THE ENTREPRENEURIAL EXECUTIVE

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Wilburn Clouse
Editor
Vanderbilt University

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teaching of entrepreneurship throughout the world.

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THE ENTREPRENEURIAL EXECUTIVE

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LETTER FROM THE EDITOR

Welcome to the *Entrepreneurial Executive*. This is my inaugural issue as Editor, and I am extremely proud to bring you this interesting, insightful and thought provoking collection of writings by entrepreneurs and entrepreneurial scholars.

The *EE* is an official journal of the Academy of Entrepreneurship®, a non-profit association of scholars and practitioners whose purpose is to advance the knowledge, understanding, and teaching of entrepreneurship throughout the world. It is my objective to expand the role of the *EE*, and to broaden its outreach. We are interested in publishing articles of practical interest to entrepreneurs and entrepreneurial scholars, alike. Consequently, we solicit manuscripts from both groups.

The *Entrepreneurial Executive* is funded by the proceeds of membership dues and conference registration fees at Academy of Entrepreneurship® and Allied Academies meetings. We do not receive funding support from any university or agency. We encourage readers to become members of the Academy and to attend conference meetings in the spring and the fall. Upcoming conferences are announced on the Allied Academies home page: www.alliedacademies.org, as well as information about the organization, its affiliates and its journals.

As Editor, I am interested in recruiting Editorial Board members and in soliciting manuscript contributions and conference participation from a broad cross section of people interested in entrepreneurship. If you would like to become a member, contribute a manuscript, come to a conference, or just chat about the *journal*, please feel free to call, fax or e-mail me at any time.

<div style="text-align: right">

Wil Clouse
Vanderbilt University
US: Voice (615) 322-8000

</div>

US: FAX (615) 343-7094
e-mail: wil.clouse@vanderbilt.edu.

LETTER FROM THE PUBLISHERS

We are extremely pleased to present Volume 3 of the *EE*. The Academy of Entrepreneurship ® is an affiliate of the Allied Academies, Inc., a non profit association of scholars whose purpose is to encourage and support the advancement and exchange of knowledge, understanding and teaching throughout the world. The *EE* is a principal vehicle for achieving the objectives of the organization. The editorial mission of this journal is to advance the knowledge, understanding, and practice of entrepreneurship throughout the world. To that end, the journal publishes high quality manuscripts, which are of practical value to entrepreneurship researchers and practitioners.

As publishers, we intend to foster a supportive, mentoring effort on the part of the Editor and referees which will result in encouraging and supporting writers. We welcome different viewpoints because in differences we find learning; in differences we develop understanding; in differences we gain knowledge and in differences we develop the discipline into a more comprehensive, less esoteric, and dynamic metier.

The Editorial Policy, background and history of the organization, Editorial Board Members, and calls for conferences are published on our web site. In addition, we keep the web site updated with the latest activities of the organization. Please visit our site and know that we welcome hearing from you at any time.

JoAnn and Jim Carland
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ARTICLES

REDEEMING YOUR DIGNITY AFTER A CORPORATE DOWNSIZING

Stephen J. Bistritz, OnTarget, Inc.

ABSTRACT

The case study of Stephen J. Bistritz presents an interesting story of the effects of downsizing on an individual's psyche. Bistritz, a veteran manager with nearly 28 years with the IBM Corporation, identifies his feelings of bitterness, anxiety and eventual acceptance of the company's decision to downsize both him and his department. Although offered another position within the company, Bistritz chose to stick to his plan, finish his doctoral studies and pursue employment where his entrepreneurial skills would be both recognized and rewarded.

OVERVIEW

Corporate downsizing, the management diet pill of the past two decades, has been employed by many companies seeking to increase both efficiency and profits. Like the diet drug Fen-Phen, downsizing has not occurred without considerable and in most cases, unforeseen, side effects. While corporations look to cut the fat and sluggishness of their operations, the effects on both the retained and downsized employees have been significant. While the impact of downsizing has often focused on those who lost their jobs, "some of those terminated often seemed more upbeat than the survivors" (Lublin, 1993).

Today's businesses continue to practice the art of downsizing, despite the booming economy of the 1990s. Even

though most researchers would conclude that the pace of downsizing has somewhat slowed, from 1995-1997 "eight million people were pushed out of their jobs involuntarily, representing one out of every 15 jobholders" (Uchitelle, 1998).

What lessons have been learned from these turbulent experiences? Or are many companies doomed to repeat these same experiences as we move into the next millenium? How will this change the key relationships between employers and employees on such critical issues such as job security, company loyalty and long-term employability?

THE SURVIVORS

Those who survive a massive corporate reorganization tend to experience a multitude of emotions. As the company attempts to maintain productivity with fewer employees, those remaining often become overworked. In addition, the ensuing stress and loss of company loyalty results in a significantly less efficient workforce eliminating, in many cases, the specific objective of the downsizing itself. A recent study conducted by Roffey Park Management Institute confirmed this effect. "Three-quarters of those (survivors) surveyed said that 'delayering' (elimination of middle management) had increased their workload and lowered their morale" (Holbeche, 1995).

While those who retained their jobs appear to be the lucky ones, it is often the downsized employees who enjoy severance packages and other incentives, while the remaining workers must labor significantly harder to meet expectations, without many additional benefits. These employees begin to distrust each other, as both workloads and tempers rise amongst the workers who remain. In some cases, workers spend a high percentage of their time on the job, looking for other jobs. (Lublin, 1993).

AT&T staff psychologist Joseph Moses notes that the "survivors are often disillusioned, frustrated, bitter, and most of

all, lacking in hope. The amount of suppressed, covert hostility lurking just below the surface is truly frightening" (Murray, 1987). More importantly, those feelings can persist for some period of time, having a devastating impact on employee productivity and morale. According to David Noer, a vice president of the Center for Creative Leadership in Greensboro, N.C. and author of a book about survivors of layoffs and downsizing activities, "the malaise of those who survive can persist for months, and sometimes worsens over time" (Noer, 1995). "When downsizing is unavoidable, companies should adopt policies that smooth the transition, beginning with a humane approach to letting people go. How the company treats the workers it dismisses affects the morale of those left behind" (Conwell and Poole, 1997).

WORKFORCE RE-ENTRY

Even with severance packages, those who have been downsized have a number of issues to work through themselves. The most important issues center around the employees need to reclaim their dignity and, from a pragmatic perspective, find another job. Luckily, the United States economy of the 1990's has been characterized by an unemployment rate that has remained at an unprecedented low level. With the current rate sitting at 4.3%, "downsized employees can take comfort in the robust job market. Moreover, economists and employment experts expect the unemployment rate to remain relatively stable at less than 5% for the next few years" (Greising, 1998).

The U.S. Bureau of Labor Statistic indicates that, of the workers laid off in the years 1993 and 1994, 79% had found employment by 1996. Of the original total, 7% remain unemployed and 14% had left the labor force (retired or no longer looking for work). Unfortunately, of the workers who were re-employed, more than half of them took a pay cut to be hired.

In fact, some 34% of rehires took a pay cut that exceeded 20% (Koretz, 1998).

In a 1996 study, Stephen G. Harrison, president of outplacement specialist Lee Hecht Harrison found "that about a third of his firm's clients (representing downsized employees) end up with a higher-salaried job, half find work at the same or lower pay and the rest are self-employed" (Arnst, 1996). Information cited in the 1998 Economic Report to the President, also prepared by the U.S. Bureau of Labor Statistics, supports the fact that involuntary job loss usually results in lower earnings when the worker finds employment" (Belton, 1999)

Nonetheless, this opportunity to be working again helped those terminated by downsizing reclaim their dignity and create a positive effect on their lives.

ENTREPRENEURIAL OPPORTUNITIES

While it is rare for someone to look forward to a pink slip, these situations often turn out to be blessings in disguise. Even though the emotional process each worker experiences after being downsized is different, "many end at a higher point than where they began. And while many people ultimately end up feeling better off, they pass through feelings of anger, betrayal, depression or darkness" (Pulley, 1997).

Many top executives who are downsized by large corporations find themselves actively recruited by a number of smaller firms looking to utilize their experience. The small businesses tend to be entrepreneurial in nature and often represent a welcome change to a rigid corporate structure. In addition, many executives who were terminated by a large company find an opportunity to start their own business. With all of its negative implications, downsizing *can* result in positive outcomes for everyone involved.

When big corporations downsize, they often eliminate certain skill groups or functions in an effort to streamline the

organization.   However, many of these same skills and tasks still need to be accomplished in order to ensure the company's success.   To fill   these newly created gaps, large companies regularly resort to "outsourcing" some of those functions or activities.   Ironically, many of these companies contract with the same employees they downsized to accomplish those tasks.

Some downsizing strategists actually encourage this process. "AT&T offers downsized managers a $10,000 grant towards establishing a new business as part of some of their severance packages" (Evans, 1997).   From personal experience and knowledge, IBM contracts with numerous former and, in some cases, retired employees to perform the same or similar functions the employees performed before they were downsized. Many employees feeling the effect of a corporate reorganization understand the dynamics of business, possess the experience of a veteran, and are in position to start anew.   Considering these points, there rarely exists a better time to try a business on one's own.

PERSONAL CASE STUDY

It was January 27, 1994, but I can remember that fateful day as if it were yesterday. Four days before Super Bowl XXIX we were herded into a large auditorium for the announcement that our division was downsizing its headquarters staff by approximately 70 percent. This decision was not a total surprise; however, most of the people in the room that day were not expecting a cutback of such large proportions. Each of us was told that we would have individual meetings with our managers before noon that day to learn our fate.

Those of us in IBM's K-12 organization all believed we had a special mission in life; namely, to improve the quality of education in America through the use and application of technology. All of us felt committed to that goal and were convinced we could make a difference in children's lives with the

hardware and software products we helped develop. Even though we were not very profitable as an operating unit, we were convinced that our mission would protect us from some of the downsizing activities that were occurring in many work groups throughout the corporation. We learned that this was not the case!

As managers, we had participated in a lengthy but somewhat ambiguous process of analyzing the skills of the people within the organization. Sixty days prior to that fateful day, each manager was asked to complete a set of forms for each of their subordinates. In general, these documents identified the manager's assessment of specific skill levels in certain categories for each individual. It was explained that these documents would then serve as the basis for determining the people who would be retained as part of the new downsized organization. What seemed like a simple task took several iterations, without much explanation and with unreasonable due dates. The personnel department always wanted the forms completed by the end of the day they initially gave them to us. This was an agonizing task for me, knowing that I held, in my hands, the destiny of those who reported to me. Some had been with the company for as many as 35 years and would now find out that their skills were no longer needed and they would be identified as *surplus*.

What was even more bizarre was the fact that the company was putting aside the past performance reviews of each of its people over the years and circumventing that process with a new series of nameless forms to determine who would remain with the organization and who would be downsized. It was clear that this process had been hastily designed and implemented, not to develop a comprehensive assessment of skills, experience and value, but to justify the expedient conclusions regarding the downsizing decisions which would be implemented.

The company avoided the use of the word layoff or fired, preferring instead the terms, *surplus* and "no longer required." For me, this was brought home dramatically in the motion picture *Disclosure*. In one of the opening scenes, Michael Douglas meets

one of his fellow commuters on the ferry from the island to the mainland and the old timer says that, "*After 28 years with IBM, I was told yesterday that I was surplus.*" It was obvious that someone close to one of the producers of that movie had experienced the IBM downsizing process because that scene was clearly not part of Michael Crichton's version of the novel of the same name and the use of the word "surplus" was obviously unique to IBM, at that time.

Most managers were not told the entire story of the skills analysis exercise. The personnel department conducted several management briefings, but the clear objective of the skills analysis exercise was only disclosed to a few selected managers; namely, those within the inner circle of the division (those who were remaining in place after the downsizing). It was obvious that, at the time, I was excluded from that elite group.

For me, this represented a dramatic change from six months earlier. In a clear departure from IBM practices at the time, as a manager I received a $10,000 Division President's Award for creating and implementing the division's most successful sales training program. In a four-month time period, nearly one thousand salespeople participated in a week-long training event that I had created, managed and implemented. Its development and implementation involved a staff of more than one hundred people, had a budget of nearly $2 million and was designed to equip the division's salespeople with the skills and knowledge required to deliver technology solutions to the nation's K-12 school districts. At the end of the year, my manager, the director of Sales Programs accepted an early retirement offer and his manager, the division president (from whom I received the award and the highest ranking IBM executive in Atlanta), also retired due to health problems. Both of these people had clearly been my "sponsors", and when they left the organization, my fate was literally out on the proverbial limb, which was about to be sawed off.

The downsizing process for our division began approximately eight months earlier and affected a member of my staff and numerous people who were attending our sales training program. Each week we began a new sales training event at the training camp for the NFL Atlanta Falcons at a "remote" site in Suwanee, Ga. (nearly 50 miles north of Atlanta). Approximately one hundred IBM sales and sales support personnel came from around the country each week to attend the sales training event. Participants were divided into three groups and participated in a week-long series of sales training classes.

It turned out that the initial division downsizing was planned for Wednesday of the week during which one of these sales training events occurred. The plan, developed by the staff of IBM's personnel department, was to announce the downsizing at the sales training class, and if a class participant was to be declared *surplus*, his manager would fly to Atlanta to personally inform him. The affected participant would then be asked to leave the class and fly home. I learned that approximately 12 participants from this one class would be impacted by the downsizing process.

I found this approach to be totally insensitive and believed that a more humane solution could (and should have) been developed. My numerous conversations with members of the personnel staff could not convince them to conduct this process differently. In my opinion, this had all the makings of a "public execution." Employees would have individual meetings with their managers and it would be clear, by seeing who returned to the training class, exactly who had been declared *surplus* and asked to leave the company.

The personnel department's claim was that each individual had to be informed of this downsizing 60 days in advance of their planned termination from the company (to meet the legal requirement of a certain end-date objective associated with a downsizing) and this mid-week announcement date represented the only viable option. I continually asked why the

affected personnel could not be informed the Friday before they had to travel to Atlanta and was told that the downsizing decision "could not be pre-announced to individuals in advance." I also suggested that the 12 individuals who would be impacted by the downsizing be "rescheduled" into another sales training class the Friday before their trip to Atlanta and was told that this would "give a clear signal" to those people that they would be downsized. As a last resort, my suggestion was that the affected people be told when they returned to their home location on Monday, following the sales training class. This was also dismissed as being unacceptable because it would have compromised the 60-day deadline.

As a result, 12 people were informed on Wednesday of the class week that their skills were *surplus* and they would each have 60 days to either find another job in another division of IBM or they would be terminated from the company. (It should be pointed out here that, while this sounds like a reasonable approach, finding another job in another division at that time was virtually impossible because most other divisions were either downsizing or at best, could not add new personnel to their staff). Some of these people took this news rather hard and had to deal with it while being out of town, without the support of their families. In my opinion, these actions clearly violated one of IBM's three *Basic Beliefs* which had been touted since the days of Tom Watson, the company's founder; namely, *respect for the individual*. Lumps still form in my throat every time thoughts of how these people were treated come to mind.

