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ABSTRACT

This document contains four papers on organization development and human resources. "Identification of Key Predictors of Rapid Change Adaptation in a Service Organization" (Constantine Kontoghiorghes, Carol Hansen) reports on the results of an exploratory study, which suggests that rapid change adaptation will be more likely to occur in an organizational setting within which there is an emphasis on process and quality improvement, innovation, rapid technology assimilation, and internal customer focus. "Research and Theory Internationalization of Organization Development: Applying Action Research to Transnational Health Organizations" (Carol Pavlish) addresses the cultural competencies organizational development professionals need as they implement action research and work with transnational health organizations to construct a more socially just and healthy world order. "The Design and Development of an Instrument to Measure Organizational Efficacy" (James G. Bohn) discusses the development and testing of a new research tool, the Bohn Organizational Efficacy Scale, which can be used to assess the perceived ability of an organization to work together and persist regardless of obstacles. "The Relationship of Individualism and Collectivism to Perceptions of Interpersonal Trust in a Global Consulting Firm" (Ghazala Ovaice) reports on a study of the national cultural values of individualism and collectivism as they are reflected in managers and employees. The major implication is that the building of trust awareness in workplace relations varies among a multinational workforce. All four papers contain substantial bibliographies. (AJ)

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Identification of Key Predictors of Rapid Change Adaptation in a Service Organization

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This exploratory study attempted to identify key predictors of rapid change adaptation in a service organization. The results of this study suggested that rapid change adaptation will be more likely to occur in an organizational setting within which there is an emphasis on process and quality improvement, innovation, rapid technology assimilation, and internal customer focus.

Keywords: Change Adaptation, Innovation, Quality Management

As organizations begin the 21st century, change appears to be everywhere. As organizations transform the way they produce goods and modify the way services are delivered, numerous social, economic and technological pressures bombard them. To name a few, they include market fragmentation, shrinking product lifetimes, global production networks, workplace diversity and mobility, simultaneous intercompany cooperation and competition, and the business process reengineering movement (Oden, 1999). Given the intensity of these challenges to organizational survival and competitiveness, it is not surprising that most organizations find themselves operating in more complex, unpredictable and dynamic environments (Lewin & Johnson, 2000). To cope, most organizations consider themselves to be in a state of continuous improvement where they must accelerate the pace and effectiveness of their change strategies (Oden, 1999). The contemporary significance of organizational change is indicated by the recent proliferation of terminology such as, organizational transitioning, organizational renewal, organizational effectiveness, organizational improvement, and so on (Lundberg, 1999).

Felkins, Chakiris and Chakiris (1993) define the management of change as an interactive process that links daily work practices with strategic, directed change programs and performance goals. Pettigrew, Woodman and Cameron (2000, p. 698) elaborate "Change should refer to sequences of individual and collective events, actions, and activities unfolding over time in context." French and Bell (1999) note that inquiry about organizational change is founded in organization development theory and practice. They join the two constructs by defining organizational development as planned change in an organizational context. These definitions call to mind issues of process, pace, people, and environmental context. The focus on process contrasts with earlier views that change is a discreet movement from one state to another (Lewin, 1951). The assumption that change is continuous rather episodic suggests that change is ongoing, evolving, and cumulative in its attempt to yield a new pattern of intentions (Orlikowski, 1966). The role of people in these definitions suggests that an organization's members both shape and are shaped by change (Lundberg, 1999). Finally, the importance of organizational context and its impact on change is reflective of socio-technical systems theory (Pasmore, 1988).

While ways of thinking about change have, over time, evolved, differences persist in how scholars view its unfolding and management. Variance in perspectives range from a fairly mechanistic approach, whose principles assume an objective reality to a more dynamic and interrelated view of organizational behavior, based on participation, dialogue and teamwork. These worldviews can be categorized into a typology of four perspectives; behavioral, critical humanism cultural and systems theory (Felkins, Chakiris, & Chakiris, 1993). Behaviorists see change as a rational, measurable, and directed process with clear predictable and manipulable causal relationships. Critical humanism as a change perspective is centered on experience and encourages individuals and their organizations to question dominant ideologies. A cultural approach to change suggests an interpretive sense of reality where change occurs through social interaction based on cultural norms that are unique to a given group or organization. The systems approach places an emphasis on the gestalt of interdependent processes that respects the complexity of organizational relationships and structures. It is the last two perspectives that have most informed the study reported in this paper.

French and Bell (1999) note that as the history of organizational development has matured, certain change models advanced the practice. For example, Lewin (1951) introduced the idea that change is a three-stage process where behavior moves from one state to another and where change results from interplay with opposing forces. Kilman (1989) specified a total change system that consisted of critical leverage points within five sequential states.

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The notion of first (transactional) and second (transformational) order changes was the basis for the Burke-Litwin model of organizational change (1994). The thinking was that transactional changes that impacted the work climate were easier to than deeper transformational changes designed to impact the deeper layer of the organization's culture. Porras and Robertson's model (1991) describes change as part of a system in interaction with its environment. They offered the premise that organizational development interventions alter features of the work setting which impact an individual's behavior and lead to individual and organizational improvement. This evolution in perspectives and practices formed the foundation for a current breed of change models that emphasize the integration of social and technical systems in supporting the continuous process or change.

Socio-Technical Systems

The sociotechnical systems approach is based on the notion that organization survival requires systems that are open and able to interact with their environment. Oden (1999) portrayed opens systems theory as:

"A dynamic relationship with its environment, receiving various inputs, transforming them in some way, and producing outputs. Receiving inputs in the form of material, energy, and information, along with feedback regarding outputs, allows the open system to offset the process of decline. Moreover, the open system adapts its internal processes and structures to its environment as the need arises." (p.14)

The organizational system can be divided into two subsystems: the social and the technical. This perspective assumes that the two factors of technology and people are essential to the change process. Neither alone is the driver of change. Oden described the application of social change without technology is merely automation and the application of technical reengineering is merely reorganization.

Lunberg (1999) offered an interesting view of how the social side of the socio-technical systems perspective works through his theory of social rules. This theory views organizations as social systems, composed of members who are agents with varying degrees of influence. Rule systems govern the transactions among members of the social system by sharing the nature, impact, content and outcomes of interactions and relationships. As these rules are created, learned, maintained and modified by individuals within the organization, its members also develop distinct identities and associated capacities to influence social rules in varying contexts. An additional assumption is that rules can be both a positive and negative force. While rules are necessary to make social transactions easier and more predictable, they also serve as barriers to change. The notion of social rules is reflective of culture theory as cultural norms are socially learned and reinforced (Spradley, 1979). Blumer (1969) noted that it is the social process that creates and upholds the rules and not the rules that invent group life.

The technical side of socio-technical systems theory can be linked to an interest in reengineering, which emerged in the early 1990's as a relatively new management approach. In general, the first step in a reengineering effort is to rethink the organizational system in terms of its key processes and the technology available to carry them out. After the necessary process and technology related changes are introduced, the focus shifts to how the organization is managed and structured (Lawler & Mohrman, 1998). Lawler and Mohrman note that it is mostly top down process, which requires significant redistribution of power and authority and significant investment in information technology. According to French and Bell (1999) reengineering "does not appear to pay much attention to the social system of organizations relative to change processes and the redesign of work. " Yet, reengineering has failed to produce the desired outcomes in terms of competitive advantage. "Recent reports, supported with the viewpoints expressed by the founders of this movement, claim that more than 70 percent of reengineering efforts have failed to achieve their purposes" (Lawler & Mohrman, 1998, p. 205). High failure rates may be attributed to that to many people reengineering means downsizing which according to numerous studies rarely accomplishes its goals (Lindsay & Petrick, 1997). Such dismal outcomes appear to confirm the need for both a social and a technical perspective in achieving effective change through practice and research.

The Context of Quality and Change

TQM can be characterized as a people -focused management system whose philosophy and guiding principles for continuous improvement are based on teamwork and employee empowerment (Harvey & Brown, 2001; Linday & Petric, 1997). Through well structured processes, TQM aims to create an environment that encourages people to grow as individuals and learn to bring about both small but continuous (Kaizen) and drastic or breakthrough improvements" (Dervitsiotis, 1998; p. 112). What differentiates TQM from reengineering is its focus on cultural empowerment and an attention to change in small and continuous increments. TQM, interventions tend to fail when implemented, similar to reengineering, as top-down programs that assume neither an upward flow of involvement nor consensus decision-making (Hammer & Champy, 1993).

The role of management is key to understanding TQM. According to the TQM philosophy, most quality-related problems in the organization are caused by bad management and the systems that managers create and operate (Deming, 1986; Lawler & Mohrman, 1998). Likewise, the power of management in fostering quality driven cultures is in consonant with the organizational culture literature. This stream of study finds that management, in particular, executive management creates and maintains the cultural values of their organizations through the work models that they reward (Hansen & Kahnweiler, 1997; Schein, 1985; 1990).

Studies that have focused on the link between culture, work models, and TQM indicate that, in general, that a participative, flexible, risk-taking, team-based, and quality driven organizational culture positively supports TQM efforts (Detert, Schroeder & Mauriel, 2000; Fiorelli & Feller, 1994; Kontoghiorghes & Dembeck, 2001). Thus a company's prevailing cultural characteristics can inhibit or defeat a change effort before it begins. "Companies with a top-down management style, a short-term orientation that keeps them exclusively focused on quarterly results, and a bias against conflict may be uncomfortable challenging long-established rules" (Hammer & Champy, 1993, p.207). Detert, Schroeder & Muriel (2000) identified a set of 8 specific value dimensions that appear to theoretically lead to quality cultures: Management should be based on facts; long term planning and goal setting is preferable to a short term orientation; the sources of problems should be searched for in processes – not in people; a premium is placed on change (as opposed to stability); the purpose of the organization is to achieve results that its stakeholders consider important; collaboration and cooperation is preferable to working alone; the vision, goals and responsibilities of the organization should be shared; success ought to be judged against external benchmarks.

Meanwhile, Detert et al. (2000) call for more studies by arguing that this is an area that has been inadequately explored. For instance, Olson and Eoyang (2001) state that there are over fifteen group methods that can guide change in organizations. The authors further state that "this variety produces a kind of cacophony that defies integration and does not allow any one voice to stand out as a logical alternative to the traditional explanations" (p. 6). Scholars and practitioners, on the whole, acknowledge the need for more research in organizational change. However, a recent review of the literature finds that the quality of data has advanced little in the past 25 years (Pettigrew, Woodman & Cameron (2001). Pettigrew et al. characterize current knowledge as too antidotal, containing few theoretical propositions and based on studies that are lacking in rigor. They call for a new pluralism between the social science and management scholars that entails a new dedication to time and history and a willingness to reveal the relationship between change processes and outcomes by portraying changes as continuous processes and not just detached episodes. The authors suggest that the literature is underdeveloped regarding these six interconnected analytical issues: multiple contexts or levels of analysis; time, history, process and action; linking process to outcome; international comparative research; receptivity, customization, sequencing, and pacing; linking scholarship and practice.

Problem Statement

Given the limitations and lack of rigorous research pertaining to change in organizations, the main purpose of this empirical study was to identify, prioritize, and describe the most important work environment variables in terms of rapid change adaptation in a health insurance service organization. The work environment was assessed in terms of the following learning and organizational dimensions: learning climate; management practices; employee involvement; organizational structure; communication systems; reward systems; job design; job motivation; organization commitment; job satisfaction; innovation practices; technology management; teamwork climate; ethical work culture; and process improvement climate. The dependent variable used for this study pertained to the extent to which the organization can adapt to changes instantly.

Research Questions

This main research questions for this study were as follows:

1. Which of the organizational variables incorporated in the study are highly associated with rapid change adaptation?
2. Which of the organizational variables incorporated in the study can serve as predictors of rapid change adaptation?

Methodology

Instrument. The instrument of this study consisted of a 108 Likert item questionnaire, which was designed to assess the organization in terms of the earlier described dimensions. Many of the dimensions and indicators were assessed with scales that were used or described in previous literature or research (Buckingham & Coffman; 1999; Hackman & Oldham, 1980; Kontoghiorghes, 2001a; Kontoghiorghes, 2001b; Kontoghiorghes & Dembeck, 2001; Lindsay & Petrick, 1997; Macy & Izumi, 1993; Pasmore, 1988; Whitney & Pavett, 1998), while several were custom-designed specifically

for this and other studies. In all, the questionnaire attempts to determine the extent to which the organization is functioning as a high performance system and according to TQM and sociotechnical systems theory principles. Further, the instrument assesses the extent to which the organizational environment is conducive to training transfer and a continuous learning culture.

The instrument utilized a six-point scale that ranged from "strongly disagree" to "strongly agree". The first version of the questionnaire, which consisted of 99 Likert items, was originally pilot-tested on a group of 15 participants for clarity. Furthermore, a group of seven experts in the organization development, human resource development, or quality management areas reviewed the instrument for content validity. Upon revision, the instrument was then administered to a group of 129 members of five different organizations. Reliability tests were conducted and the instrument was further refined and expanded. As stated earlier, in its final format the instrument consisted of 108 Likert items. The reliability of the instrument was measured in terms of coefficient alpha and was found to be 0.98.

