 2000), psychological adjustment (Affleck & Tennen, 1996; Snyder, 1996; Snyder, 1994; Tennen & Affleck, 1999) psychotherapy outcomes (Snyder, Ilardi, Michael, & Cheavens, 2000), interpersonal relationships (Snyder et al., 1997), and life satisfaction (Bailey, Eng, Frisch, & Snyder, 2007).

Two models of leadership have been developed recently that explicitly include hope as an important variable: positive approach to leadership (PAL; Luthans, Luthans, Hodgetts, & Luthans, 2001) and authentic leadership (Luthans & Avolio, 2003). The latter is reviewed here as it represents Luthans' more recent leadership model. Luthans & Avolio (2003) define authentic leadership as:

“A process that draws from both positive psychological capacities and a highly developed organizational context, which results in both greater self-awareness and self-regulated positive behaviors on the part of leaders and associates, fostering positive self-development” (p. 243).

The authors go on to define an authentic leader as “confident, hopeful, optimistic, resilient, transparent, moral/ethical, future-oriented, and gives priority to developing associates to be leaders” (p. 243). They assert that these characteristics of leaders are not traits, but states that can be developed. While there are many interesting aspects of the Authentic Leadership model, it is particularly noteworthy that Luthans and Avolio drew on the hope theory of Snyder (1994). If, as Luthans and Avolio (2003) aver, authentic leaders make it a priority to develop future generations of authentic leaders, then inspiring and fostering hope in followers will be central to the leadership development activities of a leader.

In the months preceding the presidential election of 2008 Americans witnessed a resurgence of hope in American politics that had not been seen since Kennedy or, perhaps, Roosevelt's New Deal. One of Barack Obama's primary messages was one of hope. Campaign slogans such as “Change we can believe in” and “Yes we can” are brilliant demonstrations of Snyder et al.'s (2002) hope theory. “Change we can believe in” is an excellent example of Snyder et al.'s (2002) pathways thinking. By offering alternatives, especially alternative solutions that differed radically from the previous administration, then Senator Obama was offering other routes toward achieving the goals of financial prosperity and social policy in the United States and political and military stability in the Middle East. The economic, political, military, and social ends may not have changed as much as the means to achieving those ends were (and are) construed differently. Obama capitalized on the electorate's desire for a clear alternative from President Bush's policies. It could be argued that John McCain did not do enough to demonstrate that his policies represented a clear alternative to President Bush.

But to propose an alternative route to success is not enough according to Snyder's hope theory. Individuals must also have a sense of agency. Agency involves more than simply a belief that one can engage in a particular behavior (self-efficacy), but also the intention to do so. President Obama's campaign slogan “Yes we can” is a prime example of agency thinking. On election

night in Chicago at Grant Park, hundreds of thousands of people rallied to the chant, “Yes we can! Yes we can!” In President-elect Obama’s November 4, 2008 speech that night, he emphasized personal responsibility as he had throughout his campaign. He urged his supporters to get involved and take action, “So let us summon a new spirit of patriotism; of service and responsibility where each of us resolves to pitch in and work harder and look after not only ourselves, but each other.” The question for leaders, including President Obama is *Does a call for action lead to action?* The larger question is *Does inspiring hope in others lead to more, creative problem-solving solutions AND a willingness to act in accordance with organizational goals?* In the following section, we offer tips that may lead to increased organizational hopefulness.

PROVIDING HOPE TO FOLLOWERS

Great leaders find ways to provide hope to their followers and potential followers. Consequently, an aspiring leader should seek ways to boost hope. Leaders should evaluate the entire range of leadership tools and develop a set that fits the hope-centered concept. These tools will call for the leader to use words, actions, and attitudes to focus on building hope and optimism for a better future.

When a new individual assumes a position of leadership, many individuals (but not all) are naturally hopeful that the new leader will lead the group to a better situation. The new leader should focus on enriching this hope and avoiding things that reduce hope.

In general, generating hope involves painting a picture the future that is better than the past and present situation. Show them that things are going to change for the better, and without great upheaval.

One of the authors once heard someone describe a ‘burning platform’ approach. In order to get a group to follow the leader, the leader can either convince the group that (1) the present ‘platform’ is burning and the group should follow the leader off the platform, or (2) there is a much better platform (future) to which the leader can guide them.

Another way to view hope-centered leadership from the leader’s perspective is as follows:

1. Review the past and present,
2. share a vision for a better future, which should generate.....
3. hope, which should generate.....
4. motivation, which should lead to.....
5. action, which should lead to.....
6. group achievement.

The remainder of this article presents and discusses various tips that the leader can use to help generate hope and/or avoid reducing hope among followers. The reader will see that the tips are drawn from many and various leadership approaches.

1. Pay Attention To The Style Of Your Predecessor.

The style used by your predecessor, and its results, can have a great influence on which is the best approach for you to use. Even if you follow an excellent leader, there may still be areas in which followers are hopeful for changes. Your predecessor, for example, may have been very good, but perhaps a little distant from the followers. If a sufficient number of your potential followers are hopeful for a warmer, more humanistic environment, perhaps your words and actions could fulfill this hope.

One executive tells of following a “dictatorial autocrat” who had destroyed the morale, motivation, and initiative of the entire organization. The approach he was successful with involved a heavy dose of “healing.” And, he had to generate hope among the workers that the future did NOT involve a dictator or autocratic leader.

He goes on to tell of his next position, in which he followed a world-class “nice guy” who provided very little guidance for the group. When our executive took over the organization, he adapted his approach more toward being an aggressive but caring leader. Here, he had to demonstrate that he had a promising vision, and competence to lead them to that vision.

Corollary: Ignoring your predecessor’s style can allow you to do things the same way, thereby dashing hope for positive change.

2. Demonstrate That You Are NOT Working On A Personal Agenda.

Some leaders destroy the group’s collective hope for a better future when they show that they are only concerned about themselves. Successful leaders generally show followers that they really want to be in their present position.

Everyone possesses some ambition. Show only a little of it. Leaders who are publicly and blatantly ambitious can sometimes create distrust among followers. Have you ever heard statements such as “Well, he will not be with us very long – we can just do our jobs and ignore his exhortations” or “Every decision is made with her next promotion in mind”?

If your followers find out that you are conducting regular job searches, you may begin to lose their support. One executive shared the following:

Several years ago I was contacted by a head hunter about a “dream job.” In my continuous effort to be open with everyone, I dropped a few casual comments about it. The story quickly made the rounds and the reaction stunned me. Some people were angry about my “disloyalty” while others simply became disinterested in anything I had to say. I did not take the job and it took me several months to recover. I learned a valuable lesson about keeping my ambition corralled.

Corollary: Show your group that your personal agenda is more important to you than the group’s agenda, and the group simply cannot have any hope for a better future.

3. Show Your Enthusiasm For The Job.

What is enthusiasm? It is a positive emotion that results from the excitement human beings feel about an activity or event. True leaders feel excited and passionate about their job, which shows in their verbal and non-verbal communication. That is why true leaders can think of many good things that they can envision and do for their organization. They continuously think about something new and different that can help their followers feel more motivated, excited, and hopeful.

If you do not feel enthusiastic about your work and your organization, it is time for you to reexamine your attitudes towards the profession you are in, and you will have to be as honest with yourself as one can possibly be. Try to determine the source of your lack of enthusiasm -- is it you, the work environment, or both? When you find out the possible reasons, then you will have to take the necessary steps to deal with the situation constructively. This is extremely important, because if for any reason you lost your enthusiasm toward your work, your followers will soon lose their enthusiasm toward their work too, and the result could be a negative impact on the quality of work and life for you and your followers.

Corollary: If you show the opposite of enthusiasm – apathy and disinterest – the group will not be hopeful for the future. Would you want to follow a leader who is apathetic and disinterested in the job? Would you have any hope for a brighter future?

4. Show Your Commitment – Commit To Greatness.

You cannot do great things with a mediocre commitment. The primary difference between those who achieve great results and those who settle for a mediocre outcome is *commitment*. And, only 100 percent commitment is acceptable. If you are 99 percent committed, the probability that you will achieve some outcome other than excellence is 100 percent!

Committed people go far beyond the regular call of duty to achieve extraordinary goals, and leadership is about *commitment to greatness*. Teachers who are not committed to teaching cannot expect their students to commit themselves to learning, and leaders who are not committed to great results, cannot expect their employees to be committed to high quality performance.

Part of this commitment involves hard work. You cannot be a *casual leader* who is perceived as working at a minimal level. You must demonstrate that you are dedicated to getting the job done and are willing to work hard to do it. Essentially, you must lead by example.

Corollary: Show your followers that you are NOT committed to moving the organization forward and you will destroy any hope for a better future.

5. Torpedo The Status Quo.

You must help your followers understand that the status quo is absolutely unacceptable. Remember that old adage, 'If you are not moving forward, then you are backing up'. Acceptance of the status quo implies that the organization is doing acceptably well, which is unacceptable.

One executive comments that in every job interview, he has made a statement something like “If you do not want changes, then take me to the airport!” Such an attitude helps to break down barriers to change and progress.

Corollary: Embracing the status quo prevents the possibility for change, which destroys hope for a better future.

6. Show Them That You Believe What They (The Group) Are Doing Is Extremely Important.

People generally are more motivated when they are doing something that they know is important. And, people often want their job to be important. So, what about those whose job are less important to the organization? It is up to the leader to show that EVERY job is important. For example, what about the person who sweeps the floor at a grocery store – how important is that? Well, how many customers want to shop at grocery store that has dirty floors?

Corollary: Show people that their job is unimportant and you will destroy motivation and hope for the future.

7. Build A Sense Of Community.

Attitudes and preferences of younger workers continue to evolve over time. It is becoming more apparent that these individuals are placing a high value on collegiality and civility in the workplace. One of the best ways to promote these workplace characteristics is to foster a sense of community among all of the stakeholders. When individuals feel a sense of community, they tend to be more hopeful about the future of the organization.

Enhancing a sense of community generally involves a multitude of actions, such as celebrations (e.g., for promotions, birthdays), social gatherings for the workers, social gatherings for entire families, weeding out employees who damage the sense of community, and so on.

Corollary: When organizations lack a sense of community, individuals tend to lack hope.

8. Demonstrate That You Want To Create A Stage Upon Which Your Followers Can Perform.

There is an old story told in the South about Bear Bryant. He was riding by campus late one night with a visitor who asked him about a light still being on in the athletics office. Bear’s response was “That’s just Joe _____ working to make me look like a genius.”

Your performance as a leader is important. But, your long term success will be determined by the performance of your followers. You must surround yourself with talented people who can get the job done. Then, you must create a situation in which your followers can excel and let them do it!

Corollary: Demonstrate that you are NOT concerned about your followers’ performance and you will destroy any hope that doing a good job will be recognized and rewarded.

9. Be Absolutely Truthful and As Open As You Can.

True leaders are absolutely truthful and as open as they can be in their personal and professional relationships. A leader must create an environment in which there is no perception of secrecy and secret deals behind closed doors. The leader's truthfulness and openness contribute to creation of culture of trust and hope that results in a more cohesive and collaborative organization.

You need to practice openness. But, you must also practice being circumspect with information. This goes far beyond the confidential nature of certain information. Some information may not be confidential, but it may be something that you do not need to say. Examples include comments such as "Joe is thinking about transferring" and "Sue does not like Rachel."

You do not have to be so open that you share every piece of information with your followers. If you do so, you might cause information overload, which might make your followers feel overwhelmed with information that could be unnecessarily time consuming and negatively affect their performance. And, you followers might begin to ignore you and your communications.

Corollary: Being untruthful and closed destroys hope.

10. You Will Make Mistakes – Admit Them And Recover In Style.

Individuals with a traditional management mentality often have two negative characteristics: (1) they do not admit their mistakes, and (2) they try to pin the blame of their own mistake on others.

Unfortunately, there are still some people with this mentality in leadership positions in all kinds of organizations today. You must remember that individuals in leadership positions live in a glass house – your followers are watching you. Your mistakes are most likely to be known by many, so your best approach is to admit the mistake, find out why things went wrong, determine how to prevent the same mistakes from happening again, and move on with pride on your side. Further, if you are the type of leader with a rich trusting relationship with others, your associates and followers can easily overlook your mistakes.

Corollary: Refusing to admit your mistakes or blaming them on someone else destroys hope and optimism for the future.

11. Lead, Follow or Get Out Of The Way.

A good leader knows how and when to lead, to follow, and to get out of the way. Since you cannot lead in every situation, know how to follow another leader. Sometimes, however, following may not be relevant – you may simply need to step aside and let others do the job.

Corollary: The absence of this skill prevents your followers from moving closer to achieving their potential, thereby reducing hope for a better future.

12. Your Long Term Success Is Predicated On Improving The Quality Of Your Followers.

On your last day on the job, what would you choose as the single most important evaluative criteria for judging your success? In many situations, if you have been able to improve the overall quality of your followers, you will have been successful. Most of the other issues will have been taken care of by good, talented followers.

Corollary: Any approach that decreases the quality of your followers will be easily recognized, which will decrease hope.

13. Demonstrate That You Are Very Concerned About Both People And Tasks.

Blake and Mouton (1985) developed a Managerial Grid that contains two dimensions: task orientation and people orientation. Based on these two 9-point dimensions, they identified different management styles: one that places the highest emphasis on task and the least emphasis on people (9,1), another one that puts the highest emphasis on people and the least emphasis on task (1,9). The third one is in the middle of the road with half emphasis on task and the other half on people (5,5), the fourth one does not really care about either task or people dimension of the job (1,1), the fifth one that seemed to be the most desirable places a high degree of emphasis on both task and people (9,9), which is called the TEAM style of management. The Team style is most desirable because an authentic leader understands that both tasks and people are equally important to the survival and success of the organization as well as the organization as a whole – without giving a careful attention and the support to your people, the organization's goal will not be achieved, and without accomplishing the organization's goals, the organization will not be able to survive in the long run. As a result, a good leader understands the interdependency between these two significant dimensions, which are crucial to the survival, let alone the success of the organization and the organization.

Overall, you must be good at handling both tasks and people. This skill demonstrates competence and enriches hope for a better future.

Corollary: Overemphasis on either tasks or people to the exclusion of the other portrays a lack of competence, thereby reducing hope.

14. Treat Everyone With Respect.

Respect cannot be demanded, it must be earned. Yes, you can earn a certain amount of respect by demonstrating a high level of knowledge, skills, and ability to get the job done. But, earning true respect is based largely on demonstrating respect for others. Respect is truly a two-way street. Here are two related issues:

- ✓ *Treat everyone with dignity.* Treating people with dignity creates followers. Ignore individuals' dignity and they will abandon you.
- ✓ *Assume the attitude that "everyone is valuable."* Even the worker who is paid minimum wage is making a valuable contribution – otherwise, why are you paying them?

Corollary: Disrespecting people can create severe morale problems, thereby reducing hope for a better future.

15. Treat Everyone Fairly.

This is a *double-sided* tip. You must learn to treat followers that you dislike just like you treat everyone else. It can be more difficult for some potential leaders, however, to learn to treat people you like just as you treat everyone else. Your followers must trust you! Treating everyone with an even hand will garner respect.

A somewhat specific corollary is: *Do not make 'back room' deals.* A 'back room' deal with a follower can be viewed as a deal not offered to everyone and as one that you want kept confidential. Such deals are often viewed as unfair by others. This also can be viewed as another form of manipulation or even as an ethical issue.

Corollary: Treating any individual unfairly can be resented by many individuals, thereby reducing hope.

16. Respect Others Opinions, Even If You Disagree.

People like to be listened to! You must listen and respect others' opinions, even if you disagree with them. You can disagree as long as you do it tactfully and diplomatically – learn to disagree without being disagreeable. *One executive was heard to respond to a comment in an open meeting "You may be right but, at this time, I do not think that I can agree with you." This comment actually diffused a tense meeting and demonstrated that he had an open mind.*

Corollary: Ignoring or disrespecting others' opinions creates resentment and reduces hope.

17. Achieve The Reality And Perception Of Being Fair And Ethical.

In this day and age, it is imperative that leaders conduct themselves in an ethical manner and strive for fairness in their dealings with others. This is a reality. Consider these questions every time you face a decision issue: Is this decision fair and ethical? Will this decision be *perceived* as fair and ethical? The reality and others' perception of reality are both important. Be sure with each decision that you would be comfortable explaining the decision on the nightly television news!

Corollary: Showing followers that you are unfair diminishes hope for a better future.

18. Your Word Is Your Bond.

This old homily is still around because it is still relevant. Essentially, if you make a promise or even a declarative statement (an implied promise), you have given your word. You must fulfill any promise you make or your followers think you made. Consider this from a then new Dean of a business college.

I inherited a situation in which several faculty members had been denied a promotion and had appealed. The Vice President, rather than hearing the appeals, tabled the situation until the new Dean (me) could get involved. I held a meeting with each faculty member and his or her Department Head to get up to speed on their respective situations. During the meeting, I kept an upbeat attitude and promised each one that I would evaluate their situation carefully. Well, I overdid it! After deciding against the promotions and issuing the pertinent memo, I received a call from one of the faculty members who said that “I thought you said that you would support my application.” I immediately backpedaled and said that I would call him back in a few minutes. I then called his Department Head and asked him if he thought that I had made that promise – he said “yes.” I then called each Department Head and received the same answer. I realized that I had made an implied promise; I chose to stand by that promise. So, I called the VP and explained my rookie mistake. I also changed my recommendation to match the implied promise. I felt that standing by my word was more important in the long term than whether or not each individual was promoted.

Corollary: Show people that they cannot depend upon what you say, and you will kill all hope for a better future.

19. Deal With Conflicts Smoothly.

The best way to deal with confrontations is to arrange things so that no one ever sees a need for the confrontation. Unfortunately, they will still arise and you will have to deal with them. Here are a few suggestions:

- ✓ Even if surprised, quickly determine your objective and do not lose sight of it.
- ✓ Define winning. Your objective should not be to win the confrontation. Rather, it should be to achieve an objective.
- ✓ De-personalize the situation. Leaving the problem-issue to float directly between two individuals can lead to personal attacks. Try to visualize putting the problem-issue up against the wall so that the two of you can get ‘shoulder to shoulder’ and look at it objectively.
- ✓ Use a collaborative approach. Try to convince the other party that the best way to deal with the problem is working together, using creative thinking to come up with a constructive solution that results in full satisfaction for both sides. The four significant advantages of this approach are: (a) it encourages people to work together, (b) it encourages creative thinking, (c) it depersonalizes the situation, and (d) it helps to reach a decision that brings full satisfaction to all involved. Keep in mind that collaborating is different from compromising, because in compromising, people do not have to work together, and the decision can lead to only partial satisfaction for both parties.

Corollary: Demonstrating an inability to handle conflicts effectively kills optimism and hope.

20. Mediate Disputes Smoothly.

Even in a highly cohesive group, conflict and disputes can arise between two or more individuals, and it is all due to the fact that we perceive people and things differently based on our attitudes, personality, experiences, interests, and ambitions. Therefore, you must be able to mediate an occasional dispute between your followers. The most effective way to handle disputes involves anticipating potential conflicts and either arranging things so that conflicts do not occur or developing a process to handle them creatively. This means that you, as leader, must know the attitudes, personalities, experiences, interests, and ambitions of your followers.

If a dispute erupts despite your best defusing efforts, then you should invite the disputing parties to a meeting at a time and place reasonably comfortable for both. If possible, provide some refreshments in order to make the atmosphere a little more informal. Ask each party to express his or her concerns and frustrations in a professional and non-personal manner, while you and the other party listen very carefully. Then, encourage them to collaborate to generate a solution that can lead to full satisfaction for both -- it might not be easy, but it can work well in most situations.

So, what if the above “velvet glove” does not work? You might have to use a “hammer.” One executive shares the following:

At a previous job, I inherited a good set of managers. But, I was warned that two of them had some serious personal animosity towards each other. Things went smoothly for several months. Then, the inevitable eruption occurred, and it was over something trivial. They began to zing each other in the meeting, which I stopped. Then, they continued the barrage via e-mail, including copying me. I felt that we were far past the velvet glove, so I called a meeting for the next morning. Once they arrived in the reception area, I invited them in and stated in a very calm voice, “Gentlemen, since this will take only a minute, you do not have to sit down. I have two things to say. First, I am very happy to have each of you as managers. Second, this zinging contest is over. My managers do not have zinging contests. You do not have to shake hands or hug, but it is over. Have a nice day.” You could have knocked them over with a feather! They worked together effectively for seven more years and never had a cross word, even though they still did not like each other. The story of my handling of the incident also spread quickly and solidified my reputation of preferring the velvet glove while having the ability to deploy the hammer if necessary.

Corollary: Allowing disputes to fester and erupt, dashes hope for a better future.

21. Listen, Listen, Listen.

Far too many people are poor listeners. A good leader is definitely a good listener. Further, a good leader is able to get people to talk so that he or she can listen. Many years ago, one of the authors had dinner with his boss and two wealthy business people. The boss demonstrated an amazing ability to ask questions. The other people left the dinner thinking that the boss was one

of the smartest people they had ever met – all because he *asked questions and listened attentively!*

Corollary: Failure to listen leads others to understand that their opinions and views are not important to the leader, thereby dashing hope.

22. Always Consider People's Emotional Connection to Issues That Are Important To Them (Not Necessarily To You).

Everyone obviously has a different perspective of the world and of specific issues. While the leader should be highly concerned with the organization's major issues, he or she cannot ignore seemingly unimportant issues that are of major significance to followers. Sometimes, individuals can be highly emotional or passionate about even small matters. Leaders must anticipate such situations and be sensitive and responsive.

Corollary: Failure to anticipate and respond to such highly charged issues, can destroy hope and lead to antagonism and even rebellion.

23. Strive To Be Both Direct and Diplomatic.

Unfortunately, too many individuals are either tactful or direct, but not both. In dealing with your followers, you can be both. Being direct simply means being clear and not obtuse. Being tactful means that you choose your words carefully and deliver the message in a caring and considerate manner. It is truly high praise when followers consider you to be both diplomatic and a 'straight shooter'.

Corollary: A lack of directness creates an unknown element and a lack of diplomacy can be construed as rudeness, and either dashes hope.

24. Strive To Be Open-Minded.

Followers like leaders who have opinions and beliefs, but who are open to new information and ideas. One executive related the following story:

When I was a young executive, I got to know a senior executive who appeared to be a good leader and was a potential mentor for me. As our casual conversations began to take on more substance, I began to detect what I considered to be a fatal flaw. Neither I nor anyone else could have an open, free flowing discussion with him. He was very good at making you think he was open-minded, but all the time he was herding you towards his original position. It became quickly apparent to me that he was a decent manager, but had no followers due to this fatal flaw.

Corollary: Close your mind to your follower's ideas and they will lose hope.

25. Be A Role Model of Ethical and Personal Responsibility.

In today's highly competitive global environment long term survival of all organizations depends on several key factors, one of which is commitment to ethical behavior. Ethics and personal responsibility go hand in hand. The principle of ethics holds that true leaders must think and act beyond their legal obligations and/or economic reasons to show that they care about "doing the right thing." What is the connection between being a role model and ethical and personal responsibility? Leadership is an act of influence more than anything else, and Vroom and Jago (1988) said that leadership influence has to be intentional and non-coercive. You as a leader must purposefully but non-forcefully influence your followers' attitudes and behaviors toward a more positive direction. Therefore, you must become a good example for your followers to look up to as a person committed to ethics and personal responsibility. Many individuals in leadership positions do not realize the extent to which they influence their employees' behavior by virtue of their own behavior, but it happens much more than they think.

Corollary: Unethical and irresponsible behavior dampens hope for a better future.

26. Inspire The Troops.

A good leader inspires his or her followers. You should attempt to convert simple jobs and projects into *quests*. Ongoing inspiration for the members of the organization is as important as blood flow in human body. What you need to remember that human beings do not get excited and inspired by ordinary news, activities, or events. Consequently, you should be able to make your followers understand the connection between the smallest tasks to the larger vision (master goal) for the organization. You should be able to make your followers feel excited and inspired by reminding them that the projects they are involved in might be small in scope, but will eventually lead to a bigger and better outcome for the whole group.

Corollary: If you cannot inspire your followers, no one can be hopeful for a better future.