The conversation with my manager about my personal downsizing was very emotional --more for him, than for me. My relationship with Fred had existed for some period of time. In fact, my education and training group within the organization had provided significant support to him and his sales team. Just two years earlier, Fred had written me a lengthy personal note congratulating me on achieving the IBM Quarter Century Club and commenting on my accomplishments in helping create the

educational division within IBM. In his words "the division could not have been created without me and he couldn't imagine it existing without me" -- at least that's what he said two years earlier.

We had numerous positive experiences prior to his appointment as my manager just two months earlier. However, in my opinion, Fred could not have intelligently participated in the process of assessing my skills that preceded the downsizing initiative because he had only been in place as my manager for two months. As a new manager, he was not totally aware of the range of my skills or the breadth of my experience within the division.

The conversation began, and he broke down in tears several times during the brief meeting. He apologized profusely that he was the one informing me of this decision and I actually had to comfort him several times, ensuring him that things would be fine for me and my family.

Nevertheless, he informed me that my skills were deemed *surplus* and no longer required. After 28 years of exemplary performance I was informed that I had 60 days to find another position in IBM or be terminated. After the initial shock passed, I found I was not as upset as I could have been. A multitude of emotions raced through me as I learned that my staff of 10 professionals was reduced to two. In effect, the division's internal focus on training and education was virtually eliminated.

I can't totally explain my state of mind at that point; however, maybe it had something to do with the fact that I had an unsolicited job interview the evening before for a key job that clearly would have enabled me to start my second career. And less than an hour before my fateful meeting with Fred, I had been offered two tickets for the Super Bowl game in Atlanta on Sunday! In addition, my faith told me that all things happen for a reason, and I was convinced that what now appeared to be a catastrophe would turn into a blessing. However, it was clear that my family and I were about to be at a crossroads in our lives.

Nevertheless, feelings of resentment, disappointment and bitterness emerged. I had already begun preparations to launch a second career and anticipated retiring from IBM within three years, but wanted to do so on my terms. (*It should be noted that IBM's policies at that time allowed employees to retire after 30 years of service, regardless of age without any reduction in retirement benefits. In fact, the company encouraged retirement after 30 years of employment by not increasing the employee's retirement benefit payments after that time*).

In addition, I had expended considerable personal energies towards the development of a second career goal. These activities included pursuing a doctorate in human resource development at Vanderbilt University through a weekend program of studies. During the previous two years I had been commuting 500 miles round-trip on weekends in pursuit of that degree. Two months prior to the downsizing meeting, I completed my course requirements and began the final process of completing the remaining degree requirements. IBM funded the pursuit of that degree with nearly $35,000 in tuition reimbursement payments and the company was now in the process of telling me my skills were *surplus*.

At that point, my concern was more keenly focused on the eight professionals who reported to me and who were also in the process of being informed they were *surplus*. Each of them had between 10 and 35 years of experience with IBM but most had not advanced their skills sufficiently to find jobs outside the company that would compensate them in an equivalent fashion as IBM. I thought they had little chance of finding another job within the company within 60 days. (*Actually I was proved wrong on that point. Two of the eight people found other opportunities within IBM and both are still employed by the company*).

As seasoned employees of IBM, we had been assured that we could expect "lifelong employment, as long as we excelled in our job performance." We saw these types of

downsizings take place at other large companies but never expected to see them happen at IBM. My initial focus was on helping my staff develop a feeling of self confidence and working with them to help them initiate their job searches.

For ten years my volunteer activities included working at a local church group teaching job interviewing, networking and resume writing skills each Monday evening. These activities were extremely useful to my children as they all implemented job searches during their last semesters in college. All three children used these techniques to find employment that complemented their degrees. Now my focus turned to my employees, and I conducted individual sessions for them that enabled them to get a "jump start" on their job search.

My involvement with these activities also enabled me to re-direct my energies toward my own job search and away from my feelings of resentment and disappointment about being downsized. However, in the back of my mind I felt let down by the organization which had captured my loyalty and respect for most of my adult life. For nearly 28 years I had been IBM's strongest supporter. Moreover, I received the company's highest performance ratings for every rating period over the past 25 years and received numerous excellence and achievement awards. My perspective was that I was always deemed to be someone who consistently added business value to the organization, in any position I held.

But now my world started to come apart to some degree. As mentioned earlier, I continually asked myself: "What happened to one of IBM's basic and most important tenets called "*respect for the individual*" which, to my way of thinking, IBM had now compromised? My self-worth and the overall quality and value of my work had been of paramount importance to me throughout my career with the company. My support system and the business associates I considered friends started to avoid me, or, at least, that was my perception. I had to convince myself that I still possessed significant worth and was capable of contributing

value. I had to hold my head high and walk through the halls of the building, knowing that I was the real winner in the overall scheme of things, even though I often met many of the survivors of the downsizing process, who had retained their jobs.

Focusing on the past would yield no value for me; I had to develop my own plan for the future and, in the process, redeem my dignity as an individual, a business person and a person of faith. Even though I was convinced I would land on my feet, life outside of IBM was foreign and unknown. For more than 27 years, the company had protected me; however, that strength soon became a weakness and I was now vulnerable. At social events and business functions I always came to IBM's defense regardless of the audience. Often, I was both vocal and positive about the value IBM delivered to its customers, their role in the community, the company's commitment to full employment, as well as the company's benefits program and their total compensation plan. My conclusion, to anyone who listened, was that IBM was clearly "head and shoulders" above any other large company. I continually posed the rhetorical question: "*Why would anyone want to work of any other large company?*" That's what we, as employees, were all led to believe and now that belief system started to crumble.

I wasn't certain who the real winners were in terms of people who were downsized or those who remained employed. The people who remained on staff were certainly overworked, because they were asked to perform the tasks of those who were downsized. They also were continually "looking over their shoulders" to see if they would be impacted by the next round of downsizing activities. Increased work loads, accompanied by continued stress combined with the loss of their co-workers, led to frustration and anger. This led to a significant reduction in the employee morale and the "employee loyalty factor" which was previously one of IBM's key strengths.

My own view was that I needed a clear plan of action. I quickly and actively implemented the job search process,

spending 90% of my time on opportunities outside of IBM and the remaining time on opportunities inside the company. For those 60 days my entire focus centered on my job search. I contacted hundreds of people, developed a polished, professional resume and had numerous job interviews. By the end of March, I received two job offers within IBM but none outside of the company. Nonetheless, I was firmly convinced that my second career was best served by employment outside of IBM. My feeling was that I could no longer trust the organization to which I had dedicated my life. My focus had to be on things to come -- not things of the past.

However, I did accept one of the positions within IBM and moved into a non-management position for the first time in nearly 20 years at no reduction in salary. My new assignment in an emerging division, IBM's PC Company, was somewhat ambiguous, but still related to the placement of personal computers in K-12 schools throughout the country. My frustration in this new position was heightened because things that had not bothered me in the past now seemed to gnaw at my insides.

For example, the vice president of this new division was preparing for a key meeting with his boss, who was an IBM executive based in New York. The purpose of the meeting was to provide the executive with a review of the Atlanta-based business and the proposed direction for the new year. For that meeting, a first-line manager and six staff professionals worked six weeks developing a set of color charts for use in updating the executive. I could not believe what was happening within the company. On one hand, we were downsizing staffs nationwide and here, in this division, we had seven highly-paid people preparing charts to talk to one another: It was comparable to arranging the deck chairs on the *Titanic* when the ship was sinking.

My total focus in the new position centered on continuing my job search outside of the company. My entire time on the job centered around developing and expanding my personal network, forwarding my resume to as many sources as possible and

establishing and participating in job interviews on a continuing basis.

In early May, my job search process yielded a substantial opportunity that would ultimately capitalize on many of my skills, yield significantly more income than my position at IBM and result in my launch of a second career. A small, worldwide sales training and consulting company based in Atlanta developed an employment offer that could neither be ignored nor refused. Now my objective became one of picking the right time to leave, perhaps capitalizing on another downsizing initiative at IBM, if it was accompanied by an early retirement financial incentive. My new employer gave me substantial flexibility in terms of selecting my start date and encouraged me to maximize the benefits that could be received from IBM.

It turned out that the new rumors we were hearing within IBM were correct. The IBM division in which I now reported was planning to move most of its employees to the Raleigh, N.C., area and some employees would be either offered "move packages" to that area or designated as *surplus* and their skills no longer required by the company. Those designated as *surplus* would be offered monetary incentives to leave the company.

Of additional significance in this process was my more than 25 years of service with IBM. Another policy in place at that time was that *an employee with 25 or more years of service could ask for a leave of absence for up to five years, at which time they could retire from the company*. This was more commonly called a "bridge to retirement," and this particular feature was actually called a "no frills" bridge because it contained no offer of payment for accepting early retirement and contained no fringe benefits to the employee, until the date they actually retired from the company.

Because my offer of employment with my new company was so lucrative I was considering applying for this "no frills" bridge (which was guaranteed to be approved). However, when the new division announced their intentions, I quickly approached

my manager and informed him that I would not consider a transfer to Raleigh and encouraged him to "pick" his team and offer me the *surplus* package which included a substantial payment for accepting an early retirement offer. That's exactly what happened and, as a result, I left the company with neither fanfare nor regret. That same day I joined my new employer.

The downsizing catastrophe described earlier literally turned into a blessing. It was as exhilarating as climbing Mount Everest, reaching the summit and safely returning to Base Camp. I had proved to myself, my colleagues and to IBM that, not only could I survive, but could substantially advance my position in life. Life outside of IBM not only existed...it was more challenging and rewarding. More importantly, this new position enabled me to more fully utilize and exploit the breadth of skills that had been acquired over my lifetime.

I still focused on completing my doctorate at Vanderbilt and, in fact, used the IBM sales training event described earlier as the basis for my doctoral study. My new employer encouraged me to complete my degree, which I received in May 1995, just eight months after leaving IBM.

As I look back on what could have been a very traumatic period of my life I now realize that I made the right decision to plan my second career and move away from a large company. Clearly I have achieved levels of challenge, recognition and reward in the new organization that would have been beyond my grasp at IBM. The scope of my responsibilities is considerably broader, my impact much greater and my life is significantly more fulfilled. My new position has enabled me to more fully utilize and exploit my many skills and capabilities that IBM deemed *surplus*.

My transition from the bureaucratic culture of IBM to an entrepreneurial, collaborative culture of a tiny company came with many challenges. During the first six months in my new position, I faced a learning curve of monumental proportions. In my previous position at IBM, numerous people served as sources

of information, knowledge and experience. One could access many of those sources at any time in nearly every corner of the globe. In my new position, knowledge sources were at a premium and, as a result, there was an immediate requirement for the development of an aggressive self-directed learning program. Only total immersion in the new position, often characterized by 60-hour work schedules, enabled me to achieve some early results. The administrative systems in place at IBM, albeit themselves downsized, had provided a level of comfort and support, even through my final days there. In the new company, the commitment to continuous, life-long learning was obviously required, even from the start. People were encouraged to develop an understanding of the latest business theories and practices and immediately apply and integrate them into the sales training materials.

Today, the challenges I continue to face each day are real and far more significant. The resulting benefits are far more rewarding, personally, professionally and financially. More importantly, my work efforts are immediately implemented, in many cases, on a worldwide basis. For me, the decision to leave a large company after a long career turned out to be the best career decision I ever made. My crossroads had turned into an unbelievable opportunity. More importantly, my personal dignity has been redeemed.

BEYOND THE DOWNSIZINGS OF THE 90'S AND INTO THE NEW MILLENNIUM

What lies ahead for employers and their employees as we move into the next century? Are workers and organizations facing the same dilemma that caused havoc in the workplace during the decade of the 1990s? The convergence of four key factors could easily set the tone for the new employment covenant of the next millennium.

For starters, the unemployment rate in the first quarter of 1999 stands at 4.3% in the United States, an unprecedented 28-year low. In some cases, this factor alone may force employers to re-examine their approaches to creating and cultivating some degree of loyalty, at a minimum, with a select number of key employees. While they still don't expect workers spend their entire life at one company, some are suggesting an "arms-length notion of loyalty where the company is responsible for providing the environment in which people can achieve their full potential, and employees are responsible for developing their skills" (Berstein, 1998).

Some management experts conclude that "instead of a focus on employment, the focus will shift to employability. What matters to the employee is having the competitive skills required to find work when they need it, wherever they want it" (Waterman, Waterman and Collard, 1994).   This suggests that the relationship between a company and its employees will not revert back to the "cradle to grave" covenant of lifelong employment, that IBM and other large companies created, beginning in the middle of the 20th century.

The second factor is related to the workers' anxiety about job security, which is at near-record levels, according to a survey of 500,000 workers conducted in late 1998, by Chicago-based International Survey Research consultants.   Hardened by restructurings, downsizings and layoffs, today's worker remains very concerned about the future of their current job, even when the unemployment rate is at a near all-time low. "In today's economy, having a job or being able to get a job is not the same as feeling your job is secure".   In addition, most of today's workers will change jobs nine times before the age of 32, compared with their parents who had the same job for life or, at most, changed jobs once or twice (Belton, 1999).

The low level of unemployment exists, despite the "merger mania" of the last few years, which has created a groundbreaking number of massive alliances that have threatened

yet another wave of corporate downsizing activity. However, the booming economy in the United States has probably helped stem that tide, at least for the foreseeable future.

The third factor is related to technology. Technology is clearly changing the boundaries of the traditional organization, making it as easy for us to communicate and work with people on the other side of the globe as it is with our peers in the next cubicle. According to U.S. Federal Reserve Chairman Alan Greenspan, "the newer technologies have also made capital investment distinctly more profitable, enabling firms to substitute capital for labor far more productively than they would have a decade or so ago" (Belton, 1999). To effectively compete in the next century, organizations will need to be more flexible, continually expanding and contracting to meet the needs of a demanding, ever-changing environment. Work will need to be organized and centered around projects and assignments, rather than rank, function or title. (Pulley, 1997). In many ways, these expansions and contractions will be more easily facilitated through the proliferation of technology.

The fourth factor is the emergence of a career-resilient workforce whose immediate focus is to quickly and continually improve their knowledge and skills and thus, their long-term viability and employability…and not necessarily with their current employer. Today's worker "needs not only to be dedicated to the idea of continuous learning but also stand ready to reinvent themselves to keep pace with change and take responsibility for their own career management" (Waterman, et al, 1994). To that end, employees will begin to demand the training *and* challenging work assignments they need to update their skills.

In summary, the relationship between organizations and their workers is in the midst of a transition. And while the new model has not yet totally emerged, it is clear that "the switch from career dependence to career resilience is not only imperative but also inevitable, replacing a covenant that can no longer be kept

with one that is in everyone's best interest" (Waterman, et al, 1994).