Subjects. The sampling frame of this study consisted of 256 employees of a large organization in the health care insurance industry. The instrument was administered in one division of the organization in order to determine the extent to which it was functioning as a high performance unit. The employees were given the survey instrument at scheduled staff meetings over a period of two weeks. 192 out of the 256 employees returned the survey and the response rate was calculated at 75%. In all, 86.4% of the respondents were females and 13.6% males. In terms of position held in the organization, 4.1% of the respondents were identified as either a vice president or director of the unit, 4.1% as managers, 11.6% as supervisors, 65.7% as salaried professional, 12.8% as administrative personnel, and 1.7% as hourly employees.

Data Analysis. Based on the gathered data, a correlational analysis was used to describe the extent to which the organizational variables incorporated in the study are associated with rapid change adaptation. Further, through a stepwise regression analysis the most important predictors of rapid change adaptation variable were identified.

Results and Findings

Correlational Analysis. In total, change adaptation was found to be positively and significantly correlated with 99 of the other 107 variables incorporated in the questionnaire. These significant correlations ranged from 0.152 to 0.664 and reflected all learning, sociotechnical, and quality management dimensions assessed by the instrument. This finding in essence validates the systemic nature of rapid change adaptation and thus its reliance on multiple organizational dimensions for successful implementation. Given the large number of significant correlations and the fact that the main purpose of this study is to identify the stronger predictors of change adaptation, only those that were found to be 0.4 or higher are listed in Table 1.

As shown in Table 1, change adaptation was found to be moderately to highly associated with 29 organizational variables which in turn represented the sociotechnical, quality management, and learning environment dimensions. A closer look at Table 1 will reveal that most organizational variables represent the sociotechnical and quality management dimensions and range from 0.400 to 0.63. It is worth noting that none of the training transfer climate variables were found to be highly associated with rapid change adaptation. This finding suggests that successful change interventions depend more on the design, operational, and cultural characteristics of the organization rather than the skill level and expertise of the workforce.

In terms of the sociotechnical variables, the correlational data in Table 1 reveals that change adaptation will be more likely to occur on a more rapid basis if introduced in a participative and non-bureaucratic *work environment* within which there is constant communication and no boundary interference between departments. Other work environment variables that were found to be moderately to highly associated with change adaptation were: strong organizational commitment toward the employees ($r = 0.46$; $p < 0.01$), encouragement by the organization to have a healthy balance between work and life obligations ($r = 0.45$, $p < 0.01$), and the extent to which the organization is characterized by high ethical standards ($r = 0.44$, $p < 0.001$). Collectively, these work environment variables describe a non-bureaucratic and ethically driven system, which promotes employee involvement and well being.

With regard the *job and team environment*, change adaptation was found to be more highly associated with a high performance team environment within which team members are deeply committed to one another's personal growth and success ($r = 0.48$, $p < 0.01$), are willing to put in effort above minimum required in order to help the organization succeed ($r = 0.44$, $p < 0.01$), and have personal influence over their own work ($r = 0.42$, $p < 0.001$). In other words, rapid change adaptation is more likely to occur in a true team environment within which employees are deeply committed to the success of the organization and each other and enjoy autonomy on how to perform their jobs. These results demonstrate the importance of designing organizations that promote employee commitment and teamwork. Hence, paying close attention to the needs of the social system is still very important when rapid change adaptation is a desired outcome.

As far as the dimensions dealing with *innovation, technology, and rewards* are concerned, the correlations in Table 1 make it apparent that rapid change adaptation is more likely to occur in an innovation driven system within which risk taking not only is not punished, it is expected. Moreover, within such an environment new ideas are constantly sought and rewarded. This kind of work environment is in direct contrast to the bureaucratic model of management, which in turn advocates strict adherence to rules and regulations while at the same punishes or drives out of the organization those who challenge it. It is not by accident then that bureaucratic organizations have such a hard time coping with today's rapidly changing times and often rely on drastic reengineering efforts in order to address their numerous and stagnation related problems.

Table 1. *Pearson Correlations of Instant Change Adaptation With Organizational Variables (r > 0.4)*

| Variable | Change Adaptation |
|---|-------------------|
| SOCIOTECHNICAL SYSTEM VARIABLES | |
| <i>Work Environment</i> | |
| Participative organization | r = .60** |
| No boundary interference between departments to solve joint problems | r = .52** |
| Few bureaucratic barriers to get job done | r = .48** |
| Constant communication between departments | r = .48** |
| Strong organizational commitment to employees | r = .46** |
| Organization encourages healthy balance between work and life obligations | r = .45** |
| People live up to high ethical standards | r = .44** |
| <i>Job and Team Environment</i> | |
| Deeply committed to one another's success | r = .48** |
| People willing to put in effort above minimum required | r = .44** |
| Personal influence over work | r = .42** |
| <i>Innovation, Technology, and Rewards</i> | |
| Few restrictions to innovation | r = .59** |
| Risk taking is expected | r = .51** |
| Risk taking not punished | r = .50** |
| New ideas rewarded | r = .50** |
| New ideas are constantly sought | r = .49** |
| Rapid technology assimilation | r = .56** |
| Frequent technology introduction | r = .47** |
| Technology primary support in quality efforts | r = .43** |
| Profit sharing | r = .48** |
| QUALITY MANAGEMENT VARIABLES | |
| Structure of organization facilitates focus on process improvement | r = .63** |
| Internal customer focus | r = .55** |
| Quality measurement | r = .52** |
| Excellence commitment | r = .52** |
| Emphasis on doing things right the first time | r = .45** |
| Quality improvement primary focus | r = .41** |
| Quality improvement is a high strategic priority | r = .41** |
| LEARNING ENVIRONMENT VARIABLES | |
| Employee commitment to continuous learning | r = .50** |
| Learning is well rewarded | r = .40** |
| Sharing of knowledge and expertise with others | r = .40** |

**Correlation is significant at the 0.01 level (2-tailed). Listwise N=159

The data in Table 1 also suggests that rapid change adaptation is highly associated with rapid technology assimilation ($r = 0.56$, $p < 0.01$), frequent technology introduction ($r = 0.47$, $p < 0.01$), and the use of technology as a primary support in the organization's quality efforts ($r = 0.43$, $p < 0.01$). This finding is not surprising, given that the more rapidly the organization assimilates frequently introduced technologies the quicker it adapts to the related changes. Another implication of this finding pertains to the validation of the importance of sociotechnical systems theory. More specifically, the findings described in this technology related section in conjunction to those pertaining to the need of a highly participative, committed, and team oriented social system, demonstrate that organizational renewal and success do indeed depend on the optimization of both subsystems, the social and the technical. This finding is important in the sense it reinforces the fundamental premise of STS theory of "joint optimization" of both subsystems, while at the same time highlights the importance of systemic solutions when it comes to creating flexible and adaptive systems.

In terms of rewards, rewarding new ideas ($r = 0.50$, $p < 0.01$), profit sharing ($r = 0.48$, $p < 0.01$) as well as rewards for learning ($r = 0.40$, $p < 0.01$) were found to be positively and significantly correlated with rapid change adaptation. This finding suggests that when the employees believe that positive organizational outcomes will result into personal

gains then the employees will be more motivated to adapt the introduced changes. The positive association between rewards for learning and rapid change adaptation indicates that a reward system that is also based on pay for skills and knowledge does indeed offer the organization an advantage when it comes to change adaptation. However, given the high correlation between rewards for new ideas and change adaptation, special attention should be paid to the rewards for new ideas component. The effectiveness of a rewards for new ideas system can be exemplified by the fact that last year alone, employees at the Toyota plant in Georgetown Kentucky provided the organization with more than 70,000 new ideas. The payoff for these ideas was about \$3 million. The instituted changes in turn saved the organization \$28 million (Toyota Information Seminar, 2001). It is important to note that aside from the gains stemming from improvements, rewarding new ideas assists the organization in creating a more participative system which in turn, as it was found by this study, is also highly associated with instant change adaptation ($r = 0.60$, $p < 0.01$). Lastly, another very important outcome of such a rewards system is the fact the change process itself is owned by those who actually implement the changes which in turn is critical when it comes to successful change interventions.

With regard to quality management (QM), the correlations in Table 1 indicate that rapid change adaptation is highly associated with a quality driven culture. As shown, the correlation between change adaptation and the extent to which the structure of the organization facilitates focus on process improvement ($r = 0.63$, $p < 0.01$) was by far the highest in the table. Other QM variables that were found to exhibit a Pearson correlation of 0.40 or higher were: internal customer focus ($r = 0.55$, $p < 0.01$), quality measurement ($r = 0.52$, $p < 0.01$), excellence commitment ($r = 0.52$, $p < 0.01$), emphasis on doing things the first time ($r = 0.45$, $p < 0.01$), the extent to which quality improvement is a primary focus for the organization ($r = 0.41$, $p < 0.01$), and the extent to which quality improvement is a high strategic priority ($r = 0.41$, $p < 0.01$).

The last group of variables to be discussed under the correlational analysis are those belonging to the learning environment. A close look at the learning related variables in Table 1 will reveal that rapid change adaptation will be more likely to occur in an environment within which employees are committed to continuous learning ($r = 0.50$, $p < 0.01$), are rewarded for their learning ($r = 0.40$, $p < 0.01$), and share their knowledge and expertise with others ($r = 0.40$, $p < 0.01$). Collectively, these three variable demonstrate that a continuous learning culture can indeed act as a catalyst to organizational change and renewal.

Stepwise Regression Analysis. The results of the stepwise regression analysis of the change adaptation variable are summarized in Tables 2 and 3. As it is shown in Table 2, the produced regression model accounted for 59.5% of the total variance of the dependent variable and it incorporated in its design 11 independent variables. At 4.0%, shrinkage of the R^2 value can be considered very small.

Table 2. *Stepwise Regression Model of Change Adaptation*^{a,b,c}

| Model | Variables | | R | R ² | Adjusted R ² | Std. Error of the Estimate |
|-------|---|---------|------|----------------|-------------------------|----------------------------|
| | Entered | Removed | | | | |
| 1 | Structure of organization facilitates focus on process improvement | | .626 | .392 | .389 | 1.09 |
| 2 | Rapid technology assimilation | | .674 | .454 | .447 | 1.03 |
| 3 | Internal customer focus | | .700 | .491 | .482 | 1.00 |
| 4 | Profit sharing | | .714 | .510 | .499 | 0.98 |
| 5 | Awareness of how work unit processes fit with those of other work units | | .730 | .533 | .519 | 0.96 |
| 6 | Few restrictions to innovation | | .744 | .554 | .538 | 0.94 |
| 7 | Quality is measured at every step of the process | | .755 | .571 | .553 | 0.93 |
| 8 | Receive supervisory feedback on performance | | .764 | .583 | .564 | 0.92 |
| 9 | Personal influence over my work | | .773 | .597 | .575 | 0.91 |
| 10 | Quality improvement is based on objective data | | .781 | .610 | .587 | 0.89 |
| 11 | People willing to put in effort above minimum required | | .787 | .620 | .595 | 0.88 |

^a Dependent Variable: Instant change adaptation; $N = 176$

^b Method: Stepwise (Criteria: Probability-of-F-to-enter \leq .050, Probability-of-F-to-remove \geq .100). ^c $F = 24.46$, $p < 0.001$

Accounting 38.9% of the total variance, the variable pertaining to the extent to which the structure of the organization facilitates focus on process improvement was found to be the strongest predictor of change adaptation. The second and third predictors selected by the regression model, which accounted 6.2% and 3.7% of the total variance respectively,

were rapid technology assimilation and internal customer focus. The remaining predictors selected by the regression model were: a) profit sharing; b) awareness of how work unit processes fit with those of the other work units; c) few restrictions to innovation; d) product/service quality is measured at every step of the way; e) supervisory feedback on performance; f) personal influence over one's work; g) decisions on quality improvement are based on objective data; and, h) people in the organization are willing to put in effort above minimum required.

Summary and Conclusions

In short, the correlational analysis of this study found rapid change adaptation to exhibit a correlation of 0.5 or higher with the following organizational variables: participative organization; the extent to which there is no boundary interference between departments to solve joint problems; few restrictions to innovation; the extent to which risk taking is expected; the extent to which risk taking is not punished; the extent to which new ideas are rewarded; quality measurement; organizational commitment to excellence; and, the extent to which the employees of the organization are committed to continuous learning. At the same time, the stepwise regression model identified the following variables to be the most important predictors for rapid change adaptation: the extent to which the structure of the organization facilitates focus on process improvement; rapid technology assimilation; internal customer focus; and, profit sharing.

Collectively the correlational data and the independent variables in the regression model suggested that rapid change adaptation would be more likely to occur in an organizational setting within which there is an emphasis on process and quality improvement, employee participation, rapid technology assimilation, innovation, and internal customer focus. Within such a participative system quality is measured at every step of the process, there are few restrictions to innovation, and the organization shares its profits with the employees. Furthermore, within such a system risk taking is not only not punished, is expected. New ideas are constantly sought and rewarded while employees enjoy task autonomy, put in effort above the minimum required, are genuinely committed to each other's success and growth, and receive supervisory feedback on their performance.