27. Cheerlead And Praise Whenever Possible.

Good leaders must become adept at cheerleading and praising. One individual, for example, said that his greatest adjustment when assuming a president's position involved the much more frequent and greater need for delivering "attaboys." Throughout his career, he had frequently been on the receiving end of praise. His adjustment was to the fact that he no longer received many attaboys and he had to become more adept at delivery. Praise can sometimes be just as important as monetary incentives.

Corollary: The lack of praising (or much criticism) destroys hope.

28. Celebrate Success.

All organizations have positive milestones or peaks. In addition to delivering appropriate praise, take the time to celebrate with those who helped achieve the milestone. Your specific situation

will dictate ‘what are’ and ‘what are not’ appropriate forms of celebration. It can range from things like complimentary tickets to an event to a major celebration (e.g., banquet).

Corollary: The lack of celebrations is a missed opportunity for confirming hope.

29. Servant Leadership.

Robert Greenleaf (1977) once said that great leaders view themselves as “servant first” (p. 12), and that this mentality is the key to leadership effectiveness. The first and most important goal of any leader is to serve the relevant group to the best of his or her ability – this approach provides the group with its best opportunity to achieve its goals. Becoming a servant leader is predicated on a genuine belief in that goal, and you must demonstrate it in your actions and interactions with others. This mentality can shape your followers’ behavioral norms – good behavior is contagious! Servant leaders do so much for so many people so sincerely that it creates in others an equally sincere desire to imitate and reciprocate.

Contrast the servant leader to the individual who plays the role of “god/king” or “buck sergeant.” This individual assumes the mantle of infallibility and omnipotence. Perhaps a few people in the world can make this approach work, but there are many approaches that work much better.

Corollary: If you are not serving your followers by leading them to a better future, the implications may be that (a) you view their existence as being to serve you and/or (b) your followers will perceive you as a self-serving leader, and lose any hope for finding brighter days ahead.

SUMMARY

The leader who can generate hope among his or her followers is practicing hope-centered leadership. Many of the world’s great leaders have utilized hope as a key component of their leadership approach. Hope is also anchored strongly in the field of psychology. The existence of hope should generally lead to motivation, action, and better group performance.

The key question for the leader who wants to become a hope-centered leader is: *What can I do to become a hope-centered leader.* This article provides a wide variety of action oriented tips designed to enhance hope among followers.

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WORKPLACE BULLYING IN INDIVIDUALISTIC CULTURES AND HOFSTEDE'S CULTURAL DIMENSIONS: A RESEARCH PROPOSAL

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ABSTRACT

Workplace bullying has been an issue in organizations and in different countries but has received varying degrees of attention. This paper proposes a research agenda to investigate the six highest Individualism (IDV) scores represented in six countries in an attempt to understand why some high IDV countries have established bullying protection through legislation while other IDV countries have done little in this area. Although a high IDV score might indicate a focus on the individual, some high IDV countries have focused on a collectivist approach through legal channels. Research proposals are presented in four of Hofstede's Cultural Dimensions to suggest potential areas for analysis. Approaches are compared for potential impact and a research agenda is proposed.

INTRODUCTION

Bullying in the workplace has received increased attention within the last 10 years. Einarsen (1999) noted and discussed the nature and causes of bullying at work, focused on European countries such as Sweden, Finland, Norway, and the United Kingdom. More recently, Skogstad, Matthiesen and Einarsen (2007) proposed organizational changes as a precursor to bullying. Other literature has emerged from such countries as Australia (Ayoko, Callan & Hartel, 2003) and New Zealand (Foster, Mackie & Barnett, 2004). Legal remedies and cases in the US (Crumpacker & Crumpacker, 2007) are emerging although in some cases laws are vague, and laws in the United Kingdom (Porteous, 2002) provide guidelines on dealing with bullies. More specific efforts such as the Dignity at Work legislation is still pending in the UK in addition to the European Union legislation passed to address bully behavior in the workplace (Seward & Faby, 2003; Von Bergen, Zavaletta & Soper, 2006). In the US, the need for legislation to address a hostile work environment has been noted by Crumpacker and Crumpacker (2007).

While there are many different aspects of bullying, this paper relies upon the general description of bully behavior forwarded by Einarsen (1999) which included but is not limited to repeated

practices and actions clearly intended to cause offense, humiliation, repeated or enduring harassment, stress, and are clearly hostile or aggressive behaviors. The intent by the perpetrator is to create an unpleasant work environment and such actions may interfere with job performance. Other results can include emotional abuse, mistrust and a hostile work environment.

Although there is clearly a concern in all of the countries previously noted for a safe work environment free of both of bullying and the consequences caused by bullying, research efforts have not yet examined bullying from a cultural perspective; that is, what differences may exist between countries and their cultures about how victims of bullies and the bullies themselves are treated. A search of the literature indicates different levels of guidelines, legislation and proposals in different countries to deal with workplace bullies. For example, Von Bergen et al. (2006) noted the lack of legal activities in the US to date. Hofstede's Cultural Dimensions (Hofstede, 2001; Hofstede & Hofstede, 2005; Hofstede, n.d.) may offer an additional perspective on how countries approach bullying remedies, and potential insight about how bullying is addressed or not addressed based on guidelines and laws in different countries.

This paper proposes a research agenda focused on how different countries address or do not address issues concerning bullies in the workplace. The countries selected for this proposal are the countries Hofstede (2001) and Hofstede and Hofstede (2005) identified as having Individualism (IDV) as their highest Dimension: USA, Australia, United Kingdom, the Netherlands, Canada, and Italy. Collective societies often focus on protecting individuals and groups of individuals where as individualistic cultures tend to let people fend for themselves; an example of this would be a common law (i.e., Magna Carta, as noted by Kasparov, 2007), such as that found in the history of the United Kingdom. Collective societies would be expected to develop social agendas supported by laws intended to provide security for the community. This research agenda is proposed because there are different approaches to addressing - or not addressing- bullying in the workplace from the six countries in Hofstede's research that are noted for their high ratings in individuality (IDV). Instead of allowing individuals to fend for themselves as would be expected of countries high in IDV, laws and guidelines have been developed in some of these six countries while the other high IDV countries have limited activity based on literature, laws and legal guidelines. The intent of this research proposal is to provide a research agenda to obtain any clearer understanding of cultural dimensions in these countries as they relate to bullying and to examine why these differences may emerge through the Cultural Dimensions. Research may provide additional insight into why differences develop when societies are trying to cope with aspects of a social problem from a legal standpoint.

A brief overview of Hofstede's (2001; Hofstede & Hofstede, 2005) cultural dimensions will be presented followed by an international review of the six countries with the highest IDV scores and a discussion on workplace bullying in current organizational and legal environments. Research proposals will be identified and discussed and a model is proposed. Propositions for a research agenda are offered and conclusions are drawn.

LITERATURE REVIEW

Hofstede's Cultural Dimensions

Hofstede (2001; Hofstede & Hofstede, 2005) developed five cultural dimensions from his research: Masculinity (MAS), Power Distance (PDI), Individuality (IND), Uncertainty Avoidance (UAI) and Long Term Orientation (LTO). Long Term Orientation (LTO) is not addressed in this paper because it is a recent addition to his research and has yet to be fully developed; in addition, there is no clear connection between LTO and workplace bullying. Research in LTO so far has focused primarily in the Far East and only a few other countries as noted by the results posted by Hofstede (2001; Hofstede & Hofstede, 2005); comprehensive data comparable to the other Dimensions are not yet available. Table 1 summarizes the scores of the countries rated highest in IDV with the world average noted for comparison purposes.

TABLE 1. COUNTRIES WITH THE HIGHEST IDV RATINGS

Country	PDI (PD)	IDV	MAS	UAI (UA)
United States	40	91	62	46
Australia	36	90	61	51
United Kingdom	35	89	66	35
Netherlands	38	80	14	53
Canada	39	80	52	48
Italy	50	76	70	75
World Average	55	43	50	64

Note: From *Cultures's Consequences: Comparing Values, Behaviors, Institutions and Organizations Across Nations* (2nd ed.) by Geert Hofstede, 2001, Thousand Oaks, California: Sage Publications and *Cultures and Organizations: Software of the Mind*. (Revised and expanded 2nd ed.) by Geert Hofstede and Gert Jan Hofstede, 2005, New York: McGraw-Hill. Adapted with Permission.

Extensive research has been conducted on various aspects of Hofstede's (2001; Hofstede & Hofstede, 2005) work and in particular the Dimensions since their development in the 1980s and research is ongoing. Recent research can provide several examples. Wennekers, Thurik, van Stel and Noorderhaven (2007) found uncertainty avoidance positively correlated with the prevalence of business ownership which suggests that high uncertainty avoidance cultures often push individuals towards self-employment (entrepreneurship) in an effort to provide a more personal stabilized environment. de Jong, Smeets and Smits (2006) found a positive effects of IDV on openness and negative effects on UA and PD, indicating the need to consider cultural aspects and influences in the Dimensions. Purohit and Simmers (2006) examined PD and UA in the context of conflict management in three different countries and found differences in how these three groups preferred to respond to conflict. Scholtens and Dam (2007) looked at IDV, MAS, PD and

UA as they relate to an organization's ethical policies. Choi (2004) found that MAS may play a key role as a predictor of achievement. Sherer (2007) found cultures with high PD involved a few or business line employees when generating ideas and a tendency toward more centrally managed projects. However, there has not been a noticeable effort to look at bullying in the context of cultural differences as represented by the Dimensions.

Workplace Bullying and the Legal Environment

Bullies in the workplace and the act of bullying have received some attention in Canada (Backman, 2007; Harris, 2004), Australia (Ayoko et al., 2003; Breslin, 2005; Hutchinson, Vickers, Jackson & Wilkes, 2006) New Zealand (Foster et al., 2004) and some European countries, most notably those in Scandinavia (Einarsen, 1999; Skogstad et al., 2007). More literature is available in the UK such as Porteous (2002) who provided an overview of laws and legislation relative to bullying; Goldman and Lewis (2006) discussed legal protection and redress; Crawford (1999) discussed psychological violence and Wornham (2003) reviewed ethical and moral issues in bullying. O'Moore and Lynch (2007) discussed the hostile environment in Ireland. In the US there has been little focus on bullying to date as noted by the limited amount of research and literature originating in the US but this may be an emerging interest. Aquino, Grover, Bradfield and Allen (1999) provided research on workplace victimization. Harvey, Heames, Richey and Leonard (2006) discussed how many issues with bullying in the workplace originated from childhood events related to bullying, even suggesting that both the bully and the bullied from the school ground have the potential to become workplace bullies. Harvey et al. (2006) also noted how bullying "is only beginning to be addressed" (p. 17) in the US.

European Union - Sweden, the Netherlands, The United Kingdom and Italy

Sweden passed the first legislation specific to bullying in September, 1993 (Von Bergen et al., 2006) and as such is the only country in the world with legislation specifically focused on preventing bullying. The United Kingdom (UK) has different forms of legislation passed to deal with bullying in the workplace as found in the Office of Public Sector Information (OPSI), although Porteous (2002) claimed there is no law that deals specifically with bullying at work. However, there are statutory responsibilities based on such examples as the Health and Safety at Work Act of 1974 (UK, OPSI, Health and Safety at Work etc. Act of 1974) Health and Safety at Work Regulations of 1999 (UK, OPSI, Health and Safety at Work Regulations of 1999a and b), Safety Representatives and Safety Committees Regulations of 1977 (UK, OPSI, Safety Representatives and Safety Committees Regulations of 1977), the Sex Discrimination Act of 1975 (UK, OPSI, Sex Discrimination Act of 1975), the Race Relations Act 1976 (UK, OPSI, Race Relations Act of 1976), the Criminal Justice and Public Order Act of 1994 (UK, OPSI, Criminal Justice and Public Order Act of 1994) and the Protection from Harassment Act of 1977 (UK, OPSI, Protection from Harassment Act of 1977). In 2001, the European Parliament passed a resolution on bullying that, among other things, recommended reviews of current legislation

and supplements as appropriate to standardize the definition of bullying (Seward & Faby, 2003). Crawford (1999) had supported this earlier, noting the psychological violence as damage that can be caused by workplace bullying. As Porteous (2002) also noted, the Dignity at Work Bill (United Kingdom, House of Lords, 2001) which would allow more defined approaches to handling bullying in the workplace has yet to be approved by Parliament.

A more extensive record of legislative efforts in the UK can be found online at <http://www.bullyonline.org/workbully> which is the website of the UK National Workplace Bullying Advice Line (Field & Field, 2005) and it includes links to other sites. European countries such as the Netherlands and Italy would be covered under the European Union. The European Union's European Agency for Safety and Health at Work (OSHA) also has information and documents available online such as FACTS 23 (n.d.). The European Parliament adopted a resolution on workplace harassment (Seward & Faby, 2003; Von Bergen et al., 2006) along with the other European and Scandinavian countries that can have introduced legislation to respond to workplace bullying.

Australia and Canada

Breslin (2005) reviewed the regulatory framework in Victoria, Australia intended to protect people from workplace bullies as a result of the increased reports of workplace bullying since the beginning of the 1990s. Seven separate legislative components between 1975 and 2001 provide several opportunities for victims to file claims against bullies and employers, yet Breslin claimed there was little legislation specific to bullying. In 2005, the state of South Australia implemented new bullying laws which were named SafeWork regulations (Von Bergen et al., 2006). In Canada, notably Québec, the first anti-bullying law in North America was passed in 2003 (Workplace Psychological Harassment Prevention Act, Von Bergen et al., 2006). There is evidence of ongoing research in Australia; one example would be Ayoko et al.'s (2003) research conducted on emotional reactions to bullying. Other research in Australia would include Breslin (2005) and Hutchinson et al. (2006).

United States

In the US, harassment is generally addressed under Title VII of the Civil Rights Act of 1964. Executive orders from Franklin D. Roosevelt, Terry S. Truman, and John F. Kennedy (Executive Orders 8802, 9981 and 10925) were focused on ending employment discrimination, requiring equal treatment without regard to color, religion, race or national origin and ending job discrimination through the Equal Employment Opportunity Commission (EEOC) (EEOC, n.d.). Age discrimination and equal pay were addressed in 1967 and 1963 and provided litigation authority to the EEOC. Pregnancy discrimination (1978) Rehabilitation (1973) and amendments to Age Discrimination in Employment (1986) were focused on providing jobs for individuals in those categories (EEOC, n.d.). The Americans with Disabilities Act (ADA) of 1990 provides

civil rights law for people with disabilities and the Civil Rights Act of 1991 overruled a Supreme Court Decision which resulted in more support for age discrimination and ADA lawsuits. Generally speaking, most Executive Orders and Acts have not addressed anything relative to bullying in the workplace; instead, the focus has been on equal opportunity. In keeping with the high IDV rating in the US, bullies were traditionally considered ‘jerks’ or something more derogatory (Buchanan, 2007; Hollon, 2007; Rossi, 2006; Von Bergen et al., 2006) and treated on an individual basis.

Some of the literature developing in the US includes Glendinning (2001) who noted the concept of the bully boss and how toxic work environments could drive away employees and an already tight labor market. Rossi (2006) noted the problems bullying can cause and Crumpacker and Crumpacker (2007) reviewed legislation in the hostile work environment. More recently, 17 states and Guam enacted legislation to curb bullying on school property; this addressed the recent school violence (Von Bergen et al., 2006). Legal precedent has been established in some state cases in the US and some state legislatures have attempted or are in the process of attempting to introduce legislation to combat bullying in the workplace. As Von Bergen et al. (2006) noted some of these states include Hawaii, Oregon, Massachusetts, Missouri and Kansas.

RESEARCH PROPOSITIONS

The research propositions presented here are an attempt to provide a different perspective on workplace bullying by focusing on Cultural Dimensions of countries in an attempt to extend Hofstede's research (Hofstede, 2001; Hofstede & Hofstede, 2005; Hofstede, n.d.). As previously discussed, literature to date has included an overview of some legal remedies, both in effect and proposed in addition to aspects of bullying in specific countries in the workplace. Based on Hofstede's extensive research, exploring cultural aspects may provide additional insight into not only what cultures may address workplace bullying but how workplace bullying might be approached as well as the type of laws or even the lack of laws. These propositions address the countries Hofstede identified as having the highest IDV scores (see Table 1). These countries are the United States, Australia, the United Kingdom, Canada, the Netherlands and Italy.

Hofstede's Cultural Dimension: Masculinity (MAS)

Hofstede's (2001; Hofstede & Hofstede, 2005) research found the world average to be 50 for MAS. A higher degree of role differentiation exists between the genders where MAS is high. One example of this would be more women finding offensive potential in certain behaviors than men (Vance, Ensher, Hendricks & Harris, 2004). Research has also found to influence psychological functioning and performance behavior as Bandura (1977) indicated. Choi (2004) examined sex role group differences, finding support for the theory that masculinity could be a key construct in the development of an individual's development of self-efficacy. Self-efficacy, in turn, has been noted as an important predictor of achievement. Wheeler's (2002) research

conducted research on equity theory and found equity sensitivity was positively correlated to several cultural dimensions including femininity, which is the opposite of masculinity. As a result, the masculine orientation may not perceive an equity issue. A similar construct may apply to reduced sensitivity to ethical problems which is also associated with a masculine orientation. Swaidan and Hayes (2005) proposed a research agenda for ethics based on several cultural dimensions including feminism. Individuals with masculine orientations were hypothesized to be less sensitive to ethical problems than feminine orientations; when applying this to bullying in the workplace, the masculine orientation may not even consider bullying a problem, thus creating nothing to report and no reason to change behavior.

In high MAS countries, males dominate in both the power structure and society. Since Hofstede (2001; Hofstede & Hofstede, 2005) posits this generates a more assertive female population, this means women may shift toward the male role model and away from the traditional female model. Choi's (2004) contribution suggested that females possessing high self-efficacy, when combined with a more assertive female population may not perceive bullying as a threat or an issue. If both males and females practice dominant behavior this may indicate the lack of need for laws and guidelines. This leads to the first proposition, P1: *The higher the MAS, the lower the number of specific laws and guidelines exist to address workplace bullying.*

Hofstede's Cultural Dimension: Individuality (IDV)

The level of individuality in this research proposal deals with the majority of the countries that have individuality as their highest dimension; the world average is 43. These include: USA (91), Australia (90), United Kingdom (89), and Canada and the Netherlands (80) (Hofstede, 2001; Hofstede & Hofstede, 2005). Oysterman, Coon and Kimmelmeier (2002) confirmed that European Americans were more individualistic, thus feeling less responsibility or duty to in-groups. Italy had a score of 76 as noted by Table 1. All of these countries except Italy and the Netherlands have been significant sources of research and literature about bullies and victims of bullies. The involvement with bullying prevention by Italy and the Netherlands would be included by activities in the European Union (FACTS 23, n.d.). Since all of the individuality scores are high based on comparisons with other countries and there are differences in approaches to bullying various countries, individuality does not appear to play a significant role in how a country approaches the issue of bullying in the workplace.

However, Scholtens and Dam (2007) found a strong positive association between individuality and ethical conduct when analyzing ethical policies of firms in industrialized countries. Individuality was also associated with a competitive style in conflict management (Morris, Williams, Leung, Larrick, Mendoza, et al., 1998). In addition, de Jong et al. (2006) determined that individualism had a positive effect on openness. When combining the aspects of individualism from these three studies it appears that culture is higher in cultures focused on individuality and would be more positively associated with ethical conduct and openness; when applying openness to competitive conflict management, there would be more interest in winning or coming out ahead which may preclude any interest in legal activity. In addition, the openness

would allow for more discussion and perhaps conflict resolution which would prevent escalation of related issues or concerns, thus reducing potential perceptions of being threatened in the future when the problem can be discussed openly and resolved.

In line with the concept of individualism, interventions in the workplace such as the productivity interventions from the research of Paquin, Roch and Sanchez-Ku (2007) may not be as successful in cultures high in individualism because individuals may not place much value in group goals thus reducing their motivation to help in achieving those goals. The lack of interest in group goals relative to laws or guidelines focused on bullying could be explained by the individual orientation and the lack of motivation to participate in group action to address bullying as well as reduced perceptions of threat when openly addressing the problems resulting in resolutions. Two additional approaches to consider might be that in general the concept of individuality is perceived as being threatened by the countries with the highest individuality scores. The other approach would need to take into consideration the political climate and trends in government policy relative to bullying, or shifts in political perceptions. As a result, the second proposition is P2: *There is a low relationship between IDV and the level of interest or legal activity focused on workplace bullying in any of the countries addressed in this paper.*

Hofstede's Cultural Dimension: Uncertainty Avoidance Index (UA)

The world average for UAI is 64. Hofstede (2001; Hofstede & Hofstede, 2005) noted that a low ranking in UAI indicates a society with fewer rules which does not control or intend to control all outcomes and results. In general, there is a higher level of tolerance for thoughts, ideas and beliefs from different aspects of society. A society with a high tolerance for differences means that there would likely be fewer laws or attempts to manage behavioral issues such as bullying. Uncertainty Avoidance (AV) has been an area of interest and is often coupled with Power Distance (PD) in research projects conducted by MacNab, Brislin, Worthley, Galperin, and Jenner et al. (2007). MacNab et al. found that a higher power distance context provided a higher employee propensity for whistle blowing. The analysis from Scholtens and Dam (2007) found uncertainty avoidance and individuality or positively associated with ethical conduct. These two studies are linked because the individual is perceived as taking action positively associated with ethical activity.

In contrast, individuals from a high uncertainty avoidance cultures need more structured situations and explicit rules, thus suggesting the need for laws and guidelines. The findings from these two studies contradict the research proposal from Swaiden and Hayes (2005) who hypothesized individuals from weak uncertainty avoidance cultures would be less sensitive to ethical problems. However, the authors acknowledged findings appeared to be in conflict and still emphasized uncertainty avoidance has a direct relationship with ethicality. However, a significant portion of the literature on bullying has emerged from the United Kingdom (UK; Porteous, 2002) which has the lowest UAI score of the countries in this research proposal. A contradiction such as that in the UK could be related to either shifts in culture relative to

immigration and immigrant populations or perhaps a prevailing political climate which currently focuses on guidelines and laws to protect certain groups. The proposition for P3 would be: *The higher the UAI, the higher the number of specific laws and guidelines that exist to address workplace bullying.*

Hofstede's Cultural Dimension: Power Distance Index (PD)

The PDI is a representation of equality as defined by those at the lower end of the power structure; the world average is 55 (Hofstede, 2001; Hofstede & Hofstede, 2005; Hofstede, n.d.). Inequality in a society as defined here would mean that it is endorsed by the followers as much as the leaders. A low PDI is indicative of more equality among social levels including government, organizations and families. This orientation of equality suggests cooperative interaction across all power levels which promote stability in the culture. Results from Paquin et al. (2007) noted how productivity interventions were more successful in cultures with low power distance (PD) and high collectivism, suggesting the value in and commitment to group goals. Purohit and Simmers (2006) examined power distance and uncertainty avoidance in the US, Nigeria and India. The high PD results in this study suggested a tendency to view authority figures as having unquestionable power which created a perception that the only options were to accept the decision of the authority figure or withdraw.

Sherer (2007) studied IT investment management and compared the US with Portugal. She found that cultures with high power distance included fewer line managers participating in the investment process which was primarily the responsibility of upper management and more centralized management for project implementation. Results from these studies indicate higher cooperation to support organizational goals over individual goals in low PD cultures, the acknowledgment that authority figures can be part of the collaborative effort and may be willing to be overruled by the majority, and that lower PD cultures included more people in the decision process. With collaboration by authority figures and high participation by employees, bullying may be perceived as an area where there needs to be more structure or perhaps firm guidelines or laws relative to what is appropriate and what is not so as not to be subject to changing opinions. It is also possible that employees may seek protection from laws when they believe that protection or fair treatment is not available in the work environment because of close relationships with authority figures.

The perception of inequity in a collaborative group may limit the options of employees in that group who are sensitive to inequity. If no recourse is available through a clear authority figure then other remedies may be necessary, thus suggesting the need for legal processes outside of the group. In addition, the larger the perceived inequity, the potential increase of opportunities for more legal remedies may exist, suggesting an inverse relationship. The fourth proposition would be P4: *The lower the PDI, the higher the number of specific laws and guidelines exist to address workplace bullying.*

Proposed Research Model

While all of the Dimensions noted can play a role in workplace bullying, the research that has been presented may also indicate interaction between and among these Dimensions. A proposed model is offered in Figure 1 (below) to indicate the relationship between the Dimensions of MAS, IDV, UA and PD as well as the legal and organizational environments and their impact on bullying along with the resulting outcome variables.