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ABOUT THE AUTHOR

Stephen J. Bistritz is Vice President of Training Development for OnTarget, Inc., an international sales training and consulting firm based in Atlanta. He previously worked for IBM, where he managed and led the instructional design, development and implementation of numerous national training programs for sales, marketing and technical support personnel. During his tenure at IBM, Steve held a number of sales, sales management and training management positions. He holds a doctorate in human resource development from Vanderbilt University, which he received in May 1995, eight months after being downsized by IBM.

HOW SMALL BUSINESS AND ENTREPRENEURS CAN RETAIN QUALITY EMPLOYEES

Jack L. Howard, Illinois State University

ABSTRACT

One of the most difficult challenges small business owners and entrepreneurs face is retaining their quality employees. With a tight labor market, many good employees have several opportunities which they could choose to pursue. The task of retaining these quality employees is multifaceted, with no single area guaranteeing the ability to retain employees. Rather, by understanding each of the factors presented in this paper, combined with understanding your employees' needs and concerns, small business owners and entrepreneurs can more effectively retain their quality workers.

INTRODUCTION

Once a small business owner successfully recruits and selects quality employees, the next step is to motivate and retain these individuals. Why is motivation part of retention? Simply put, if an employee loses motivation to perform the job, performance may drop, or he or she may leave the organization. As a result, motivation and retention go hand in hand.

What is the secret or formula to keeping good employees? No one really knows the answer to that question. Since every individual is different, no formula exists that would apply to everyone. However, there are some guidelines that small business owners may find helpful. The remainder of this paper will cover five major components of retaining good employees. First, a section on how to treat employees will be presented. This section will include portions of dealing with an ever increasingly diverse workforce. The second section will cover conducting performance evaluations of employees. Next, a discussion of pay and rewards will

be covered. Fourth, information regarding employee benefits will be provided. Finally, the importance of training will be covered.

HOW TO TREAT YOUR EMPLOYEES

Treating employees with dignity and respect is important for any business. It is especially important for the small business owner, as his or her employees can bring tremendous amounts of success or failure quickly to the organization. While the issue of treating employees with dignity and success appears to be a simple issue, there are some things small business owners can do to ensure that this happens.

Talk with your employees. Small business owners should make a regular habit of talking with, rather than down to, their employees. This can be a difficult issue for many people, given the fact that the business owner is in charge. Certainly, some level of authority needs to be present, but this can be established in a variety of ways. Virtually any message can be effectively communicated in multiple ways. Try to establish an atmosphere that indicates that while you are in charge, you are working with the employees and will attempt to help them while they at the same time are helping you. For example, I once had a supervisor who never told me what to do. Rather than tell me what to do, he would ask me questions, such as:

> *Have we completed all of the reporting requirements associated with last month's sales?*

That supervisor certainly could have just told me or ordered me to double-check the status of that task. However, by asking the question he prompted me to do my job, as well as treated me in a way to which I responded by continuing to do a good job.

In addition to talking with your employees, **get to know your employees.** Karen Escalera is the founder and president of KWE Associates, Inc., who likens employee relations to client relations (Escalera, 1998). The organizations most successful at creating high morale must identify the needs and motivations of its employees. **This includes listening to them.** When problems arise, pay

attention to their issues and concerns.   If you are going to act on these concerns, be sure to follow through with any commitments you make.   Also, do not be afraid to pat people on the back, as recognition can be accomplished through communication. Jupiter, Florida-based Command Software created an "Angel of the Month" award, recognizing random acts of kindness in the company.   Dyan Dyer, the owner, found the results to be very positive, creating a considerable amount of loyalty in the organization (Caggiano, 1997).   Finally, communicate when communication is needed, whether it is in response to changes going on in the workplace or just to explain the progress of a particular project.   This will let your employees know that you are still working on the issues or concerns.   Additionally, open communication has been found to be the most important human resource practice for small businesses (Deshpande & Golhar, 1994).

As changes occur more frequently in the workplace, paying attention to and focusing on the morale and motivation of employees is very important.   Regardless of whether the change is initiated by the owner or in response to the external environment, it is important that changes and the process associated with the changes occur smoothly.   Midwest Contract Furnishings, Inc. lost its biggest client, resulting in a loss of 80 percent of its revenues (Barrier, 1998a).   Michael Cogan, the owner, found that changing the direction of the organization was necessary, but that communicating the details of his plan helped his employees remain comfortable with the changes.   He also indicated that the small business owner must deal with what is really bothering the employees.   In this situation, it was the fear of losing their jobs.   Once that issue was laid to rest, the focus was then moved to making the changes take place.

Another way of handling the change associated with fluctuating demands for goods or services is to avoid layoffs if at all possible.   If the business can afford it, avoiding layoffs can keep morale and motivation at a very high level.   At Custom Business Forms in Minneapolis, employees handle a variety of duties from repairing machines to cleaning up the facility when work gets slow (Meyer, 1997).   This is the way Frank Miske, Jr. minimizes turnover and increases retention.   Mr. Miske views this as a way of keeping the good employees his business has hired.   Additional benefits of retaining these workers include less time and money spent on recruitment

and selection. The ability to do this, however, may not be available for all businesses.

Second, you hired a quality employee who expects to be spoken to with respect and dignity. Very few, if any, people desire to be treated poorly, which includes time spent at work. Couple this with the fact that many individuals spend more of their waking hours at work than with their families, it is especially important that an atmosphere is created where employees do not want to remove themselves from or refrain from performing at their highest level. After all, you hired these individuals because of their ability. As changes occur, communicate these changes, as well as the changes in the policies and procedures to the employees (Harris & Arendt, 1998). This may reduce the stress associated with the changes, and help the employees develop a better understanding of what is taking place. Also, the changes implemented may not be as effective as anticipated. One commodity manufacturer found that changes involving a bar code system were ineffective for a variety of reasons (Moran, 1993). By communicating with their employees, the owners learned of the ineffectiveness, and were able to make additional changes to improve the overall process.

An often overlooked part of communication is that it involves not just sending a message, but it also involves listening. We must all remember that part of communication is listening, and when small business owners and entrepreneurs are better listeners, even the worst situations can be turned around and made positive. A medium-sized accountancy practice in the western region of England found itself on the edge of collapse when it decided to start listening to its employees (Churchill, 1990). However, as part of a program to turn around the firm, the owners focused on listening to their employees concerns rather than telling them what their concerns should be. As a result, the firm was able to survive the problems facing them, and has continued to perform successfully.

A third issue to consider concerns those instances where something goes wrong and you are upset. How does one communicate the problem in a manner that is under control but at the same time points out the problem? The first step is no surprise, remain calm. This is certainly easier said than done in many instances. If necessary, take a few minutes to put the problem into proper perspective. Once you have calmed down, focus on the problem, not the person. The important issue

is to correct the problem, so identifying the cause of the problem and a solution is what is needed at this point. When Midwest Contract Furnishings, Inc. ran into its lost contract (Barrier, 1998a), its owner wanted to run away from the problem. Instead, Christopher Cogan developed an action plan, and then began communicating the details of his plan to his workforce. By taking these steps rather than losing one's temper or perspective, employees will develop a greater respect for you as a small business owner. This creates an open atmosphere so that when employees encounter problems will not be hesitant to bring these to the attention of the small businessman.

Be fair and consistent. One of the most important things anyone can do to increase the commitment of a group of employees is to be fair and consistent. When considering the legal issues surrounding the workplace, the courts oftentimes consider consistent treatment of employees to represent a fair employment practice. When small business owners have more than one employee, it is very important to handle problems of similar circumstances in the same manner for all employees. Workers are continually comparing themselves to their co-workers, and when inequities exist, the effects on motivation and morale can be very destructive (Waterman, 1993).

While this may not appear to be fair, court interpretations of behaviors and situations oftentimes examine the consistency with which supervisors handled similar situations with other employees. A simple question a small business owner can ask to determine consistency is:

> *Am I treating this employee in this situation in the same manner*
> *that I have treated other employees in this or similar situations?*

If the answer to the previous question is yes, then the small business owner is probably making the right decision. If the answer is no, then problems could result if an employee were to contest these actions through the courts.

Leading by example may help to create an open atmosphere where treatment is perceived to be fair. Not only do employees expect to be treated with

dignity and respect, but they also typically expect employers and supervisors to live up to the same standards by which they measure their employees.   Dr. Jim Cuglewski, president of a dental practice, finds this to be quite a simple process (Maynard, 1997).

   Simply put, Dr. Cuglewski believes that it boils down to doing the right thing.   He has found over the years that acting in honest and fair ways has led to a situation that he does not have to directly mention the issues of fairness and the pointing out of mistakes of employees.   Dr. Cuglewski credits the atmosphere, along with motivational posters, to contributing to a situation where employees openly acknowledge and discuss their mistakes, with the focus on finding solutions for the problems.

        Remember, how you treat your employees is reflected not only in your words, but how you treat them based on your actions.   By speaking with your employees, providing them with challenges and treating them consistently, the payoffs will be tremendous.   The costs of not taking these actions could also be tremendous.

PERFORMANCE EVALUATIONS

        Many small business owners and managers alike dread the performance evaluation process.   Some see it as meaningless, while others see it as a means for determining pay increases.   The basic premise of performance evaluations is to provide feedback to employees regarding their performance.   This feedback can be purely evaluative, meaning that the past evaluation period's performance is given a value.   If this is the case, then small business owners and entrepreneurs need to link specific levels of performance to specific rewards (Waterman, 1993).   On the other hand, this feedback can be developmental, meaning that the feedback is used as a tool to identify areas of performance improvement.   Small business owners should want to use performance evaluations for both purposes.   Most employees want to know how they have performed and how they can perform better.   Most employers need to be aware of how their employees are performing and need to know in what areas their employees need to improve, if organizational performance is to improve.   By doing this, small business owners are not only helping their business, they are helping

their employees to perform better, providing them the benefit of future opportunities (Harris & Arendt, 1998).

Performance evaluations can be formalized, meaning that a particular form is used, and that evaluations are conducted at regular intervals. They can also be informal in nature, meaning that a formalized process for evaluating performance is not in place (Latham & Wexley, 1994). Regardless of which method is chosen by a small business owner, performance evaluation should occur.

Informal performance evaluation. Many small business owners may not have the time to develop a formalized performance evaluation system. Given that there may be more interaction among employees in small businesses, there may not even be a need for formal evaluations, according to Stanford Professor Jeffrey Pfeffer (Barrier, 1998b). As a result, the primary means of performance evaluation may be very informal. When evaluating the performance of an employee, it is important to remember that we are talking about their performance, not necessarily about the employees themselves. One of the goals is to identify the level of performance of the employee. The key is to identify specific, objective standards of performance. By doing so, the employee gains an understanding of what's expected of them (Latham & Wexley, 1994). Next, these standards need to be communicated to the employee. In order for an employee to be able to achieve a specific level of performance, the standards, or expectations must be known.

Once these first two steps are taken, the employee should be allowed to perform. We should note both positive and negative performance. In particular, specific notes should be made when outstanding or unacceptable performance occurs, so that specific feedback can be provided to the employee. This allows the employee to have a better recollection of the event as well as providing concrete information regarding his or her performance. Additionally, feedback can be provided as needed. Often overlooked, immediate feedback does a better job of improving performance than does feedback which is provided at a later date, which can often times be weeks or months later. The Maryland-based Calvert Group understands the value of informal feedback. This 155 employee mutual fund company addresses employee performance areas of concern as needed, on an informal basis (Barrier, 1998b).

Formalized performance evaluations. While many individuals do not like the process of formalized performance evaluations, the rewards they produce can be tremendous. They create an awareness of the fact that performance will be evaluated. For the small business owner, formalizing the performance evaluation process is merely taking the informal process a couple of steps further. Formal evaluations may become necessary as the small business grows, creating a situation where the frequent interactions are diminished.

The first step is to identify performance standards (Harris & Arendt, 1998). Performance standards are indicators of acceptable performance. This in and of itself will communicate to employees what levels of performance are expected of them. This will further direct the efforts of the employees towards the goals of the business. If communication skills are important, then developing a standard associated with communication skills will be necessary.

Next, selecting a way of measuring the employee's performance needs to be conducted, which involves selecting an evaluation instrument. Evaluation instruments range in complexity from very simple to very complex. Instruments can be borrowed from other organizations, purchased from consultants, or developed from off-the-shelf computer software. Regardless of how they are developed, the key is to create an instrument that accurately and effectively evaluates the performance of your employees. In some instances, merely writing several paragraphs about the employee's performance may be the best choice. In other situations, where products are produced, possibly developing a scale that measures the number of units produced or the number of defective products (less being better) could be developed. You must determine what type of instrument is appropriate for your situation. One suggestion, however, is to avoid the use of terms or categories such as average, above average, meets expectations, exceeds expectations and the like (Latham & Wexley, 1994). The reason you want to avoid those categories is that average can mean different things to different people, as well as whose expectations were met. It is better to evaluate employees against objective standards, where the behavior or outcome can be verified. An example of this might be to evaluate quality of work as being highest when no mistakes or errors are committed.

Once an instrument is identified, the next step is to establish performance evaluation intervals (Harris & Arendt, 1998). The norm is to evaluate performance

once every year.   However, it is better to review performance more often than that, such as every 3 months.   This allows for more consistent interaction and feedback, providing for quicker improvements in performance.   Additionally, many employees want to hear how they are doing, according to Mary D. Lee, a performance consultant (McGarvey, 1996).   Many small business owners and entrepreneurs question the time spent on these activities, viewing it as time that is unproductive, and as a result, time that is lost.   The time is not lost, by providing feedback to employees it is merely an investment in making sure that the business succeeds.   As such, it should be viewed as an investment.

Identifying an instrument and establishing evaluation intervals are the two biggest differences between informal and formalized performance evaluations.   In both instances, performance should be measured and results should be communicated.   Additionally, small business owners conducting formalized performance evaluations should attempt to substantiate their performance ratings. Again, providing detailed, specific information is more useful to both the employee and the evaluator.   This provides clear evidence regarding performance.   Another purpose of documenting positive performance is to reduce the weight that is given to negative information.   Most evaluators weight negative information much more heavily than positive information.   Often times it takes three positive instances to offset one negative instance.   By documenting performance, this type of mistake can be avoided, reducing the frustration that employees feel when all they hear is what they have done wrong.

Finally comes the process of communicating the evaluation to the employee (Harris & Arendt, 1998).   The individual conducting the performance evaluation should prepare for the meeting.   This includes gathering information regarding the performance of the employee and identifying specific information about the performance.   The meeting should be scheduled in advance, with the employee given the opportunity to conduct an assessment of their performance.   When meeting with the employee, provide clear and detailed information.   Focus on the performance, attempting to identify ways to improve.   By using this process as a developmental tool, not only will the employee's performance improve, but the business will also benefit.

Regardless of which type of evaluation system is preferred, it is important to evaluate performance. It improves the abilities of the employee while at the same time improving the business. Additionally, employees need feedback about their performance. Without feedback, some employees will not know how they are doing or in what areas to improve. Performance evaluation can do a lot to let employees know that they are valued, which can in turn keep quality employees in the firm. Small business owners and entrepreneurs should also remember that as changes occur, it might be necessary to make changes in the performance evaluation process (Lynch & Werner, 1994).