In all, the findings of this study highlight the importance of STS theory and demonstrate that rapid change adaptation is more likely to occur in an optimized sociotechnical system for which employee involvement, commitment, and empowerment are of great importance. Given the high correlations between several TQM variables and change adaptation, one can further conclude that rapid change adaptation is significantly facilitated by an environment for which quality, excellence, and continuous improvement are a strategic priority. This can be considered an important finding because as of late some have questioned the effectiveness of total quality management in today's rapidly changing world. The new argument is that organizations need large and drastic changes in order to cope with today's fast changing environments. Thus, advocates of the reengineering approach claim that TQM, which relies on small but continuous changes, cannot be an effective approach to drastic changes. The results of this study prove otherwise. In general, companies that function under a continuous improvement mode do not need to make drastic changes in order to cope with the demands of the external environment. In fact, it is frequently the continuously improving companies that make it necessary for the competition to implement drastic changes in order to bridge the corresponding performance gap. Hence, the results of this study further suggest that unless reengineering efforts are accompanied with cultural changes that transform the organization into an innovative and non-punitive entity, the organization will still find itself having difficulty adapting to changes in a rapid manner and thus being subjected to periodic and unproductive drastic changes.

Implication for Human Resource Development and Limitations of the Study

This study has significance for HRD practitioners who serve as change agents. In this capacity, they must foster a philosophy of open systems where transformation considers both the social as well as the technical side of change. By helping organizations embrace the sociotechnical doctrine, they enhance their ability to foster the predictors of instant change adaptation identified in this study. Key to an organization's readiness and willingness to accept the quality of this perspective is their organizational culture.

Cultural norms are deep, difficult to see and for most, impossible to articulate. It is the role of HRD, given the field's philosophical commitment to people and people-focused management, to uncover and provide guidance in interpreting these belief systems. In particular, help is needed to understand how an organization's culture supports or hinders the principles of total quality management and continuous improvement. Given serious support from top management, HRD practitioners can work with individuals to reshape inappropriate reward structures, managerial practices and work models. By transforming these factors, a culture of excellence, synergy and innovation can emerge through new systems designed to favor employee empowerment, teamwork, and an openness to continuous learning. In short, the social rules can and must change. Without a supportive culture, the potential for effective and rapid adaptation drops dramatically, as the organization becomes a candidate for yet another failed reengineering attempt where there is little or no sustainable impact to bottom line performance.

In terms of future research, the main limitation of this study was that its data was gathered from a single source and was conducted in a service organization. Replicating this study in other industries and environments will help determine the extent to which the presented results can be generalized to other settings.

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Research and Theory - Internationalization of Organization Development: Applying Action Research to Transnational Health Organizations

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The well being of people around the world are increasingly dependent on effective transnational collaboration in health policy making and strategic planning. By facilitating transcultural interaction and planning, consultants in Organization Development (OD) can contribute significantly to managing issues of great human concern. This paper addresses the cultural competencies OD consultants need as they implement action research and work with transnational health organizations to construct a more socially just and healthy world order.

Keywords: Culture, Action Research Model, Organization Development

Virtually all organizations are coping with the concept and impact of globalization either as part of the context in which they function or as part of their internal operations and strategic management. In particular, international health organizations are struggling with the need to establish collaborative transcultural relationships to address the challenges of infectious diseases such as tuberculosis, AIDS, and hepatitis as well as the health consequences of population shifts, rapid social change and political violence. These complex health and social issues affect most societies and, therefore, require transnational analysis and solutions. After studying the history of international public health, Walt (2001) concludes that the current trend in globalization creates the challenge of international health cooperation in developing global health policy and forming more public-private partnerships to address global, national, and local health concerns. He states, "although there are clear advantages to this type of cooperation, from the input of new ideas and energy to the harnessing of new financial resources, it is as yet unclear what sorts of problems will be generated through such partnerships" (p. 697). These newly formed transnational health organizations (TNHO) are defined as groups of people representing many different countries and ethnic backgrounds and having different cultural traditions and beliefs about health and health care. These organizations may be newly formed, or they may develop from organizations that already exist but decide to collaborate on certain health initiatives.

Increased collaboration between national and international health organizations clearly establishes the importance of considering how cultural differences impact working relationships. As new alliances and partnerships are formed and different cultural beliefs and values intersect, professionals in Organization Development (OD) must be prepared to work within, among, and between cultural value systems that are not only internal (organizational) but also external (national and ethnic). The primary focus of this paper is to examine the impact of ethnic cultures mixing in transnational organizations and alliances that form to address global health concerns. Specifically, this paper explores the need for OD professionals to develop an international mindset and then presents a reconceptualized model for action research based on cultural inquiry and transpection. Cultural implications for each step of the action research model (ARM) are explored and some cultural competencies for OD consultants are suggested.

An International Mind Set

Paige and Mestenhauser (1999) claims "Leadership in the 21st century will require more than new knowledge; it will require new ways of thinking" and suggested that all professional disciplines develop an international mind set (p. 501). Currently, the most common approach to internationalizing a discipline is simply to add knowledge on various cultural traditions. However, the authors claim that this manner of internationalizing is far too simplistic and does not result in a fundamental change to the discipline. They define internationalization as "a complex, multidimensional learning process that includes the integrative, intercultural, interdisciplinary, comparative transfer of knowledge-technology and the contextual, and global dimensions of knowledge construction" (p. 504). All of these elements work together to construct a new mental model of what all professional disciplines including OD seem to need in this global era of profound changes and interrelated, interdependent cultural systems. Internationally minded OD consultants still consider the internal organizational issues that require change but these consultants are also driven by higher goals such as peace, social justice, sustainable development, human rights, and international and intercultural collaboration (Paige & Mestenhauser, 1999).

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These goals seem particularly significant in the development of TNHO because the World Health Organization describes the following conditions as prerequisites for health: “freedom from the fear of war; equal opportunity for all; satisfaction of basic needs for food, water, and sanitation; education; decent housing; secure work and a useful role in society; and political will and public support” (Ruzek, Olesen & Clarke, 1997, p. 14).

The internationalization process is the focus of research conducted by Anderson and Skinner (1999). They claim that internationalizing a business is dynamic and fraught with uncertainty which often has negative consequences for small and medium-size organizations. Anderson and Skinner discovered that a significant factor in determining the degree of success is the extent to which the organization is ready to learn; they state, “Revision of underlying beliefs, assumptions and values held by members of the internationalizing company is crucial and the encouragement of learning, and the sharing of that learning within the organization, are fundamental for the effective operation of an international venture” (p. 236). In testing a four-stage model of the internationalization process, they conclude that participants inevitably experience the first three stages (prospecting, introduction, and consolidation) but that the fourth stage (re-orientation) is not inevitable. Re-orientation “requires a reconceptualization of the dominant logic and generative learning by the company as a whole” (p. 254). Therefore, one of the primary changes that OD consultants must help develop is a new mental model for the organization with which they work. A new mental model for TNHO seems particularly significant as members shift away from the concept of health within a cultural or geographic boundary and re-orient themselves toward the concept of global health.

For OD consultants working with TNHO, the transition from local thinker to global thinker must be deliberate and seems more complex than simply being culturally aware and sensitive. In an effort to learn what an international mind set means to OD, a cultural perspective will be applied to each step of an action research model (ARM). At the conclusion of this exploration, a clearer understanding of the international competencies for OD consultants will hopefully emerge.

An International Concept of the Action Research Model

Rothwell, Sullivan and McLean (1995) suggest an ARM that OD consultants can utilize when helping organizations cope with and adapt to change. The greatest benefits of this model are its open, participatory nature and its easy, flexible application. OD consultants working with TNHO must approach their work in an inquiring manner and the ARM frequently cycles through phases of gathering information to be used in planning. For OD consultants, the model also provides specific guidance that can easily be applied in different contexts without imposing a prescription for action. This flexibility acknowledges differences in organizational as well as ethnic cultures and allows those differences to create innovation without a restrictive structure. The following section of this paper explores cultural implications for each step of the ARM as originally described by Rothwell, Sullivan, and McLean (1995).

Entry and Start-Up

Rothwell, Sullivan and McLean (1995) described the first two steps in the ARM as a phase of inquiry. The OD consultant researches the organizations, as well as the context in which they operate, and discusses the demand for change with key decision-makers within the organization. The result is a “tentative, flexible, written plan for guiding the change effort” (p. 56). Initial contact with people in the organization is extremely important – and even more so when the cultural backgrounds differ as occurs in TNHO development. Two theoretical perspectives are particularly helpful in analyzing potential issues and conflicts during startup and entry: intergroup attribution theory and path dependence.

According to Ting-Toomey (1999), Intergroup Attribution Theory suggests that different social and cultural groups possess preconceived notions regarding characteristics of their own (in-group) and other (out-group) social groups. These preconceptions are based on “implicit assumptions, beliefs and categorizations of what human nature or human behavior is all about” (p. 152). Because of the uncertainty and heightened anxiety of working with strangers, attribution biases become prevalent in early encounters. For example, people often utilize negative stereotypes when interacting with out-group members and actively seek confirmation to substantiate those early judgments.

Intergroup Attribution Theory is important to OD consultants as they work in all phases of AR but seems especially significant in the early phase. First, OD professionals must be acutely aware of their own perceptions regarding in-group and out-group membership and must also be aware of their positionality in relation to all groups. OD professionals must also reflect on their prior interactions and experiences with people from the cultures with

whom they are working and carefully monitor how those past experiences impact the current situation. OD consultants must also recognize that when members of organizations from different ethnic groups/countries initially meet, the members' minds are already set in many ways. Unconscious biases and stereotypes will prevail unless OD consultants initiate activities to "undo" them. These activities must occur early in the ARM so stereotypes do not permanently establish themselves in the new relationships that form.

Another aspect to consider in entry and start-up pertains to the concept of path dependence as described by Eriksson, Majkgard, and Sharma (2000). Their research suggests that organizations' past experiences in the international market are critical to the knowledge they need when venturing into foreign markets (path dependence). The authors claim that the degree of cultural difference between the home and foreign market determines the amount of internationalization knowledge an organization needs. They also assert, "The initial steps in the internationalization process shape the business, institutional and internationalization knowledge the firms accumulate. The latter also forms the assumptions, beliefs and future absorption capacity [learning] of the internationalizing firm" (p. 30). Therefore, as members of TNHO begin working together, early experiences are very important to subsequent operations and activities.

OD consultants are key people in the initial phases of newly formed alliances between organizations. Educating organizations about internationalization process and transcultural competence needs to start early. Assessing prior experience with international organizations is also important at this stage. If a large cultural difference exists between members, then OD consultants must be particularly aware of the need for people to learn about cultural norms, customs, beliefs, and values in interpersonal interactions and health practices. All subsequent steps are dependent on how effectively OD consultants conduct the entry and startup phases when working among groups from different cultures.

Assessment and Feedback

The concept of cultural value orientation provides a helpful perspective for OD professionals to apply during all phases of ARM but is especially relevant during assessment and feedback. OD consultants employ a variety of data collecting techniques to formulate a better understanding of organizational issues affecting and being affected by the need for change. Cultural values will partially determine how the data is collected and what meaning is attached to the data. Therefore, in this phase of ARM, consultants must be aware of their own cultural values and assumptions as well as the various value orientations of the people involved. Finding assessment tools that reliably test value orientations seems an important part of assessment. Validity and reliability of the data and accuracy of the conclusions are dependent on an understanding of different cultural value orientations.

A classic framework of value orientations proposed by Kluckhohn and Strodtbeck (1961) provides a description of how ethnic cultures vary in their arrangement of complex principles "which give order and direction to the everflowing stream of human acts and thoughts as these relate to the solution of human problems" (p. 4). With an emphasis on problem solving, this framework seems particularly helpful for OD professionals working with TNHO. For example, according to Kluckhohn and Strodtbeck (1961), people vary in their primary orientation to relationships. All cultures have elements of individualism, family (lineality), and community (collaterality) as members develop relationships; however, certain cultures tend to favor one orientation over another. Cultural groups who primarily value individualism may be very willing to offer honest information to OD consultants in focus groups; whereas cultures favoring collaterality might be less likely to offer honest information in focus groups because their value orientation tends toward group cohesiveness. In addition to becoming aware of variations in value orientation among organization members, OD consultants must also be aware of their own value orientation and how values affect their choice of data gathering techniques. More research is required before accurate conclusions about how different cultural values impact the effectiveness of data gathering techniques can be drawn. In the meantime, value orientations can be a helpful guide for OD consultants when considering which techniques to use.

Data analysis following data gathering is another potential source of cultural bias. A degree of ethnocentrism will most likely be present, and OD consultants must be constantly aware of their positionality (race, class, gender, culture) in relation to the people on whom they are analyzing data. Tisdell (1998) discusses the concept of positionality in the classroom and claims that positionality affects what is seen and what is constructed as truth. To counteract the possibility of bias, she suggests seeing with a third eye which "is to recognize that the self constructs knowledge in relation to others, and both the self and others are situated and positioned in social structures where they are simultaneously privileged and oppressed" (p. 150).

OD consultants for TNHO must be constantly vigilant about their cultural positionality in order to avoid ethnocentric assumptions during data interpretation and analysis. For example, silence is often interpreted from a

Western perspective as a lack of “voice” which is metaphorical for lack of knowledge or empowerment. However, many cultural groups appreciate silence in a vastly different way, and the diversity in value orientation about silence could result in misinterpretation. When working with TNHO, consultants cannot assume they know what silence means; instead they must ask questions about what is “underneath silence” (Tisdell, 1998, p. 151).