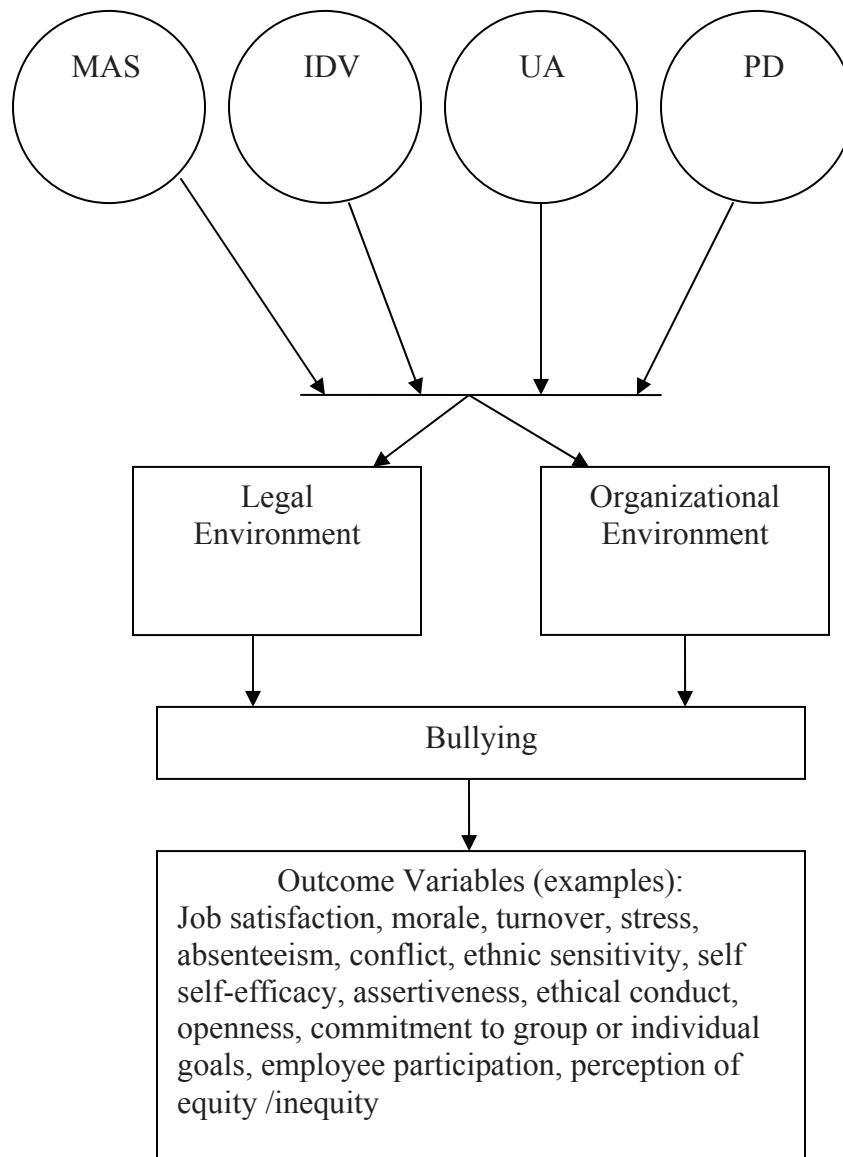


FIGURE 1. THE IMPACT OF CULTURE ON WORKPLACE BULLY BEHAVIOR

Conclusions and Future Research

Legislative activity to establish laws and guidelines on bullying in countries is intended to provide protection for groups and individuals. The advantages of legal protection can provide accountability for organizations while creating equity or at least the perception of equity in the workplace; however, potential legal remedies should be considered carefully to avoid unintended consequences. Historical concerns which impacted culture must be considered as well as recent trends.

In low MAS cultures employees may not believe they have any power or the desire to change their circumstances to deal with the bullying, thus requiring legal process to obtain justice or relief from their situation. If the law is perceived to be the only remedy this may also reinforce the perception of powerlessness. On the other hand, high MAS would normally expect individuals to manage their own situations, perhaps with personal initiative to seek relief under conditions as previously specified (such as through the EEO in the US, i.e., hostile work environment). In addition, individuals in high MAS cultures may not see a need to act because the event outcomes may be left to the individuals involved and personal discretion.

Low PD promotes collaboration and can make organizational interventions more successful (Paquin et al., 2007) and allows more participation in organizational processes, thus creating equity however low PD also may potentially limit options if the individual is a victim of bullying because the consequence of equity in organizations would not provide an authority figure that could offer relief, guidance or solutions. Again, legal remedies may be the only outlet available for bullying victims. High PD, while typically supporting an authority structure also provides an outlet for employees who seek justice. MacNab et al. (2007) also found employees more likely to be whistleblowers and provide internal reporting than those in low PDI cultures. Sherer (2007) found a high PD environment produced more ideas; both of these findings support the idea that those in high PD cultures tend to police themselves and act independently. Oysterman et al. (2002) confirmed that European Americans had the highest IDV, which perhaps is explained to some extent by publicity of ethical scandals (i.e., Enron, Tyco, and WorldCom), the lack of laws or legal activity with regards to bullying and may even partly explain the fame of the WorldCom whistleblower Cynthia Cooper (2008).

Low UA cultures, as we know, do not wish to control others. This culture takes risks, tolerates differing opinions and behavior of others (Garbarino, Lee, Lerman & Horn, 2001) and has a higher tolerance in general for others beliefs. The perception of more freedom to act with fewer restrictions from rules and laws may contribute to individual initiative and the concept of empowerment may be found in this dimension and not only in high MAS cultures. In contrast, high UA focuses on a legal structure for individuals to pursue options and more control, less tolerance for variance and more conformity. Overall this reduces the options for individuals and discretionary activities even though collaborative approaches were intended to provide equal

opportunities. In a high UA culture, de Jong et al. (2006) noted new leadership may be needed for change. This indicates that high UA cultures are likely to pursue strategies once they are in place whether or not they may be effective after a period of time. Low UA cultures would have a tendency to be more tolerant of unconformity which may allow alternatives to emerge.

Collectivism is representative of low IDV. Collectivism favors conformity and tradition, focuses on a group goals and the success of groups before individuals. Since the group is most important and equality is in the forefront, it may be culturally difficult for leadership to emerge. If leadership is available the collectivism itself would not support openness of individuals because this would not necessarily be supportive of group goals. High IDV, while associated with individuals, is also associated with ethical conduct and ethical behavior (McNab et al., 2007; Scholtens & Dam, 2005), arguably also contributing to respect an acknowledgment of others and their differences. Ethical conduct may delay or replace the immediate need for legal remedies, thus reducing the need for structure and process to support processes which deal with bullying in organizations.

Regardless of historical information, additional caution must be applied when making assumptions about Cultural Dimensions. Globalization of business driven by many factors including information technology has accelerated the integration of cultures; similarities in geographic regions can not be assumed and historical aspects must be considered. Kolman, Noorderhaven, Hofstede and Dienes (2003) reviewed four Central European countries (the Czech Republic, Hungary, Poland and Slovakia) and found important differences between the value orientations in Western Europe and Central Europe; the fall of communism may have impacted the future while acknowledging that decades under socialist rule will make it difficult to establish one "durable equilibrium" (p. 87). The authors noted that instead of relying on static information and historical aspects of the cultures concerned it would be more appropriate to stay tuned with value shifts in future decades because experience is soon outdated. This sentiment about a shift in culture was supported by additional research. Tipuric, Podrug and Hruska (2007) conducted research in Croatia, Slovenia, Bosnia, Herzegovina and Hungary and found a confirmation in this area to support a global trend of decreasing power distance and significant movement towards individualism. Purohit and Simmers (2006) and examined power distance and uncertainty avoidance in the US, Nigeria and India. In this study, high power distance scores suggested there was a tendency to view authority figures as having unquestionable power within the organization which created a tendency for others to withdraw to avoid conflict. This was also possibly due to the lack of interest in competing with those who have unquestionable power. Similarly, in a high uncertainty of avoidance situations there is a need for regulations and rules to deal with uncertainty and ambiguous situations. While some may have expected these results from the US, they were not necessarily expecting these results from Nigeria and India. However, similarities were found in all three cultures, prompting the authors to suggest with the increasing dissemination of business schools and management theories from the United States there may be a growing homogenization of business students.

Future research has several possibilities, most notably the development of a weighted metric from the model (Figure 1) to measure interactions between the four Dimensions. As earlier literature has included two Dimensions such as UA and PD (Purohit and Simmers, 2006; de Jong et al., 2006), and MAS and IDV interaction between Dimensions which has yet to be researched may explain the variances in the high ID countries identified in this paper. Identifying cultures in which bullying is not punished may assist in providing insight into the variances in high IDV cultures. For example, some years ago the movie “Gung Ho” starring Michael Keaton demonstrated bullying actions (e.g., go stand in the corner) which were culturally acceptable for only one of the cultures involved in the manufacturing facility. A weighted metric may identify what interactions are at work and how, for example, MAS interacts with IDV or MAS with PD, and identify the cultural derivatives. Choi (2004) may have also identified potential research areas when noting MAS may contribute to the prediction of achievement; this also has potential implications for IDV by definition because both MAS and IDV have been typically associated with independent action and UA (Wennekers et al., 2007) because the restrictive climate in a high UA culture had a high correlation with entrepreneurship. Historically, entrepreneurship was more typical in low UA cultures.

When looking at cultures and Dimensions it is necessary to keep in mind the impacts of immigration and education on national cultures and the change and influence this has on the existing population. As such, the past is not necessarily prologue not only because of immigration but also because of the global dissemination of education and values of other countries.

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THE POWER OF POLITICAL ADVERTISING ADVOCACY: A CASE STUDY EXAMINATION OF CELEBRITY ENDORSEMENTS IN 2006 MISSOURI

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ABSTRACT

The authors used a case study analysis to examine celebrity endorsements in advertising that supported or opposed the 2006 Missouri amendment on embryonic stem cell research. The spots in this case received considerable coverage in the national news media that the authors selected for analysis. Not only do the authors conclude that using celebrities in this case was effective, but also that these spots helped focus the national news agenda on the Missouri race and on the embryonic stem cell research issue.

INTRODUCTION

Although using celebrities in marketing and advertising has been commonplace, celebrities have recently erupted in the political arena. Popular celebrities have appeared in political advertising to endorse specific candidates and election issues. Political advertising research has indicated that voters learn both image and issue information from political ads. Indeed, political advertising has often aided in voter decision making. As candidates move from the political campaign sidelines to the forefront of the campaign through political advertising, it becomes important to examine this new political role. Thus, the purpose of this study was to examine whether using celebrities in advertising could be effectively to swaying votes on a specific issue.

According to Walkosz (2003), the growth of advocacy advertising has been exponential and explosive in recent years. Walkosz suggested that issue advocacy in recent federal elections could be characterized (a) by expending soft money for issue electioneering; (b) by targeting ads toward competitive races influenced by the content, tone, number, and timing of issue advocacy campaigns; and (c) by minimal network news coverage of federal races.

Walkosz (2003) pointed out that a major concern about issue advertising was that, as advocacy money was spent on Senate and House races, the nature of those races might be altered. For example, the campaign dialogue might shift its focus to the agenda of the party or of the sponsoring group. In fact, during the 2006 Missouri midterm elections, a great deal of popular media attention focused on the state Senate candidates in relation to their support of or opposition to Amendment 2, an embryonic stem cell funding initiative on the state ballot.

Controversy is widespread over embryonic stem cell research because of some of the techniques that the researchers often employ. Embryonic stem cell research is particularly controversial because current technology requires the destruction of the human embryos subject in the process of retrieving its stem cells. Nevertheless, many scientists believe embryonic stem cells can be used to help cure or treat diseases such as Alzheimer's and Parkinson's diseases.

According to the Pew Forum's Religion and Stem Cell Research Fact Sheet (2005, pp. 1–3), the tide of opinion over embryonic stem cell research is changing; nevertheless, it remains contentious. In light of this fact sheet, the authors believe that more Americans continue to say that it is more important to conduct embryonic stem cell research that might create cures for diseases than it is to avoid destroying human lives. Both supporters and opponents of the Missouri state ballot question, Amendment 2, used celebrity endorsers in their campaign advertising. The Amendment 2 campaign further polarized the electorate and refocused the campaign dialogue of the state Senate race between the Democrat Party candidate, Claire McCaskill, and Republican Party incumbent Jim Talent.

CELEBRITY POLITICS

Indeed, celebrities are broadening their interests beyond candidate buttons, rallies, and the occasional sound bite for entertainment news programs. Increasingly, a rising number of celebrities are now hosting fundraising parties, posing for staged photos, and participating in multimillion dollar advertising campaigns to endorse their favored candidate or a favored political issue.

Celebrities can be defined as persons who enjoy an exaggerated amount of publicity and public recognition from the media and most citizens. Such celebrities have traditionally been actors, musicians, professional athletes, models, and entertainers. Consequently, a celebrity endorser could be defined as “any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement” (McCracken, 1989, p. 310).

As companies frequently use spokespersons to promote their brands, products, or services, so celebrities have become a widely used and popular type of spokesperson (Tom, Clark, Elmer, Grech, Masetti, et al., 1992). Using celebrities as spokespersons has become so commonplace in traditional advertising that the image of a famous, popular singer promoting a soft drink is no longer considered avant garde. Going beyond traditional product branding, celebrities are now embracing political advertising to campaign for political candidates--and voters, political ad watchers, and the media are taking notice. Celebrities have become to politics what product

placements have been to major movies: marketing ploys to win viewers and humanize issues (Wood, 2000).

Street (2004) describes celebrity politicians as entertainers who become involved in politics and claim the right to represent people and causes, but who do so without seeking or acquiring elected office. In addition, these celebrities use their status and the media to speak out on specific causes and for particular interests to influencing political outcomes.

Celebrity politicking is not new, for stars such as Frank Sinatra, Humphrey Bogart, and Lauren Bacall began the phenomenon decades ago (Kennedy, 2004). However, celebrities are increasingly shedding their behind-the-scenes roles to campaign for candidates in front of the camera. In the 2004 presidential election, celebrities such as Bruce Springsteen, Dave Matthews, and Moby stumped for John Kerry while Stephen Baldwin, Bo Derek, and Angie Harmon campaigned for George W. Bush. Nevertheless, none of these celebrity spokespersons garnered the media attention that a state election in November 2006 received.

Few political advertisements have ever dominated the national press and generated such tremendous buzz as Michael J. Fox's pitch for McCaskill (Hellinger, 2006). In fact, Hellinger said the Fox ad would go down in the history of political advertising as the equal of Lyndon Johnson's "Daisy" ad in 1964 that featured a little girl picking petals off a daisy during a countdown to a nuclear explosion, and the "Willie Horton" ad that helped sink the presidential campaign of Michael Dukakis in 1988.

Unquestionably, these celebrity-endorsed political advertisements garner hype and media attention for candidates, but are they effective? One function of celebrity endorsements in advertising was to capture viewer attention. By using celebrities whom viewers recognized and could relate to, the ad source hoped to make the message stand out (Pfau & Parrott, 1993). In fact, a content analysis by Kaid and Davidson (1986) of political spots found that incumbent Senate candidates were most likely to use testimonials in their political advertising.

According to Pfau and Parrott (1993), another function of using celebrities as spokespersons is to establish an emotional bond with viewers. Campaigns often seek to transfer viewers' feelings about the celebrity to the issue advocated. The authors indicate that the ability to create such a bond might be enhanced by using television advertising because of the medium is intimate.

Felchner (2004) found that celebrity endorsements rarely made or broke elections, and that after garnering some attention from the media, they usually were discounted. If so, what effect then does attention that the media gives celebrities have on the electoral process?

West and Orman (2002) said that using celebrities in the American political system was all part of entertaining America, stating, "No longer does the argument of whether pop culture influences political change or vice versa matter. Politics is pop culture" (p. 2).

Barney (2001) said that using celebrities to create spectacle during the 2000 election was a trend that contributed to society's distrust in politics by lowering the style and focus of the news to that of market-driven media in search of a share of audience attention.

Although some might want to place the blame squarely on the shoulders of the media, others have argued that the celebrities are as responsible for creating citizen distrust in politics.

Alter (1999) wrote,

Celebrities, with the help of the media, tend to trivialize politics by turning it into entertainment. Their presence further subordinates substance to performance, and encourages the media to review how something ‘plays’ rather than to analyze what’s being said. Most famous people have nothing original to contribute to politics. But sometimes, theatrical arts can be used to advance serious political ideas. If other celebrities want to trade on their fame to join the debate, they must figure out how to touch not just our fantasy lives, but also our real ones. (p. 43)

On the contrary, it might be argued that involving celebrities in politics could strengthen the relationship between the Government and its citizens. Celebrity endorsements might help politicians to reach a wider audience, which, in turn, might effectively make citizens, who might not otherwise attend to issues, be more aware of them.

Street (2004) argued that some forms of popular culture (e.g., celebrity endorsements) might resonate with people in ways that traditional forms of political communication might not. Celebrities might speak and behave in ways that might appeal to citizens who might traditionally feel that politicians intimidate them.

Regardless of their effectiveness, a growing number of celebrities use their status to engage in politics by making expensive campaign advertisements. Weiskel (2005) found that millions (perhaps billions) of dollars were spent during the 4-year electoral cycle to influence voters’ choices. Weiskel argued that perhaps the “free” elections in America were among the most expensive the world had ever witnessed.

ADWATCH COVERAGE

Although the news media have often argued that political advertising might be too costly, too negative, and too likely to diminish the quality of political discourse, it is clear that political advertising can benefit today’s electorate. Political advertising can affect voter learning and decision formation. To monitor political advertising, many news sources have taken a watchdog role via adwatch coverage. In adwatches, the media report on ad content and the accuracy of its claims (Kaid, Tedesco, & McKinnon, 1996).

Seib (1994) suggested that journalists should cover campaign advertising as they cover other campaign experiences. He explains, “If a candidate’s speech to a thousand people merits a news story, so does a candidate’s ad that reaches a million people” (p. 94). Thus, the news media can shape voters’ perceptions of political advertising and, in turn, shape their government.

Scholars and journalists agree that adwatch coverage might help voters understand political advertising. However, Jamieson (1992) pointed out that only if reporters questioned the legitimacy of claims could a watchdog role aid the political process. Unfortunately, a study of

televised political adwatch coverage revealed that the media attempted some level of analysis only in about half of all network news stories (Kaid, Tedesco, & McKinnon, 1996). Jamieson (1992) warned that, if the news media failed to reframe political advertising, the ad's messages might be enhanced.

Experimental research has indicated that adwatch coverage might benefit the campaign by providing to voters unpaid access and by reairing the spot within a credible news environment (McKinnon & Kaid, 1999). In addition, research on video style suggests that the way spokespersons are presented in ads might affect the effect of ads on viewers (Kaid & Davidson, 1986). Indeed, visual images can often have a greater impact on voters than can the verbal content. McKinnon and Kaid (1999) found that the content of a political ad when presented as news might be more powerful than the media commentary accompanying it.

Moreover, research showed that most news attention was devoted to ads that were evocative, humorous, or controversial (Jamieson, 1992; Kaid, Gobetz, Garner, Leland, & Scott, 1993; Kaid et al., 1996; West, 1993). Indeed, such spots have often contained elements that emphasized video style. Wicks and Kern (1993) suggested that advertisements provided news directors with ready-made images. Indeed, political advertisements have often contained strong visuals and dramatic elements that were attractive to television news.

Some have argued that a single media critique might be compared to an advertisement that had been repeated time and again (Hinerfeld, 1990; Wolinsky, Sparks, Funk, Rooney, Lyon, et al., 1991). Indeed, today's political ads are replayed and critiqued online and on demand.

As political ads with celebrity endorsements continue to capture voter attention, the spots also capture media attention and garner increased exposure. Indeed, the news media help to transmit to the voters the candidates' messages about issues. Graber (1997) indicated that the media were "inextricably intertwined....those who aspire to elective office must play the new politics, which is media politics" (p. 264).

THEORETICAL FRAMEWORK

When the media covers political ads as news, it has the opportunity to frame the issue, the candidate's image, and the commercial content—thereby setting the political agenda.

Nimmo and Combs (1990) argued that modern politics is a mediated reality. Indeed, the images that the citizens have of politics are rarely from direct involvement. As voters' first-hand experiences with social and political institutions decrease, voters are increasingly more likely to turn to the mass media to tell them how to vote.

Agenda-setting attempts to determine the relationship between the press and citizens by examining the influence of the media on its audience. McCombs and Shaw (1972) based their studies on the assumption that the audience learns what issues are important from how the media places them in the news. In their benchmark studies of 1968 and 1972, they hypothesized that "the mass media set the agenda of issues for a political campaign by influencing the salience of

issues among voters” (McCombs, 2004, p. 4). Since their initial agenda-setting research, over 400 empirical studies have been conducted on this topic.

One of the earliest works to link agenda setting and political advertising was Bowers’ (1973) study on newspaper advertisements for 1970s senatorial and gubernatorial races. Rank order correlations between voter emphasis and advertising emphasis (+.97 for all candidates) lent support to the agenda-setting hypothesis. However, Bowers suggested a different direction of causality than was posited in McCombs and Shaw’s original studies (1972). His alternative explanation indicated that, during the short-term campaign, voters might set the media agenda indirectly through the candidate. Bowers (1977) also applied this notion to television ads.

In a conceptual piece, Southerland and Galloway (1981) questioned the role of the advertiser as the agenda-setter. Associating marketing, advertising, and agenda setting, they compared political advertising issues to the emphasis on issues as determined by the news agenda. They suggested, “Ad frequency or media weight is analogous to the media emphasis that is given to a news item over a period of time” (p. 27).

Examining the 1984 North Carolina senatorial campaign, Ghorpade (1986) found that transfer of issue salience from advertisements that emphasized what candidate attributes viewers should think about could lead to desired voting behavior. He concluded that the reasons voters gave for selecting particular candidates were positively associated with both television newscasts and televised political advertisements. These findings suggested a two-step process: (a) from advertising salience to voter salience, and (b) from voter salience to intended voter behavioral outcome.

In addition, Roberts (1992) conducted a panel design study of the ability of gubernatorial advertisements in Texas in 1990 to set the public agenda. Roberts found support for the two-step process suggested by Ghorpade (1996). Results of a two-group, discriminate analysis indicated that political advertising and general editorial content shared the agenda-setting function in their ability to create issue salience among the electorate. In fact, specific groups of voters could be identified according to issue concerns. Advertisers could target such concerns and, in turn, might influence the actions voters take.

Likewise, Roberts and McCombs (1994) found that political advertisements influenced the news agenda. According to the authors, “One highly specialized source, the political consultant, is greatly skilled at manufacturing pseudoevents to obtain beneficial news coverage and photo opportunities for the candidate” (p. 250). Replication of this study in Spain revealed additional support for the influence of political advertising on the news agenda (Lopez-Escobar, Llamas, McCombs, & Lennon, 1998).

In political news coverage, gatekeepers select from various framing strategies. The tone, context, and placement of the news story might affect the way voters interpret the political process. Literature on framing and campaign news indicates that the news media positions political communication as a strategic game (Capella & Jamieson, 1997; D’Angelo & Esser, 2003; Patterson, 1993).

News media can and do serve an influential role in the political process, providing much of the background for American political realities. Reporters have taught us about candidates' backgrounds, personalities, strategies, and goals (West, 1993).

Capella and Jamieson (1994) cautioned that how a reporter frames a political adwatch might affect voters' attitudes toward the ad, its perceived fairness, and its perceived importance.

RESEARCH QUESTIONS

The first question for this study was, How did celebrity endorsements help to focus the debate of the issue concerning embryonic stem cell research in the 2006 Missouri election? The underlying question was, Could celebrity endorsements in advertising be effectively used to promote a political candidate or sway votes on a specific issue? Thus, do celebrity endorsements help set the political agenda?