PAY AND REWARDS

Pay and rewards are important to employees. While pay may not be the most important issue to an employee, we all know that in our society it is difficult, if not impossible, to survive without money. Pay and rewards overlap with treating employees well, performance evaluation and benefits. They can attract, motivate and retain high quality employees. Additionally, not all rewards need to be monetary in nature. In the next several paragraphs, the effects of pay and rewards on a small business owner's ability to retain quality employees will be discussed.

Pay. Pay is an important issue in our society. While we realize that other things in life are more important, in order to survive, employees must acquire money somehow. In our society, money is exchanged for the labor that an individual supplies. In order for a small business owner to survive, he or she must employ individuals who will add value beyond their wages to the organization. For a small business that is just beginning or struggling to survive, finding such resources can be difficult. The budget may only allow wages to a certain level. That may limit the number of applicants who apply for the position available. Because of this, the small business owner needs to be aware of the labor market, identifying what other organizations are paying for similar positions. If an individual has two choices that are virtually identical, but the pay is higher for one, virtually all of the time the employee will go for the higher pay. If all of the quality employees go to the competition, what will you be left with? More than likely you will not be in a position to hire the level of quality you desire, meaning that you get what you pay for.

This will influence your ability to retain quality employees, as competitive wages are almost as important in the retention of quality employees for small business as they are for large business (Deshpande & Golhar, 1994).

Pay interrelates with the types of assignments you require of your employees. While providing challenging assignments develops employees, it also creates more opportunities for employees. This can increase their marketability to other firms. As a result, it may take higher levels of pay to retain these employees. But if they are producing more and improving the business, they should be rewarded for their contribution. But on an even more basic issue, employees will perceive that if they contribute more, they will be aptly rewarded. Any small business owner who increasingly gives employees more challenging assignments and responsibilities will need to reward these employees appropriately. This should indicate that unlike large companies where consistency is equated to fairness, small companies have been known to reward employees based upon the differing contributions which individuals make in organizations (Cantoni, 1997). This allows employees to earn what they deserve, and has been found to be more equitable in small, entrepreneurial firms.

Pay can be an excellent motivator if tied to performance. Depending on the type of business one is in, this could be tied to the quantity or quality of the product, or to landing major accounts, if sales are involved. But if pay is tied to performance, then it should be linked to realistic levels of performance. Also, for the small business struggling to make ends meet, business necessity could cause these organizations to adopt pay-for-performance systems (Cantoni, 1997). This can help the firm survive, removing any weak links and rewarding those deserving of the rewards, and has been found to be considered by small business owner and entrepreneurs to be one of the more important HR practices (Deshpande & Golhar).

Finally, another way to tie pay to performance is to provide ownership to the employees through stock options. Employee stock option plans (ESOPs) have been around for quite some time, but traditionally have not been pursued by small business to the extent that big business has pursued their use. Because of changes in tax laws in the 1980s, small businesses have begun implementing ESOPs more than ever, and have helped small business survive, grow, and even prosper. The ESOP implemented at Chatsworth Products, Inc. is credited with providing a common vision

for the employees of this small business (Kaufman, 1997). It has created an atmosphere where everybody wants to company to perform at its best.

When it comes to tying pay to performance, many options exist for small business owners and entrepreneurs. Regardless of the type of pay-for-performance system adopted, the levels should be attainable if the pay is to motivate performance. But as was the case with performance evaluation, when the organization is making or going through changes, the small business owner and entrepreneur might need to consider changing his or her business's pay system (Lynch & Werner, 1994).

Rewards. Many rewards other than pay exist in any organization. These overlap with feedback and benefits, among other organizational issues. One of the most basic rewards is often one of the most cherished; namely, recognition of a job well done. Many organizations exist in our society in which pay cannot be altered much, if any. The military is one such example. Once a soldier is in a grade, he or she has a set pay rate. Raises are not provided as they are in the private sector. However, the military has a program in place to recognize outstanding performance through the awarding of decorations, more commonly referred to as medals. If handled appropriately and not just given out like they are candy, recognition programs can do a lot to motivate employees. This can be formalized or informal, as long as the employee heard you state that they did a good job in relation to specific circumstances. This type of reward costs nothing but provides benefits. Also, to not provide this type of reward could result in costs.

Many other types of rewards can also be provided to employees at relatively low cost. If there is no formalized benefits program, or the reward is not classified as a benefit, then it could be used as a reward. Employees sometimes are called upon to work long hours. Employees who are not paid on an hourly basis typically do not earn overtime wages. Allowing employees flexibility in their work schedules can be a very valuable reward. For example, some employers have found that if an employee puts in several long days, you might let them leave work early on Friday, or give them a day or afternoon off (Escalara, 1998).

Additional rewards include giving the worker a night out on the town, where a certificate is provided covering all or part of dinner, or theater tickets, whatever might be appropriate for the individual. Karen Escalara finds that spot bonuses, a desired book, or lunch on the house to be virtually amazing in terms of

their effectiveness at boosting morale in her marketing-communications firm (Escalara, 1998). The keys to pursuing any of these options are to identify what the employee would appreciate, and then tailoring the reward to the individual (Waterman, 1993). When giving this type of reward, indicate that it is being given as a reward for doing exceptional work. Employees appreciate these efforts and thoughts, as they are personalized to their wants and desires.

Some of the underlying thoughts to remember when considering pay and rewards involve knowing the market you are in. This includes the labor market, and accurately identifying what pay rates you will need to provide in order to secure and retain quality employees. But also remember that you need to know your employees. As mentioned earlier, pay is not the only issue that attracts employees to your company. If you take care of your employees, possibly through other thought-out rewards, employees may feel a commitment to you and your business.

BENEFITS

As already mentioned, pay is not always the most important issue when acquiring quality employees. In some instances, benefits can attract a large segment of the diverse labor force. Benefits can be costly, but if they can keep good employees from seeking employment elsewhere, they might be worth the investment. A small business may not need to provide the most elaborate benefits plan, but covering the basics can keep quality workers according to Ethan Winning, an employee relations consultant (McGarvey, 1996). A variety of benefits will be presented and discussed in the following paragraphs of this report.

Pension. Many employees are concerned about preparing for retirement. Given the current crisis concerning Social Security, it is not surprising that employees are concerned about their future. Pensions may be difficult for a small business to provide; however, the availability of pensions may compensate for lower pay. While small businesses use retirement plans less frequently than larger companies, their use has grown substantially over the past several years (Blakely, 1997; Blakely, 1998). This has helped retain quality workers, as employers who contribute to the pension have discovered. For those small businesses that can afford to do this, they are in a powerful position to effectively attract and retain quality

employees. Given some changes in retirement plan legislation, for those small business owners and entrepreneurs that can afford to contribute to their employees' pensions, the SIMPLE 401(k) and SIMPLE IRA may be very attractive. At Annan Run, Inc., a furniture company in Pennsylvania, owners Stephen and Linda Koreny implemented the SIMPLE IRA when it first became available in 1997 (Blakely, 1997). This plan was simpler and easier to implement than previous options, and allowed the company to tailor the plan to best fit its needs. The SIMPLE IRA has proven to be more popular to date, given that it is more cost-effective and simpler, according to several providers of these types of plans.

When considering pension options, it is important for the small business owner and entrepreneur to investigate all of the options available. Prior to the advent of the SIMPLE 401(k) and SIMPLE IRA, simplified employee pensions were considered the best plan for small business owners and entrepreneurs (Knight & Knight, 1994). This type of plan allows some tax advantages regarding the deductibility of contributions, within certain limits. This is not to suggest that other plans do not allow for such advantages, merely that small business owners and entrepreneurs should investigate all of the details of each of the options available, and select a plan which serves both the employees and the business as a whole the best.

Unfortunately, not all small businesses can afford to contribute to a pension. What many small business owners forget is that businesses can set up pension plans where the employer does not contribute to the pension. If established effectively, for little or no cost to the employer, a third party can be brought in to establish a retirement plan, such as a 401K plan, for his or her employees (Myers, 1998). This provides two major benefits for the employees. First, this allows employees to begin saving for retirement. Second, it allows employees to tax shelter their earnings, resulting in a lower taxable income. For the employer, this may be just what's required to retain some of the quality employees that make the business successful. The key is to determine the plan that costs you the least, or nothing at all. Finally, small business owners and entrepreneurs should realize that this is an area of interest to employees which is continually changing (Geisel, 1998).

Insurance. Insurance of all types are issues that employees are concerned with and desire. In particular, health care costs have increased tremendously over the past 20 years. A small business owner who can provide

health insurance to his or her employees has the ability to attract and retain a large number of good employees. However, not all small business owners are in a position to provide this benefit. If an employer cannot provide this type of benefit due to financial constraints, other options exist. Many changes in legislation and options have opened up opportunities for small business. Small business owners can take advantage of high-deductible health plans, which lowers the premium by 30 to 60 percent (Gemignani, 1997). For the very small business, 50 employees or less, this can be made even more attractive when coupled with a Medical Savings Account (MSA) (Stevens, 1997). While the start up can be difficult, once the MSA is properly funded, all deductibles of most plans can be met, covering the out-of-pocket expenses of the employees. Additionally, the funds put into MSAs by employees is tax-exempt, meaning that the employees gain greater spending power from their earnings.

In addition to the savings small business owners and entrepreneurs might enjoy by taking advantage of high deductible health insurance and MSAs, employers are not currently required to pay for the insurance coverage. In fact, it is very common for employees to contribute to the cost of their insurance premiums (Woodmansee, 1997). An employer could obtain the insurance at a group rate, allowing employees to purchase the insurance at a rate lower than what they could otherwise obtain. This is a benefit that some employees would appreciate, since not all employers provide even this insurance option. Life insurance and dental insurance could also be handled in a similar manner. This would represent no cost to the employer, and could retain quality employees.

While MSAs are not feasible for entrepreneurs with 50 or more employees, other flexible spending account options do exist (Woodmansee, 1997). Changes in the tax laws have allowed for the establishment of Medical Care Account Plans (MCAP) and Dependent Care Account Plans (DCAP). These plans allow employees to set aside pre-tax dollars for reimbursement for a variety of healthcare and dependent care expenses. Again, these types of plans provide for more spending potential, while lowering the taxable income of employees, reducing their tax liability. These options further supplement the benefits that small business owners and entrepreneurs are able to provide for their employees.

Time off. Another potentially low cost benefit to employers is that of time off work. Employees in today's diverse work force have a wide variety of needs. People are pushed in many directions, handling their personal problems, their work lives and their family lives. This puts a lot of pressure on today's workers. Having time off allows employees to recuperate from the stresses of life, as well as attend to the problems that life throws their way. Small business owners should remember that time off does not have to be paid, representing a benefit in which the only cost is that work may not be performed while an employee takes time off. In fact, of firms with 16 or more employees, between 60 and 70 percent provide job-guaranteed unpaid sick leave (Anonymous, 1993). Providing time off for holidays, sick leave and vacation time can be a tremendous benefit for both the employee and the employer. Employees come back to work refreshed, and can perform at high levels, benefitting the employer.

For the small business owner who can afford to provide paid time off, it is recommended that the first place to begin would be with sick leave. By providing sick leave, employees who are sick are provided the opportunity to recover without a loss of wages. This allows the individual to recover and to be at work when they can perform at 100 percent capacity. However, firms employees 16 to 50 employees, less than half provide paid sick leave (Anonymous, 1993). Some individuals may need the money so badly that they will work if sick leave is not paid. This can result in several negative consequences. First, they may not be able to perform at full capacity. Second, they may make the other employees ill, reducing the capacity of the overall organization. Because of this potential problem, sick leave would be the first place to begin providing paid time off.

The other major forms of paid time off include holidays, vacation, personal leave, funeral leave and jury duty. Where to begin with those depends upon the organization and the employees in the organization. Most employees prefer paid vacation over paid holidays, since they may be able to take vacation for a longer period of time than holidays allow for. But, the small business owner should pay attention to the needs and desires of his or her employees.

Flexible work schedules. As previously mentioned, today's work force feels pressures coming from several directions. Given the hours that most businesses operate, this limits the ability of the employees to take care of their needs

that might only be met during these same hours. For example, if your car needs to be repaired, you have to clear up financial matters, you need to see a doctor, or you need to speak with your child's teacher, most of these issues need to be taken care of during normal business hours. By allowing flexible work schedules, workers can take care of their problems and still perform at a high level.

This benefit can be flexible and simple. Workers who need to take time off could be allowed to make the time up. Also, workers who put in extra hours at certain points in time could be allowed to accumulate those extra hours to cover times when they may need to be gone, commonly referred to as comp or compensatory time. This costs the employer nothing in wages, and little to nothing in running the business.

The benefit could also be as complex and formalized as the employer would like to make it. Small business owners could establish a compressed work week, where employees do the entire week's work in four days, giving them a three-day weekend. This allows employees to attend to their needs and still complete the work for the business. David Kaufer, founder of Kaufer Miller Communications, found that some employees find this benefit to be very valuable, reducing the days and hours of commuting in the Seattle area (Caggiano, 1997). Another variation is to establish a formal flexible work schedule, where an employee chooses to work certain hours. This allows employees to come to work later than the usual starting time or to go home earlier than the normal ending time. This allows these individuals to attend to their children, to the doctor, etc., and still allows the organization to fulfill its business obligations. Additionally, giving employees latitude in setting their schedules is a way to boost productivity as well as retain quality employees. According to Eric Wells, owner of Campus Creations in Urbana, Illinois, he prefers flextime as long as the work gets done (Klimos, 1995). The use of flextime allows small businesses to more effectively compete with larger employers when attempting to retain quality employees.

Closely related to flexible schedules is the use of permanent part-time employees. There exists a wide variety of quality employees who, for a variety of reasons, only need or want part-time employment. The tremendous growth of the aging population is one case in point. Not all workers are in a position to afford to be retired full-time. There exists a considerable amount of skill, ability, knowledge

and wisdom among this particular segment of the population which can be beneficial to small business owners.

TRAINING EMPLOYEES

One of the final keys to keeping good employees once they have been acquired is to provide the training necessary for them to perform effectively. There are a wide variety of reasons an employer might decide to train his or her employees. The need could arise out of a change in technology, such as changing computer software. The need could arise out of a need to improve the performance of the employees. The need could arise out of the necessity to develop a competitive advantage over the competition. Finally, some view the success of small businesses as directly linked to the level of training of the business's workforce, especially in times of rapid change (Marshall, Alderman, Wong, & Thwaites, 1993). Regardless of the reason, small business owners should realize that training employees is important, and that it represents an investment in the business.

Training programs should consist of five major steps (Harris & Arendt, 1998). First, the small business owner should determine the training needs and objectives. It is important that the actual problem be identified, as if it is not, then the problem is not resolved. Also, objectives should be identified, so that when the training is completed, the small business owner can determine whether the training was successful or not. Second, training criteria need to be identified. Often times the problem will indicate to the small business owner and entrepreneur which criteria should be used. Third, a trainer should be selected. An individual with the knowledge should be selected, but certainly consider involving a variety of individuals in training (Petrini, 1992). Fourth, develop training materials that will help you achieve your objectives. Finally, once training has been conducted, evaluate the effectiveness of the training.