Feedback follows data gathering and analysis. How OD consultants offer feedback to members of the organization is once again partially dependent on value orientations. In addition to the list of useful feedback characteristics proposed by Franklin (1995), OD consultants need to add a characteristic about cultural sensitivity. For example, feedback is offered using the principles of mindful intercultural communication. Mindfulness is the “readiness to shift one’s frame of reference, the motivation to use new categories to understand cultural differences, and the preparedness to experiment with creative avenues of decision making” (Ting-Toomey, 1999, p. 46). Many cultural implications exist for the feedback phase. By remaining tentative about conclusions drawn from the data and actively seeking input from participants to explore new perspectives – especially cultural perspectives – OD consultants can become more effective in providing feedback to members of TNHO.

Action Planning

The primary perspective in the action planning phase of ARM is to be inclusive and encourage widespread participation especially during the initial stage of TNHO development. Multiple cultural and interdisciplinary frames of reference are necessary to compose an ethical and effective plan for change. As Eriksson, Johanson, Majkgard, and Sharma (2000) found in their study on knowledge development in the internationalization of businesses, when first going abroad organizations are likely to be ethnocentric “because their absorptive capacity [determined by past experience] is domestic-market based” (p. 319).

Members of TNHO are especially likely to start their work together from an ethnocentric viewpoint. Perspectives on concepts such as health and disease causality as well as who is entitled to provide care and what intervention strategies work effectively are derived from cultural values and norms. Lacking awareness of other cultural perspectives in the early phases will severely limit collaborative visioning and problem solving. OD consultants perform a vital role in creating safe environments and providing opportunities for members to comfortably discuss their cultural perspectives. In order to address global health issues, members of TNHO must recognize their own differences and then work toward incorporating multiple perspectives into meta-models for collective problem solving to improve the health of the world’s people.

Bennett (1993) proposed a developmental model that depicts growth from ethnocentrism to cultural relativism; he describes the process of development as “the construction of reality as [people become] increasingly capable of accommodating cultural difference” (p. 24). Organizations by their very nature often attempt to instill commonality among members – perhaps a commonality of purpose through common norms and standards. Differences are sometimes overlooked as people within the organization strive toward achieving a common set of goals or missions. Thinking in terms of cultural differences and valuing diversity of traditions require a new mental model for organizations.

Adler (1980) describes “cultural synergies” as the differences that people bring to intercultural experiences. He claims that acknowledging cultural differences can potentially lead to better outcomes than if those differences are avoided. By creating a global mindset that accommodates cultural differences, OD consultants for TNHO can enhance development toward cultural relativity. Bennett (1993) offers several cultural adaptation strategies such as structuring opportunities for difference-seeking and promoting examination of profound cultural contrasts.

As people move toward cultural diversity and greater awareness of differences occurs, ethnic conflicts often emerge. Anticipating these conflicts ahead of time is an important consideration for OD consultants working with a TNHO. Palich and Gomez-Mejia (1999) claim that “Cultural diversity may indeed bring together divergent perspectives...but global firms may find that these benefits are more than offset by the drawbacks of unmanageable levels of diversity” (p. 15). Contrary to popular support for “value-in-diversity” the authors contend that global firms must exercise caution when entering diverse markets and at the very least must take into account the inevitability of cultural conflict. Palich and Gomez-Mejia (1999) state, “Since globalization requires managers to coordinate the efforts of groups from different national cultures, disproportionate levels of misunderstanding and conflict are likely to attend these efforts” (p. 13). OD consultants who work with TNHO need to implement strategies that prevent cultural clashes. They must also recognize the early signs of cultural conflicts and be prepared to provide the necessary leadership in managing them.

White and Rhodeback (1992) question the assumption that OD ethical standards for professional conduct are transferable to other countries. When researching cultural variation in analyzing and resolving ethical dilemmas, White and Rhodeback found significant cultural differences in OD professionals’ perceptions of ethical consulting

behaviors; they state, "implicit in this difference is the potential for otherwise successful working relationship to be soured by a lack of sensitivity to a difference in expected standards of conduct" (p. 668). Both researchers conclude by imploring the OD profession to more explicitly integrate international diversity into the Code of Ethics.

The Preamble of the "Statement of Values and Ethics for Professionals in Organization and Human System Development" as reported by Rothwell, Sullivan and McLean (1995) clearly indicates that the authors of the Preamble recognize their Western perspective. The Preamble authors state, "Since this Statement has been developed from within the cultural perspective of the United States...we recognize that it includes concepts, beliefs, assumptions, and values unique to the country's culture" (p. 566). This awareness is a significant first step in acknowledging that cultural differences and conflict potential co-exist. Another significant step occurred as Aragon and Hatcher (2001) compiled a casebook for OD professionals to use as an "ethics and integrity resource" (p. 6). Perhaps, the next step is more research on the nature of cultural dilemmas that OD consultants encounter and effective methods of working through the dilemmas. For example, how are human rights interpreted within a collectivist versus an individualistic society? Should some ethical principles be universally applied? What methods are effective in helping transcultural groups manage conflict? Research of this nature could provide more guidance for OD consultants as they internationalize their mindsets and work globally.

OD Interventions

During the intervention phase all previously discussed concepts seem to converge. Mindful cultural communication, diverse value orientation awareness, conflict management, and intergroup attribution theory seem necessary in shaping the perspective of OD consultants during the intervention phase. Lau and Ngo (2001) who researched the effect of culture on OD interventions echo the complexity of this issue; they tested competing hypotheses by questioning whether the usage and effectiveness of OD interventions in multinational organizations are related to the organizational culture in which they occur (cultural influence) or the cultural context of the country-origin (isomorphic influence). The researchers discovered that the cultural adaptation issue "is much more complicated than it was thought...[and] that some OD interventions are culture-free and some are not" (p. 109). They conclude that the organizational culture perspective is more pertinent to the implementation of OD interventions and that the isomorphic (country-culture) view is better in understanding OD effectiveness.

The controversy of how much influence the country-culture has on OD interventions continues to be explored by some OD researchers. For example, Golembiewski (1993) compared the success rate of OD interventions in Western settings versus non-affluent countries. The results of his studies indicated that OD interventions in Western settings had a 41% success rate in achieving "substantial proportion of intended effects" whereas only a 16% success rate was reported in non-affluent settings (p. 1674). A 56% success rate was reported by non-affluent countries and a 43% success rate was reported by Western countries in the category of "some intended effects achieved" (p. 1674).

Golembiewski (1993) cautions against OD consultants being too restrained in implementing OD interventions in low-income countries; he argues that OD, by its very nature, is sensitive to cultural differences and that ARM is designed to assess and diagnose those differences. He asserts that "OD consultants can (and frequently do) make reasonable situational adjustments to the cultures in which they operate and that OD technology has powerful generic features that facilitate adaptation to the idiosyncrasies encountered in all organizations in all settings" (p. 1673). However, the low success rate of OD interventions in low-income countries must be addressed with more research as the OD profession internationalizes. This research would be particularly helpful to TNHO working on health issues where human lives are at greater risk if collaboration fails. Since many serious health risks exist in low-income countries, the importance of developing research-based OD interventions that work effectively cannot be overlooked. By avoiding assumptions about OD effectiveness in low-income countries and producing workable models, OD researchers could contribute significantly to correcting the large and complex health disparities that exist between low-income nations and the more economically developed countries.

Green (1993) described his experience as a non-governmental participant at a United Nations (UN) conference on aging. His observations led to several suggestions for OD consultants working toward global change. For example, he notes that the practice of Theory X and the centralization of decision-making are common in many nations abroad. Theory Y with its more participatory management practices is more novel – especially with developing countries (Green, 1993). This anecdotal report lends support to the argument that country-culture has an impact on OD practices and that OD consultants working with TNHO must consider how to most effectively work within a broad range of cultural contexts.

Although some OD researchers claim that cultural sensitivity is an inherent feature of OD, there seems to be a need to enhance the effectiveness of OD interventions in developing countries. In addition to deliberately applying

a cultural perspective to existing OD interventions and testing interventions in various cultural contexts, new interventions that deliberately acknowledge and bridge cultural differences must be developed and researched. Many diversity training techniques are available, and they often result in increased cultural awareness. However, culture should also be an integral part of system level interventions. Rather than being compartmentalized as a subject of training, culture could be woven into every aspect of OD intervention.

There appear to be no prescriptions for success when implementing OD interventions in TNHO. Therefore, when determining how to conduct interventions, OD consultants must consider multiple cultural contexts and how they impact the development of organizational culture as well as the many issues that pertain to cultural adjustment and firm effectiveness. Perhaps, the best guide is for consultants to proceed with interventions by using contingency planning which stresses flexibility, probabilistic planning which accepts multiplicity and uncertainty, and futuristic planning which maintains a vision of possibilities. This planning needs to be accompanied by a spirit of inquiry, optimism, and confidence as OD consultants work to balance power among participants, plan effective ways to manage different cultural perspectives on global health concerns, and maintain hope in goal achievement.

Evaluation

In the evaluation phase of ARM described by Rothwell, Sullivan and McLean (1995), OD consultants return to data gathering except this time the data pertains to outcomes. A series of questions such as “what benefits have been achieved by implementing OD interventions” and “how are they valued by different cultures” need to be asked. Assuming a cultural perspective is integrated into the evaluation plan, the actual implementation of evaluation measures must also exemplify cultural sensitivity. Mindful cultural communication avoids bias in the interpretation of data, incorporates multiple ways to examine data, and conveys respect for differing values regarding outcomes. By exemplifying the continuous nature of evaluation, reflection-in-action is an effective perspective for OD consultants during this phase.

Schon (1987) discussed reflection-in-action as the process of fluid inquiry and continuous frame analysis; he describes how reflective practitioners are patient as they engage in reflective conversations with the situation allowing conclusions to be tentative as more perspectives are sought and continually incorporated into the emerging and ever changing situation. OD consultants engage in reflective practice to learn about the effect of interventions as well as the process for subsequent steps. Wide participation is assumed as multiple cultural frames are sought. As novel situations present themselves, reflective practitioners carefully analyze the subtle similarities in situations and the many shades of differences make wise use of past experience. Even though Schon (1987) does not specifically discuss the cultural implications of reflection-in-action, the process seems to be helpful in cross-cultural encounters. OD consultants working with TNHO need a reflective rather than just a technical process during evaluation. By its very nature, evaluation requires careful and complex thinking that usually occurs while the professional is in the situation. The next steps of ARM are dependent on this very important reflection.

Adoption and Separation

OD consultants have been planning this stage of ARM from the beginning. Two concepts seem pertinent for transcultural organizations – agency and community. Agency refers to the “ability of actors (persons, groups, organization) to make decisions and act out of their own interests,” and community refers to the “participation of actors in interdependent relations” (Rousseau & Arthur, 1999, p. 8).

Transnational collaborators in health planning seem to need both concepts. OD consultants need to prepare representatives from different cultures to act partially out of their own national interest (agency) and out of an interest in the common good (global community). Once these concepts are balanced, adoption and separation can occur more successfully. Having prepared members of a cross cultural group to appreciate both threads of similarity and shades of difference, to interact effectively, to work synergistically, to manage conflict productively, and to maintain resilience in an ever-changing context, OD consultants can slowly withdraw their help. How this separation is best managed in TNHO requires research since there is currently a lack of published studies that examine the separation phase of action research. More information about how cultural value orientations impact adoption and separation and about which techniques work best is also needed. This type of research would advance an international mindset for OD consultants.

Competencies for OD Professionals in International Work

Wigglesworth (1995) describes several competencies for professionals working in international OD. These include competencies such as self-awareness, linking skills, interaction skills, and tolerance of ambiguity. He describes various researchers who have studied cultural differences and presents some excellent suggestions on how OD

professionals should behave in international situations. However, an international mindset seems to require a different way of thinking – not just an enhanced set of skills. Yershova, DeJaeghere, and Mestenhauser (2000) suggest that an international mindset requires “thinking not as usual” (p. 39). This section of the paper suggests three “not as usual” thinking competencies for OD consultants who work with transnational organizations.

Comparative thinking is the first competency. Yershova, DeJaeghere, and Mestenhauser (2000) state, “International experts and consultants are known to make comparative assumptions about problems that appear similar to those of their own cultures, and to offer instant solutions without first analyzing these problems” (p. 57). Comparative thinking is the process of relating what is known to what is unknown and discovering and analyzing assumptions about both. Comparative thinking is a method used in a variety of contexts – as explanations, persuasions, and understandings. The key feature in sound comparative thinking is a careful exploration of the cultural elements being compared.

In the multicultural context etic and emic perspectives need to be compared. The etic perspective is viewing a culture from the outside; the emic perspective is viewing the culture from within (Cutz & Chandler, 2000). When thinking comparatively, OD consultants should be able to shift emic and etic perspectives as the situation demands. Without comparative thinking, people tend to use the emic perspective about their own culture and etic perspective about other cultures. However, working effectively across cultures requires an ability to explore, compare and analyze both etic and emic perspectives of multiple participants. Reflection, correlation, cultural transposition, and imagination characterize comparative thinking.