To determine how these spots were covered by the news media, this study traced adwatch coverage in broadcast, print, and online sources. This study asked, Does the medium or media outlet that a voters turns to for information about an issue make a difference their understanding of political advertising claims?

These political spots, like many other pieces of political information, were covered in many different formats. The diversity of coverage prompts the question: Are all of these media responding to or presenting the ad content in the same way?

METHODOLOGY

Using a case study approach, the authors traced issue advocacy advertisements from their original presentation across media outlets. They also assessed the consistency and validity of the coverage by competing news sources.

The authors focused on the advertisement as the unit of analysis, tracing the variables news outlet, placement, analysis, and inclusion or exclusion of advertisement.

The televised spots that were selected for this study were ads that used celebrity endorsers who commented on the embryonic stem cell research debate as it pertained to Missouri State Amendment 2 as a 2006 ballot issue. The two Missouri Senate candidates were on opposite sides of the debate. The pro-Amendment 2 ad for the Democratic Party Senate candidate, Claire McCaskill, featured actor Michael J. Fox and focused on McCaskill's support of embryonic stem cell research. In response, an anti-Amendment 2 advertisement, sponsored by Missourians Against Human Cloning (2006), featured professional baseball players Jeff Suppan and Mike Sweeney, NFL quarterback Kurt Warner and actors James Caviezel and Patricia Heaton.

To assess the media coverage of the two political ads, a simple content analysis was performed. The adwatch coverage was coded for source, date, placement, and inclusion or exclusion of the advertisements. All available coverage in the Lexis Nexis database for selected media outlets ($n = 91$) was analyzed from October 20, 2006, through the day of the midterm elections held on

November 7, 2006. The period analyzed also included the Major League Baseball World Series played from October 21 to October 27 during which the two advertisements in question began airing.

Media outlets were selected to give a cross-section of the national media coverage of the state ballot question spots. The media used in this case study were (a) the *New York Times* ($n = 6$) and the *Los Angeles Times* ($n = 3$), representing traditional print sources; (b) CBS ($n = 12$) and ABC ($n = 7$), representing the network television stations; (c) CNN ($n = 46$) and Fox News ($n = 13$), representing the cable television stations; and (d) CBS.com ($n = 4$), an Internet news site for the CBS television network.

For an in-depth look at how multiple media outlets covered the same advertisements, the authors conducted a case study analysis. Particular attention was given to the media coverage of the spots. Selected coverage from these media sources was included to add descriptive information to this case study.

The advertisements and their coverage as political adwatches were traced in this paper. Both the verbal and visual content of the advertisements were examined throughout these media, looking for patterns of consistency or inconsistency between the media and how they covered the advertisements.

FINDINGS

Undoubtedly, the mass media played an important role in mediating political communication, and this fact was certainly the case in the Missouri election where the campaign rhetoric centered on the embryonic stem cell research issue. An advertisement for the Democratic Party Senate candidate Claire McCaskill featured Fox and focused on McCaskill's support of embryonic stem cell research. In this race, McCaskill attempted to unseat Republican Party incumbent Jim Talent who opposed Amendment 2. Missourians Against Human Cloning (2006), a group that opposes embryonic stem cell research and that galvanized opposition to Amendment 2, produced a celebrity-laden advertisement in response to the Fox spot.

PRO AMENDMENT 2 ADVERTISING

In support of Amendment 2, a 30-second spot was produced by the McCaskill campaign featuring Fox. In this spot, Fox, who suffers from Parkinson's disease, appeared unable to remain still because of the degenerative disease and gave an emotional appeal to voters in an effort to draw support for McCaskill.

Although the authors' research focused on the advertisement produced for the 2006 Missouri Senate race and the embryonic stem cell ballot initiative, readers should note that, in addition to the McCaskill spot, Fox also appeared in advertisements for pro-embryonic-stem-cell candidates in Maryland and Wisconsin. All three candidates that Fox supported in 2006 won their respective races.

The Fox advertisement for McCaskill began airing across Missouri during the first three games of the Major League Baseball's World Series featuring the St. Louis Cardinals on October 21, 22, and 24.

According to the transcript available on the Media Matters County Fair media blog, during an October 23 radio broadcast, conservative radio talk show host Rush Limbaugh told his listeners that he believed the symptoms, including a continual rocking motion that Fox displayed in the McCaskill spot, were not real. Limbaugh said, "Either he didn't take his medication or he's acting" (Boehlert & Foster, 2006, p. 1).

Limbaugh's criticism (Boehlert & Foster, 2006) of Fox and of the McCaskill spot generated a great deal of media attention, for thousands of people turned to the popular video-sharing Web site, YouTube, to view the 30-second spot.

In an interview with CBS News on October 25, McCaskill credited Limbaugh with focusing the national media spotlight and the public's attention on her Senate race and the embryonic stem cell issue. Almost overnight, a limited television ad campaign gained national recognition as the spot was aired during news broadcasts.

Limbaugh apologized on air for saying Fox's symptoms were not real, but the talk show host continued to attack Fox. Limbaugh said, "Michael J. Fox is allowing his illness to be exploited and in the process is shilling for a Democratic politician" (Stanley, 2006, p. A15).

The popular media were drawn to the advertisement and, in the column "The TV Watch," Stanley (2006) put the spot on the same level as some of the nation's most memorable political ads. Stanley writes, "But one reason candidates rely so heavily on 30-second spots is that they appeal to visceral emotion, not reason. In the recent past, it has been the Republican advertisements that have tended to be bolder and more memorable: the Willie Horton advertisements that George Bush used against Michael S. Dukakis in 1988 or the specter of stalking wolves that his son, George W. Bush, used to make Senator John Kerry seem weak on terrorism. Democrats usually have to go back to 1964 and Lyndon B. Johnson's 'Daisy' attack on Barry Goldwater to find comparably vivid ads. Until now, that is" (p. A15).

ANTI-AMENDMENT 2 ADVERTISING

In response to the Fox spot, an anti-embryonic-stem-cell advertisement, sponsored by Missourians Against Human Cloning (2006), was produced to air during the fourth game of the World Series on October 26. The ad featured St. Louis Cardinals pitcher Jeff Suppan, who was pitching in World Series games that week. Also included were Kansas City Royals player Mike Sweeney and NFL quarterback Kurt Warner of the Arizona Cardinals. In addition, the spot featured actors James Caviezel, who played Jesus in the film, "The Passion of the Christ," and Patricia Heaton of the television series, "Everybody Loves Raymond."

Each of the celebrities cautions against Amendment 2, warning viewers to beware of loopholes in the law and other misguided intentions (Missourians Against Human Cloning, 2006). Opponents of embryonic stem cell research also argued that the research was exploitative

because scientists pay women to donate their eggs. In the ad, several of the celebrities asserted that the measure would open the door to human cloning and lead to the exploitation of low-income women because scientists pay women to donate their eggs. According to the spokesperson for the Missourians Against Human Cloning spokesperson, Cathy Ruse, the ad was already in production, but the initial airdate was moved up once the Fox ad was released.

MEDIA COVERAGE

To assess the media coverage of the two political ads, these researchers performed a content analysis. All available coverage in the Lexis Nexis database ($n = 91$) for selected media outlets was analyzed from October 20, 2006, through the day of the midterm elections held on November 7, 2006. Media outlets were selected to give a cross-section of the national media coverage of the state ballot question spots. The following tables, divided by media type, will be used in the discussion of the research questions.

The amount of print coverage ($n = 9$) was minimal compared to the broadcast coverage during the same time frame ($n = 78$). The *New York Times* ran six news stories during this time, while the *LA Times* ran three.

TABLE 1. PRINT MEDIA COVERAGE

Media source	Print date	Placement	Images shown
NY Times	10/24/06	A23	Screenshot of Fox in ad
NY Times	10/25/06	A15	None
NY Times	10/26/06	D3	Screenshot of Rebuttal ad; photo of Suppan
NY Times	11/5/06	Sect. 1, pg. 32	None
NY Times	11/5/06	Sect. 4, pg. 4	None
NY Times	11/7/06	A1	None
LA Times	10/26/06	A17	Snapshot of Fox in ad
LA Times	10/28/06	E1	Screenshot of Fox in ad; photo of Limbaugh
LA Times	11/5/06	M1	None

Note. To look at broadcast coverage during this period, these researchers selected two national news sources, CBS news ($n = 12$) and ABC news ($n = 7$), and two cable news channels, Fox news ($n = 13$) and CNN news ($n = 46$).

TABLE 2. BROADCAST MEDIA COVERAGE

Source	Air date	Placement	Images shown
CBS	10/24/06	The Early Show	Clip from Fox ad
CBS	10/25/06	The Early Show	No clip shown
CBS	10/25/06	CBS Evening News	Clips from Fox ad; Clips from

Source	Air date	Placement	Images shown
			Rebuttal ad
CBS	10/26/06	CBS Morning News	Clips from Fox ad; Clips from Rebuttal ad
CBS	10/26/06	The Early Show	Clips from Fox ad; Clips from Rebuttal ad
CBS	10/26/06	CBS Evening News	Clip from Fox ad
CBS	10/27/06	CBS Morning News	Clips from Fox ad; Clips from Rebuttal ad
CBS	11/3/06	CBS Morning News	Clips from Fox ad; Clips from Rebuttal ad
CBS	11/3/06	The Early Show	Clips from Fox ad; Clips from Rebuttal ad
CBS	11/4/06	The Saturday Early Show	Clip from Fox ad
CBS	11/6/06	CBS Morning News	Clip from Fox ad
CBS	11/6/06	CBS Evening News	Clip from Fox ad
ABC	10/24/06	World News with Charles Gibson	Clip from Fox ad
ABC	10/25/06	Nightline	Clip from Fox ad
ABC	10/29/06	This Week	Clip from Fox ad
ABC	10/29/06	World News Sunday	No clip shown
ABC	10/31/06	Nightline	Clips from Fox ad; Clips from Rebuttal ad
ABC	11/7/06	World News with Charles Gibson	No clip shown
ABC	11/7/06	Nightline	No clip shown
Fox News	10/24/06	The Big Story with John Gibson	Clip from Fox ad
Fox News	10/24/06	The O'Reilly Factor	Clip from Fox ad
Fox News	10/25/06	Fox Special Report with Brit Hume	Clips from Fox ad; Clips from Rebuttal ad
Fox News	10/25/06	On the Record with Greta Van Susteren	Clip from Fox ad; Clips from Rebuttal ad
Fox News	10/26/06	Hannity & Co.	Clips from Rebuttal ad
Fox News	10/27/06	The Big Story with John Gibson	Clip from Fox ad

Source	Air date	Placement	Images shown
Fox News	10/28/06	The Beltway Boys	Clips from Fox ad; Clips from Rebuttal ad
Fox News	10/29/06	Fox News Sunday	Clip from Fox ad
Fox News	10/30/06	The Big Story with John Gibson	Clip from Fox ad
Fox News	10/30/06	Fox Special Report with Brit Hume	No clip shown
Fox News	10/30/06	Hannity & Co.	No clip shown
Fox News	11/1/06	Hannity & Co.	No clip shown
Fox News	11/7/06	Fox Special Report with Brit Hume	Clips from Fox ad; Clips from Rebuttal ad
CNN	10/22/06	CNN Newsroom	Clip from Fox ad
CNN	10/23/06	Showbiz Tonight	Clip from Fox ad
CNN	10/24/06 (5 p.m.)	The Situation Room	Clip from Fox ad
CNN	10/24/06 (7 p.m.)	The Situation Room	Clip from Fox ad
CNN	10/24/06	Larry King Live	No clip shown
CNN	10/25/06 (7 a.m.)	American Morning	Clip from Fox ad
CNN	10/25/06 (8 a.m.)	American Morning	Clip from Fox ad
CNN	10/25/06 (9 a.m.)	CNN Newsroom	Clip from Fox ad
CNN	10/25/06	Your World Today	Clip from Fox ad
CNN	10/25/06 (1 p.m.)	CNN Newsroom	Clips from Fox ad; Clips from Rebuttal ad
CNN	10/25/06 (2 p.m.)	CNN Newsroom	Clip from Fox ad
CNN	10/25/06 (3 p.m.)	CNN Newsroom	Clips from Fox ad; Clips from Rebuttal ad
CNN	10/25/06 (4 p.m.)	The Situation Room	Clip from Fox ad
CNN	10/25/06 (5 p.m.)	The Situation Room	Clips from Fox ad; Clips from Rebuttal ad
CNN	10/25/06	Glen Beck	Clip from Fox ad
CNN	10/25/06	Larry King Live	Clip from Fox ad
CNN	10/26/06	The Situation Room	No clip shown
CNN	10/27/06	Showbiz Tonight	Clip from Fox ad
CNN	10/28/06	Saturday Morning News	No clip shown
CNN	10/28/06	CNN Newsroom	No clip shown

Source	Air date	Placement	Images shown
CNN	10/29/06	CNN Late Edition with Wolf Blitzer	No clip shown
CNN	10/29/06 (5 p.m.)	CNN Newsroom	No clip shown
CNN	10/29/06 (10 p.m.)	CNN Newsroom	No clip shown
CNN	10/30/06 (7 a.m.)	American Morning	No clip shown
CNN	10/30/06 (8 a.m.)	American Morning	No clip shown
CNN	10/30/06 (4 p.m.)	The Situation Room	No clip shown
CNN	10/30/06 (5 p.m.)	The Situation Room	Clip from Fox ad
CNN	10/30/06 (7 p.m.)	The Situation Room	Clip from Fox ad
CNN	10/30/06 (8 p.m.)	The Situation Room	No clip shown
CNN	10/30/06	Lou Dobbs Tonight	No clip shown
CNN	10/30/06	Larry King Live	No clip shown
CNN	10/31/06	CNN Newsroom	No clip shown
CNN	11/2/06	The Situation Room	Clip from Fox ad
CNN	11/2/06	Anderson Cooper 360 Degrees	Clip from Fox ad
CNN	11/3/06	American Morning	No clip shown
CNN	11/3/06 (9 a.m.)	CNN Newsroom	No clip shown
CNN	11/3/06 (10 a.m.)	CNN Newsroom	No clip shown
CNN	11/3/06 (2 p.m.)	CNN Newsroom	No clip shown
CNN	11/4/06	House Call with Dr. Sanjay Gupta	Clip from Fox ad
CNN	11/4/06	Anderson Cooper 360 Degrees	Clip from Fox ad
CNN	11/5/06	Anderson Cooper 360 Degrees	Clip from Fox ad
CNN	11/6/06	CNN Newsroom	No clip shown
CNN	11/7/06 (9 a.m.)	CNN Newsroom	No clip shown
CNN	11/7/06 (3 p.m.)	CNN Newsroom	No clip shown
CNN	11/7/06	Lou Dobbs Tonight	Clip from Fox ad
CNN	11/7/06	The Situation Room	No clip shown

Finally, these researchers considered online media coverage by CBSnews.com ($n = 4$). Although this one source did not provide a comprehensive look at online coverage, it did provide a snapshot of the type of coverage one might find online.

TABLE 3. ONLINE MEDIA COVERAGE

Media source	Print date	Placement	Images shown	Links available
CBSnews.com	10/23/06	Politics	Photo of Fox	Clip of Fox ad shown in video news report
CBSnews.com	10/25/06	CBS Evening News	Photo of Fox; Photo of Limbaugh	Clips of Fox ad and Rebuttal ad shown in video news report
CBSnews.com	10/26/06	Politics	Photo of Fox; Photo of Limbaugh	Clips of Fox ad and Rebuttal ad shown in video news report
CBSnews.com	10/23/06	CBS Evening News	Photo of Fox	Clips of Fox ad and Rebuttal ad shown in video news report

CAMPAIGN DIALOGUE

The first set of research questions in the authors' study related to the campaign dialogue (as presented by the news media) concerning the Missouri Senate race and the campaign ads that focused on Amendment 2. The authors asked whether the endorsements helped to focus the debate on the embryonic stem cell research issue, whether using celebrities helped to promote the candidates and to sway voters, and whether these ads helped to set the news agenda.

The advertisements themselves were covered as news items. Previous research on adwatch coverage indicated that the most controversial advertisements often received national news attention. In this case, the Amendment 2 issue, embryonic stem cell research, was very controversial. In addition, celebrities who held extreme views on the issue were used to support or oppose it.

Clearly, the Missouri advocacy advertisements for embryonic stem cell research were picked up by the national news network and Limbaugh's lambasting of the Fox ad drew even more media attention to the compelling spot. In this case, Fox's celebrity status focused the campaign dialogue and media attention on the issue of embryonic stem cell research; therefore, Fox set the agenda for media coverage of the state ballot issue. His celebrity status caused the state issue to become a national agenda issue and drew attention to the local race and ballot initiative. If Fox had not been a celebrity, the spot would likely not have been pushed into the national spotlight, would not have been ridiculed by Limbaugh, and would not have caused the Missourians Against Human Cloning (2006) to speed up their ad production.

CHANNEL OF COMMUNICATION

McLuhan (1964) once argued, "The medium is the message" (p. 7). In *Understanding Media*, McLuhan explained that the medium itself should be the focus of mass communication studies.

The authors found that the channel or medium that a receiver uses to experience a message might affect that experience. Therefore, the second question in their study was, "Does the medium or the media outlet make a difference in voter understanding?"

In this case, the pro-Amendment 2 television spot, featuring Fox, originally aired during the first three games of the World Series on October 21, October 22, and October 24. The anti-Amendment 2 rebuttal ad first aired on October 25 during game four of the World Series. It is important to remember that these spots would have been couched in the commercial content during breaks from game play. Thus, viewers did not necessarily choose to view these spots. Indeed, some sports viewers might have been distracted during the commercial breaks and might not have devoted full attention to the ads. In addition, sports fans might have left the room during the commercial break and might have viewed only a portion of the ads.

Both ads were available online prior to and after their original airdates. In fact, thousands of people viewed the spots online via the candidates' Web sites, online news sources, blogs, and video-sharing sites such as YouTube. In the case of online ads, it is more likely that a viewer was looking for the spots and made a conscious decision to view the ad.

The controversial advertisements featuring high-profile celebrities were then picked up via adwatch coverage. Adwatch research tells us that voters might be just as likely to be exposed to advertisement via media coverage as to view it firsthand. In fact, adwatch coverage, which brought the ads and the embryonic stem cell research issue into the national spotlight, potentially exposed millions of viewers to the spots.

In our analysis, the broadcast media ($n=78$, 86%) provided more extensive coverage than did traditional print outlets ($n = 9$, 10%). In addition, broadcast (56%) and online media (100%) were more likely than print publications (44%) to include clips or images from the actual advertisements. However, most news outlets did not show the spots in their entirety. Thus, the medium or media outlet with which voters were exposed to political advertising might indeed have made a difference in their understanding of the issue advocated.

COMMENTARY

The final question we asked was, "Is the content presented by the media the same in all news coverage?" In the authors' content analysis of 91 instances of media coverage, the news coverage varied greatly from short news segments about Limbaugh's comments to substantial segments, including clips of the spots and an interview with Fox. The broadcast media often chose to use the compelling ad footage as part of its newscasts.

Nearly 80 percent ($n = 49$) of the broadcast media that the authors analyzed included a clip from one or both spots, while 37 percent ($n = 29$) did not include any ad clips. The Fox ad was the most popular clip; however, 44 percent ($n = 34$) of the television news segments included a clip only from the Fox ad, while only 1 percent ($n = 1$) of the television news segments exclusively used the rebuttal ad from *Missourians Against Human Cloning* (2006).

About half of the segments chose to include a clip from one of the ads, a link to the spot, or a screen shot from an ad. In the period analyzed, CNN aired 46 segments about the embryonic stem cell issue in the Missouri midterm elections while another 24-hour news network, Fox News, aired only 13. Viewers tuning in to CNN had a greater chance of being exposed to information about the race than those who tuned into Fox News.

A segment on an October 26, 2006, *The Early Show* (Bass, 2006) on CBS included clips from both ads and a critique of the spots by Barbara Lippert, an advertising critic for *Adweek Magazine*. Lippert said the Fox ad was far more effective than the Republican rebuttal ad, which did not have as high a production quality and was not an effective spot. In the same segment, Gloria Borger is a CBS News national political correspondent spoke about the sheer reach of the Fox spot: “Well, obviously, the echo chamber’s at work. It’s very effective. You know, originally, Hannah, this was just supposed to be shown in Kansas City and St. Louis to bring out Democratic voters, because there’s still a 8 or 10 percent undecided vote out there. But obviously, this is an ad that kind of breaks through the clutter of all of those other advertisements out there because it’s so compelling to watch. So I really think it’s served its purpose” (p. 2).

McCaskill also appeared on the program, but Talent declined an invitation to be on *The Early Show* (Bass, 2006). Later that same day on the CBS *Evening News* (Hartman, 2006) anchor, Katie Couric interviewed Fox about his support ad for McCaskill and about Limbaugh’s comments. Fox said that one of the best things to come out of the ad controversy was the media focus on Parkinson’s disease.

Incumbent Senator Jim Talent responded, as a guest on a November 1 edition of the *Fox Hannity & Co.* on the Fox News, to the Fox ad and discussed his views on human cloning. He said, “I think the commercial was over the top. You know, and it’s pretty clear, I think, that he wasn’t informed about what’s really happening in Missouri, but I don’t know what his motives were” (Hannity, 2006, p. 3). McCaskill declined an invitation to appear on the same show.

Print sources were less likely to use an image from either of the ads in its coverage. In the *Los Angeles Times*, Simon (2006) described the rebuttal ad as less emotional, but he explored the personal passion against embryonic stem cell research held by the celebrities (e.g., baseball player Suppan) in the spot designed to encourage voters to cast their ballots against Amendment 2. Suppan was so eager to appear in the spot that he filmed his segment himself.

The online media coverage by CBSnews.com included stories generated by both the Associated Press and CBS. While the coverage itself was unbiased, like most traditional newspaper and television news reports, it also included an open-comments section where online visitors were permitted to comment freely on the news report. These comments were documented alongside the original news report. Although the comments were user-generated and not endorsed by CBS, the commentary turned into compelling content when visitors add their own thoughts, analysis, and preferences on the issue. In turn, it provides a lasting source of additional information that traditional print and broadcast news do not have.

DISCUSSION

In performing the case study analysis of the Missouri spots, the authors found some common and important elements. First, all media attempted some analysis of the spots. This analysis centered on the fact that high-profile celebrities were used in advertising to support or oppose the Missouri state ballot initiative on embryonic stem cell research. Initial coverage of the Amendment 2 initiative focused on the images of Fox including his noticeable shakiness. This

spot was covered by numerous news outlets and criticized on Limbaugh's radio show as being staged. In turn, the Fox-Limbaugh debate became a key part of subsequent media coverage. In fact, McCaskill credited Limbaugh for focusing the national media spotlight on her race and the embryonic stem cell research issue. Less coverage was provided of the response advertisement and the position of Talent.

Adwatch coverage suggests that it is the most evocative, most humorous, and most controversial ads that receive coverage. In this case, there was a controversial issue, strong visuals, and celebrity involvement. These elements made the spots particularly appealing to broadcast outlets as they added to the visual nature of the newscasts. The authors' research on video style indicated that the way celebrities were portrayed in ads might affect the effect of the ad on viewers. In this case, the shaky image of Fox not only shaped image coverage, but it also focused issue attention on the embryonic stem cell research issue. In this study, over half of all media outlets included some portion of the actual ads—for broadcast, video clips; for print, still shots of the advertisements; and for online, clips or links to the ad itself.

In our analysis, the broadcast coverage far surpassed print coverage. However, it should be noted that broadcast coverage included two, 24-hour news stations that provided the bulk of coverage. When political ads are covered as news items, the media has the opportunity to frame the coverage of issues and candidate images coverage. In turn, the spot coverage might set the news agenda. In the authors' case study, a viewer of CNN news might think that these spots were a major campaign issue, for more than half of all the broadcast coverage the authors examined was generated by CNN. Thus, the source and the channel receivers selected for news coverage might affected how and to what extent they might have been exposed to the political advertisements.