There exist a wide variety of reasons why a small business would want to pursue the five steps associated with training, as well as a number of ways to pursue these steps. While there is an exception to every rule, most employees desire challenging assignments rather than work that is mundane and monotonous. To be able to provide these types of assignments, it is important for small business owners

and entrepreneurs to provide training for new employees (Deshpande & Golhar, 1994). This training should cover not only general organizational issues, but it should also cover issues specific to the job to be performed.

Training can help the small business by providing a situation that enables employees to perform at high levels. This not only prevents boredom, but further assists in the ongoing development of the employees. Training allows the employees to continue to take on more and more challenging assignments. By helping its employees to improve, the small business helps itself to improve, creating success for the small business.

The main concern for many small business owners may be how to balance the costs of providing challenging assignments with the benefits of these assignments. One of the keys to doing this is to provide smaller or less risky challenges to employees so that they feel challenged. First, the small business owner should determine which tasks or jobs have lesser amounts of negative consequences or risks associated with them. Those less risky assignments can be given to employees. Second, provide clear guidance to the employee, including his or her limits of authority and decision making, which should be done as the assignment is given. To insure that what is to be done is understood have the employee repeat to you in his or her own words the assignment. This can and should be coupled with some form of training, such as written instructions and guidance. Taking these steps should help the small business owner overcome the problems associated with giving employees challenging assignments.

While small businesses may not have the same ability as larger organizations to provide training, many owners do recognize the importance of providing training to their employees, and do attempt to provide it (Bennett & Errington, 1995). Small firms can and do lose talented employees by not providing them with appropriate training. By providing training, employees feel empowered and well-treated, as well as obtaining additional job-related skills. When Advanced Microelectronics, Inc. stopped training its employees, turnover skyrocketed and productivity dropped dramatically (Bates, 1998). Steve Burkhart, CEO of the firm, indicated that once the turnover increased, training was brought back with an even stronger focus. As a result of the fluctuating turnover that paralleled the when training was offered and not offered in his firm, Mr. Burkhart realized that many

employees see training as a benefit that they must demand, and require it from their employers.   Employers who do not provide training are at a disadvantage when it comes to retaining quality employees.   Other organizations realized before such dramatic changes that training was the key to success.   Jennifer Closshey, president of Crystals International, Inc., dedicates 10 percent of her time and resources in her organization to continued learning, seeing this as a never-ending process (Kinni, 1994).

After an employee is hired, small business owners should sit down with these new employees and discuss the details of the job, including the specific tasks to be performed, and determine if any training needs exist.   This could be done through an orientation during the first day or so on the job (Harris & Arendt, 1998). If it becomes apparent that the employee knows something about the task, but not all of the details the employer requires, taking time at that point to bring the employee up to speed may slow operations temporarily, but will increase the overall efficiency of the business in the long run.   The investment involved by conducting this orientation is minimal, but to not take these actions could be detrimental to the organization if the employee cannot conduct certain functions of the job.   This could cost the organization by lowering productivity, increasing costs, and having to go through the recruitment and selection process over again, representing even more costs.

Given the importance of training, if for nothing else but keeping quality employees, what are some of the successful attempts that small business owners and entrepreneurs have made to better train their employees?   In a study of three small to midsize companies, it was found that a considerable amount of employee training and development was conducted (Rowden, 1995).   Each of the small businesses studied conducted on the job training, in addition to safety training.   Some employees were supported by the organization in the form of off-site training to learn specialized skills, which may be especially important to the small business in a number of ways.   It is always important to provide employees with the training necessary to do their jobs.   Providing this training can reduce turnover, given that few people can do an adequate job without the proper resources.   Additionally, some workers in these three organizations were sent to seminars, while others were provided tuition assistance.   These successful businesses linked training to both improved work

practices and quality of work life, allowing the businesses to get the most out of its employees as well as retaining the best employees.

For the businesses that are just starting out or are having difficulties making ends meet, there are options available that can prove to be very valuable. According to Kendall Mau, vice-president of finance and administration for Silicon Valley Federal Credit Union, one of the keys is to involve everyone in training, both as a trainer and as a trainee (Petrini, 1992). Silicon Valley Federal Credit Union believes that everyone in the organization can train each other, improving both the trainer and the trainee. Trainers at this firm indicate that they learn much when they must train others. Similar to this concept is a training technique used at a variety of firms, both small and large. Use a brown-bag lunch program to bring the employees with similar duties and responsibilities together to share information and problems (Cohen, 1998). There is a possibility that one of the employees has a solution, but due to job demands may not realize that others have a similar problem, and as a result, he or she has not shared the information with others. Additionally, for those employees who do not need remedial training, this will at least maintain their current level of proficiency, which could be as important as the training for those individuals who need to acquire skills.

With technology changing rapidly, many organizations are finding it difficult to keep up-to-date. While this may be true in many situations, many organizations are finding that more and more off-the-shelf training programs can address training requirements and prove to be valuable job aids, according to Amy Corrigan of Weatherhill Associates (Cohen, 1998). She uses a variety of software packages to assist her in designing training and job aid materials. Additionally, discussion groups on the Internet can help keep people up-to-date with the changes in their field, according to Don Elkington, an independent consultant.

One of the problems facing small businesses and the conduct of training is the fact that the business needs to be run; yet training may be necessary. How is this balanced if no one is available to run the business if the trainers and trainees are tied up in training sessions? One way is to build partnerships with local colleges and universities. By building a partnership, both the business and the educational institution can benefit (Bensimon, 1992; Crist, Presley, & Zenger, 1992). The business receives high-quality training, helping its competitiveness. The

educational institution increases its ability to place future students, further assisting the small business. Additionally, businesses can follow-up if problems persist, something not available through seminars. Woodcraft industries, a Minnesota based business, sees this as one of the key advantages of developing this type of partnership (Crist et al., 1992).

Finally, small business owners and entrepreneurs should understand that not all learning and improving the small business is the result of specific training programs. Small businesses, like other organizations, can learn from their environment, interacting with their customers and suppliers (Gibb, 1997). This process is one where the business becomes a *learning organization*. According to Peter Senge (1990, p.3), a learning organization is an "organization where people continually expand their capacity to create the results they truly desire, where new and expansive ways of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together." This can assist in employees learning about or developing additional skills and knowledge, helping both the business and themselves.

Training is a very important aspect of having a strong and effective business. While training is often overlooked, the minimal investment of training employees will pay off handsomely in the future. Consider training as an investment in your business, because it is.

SUMMARY OF RETAINING QUALITY EMPLOYEES

Once quality employees have been recruited and selected into the small business, the job of the small business owner is just beginning. The amount of effort that the small business owner exerts into retaining quality employees can save a considerable amount of time in the long run. A small business owner who effectively retains quality employees reduces the need to recruit and select quality employees, because turnover is often decreased. Every small business owner must evaluate his or her financial situation, and how best to invest those resources into the business, their employees, and the unique challenges which face the employees and the business alike. This should lead to a situation where informed decisions as to which ways of retaining quality employees will work best for your particular small

business.   This is especially important when the small business does not currently have the resources to provide for all of the ways to retain quality employees, such as an IBM or Caterpillar might possess.

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ABOUT THE AUTHOR

Jack L. Howard is an Assistant Professor of Management and Quantitative Methods at Illinois State University. His research interests include workplace violence, political influence on human resource management decisions, and human resource management issues for small business.

ENTREPRENEURSHIP: METAPHORS AND RELATED CONCEPTS

Kimmo Hyrsky, University of Jyvaskyla, Finland

ABSTRACT

In past research there have been continuous attempts to define the terms of "entrepreneurship" and "entrepreneur." By combining entrepreneurship and linguistics, this paper takes an inter-disciplinary approach to exploring entrepreneurial definitions. An analysis of entrepreneurial metaphors and concepts is conducted to study informants' perceptions of these two terms. The sample included 751 respondents from Scandinavia, Canada, Australia and Ireland. In the quantitative analysis of entrepreneurial concepts respondents defined the terms "entrepreneur" and "entrepreneurship" with suggested conceptual equivalents. In the metaphor analysis informants came up with metaphorical expressions of entrepreneurship. In both analyses attention was paid to looking for potential differences between (1) entrepreneurial respondents and other respondents, (2) males and females, and (3) different nationalities. Females perceived the entrepreneurial concepts more positively than males did. The same applied to differences between entrepreneurs and non-entrepreneurs respectively. In the cross-cultural comparison the Finns seemed to have a more ideal picture of entrepreneurship than their English-speaking counterparts. As regards the entrepreneurial metaphors, they were grouped into the following semantic categories: Machine(ry) and other Physical Objects, Warfare and Adventure,

Sports and Games, Creativity and Activity, Nature, "Disease,"
Food Items, and Special Features.

INTRODUCTION

In past research there have been continuous attempts to conceptualize the phenomenon of entrepreneurship and to define who the entrepreneur is, but no consensus has been reached. One reason is that entrepreneurship is a widespread business phenomenon embracing a wide diffuse range of economic activities and that definitions differ and vary as they try to adapt to the specific characteristics of these differing economic activities (Gibb and Ritchie, 1981). By combining the ideas of entrepreneurship and linguistics, this exploratory study takes a different approach in examining how people *define entrepreneur and entrepreneurship*. An analysis of entrepreneurial metaphors and concepts is conducted to achieve this goal. The sample consists of 751 respondents from Scandinavia, Canada, Australia and Ireland.

LINGUISTIC APPROACH: METAPHORS

Although the analysis of metaphor has a long tradition in general philosophy and linguistics, it has not yet been actively employed in business studies. Nonetheless, a few past studies with metaphors can be found (see Easton and Araujo, 1991; Koiranen, 1995; Clark and Salaman, 1996; Pearce and Osmond, 1996; Kunkel, 1997). For example, Kunkel (1997) employed metaphorical expressions as the basis of his study on decision making in family business. The present study sets out to produce some early results in this under-explored area.

A metaphor is a figure of speech in which a term is transferred from the object it ordinarily designates to an object it may designate by implicit comparison or by analogy, as in the phrase "evening of life" (Lakoff and Johnson, 1980, p. 4-5).

These authors have observed how a language reflects the conceptual system of its speakers and argue that most of our ordinary conceptual system is metaphorical in nature.

Why do metaphors arise in communication? The general assumption is that metaphor fulfills the necessary communication function of conveying experiential information, using a discrete symbol system (Paivio, 1980, p. 152). One function is that a metaphor provides a compact way of representing the subset of cognitive and perceptual features that are salient to it. The second function is the "inexpressibility" hypothesis, which states that a metaphor enables us to talk about experiences which cannot be literally described. The third function is that, through imagery, metaphor provides a vivid, memorable and emotion-arousing representation of perceived experience. Finally, metaphors help us to explore stereotypical images. As Pearce and Osmond (1996, p. 25) put it: "A metaphor is not intended as a universal syllogism applicable to all individuals, but rather becomes a form of socio-typing, providing guidance in understanding the mind-set of a culture." All these functions implicate cognitive processes, but at the same time they explain what motivates the use of metaphor in communication.

Metaphorical language is superior to literal language, because it captures experiences and emotions better and since it can communicate meaning in complex, ambiguous situations where literal language is inadequate (Srivastva and Barrett, 1988). Thus, metaphors are very useful instruments in studying people's attitudes and thought processes. Moreover, metaphors suggest ways of defining and operationalizing concepts. Through metaphors we are able to understand e.g. how people define the terms "entrepreneur" and "entrepreneurship" in their everyday language.

METHODOLOGY AND SAMPLE

The methodological approach was derived from linguistics. In the quantitative analysis of the entrepreneurial concepts, the aim was to explore how people would define the terms "entrepreneur" and "entrepreneurship" with suggested conceptual equivalents. The respondents were requested to rate twenty concepts portraying "entrepreneur" and another forty depicting "entrepreneurship." The informants were asked to evaluate how closely they felt the suggested concepts would correspond to the two terms. This was done by using a Likert-type scale from one to seven (1=the words have no shared meaning; 7=the words have the same meaning). The instrument was adopted from an earlier study by Koiranen (1995). It was developed by reviewing past studies on entrepreneurial behavior and characteristics and later examined by a pretest procedure among some one hundred Finnish entrepreneurship students. Most of the variables in the scale were derived from the affective side of the entrepreneurship; little attention was paid to knowledge or skill factors. The statistical analyses included a factor analysis with Varimax Rotation and a student's t-test.

Turning to metaphors, the respondents were asked to form their own metaphorical expressions relating to both "entrepreneur" and "entrepreneurship." Respondents were instructed to come up with five metaphors in both categories. A metaphor is usually an assertion that A is B or that A is like B, e.g. "An entrepreneur is a Jack of All Trades," "Entrepreneurship is like Route 66," etc. As regards expressive metaphors like these, a useful distinction between the base and target domain have been put forward by Easton & Araujo (1991). A metaphor implies that the target domain ("Entrepreneurship") is like the base domain ("Route 66"). The similarity between the domains is a central aspect of the process of using the figures of speech. Metaphors relate one area of experience to another and can create new meaning and better understanding. The expressive metaphors describe by throwing a new light on the target domain.

They evoke by asking the recipient to draw on their own experience in the base domain and extend it to the new.

The informants created the metaphors of their own accord. They were encouraged to follow their first instincts in forming lexical associations depicting the essential characteristics of entrepreneurship and entrepreneur. The number of lexical items in each metaphor was unlimited. Later they were grouped into different clusters based on their semantic properties.

The data was obtained from 751 respondents, 474 were from Finland, 96 from Sweden and Norway, and 181 from English-speaking countries (Canada, Australia and Ireland). Twenty-five per cent of the informants were entrepreneurs, while the rest were non-entrepreneurs: paid employees, students, housewives, pensioners and unemployed people. The demographics are displayed in Table 1.

TABLE 1: SAMPLE DESCRIPTION (N=751)		Percentage	N
Nationality	Finnish	63.1	474
	Swedish & Norwegian	12.8	96
	Australian	10.3	77
	Canadian	9.5	71
	Irish	4.4	33
Gender	Male	55.8	419
	Female	44.2	332
Age	20 years or less	13.3	100
	21 to 30	43.2	324
	31 to 40	20.6	155
	41 or more	22.9	172
Background	Non-entrepreneur	75.0	563
	Entrepreneur	25.0	188
Entrepreneurial Experience	5 years or less	60.6	114
	6 to 12	26.6	50
	13 or more	12.8	24
Work Experience	5 years or less	47.4	355

6 to 12	18.7	140	
13 to 19	10.7	80	
20 to 40	23.2	174	
Parents in Small Business	Yes	378	49.7
	No	373	50.3

RESULTS

The means and standard deviations for rating the related concepts of "entrepreneurship" are displayed in Table 2. To discover whether there was any dimensionality in the observations, a factor analysis with Varimax Rotation was conducted. It produced five interpretable aspects named as follows: "Work Commitment and Energy," "Economic Values and Results," "Innovativeness and Risk-Taking," "Ambition and Achievement" and "Egotistic Features." In total these factors explained 44.2% of the variance. The categories comprise many items that find their counterparts in past literature dealing with entrepreneurial behavior and characteristics.