Contingency thinking is a second competency. The complexity of working across cultures requires a certain confidence in the unknown. Those who can think about multiple, interacting, and cascading variables are better able to work transnationally. Similar to systems thinking, contingency thinking requires OD consultants to see the “big picture” and recognize that outcomes are partially dependent on unknown factors. Unforeseen problems will arise and are viewed as new opportunities for novel discoveries and improved planning. Flexibility, openness, and creativity characterize contingency thinking.

Global thinking is the third competency and requires OD consultants to consider how worldwide economic, political, and sociocultural trends impact transnational organizations. The world is viewed as a singular, complex system where decisions influence the future of the world community. Microlevel analysis is consistently contextualized as OD consultants consider macrolevel impact. Citizenship in the world community requires an analysis of issues as they impact all people – not just those (such as the wealthy and educated) who have a voice but also the meekest and weakest citizens. Individual and community responsibility is seen in light of social justice and transcultural consciousness. Connection, context, equity, and empathy characterize global thinking.

Conclusion

ARM as described by Rothwell, Sullivan, and McLean (1995) is a very helpful process for OD consultants but seems to require greater acknowledgement of cultural differences. Researchers who believe culture is quietly inherent in the current practice of OD seem to overlook the complexity and tenacity of cultural values. More research about how differences in cultural values impact transnational organization development is needed in order to improve the health of the world’s people. More explicit emphasis on cultural values throughout the action research process is required for TNHO to discover effective ways to change the significant health disparities that exist between developed countries and low income countries. More attention to OD interventions that facilitate transnational collaboration is necessary for analyzing and addressing specific global health concerns such as environmental degradation and food production, civil unrest and the suffering of refugees, and economic and health care access disparities among the world’s people. As the OD profession enters the global era, an international mindset seems important. In addition to the well publicized list of OD competencies, thinking “not as usual” in the form of comparative, contingency, and global thinking is required – especially if the OD profession wants to exert effective leadership in making this world a more socially just, environmentally healthy and tranquil place to live.

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The Design and Development of an Instrument to Measure Organizational Efficacy.

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Organizational Efficacy is the perceived ability of an organization to work together and persist regardless of obstacles. While researchers have recommended a tool to assess Organizational Efficacy, to date no instrument makes this claim. This research developed the Bohn Organizational Efficacy Scale, using two studies to assess validity and reliability. The studies revealed a three factor solution as predicted by efficacy theory, .93 alpha coefficient, and strong correlations with customer focus and employee satisfaction.

Keywords: Organization, Efficacy, Measurement.

Organizations require empirically based tools to effectively analyze the reasons for poor or strong performance (Connor & Lake, 1994). This research developed and tested a tool to measure Organizational Efficacy, which has been theorized as an aspect of organizational performance (Bandura, 1997). The purpose for understanding organizational efficacy is to assess organizations that are low in efficacy, and develop means to improve efficacy and thus improve performance. The aggregated performance accomplishments of every employee in an organization drive organizational performance (Bandura, 1997, p. 472). In other words, organizational performance is more than the sum of its parts, it is the output of coordinated effort among many people. Shamir, (1990) in his analysis of employee motivation within corporations, made the following statement:

In the case of collective tasks whose accomplishment depends on collective efforts, it is not rational to make an effort if collective efficacy is perceived to be low, because no matter how strong the perceived relationship between rewards and collective accomplishments, the chances of such accomplishment and therefore of obtaining rewards, are perceived to be low. Hence, a cognitive calculative formulation of collectivistic motivation must include the individual's subjective probability that the collective efforts will result in collective (organizational, departmental, or team) accomplishment" (p. 316).

Thus aggregated individual perceptions of the organizations' capabilities are critical to the overall success and performance of the entity. Tools for measuring that capability have been elusive to this point. Observers of organizations know there are some organizations have a "feel" about them that exudes efficacy, where a "can do" attitude pervades the halls of the organization (Kotter & Heskett, 1992). We know that other organizations have less of the attitude, where people have less "fight" in them (Ryan & Oestrich, 1998). Conversely, in organizations that appear highly efficacious, people believe they can do anything set before them (Kotter & Heskett, 1992). These organizations are not afraid to take risks (Truske, 1999). Does this belief of organizational efficacy necessarily translate into financial results? At this time we cannot assert a direct causal relationship between the two factors, but we do know that self-efficacy is a cognitive apparatus which supports behavior (Reeve, 1996). Thus the overarching thesis of organizational efficacy theory is if strong self-efficacy beliefs sustain individual persistence (Sadri & Robertson, 1993), then perhaps organizational efficacy beliefs will sustain organizational persistence to accomplish organizational goals and increased organizational performance.

How Are Organizations Analyzed Today?

Organizations study culture, teamwork, employee benefits and other factors to influence performance (Truske, 1999) but an overall metric of organizational efficacy in the business community is not currently available. Organizations are analyzed for their morale, their climate, their culture (Robbins, 1998).

They have also been analyzed for their capacity to learn (Senge, 1990), and their ability to create Organization Based Esteem (Pierce, Gardner, Cummings & Dunham, 1989). These components by themselves are useful, and have value. Yet it seems logical that a coherent, unifying sociopsychological theory that subsumes these elements and which has stood the test of time would be useful in analyzing organizations at a much higher level.

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Theoretical Framework

An overarching organizational research question that continues to this day is “What contributes to organizational performance?” Perhaps the question is being asked incorrectly, and thus is giving us a tangential answer. Perhaps the question should be “What gives an organization the *capacity* to perform at peak levels?” Thus an instrument to assess employee perceptions of organizational efficacy would be useful. As far back as 1987, Marilyn Gist argued for this concept, “By using a valid instrument, research may show that group perceptions of efficacy are related to group performance” (Gist, 1987, p. 482). Thus the theoretical approach used to develop the instrument in this study is efficacy theory. Albert Bandura wrote in 1997, “Analyses of the determinants of perceived organizational efficacy can make a valuable contribution to the understanding of organizational performance (p. 476).” Using Bandura’s theory as a structure for organizational analysis seems fitting, since both the therapeutic, educational and management literature for the past three decades abound with empirically validated references to self-efficacy. Bandura (1997), reported that “Although perceived collective efficacy is widely recognized to be highly important to a full understanding of organizational functioning, it has been the subject of little research” (1997, p. 468). Recent forays in the educational community by Schwarzer, Schmitz & Daytner (1999) however, are showing success in measuring collective teacher efficacy. Yet an instrument to assess organizational efficacy designed specifically for the context of business organizations has been lacking in the literature thus far.

Self-efficacy

A brief explanation of self-efficacy is essential for understanding organizational efficacy. Self-efficacy is a belief in one’s ability to generate effort to overcome obstacles and persist in the performance of tasks or activities (Bandura, 1986). Bandura tells us that “Among the different aspects of self-knowledge, perhaps none is more influential in people’s lives than conceptions of their personal efficacy” (1986, p. 390). Gist adds (1992) “Self-efficacy may be thought of as a superordinate judgment of performance capability that is induced by the assimilation and integration of multiple performance determinants” (p. 188). Self-efficacy is central to the motivational core of human action. There is a proven relationship between efficacy and action (Bandura, 1980). Gist emphasized this when she wrote “The predictive validity of self-efficacy is well established” (1992, p. 187). Efficacy is an empirically proven psychological construct. Yet efficacy goes beyond the individual; it also influences groups of individuals, including teams (Spink, 1990; Carron, Widmeyer, & Brawley, 1985) and organizations, which are the focus of this instrument.

Organizational Efficacy

The focus in organizational milieus has been the individual, to the exclusion of understanding how individuals perceive the collective efficacy of the organization. Yet people are not islands in organizations: they act together, and they have a sense of the capabilities of others to perform work (Zaccaro, et al, 1995, p. 305). People have a sense of being part of something larger than themselves. In organizations with high levels of organizational efficacy, people should function differently, work differently, and the outcomes should be different than organizations where organizational efficacy is low. Many definitions of collective efficacy echo that statement. “Collective self-efficacy deals with a group’s beliefs in its competence for successful action” (Schwarzer, et al, 1999). Zaccaro, Blair, Peterson & Zazanis (1995) define collective efficacy as “a sense of collective competence shared among individuals when allocating, coordinating, and integrating their resources in a successful concerted response to specific situational demands” (p. 309). It also involves individuals’ perceptions regarding the group’s performance capabilities (Kozub & McDonnell, 2000). Finally, “Collective efficacy refers to individual’s assessments of their group’s collective ability to perform job-related behaviors...” (Riggs, et al, 1994, p. 794).

In other words, people can sense the capability of a group to perform actions. We sum up with a statement from Bandura’s recent work (2000) on the subject, which reflects his thinking over the past 15 years as follows. “People’s shared beliefs in their collective efficacy influence the types of futures they seek to achieve through collective action, how well they use their resources, how much effort they put into their group endeavor, their staying power when collective efforts fail to produce quick results or meet forcible opposition, and the vulnerability to discouragement that can beset people taking on tough social problems” (p. 76). In this research, collective efficacy is refined in the context of organizations, hence the term organizational efficacy. Though we are limited by

the space constraints of this paper, the OD/HRD literature supports the following three factors of organizational efficacy:

- Sense of Mission or Purpose* – Do we know where we’re going?
- Sense of Collective Capability* – Can we work together to accomplish the goal?
- Sense of Resilience* – Are we capable to stay the course in the face of obstacles?

Organizational Efficacy is defined as follows:

Organizational efficacy (OE) is a generative capacity within an organization to cope effectively with the demands, challenges, stressors, and opportunities it encounters within the business environment. It exists as an aggregated judgement of an organization’s individual members about their (1) collective capabilities, (2) mission or purpose, and (3) a sense of resilience.

Research Question #1

Can an instrument be developed to measure the construct of organizational efficacy in a reliable and valid manner, consistent with the proven principles of instrument development?

Construction of the Bohn Organizational Efficacy Scale

The construction and validation of the BOES followed the general sequential procedures for developing self-report scales of individual differences (Jackson, 1971; Jackson & Paunonen, 1980). Items are rationally derived from theory; the item pool is reduced and refined through various empirical procedures that maximize internal consistency and convergent and divergent validity while minimizing the influence of response styles associated with item variability, agreement-disagreement wording, gender bias, and other factors. 37 items were written for the BOES utilizing these procedures. They were derived from multiple sources including: the authors’ extensive conversations with people in organizations (Pierce, Gardner, Cummings, & Dunham, 1989), open-ended sentence completion exercises (Bandura, 1997, p. 43), organizational observations (Kraut, 1996), and interviews (Edwards, Thomas, Rosenfeld, & Booth-Kewley, 1997) focusing on the three proposed factors of organizational efficacy: Sense of Mission; Sense of Collective Capability; and Sense of Resilience.

Sample Items

While the entire Organizational Efficacy Scale is not presented, one item from each theorized factor is presented to give readers a sense of the questionnaire, and the Likert scale used in the research.

Sense of COLLECTIVE CAPABILITY

1. People in this organization can take on any challenge.
- | | | | | | |
|----------------|-------|----------------|-------------------|----------|-------------------|
| 6 | 5 | 4 | 3 | 2 | 1 |
| Strongly agree | Agree | Agree somewhat | Disagree somewhat | Disagree | Strongly Disagree |

Sense of MISSION/FUTURE

2. This company has a strong vision of the future.

Sense of RESILIENCE

3. During an economic downturn, this organization will come out strong.

Research Question #2

Will the instrument demonstrate convergent validity with existing instruments that measure collective efficacy, specifically Schwarzer’s Teacher Collective Efficacy scale (1999) and Riggs, et al (1994) Collective Efficacy Scale?

Two existing scales were used to assess convergent validity: Schwarzer’s Collective Teacher Efficacy Scale (adapted) and Riggs Collective Efficacy Belief Scale. Schwarzer, et al, has conducted research on collective teacher efficacy which items were reworded to derive convergent validity with organizational efficacy items. Schwarzer’s scale (1999) had a Cronbach’s alpha of .91, and .92, respectively. Test-retest reliability resulted in .77 (N = 197) for the period of one year. Riggs, et al (1994) developed a Collective Efficacy Belief Scale, with alpha scale reliabilities



ranging from .85-.88. It was hypothesized that the Organizational Efficacy Questionnaire would correlate highly with the items from both these scales.

Research Question #3

Will the instrument demonstrate discriminant validity with constructs that are dissimilar, specifically self-efficacy, as measured by Schwarzer, and Organization Based Esteem, as measured by Pierce, et al (1989)?

Individual Self-efficacy

The generalized self-efficacy scale of Ralf Schwarzer at the Freie Universitat of Berlin was used to assess discriminant reliability (1997; 2000). The German version of this scale was originally developed by Matthias Jerusalem and Ralf Schwarzer in 1981, first as a 20-item version and later as a reduced 10-item version (Jerusalem & Schwarzer, 1986, 1992; Schwarzer & Jerusalem, 1989). It has typically yielded internal consistencies between $\alpha = .75$ and $.90$. All the items from the Schwarzer self-efficacy scale were included in the testing of the organizational efficacy instrument, and aggregated as one individual efficacy score per respondent.

Organization Based Esteem

It was hypothesized that organizational efficacy is not organization-based self-esteem (Pierce, Gardner, Cummings & Dunham, 1989). Thus all the items on the organization based self-esteem scale were used to check discriminant reliability. All the items from this scale were included in the testing of the organizational efficacy instrument, and aggregated as one Organization Based Esteem score per respondent.