Some journalists have argued that a single media critique cannot compare to advertising that has been frequently repeated. However, adwatch coverage tells the authors that by getting one's ad covered as a news item, one might actually get more exposure. In fact, one's spot might become couched in a credible news environment. In this case, the initial ads received considerable coverage. In fact, they were frequently repeated by the news media. Although the authors' study did not focus on local news coverage of the issue, it is clear that the Amendment 2 spots were featured prominently in national news coverage. In turn, the advertising coverage might have helped to focus national attention on the issue of embryonic stem cell research and on the Missouri senate race. The attention given to the Fox spot and Limbaugh's comments increased attention not only on McCaskill's race, but also on the issue of embryonic stem cell research and raised awareness of Parkinson's disease.

Unquestionably, celebrity endorsements help to generate hype and media attention in political advertising. Indeed, in this case, using celebrities in both spots to support and to oppose Amendment 2 added to the drama of the advertisement coverage. In fact, these ads were consistently covered throughout the 3-week period that was analyzed in this study and they included some form of coverage almost daily. Celebrities were used in the campaign ads; therefore, they brought national attention to a state issue. Had the spots featured noncelebrities, they might not have garnered the same level of attention and might not have set the agenda for national news.

The findings from this study reinforce the notion that celebrities are powerful tools in the marketing arsenal. Whether marketing a product, a brand, or a political candidate, celebrities bring their spotlight to whatever they endorse. Examining celebrity endorsements through the political lens further suggests that, for a campaign to be successful, just as celebrity endorsers and products or brands must be well-matched, celebrity endorsers and political candidates must be well-matched,. As successful celebrity product endorsements by celebrities boost sales, so successful political endorsements by celebrities pay dividends with votes for political candidates. Conversely, unsuccessful campaigns, whether they promote political candidates or consumer products, might have a negative impact on viewers and could damage the product image or political candidate image.

Although further research should be conducted on the use of celebrities as political endorsers, the authors feel that celebrity endorsement could be an effective campaign tool. In this case, using celebrities to promote a political agenda was effective. Not only did they help to capture voter attention, but they also worked to capture media attention.

These findings might show a trend in the use of celebrity advocacy advertising and might foreshadow the future of political advertising. This research might be applied to studies of advertising for larger scale races (e.g., the 2010 presidential campaign) to discern whether using celebrities to promote political candidates is a growing trend.

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A BIBLIOMETRIC AND TROPOLOGICAL ANALYSIS OF GLOBALIZATION

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ABSTRACT

This paper is concerned with the social construction of globalization as a management discourse. The nature and development of the globalization discourse is examined in two ways. First, a systematic content analysis of more than two decades of globalization-related publications using the British Library's OPAC (Online Public Access Catalogue) system and the Social Science Citation Index is undertaken. Second, a framework based upon 'tropes' (i.e. figures of speech) is utilised to unpack the concept of globalization. The work reveals that the discursive construction of globalization in the literature presents it as 'something new' (an ironic framing), with 'universal application' (presented via synecdoche and metonymy) and producing positive outcomes (couched through seductive metaphors). The ideological and practical implications of the 'globalization discourse' for organizing and the process of managing are also discussed.

INTRODUCTION

According to David Collins (2000) the notion of globalization "encompasses a loose, diverse and, at times, contradictory package of ideas" (p. 345). Even within the homogenized world of business dictionaries and glossaries, the sound-bite definitions of 'globalization' offered lack the uniformity and consistency we have come to typically associate with such publications. If we look, for instance, in the *Oxford Dictionary of Business* (1996) we find it described as: "The process that has enabled investment in financial markets to be carried out on an international basis" (p. 231). By contrast, the *Collins Dictionary of Business* (Pass, Lowes, Pendleton, & Chadwick, 1995) places a different emphasis upon definition, suggesting that globalization is "the expansion of a firm into foreign economies by exporting" (p. 330). Hence, without recourse to critical and postmodern interpretations, it would seem that even positivist accounts of the phenomena are not as closely aligned as one might expect.

So, what is globalization? The central focus of this paper is not to provide an answer to this question. Nor does it attempt to report on the actuality of globalization (e.g. to empirically

evaluate the degree to which firms are internationalizing their operations through exports, financial investment and so on). Instead, this paper is concerned with the social production and social consumption of 'globalization' as a discursive phenomenon. More specifically, it explores the term as a management discourse which is deployed at a rhetorical and figurative level in relation to organizations and within organizational settings. This form of analysis is important because, as Fairclough (2007) has recently pointed out, there are "so many different 'voices' in the ongoing 'conversation' about globalization" (p. 6-7). Moreover, it provides a means of exploring the assertion that globalization "has been wielded as a heavyweight rhetorical resource, both in the wider practices and events of day-to-day life" (Fairclough & Thomas, 2004, p. 379).

There are three main parts to this paper. First, the nature and development of the globalization discourse is examined and the proliferation of the globalization literature is discussed. Then, a discursive framework based upon 'tropes' (i.e. figures of speech) is utilised to unpack the concept of globalization as a narrative formation. Finally, the ideological and practical implications of 'globalization as a trope' for organizing and the process of managing are subjected to critical scrutiny.

THE GLOBALIZATION OF THE GLOBALIZATION DISCOURSE

In her best seller, *World Class*, Kanter (1995) contends that: "Globalization is surely one of the most powerful and pervasive influences on nations, businesses, workplaces, communities and lives at the end of the twentieth century" (p. 11). Yet, as Held and McGrew (2007) have recently asserted, "Opinion divides over the evidence for, as well as the explanatory significance of, contemporary globalization" (p. 1-2). Hence, some commentators agree with Kanter's (1995) assertions on the prevalence of globalization, but for others, the impact is more hyped and socially constructed than it is concrete. For example, Bauman (1998) observes: "Globalization is on everybody's lips; a fad word fast turning into a shibboleth, a magical incantation, a pass key meant to unlock the gates to all present and future mysteries" (p. 1).

The significance of globalization for Bauman (1998) is the way that it is talked into being (i.e. as a buzzword). Steger (2003) reinforces Bauman's position, arguing that globalization has in fact "become *the* buzzword of our time" (p. 2). More specifically, it also resonates with Collin's (2000) view that it "has become a management buzzword" (p. 348) espoused by management gurus.

If globalization is a 'fad' or a 'buzzword' the expectation would be for it to follow the typical pattern observed for other so-called management fads (e.g. business process re-engineering, total quality management, empowerment). In particular, we might expect it to be characterized by a rapid upsurge in popularity, a levelling out of interest and then decline as it is superseded by another fad (Abrahamson, 1991; Huczynski, 1996; Kieser, 1997). Crainer (1997) asserts that: "It was only in the 1990s that pundits and academics began to take notice of the global reach of a growing number of businesses. They coined the phrase globalization and set about examining it" (p.133).

There are a number of anecdotal claims regarding: the emergence of globalization, its subsequent growth, and its pervasiveness. However, there is a paucity of empirical work in this area. Therefore, as part of the process of examining the discourse(s) of globalization, a systematic analysis of citations has been undertaken.

TRENDS IN THE GLOBALIZATION LITERATURE

In this section the results of an analysis of three decades of globalization-related publications are reported. Two main sources were used to establish a pattern within the literature. First, the British Library's OPAC (Online Public Access Catalogue) system was used to identify all books published during the last 25 years in which the word 'globalization' (and/or 'globalisation' - the English spelling) appeared either in the main title or the subtitle of publications. Second, the Social Science Citation Index was analyzed over an extended period (from 1976 to 2006). A keyword search enabled instances where 'globalization' was cited - either in the title, abstract or as a significant theme of a journal article - to be identified.

The analysis of book publications produced several interesting results. As Figure 1 below reveals, there has been a proliferation of globalization texts. In total, 3,548 books have been written of the subject since the first volume on the theme appeared in 1986. The general trend has been one of a consistent and marked increase in the volume of books on globalization that peaked around 2002-2003 and which has been followed by a period of gradual decline. Interestingly, the publication trend is remarkably similar to that exhibited for management fads and fashions.

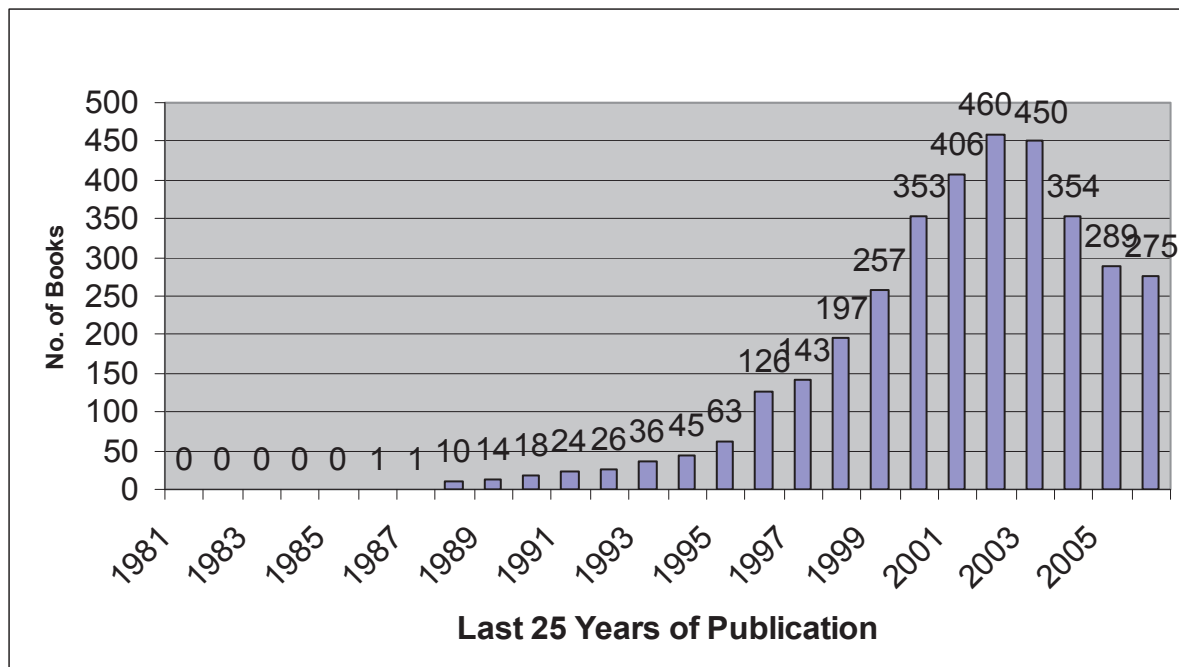


FIGURE 1— BOOKS PUBLISHED ON GLOBALIZATION SINCE 1981

Although the second source of data incorporated a larger sample than that for books (i.e. 7,983 journal articles on globalization), the general pattern of citation is similar. Table 1 (see below) also supports the view that the upsurge in ‘globalization’ work occurred in the late 1980’s. Furthermore, there is a comparable ‘plateauing out’ in the early to mid 2000’s with some signs of modest decline in the last few years (see Figure 2).

TABLE 1. ARTICLES REFERRING TO ‘GLOBALIZATION’ APPEARING IN THE SOCIAL CITATION INDEX BETWEEN 1976 AND 2006

Year	Total no. of articles in SSCI	No. of articles with globalization reference	No. of articles with globalization cited in title	% of articles with globalization reference	% of articles with globalization cited in title
1976	122,110	1	1	0.001	0.001
1977	126,310	0	0	0.000	0.000
1978	127,241	0	0	0.000	0.000
1979	124,200	1	1	0.001	0.001
1980	118,072	0	0	0.000	0.000
1981	120,367	0	0	0.000	0.000
1982	125,930	0	0	0.000	0.000
1983	126,791	2	2	0.002	0.002
1984	121,432	1	1	0.001	0.001
1985	122,128	2	2	0.002	0.002
1986	129,122	1	1	0.001	0.001
1987	121,612	7	6	0.006	0.005
1988	116,384	3	3	0.003	0.003
1989	120,779	11	7	0.009	0.006
1990	120,975	9	5	0.008	0.004
1991	122,806	18	9	0.015	0.007
1992	125,931	60	11	0.048	0.009
1993	129,324	66	16	0.051	0.012
1994	127,848	91	19	0.071	0.015
1995	144,394	123	39	0.085	0.027
1996	147,685	192	41	0.130	0.029
1997	142,705	306	76	0.214	0.053
1998	141,930	458	88	0.323	0.062
1999	143,631	494	94	0.344	0.065
2000	145,280	713	156	0.491	0.107
2001	150,850	757	136	0.502	0.090
2002	135,692	855	153	0.630	0.113
2003	152,906	862	149	0.564	0.097
2004	132,707	923	137	0.696	0.103
2005	170,845	975	127	0.571	0.074
2006	164,804	1052	130	0.638	0.079

A feature of the popularity and pervasiveness of citation that is worth drawing attention to is the number of globalization articles expressed as a proportion of the total volume of social science articles. At the peak of the phenomenon, 1 out every 144 articles (i.e. 0.70% of all work

published in 2004 in the Social Science Citation Index) made reference to globalization as a central, or at least significant, theme. Given the range and breadth of social science research, this is a substantial level of citation.

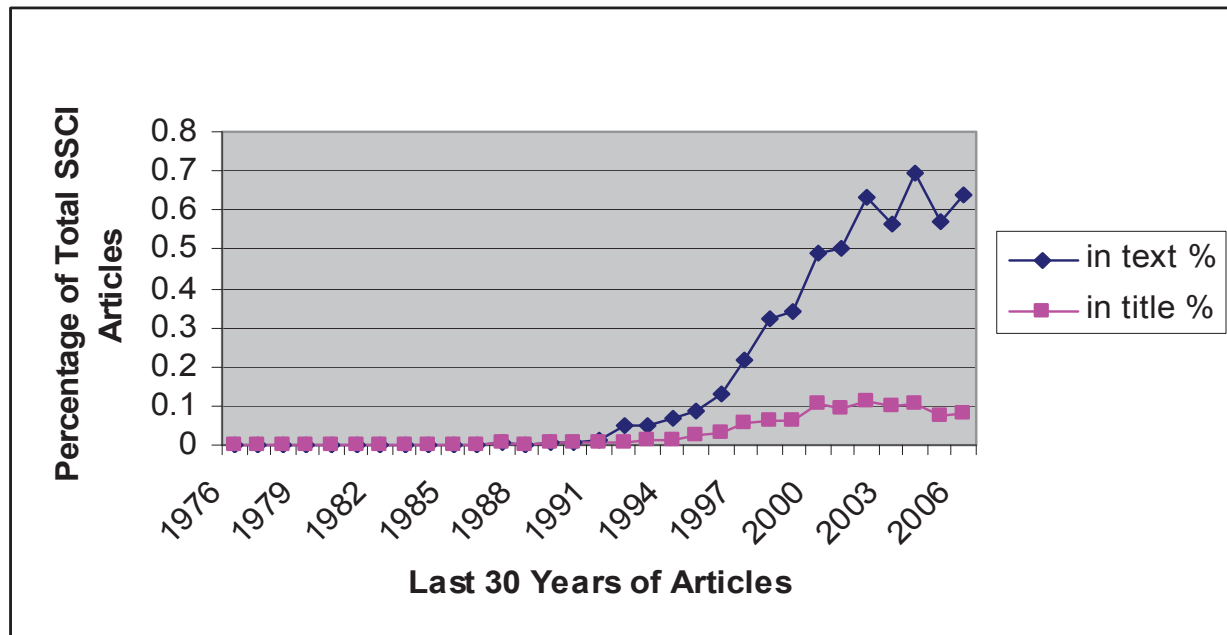


FIGURE 2. ARTICLES ON GLOBALIZATION IN THE SOCIAL SCIENCE CITATION INDEX BETWEEN 1976 AND 2006

The advent and rapid growth in popularity of globalization certainly bears the hallmarks of a fad (i.e. rapid growth, plateau, and then decline) albeit that at this juncture the evidence indicating significant decline is somewhat limited. However, this assertion is, to a certain extent, supported and anticipated by key globalization texts appearing in the early 2000's. In particular, the publication of *The End of Globalization* (Rugman, 2000) and *Beyond Globalization* (Henderson, 2000) perhaps explicitly signalled, and simultaneously contributed to, an imminent shift through the use of terms like “the end of” and “beyond”. More recently, Ferguson (2005) has talked of ‘sinking globalization’ and Rosenberg (2005) has pronounced that “the age of globalization is unexpectedly over” (p. 35).

With a substantial proportion of the social science output appearing in journals over the past year relating to globalization, further questions arise about the nature, content and focus of these contributions. One of the implications is that with so much contemporary usage, the term ‘globalization’ has sufficient etymological license to enable it to be applied in a variety of ways to a variety of phenomena. It is to this latter point that we now turn our attention.

GLOBALIZATION AS TROPE

For our purposes a trope can be regarded as a figure of speech where a word is used in a sense other than the conventional or literal one for which it is intended (de Man, 1978; Gibbs, 1993).

The study 'globalization tropes' is central to understanding the motives and philosophy which underpin the faddish quality of the concept. This becomes possible on the basis that:

“Every trope constitutes an impropriety, because a trope by definition causes a deviation from the proper meaning of the word; however, the propriety of literalness as a goal becomes subordinated to the effect that the speaker/writer hopes to achieve” (Rowe, 1997, p.125).

Although there is a bewildering array of tropes we shall concern ourselves with what have been described as the four 'master' tropes - metaphor, metonymy, synecdoche and irony (Manning, 1979; Morgan, 1983; White, 1978). In the following sections these tropes are applied to the discourse of globalization.

GLOBALIZATION AS METAPHOR

Metaphor is the most popular and widely used of the master tropes (Oswick & Grant, 1996). It involves the mapping or projection of attributes from a relatively familiar domain to another less familiar one (Lakoff & Johnson, 1980). This process of transference is used to generate new insight or meaning (Grant & Oswick, 1996; Morgan, 1980).

The power of metaphor resides in the potential to create 'vivid and compact' images (Ortony, 1975) and provide new 'ways of thinking and seeing' (Morgan, 1986). In particular, it is claimed that they have a 'generative quality' (Schon, 1993) and that they offer "an invitation to see the world anew" (Barrett & Cooperrider, 1990, p. 222). However, by illuminating particular properties and characteristics of a given object or subject they de facto overshadow and obscure others. Hence, metaphors create 'partial truths' (Morgan, 1996). As such they can reify and ideologically distort phenomena (Tinker, 1986).

Although not immediately obvious at a surface level, there appear to be two 'root metaphors' (Oswick & Grant, 1996) embedded within the dominant globalization discourse, namely; 'globalization *as* quasi-utopia' and 'globalization *as* golden opportunity'. The 'quasi-utopia' metaphor projects globalization as being beneficial for everyone. It is built upon the notion of convergence towards a 'global free market' (Gray, 1999). Moreover, the subtext of the metaphor conjures up evocative and seductive images of peace, prosperity and equality across nations united as a collective whole. This is exemplified in the more overt deployment of metaphors such as the 'borderless world' (Ohmae, 1994) and 'the global community' (Kanter, 1995). As Collin's (2000) notes, firms and individuals who do not endorse Kanter's (1995) notion of 'global community' are to be regarded as "misguided, parochial and, at times, xenophobic" (p. 357).

The 'golden opportunity' metaphor is constructed around the notion that businesses have the chance to 'buy in' to a special and unique development (i.e. globalization). Management gurus extol the virtues of businesses winning on the international stage and becoming 'transnational industries' (Ghoshal & Bartlett, 1998). They also warn of perils of not embracing 'the golden opportunity'. For instance, Kanter (1995) describes those who commit themselves to globalization as 'cosmopolitan groupings of business leaders' while those who do not are

dismissed as ‘isolates’. Equally, Peter Drucker (cited in Crainer, 1997) rather ominously warns: “There will be two kinds of CEOs who exist in the next five years; those who think globally and those who are unemployed” (p.133).

The common feature of both the ‘quasi-utopia’ and ‘golden opportunity’ metaphors are that the ‘partial truths’ they create are inherently upbeat and in both cases those who do not embrace the metaphor are denigrated (e.g. isolated, parochial and xenophobic). In this regard, they do ‘act as ideological distortions’ (Tinker, 1986) by providing highly positive and optimistic images. These images rely on a contestable or false connection being made regarding the degree of overlap between globalization and the metaphor employed. For example, one of the subliminal connotations of similarity between ‘globalization’ (as the target domain) and ‘quasi-utopia’ (the metaphor) is that they both generate harmony and happiness. This appropriation of the ‘positive’ in turn leads to a marginalization of alternative readings which typically consider ‘negative’ issues such as elitism, poverty, disenfranchisement and subordination (Chossudovsky, 1996; Collins, 2000). However, with the emergence of the anti-globalization movement the marginalized voice is becoming less marginalized. Indeed, with the advent of high profile anti-globalization protests and best-selling books such as *No Logo* (Klein, 2000), *Fast Food Nation* (Schlosser, 2001) and *The Corporation* (Bakan, 2004) one might even say that anti-globalization position has become increasingly more appealing to a mainstream audience.

GLOBALIZATION AS METONYMIC AND SYNECDOCHIC

Unlike metaphor, which involves two domains, metonymy and synecdoche both rely upon an exchange between parts of the same broadly defined domain. Synecdoche is a contiguous mapping, which on occasions can relate cause and effect, but more typically involves a part-whole substitution (Gibbs, 1993). An example of this substitution is provided by Gibbs (1993), who suggests that ‘referring to a baseball player as a glove, as in “we need a new glove at second base” (p. 258-259), uses a salient characteristic of one domain (the glove part of the baseball player) to represent the entire domain (the player). Metonymy occurs when a word denoting an attribute or an adjunct of a particular thing is used to represent the thing itself. For instance, the word ‘Biro’, which is the name of the Hungarian inventor, has come to represent the ball-point pen that he invented.

Given that metonymy and synecdoche attend to aspects of substitution (encompassing part-whole substitutions and cause-and-effect relationships), it would appear that within the extant literature the term ‘globalization’ has developed as an umbrella concept for a variety of disparate phenomena. As such, it has become the ‘whole’ which is used to represent a multitude of constituent ‘parts’. In particular, anything which has a degree of dispersal or has widespread appeal is susceptible to the claim that it has been ‘globalized’ or is part of the globalization process. Notable examples of this tendency, drawn from the sample ‘globalization books’ (see figure 1), include the globalization of: the West Indies cricket team, (Beckles, 1999); Scandinavian social democracy (Greyer, 1999); Canadian universities (Bond & Lemasson, 2000); Korean values (Alford, 1998); charismatic Christianity (Coleman, 2000); and, Chinese food (Wu & Cheung, 2000).

There is also an interesting dynamic to the cause-effect relationship between the activities of business and globalization. On the one hand, globalization is presented as a phenomenon driving corporations and one which businesses are compelled to react to (i.e. globalization *as* 'cause'). Yet on the other, it can be argued that it is business activity which creates globalization (i.e. globalization *as* 'effect'). It is perhaps better to view globalization as both a cause and an effect, insofar as it forms a kind of mutually implicated, self reinforcing loop with business activity. This symbiotic relationship may, at least in part, explain the endurance of the 'globalization as golden opportunity' metaphor.

GLOBALIZATION AS IRONY

Irony, the final master trope, like metaphor entails mappings across two domains, but is based upon the 'juxtaposing of opposites' (Brown, 1977). It involves the use of the inappropriate in order to describe something in a paradoxical and contradictory way. An example given by Gareth Morgan (1983) is that of anarchy as a good form of organization.

If irony results from the juxtaposing of opposites, then globalization provides fertile ground for this form of inherent contradiction. As a starting point, it could be argued that, as demonstrated above, simultaneously being its own 'cause' and 'effect' gives globalization an ironic quality. The 'global versus local' dimension also has overtones of irony. We are told by Naisbitt and Aburdene (1991) to 'think global' and 'act local'. This presents a catchy coupling of the 'local-global' and 'think-act' dualisms, but what does it mean? It must be ironic. How can one do anything other than 'act locally'? As an alternative, what would 'acting globally' look like? Any global activity has to start with local action. For example, destroying the planet by detonating an atomic bomb (a 'global activity') has to commence with a local action (i.e. someone pressing the button). Equally, the world-wide initiatives of business corporations are manifestations of acting locally.