Turning to the scale of the term "entrepreneur," the means and standard deviations are listed in Table 3. In the consequent factor analysis the following three dimensions were discovered: "Renewing Accomplisher," "Exploiting Seeker," and "Hard Worker." These accounted for 36.9% of the total variance. Overall, the respondents' perceptions highlighted both the rather glorifying personal characteristics often associated with entrepreneurs and the "darker" side of the entrepreneurial realities.

Sum variables were computed based on the factor scores. Next, t-tests were conducted to examine differences in the sum variable scores between entrepreneurial respondents and other respondents, males and females and informants with or without parents in small business (see Tables 4-5). Non-entrepreneurs scored higher than entrepreneurs in rating the egotistic features of the term "entrepreneurship" (such as insolence, selfishness and hardness). The means for the sum variables were 3.75 and 3.56

respectively. In a further t-test, non-entrepreneurs likened "entrepreneur" to an "Exploiting Seeker" much more than the entrepreneurs did. A significant difference at .000 level was found, the mean values being 3.35 and 2.81 respectively.

	Loading	Rank	Mean	SD
TABLE 2				
RELATED CONCEPTS OF "ENTREPRENEURSHIP"				
Factor I: Work Commitment and Energy (28.6% of Var.; Alpha .90)				
Working hard	.64	18.	5.53	1.41
Respect for work	.63	13.	5.62	1.52
Resilience	.61	15.	5.57	1.52
Work motivation	.60	3.	6.02	1.22
Courage	.53	23.	5.49	1.40
Take responsibility	.52	5.	5.98	1.39
Vigorousness	.52	35.	4.73	1.53
Ability to organize	.48	30.	5.03	1.54
Diligence	.48	19.	5.53	1.58
Positive work attitude	.48	2.	6.04	1.26
Energy	.48	16.	5.56	1.38
Activeness	.45	8.	5.83	1.32
Factor II: Economic Values and Results (5.7% of Var.; Alpha .87)				
Economy	.66	34.	4.78	1.68
Effectiveness	.62	24.	5.40	1.37
Willingness to serve	.60	32.	4.94	1.90
Systematism	.57	36.	4.59	1.69
Productivity	.57	20.	5.53	1.31
Profitability	.56	29	5.11	1.68
Get results by working well	.50	14.	5.59	1.34
Alacrity	.50	28.	5.21	1.47
Target-mindedness	.48	12.	5.71	1.30

TABLE 2				
RELATED CONCEPTS OF "ENTREPRENEURSHIP"				
	Loading	Rank	Mean	SD
Factor III: Innovativeness and Risk-Taking (4.3% of Var.; Alpha .76)				
Inventiveness		.65	10.	5.75	1.31
Desire to experiment	.58	26.	5.28	1.47
Initiative		.52	1.	6.18	1.16
Creativity	.52	9.	5.75	1.33
Willingness to risk-taking	.47	7.	5.88	1.35
Factor IV: Ambition and Achievement (3.2% of Var.; Alpha .73)				
Achievement		.59	37.	4.45	1.80
Drive		.53	21.	5.52	1.46
Ambition	.49	22.	5.50	1.53
Success-orientation	.42	6.	5.97	1.18
Desire to get results	.40	11.	5.72	1.29
Factor V: Egotistic Features (2.3% of Var.; Alpha .75)				
Insolence	.74	40.	2.92	1.76
Selfishness	.71	39.	3.15	1.77
Hardness		.61	38.	3.88	1.66
Factor I through Factor V: 44.2% of Total Variance				
Goal-orientation			4.	6.00	1.19
Autonomy		17.	5.56	1.52
Assertiveness			25.	5.29	1.43
Gamesmanship			27.	5.24	1.57
Desire to be influential		31.	5.00	1.57
Desire to get money		33.	4.86	1.56

TABLE 3

RELATED CONCEPTS OF "ENTREPRENEUR"

	Loading	Rank	Mean	SD
Factor I: Renewing Accomplisher (19.4% of Var.; Alpha .79)				
Reconstructor	.79	11.	4.99	1.45
Change master	.74	12.	4.90	1.53
Developer	.68	8.	5.24	1.40
Person taking responsibility	.60	3.	5.90	1.38
Influential	.57	15.	4.80	1.44
Builder	.57	13.	4.90	1.52
Self-confident	.55	1.	6.19	1.09
Opportunist	.49	2.	5.90	1.32
Professional	.48	7.	5.26	1.56
Factor II: Exploiting Seeker (12.7% of Var.; Alpha .80)				
Exploiter	.76	20.	2.73	1.83
Over-ambitiously selfish	.73	19.	3.07	1.80
Speculator	.72	18.	3.30	1.90
Power seeker	.63	17.	3.77	1.74
Factor III: Hard Worker (4.8% of Var.; Alpha .66)				
Spade worker	.76	16.	4.72	1.86
Diligent	.65	5.	5.41	1.57
Industrious	.61	14.	4.84	1.63
Factor I through Factor III: 36.9 % of Total Variance				
Leader		9.	5.18	1.54
Business man/-woman		10.	5.10	1.56
Self-made man/-woman		6.	5.34	1.69
Risk-taker		4.	5.82	1.33

TABLE 4: T-TEST RESULTS FOR DIFFERENCES IN THE SUM

VARIABLE SCORES: "ENTREPRENEURSHIP"

	Mean	SD	t-value Sig.
Work Commitment and Energy			
Entrepreneurs (N=188)	5.50	0.98	
Non-entrepreneurs (N=563)	5.36	0.94	-1.78 .076
Females (N=332)	5.52	0.96	
Males (N=419)	5.30	0.94	3.21 .001
Parents in Sm Bus (N=378)	5.47	0.89	
Parents not in SB (N=373)	5.32	1.01	-2.17 .030
Economic Values and Results			
Entrepreneurs	5.51	1.10	
Non-entrepreneurs	5.37	1.01	-1.68 .094
Females	5.49	1.03	
Males	5.33	1.04	2.12 .035
Parents in SB	5.41	0.98	
Parents not in SB	5.40	1.09	-0.17 .869
Innovativeness and Risk-taking			
Entrepreneurs	5.77	0.77	
Non-entrepreneurs	5.64	0.87	-1.85 .065
Females	5.78	0.87	
Males	5.58	0.81	3.19 .001

TABLE 4: T-TEST RESULTS FOR DIFFERENCES IN THE SUM VARIABLE SCORES: "ENTREPRENEURSHIP"			
	Mean	SD	t-value Sig.
Ambition and Achievement			
Entrepreneurs	5.65	1.09	
Non-entrepreneurs	5.55	1.04	-1.13 .259
Females	5.62	1.12	
Males	5.53	0.99	1.22 .225
Egotistic Features			
Entrepreneurs	3.56	1.30	
Non-entrepreneurs	3.75	1.22	1.87 .062
Females	3.62	1.27	
Males	3.77	1.22	-1.64 .100
Parents in SB	3.63	1.28	
Parents not in SB	3.77	1.20	1.55 .121

Finally, entrepreneurial respondents also clearly outscored non-entrepreneurs in rating the first conceptual dimension "Renewing Accomplisher" (p=.031). In short, the sampled entrepreneurs seemed to hold more favorable views about entrepreneurship than the non-entrepreneurs.

In t-tests comparing the mean scores of males and females statistically significant differences were discovered in five dimensions. These are shown in Tables 4-5. In sum, females perceived the concepts in many respects more positively than males did, implying that females' affective orientation in reacting to and appreciating entrepreneurship could be better than the males' orientation.

TABLE 5
T-TEST RESULTS FOR DIFFERENCES IN THE SUM
VARIABLE SCORES: "ENTREPRENEUR"

	Mean	SD	t-value	Sig.
Renewing Accomplisher				
Entrepreneurs	5.46	0.87		
Non-entrepreneurs	5.30	0.88	-2.16	.031
Females	5.45	0.90		
Males	5.25	0.85	3.04	.002
Parents in SB	5.37	0.84		
Parents not in SB	5.31	0.92	-0.94	.349
Exploiting Seeker				
Entrepreneurs	2.81	1.42		
Non-entrepreneurs	3.35	1.43	4.51	.000
Females	3.11	1.43		
Males	3.30	1.45	-1.86	.063
Parents in SB	3.18	1.45		
Parents not in SB	3.25	1.44	0.69	.489
Hard Worker				
Entrepreneurs	5.00	1.23		
Non-entrepreneurs	4.98	1.31	-0.17	.862
Females	5.14	1.32		
Males	4.87	1.26	2.79	.005
Parents in SB	5.03	1.24		
Parents not in SB	4.95	1.34	-0.85	.396

In t-tests for respondents with or without parents in small business, only in one category of "entrepreneurship" a significant difference was obtained. Compared to informants without an entrepreneurial parent, those with a role model were more

convinced that entrepreneurship entailed taking full responsibility for one's own actions and total work commitment.
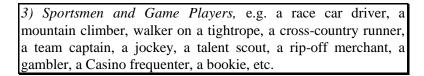
In a cross-cultural comparison, the Finns outscored their English-speaking counterparts in many variables defining the term "entrepreneurship," such as diligence, activeness, autonomy, systematism, gamesmanship, ambition, achievement, willingness to serve, courage, resilience, economy, target-mindedness, alacrity, respect for work, getting results by working well, drive, working hard and taking responsibility. The means of Finnish respondents for aspects of "entrepreneur" were higher in diligent, professional, self-confident, spade worker, risk-taker, and reconstructor. They were lower in more egotistic ones such as speculator, exploiter and power seeker.

ENTREPRENEURIAL METAPHORS

Let us now shift the focus to the metaphors. The respondents' metaphors were mostly expressive ones describing the similarity between the target domain and base domain (e.g. "Entrepreneur is like a perilous crusader"). The content analysis of the metaphors of "entrepreneur" provided the following categories:

1) Machine(ry) and other Physical Objects, e.g. Duracell battery, a generator, a starting motor, Ferrari, a locomotive, a power station, a machine gun, a PC, a shuttle, a perpetuum mobile, a supporting pillar of society, a rubber band, a razor blade, a melting pot, a house of cards, tabula rasa, etc.

2) Adventurers, Warriors or Battlers, e.g. Columbus, a perilous crusader, the raider of an ark, the captain of a ship, a fighter pilot, a tough guerilla, an outlaw, Maverick, etc.
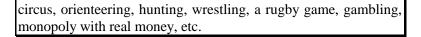
3) Sportsmen and Game Players, e.g. a race car driver, a mountain climber, walker on a tightrope, a cross-country runner, a team captain, a jockey, a talent scout, a rip-off merchant, a gambler, a Casino frequenter, a bookie, etc.

4) Innovative and Industrious Actors, e.g. Jack of All Trades, a self-made man/-woman, a shepherd, a village idiot, an artist, a sculptor, an astrologist, a hard worker, an innovator, a fortune-teller, Energizer bunny, a mover and shaker, a wheeler-dealer, go-getter, etc.

5) Nature, e.g. God, a chameleon, an amoeba, bacteria, a worker bee, an eager beaver, a cat with nine lives, a dog, a sly fox, a lone wolf, a lion, a snake in the grass, a guinea pig, an owl, an ugly duckling, a rooster, a black sheep, a herd of lemmings, a donkey, a unicorn, a cockroach, a spider, a slippery eel, an octopus, cactus in desert, an oasis, an oak, a wave of innovation, a volcano, "a nut ready to crack at anytime," perpetual flame, a rolling stone, a whirlwind, a well-endowed female, a rough diamond, etc.

6) "Disease," e.g. an egomaniac, a workaholic, a spoilt child, a sociopath, a misfit, eyesore to a tax inspector, a parasite, etc.

7) Food Items, e.g. a box of chocolates, a block of cheese, a bottle of wine, etc.

8) Special Characteristics and Features, e.g. Donald Duck, Icarus, Roman Emperor Augustus, a priest, a witch doctor, "as trusty as a two-bob watch," the prisoner/mainstay of society, a

crook, a scavenger, an unemployed in disguise, a yuppy, a capitalist, a risk-seeker, a dream accomplisher, a maker of the future, electric jolt, etc.

Where the target domain of metaphors is large in scope and complex, like in case of entrepreneurship, it is likely that multiple, partial and overlapping metaphors may be used to attempt to describe it (Easton and Araujo, 1991). Thus, the more consistent definition of a concept is provided by a cluster of metaphors. As Lakoff and Johnson (1980) have argued: "Each metaphor highlights some part of a concept and hides others." In the present study, the metaphors of "entrepreneurship" ("Entrepreneurship is [like] a survival game," etc.) were grouped into the following semantic clusters:

1) Machine(ry) and other Physical Objects, e.g. a well-lubricated machine, a sledgehammer, a money spinner, a kaleidoscope, A Ferris wheel, a seesaw, a greyhound bus, a car with no direction, a pincushion, a dart, a smoke sauna, "blowing your own trumpet," a magnifying glass, a revolving door, a treasure chest, etc.

2) Warfare and Adventure, e.g. a survival game, a battlefield, fighting for success, conquering a hill, walking on a tightrope, a turn in Russian Roulette, a roller coaster ride, a shot in the dark, skating on thin ice, military leadership, space travel, Holy Grail, etc.

3) Sports and Games, e.g. bungee/ski jumping, sky diving, a marathon, a tax inspector's game, a race for money, a track race, a

circus, orienteering, hunting, wrestling, a rugby game, gambling, monopoly with real money, etc.

4) Creativity and Activity, e.g. putting oneself about, making full use of one's abilities, blazing new trails, breaking the mold, constantly hitting one's head against the wall, playing music, free spiritedness, etc.

5) Nature, e.g. seed for new industry, ant farm, a rat race, taking a raging bull by the horns, fire inside a person, a storming sea, a small boat at sea, a wind breaker, rapids, an aurora, a sunset, a sunrise, The North Star, lightning, an uphill, a downhill, a genetic heritage, natural selection, finger on the pulse, laying an egg, etc.

6) "Disease," e.g. fever, a mental trap, workaholism, a stress factor, voluntary slavery.

7) Food Items, e.g. chocolate topping, a cake, dough, mixed soup, "you reap what you sow," a tough nut to crack, etc.

8) Special Features, e.g. spreading the Gospel, Route 66, a way to the future, a skating rink, a flying flag, a comprehensive school, a rebellion, a scramble, dynamics, an undertaker, comradeship, criminality within the law, a buzz word, etc.

On a closer inspection, the above categories showed that people often perceived entrepreneurship and entrepreneurs in two opposite ways. On the one hand, a majority of the perceptions were very positive or even idealistic with the figures of speech often reflecting the views of past entrepreneurship literature. On

the other hand, some metaphorical expressions were rather negative, cynical and even downgrading. The positive and negative images held by people were no doubt influenced by both real-life experiences of entrepreneurship as well as the enduring myths and prejudices that still prevail about entrepreneurship. Due to the highly stereotypical nature of metaphors themselves, this kind of dichotomy found in the content analysis was not surprising.