Research Question #4

Will the instrument show criterion validity with measures normally used in a business setting, specifically Customer Satisfaction, as measured by Kotter and Heskett (1992), and Workplace/Job Satisfaction as measured by Buckingham and Coffman, (1999)?

Customer Satisfaction

Kotter & Heskett, (1992) studied 207 organizations, ranging from airlines (Northwest) to breweries (Coors), to car manufacturers (Nissan) and concluded that adaptive cultures have a "feeling of confidence: the members believe, without a doubt, that they can effectively manage whatever new problems and opportunities come their way" (p.44-45). This is a statement of organizational efficacy. Thus one item on customer focus was used to assess criterion validity.

Workplace/Job Satisfaction

Items measuring employee satisfaction are critical predictive factors, since it seems employees would be satisfied in an organization that is highly efficacious. Thus we employed two questions from Buckingham & Coffman's questionnaire (1999) specific to employee satisfaction.

While the research may be challenged for common method variance because the same method used to measure organizational efficacy was also used to customer and employee satisfaction, there is evidence from the literature (Dawes, 1999) that subjective evaluations of performance correlate strongly ($.51, p < .05$) with objective evaluations of performance.

Study #1

A study was conducted from February through April of 2001 to test the discriminant, convergent, and criterion validity of the scale. Eight companies were contacted for the study, only seven participated in the study. A total of 432 questionnaires were distributed, and 142 were returned, yielding a return rate of 32%. The companies are in the southeast Wisconsin-Northern Illinois Area of the United States. Guaranteed anonymity requires that the companies not be listed in this research. The seven companies yielded 30 different departments, ranging from Accounting to Warehouse. Gender response was nearly even with 46% female and 51% male, and 3% refused to identify gender. The majority of people in the study were Caucasian 78.9% with Hispanic 15.1% as the second largest category.

Results of Convergent and Discriminant Validity from Study #1

Table 1 depicts correlations between the *Bohn Organizational Efficacy Scale (BOES)* developed in this research, against two measures of convergent validity, and two measures of discriminant validity.

Table 1. *Correlations to test convergent and discriminant validity of BOES*

| | BOES | SCHWARZER CTEFF | ORG ESTEEM EFFICACY | SELF- COLLEFF | RIGGS |
|----------|-------|--------------------|------------------------|------------------|-------|
| BOES | 1.00 | .857 | .387 | -.072 | .613 |
| CTEFF | .857 | 1.000 | .492 | .094 | .514 |
| OESTEEM | .387 | .492 | 1.000 | .481 | .341 |
| SELF-EFF | -.072 | .094 | .487 | 1.000 | -.014 |
| COLLEFF | .613 | .514 | .341 | -.014 | 1.000 |

All correlations are significant at the 0.01 level (2 tailed).

All items on the scales were computed together as one score for each participant. The BOES converges strongly with both the Schwarzer Collective Teacher Efficacy Scale ($r=.857, p<.01$) and the Riggs Collective Efficacy scale ($r=.613; p<.01$). There is a modest correlation ($r=.387; p<.01$) between Organization Based Esteem (ORGESTEEM) and the BOES, indicating some overlap in the constructs. There is no correlation at all between SELFEFF (Self-efficacy) and the Organizational Efficacy Questionnaire, as predicted.

Criterion Measures

Table 2. *Correlations between Customer Focus, Organizational Efficacy, and Organization Based Esteem*

Q50 – To what extent does this organization have a focus on customers?

| | Q50 | BOES | OrgEsteem |
|-----------|-------|-------|-----------|
| Q50 | 1.000 | .564 | .183 |
| BOES | .564 | 1.000 | .387 |
| OrgEsteem | .183 | .387 | 1.000 |

Table 2 shows the correlation between the BOES and Customer Focus, as compared to Organization based Esteem and Customer Focus. Customer Focus is more highly correlated with Organizational Efficacy ($r=.564; p<.01$) than with Organization Based Esteem ($r=.183; p<.01$). A z-test showed that the difference is statistically significant.

Table 3. *Correlations between the BOES and Workplace Satisfaction; Job Satisfaction*

Q53 - How satisfied are you with your place of work? Q54 – At work I get to do what I do best every day.

| | BOES | OrgEsteem | Q53 | Q54 |
|-----------|-------|-----------|-------|-------|
| BOES | 1.000 | .387 | .659 | .519 |
| OrgEsteem | .387 | 1.000 | .487 | .599 |
| Q53 | .659 | .487 | 1.000 | .629 |
| Q54 | .519 | .599 | .629 | 1.000 |

Table 3 shows the relationships between the Buckingham and Coffman questions and the BOES. Satisfaction with the place of work (Q53) is more highly correlated with BOES ($r=.659; p<.01$) than with Organization Based Esteem. Conversely, (Q54) "At work I get to do what I do best every day." is more highly correlated with Organization Based Esteem ($r=.599; p<.01$), than with the BOES. This is to be expected, since esteem is more job specific and individual. However when employees assess workplace satisfaction they take into account the organizational efficacy of the entire system.

Conclusions from Study #1

Study #1 showed that the Organizational Efficacy Questionnaire (BOES) was not measuring Organization Based Esteem or Self-Efficacy. In addition, the criterion measures of Customer Focus, Employee Satisfaction with workplace, and Employee Satisfaction with Job showed expected relationships.

Study #2

The second study was composed of 619 respondents from seven companies, with 75% male and 25% female. 89.6% were Caucasian, 4.0% African American, and 1.8% Hispanic. They represented 26 different departments, and 5 different roles, ranging from executive to line worker. In study #2, the 23 item scale was presented to seven different companies to access a large enough sample to conduct proper factor analysis, which requires a minimum of 10 respondents per item. The response of 619 people exceeds the 230 needed to justify the factor analysis. The BOES was reduced to 17 items after further statistical analysis.

Alpha Levels and Factor Analysis

Alpha level for the entire Bohn Organizational Efficacy Scale (recoded) was .93, Sense of Mission/Future subscale (.80); Q11, 14, 15, 16, Sense of Collective Capability Subscale (.92); Q1-7, 9,10 and Sense of Resilience Subscale (.88) Q18-21. Thus all the subscales and the overall scale meet or exceed .8 alpha.

Table 4. Factor analysis of the 17 item Bohn Organizational Efficacy Scale demonstrating the three factors of Organizational Efficacy

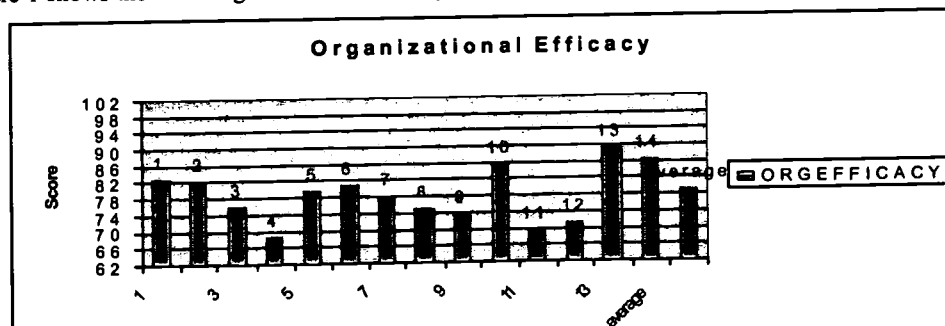
| | Rotated Component Matrix | | |
|-----|--------------------------|------------|------------|
| | 1 | 2 | 3 |
| Q1 | .719 | -.184 | .141 |
| Q2 | .701 | -.141 | .346 |
| Q3 | .621 | -.268 | .278 |
| Q4 | .797 | -.196 | .169 |
| Q5 | .800 | -.178 | .142 |
| Q6 | .816 | -.206 | .157 |
| Q7 | .762 | -.7.85E-02 | .251 |
| Q9 | .620 | -.9.49E-02 | .280 |
| Q10 | .674 | -.167 | .264 |
| Q11 | .421 | -.290 | .604 |
| Q14 | .298 | -.319 | .674 |
| Q15 | .181 | -.4.60E-02 | .754 |
| Q16 | .295 | -.163 | .722 |
| Q18 | -.214 | .790 | -.260 |
| Q19 | -.131 | .890 | -.5.73E-02 |
| Q20 | -.177 | .862 | -.152 |
| Q21 | -.236 | .754 | -.162 |

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.
 a. Rotation converged in 5 iterations.

Table 4 shows that Items 1-7, 9 and 10 comprise factor 1 (COLLECTIVE CAPABILITY); Items 11, and 14-16 comprise factor 2 (SENSE OF MISSION OR FUTURE); and items 18-21 comprise factor 3 (SENSE OF RESILIENCE). Factor 1 derived an Eigenvalue of 7.898, accounting for 47% of the variance; Factor 2 Eigenvalue = 2.021, 11.9% of the variance; and Factor 3 Eigenvalue = 1.128, 6.63% of the variance. The three factor solution was validated.

Figure 1. Organizational Efficacy Across 14 Companies

Figure 1 shows the total Organizational Efficacy Scores for all 14 companies in the study. As can be seen from



the bar chart, the scores vary widely across companies, though no company reached the maximum score of 102 (17 items x a maximum score of 6 per item). Company 13 has the best overall score, while Company 4 shows the greatest need for improvement. Table 5 shows that Organization accounts for nearly 16% of the variation in organizational efficacy, and the F ratio is significant at the .001 level.

Table 5. ANOVA – Organizational Efficacy Across 14 Organizations

| Source | Type III Sum of Squares | df | Mean Square | F | Sig. |
|-----------------|-------------------------|-----|-------------|-----------|------|
| Corrected Model | 18018.797 | 13 | 1386.061 | 11.095 | .000 |
| Intercept | 1703703.404 | 1 | 1703703.404 | 13637.905 | .000 |
| Organization | 18018.797 | 13 | 1386.061 | 11.095 | .000 |
| Error | 86197.652 | 690 | 124.924 | | |
| Total | 4510846.000 | 704 | | | |
| Corrected Total | 104216.449 | 703 | | | |

a R Squared = .173 (Adjusted R Squared = .157)

Findings and Conclusions

The combined studies showed that Organizational Efficacy can be measured, and that the instrument showed expected discriminant and convergent reliability. The instrument derived three factors as theorized from the literature, specifically Sense of Mission or Future, Sense of Collective Capability, and Sense of Resilience. The alpha levels for the overall scale and the individual scales of each factor were at or above .80. Common criterion variables for business, including both Customer Focus and Employee Satisfaction were shown to be positively correlated with the BOES. Table 6 shows a moderately strong ($r=.540$; $p<.01$) correlation between perceived Organizational Efficacy and perceived Customer Focus, a strong ($r=.702$; $p<.01$) correlation between perceived Organizational Efficacy and Workplace Satisfaction, and a moderate ($r=.486$; $p<.01$) correlation between perceived Organizational Efficacy and Job Satisfaction. *These are significant and important findings for all organizations interested in employee perceptions of customer satisfaction and workplace satisfaction.*

Table 6. Correlations of Organizational Efficacy with Customer Focus, Workplace Satisfaction, and Employee Satisfaction for 14 organizations.

| | | ORG EFFICACY | Customer Focus | Workplace Sat | Job Sat |
|-------------------------|----------------------------|--------------|----------------|---------------|--------------|
| ORG EFFICACY | Pearson Correlation | 1.000 | .540 | .702 | .486 |
| | Sig. (2-tailed) | . | .000 | .000 | .000 |
| | N | 704 | 697 | 694 | 700 |
| Customer Focus | Pearson Correlation | .540 | 1.000 | .388 | .311 |
| | Sig. (2-tailed) | .000 | . | .000 | .000 |
| | N | 697 | 751 | 741 | 747 |
| Workplace Sat | Pearson Correlation | .702 | .388 | 1.000 | .602 |
| | Sig. (2-tailed) | .000 | .000 | . | .000 |
| | N | 694 | 741 | 751 | 751 |
| Job Satisfaction | Pearson Correlation | .486 | .311 | .602 | 1.000 |
| | Sig. (2-tailed) | .000 | .000 | .000 | . |
| | N | 700 | 747 | 751 | 757 |

** Correlation is significant at the 0.01 level (2-tailed).

Other statistical analyses showed statistical significant differences between organizations at the organizational level, but not at the department level. Thus the 17 item *Bohn Organizational Efficacy Scale* has passed the fundamental statistical tests for reliability and validity, and positively answered the four research questions.

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The Relationship of Individualism and Collectivism to Perceptions of Interpersonal Trust in a Global Consulting Firm

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This study explored the national culture values (e.g., cultural syndrome) of Individualism and Collectivism and their relationship to interpersonal trust which was defined as consisting of Reliability, Openness, Concern, and Competence. Cultural syndrome was found to have a significant relationship with perceptions of trust in the manager and in the work team. The major implication is for the building of awareness around the notion that trust in workplace relations varies when considering a multinational workforce.