Arguably there is a deeper and more significant irony at work in the globalization discourse: a new phenomena which is actually quite old. For many, globalization is inextricably linked to new technology, deregulation and the opening up of new markets and, as such, is perceived as a relatively recent development (Kanter, 1995; Levitt, 1983). For others (Bauman, 1998; Waters, 1998), globalization is an old and well established phenomena rather than a new one. As Crainer (1997) puts it: "Globalization is nothing new. Business has been an international affair since the Phoenicians and the Roman Empire Inc. was a global organisation even without the miracles of instant communication" (p. 133).

As Collin's (2000) concludes: "Globalization is presented as a new departure when evidence suggests it is the continuation of an established socio-economic trend" (p. 373). This arguably reveals the ultimate source of irony: given the apparent longevity of globalization, it may not be a fad after all!

FROM GLOBALIZING TO ORGANIZING: THE MANAGEMENT IMPLICATIONS

Held, McGrew, Goldblatt, and Perraton (1999) have provided a classification of three orientations towards globalization: hyperglobalists (those who see it as something new), sceptics

(who question the significance and actuality of globalizing trends) and transformationists (who see it as a complex and variable phenomenon). These basic positions can be aligned to the tropological analysis presented in the previous section and the connections are summarised in table 2.

**TABLE 2. SUMMARY OF AGENT, POSITIONS AND TROPES
IN RELATION TO GLOBALIZATION**

AGENTS (based on Held et al, 1999)	DISCURSIVE POSITION ON GLOBALIZATION	TROPOLOGICAL EMPHASIS
Hyperglobalists	Globalization is a real and significant epoch (i.e. dramatic changes in trade, finance and governance).	Metaphor: <ul style="list-style-type: none"> • Globalization <i>as</i> quasi-utopia • Globalization <i>as</i> golden opportunity
Transformationists	Globalization is constituted as a diverse and varied bundle of processes and practices (i.e. there are different types).	Metonymy/Synecdoche: <ul style="list-style-type: none"> • Part-whole substitution - globalization <i>as</i> umbrella concept for other phenomena. Cause-effect relationship - globalization <i>as</i> a driver of various forms of business activity.
Sceptics	Globalization is nothing new (i.e. it is part of an old, established and ongoing process).	Irony: <ul style="list-style-type: none"> • Juxtaposing of opposites – globalization <i>as</i> a ‘new’ phenomena which is actually quite ‘old’. Simultaneous ‘cause’ and ‘effect’ – globalization creates business and business activity creates globalization.

The globalization discourse, as an amalgam of tropes, offers considerable scope to be utilised by managers to exercise leverage over employees. It assists in the ‘management of meaning’ (Gower & Legge, 1983) by laying claim to the territory of the ‘good’ and ‘proper’ (Gergen, 1999) and, in doing so, creating a single uncontested ‘univocal account’ (Boje, 1995).

The privileging of the dominant trope-based meta-narrative of globalization enables management to colonize commitment and maintain the managerial prerogative in a subtle and seemingly non-confrontational way. Unlike overtly using the threat of competition, which is clearly negative and contestable, globalization allows management to present micro-level initiatives (e.g. flexible working, re-structuring, and so on) as positive and as unchallengeable. The activity has positive connotations because it is couched as enabling the company to grasp a ‘golden opportunity’ and it is difficult to challenge because globalization is such a pervasive and slippery concept it becomes difficult to grapple with something which simultaneously means everything and nothing.

The micro-application of the globalization discourse by managers has a further source of advantage when compared to other management fads. This advantage relates to attribution theory (Kelley, 1967). Most fads (such as TQM, BPR) can be construed as having an internal attribution (e.g. management *choose to* implement BPR). By contrast globalization permits management to create an illusion of external attribution (e.g. we *have to* respond to globalization - there is no choice!). As a force outside of the organization (i.e. external to it), the locus of control of globalization is beyond the boundaries of any single organization. The discursive construction of globalization as incontrovertible and uncontrollable is critical to establishing external attribution and, as such, a sophisticated strategy of management control. This parallels the way in which management gurus peddle fads through the creation of a 'grammar of imperatives' (Collins, 2000). In order to change the 'imperatives', we need to change the tropes by uncovering and promoting alternative readings of globalization.

CONCLUSIONS

The bibliometric analysis of globalization has revealed that there has been a burgeoning literature on globalization (i.e. more than 3,500 books on globalization since 1986 and almost 9,000 journal articles). That said, the trend is not one of ever-increasing popularity. The publication of work on globalization peaked in the early to mid 2000's and this has been followed by a gradual decline in published material. It has been argued that the reduced prominence of the term 'globalization' is, at least in part, attributable to the increasing momentum of an anti-globalization discourse.

Beyond the bibliometric work which has tracked the prevalence and trajectory of globalization, the tropological analysis of globalization has demonstrated how the term is typically used in a figurative and rhetorical, rather than literal, sense. The analysis of tropes revealed three main things. First, within the popular management discourse highly evocative and positive images of globalization are presented via the deployment of seductive metaphors. Second, as a synecdochic device, globalization is enlisted as a generic blanket term to represent and justify a wide, disparate and often dubious repertoire of concepts, activities and outcomes. Finally, the irony of globalization is that while most management-related fads seek to historically locate themselves as having some form of sustained continuity (i.e. not a passing fad), globalization denies its past by presenting itself as a recent development. In summary, globalization is presented as something new (irony), with universal application (synecdoche and metonymy) and consistently positive outcomes (metaphor). These attributes bear an uncanny resemblance to the archetypal set of truth claims made on behalf of all management fads.

Finally, as a macro-construct, which operates on a largely figurative basis, the concept of globalization has been utilized by managers to instigate micro-level initiatives and exercise their managerial prerogative. By drawing upon globalization, organizations are able to present localized change activities as positive and incontrovertible (i.e. as a response to global opportunities). Moreover, and in terms of attribution, globalization also enables managers to externalize the forces for change (i.e. as driven by 'external global pressures' rather than 'internal politics and preferences').

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PERCEPTIONS OF EARNINGS MANAGEMENT: COMPARING U.S. AND GERMAN ACCOUNTING STUDENTS

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ABSTRACT

Earnings management has attracted a large amount of attention in the U.S. literature. With the continued expansion of companies into the global marketplace and the internationalization of capital markets, it is increasingly important to examine the views of earnings management from an international perspective. The purpose of this study is to increase our understanding of accounting students' perceptions regarding the practice of earnings management, and whether those perceptions are influenced by nationality. Comparing U.S. accounting students to German accounting students we predict that there will be differences in perceptions of the ethical acceptability of earning management due to cultural differences and financial reporting environment differences in Germany. Ninety-five students (59 from the U.S. and 36 from Germany) were asked to evaluate the ethical acceptability of 13 earnings management activities. Our results show that for all scenarios, the U.S. students object more strongly to earnings management practices than do the German students.

INTRODUCTION

Earnings management can be defined in many different ways. The former SEC chair, Arthur Levitt (1998), defines it as "accounting hocus-pocus" (p. 16) where flexibility in financial reporting is exploited by managers who are trying to meet earnings expectations. Healy and Wahlen (1999) explain that "earnings management occurs when managers use judgment in financial reporting and in structuring transactions to alter financial reports either to mislead stakeholders or influence accounting numbers" (p. 368). Another definition is "purposeful intervention in the external financial reporting process with the intent of obtaining some private gain" (Schipper 1989, p. 92). In general, earnings management is a strategy used by the management of a company to deliberately manipulate the company's earnings so that the figures match a pre-determined target.

Some managers may view earnings management as a legitimate managerial tool that is useful for fulfilling their responsibilities to maximize shareholder returns. However, many others view earnings management as misleading at best and unethical at worst. Given the discretion and judgment accounting practitioners and managers can exercise, it is desirable to have knowledge about how different people perceive the acceptability of earnings management practices (Fischer & Rosenzweig, 1995).

Highly publicized corporate scandals such as Enron and WorldCom have aroused fresh interest in the issue of earnings management. Over the past decade, earnings management has attracted a large amount of attention especially in the U.S. literature. Now, with the continued expansion of companies into the global marketplace and the internationalization of capital markets, it is increasingly important to examine the views of earnings management from an international perspective. The purpose of this study is to increase our understanding of accounting students' perceptions regarding the practice of earnings management, and whether those perceptions are influenced by nationality. Specifically we examine whether accounting students from the U.S. and Germany differ significantly in their perceptions about the practice of earnings management.

BACKGROUND

American and German perceptions on earnings management are likely to differ for two reasons. First, U.S. and German firms operate in different financial reporting environments and thus have different motivations and incentives for earnings management. As described by Glaum, Lichtblau and Lindemann (2004) in their research, the U.S. is a country with a highly developed securities market, a case law system, clearly segregated financial and tax accounting systems, and a shareholder-oriented system of corporate governance. Investors are heavily dependent on information supplied in financial statements and investor expectations therefore play an important role as a determinant for earnings management. By contrast, Glaum et al. (2004) explain that stakeholders in most German companies are banks, other financial institutions, and the government. These equity and debt financing sources result in less need for public disclosure since public investing in a company is more limited. Germany is also a code law country, has closely connected financial and tax-accounting systems, and a stakeholder-oriented system of corporate governance.

Given the significant differences in reporting environments, previous studies have compared the presence and degree of earnings management in U.S. and German firms. Some studies provide evidence that German companies manage earnings more than U.S. companies (Daske, Gebhardt, & McLeay, 2003; Luez, Nanda, & Wysocki, 2003). However, Brown and Higgins (2001) find that U.S. companies resort to earnings management in order to avoid reporting earnings below analyst' forecasts more often than German companies and Glaum et al. (2004) find no significant earnings management practice differences between the U.S. and Germany.

Secondly, cultural differences could play a role in why U.S. and German accounting students' perceptions on earnings management practices may differ. Culture is, as the social researcher G.P. Ferraro (2006) said, "everything that people have, think, and do as members of society" (p. 18). Several studies have demonstrated how cultural settings are an important individual conditioning factor (Hofstede, 1980, 1984, 1991; Poortinga, 1989; Triandis, 1985, 1989; Wines & Napier, 1992). According to Hofstede (1980, 1991), perceptions and actions of individuals

will be influenced by cultural factors individuals have been exposed to throughout their lives. Hofstede's (1980) study and later extensions extracted five primary dimensions to differentiate cultures: power distance, individual/collectivism, masculine/feminine, uncertainty avoidance, and Confucian dynamism. This taxonomy is the most widely used framework for differentiating among cultures in the accounting literature. These five cultural dimensions are thought to have a profound and lasting impact on the ethical perceptions and decisions of individuals from different countries (Cohen, Pant, & Sharp, 1996).

One of the key cultural differences between Germany and the United States is the level of tolerance for uncertainty and ambiguity within a society, which Hofstede (2001) labels "uncertainty avoidance" (p. 87). Germany is classified as a strong uncertainty avoidance country while the United States is classified as a weak uncertainty avoidance country. Strong uncertainty avoidance countries, like Germany, have a low tolerance for uncertainty and ambiguity. As Schmidt (2007) explains, there are more rigid rules of behavior, laws are stricter, and penalties heavier. Laws and regulations are instituted to reduce the amount of uncertainty. In a weak uncertainty avoidance country, there tends to be less discomfort with uncertainty and ambiguity and more tolerance for flexibility. This is reflected by a society that is less rule-oriented and more readily accepts change. Organizations are more flexible and people more easy-going and creative in weak uncertainty avoidance countries. Interestingly, Schmidt (2007) notes in his research that although Germany tends to implement rules and regulations for greater control, this tendency towards regulation does not apply to business ethics. While American firms regularly institute ethical codes of conduct, German firms instead tend to rely on the "informal mechanisms of social control within the company" (p. 79).

Another key cultural difference between Germany and the U.S. is the level of individualism. The U.S. is a very individualistic society where people are more concerned for themselves than others. In contrast, Germans place more value on doing things for the good of the group. Schmidt (2007) notes that Americans take great pride in their individualism and see themselves first as an individual and second as a member of a group or an organization. Consequently the views of the individual may differ from the views of the group. American values encourage individuals to report unethical activities. In contrast, Schmidt (2007) says that Germans are more likely to make decisions according to the group, not personal beliefs and are less likely to be a whistle-blower on another member of their group because "whistle-blowers are seen as outsiders rather than heroes" (p.79). German workers feel a great sense of loyalty towards the organization.

While interest in business ethics and regulatory rules and standards has increased considerably in Europe over the last decade, it is not near the persistent public concern with the integrity of business behavior as in the U.S. An example of the U.S.'s focus on business ethics is the adoption of Sarbanes-Oxley in 2003 following the Enron and Worldcom scandals. In the U.S., unethical practices are now punished with prison terms and heavy financial penalties.

Several prior studies (i.e. Becker & Fritzsche, 1987; Karnes, Sterner, & Wu, 1989) suggest that individual ethical judgments are influenced by national origin. Becker and Fritzsche (1987) compared the ethical beliefs of marketing managers from the U.S., France, and Germany and found significant differences related to nationality. Karnes et al. (1989) studied the ethical perceptions of accountants from the U.S. and Taiwan. The American accountants were found to

be more concerned about the legal consequences of their actions, while the Taiwanese accountants were more concerned about how their group would be affected. While the precise impact of national culture on individual perception and decision-making is not entirely resolved in the literature, culture is likely to influence students' perceptions in some way.

Based on the preceding discussion, we believe that U.S. and German students' perceptions of the ethical acceptability of earnings management may differ. Thus, the hypothesis we test in this paper is:

H₁: There are differences in perceptions of the ethical acceptability of earnings management between accounting students in the U.S. and accounting students in Germany.

METHODOLOGY

Subjects

There were 95 participants in this study; 59 undergraduate accounting students (either at the junior or senior level) from a large public university in Minnesota and 36 undergraduate accounting students from a university in Germany. Participation was voluntary and the responses to the questionnaire were anonymous.

The students ranged in age from 20 to 51 years with a median age of 23. All students were accounting majors and have completed an average of 7 accounting classes at the time of the survey. Fifteen percent of the U.S. students, compared to none of the German students, had studied abroad during college and over 40% of the students participating in this study had completed an internship.

TABLE 1. GENDER DEMOGRAPHICS

	<i>Male</i>	<i>Female</i>	<i>Total</i>
U.S. Students	27	32	59
German Students	24	12	36
Total	51	44	95

TABLE 2. OTHER DEMOGRAPHICS

	<i>U.S. Students</i>	<i>German Students</i>	<i>All Students</i>
Accounting Classes Completed	9.78	2.09	6.88
Previously Studied Abroad	15%	0%	9.5%
Completed an Internship	29%	67%	43%

EARNINGS MANAGEMENT QUESTIONNAIRE

The students responded to a questionnaire that asked them to evaluate the ethical acceptability of 13 earnings management activities. The scenarios were originally developed by Bruns and Merchant (1990) and subsequently used by Merchant and Rockness (1994), Fisher and Rosenzweig (1995), and Clikeman, Geiger, and O'Connell (2001) to study accountants' perceptions of the ethics of earnings management. The scenarios address practices such as delaying (accelerating) discretionary expenses to increase (decrease) earnings and manipulating inventory reserves. Students responded to each scenario using a 5-point Likert scale ranging from 1 for "ethical practice" to 5 for "totally unethical". Higher scores correspond with higher degrees of ethical unacceptability. The German students responded to a questionnaire written in German that was translated by a professional translation firm.

RESULTS AND ANALYSIS

The 13 scenarios describe a variety of earnings management techniques. Table 3 presents the mean responses to each of the earnings management scenarios. The mean responses varied widely among the scenarios. The students objected most strongly to the practice of writing down inventory as obsolete when the managing group believed the majority of inventory could be sold in the future at close to full price (scenario 5b; mean = 4.05). Students had the least objection to painting a building early when the division was ahead of its profit target (scenario 1; mean = 1.23).

COMPARISON OF U.S. STUDENTS AND GERMAN STUDENTS

The second and third columns of Table 3 report the mean responses of the 59 U.S. students and the 36 German students. A univariate t-test and Wilcoxon signed-rank test were used for each scenario to compare the responses of the two groups of students. The results indicate that the U.S. and German students differ significantly (at the $p < .05$ level) for all but two scenarios (5b and 6a).

For all the scenarios, the U.S. students *object* more strongly than do the German students¹. In order to test for any aggregate culture effects, the responses were also analyzed using multivariate analysis of variance (MANOVA). This analysis assesses student responses across all 13 vignettes. The results of this multivariate analysis indicate a significant overall difference between responses of U.S. students and German Students ($F = 10.81$). These findings support our univariate test results.

TABLE 3. MEAN RESPONSES TO EARNINGS MANAGEMENT SCENARIOS

<i>Scen-ario</i>	<i>All Students (n=95)</i>	<i>U.S. Students (n=59)</i>	<i>German Students (n=36)</i>	<i>Signif.</i>
1 Paint building early	1.23	1.32	1.08	.023
2a Defer expenditures from March to April	2.61	3.13	1.78	.000
2b Defer expenditures from Dec. to Jan.	3.27	3.86	2.33	.000
3 Record supplies next year	3.38	3.84	2.64	.000
4a End of year sales program	2.47	3.02	1.61	.000
4b Overtime in December	1.57	1.78	1.22	.000
4c Sell unused assets	1.42	1.64	1.06	.000
5a Prepay \$60K travel expenses	3.18	3.78	2.19	.000
5b Writedown \$700K inventory	4.05	4.19	3.83	.064
6a Writeup inventory – product development	2.93	3.1	2.64	.063
6b Writeup inventory – meet budget	3.66	3.88	3.33	.008
7a Delay recording \$30K invoice	2.77	3.43	1.69	.000
7b Delay recording \$500K invoice	3.45	4.13	2.39	.000

¹ We also compared mean responses of male and female students using a t-test to assess differences in responses due to gender. We found significant differences for scenarios 3, 4a, 5a, and 6a. In all 4 four scenarios, the female students found the scenario a more serious ethical infraction than the male students.

SITUATIONAL FACTORS THAT INFLUENCED JUDGMENTS

Merchant and Rockness (1994) report that (1) type, (2) direction, (3) materiality of the manipulation, and (4) the intentions of the manager committing the manipulation will influence accountants' perceptions on the ethical acceptability of earnings management. Following is a brief examination of these four categorical issues regarding earnings management. Table 4 reports the influence of these four factors on the students' ethical judgments.

TYPE OF MANIPULATION (TYPE)

Earnings can be managed either by altering the recording of existing transactions (accounting manipulation) or by timing year-end transactions to move revenues and expenses into the desired reporting period (operating manipulation). An example of an accounting manipulation would be to adjust the amount of reserve to increase or decrease reported net income.

TABLE 4. MEAN VALUES OF FACTORS THAT INFLUENCE EARNINGS MANAGEMENT JUDGMENTS

Variable	Description	All Students (n=95)	U.S. Students (n=59)	German Students (n=36)	Signif.
ACC	$(3 + 5a + 5b + 6a + 6b + 7a + 7b)/7$	3.35	3.76	2.67	.000
OPER	$(1 + 2a + 2b + 4a + 4b + 4c)/6$	2.10	2.46	1.51	.000
TYPE	ACC – OPER	1.25	1.31	1.16	.276
DIR	$2b - 1$	2.04	2.53	1.25	.000
MAT	$7b - 7a$.69	.69	.69	.997
INTENT	$6b - 6a$.73	.78	.69	.620

Offering special terms to customers at year-end to advance sales from next year to this year is an example of an operating manipulation (Fisher & Rosenzweig, 1995). Merchant and Rockness (1994) report that accountants judge accounting manipulations to be more serious ethical violations than operating manipulations. Scenarios 3, 5a, 5b, 6a, 6b, 7a, and 7b describe accounting manipulations. Most of these scenarios involve practices that violate U.S. GAAP. The students' mean response to the seven accounting manipulation scenarios (ACC) is 3.35. Scenarios 1, 2a, 2b, 4a, 4b, and 4c describe operating manipulations. These scenarios do not violate accounting rules, but involve operating decisions to move revenues and expenses from one period to another. The students mean response to the six operating manipulation scenarios (OPER) is 2.10. The difference between the responses to ACC and OPER has a mean value of 1.25 and is significantly different from zero at $p < .000$ ($t = 19.408$). Consistent with prior research (Merchant & Rockness, 1994; Clikeman et al., 2001), accounting students find violations of accounting rules more ethically troubling than operating manipulations of income.

DIRECTION OF MANIPULATION (DIR)

Scenarios 1 and 2b are similar except that scenario 1 involves accelerating a discretionary expenditure to reduce current period income and scenario 2 involves delaying a discretionary expenditure to increase current period income. The difference between the responses to scenarios 1 and 2b (DIR) has a mean value of 2.04 and is significantly different from zero at $p < .000$ ($t = 14.624$). Accounting students consider it an ethical infraction to delay expense in order to increase reported income, but object less strongly to operating manipulations that reduce reported income.

MATERIALITY (MAT)

Scenarios 7a and 7b are identical except for the amount of the unrecorded liability. The difference between the response to 7a and 7b (MAT) has a mean value of .69 and is significantly different from zero at $p < .000$ ($t = 9.881$). Students judge the omission of a large liability to be a more serious infraction than the omission of a small liability.

INTENTIONS (INTENT)

Scenarios 6a and 6b are identical except for the manager's motives to manage earnings. In 6a the manager wants to report higher earnings to obtain funding for important product development projects, while in 6b the manager simply wants to meet the division's budgeted profit targets. The difference between the responses to scenarios 6a and 6b (INTENT) has a mean value of .73 and is significantly different from zero at $p < .000$ ($t = -8.214$). Students find earnings management more ethically acceptable if it is committed with "good" intentions.

COMPARISON OF U.S. STUDENTS AND GERMAN STUDENTS

The second and third columns of Table 4 report the mean values of TYPE, DIR, MAT, and INTENT for the U.S. and German students. The only significant difference between U.S. and German students is for DIR, $p = .000$. The U.S. students objected more strongly to income-increasing manipulations over income-reducing manipulations than the German students. There are no differences between the U.S. students and German students for TYPE, MAT or INTENT. This provides little evidence that U.S. and German students differ on these situational factors.

LIMITATIONS

In interpreting the results of this study, the following study limitations should be considered. First, the sample size was relatively small. Small samples make significance more difficult to achieve and the significant differences found may indicate the presence of large real differences. Second, the sample sizes for the two countries were unequal, and this may have affected the results. However, the statistical analysis techniques used were conservative and adjusted for sample size. Third, the study has not controlled for extraneous variables, such as age or work experience of subjects, which could impact the findings. Finally, using accounting students from Germany and the U.S. might potentially impact the external validity of our results and may not adequately represent the views of German or US managers.

DISCUSSION AND IMPLICATIONS

Earnings management is one of the most important practical ethical issues faced by accountants. Accountants are responsible for publishing fair and reliable financial statements, but many incentives exist for companies to try to move their reported earnings toward a desired goal. Prior research reveals wide disagreement among accountants regarding the ethical acceptability of earnings management (Bruns & Merhcant, 1990; Clikeman et al. 2001; Merchant & Rockness, 1994).

Our study hypothesizes that there will be differences in perceptions of acceptability of earnings management between U.S. and German accounting students due to differences in financial reporting environments as well as cultural factors. Based on mean responses to a 13 scenario questionnaire, we find that U.S. and German accounting students' perceptions of the acceptability of earnings management differs significantly. U.S. students object more strongly to the earnings management scenarios than do the German students. This was true for eleven out of thirteen scenarios. Prior research has found differences in earnings management practices between U.S. and German firms and also differences in perceptions of earnings management between groups of different nationalities. This study furthers those findings.

In this study we also looked at situational factors that may influence perceptions on the ethical acceptability of earnings management. We found that both U.S. and German students object more strongly to accounting manipulations than to operating manipulations. They judged violations of GAAP less ethically acceptable than operating manipulations that accomplish similar results without breaking any explicit accounting rules. We also found that both groups of students objected more to decreasing earnings than increasing earnings, immaterial infractions than material infractions, and objected less to manipulations if they were for "good" intentions. There was only one significant difference, direction of manipulation, between U.S. and German students for the individual cases. Compared to German students, U.S. students more strongly object to income increasing manipulations than decreasing manipulations.