Turning to the differences between the sexes, paradoxically, it appeared that female respondents' metaphors often contained more controversial and negative imagery compared with the male observations. In this way, the results of the metaphor analysis were opposite to those of the conceptual analysis where females exhibited a more positive attitude to entrepreneurial activities than did males. On the whole, metaphors created by females were more imaginative and varied more in their content than did those formulated by males.

The analysis of metaphor also showed that a number of Finnish females tended to perceive entrepreneurship as requiring too full a commitment to business, thereby reducing the time and effort needed to pursue other important avenues, such as education, pastime hobbies and quality time spent with family. These females regarded entrepreneurship as being a male dominated activity. The more striking analogies and symbolism perpetuated by females often reflected family issues, lifestyles, personality characteristics and natural surroundings. Most of the metaphors referring to food items and diseases were also of female origin.

Male respondents saw entrepreneurship in a more positive light. Some of the male imagery of entrepreneurs was very glorifying. The traditional views holding that every man has to fend for himself and make due sacrifices in order to succeed surfaced time and again. The figurative language and analogies preferred by male respondents were often drawn from the worlds

of high tech, sports, warfare, adventure and nature. Unlike in the female expressions, in many instances the firms appeared to be like second homes for many male respondents.

CONCLUSION

This exploratory paper used linguistic methods to study respondents' definitions of "entrepreneur" and "entrepreneurship." A particular emphasis was placed on an analysis of metaphor. The force of metaphors comes, not from providing new information about the world, rather from a (re)conceptualization of information that is already available to us (Kittay, 1987, p. 39). Moreover, metaphors are important due to their inherent ability to provide alternative or new ways of "seeing" in a way that goes beyond the reach of literal language (Ortony, 1980, p. 14).

With regard to the limitations of the study, most of the metaphors created by the informants were used expressively. These kind of expressive metaphors are usually rich in texture, concrete in terms of form and the experience they evoke, ambiguous, holistic and allow a variety of interpretations (Easton and Araujo, 1991). Thus, as regards the findings of the study, it came as no surprise to discover that the terms "entrepreneur" and "entrepreneurship" seemed to cover a wide variety of different and even contradictory meanings. On the one hand, the enduring entrepreneurial stereotypes still seemed to have their equivalents in people's perceptions of entrepreneurs and entrepreneurship. On the other hand, it appeared that nowadays the term "entrepreneur" often gets applied to many things that people want to glorify. In this sense, it can be termed as an "umbrella concept."

Interestingly, over time the term "entrepreneur" seems to have shifted in the popular view, in Scandinavia at least, from being somewhat pejorative (greed, selfishness, unscrupulousness,

disloyalty to employees) to being complementary (innovative, giving, constructive, initiative, builder). The results also pointed in this direction, since the Finns clearly out-scored their English-speaking counterparts in rating the more positive aspects of entrepreneurship. Thus it seems that some of the senses of the word are gradually changing while perhaps reflecting the present, more positive socioeconomic climate in Northern Europe towards entrepreneurial behavior in general. Maybe over time the term loses some of its "original" meanings, as so often happens in everyday language use. That may be inevitable, but we are probably better off to recognize it than to let it slip by and cause miscommunication.

The employment of metaphors in future entrepreneurship studies may prove fruitful, since the idea of alternative ways of thinking and seeing is central to the new, emerging ideas of entrepreneurship. It might be intriguing to conduct cross-cultural studies of various entrepreneurial nationalities with a revised, more extensive instrument and bigger samples. This could prove to be very useful since the results might reveal a lot about the attitudes that we both as individuals and as part of society have towards entrepreneurial activities.

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MAKING MILLIONS SITTING ON THE SIDE OF THE INTERSTATE

Warren M. Johnson, Sr.

Warren Johnson and Associates

ABSTRACT

After a brief overview of the interstate system, the author shares his personal case history of interstate economic development as well as his thoughts on the entrepreneurial spirit.

BRIEF HISTORY OF INTERSTATE SYSTEM

The US interstate highway system is one of the most significant construction achievements of the century. Designed in the 1940's and constructed primarily in the 1950's and 1960's, the 42,800 mile long interstate system revolutionized road networks. Traffic lights and stop signs were eliminated; traffic was divided; highways and railroad crossings were completely distinct and did not interfere with the enormous system. America invested $560 billion in this project and has been forever changed by its presence.

The interstate highway system provides a telling symbol of American ingenuity, pragmatism, and ambition. Like the advent of mass media such as radio, and later television, the system provided a framework for linking a formerly disjointed country into a true United States of America. The interstate system is especially important because it offers the lure of

freedom and provides the proper stage for another important symbol of Americana: the automobile.

The interstate system is also a reminder of American excess. The insensitive routings of engineers in the late 60's and 70's destroyed hundreds of inner-city neighborhoods, displaced hundreds of thousands of residents, destroyed thousands of acres of farmland, and ruined shorelines and vast areas of urban greenspace. Without the vigorous oppositions of community organizers and environmental activists, who slowed down and eventually halter expressway construction, many American cities would have been irrevocably destroyed (Pucher, 1998).

The interstate highway system is one of the main drivers of economic development playing a critical role in meeting day to day needs by seamlessly moving millions of people and tons of goods around a vast country. The system offers rural accessibility, flexibility in freight transport, lower product prices, and the highest level of mobility in the world (Pucher, 1998, p. 364). In addition to mobility, the system also provides a completely new venue for economic development redefining the value of real estate.

PERSONAL CASE HISTORY

As an entrepreneur, I was aware that economic development around the interstate system was as sensible as building towns and cities near rivers and water sources. One day in the early 1980's I envisioned great opportunities to further develop certain interchanges on our interstate highway system. Naturally, I first looked to properties in my immediate geographic area of greater Middle Tennessee and Southern Kentucky. Specifically, my first two projects would be Exit 6 on Interstate 65 at Franklin, Kentucky and exit 172 on Interstate 40 at Dickson, Tennessee. These two locations would appear to an

average person as being depressed, worthless and not feasible as an investment.   I saw much more.   Not only did my entrepreneurial spirit tell me I could earn windfall profits, but it also led me to pioneer what would become two of the region's fastest growing exits.   Today, these locations are hardly recognizable from what they were only twelve years ago.

The research and investigative process at Exit 6 in Kentucky was simple and fast. Only two of the four quadrants had any resemblance of development. The southeast quadrant was occupied by an antiquated, unattractive, low volume truck stop setting on eleven acres of ground. The northeast quadrant was occupied by an old gasoline station with no grocery products and a terrible excuse for a restaurant on the adjacent property. The two businesses occupied six acres. All the properties were owned and operated by a local individual who was in severe financial trouble with the local bank. After some discussion and negotiations with the bank officials and the owner, I purchased the entire two quadrants with the improvements.   The total purchase price was an unbelievable $550,000. It was my goal to retain some operating personnel and hire new management who would be loyal to my mission. Management is extremely critical to absentee owners like myself. My game plan was to make necessary improvements and resell the entire investments in 24 to 36 months for three times my investment.

Cosmetic and functional improvements took place immediately.   The next order of business was to design and implement an aggressive marketing plan to completely re-image Exit 6 in Kentucky. After the first six months of ownership, the truck stop was fueling 200 trucks per day compared to 100 trucks per day previously. The additional traffic and volume created a dramatic increase in revenues at the restaurant, gasoline station, and market.   After 36 months of operation, I began to sell segments of the property, one at a time. The gasoline station sold for $250,000; the restaurant sold for $275,000; and the truck

stop sold for $1,200,000. Other than the initial investment of $550,000, approximately $100,000 was spent in improvements resulting in a total investment of $650,000. The total sales price was $1,725,000 which gave me a gross profit of $1,075,000.

The profit earned was not the most rewarding one in the venture. In this success, I "proved the market" at Exit 6, on Interstate 65 in Southern Kentucky. Since I redeveloped and pioneered the exit, other major corporations have retail operations there. Today, all those businesses cooperatively represent a new business community in Simpson County, Kentucky. Hundreds of jobs were created that have positively impacted economic development in the region. This was an interchange that others had ignored and written off as hopeless for the past 25 years.

Much like the Southern Kentucky interchange, Exit 172 in Dickson, Tennessee had long been overlooked by opportunists. A small 72 unit Holiday Inn motel had been the only property developed at this potentially explosive site until 1987. With up to date traffic counts on Interstate 40 and State Highway 46, and additional demographic data, my work began. I purchased a four acre tract of land directly across from the Holiday Inn on Route 46. A 100 unit Days Inn motel and a self service gasoline station with C-Store were developed and soon opened. The opening date for these businesses was timed to coincide with the beginning of tourist season and consequently each cash flowed immediately.

During the construction and development phase of this project, my boldness and aggressiveness caught the eyes of the community at large. Among those most inspired by my spirit was a local bank what had found the person to purchase and develop their depressed, unmarketable properties. A short distance from the interchange, I purchased a two acre site from the bank that had virtually been "written off." My plan was to develop an automotive center and motel that would be new and creative to the citizens of Dickson County. Within four months, we had a grand opening for a major branded self serve gasoline

and C-Store facility. Additionally, we opened a brush-less car wash business and a major brand tire facility. The compatibility of the three businesses made this new automotive center successful and it became the talk of Dickson. Later a Days Inn Motel was opened.

After three years of operation and management, revenue streams and profits made each business marketable to potential purchasers. Each of these three businesses within the automotive center were sold separately for $555,000, $250,000, and $275,000 respectively. The Days Inn motel with its companion gasoline C-Store facility sold for $1,700,000. In addition to annual operating profits for three years, I also realized a gross profit of over $1,000,000 upon the closing of the sales transactions.

Approximately one year after all the described properties were developed and operating, the local bank offered me a $2,000,000 loan to refinance all the properties. The loan represented the largest single loan that rural, small town bank had ever made. An entrepreneur with vision and substance can even inspire country town conservative bankers. I had "proven the market" again just as in the case of Exit 6 on Interstate 65 in Southern Kentucky.

Today, over 16 major flags make their presence known with facilities at Exit 172. Most prominent are Cracker Barrel, Hampton Inn, Budget Inn, Burger King and several others. Once unnoticed by tourists and others, interchange 172 is recognized as one of the most prominent ones from Nashville to Memphis.

The above illustrations represent only two of twelve or more interstate real estate developments with success stories. Other industries have been explore through the years with equal interest and success. New, creative mass marketing systems have been developed and implemented in industries like sports, trucking, petroleum and transportation services. As with other

true entrepreneurs, my inventory of ideas is endless and hopefully they will continue to make a difference.

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"AQUA-PRENEURS" ADVANCE QUEST FOR PURE WATER

Jon Kent, Vanderbilt University

ABSTRACT

This article introduces a new invention, the TURBO3, which is currently in the final stages of development and could revolutionize water and sewage treatment. Through a new, more efficient process of applying ozone to wastewater, entrepreneur-inventors Jim Hurst and Ike Baarda have multi-million dollar industries waiting with anticipation for this unique device, which purifies water and treats sewage so it can be safely returned to the environment. After a brief history of water and sewage treatment and a description of the current state of the practice, this article discusses the TURBO3 and the entrepreneurs behind it.

Author's Note: The term "Aqua-preneur" was coined by the author specifically for this article.

INTRODUCTION

When waterborne diseases proliferated in the late nineteenth century and the germ theory convinced scientists that drinking water must be disinfected and purified to protect public health, the use of chlorine as a disinfectant quickly emerged as the most efficient and effective solution. Chlorine quickly dominated the field and discouraged scientists and entrepreneurs from developing rival methods of water treatment. In the latter part of this century, scientists and environmentalists began to question the damaging effects of residual chlorine on the environment and increased the standards and regulations associated with using chlorine. In December, 1998 President Clinton announced a new set of standards for drinking water and rules which further curtail the use of chlorine as a disinfectant (President touts new standards...).   As the costs and consequences of using chlorine rise, corporations and utilities have had no alternative product or method to replace chlorine and have been forced to bear enormous new costs.

While many major corporations and savvy entrepreneurs furiously work to develop a reliable product or method to replace chlorine, a small business led by two entrepreneurs/inventors, both in their 70's, have developed a new product called the TURBO3 which refines a process of applying ozone to wastewater (heretofore utilized predominately in France) and has the potential to completely replace the use of chlorine in many industries. This paper not only chronicles the development of the TURBO3; it also explores the entrepreneurial spirit which drives two accomplished men to advance the quest for pure water.

A BRIEF HISTORY OF WATER AND SEWAGE TREATMENT

With the exception of the air we breathe, water is the most important substance in our lives. Since history has been recorded and, undoubtedly, since prehistoric times, the quest for pure water has been an important theme in the evolution of mankind and civilization. Although quality standards defining pure water were few, namely freedom from mud, taste and odor, the correlation between water quality and public health was recorded as early as 2000 B.C. (McGhee, 1991). The Sus'ruta Samhita, a body of Sanskrit medical lore said to be more than four thousand years old declares: "Impure water should be purified by being boiled over a fire, or being heated in the sun, or by dipping a heated iron into it, or it may be purified by filtration through sand and coarse gravel and then allowed to cool" (Baker, 1941). For over 3,900 years the principles, methods, and materials of water purification remained remarkably similar. The basic techniques of coagulation, sedimentation, filtration, siphoning or artificial distillation, and distillation by artificial heat were the chief methods of purifying water until recent times. Their use was confined to the household and factory and not entire municipalities (Baker, 1941).

The birth of the city created the need for sewage disposal and, again, basic techniques were established in the ancient world and practiced until the Nineteenth century. Sewers were originally designed only for rainwater. Remains of sanitary sewers have been found in the ruins of the ancient cities of Crete and Assyria, and Rome is famous for its Cloaca Maxima, an arched channel which drained the Roman Forum. Because citizens were forbidden to deposit liquid and solid waste in the sewers, streets became the receptacles for these wastes and were often little more than open sewers (Adams, 1930). Throughout the great European cities, slop and house refuse were thrown from upper stories of houses and the air became so foul that bonfires were lighted at night to clear the fetid air (Adams, 1930). Population density in major cities increased while the refuse grew exponentially, and with the advent of steel pipes in the

mid-17th century enhancing water distribution, cesspools were created for refuse. Toilets flowed into cesspools which overflowed and contaminated streams and rivers.

Primarily because of the sewage problem, sanitary conditions in London in the mid- Nineteenth century were appalling, prompting Parliament to pass perhaps the most significant piece of legislation in the history of sanitation: The Great Public Health Act of 1847 (Babbitt, 1930). The rest of the world watched closely as London employed professional chemists, microbiologists, and engineers to address the problem of water and sewage from a scientific perspective (Adams, 1930). The basic techniques for water purification were applied in a more sophisticated process, and elaborate sewerage systems quickly evolved in major cities throughout the Western world. For the first time these systems replaced cesspools for the deposit of human solid and liquid waste.