Key Words: Individualism, Collectivism, Interpersonal Trust

The notion of a global workplace is one that is commonplace in today's business environment. Organizations are realizing that their workforce is rapidly becoming multinational due to increases in globalization, mergers and acquisitions, and joint ventures (Marquardt & Engel, 1993). As organizations continue to employ workers from different national cultures both domestically and internationally, HRD is now pressed with a new dilemma in improving performance at the individual, team or organizational levels with a global focus. That is, HRD professionals are now being asked to consider effects of cultural tendencies (which includes values and beliefs) on their performance improvement initiatives. Relationship building is foundational to successful business performance. Interpersonal trust is one workplace dimension that should be viewed as the baseline for successful relationship building, especially in a global environment

Summary of the Problem

Trust is an interpersonal dynamic that has received a great deal of attention in the organizational sciences recently (Kramer, 1999). While there is research looking at the moderators, mediators, and outcomes of the construct of trust, a large gap exists in the trust literature regarding the antecedents of trust; especially the cultural dimensions as possible antecedents. The limited extant literature on culture as an antecedent of trust inhibits HRD professional's ability to effectively analyze, design, develop, implement, evaluate and manage performance improvement or promote organizational learning in a global arena. That is, in order to continuously improve performance and learning in an efficient and effective manner, empirical organizational research is needed to clearly understand the implications of cultural differences in interpersonal dynamics.

Purpose of the Study and Research Questions

The purpose of this research was to investigate the relationship, if any, between culture and trust in a multinational work setting. Culture (e.g., Individualism and Collectivism) and trust (e.g., Reliability, Openness, Concern, and Competence) were operationalized into several subcomponents and it was the relationship and/or interaction between these variables that this study was interested in determining. Trust was examined as relating to two primary workplace relationships: between employees and their primary manager as well as between employees and their primary work team. The research questions guiding this study were as follows: (1) Does a significant relationship exist between cultural syndrome and propensity to trust?, (2) Does a significant relationship exist between cultural syndrome and a trustor's tendencies toward various components of trust in the primary manager?, and (3) Does a significant relationship exist between cultural syndrome and a trustor's tendencies toward various components of trust in the primary work team?

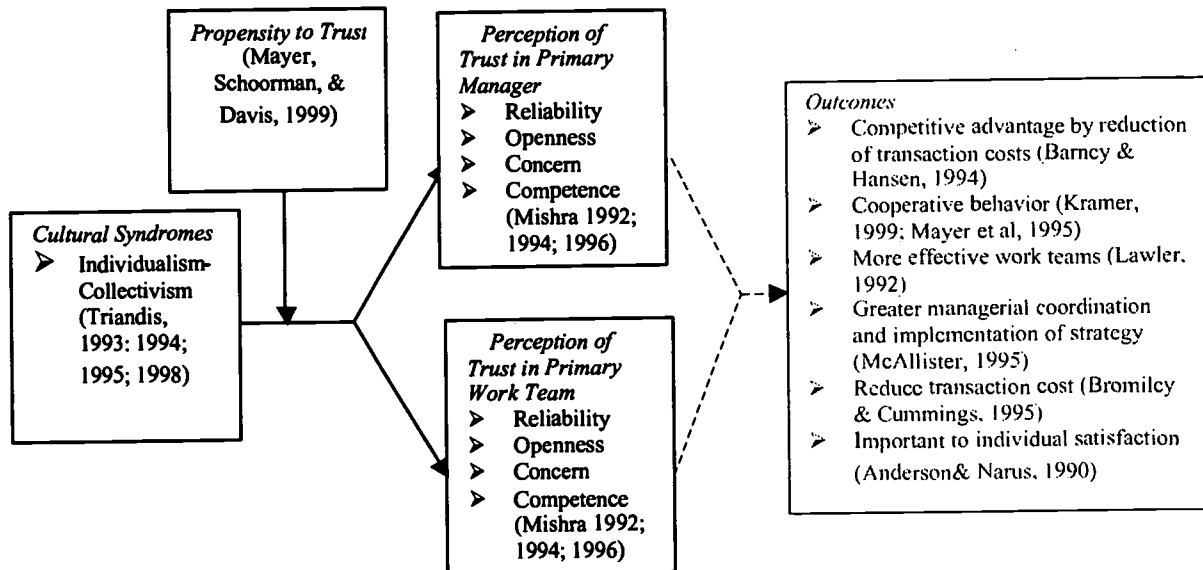
Studying the cultural syndromes of employees in a multinational organization is an attempt to make the best multinational uses of varying employee dispositions (Davison, 1994). The ability to understand relationships between cultural syndromes (i.e., collectivistic and individualistic tendencies) to the construct of trust is vital. As organizations continue to move into different countries and set-up offices around the world, the need to understand varying cultural perspectives on trust becomes paramount. Trust has been found to be an important aspect of relationships since it leads to "a constructive dialogue and co-operation in problem-solving, facilitates goal clarification, and serves as a basis of commitment to carry out agreements (Schurr and Ozannem, 1985, in Shaffer & O'Hara, 1995, pp. 9)." Consequently, HRD professionals must understand the cross-cultural implications of trust

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both within and between organizations, especially in such unstable environments as that of a recently merged or acquiesced corporate culture. In order for such partnerships to be successful employees must feel a sense of trust with their work group, their manager, and the organization as a whole. In attempting to maximize performance and human potential of such employees, HRD professionals will need to be knowledgeable of the relationship between culture and trust amongst work related values; for it is these same work related values that will ultimately influence the productivity and performance of an organization.

Theoretical Framework

Figure 1. Cultural framework for trust.



Building on Ajzen & Fishbein (1980) Theory of Reasoned Action and their decision model, a few trust researchers (i.e., Currall & Judge 1995 and McKnight, Cummings & Chervany 1998) have suggested frameworks for intentions to trust. These researchers purport that an individual's attitudes, beliefs, and cognitions will shape his intention to trust, ultimately moderating whether that individual engages in trusting behavior. Similarly, this study proposes that an individual's cultural syndrome (i.e., their individualist or collectivist tendencies) serves as an antecedent to their propensity to trust (see Figure 1). That propensity to trust will then moderate their perception of (i.e., their intent to) trust based on the individual's knowledge of the trustor's reliability, openness, concern, and competence. This perception of trust in the primary manager or primary work team then results in specific organizational outcomes as suggested in the trust literature (see Anderson & Nazurus, 1990; Barney & Hansen, 1994; Bromiley & Cummings, 1995; Kramer, 1999; Lawler, 1992; McAllister, 1995; Mayer, et al., 1995). This study investigate the relationship of culture as an antecedent to trust. The relationship between trust and organizational outcomes was out of the scope of this study but is depicted in this model to illustrate the overall picture of interpersonal trust in the workplace.

Critique of Relevant Literature

Limited extant literature exists regarding the relationship between cultural syndrome and trust. Shaffer and O'Hara (1995) found that individuals from low Individualism countries would express less trust of a service professional than persons from high Individualism countries. Consequently, Shaffer and O'Hara (1995) have found that trust varies along low and high Individualism countries. Shaffer and O'Hara (1995) argued that differences in perceptions of trust may be partially attributed to national differences in the bases for trust by utilizing Hofstede's (1991) argument that in small power distance and Individualism countries "the main sources of power are one's formal position, one's assumed expertise, and one's ability to give rewards (p. 12)." Also, based on their findings Shaffer and O'Hara (1995) concluded that for clients from small power distance/high individualistic countries "providing evidence to establish one's expertise, competency, and ethical orientation during initial encounters may enhance perceptions of trust (p. 12)." Shaffer & O'Hara (1995) have found that high power distance and high Collectivism show a strong distinction between in-groups and out-groups. They go on to state that in these countries

trust is essentially based on in-group membership. Hence, in "collectivistic countries in-group membership and ultimately trust may take longer to achieve... In individualistic countries business is conducted with whole companies, in collectivistic countries business is conducted with individuals (who are members of one's in-group; therefore the relationship is then with one person and not the entire company p. 13)."

Shaffer and O'Hara's (1995) discussion of cultural syndromes and trust is focused on a country level analysis of Individualist and Collectivist countries. Other studies have looked at the relationship of cultural syndromes and trust at the individual level of analysis. For example, Yamagishi & Yamagishi (1994) studied trust between American and Japanese citizens. They found that Japanese citizens reported lower levels of trust compared with their American counterparts. This appears to be a rather surprising finding given the expectation that Japanese culture is often identified with "close, stable, long-term social relations (Kramer, 1999, p. 10)." However, Yamagishi & Yamagishi (1994) noted that in actuality Japanese culture could be distinguished by high stability whereas American culture does not have a comparable sense of stability and social uncertainty. Therefore, when in a situation of instability Americans are more concerned with reducing the stability and uncertainty through personal knowledge of the trustor as well as reputational information, whereas the Japanese rely on assurance of predicted stability of interpersonal and inter-organizational relationships (Kramer, 1999).

Nicol (1994), in his study of American and Mexican students found that trust is in fact a multidimensional concept that serves as a foundation for assessing cultural influence on trust. Nicol found the application of the trust concept "to differ systematically along cultural lines (p. 101)." Specifically, he found that the more collectivist culture would place a higher emphasis on the relationship dimension of trust, while the more individualistic culture placed a higher emphasis on the institutional agent and caution dimensions of trust.

Methodology

Smith Consulting consults globally on human resources issues. They have representation in all geographic regions around the world. Given the global focus of the organization, Smith was well suited as the population from which the sample was drawn. The unit of analysis was the individual employee. The sample was a stratified sample representing various global locations (including the U.S.) and multiple lines of business. A total of 627 employees (from over two dozen countries around the world) responded to an online survey resulting in a 67% response rate. Twenty-four surveys were dropped because they were deemed unusable. The cultural syndrome (e.g., Individualist or Collectivist tendencies) for each of the respondents was then determined based on their responses to the INDCOL scale items. Cultural syndrome was determined by the category in which they had the highest total score. Thus, amongst the remaining 603 respondents, there were a total of 393 collectivists and 210 individualists.

The stratified random sample was considered to have yielded respondents who were representative of the firm's demographic make-up. Demographic data were pulled from Smith's internal employee database in order to describe the respondents. Overall, there were more females (56.8%) than males (43.2%) amongst respondents. Age data were only available for North American employees. Therefore, of the 425 North American employees that responded to the survey almost half were between the ages of 25 and 35 (49.6% of respondents). Concurrent with the overall respondents, there were more collectivists in all age groups than individualists. Of those respondents who were in management roles, there were more collectivist (61.1%) managers than individualists (38.9%). The total percentage of respondents in management roles (11.9%) was considered slightly smaller than the overall percentage of Smith employees in management roles, but within sampling error. Employee tenure data indicated that two-thirds of respondents had only been employed at the firm for less than 3 years (66.6%). Almost one-third of these respondents had been at the firm for less than 1 year (29%). These percentages are considered to be somewhat higher than the tenure of overall Smith population. However, the differences fall within normal sampling error and do not affect the generalizability of study results.

Items from three existing instruments were utilized for this study. First, Triandis' (1995) 32-item INDCOL measured Individualism and Collectivism at the individual level (as opposed to the cultural level) with published alpha coefficients of .71-.80 (Singelis, Triandis, Bhawuk, and Gelfand, 1995; Probst, Carnevale, & Triandis, 1999). Second, Mishra & Mishra's (1994) 16-item measure of trust looked at four components of trust (Competence, Reliability, Openness, and Concern) with a published alpha coefficient of .93. Third, Mayer et al.'s (1999) 8 questions on propensity to trust were adapted for the purposes of this study with published alpha coefficients of .55-.66. Finally, the instrument also included a demographic section (for data that could not be obtained through the employment database system at Smith). The three instruments plus the demographic instrument were converted into one web-based questionnaire. In addition, the instrument was translated into Spanish, Portuguese, and French.

Each one of Smith's global locations had access to the internet and was able to link to the questionnaire through a hyperlink in an email message sent to each participant. (It is important to note that in this organization, online data collection was considered common practice as all employee surveys were administered in this fashion.) Once at the website, participants were given directions for filling out the instrument, as well as the option to pick the language in which they chose to complete the questionnaire. Once participants submitted the instrument, data were automatically transported into a My SQL database on the University of Illinois server and then converted into an SPSS database for data analysis. Descriptive and inferential statistics were then used to analyze the data from the questionnaire. The primary method for data analysis was the use of a Multi-variate Analysis of Variance (MANOVA) with follow-up Regression Analysis, MANCOVA, and Repeated Measures Analysis.

Limitations of Research

As with most research studies, there were some limitations. The Latin American (47% compared to 70%, 72%, and 66% in the Asia-Pacific, Europe, and North American regions, respectively) portion of the sample revealed lower response rates compared to other regions. This lower response rate was explained, however, due to traditional low response rates from the region in all employee surveys, limited local support for such initiatives, and varying organizational structures (e.g., having different ownership structures due to joint ventures or acquisitions). Also, while all Latin American employees have access to a computer they do not all necessarily have their own computer; thus accessibility to technology could also be a factor. Another limitation to the study is the low reliability of the Mayer and Davis (1999) propensity to trust items (.53 alpha coefficient). However, published reliability data for the Propensity to Trust items found Cronbach alphas ranging from .55 to .66 (Mayer & Davis, 1999). Finally, this study was limited to employee *perceptions* of trust in their primary manager and primary work team; thus, implications are limited to these workplace relationships.