One of the primary environmental differences between the U.S. and Germany that may explain our results pertains to the relationship between tax reporting and financial reporting. One of the key objectives of financial reporting in the U.S. is to provide useful information for those making investment and credit decisions. While U.S. companies do try to minimize income taxes, they are able to do so while simultaneously maintaining more transparent numbers for financial reporting purposes. In Germany, most companies essentially are required to use the same numbers for tax and financial reporting. Thus, financial accounting in Germany is significantly influenced by a company's desire to minimize taxes. In years of strong profits, firms will attempt to report a more moderate level of income to reduce taxes by adopting the most conservative options available within the rules. As a result, earnings management for the purpose of minimizing taxes may be acceptable in Germany and actually represent good corporate management so long as it does not violate specific laws.

Another environmental difference that may have significant impact on the view of earnings management and may help explain our results pertains to the stakeholder differences between

U.S. and German companies. In Germany, banks are significant stakeholders both as investors and lenders. Historically, German companies had little concern with adequate disclosure in their financial statements. Since the banks were deeply involved with the company in a variety of ways, banks did not need to rely on publicly available information and disclosure of annual results was not considered important. With the integration of European Union reporting rules into German code law, disclosure now is more transparent. However, changing the reporting culture probably is not easy given the prior tendencies. While fuller disclosure may now be required, the concept of secrecy and managed earnings may still exist.

The U.S. and Germany also differ on the degree of conservatism embedded in each country's accounting rules. As discussed earlier, Germany is considered a strong uncertainty avoidance country. Countries that rank high on uncertainty avoidance are more likely to rank highly in terms of conservatism as well. Douppnik and Perera (2007) describe in their book that German accounting follows a strongly conservative approach that stems from a fundamental concern with creditor protection and the perceived need to cope with the uncertainty of future events. German accounting philosophy has been that conservative balance sheet valuations are important for creditor protection. Douppnik and Perera (2007) go on to explain that consistent with this philosophy, German companies have a preference for more conservative measures of profit and have even embedded conservatism into the law. Some of the earnings management practices in this study may have been viewed by the German students as reasonable within a conservative framework rather than an unethical or unacceptable practice.

Substance over form leads to more transparent financial reports and probably makes it somewhat more difficult to manage earnings. In the US substance over form prevails throughout our accounting rules. In many transactions, for example in capitalized lease situations, German accounting rules allow form over substance. German companies have more freedom to write down assets as impaired. This conservative approach, which is part of the cultural business environment, might make it easier for German companies to justify the management of earnings. Another example of a common accounting practice in Germany is to establish liabilities, known as hidden or secret reserves for "uncertain future liabilities" (Douppnik & Perera, 2007, p. 184) with an offsetting expense in profitable years. Reserves are seen as a conservative approach to protect against unforeseen risks and possible insolvency. In less profitable years, adjustments can be made to these reserves with a corresponding revenue adjustment.

In 1998, Germany added a new law requiring companies that issue equity or debt on organized capital markets to use International Financial Reporting Standards (IFRSs) or some other internationally accepted accounting principles (such as US GAAP) in their consolidated financial statements. In 2005, Germany changed the requirement to IFRS specifically. Nonpublic German companies and publically traded companies, when preparing the nonconsolidated statements for tax purposes, continue to use German GAAP (Douppnik & Perera 2007). The adoption of IFRS by countries around the world is growing. The acceptance of IFRS (rather than requiring US GAAP) by the NYSE for foreign firms listed on the exchange, lessens the motivation by foreign companies, including German firms, to eliminate earnings management. The IFRS are much more broad and flexible than US GAAP. The IFRS allow for more liberal interpretations and sometimes more creative accounting. IFRS also favor a "true and fair" view over conservatism. The international reporting culture and climate, with a global shift towards IFRS, do little to

discourage earnings management in one sense. The Securities and Exchange Commission (SEC) has proposed that US issuers adopt IFRS by 2011, which could change the perceptions and practice of earnings management by US companies as well.

The final reason German students may view earnings management as less objectionable than U.S. students may be due to the current emphasis in the U.S. on business ethics. Accounts of unethical behavior can be found almost daily in the U.S. business press. Business colleges across the country are incorporating business ethics into the curriculum. U.S. accounting students are taking courses in auditing, detecting fraud, and corporate governance where earnings management, Sarbanes-Oxley, and other ethics and fraud topics are thoroughly discussed. Students role play ethical situations in classroom settings and practice applying the essential steps towards ethical problem solving. This may not be the case in Germany. Discussion of ethics in Germany may be limited in scope and more theoretical than practical. U.S. students may be more sensitive to business ethics and the ramifications of unethical behavior than their German counterparts, and therefore, may object more strongly to debatable earnings management practices like the ones addressed in this study.

The results of this study have important implications for accounting education, accounting practice, and accounting regulators. Earnings management issues arise because of judgments made about the realization of revenues and expenses. This research shows that cultural factors have an impact on these accounting judgments. Accounting educators must realize that cultural factors play a role in accounting judgments and decision making. Even though international students studying accounting in the U.S., study the same material as American students, their cultural differences may lead to different applications of GAAP where judgment is used in the decision making process. American accounting practitioners practicing internationally should be aware that cultural factors will affect accounting judgments and they should be aware of those cultural factors. Finally, accounting regulators, who are responsible for promulgating accounting standards, must be cognizant of these cultural differences and the potential for these differences to cause different interpretations or application of accounting principles due to applying accounting judgment. This will become increasingly more important as the world turns to international standards of accounting.

In conclusion, while this study has some interesting and useful findings, and implications for accounting teachers, practitioners, and regulators, future research should continue to focus on earnings management and the international perceptions and implications of earnings management as the business world becomes increasingly global.

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TOWARDS A HISTORICAL-ANALYTICAL PERSPECTIVE ON THE GLOBALIZATION EFFECTS OF THE GREAT TRADE ROUTES

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ABSTRACT

The paper was motivated by a concern for the de-globalization possibilities of the coming decades. The enigmatic position of contemporary globalization hangs between two extremes. Globalization is a novel phenomenon or else, one rooted in antiquity. The paper takes an historical-analytical approach to studying connectivity via the great trade routes. It believes that a panoptic view of globalization is critical to understanding its evolutionary nature. This is imperative if globalization is to build a constructive foundation for humanity. Using the methodology of 'non-ergodic' path dependence, it examines a variety of products on the silk road and the spice route as well as the issue of productivity. The applications are illustrative. The methodology is exploratory. Two different globalization indices are created. It is believed that the approach has the potential of generating a more normative and prescriptive insight into contemporary globalization, especially if a more rigorous methodology was to be developed.

INTRODUCTION

As we slide into the 21st Century, the tentacles of historical literature on globalization continue to accumulate and expand in search of explanations of the commercial archaeology of the past (Abu-Lughod, 1989; Broadberry & de Jong, 2000; Chandler, 1992; Creone, 2003; David, 1990; Flynn & Giraldez, 2004; Gordon, 2000; Lal, 2004; LaBianca & Scham, 2006; Mielants, 2007; Nelson & Winter, 1982). Meanwhile, the negative associations and consequences of globalization have begun to challenge its constructive premises (Stiglitz, 2006). On the one hand globalization theory has become a debatable issue (Rosenberg, 2005). On the other hand, global capitalism has been seen as the new Leviathan (Ross & Trachte, 1990). Now its very instrumentation, the multinational enterprise (MNE) has begun to be seen as an uncontrollable Leviathan (Chandler & Mazlish, 2005). According to Levinson (2008), the rising cost of transportation and diminishing reliability are the key factors driving de-globalization. The significance of distance is well established as per the gravity model of international trade (Vemuri & Siddiqi, 2009). But this is a simplistic perspective – so many, so deep and so wide are the consequences. The *crème la crème* is the recent sprouting and globalization of economic debacle. The prediction of a traumatic 21st Century (2000-2050) had been noted with daring clarity by Wallerstein of the World Systems School (2002). The question of what type of modernity should a society pursue, may well become the quandary of the next few decades.

If these enigmatic hurdles are to be crossed, the need to ground globalization in the landscape of history becomes the first imperative. This would permit a panoptic view of globalization. More importantly, this would lead to a more constructive, normative and prescriptive globalization process, rather than the present band wagon effect. It appears that a part of the problem is the very issue brought up by Abu-Lughod (1989) in the context of the development of Europe and Wallerstein's World System (2002). Abu-Lughod (1989) felt a

“gnawing sense of Kuhnian anomaly, since they (Eurocentric researchers) tended to treat the European – dominated world system that formed in the long 16th Century as if it had appeared *de novo*. This heightened the ‘dis-ease’ I had long felt about the works of ...Max Weber, and even about Marx’s treatment of the origins of capitalism” (p. x).

This remark has a stinging echo effect in the globalization scene of today. The point here is that a narrow time frame or a cross sectional view creates perceptual distortions. These may lead to twisted prescriptions, and often euphoric imitations. The unifying and transforming effect of international trade can only be appreciated when seen from ‘the widest possible angle’ (Beaujard, 2005). This is the issue with globalization and therein resides the role of the great trade routes of antiquity and the middle ages, later to become precursors of contemporary globalization.

The paper considers an historical-analytical perspective to be a necessary pre- condition in resolving the crisis of economic globalization and its corporate dimension. This is particularly so because the modern firm is spearheading globalization. And the gain from market - power related to control of rapidly diminishing resources, is primarily accrued to those associated with giant firms. The basic concern is the acquisition of private gains, rather than the sustainability of public good. It is in this context that the reaction to ‘giantism’, as in the case of WalMart, appears. It is seen as (mis)shaping the world economy (Wilson, 2007). Even here the need is not to view the MNE as a Leviathan, but with the open, transparent and analytical eye of history (Chandler & Mazlish, 2005). However, the value of economic growth *per se*, may be seen not only in material improvement, but also in so far as it affects the society’s moral character (Friedman, 2005). The real benefit arises from the potential improvement in social virtues, including dedication to democracy, tolerance of diversity, social mobility, and commitment to fairness, subject to an upper ceiling of utilization of depleting resources.

In examining the methodological trajectory of analyzing globalization, this exploratory research limits itself to a comparative study of management of international commerce, *albeit* in a narrow sense, on two of the vital linkages to antiquity –the *silk road* and the *spice route*. The paper examines the two from different perspectives. In the case of the *silk road*, given the narrow range of products, the analysis attempts to sub-classify their content and categorize the products as to whether they stimulated supply based or demand based globalization. In the case of the *spice route*, the paper takes a value added approach. The purpose of the research is to illustrate a comparative methodology. It takes these two different approaches to discuss how two of the greatest historical trade routes could have contributed to globalization (Lawton, 2004). However trade routes cannot be viewed in isolation. Indeed the *silk road* and the *spice route* have multiple inter-linkages – not the least of it is international management’s concern for logistic efficiency, security, predictability, competitive advantage and net discounted future payoff. Technology and productivity are critical glues which have stimulated each stage of globalization through the

process of innovation at spatial centers and its diffusion across the periphery. Certainly the outposts in the periphery had their own significance (Algaze 1993). The paper also offers the technology/productivity perspective to the evolution of globalization. Interestingly, in defending the constructive role of empires, Lal (2004) explains that empires, through established trade systems, have provided the order necessary for social and economic life to flourish. Linking autarkic states into a common economic space, empires have promoted the mutual gains from trade.

“GLOBALIZATION IS DESTRUCTIVE, IF NOT CATASTROPHIC”

While globalization is supposed to mean integration and unity, it has been found to be a polarizing phenomenon (Rosenberg, 2002). The above quote from a recent article in *Foreign Policy* (Theil, 2008 p. 58) refers to the teaching of globalization and open market philosophy in Europe. The national context is the school curriculum in Germany and France. The atmosphere has some parallel in the United States as well. The distressing economic condition, particularly as it relates to employment, under-employment and the sluggish wage increase, is creating an anti-open economy atmosphere (Scheve & Slaughter, 2007). The Seattle WTO riots, and other similar events worldwide, have become a watershed in the global articulation of anti globalization agenda arising from the ‘unintended consequences’. Reactions from an array of stakeholders and from diverse disciplines have further consolidated the issue. The impediments to corporate led economic globalization are increasing with concerns related to global warming, terrorism, epidemics, poverty, national debts, MNE power, and extinction of species, languages and culture. Playing into this milieu is the debate on corporate corruption and the role of big business. An historical comparison has been suggested by Bing (2006) who uses Rome Inc. as an analogy for the MNE and its corruptive powers. It may be noted that corporate corruption and uncontrollable, opaque credit-based socio-economic systems are the present precursor to the meltdown which spread worldwide so dramatically because of the globalization of market-space. In the case of Rome, this effect remained limited because of the insulation (or, rather control) of markets and empires. There were of course exceptions. Furthermore, the above discussion should not be taken to deny the existence of optimistic voices exploring constructive globalization through the examination of alternative routes. Such is found to be the case, for instance, in the report of the International Forum on Globalization (Cavanagh & Manders, 2004).

The paper does not deal with the management strategies of global enterprises or their consequences, whether intended or otherwise. Instead it focuses on the historical linkage, so as to ground globalization – in a shallow sense of expanding spatial frontiers of human activities and in a deeper sense of the increasing number of conscious and purposeful interweaving of extending geographic horizons. The rationale is that if globalization is viewed as a significant force in the evolution of human civilization, the contemporary phenomenon will lose its threatening image. Instead it will lead to a humbling position and direct the reaction towards a set of constructive and optimizing strategies in so far as corporate decisions have negative externalities. Questions related to possible reversing or limiting the process of globalization, have begun to emerge. The fear of protectionism created de-globalization is a distinct possibility.

GLOBALIZATION: SELECTED DIMENSIONS

As the number of dimensions of human ecology affected by corporate driven globalization, have expanded, the definitions of globalization have acquired new elements. The collections of papers brought out by Lechner and Boli (2006), and O'Meara, Mehlinger, and Krain (2000) illustrate this point. Indeed a novel issue of hybridization has emerged (Pieterse, 2004). Yet the economic dimension maintains its instrumental primacy. This comes through in the discussion of the origin of global trade suggested by Flynn and Giraldez (2004). "Global trade emerged when all heavily populated continents began to exchange products continuously – both with each other directly and indirectly via other continents and on a scale that generated deep and lasting impacts on all trading partners" (p. 83). These words were underscored by de Vries (2007) in citing the above definition and in disagreeing with it on the ground of lack of specificity. From his perspective, the definition fails to emphasize that trade advances globalization and that it is not merely the movement of goods. In other words the latter could conceivably result in indirect contact and could therefore be not intense enough. For instance, in the 1500-1850 periods an indirect effect was the process of institutional change whose objective was to protect private rights. True globalization would mean the reduction of transaction cost and the interflow of information. However, a direct contact between cultures could only be established with 'the mastery of trade routes'.

The origin of globalization is not the concern of this paper, as has been discussed by many economic historians (Flynn & Giraldez, 2004; Ronnback, 2009). But the above definition of Flynn and Giraldez (2004), does invite criticism on at least four other grounds. Firstly, evidence exists to suggest that historically trade often has had associated investment connections as well (Chaudhuri, 2003; Moore & Lewis, 1999). Secondly, raising the issue of 'continuity' is an unnecessary complication in the above definition. This is not to deny that globalization has not been disrupted by wars and disease or disturbance of trade routes. Thirdly, the issue of physical globalization, in the sense of the circumnavigation of the globe, sweeps away the meandering paths to human connectivity. This has been the historical essence of international trade and commerce. To ignore this is to ignore the colorful world as well as the challenge and contribution of globalization as an evolving phenomenon. Fourthly, intermediation has been a critical aspect of globalization in antiquity, in the middle ages, as well as in contemporary times.

De Vries (2007) distinguishes between 'soft' and 'hard' globalization. Soft globalization focuses on increase in contact, interaction, and exchange that reduce previously existing barriers. For historians and sociologists, it would mean greater integration and interdependence. Hard globalization is basically the intercontinental convergence of commodity and factor prices referring to measurable outcome rather than to a process. It needs to be noted however, that the soft globalization process may not necessarily lead to the hard globalization outcome because of the existence of a variety of constraining and mediating factors. For instance, what began as an age of globalization ended as an age of colonialism as the monopoly economic power of the trading companies transformed into a political hegemony (in the case of East India Company). De Vries (2007) points to the limits of early modern globalization in the 1770s based on various quantitative measures of trade dependency of Europe on Asia. The center of gravity (as well as inter-dependence) of international trade had shifted to the new world, somewhat similar to the change now taking place in favor of Asia. This would be a return to history. In this sense India and China should be seen as re-emerging markets rather than emerging markets.

ECONOMIC HISTORY: SOME REFLECTIONS ON GLOBALIZATION

Solow (1985) has an interesting take on economic history when he notes: “economic theory learns nothing from economic history, and economic history is as much corrupted as enriched by economic theory” (p. 328). David (1993) on the other hand, remarks that a good deal of modern economics is a-historical, and that historical economics cannot merely be modern economics servicing history. He suggests that it is necessary to bring in the issue of *path dependence* to ground economics in history, especially given the fact that we are dealing with stochastic systems. The historical process requires the linking of the present to the past. David’s study of the story of QWERTY (typewriter keyboard) is a compelling example of a non ‘ergodic’ path dependent system with unshakable future effects.

Broadberry & de Jong (2000) conclude that the Workshop organized in NIAS, Wassenaar, Netherlands to discuss technology and productivity in historical perspective, brought out a fair degree of agreement between the evolutionary (Nelson & Winter, 1982) and neoclassical growth (Solow, 1956) schools. The path dependence approach (David, 1993) added to the strength of the evolutionary model. The conclusions of the conference include the following: the minimal cost savings of new technology (macro inventions), the need for further improvements (micro-inventions) in it to increase its applicability, the possibility of ‘reverse causation’ – in terms of technology/economic growth linkage, the difficulty in making distinction between capital accumulation and technical change because of complementarities.

Abu-Lughod (1989), in discussing the issue of reformulation of knowledge through transformation of socio-historical work, suggests that changing the observing distance creates a new scale of analysis. In this way history and geography can infuse a new meaning. This is the historical-analytical approach that this paper is oriented towards.

It is in this sense that Mielants (2007) argues that the rise of the West should not be viewed through the static perspective of the industrial revolution but rather through the lens of long term developments rooted in the Middle Ages. Much like Abu-Lughod (1989), Mielants (2007) rejects many explanations and recommends avoiding Eurocentric assumptions of western superiority. He bases his argument on several factors including the fact that the spirit of capital accumulation existed elsewhere as well and that in the 13th -14th Century, Europe lagged behind in technology, military and socioeconomic pre-requisites. The above references point to the need to study a collection of longitudinal factors – after assuming a level of development as a differentiating starting point for a civilization. For instance in the rise of Europe, the City State played a critical role. The in-fighting and City-State rivalry resulted in the development of citizenship as well as entrepreneurship which in turn led to resource seeking, colonization and the chartering of East India Co., and then, developing the knowledge base via the transferring (along with the translation, interpretation and extensions) conduits which were well established in the Middle East. Thus the confluence of factors including industrial revolutions, colonization, discovery of America, the development of financial instruments, and the evolution of technology and management/organizational skills need to be considered in a dynamic spatio-temporal perspective for a meaningful analysis of contemporary globalization as it relates to the past.

The above factors point to the distinguishing *path dependence* of European (commercial and trade) history *vis a vis* China, India and the Sudanese States (Mielants, 2007). Herein rests the seeds of modernity - sown in the European City States. From the perspective of free-enterprise capitalism, defined essentially on the ability to mobilize profit-oriented investment from extra-state sources, Venice and Genoa were almost capitalistic by the 13th Century (Abu-Lughod, 1989). The 1250-1350 periods may then be seen as the critical turning point in world history with the Middle East acting as a geographic fulcrum between the Orient and the Occident and creating a transcontinental trade network. At this point according to Abu Lughod (1989) there was no historical necessity for the balance to tip in favor of the West. However a combination of geo-political factors (including the disruption of trade routes after Genghiz Khan, the plague and the crusades), technological advances (shipbuilding, compass, nautical charts and so on) besides the role of merchant mariners and competitive alliance capitalism particularly in the context of City States, did tip the balance.

Another view of historical analysis can be illustrated with Hont's (2005) work on the conjunction between politics and economy. The latter emerged when success in international trade became a matter of the military and political survival of nations. According to Hont (2005), Hume advanced a comparative advantage model of international trade when economic development moved from the center to the periphery. Furthermore both Hume and Smith argued that it was commerce not renaissance and reformation that created modern liberty. This is somewhat similar to the point explained earlier, namely, that there are indeed moral consequences of economic growth (Friedman, 2005). However, this is not to suggest a denial of the conundrum associated with the 'limits to growth' (analyzed so insightfully by the Club of Rome about four decades back) or the presently emerging, socio-ecological economic malaise.

Historical comparison of globalization thus leads in one respect, to the comparison of *path dependent* economic development/growth. This brings in the notion of comparative technological achievement/advancement, leading to the question of comparing productivity. This section may be concluded with the appropriate words of Chandler (1992): "besides providing tools for historical analysis and explanation, evolutionary theory (of the firm) raises significant questions for study" (p. 99). The evolutionary theory and its strengthening mechanism – the path dependent aspect, are both of great relevance to the study of evolutionary dimensions of globalization.

GLOBAL CONNECTIVITY IN ANTIQUITY AND BEYOND

The fundamental essence of globalization is conscious and purposeful connectivity and its consequences, intended or unintended. The question is how far back this interdependence goes. The farther back in time it travels and the broader space it covers, the more grounded and rooted globalization becomes. This enhances its normative as well as its prescriptive power. The acceptance of this 'groundedness', opens up new horizons of knowledge and removes 'boundedness' or the 'bounded rationality' factor in decision making, especially as it bears upon the historical East-West dichotomy or the North-South Dialogue of the 1970s or the contemporary emerging market/mature market bi-polarity. The term 'globalization' or rather 'economic globalization' has gained currency with the success of the MNE in the post World War II era – a period of about 60 years. In fact the word evolved out of a need to underscore the phenomenon of interconnectedness. Chanda (2007) for instance, captures the essence of

grounding globalization when he takes the global expansion of Starbucks to the roots of the discovery of coffee beans as wild shrubs in Ethiopia and its domestication in 15th Century Yemen. Chaudhuri (2003) does so in an elaborate fashion when he analyzes trade and civilization in the Indian Ocean. An example is his discussion of cotton, thread, textile and the multi-ethnic indigenously designed exports from India to the Middle East and beyond (Europe). The same connection can be seen in the present information age and the Arab mathematician al-Khwarizimi or India's pioneering role in mathematics, and the great contribution of Europe in science and philosophy, and of course Chinese paper-making and the diffusion of knowledge. Abu-Lughod (1989) sees the 1250-1350 century as the link that connects antiquity to pre-modernization. In other words, the history of globalization began with the history of man as he endeavored to secure himself or as he was galvanized spatially by need, curiosity and passion. In many ways the Orient-Occident dichotomy, erodes the ability to conduct an insightful understanding of globalization. In this sense it is critical to see Aristotle and Confucius as nodal points in the development of human thought process or the experiment of man. Without a global mindset in decision makers, born out of a global spirit, globalization processes will remain warped. The absence of a thought out eclectic approach in pursuing globalization has a distinct confounding impact.

The collection of articles in the edited work by LaBianca and Scham (2006) brings out the expansive phenomenon of connectivity in antiquity. Based upon Castell's (1996, 1997, 1998) trilogy - concerning the network society, search for identity and the end of the millennium,- these articles deal with diverse issues including the fact that a variety of revolution (industrial, information, urban, fiber) has punctuated human history. The idea of production and trade networks is clearly borne out. Indeed, networks are critical to the protection of recurring ties (Fombrun, 1982). Recurring buyer-seller relationships would fall in this category (Chung, Yam & Chan, 2004). South West Asian trade in commodities existed prior to the emergence of urbanization and states. Later the network created by the Sumerians gave way to South and East Asia trade. The above edited work describes the linkage between production innovation and trade diffusion. These seem to create ripple effects across regional and accessible transcontinental space. Findlay and O'Rourke (2003), based on their study, point to the integration of commodity markets in the period 1500-2000. This refers to hard globalization as suggested by de Vries (2007). Yet it is the soft globalization of 'unintended consequences' that has thrown the global socio-economic system into a *problematique*.

Findlay and O'Rourke (2003), note that large scale trade distinguished the centuries following the voyages of de Gama and Columbus. They measure (market) integration as prices of identical commodities in different markets. But then there is a problem with such understanding of convergence, since the voyage of discovery increased the number and variety of goods. There was sufficient integration driven by technology in the 19th Century and by politics in the 20th Century. Prior to 1500, shipping and nautical technology had emerged, as explained earlier. Complex pattern of linkages had developed opening up the issue of country-of-origin of innovations and exports (Abu-Lughod, 1989; Findlay, 1996). For instance there was wool from England and Spain, woolen cloth from Flanders and Italy, furs from Eastern Europe, gold from West Africa cotton textiles and pepper from India, fine spices (cloves, nutmeg) from South East Asia, and silk and porcelain from China. The Middle East was most advanced – large cities, considerable manufacturing, and sophisticated monetary and credit system. The plague (or Black Death) changed attitudes and was followed by greater demand for Asian luxury goods. The focus

on trade route increased after the demise of Pax Mongolica. This resulted in greater reliance on Egyptian traders and Venetian intermediaries. Soon the search for competitiveness energized Western Mediterranean and Genoa to circumnavigate Africa. Ultimately, the quest was successful. An alternative now offered security, availability, and price and strategic market control.

While globalization of the world economy or the inter-linking of old and new markets through convergence in world products and prices, did occur soon after, it was the year 1571 with Manila becoming the originating point of world trade that the interlinking of all continents was established. It was in this sense that physical globalization finally overshadowed the inter-continental trade since antiquity. However, transportation cost was still high. Trade was therefore limited by a high ratio of value to weight and bulk. But now the channels and the supply chains were laid down, later to be lubricated by other ingredients – technological change, capital accumulation, and population growth. Abu-Lughod (1989), however, believes that the ingredients were a modern capitalistic system was established in the 1250-1350 periods and that the 16th Century offered nothing new.

Williamson (1996) points to the linkage between convergence and globalization in the two epochs – the late 19th Century and the late 20th Century– the latter being causal, the middle years (1914-1950) being the de-globalization period related to wars and protectionism. The flow of capital, labor, and commodity trade boomed as transportation cost declined. Williamson differentiates between Sigma convergence and Beta convergence. Sigma convergence refers to the fall in living standard between rich and poor countries, while Beta convergence refers to: poor countries growing faster than the rich. A relevant issue is that of de-globalization and whether convergence leads to it and whether de-globalization can be prevented.

THE ORIGIN OF THE MULTINATIONAL

A similar point needs to be made regarding the origin of the MNE. The Honorable East India Company, which was granted Charter by Elizabeth I in 1600, was the first joint stock company. It was permitted to monopolize trade privileges with India. It finally transformed from a commercial trading venture to one that virtually ruled India, till the English as Empire curtailed it after the 1858 mutiny. The Dutch East India Co was established in 1602 when Netherlands granted a 21 year Charter. It was the first to issue public stock and is seen as the first MNE in the world. It was formally dissolved in 1800 after its bankruptcy. However, the path breaking historical research of Moore and Lewis (1999), clearly establishes the existence of multinational activity in antiquity.

The idea of the present global knowledge economy dominated by MNEs, is often presented as if it is a contemporary phenomenon only. Moore and Lewis (1999) have counter-argued that the prototypes of the present economic structures and processes existed thousands of years back. Using Dunning's (1997) *eclectic paradigm* to evaluate economic activities of the Assyrians, Phoenicians, and others around 2000 BC, they find the existence of MNEs in Assyria, sea-trading in Phoenicia and intercontinental enterprises created by the Canaanites. They find evidence of hierarchical organization, foreign employees, value-added activities, resource and market seeking behavior as well as foreign investment, branding strategies and industry structures. The above view of the historicity of the modern MNE has been questioned by

Chandler and Mazlish (2005), but Wilkins (2005) sees a substantive historical continuity with evolving elements. The MNE is exemplified in the changing character of industrialization and the modern economy – trading, extracting, manufacturing, servicing, financing.

Greif (1989), on the strength of the evidence on the Maghrabi traders, examines the economic institutions utilized during the eleventh Century to facilitate complex trade characterized by asymmetric information and limited legal contract enforceability through merchants and their overseas agents. He concludes that Mediterranean trade contributed much to the development of Western Europe. The common religious – ethnic origin of the traders provided the natural boundaries for coalitions, strategic alliances and commercial networks, to be defined and organized. The protective, reciprocal as well as legitimate characteristics of network are the very reason for its organization (Kumon, 1992). Relevant to this section is the work of Alfred Chandler (1992) in his study of the history of the modern multi-unit enterprise. Though he was concerned primarily with the American industrial firm from the 1880s, it is clear that he finds great value in the evolutionary theory of the firm propounded by Nelson and Winter (1982). A critical issue in this evolutionary explanation is the significance of organizational learning and capabilities, particularly in an environment exhibiting discontinuity. This is precisely the environment associated with international trade and investment – the arena of globalization and MNE decision-making.

PATH DEPENDENCY, PRODUCTIVITY AND GLOBALIZATION

The issue of path dependency has been discussed earlier. It has been found to be a valuable methodology in connecting temporal linkages of technology (Little, 2008). In this context the paper now examines the issue of productivity which has actually been implicit in much of the discussion of globalization and economic growth. Gordon (2000) examines the computer chip in the comparative perspective of past inventions in terms of growth rates of output, inputs and multi-factor productivity (1870-1900). He discusses what he classifies as three stages of the Great Inventions. The First (1760-1830) which includes the steam engine, and the power loom, exhibited a 'snail pace' change in multifactor productivity. The Second (1860-1900) which includes electricity and the internal combustion engine led to the golden age of productivity. The computer and the Internet age may be called the Third Industrial Revolution. He concludes after this tough test that in fact the latter does not stand up to the productivity consequences of the Second. The question that this paper asks is whether these would have been possible without the temporal linkages of technology and productivity (which happened to spawn spatial linkages as well). Furthermore whether there is a critical path dependency which links it in a *sine qua non* sense to the First. The logic is no different when applied to the evolution of globalization over time. The space-time connectivity of trade routes is critically relevant to globalization. The definition of common purpose (profit or otherwise) explores and consolidates such connectivity.

David and Wright (1999) present two visions (on the ignorance) of the dynamics of productivity: Firstly, technological forces affect broad sections of the economy through spillovers of knowledge and the diffusion of general purpose technologies (GPTs), Secondly, multiple and idiosyncratic sources of productivity arise. The latter is basically an aggregate of many sources of total factor productivity (TFP) growth. TFP growth is indeed considered a proxy for technology, since it is viewed as the growth in real output, once labor and capital inputs have been taken into account (Noland & Pack, 2003). The former appears to be supported by evidence

regarding the US growth after WWI – from declining or stable capital productivity to rising output-capital ratio. For example, with electrification profound changes in American industrial labor market occurs, following the stoppage of immigration from Europe. Subsequently rising real wages are affected by evolving recruitment and management practices. Indeed, the role of TFP has now brought new insights into the international comparison of technology diffusion and convergence as against the understanding derived from factor endowments (Islam, 1999, p. 493).

It is evident that the productivity-enhancing potentialities of the dynamo revolution involved many other complementary technological and organizational advances. These were implemented with the buoyant condition of the 1920s. Also, there were structural changes in the labor market following stoppage of immigration (David & Wright, 1999). Several other synergistic developments (technological and organizational interconnections) emerged, including the increasing role of information in planning and control of large enterprises. This acquires particular significance for MNEs, given their global involvements. David (1990) uses the historical analogy of the dynamo to explain the initial inertial response to the rise in productivity. Therefore technical advancement of knowledge must consider the pace of effective diffusion. He sees the ‘productivity paradox’, as presented by Solow (1987), from the perspective of the value of the sunk cost and the gradual containment of the variable cost. Related issues in the computer – dynamo analogy include “network external effects” (David, 1990, p. 356) and the compatibility of business strategies surrounding the breakthrough technology and its gradual incremental improvements.

Devine (1983) points to the fact that major changes in production and distribution followed the switching from coal to oil, to natural gas and from the direct use of raw energy forms (coal and water power) to the use of processed energy (internal combustion fuel and electricity). The effect in the years 1880-1930 on the US GNP was clear. The result was a change in factory designs and production methods thanks to the precision in time, space, scale arising from electricity. Arnold and Dennis (1999) discuss the dramatic decrease in the cost of lumen – open fires, oil lamps, candle, gas lamps, and electric bulbs. The productivity consequences of path dependent evolution are obvious.

THE SILK ROAD AND THE SPICE ROUTE: STRATEGIC CONNECTIONS

The *prima facie* connection between the two is the time-line. In spite of being separated by thousands of miles and the variation in medium of transportation, it is the causal link which remains paramount. The term ‘maritime silk road’ points to this causality. The *spice route* acquired greater significance because of its competitive advantage in terms of efficiency, safety and cost effectiveness, although it suggested a longer journey than the *silk road*. It should be noted that the study of the monsoon was a critical factor in the effectiveness of control over the *spice route*. The comparison is no different than the analogous comparison between the steam engine, electric motor and the jet engine, or for that matter the earlier non-mechanical modes of travel and transportation. Such comparisons, however, are not attempted in this paper (David, 1990; Gordon, 2000).

Unlike the Moore and Lewis (1999) study on the historical origin and ‘birth of the multinational’, this exploratory research is concerned with the strategic implications of the *silk road* and the *spice route* as precursors to globalization in a generic sense - not in the hard/soft

sense suggested by de Vries (2007). Both terms evoke a sense of a specific material and a defined route. The terms fail to capture the sense of diversity of commodities, materials and differentiated products that have moved across the diverse arteries and sea lanes through the multiple ports, entrepôts and emporia. These have served as a major conduit for the transportation of knowledge, philosophy and religion besides material goods between Asia and Europe with the Middle East serving as critical monopolistic intermediaries. More importantly, the intense rivalry for the source of competitive advantage on the *silk road* (namely the quest to monopolize and internalize the sources of unique commodities and exotic goods), stimulated the European search for an alternate route. This resulted in the circumnavigation of the globe or more appropriately - globalization in a physical sense. Ultimately contemporary globalization was made possible by improving transportation and communication. These were themselves affected by new technology, advanced infrastructure, the availability of cheap raw materials and the pent up demand of colonies. It is only in such a historical context and its cumulative linkages that the final impetus to globalization could have been effectively provided by the global institutions of the 20th Century. This was then the stimulating backdrop in which the MNE unleashed its entrepreneurial spirit to spearhead the 21st Century global economy.

Yet it is important to recognize that while the Mediterranean exhibited intense economic, political and cultural rivalry in a closed space, the vast Indian Ocean, in spite of social cultural diversity rooted in four great civilizations displayed a co-operative, complementary and expansive trading spirit. It defined a strong sense of commercial and historical unity. Trade implied a culture of a long-term relationship in the exchange of knowledge, beliefs and values (Beaujard, 2005). Such long distance trade could not have been possible without an ocean wide acceptance of the role of money. Nor could this human gain worthy behavior survive for more than a thousand years without universal agreement on the issues associated with safe-conduct, international relations, and the ability to distribute economic gains fairly. The price mechanism functioned effectively throughout this long extended period (Chaudhuri, 2003). Beaujard (2005) sees in this trade a stimulant which unites space. Ultimately the Indian Ocean and the Mediterranean were linked through maritime and terrestrial networks created by transcontinental commercial relationships

INTERNATIONAL BUSINESS MANAGEMENT & CROSS CULTURAL EXCHANGES

Given the above perspective of business history, the context of increasing diversity of products with varying degrees of value addition and complexity, and the centuries of trade and commerce with multiple empires/peoples, it is difficult to ignore the globalization value of *the spice route(ex-post the silk road)*, as a witness to varying business strategies, tactics and operations. Every international business management principle had been involved. The business approach had been both resource seeking and market seeking on a transcontinental multi-empire scale as well as supply chain driven requiring complex strategic planning and control. Efficiency seeking behavior was clearly visible in the long term alliances between terrestrial caravans and ship masters as well as the balancing act associated with high value goods and bulk goods (and ballast) to secure profitable and predictable maritime transportation. Given the labyrinthine long distance nature of the voyage, every effort was made to improve efficiency and minimize risk. Barter and other forms of counter-trade had become necessary to accommodate multi-ethnic middlemen and customers. Not only had creativity and innovation abounded when targeting the elite market segments, but standardization of products and maintenance of country-of-origin

image had been necessary to maintain brand equity and loyalty. Logistics had perhaps been more important than advertising and promotion. Of course financial management and international human resource management developed along side. Industrial clusters, trade centers, emporia and entrepôts became important facilitating agencies. Thus organizations developed with interdependent alliances across the continents. Involved were long term capital, distant suppliers, bankers, merchants, traders, craftsmen and the rural markets.

Chaudhuri (2003) discusses in intricate detail the nature of commodities and markets associated with the *spice route*. Abu-Lughod (1989) describes at length the strategic alliances, the nature of trading, the types of facilitating organizations, and the nature of primary products as well as manufactured goods. These include the Karimi merchants (large wholesalers) of Cairo and its industries (including metallurgy, fabrication, textiles, food processing). In a similar vein, considering the historical links that India had with Mesopotamia in antiquity (4000 years ago), Abu-Lughod (1989) discusses the importation of a variety of products imported by the Romans from India including Chinese silk, precious stones, exotic animals, sugar, spices and so on. This created an overwhelming balance of trade surplus for India. The sophisticated textile industry in Kanchipuram is a case in point. So is the existence of merchant class and trading towns (*nagaram*) in the 11th Century, giving India a remarkable competitive advantage. The same was true for the Middle East and China and other Asian countries.

Many researchers from varied disciplines have contributed to the understanding of the mosaic of commercial and trade relationships across the oceans and the bordering land masses (Abu-Lughod, 1989; Beaujard, 2005; Chaudhuri, 2003; Hourani, 1995). The limited scope of this paper does not allow the luxury of exploring the colorful vistas of multi-cultural and economic-political relationships spawned from antiquity to middle ages and the 21st Century. Nor is the history of capitalism and free market system, its purpose. However sufficient insights have been presented in a kaleidoscopic fashion to get the point across. The lower level of technology and the rudimentary industrialization of the pre-modern economic space could permit only a limited range of trade-oriented globalization options for strategic management decision-making. Yet it is undeniable that the global socio-economic space was discontinuous (notwithstanding the porous nature of borders in the absence of statehood), especially considering the limits of early transportation. This is so today as well in the context of multiple factors related to cross-country differences faced in international strategy (Ghemawat, 2007). Besides, the political atmosphere is potentially turbulent, contrary to Lal's (2004) meaningful perspective on the value of empires. In this sense the trade-oriented shallow regionalization or globalization was no less deep than the deep investment-driven regionalization and globalization of the present.

PRODUCTIVITY: METHODOLOGICAL VALUE

To recapitulate, the paper has taken the context of the great trade routes to examine globalization. The issue has been to explore the historical linkages in an evolutionary perspective. The prime challenge has been the development of a comparative methodology. In this search, it explains some aspects of globalization and the unintended negative consequences. These are threatening, and may lead to de-globalization, or at least arrest its deep, spatial expansion and set the global economy in an autarkic mode. The rationale for the paper is that if globalization can be grounded in history it would not be seen as a *de-novo* issue and would therefore appear less threatening.

The paper applies the evolutionary and *path dependent* analysis to globalization and the multinational enterprise, the latter being a fundamental force stimulating globalization. This historical analytical approach is seen to be applied to various stages of technology, as well productivity. Significant work has been done in this area (David, 1990; David, 1993; David & Wright, 1999; Devine, 1983; Gordon, 2000) particularly in the context of the productivity paradox of Solow (1987). If one examines some of the products involved in the transcontinental trade in the pre-industrial middle ages (*ex post* antiquity), one could qualitatively estimate and compare the productivity effects. Below (Table 1) is a simple illustration using a rating system – low/medium/high (positive) productivity effects. Silk and spice would be expected to have little effect on human productivity. In fact they could have possibly lowered productivity, arising out of a relaxed and leisurely life style. Dates may be a short term energy booster. It is classified here as ‘low’ relative to the other products. Glass is being put in the ‘medium’ category since it does have a utilitarian value in a work environment. For instance, in the processing of oil and the use of lamps, glass could secure and extend the lumens/light and improve work conditions. Paper, compass and steel are being put in the ‘high’ category. While the compass energized shipping, navigation and trade, paper effectuated contracts and communication, and formalized business contracts and culture. Finally, steel has not only continued to play a critical role in war and peace, it is critical to the entire industrialization process.

TABLE 1

<i>Product Type</i>	Silk	Paper	Compass	Glass	Spice	Dates	Steel
<i>Productivity Effects</i>	Low	High	High	Medium	Low	Low	High

The concern of this paper, however, is the value of globalization across time. The productivity effects described above do little to explain globalization or ground it, except to identify a set of products which have had some degree of productivity value in the middle ages in the areas of consumption, agriculture, pre-industrial/industrial production, transportation, trade and service. The paper now uses the context of the *silk road* and the *spice route* to offer, from a different perspective, other illustrations of globalization. A set of products are analyzed using two alternative approaches in an exploratory spirit.

SILK ROAD – DYNAMICS OF INTERNATIONALIZATION: AN ILLUSTRATION

This section attempts to illustrate the internationalization process unfolding through the operation of the *silk road*. The products were traded on the *silk road*. The globalization index looks at the demand and supply dimensions. Products are seen from the perspective of scientific knowledge, engineering/technology knowledge, organization/ management knowledge. The term science (scientific knowledge) and technology (technological knowledge) are being used in the sense of pure science and applied science. Organization knowledge is referring to the ability to organize and manage operations including all aspects normally considered being a fundamental

part of the discipline of management (planning, controlling, organizing, directing and so on). Supply and demand refer to the effect of either of the two factors on trade. For example like spice, silk has had a significant impact as a demand pull effect on trade. This is no different from the Japanese demand for Harley Davidson or the insatiable American appetite for Asian electronic products. Supply chain effect would take place through efficiency and related transportation cost effects that ultimately offer benefits to the consumer. Containerization is a good example, as is the latest Boeing long distance aircraft.

Table 2 suggests silk to have a high demand pull globalization index. The Romans had been mesmerized by it since the war with Parthians. Given the complexity of producing silk and the involvement of many workers (Abu-Lughod, 1989), its profile puts it ‘high’ on organization knowledge. Paper making technology has high globalization index but from a supply driven perspective. Its production does not seem to require the same degree of worker sensitivity and involvement. Unlike the consumption value of silk, paper making has had a tremendous impact on the spread of knowledge, theoretical or applied, including business dealings. One of the greatest impacts on navigation has been the role of the compass. This is therefore ‘high’ on the globalization index from a historical perspective. This product seems to require greater purity of theoretical science. The last item in Table 2 is glass, which creates more demand pull rather than supply push. It can be argued however, that it has noteworthy supply effects, as in the case of bottling high value consumables. The profile of each product and its impact on globalization should be clear from Table 2. Once again these are illustrative examples only. At this time this classification should be considered arbitrary and subjective.

TABLE 2

Products	Exporter	Importer	Scientific Knowledge	Technology Knowledge	Organization Knowledge	Demand/ Supply	Globalization Index
Silk	China	Rome	Low	Medium	High	Demand	High
Paper	China	Mideast	Low	High	Medium	Supply	High
Compass	China	Mideast	High	High	Medium	Supply	High
Glass	Europe	China	Low	Medium	Low	Demand	Medium

SPICE ROUTE – DYNAMICS OF INTERNATIONALIZATION: AN ILLUSTRATION

One element of pre-modern distinctiveness of commerce was the difficulty in classifying inputs/intermediates for manufacturing which changed with the industrial revolution (Chaudhuri, 1985). At the same time colonies became exporters of commodities but importers of finished goods. Within the less developed countries trade remained a function of specialization and the ability to produce consistent surplus. Relevant factors included: population, rainfall, technology, fertility of land and the risk of invasion and famine. Thus the reliability of information and commercial network were critical. This brought in another factor - issue of sufficiency of bulk goods to counterbalance the high value added items.

TABLE 3

Products	Exporter	Importer	Value Added	Resource/Market/Efficiency/Asset Seeking	Globalization Index
Spices	India, Indonesia Etc.	Europe Middle East etc.	Low/Luxury	Market Seeking	High
Dates, wheat	Middle East	India etc	Low	Efficiency Seeking	Low
Steel, sword	India	Europe Middle East	High	Resource Seeking	Medium
Brocade, Silk	China	India, Middle East Europe	High/Luxury	Market Seeking	High

Table 3 describes the globalization index (high/medium/low) for a set of products with varying degrees of value addition and international goal orientation (resource/market/efficiency/asset seeking) as discussed by Dunning (1997). However, asset seeking behavior cannot be ruled out, as was found to be the case in the Moore and Lewis (1999) study centuries before.

Any number of items could be used as ballasts to counter value the risk associated with high value items: stones, heavy metals and tanks. These would reduce insurance risk as well as risk of shipwreck – thus the need to establish an upper ceiling for the value of cargo. These are the ‘subject to’ factors to be evaluated while maximizing revenue and customer orientation. One aspect of strategic planning was the control of ballast. An item of common usage was dates from the Middle East which was used as standard measure of shipping space and vessel size. Because of its perishability, time schedule coordination was crucial. Furthermore, the issue of deadline became vital on account of the weather. Thus the need for bulk goods instead of ballast like dates was often there, or else the loss of profit and reputation of the ship-master and the agent was possible (Chaudhuri, 2003).

A careful consideration of international goal orientation of merchant/ traders or channel captain (given the long distance nature of trade), suggests a classification of spices and silk to be associated with market seeking. This could involve either import marketing or export marketing depending upon the point of control on the value added chain. Steel is classified as resource seeking because of its ability to create highly differentiated products as in the case of military armor (including swords). Finally dates and wheat may be seen as efficiency seeking products because of their value to shipping. These items allowed great flexibility in tradable product mix

by adding bulk and weight to ships. They created safety and efficiency in terms of transportability on the high seas as well as an appropriate value mix.

Chaudhuri (2003) classifies three categories of trade and commerce on the spice route: a) those involving local exchange, b) those dealing with inter-regional market where wholesale merchants and markets were involved and c) the long distance pre-modern/transcontinental trade where high value items like silk, brocade, superfine cotton, porcelain, jewellery, spices and horses were the main features. It is the latter which allowed *the spice route* to become the wellspring of globalization, even surpassing the *silk road*. These were the precursors – links in the globally evolving commercial chain from antiquity to pre-modernity - whose contributions can be analyzed along the two possible methodologies suggested by the paper.

CONCLUSION

The paper was inspired by a concern for the emerging downward spiral of the global socio-economic and ecological systems. This concern was also associated with the spearhead of economic globalization – the multinational enterprise. Its management was critical in the efficient allocation of scarce and depleting global resources. Yet it was overly focused on the short-term profit motive and personal wealth accumulation. In this sense public space and private accountability were receding faster than the melting glaciers or the vanishing species or the disappearing languages and culture. The paper sought to unfold a problem solving metric which would permit the grounding of globalization itself in the landscape of history. An evolutionary route to globalization was identified and strengthened by a ‘non-ergodic’ *path dependent* approach which was shown to possess a rigorous research foundation. Though the research was generally based on product, technology and productivity, it had potentiality in being applied to any evolving system. The paper applied it to globalization in the specific context of the two critical trade routes – *silk road* and *spice route*. The applications were exploratory and illustrative only. The paper was also limited in its ability to conduct a more comprehensive coverage of the history of globalization. The objective was narrow and the subject was encyclopedic. One approach broke down the product itself into management challenges/tasks/skills as being scientific/technological/organizational knowledge prerequisites in globalization. A globalization index was developed for *the silk road*. This was a dichotomous index. Globalization could either be demand pull or supply push. Furthermore a high/medium/low classification scheme was presented. The second illustration used the market/resource/efficiency/asset seeking orientation with the globalization index being multi-chotomously driven by these four international business orientations. This approach used the value added chain in the case of the *spice route*, wherein there was increasing diversity in differentiated products, in terms of being high/medium/low. A final qualification needs to be made. As has been noted earlier, the methodology of this paper is in its infancy. There is a pressing imperative to study globalization from an evolutionary perspective. This panoptic view would permit a significant normative and prescriptive orientation for society, economy and ecology. However there is a need for developing a robust methodology for understanding products, productivity, technology, industrialization, economic development/growth in order to study their potential contributions to constructive globalization at the deepest level.

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