Results

The first research question addressed whether a significant relationship existed between a trustor's propensity to trust and their cultural syndrome. Propensity to Trust, the dependent variable, has been defined as an inherent willingness to trust (Schoorman, Mayer, & Davis, 1996). The trust literature suggests that individuals differ in their disposition to trust (McKnight, Cummings, & Chervany, 1998; Mayer, Schoorman, & Davis, 1999), that is, the likelihood that they will display trust in a given situation. The independent variable, Cultural Syndrome, has been defined as the elements of culture that are organized around a central theme. Specifically, Triandis (1995) described it as an individual's tendency towards Individualism or Collectivism. The central theme of Individualism is organized around the individual as the unit of analysis and the orientation is to the self. The central theme of Collectivism is organized around the team as the unit of analysis and the orientation is to the group. Findings from an ANOVA suggest there was no significant relationship between cultural syndrome and a trustor's Propensity to Trust ($F=2.25$; $p=.135$). Therefore, Individualist or Collectivists tendencies do not effect disposition to trust.

Research question two addressed the relationship between cultural syndrome and trust in the *primary manager*. The dependent variables for question two were the four trust components (Mishra, 1992): Reliability, Openness, Concern, and Competence. Again, the independent variable was cultural syndrome. Cultural syndrome was found to have a significant relationship with all trust variables when looking at trust in the primary manager (Reliability $F=10.44$; $p=.001$; Openness $F=11.56$; $p=.001$; Concern $F=8.14$; $p=.005$; and Competence $F=9.56$; $p=.002$). Research question three addressed the relationship between cultural syndrome and trust in the *primary work team*. The dependent variables for research question three, as in research question two, were the four trust components; the independent variable was cultural syndrome. Again, cultural syndrome was found to have a significant relationship with all trust variables when looking at trust in the primary work team (Reliability $F=12.81$; $p=.000$; Openness $F=16.00$; $p=.000$; Concern $F=11.73$; $p=.001$; and Competence $F=12.29$; $p=.001$).

Overall there appeared to be a larger number of Collectivists ($n=393$) than Individualists ($n=210$) amongst respondents (even from those countries that have been traditionally identified as Individualist). Triandis (1995) believed that individuals actually have tendencies toward both Individualism and Collectivism and that these constructs are, in fact, contextual. Triandis' explanation lends itself to the conclusion that this particular global consulting firm is potentially promoting a collectivistic organization culture that, in turn, could potentially be overriding some traditional national culture value in the context of this particular workplace.

Table 1. Means and Standard Deviations for Trust in Manager and Team by Cultural Syndrome

| Variable | Collectivists | | Individualists | |
|--------------------------|---------------|------|----------------|------|
| | Mean | SD | Mean | SD |
| <i>Primary Manager</i> | | | | |
| Reliability | 22.64 | 4.79 | 21.24 | 5.51 |
| Openness | 22.21 | 4.76 | 20.72 | 5.72 |
| Concern | 22.37 | 4.65 | 21.19 | 5.23 |
| Competence | 23.29 | 4.50 | 22.05 | 5.02 |
| <i>Primary Work Team</i> | | | | |
| Reliability | 21.52 | 4.31 | 20.22 | 4.08 |
| Openness | 21.16 | 4.38 | 19.65 | 4.48 |
| Concern | 19.69 | 4.45 | 18.38 | 4.39 |
| Competence | 21.71 | 4.35 | 20.47 | 4.23 |

Table 2. Comparison of Mean Scores between Cultural Syndrome and Trust Variables

| Cultural Syndrome | Trust Components | Mean | Std. Error | Lower Bound | Upper Bound |
|-------------------|------------------|-------|------------|-------------|-------------|
| Collectivists | Reliability | 22.08 | .20 | 21.69 | 22.46 |
| | Openness | 21.69 | .20 | 21.29 | 22.08 |
| | Concern | 21.02 | .19 | 20.64 | 21.40 |
| | Competence | 22.50 | .19 | 22.13 | 22.87 |
| Individualists | Reliability | 21.94 | .22 | 21.51 | 22.36 |
| | Openness | 21.47 | .22 | 21.04 | 21.90 |
| | Concern | 21.78 | .21 | 21.37 | 22.19 |
| | Competence | 22.67 | .20 | 22.27 | 23.06 |

Through a comparison of mean scores for each component of trust, findings from this study could be further explained to trust in the primary manager (see Tables 1 for means and standard deviations for trust in the primary manager and primary work team by cultural syndrome). First, Collectivists had overall higher perceptions of trusts than Individualists on all four trust variables across workplace relationships (e.g., primary manager and primary work team). Second, the Competence variable had the highest rating for trust in the primary manager and primary work team. Third, Openness rated the lowest for trust in the primary manager while Concern rated the lowest for trust in the primary work team. However, fourth, Individualists and Collectivists have the greatest differences on trusting their manager's and team member's Openness characteristics; with Collectivists having more trust than Individualists on their primary manager's and team member's Openness. Fifth, trust in the primary manager had overall higher mean scores in comparison to trust in the primary work team. Sixth, trust in the manager rated higher than trust in the work team regardless of cultural syndrome or trust component (see Table 1). Often times, managers are the individuals in an organization that hold power due to their formal position, have some sort of expertise, and have the ability to give rewards. Therefore, by virtue of their role in the organization, they may command trust from their subordinates. However, this does not mean that trust in the manager is certain or unconditional rather the suggestion is that, given the nature of their relationship with employees, managers tend to be perceived as having higher Reliability, Openness, Concern, and Competence compared to an employee's team members. The role of management in an organization can account for some of this behavior. Creed and Miles (1996) have suggested that management actually institutionalize their collective view of trust and trustworthiness by enacting the organizational context for exchanges, communication, and fair dealings.

Finally, there was a main effect (see Table 2) for trust along the various trust variables where the highest mean score was for Competence (C 22.50; I 21.26), followed by Reliability (C 22.08; I 20.73), Openness (C 21.02; I 20.19), than Concern (C 21.02; I 19.78). Thus, though Collectivists emphasize relationship building, in general, it is evident that decisions to trust are based more on cognitive aspects of trust (e.g., Competence and Reliability) than on affective or relational aspects of trust (as evidenced by lower ratings for Openness and Concern). Similarly,

Individualists predictably placed emphasis on cognitive aspects of trust. Therefore, manager and team member ability, knowledge and skills as well as their performance over time effect will effect employee perceptions of trust.

Discussion

Implications for Practice: Managers and HRD Professionals

Given the findings of this study, several implications arise for managers as well as for both HRD and OD practitioners. Findings from this study revealed that Collectivists had overall higher trust scores than Individualists and there were more Collectivists in the sample than Individualists (even from traditionally Individualists countries). The major implication here is that organizations are fostering and promoting open cultures, rewarding teamwork, information sharing. Thus, organizations are advocating collectivist behavior. Managers then need to be cognizant of the differences between individualists and collectivists, as well as foster an open culture in order to achieve higher levels of mutual trust. Findings from this study also revealed that Competence and Reliability tend to have higher ratings than Concern and Openness when looking at trust in managers and teams. Therefore, managers need to not only continually develop their own knowledge, skills, and competencies but also foster that continuous learning environment with their workforce (thus, enhancing the Competence component of trust). Consistent behavior over time by managers who "walk the talk", will likely result in employees who perceive their managers as being more trustworthy due in part by setting examples of consistent, reliable performance and behavior. In a related concept, managers must be aware of cultural variances on perceptions of trust when considering internal communications. For example, it is important to consider communicating competence and reliability up front to individuals with whom they embark in a trusting relationship.

In reference to trust and culture awareness on the individual level, managers also need to understand the effect of organizational trust and organization culture. As Creed and Miles (1996) have stated, "management institutionalized its collective view of trust and trustworthiness by enacting organizational contexts for intramural exchanges, communication, and fair dealing (p.35)." Hence, the extent of trusting behavior exhibited by a manager is likely to be reciprocated by his employees. Consequently, managers then need to understand their work team culture as well as organizational culture in relation to how they support and develop the various components of trust especially in the context of a multinational workplace. As Triandis (1995) has noted, individuals have tendencies toward both Individualism and Collectivism, yet in instances where the organizational culture is strong enough, it can override the national in the workplace context. Furthermore, trust has been proven to be context specific as well (Kramer, 1999). Therefore, managers have a real opportunity to establish and cultivate a trusting organizational culture through open communication, consistent and competent behavior, awareness and knowledge of both trust and culture variances (especially as discussed in this study), and effective relationship building. Accordingly, Barney and Hansen (1994) suggested that trust can affect transaction costs consequently providing a source of competitive advantage. In addition, Davis, Schoorman, Mayer, & Tan (2000) indicate that employee trust for the general manager is an internal organization characteristic that provides a competitive advantage for the firm.

Just as with managers, several implications exist for HRD professionals in relation to the findings of this study. The implications discussed above can be considered a micro-level discussion regarding trust and culture. Implications for HRD professionals will take a macro-level view in respect to the entire organization. Managing the change, learning, and performance of a multinational workforce is grounded in effective relationships with HRD clients. Trust, as noted earlier, can be considered to be foundational to the successes of these relationships. Given the multinational nature of the workforce, HRD professionals would be better served through first enhancing their own learning and development around the areas of trust and culture. Findings from this study also indicated that at Smith Consulting, there were more Collectivists than Individualists (even from those countries that would traditionally be considered individualist). The practical implication for HRD/OD practitioners is then to (1) consider the cues in their organizational infrastructure that support such a group oriented environment (i.e., there may be a great deal of collective behavior that is being reinforced by pay structures, work design, etc), (2) ascertain whether such an environment is strategically aligned with goals and vision of HR as well as that of the larger organization, and (3) determine whether continuing to foster collective behavior (e.g., orientation is to the group as opposed to the self, employees are interdependent, and group goals drive behavior) is the most appropriate culture to cultivate given the organization's mission, structure, and culture. It is not in the best interest of HRD professionals to simply assume that a collective environment is the best environment, especially bearing in mind that individuals actually have tendencies toward both Individualism and Collectivism. Such considerations will then have implications for work design, pay structures, and development initiatives, to name a few.

HRD professionals who understand that trust in managers and work teams varies by cultural syndrome (e.g.,

collectivists have higher trust in workplace relationships), can than work with their lines of business and internal clients to consider communication, management and team development, collaboration and satisfaction issues. As a result, they will have the potential to effect cooperation, problems solving, and facilitate goal clarification (Schurr and Ozannem, 1985, in Shaffer & O'Hara, 1995). For example, cultural differences depending on cultural context and job context can effect methods of training with specific implications for the rigor of training, cognitive involvement and participation of the audience, status of the trainer, and trainer competencies (Thornhill, 1993). These training design, development, and delivery factors fall into the competence and reliability components of trust. Thus, awareness and skills around the cultural aspects of trust building can enhance an HRD professional's effectiveness by establishing trust early in the relationship through highlighting competent and reliable behavior.

An HRD professional's role is often to understand and anticipate the pulse of an organization. Awareness, cognizance, and skills around the organizational dynamics of interpersonal trust and culture will allow HRD professionals to better serve their ever changing organizations. This holds true especially when considering the unstable organization cultures of newly merged or acquired firms, dealing with changes in the external environment, as well as for new organizations that are starting to make their mark. In all of these organizational structures trust is critical. Specifically, HRD professional can work with their internal clients to plan for changing structures through successful establishment and maintenance of trusting work relationship, advise clients on development opportunities (especially for global managers and expatriate employees) in the areas of cultural awareness), and potentially work with executives and leaders in the firm to foster an organization culture that essentially "brands" trust as a value.

Implications for Future Research

The findings from this study point to several implications for future research. First, are implications for theory building research that focuses on developing a new reliable Propensity to Trust instrument. Researchers have purported that Propensity to Trust is an antecedent or even moderator to trust (Mayer, Schoorman, & Davis, 1995; McKnight, Cummings, & Chervany, 1998). Yet, Propensity to Trust was the only dependent variable that did not have any significant differences between Individualists and Collectivists. Coupled with the creation of a new instrument, is the need to explain the potential mediating relationship of Propensity to Trust between cultural syndrome and trust in the manager or work team. In addition, this study found a significant relationship between cultural syndrome and trust in the primary manager as well as primary work team. Future research should consider in depth exploration of one or two of the trust components at a time (e.g., concern or competence) for the development of a model and/or theory of cultural based trust. Implications for applied research include further investigating the differences between trust in the manager and trust in the work team (as well as other workplace relationships). This study looked at perceptions of trust in a given moment. Future research should look at the relationship of cultural syndrome in actual trust building as the natural next step in this strand of literature. Several organizational dynamics (e.g., teamwork, cooperation, decision making, satisfaction, performance etc) have already been proven to be antecedents, moderators, mediators, and outcomes of trust. However, these existing findings need to be further investigated with the effect of cultural syndrome on these relationships. This study was a quantitative study. The findings from this study and future research could be enhanced with support from more qualitative or naturalistic findings. The purpose of this research was first to establish that a relationship does, in fact, exist between cultural syndrome and interpersonal trust. Future research should then consider other research methods when investigating this phenomena. Finally, the population for this study was a company with a strong corporate culture. Hence, the ability to replicate these findings in a manufacturing environment or that of a new product development team, for example, must be considered. Corporate culture, industry, and external environments all have the power to effect employee perceptions of trust. Yet, the nuances of how and to what extent differences in perceptions of trust could arise based on these moderating variables prove an intriguing question for future research especially when coupled with variances in cultural syndrome.

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