WATERBORNE DISEASES AND DISINFECTION

Although great strides were made in the urban infrastructure of water and sewage processing improving the aesthetics of the city, the public heath problem of waterborne diseases remained. While a strong correlation between water and public health had been established long ago, the general acceptance of the germ theory in the latter part of the nineteenth century confirmed the need for disinfecting water. Waterborne diseases include bacterial, viral, and protozoal infections (McGhee, 1991). Typhoid, cholera, salmonellosis, bacillary dysentery, and hepatitis are a few examples of waterborne illnesses (White, 1972). More advanced systems of filtration deterred the spread of pathogens, but the problem was not controlled until other methods of disinfection were utilized. There were three important methods for disinfecting water developed in the late nineteenth and early twentieth centuries: chlorine,

ultraviolet rays or uv, and ozone. These three methods are still the standard.

THREE METHODS OF DISINFECTING WATER: CHLORINE, UV, OZONE

Chlorine

Chlorine is a heavy, poisonous, very active yellow green chemical discovered in its gaseous state in 1774 by Swedish chemist Karl W. Scheele. The earliest reference to the proposal to chlorinate water was in 1835 by Dr. Robley Dunglinson in his book *Human Health* to "make the water marshes more potable," he said (Baker, 1949). Although chlorination was used tentatively on sewage in America and Europe and experimentally on small water supplies, its first large scale application was in 1908 when the Jersey City Water Works used chlorine at its Boonton Reservoir (White, 1972). After this initial application, nothing in the field of water purification came into use as rapidly and as widely as chlorination (Baker, 1949).

The use of chlorine has been very attractive to water departments because it is inexpensive, acts quickly, and is easy for chemists to detect and measure. Although chlorine has dominated water disinfection since 1908, increasing concerns over worker, public and environmental safety have challenged its utilization (Anonymous, 1997). Low level exposure to chlorine irritates the respiratory system and poses a constant risk to workers (Whitby, 1997). EPA officials state prolonged exposure to chlorine byproducts has been linked to cancer. Public exposure to chlorine, which could occur, for example, if it is released in the environment as a gas or concentrate in water, could kill or permanently injure people (*President Touts New Standards...*) Like all hazardous chemicals, once released into

the environment, chlorine is almost impossible to contain. In addition to its danger to humans, residual chlorine is a proven toxic to marine and aquatic life and can seriously disrupt natural habitats if present long enough (Whitby, 1997). Every year scores of new chlorine compounds are introduced and it is impossible to know what these compounds will do to the environment (Whitby, 1997).

These concerns over chlorine prompted the Environmental Protection Agency to develop increasingly rigid standards for the application and residual cleanup of chlorine or dechlorination, thus making it a much more expensive and complicated choice for disinfecting and treating water and sewage (LeFargue, 1998). According to Massoud Pirabazzi, a University of Southern California environmental engineering professor, "...chlorine byproducts rank as one of the two most pressing problems for drinking water supply" (*President touts new standards*..).

Ultra-Violet

In the early part of the twentieth century, as the use of chlorination was becoming widespread, a rival means of disinfecting water by ultraviolet rays was being tested in France. Ultraviolet irradiation was found to be effective in killing all types of bacteria and viruses through the probable mechanism of destruction of the nucleic acids (McGhee, 1991). The rays are generated by mercury-vapor quartz lamps which have no effect on the taste of the water, require no chemical handling and have no chance for toxic overdosing (Hunter, O'Brien, Hulsey, Carns, Ehrhard, 1998).

Primarily because of its cost, UV never challenged the use of chlorine as a disinfectant (White, 1972). The electricity to run the plants is expensive and bulbs in lamps burn out. In addition, UV has not been effective on turbid water and provides no residual protection. Although UV lamps have been used in

Europe for over thirty years to disinfect drinking water, their primary application has been in the treatment of industrial water, especially the beverage industry. Unlike chlorine, ultraviolet lamps can disinfect the water while preserving the taste.

Ozone

The ability of ozone to disinfect polluted water was recognized in 1886 by De Meritens (Vosamaer, 1916). The first full-scale application of ozone in drinking water treatment was in 1893 at Oudshoorn (Netherlands) (Brink, Langlais, Reckhow, 1991). Plants were constructed throughout France and in many other European cities in the beginning of the 20th century. When the use of chlorine as a disinfectant began to proliferate, the construction of new ozone plants slowed in Europe and ozone never challenged chlorine as the primary means of disinfectant in America (Brink, Langlais, Reckhow, 1991). Due to increase in regulatory requirements, Ozone installations in the US have increased from less than ten in 1980 to more than 100 in 1994, and continue to be popular among European countries (Lefaurge, 1998).

Ozone is an extremely strong oxidizing agent and may be applied in any circumstance in which chlorine is effective. It improves the effectiveness of subsequent coagulation, removes odors and tastes, requires very little contact time for effective disinfection, and breaks down spontaneously into oxygen leaving no toxic byproducts. Ozone is created by high voltage or high frequency electrical discharge. The mixture of gases is usually transferred to water either by bubbling it up through the bulk solution or by permitting droplets of water to fall through the a rising column of gas. Like UV, the traditional problem with ozone has been its high cost and inefficient application.

THE TURBO3 AND OZONATION

In late 1997, two entrepreneurs/inventors, James Hurst and Ike Baarda, founded a small company called Safe Environment Technology, LLC (SATECH) to improve the process of ozone wastewater treatment. Within a few short months, a prototype of an invention named the TURBO3 was developed and tested for effectiveness by SATECH as well as an independent environmental laboratory. According to Peter Drucker: "The greatest praise for an invention to receive is for people to say, 'This is obvious.'" While the invention of the TURBO3 may not be obvious to the lay public, scientists and engineers in the field of water and waste management may be amazed by its simplicity. Instead of the bubble up or trickle down method of ozonation, TURBO3 technology utilizes a unique system of nozzles to simultaneously inject a wastewater stream and ozone gas into a sterilizer/decontamination cylinder causing a mass gas transfer within milliseconds. Tests of municipal sewage wastewater confirm an ozone mass transfer of 75%, all odor is removed, color reduction exceeds 95% , and fecal coliform bacteria are killed at a rate of 99.98%.

As for the economy of the invention, TURBO3 operating, maintenance, and amortization costs are projected to be less than 30% of chlorine methods and 35% of UV sterilization operations. The TURBO3 has the potential to replace chlorination/ dechlorination, UV, and other forms of more costly decontamination.

The patent for the TURBO3 has been applied for and is pending. On July 20, 1998, TURBO3 technology was reviewed by the Tennessee Department of Environment and Conservation, Division of Water Pollution Control, and found acceptable for installation in the State of Tennessee. The United States Department of Agriculture, Rural Development, has accepted the

TURBO3 for wastewater plant installation and approved grant funding for small communities.

APPLICATIONS OF THE TURBO3

Like many inventions, the possible applications of the TURBO3 have quickly outpaced the original expectations of the inventors. The rural community of Fairview, TN has already applied for federal funds to employ the TURBO3 marking the first municipal application of the product. As the Environmental Protection Agency continues to raise its standards for water effluent, the cost of decontaminating industrial waste is not only threatening many industries' profitability, but their survival as well. The pork industry, for example, is in a desperate situation due to the odor and contamination of water supplies caused by the animals. Representatives from this industry have already predicted that the TURBO3 could revitalize the industry because it not only decontaminates the water, it almost completely removes the odor as well. The U.S. Food & Drug Administration is beginning to severely impact the multi-million dollar bean sprout industry due to ecoli in harvests. Contamination of the water which helps to grow the bean sprouts poses a heath threat to consumers. Again, the TURBO3 kills the pathogens without any toxic residuals. Manufacturers of blue jeans are faced with enormous annual costs associated with dyed water which cannot be recycled or returned to the environment untreated. SATECH is in the process of developing a modified version of the TURBO3 for one company which would allow the water to be recycled saving the company over $300,000 annually. Dollywood, an amusement park in Pigeon Forge, TN has met with SATECH to investigate use of the TURBO3 in purifying the water for its water rides.

The emergency management and relief possibilities of the TURBO3 are especially important. A portable version of the

TURBO3 has been developed and could provide fresh water supplies to areas where supplies have been contaminated. This portable device pumps water from any water supply with a hose and quickly produces fresh water for consumption. The portability of this device, combined with the fact that its main byproduct is oxygen as opposed to a toxic residual, gives it the potential to not only help in disaster situations quickly, but also provide pure water to extremely poor communities in the U.S. and overseas.

It is probable that SATECH has only encountered the tip of the iceberg in the possible applications of the Turbo3, and the other 7/8ths awaits its attention.

THE ENTREPRENEURS BEHIND THE INVENTION

The backgrounds of the inventors of the TURBO3 are almost as diverse as the applications of their invention. James Hurst is an engineer with training in banking, law, and real estate. A member of the historic China National Corporation in support of the Flying Tigers, Chenault's original air force to protect China during the Second World War, Hurst has flown over 300 combat missions. He was a pilot, captain and flight test engineer for Pan America World Airways. In addition to his aeronautical experience, Hurst is an accomplished businessman who served as Director of European and Middle Eastern operations for Sprague Engineering Corporation, and Vice-President of American Electric Company. For over twenty years he was an independent consultant in the area of petroleum resource development.

Isaac "Ike" Baarda has a BS in Chemistry, an MS in Biochemistry, and a Ph.D. in Microbiology. Professionally, he has served as a research biochemist for Monsanto, a clinical microbiologist for many hospitals, a plant manager for Luken's

Sutures, and, from 1978-1996, Senior Chemist and Principal Chemist for Metro Davidson County Water Services.

Before their partnership on the development of the TURBO3, Jim Hurst and Ike Baarda did not know each other. The technology of the Turbo3 represents a synthesis of the knowledge and experience of both men. James Hurst contributed the nozzle injection method of the Turbo3, which is based on principles associated with jet engine technology. Ike Baarda is steeped in water science and has almost two decades of practical experience with a major water treatment facility.

The management and corporate experiences of both men have proven vital as the inventors turn their attention to entrepreneurial and business matters. The business philosophy of Safe Environmental Technology is to grow the corporation slowly while contracting with current experts in the field to manufacture, sell and distribute the TURBO3. Many of their current business partners are so enthused by the invention, they have asked and been permitted to join the venture.

THE ENTREPRENEURIAL SPIRIT

For over a century the quest for pure water has been undertaken by some of the largest companies and astute scientists in the world. One of the most fascinating aspects of the TURBO3 is that it was invented by two entrepreneurs, both in their 70's, with no affiliation with any of the giants in the industry. Why would two gentlemen with accomplished careers embark on this speculative quest? Perhaps a key to answering this question was shared by one of the venture capitalists of the project, who stated that when he invested in the TURBO3 he received a note from Jim reading, "Welcome to the family, welcome to the fun, and welcome to success."

The TURBO3 reflects the passion and commitment of both men to the world of ideas and the environment. Like many entrepreneurs, James Hurst and Ike Baarda embody a childlike fascination with life and discovery. According to Hurst, the entrepreneurial spirit is defined by many attributes. An entrepreneur is first and foremost a leader who is never satisfied with the status quo. Hurst would subscribe to Edison's remark, "Show me a thoroughly satisfied man, and I'll show you a failure." Furthermore, Hurst feels that entrepreneurs have a responsibility to listen and serve people, especially young people and educational institutions. In Hurst's opinion, entrepreneurial education should be a combination of practical academic training in business, accounting and law, and on-the-job training with experienced entrepreneurs.

Beyond education and experience is imagination. Einstein said: "Imagination is more important than knowledge," but he never claimed it was a substitute. It is the imagination of James Hurst and the knowledge of Ike Baarda which make the TURBO3 an important contribution to man's quest for pure water.

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FROM GENERAL MOTORS TO HARDWOOD FLOORING

Pat Johnson, Jeffco Flooring and Supply, Inc.

ABSTRACT

After a brief discussion of the role of women in education, the work force, and in entrepreneurship, this article presents a personal case study of my life as a working woman. It documents my initial exit from college in 1953 through my rise at General Motor Acceptance Corporation (GMAC), reentry into academia (including college athletics) and renewal in an entrepreneurial business. The intent of this article is to provide both academic and experiential insight into the travails and spirit of working women.

BACKGROUND

The history of women in the workplace stretches back to the 17th century when some women would market their household skills to other families. By the 1960s, women comprised nearly 40% of the labor force in the United States (U.S. Department of Labor, Bureau of Labor Statistics [DOL/BLS], 1994). Even with these seeming advances in employment opportunities, the social pressures of the post-World War II American culture relegated women to a lesser role in society. Women were expected to raise families and take care of the household. Unskilled, low-paying positions generally accounted for the majority of jobs women held. Even when a woman had received an education, she often made a lesser salary than a man with equal or even lesser skills.

The women of the 1950s who attended college typically went for the search of a husband. When this goal was attained, few women actually finished out their college careers. In 1950, women represented only 31% of students enrolled in some form higher education (U.S. Department of Education, National Center for Education Statistics [DOE], 1995). In that same year, only 23% of bachelors degrees awarded went to women (DOE, 1996).

This social era of American culture did not afford women an opportunity to advance themselves educationally or professionally.

THE 1950'S EMPLOYMENT OF WOMEN

During the Second World War, women took over the jobs abandoned by American servicemen. As the men returned home however, the female replacement workers grew reluctant to give up their employment. A national survey by the Women's Bureau in 1944, indicated that 80% of women employed during wartime hoped to remain in the work force (Mofford, 1996). While this hope quickly faded, 1950 saw 28% of females stay actively employed. The ensuing baby boom remains a probable cause for the drop in labor force participation. As the post-war children graduated from high school, women began re-entry into the work force.

Whether the cause centered around a ballooning job market, the women's movement, or an increase in higher education, the number of women who entered the work force started to rise. In 1965, 1970, and 1975, the percentage of females finding employment increased from 39.3% to 43.3% and 46.3%, respectively (DOL/BLS, 1994). While these numbers remain rather low, they do show slow strides towards a positive trend. In 1997, nearly six out of every ten women chose to participate in the labor force (U.S. Department of Labor, Women's Bureau [DOL/WB], 1998). Women certainly appear to be gaining in employment numbers as they account for 59% of the labor force growth in 1997, with predictions remaining high for the coming years (DOL/WB, 1998). While this news should encourage potential female job seekers, the occupations women hold have not changed much since the 1950s and 1960s. Secretaries and cashiers remain the top two positions for women, with managers and administrators close behind (DOL/WB, 1998). Women's pay also continues to trail men's, as women earned

only 74% of what men earned in 1997. In fairness, the wages and salary of younger women (aged 16-24) are 92% of their male counterparts' (DOL/WB, 1998). One explanation for some of these improvements may be an increase in educational opportunities.

EDUCATION

Since the 1950s, female enrollment in higher education has risen dramatically. Where women comprised less than a third of the college population in 1950, they made up more than half of all enrollments in 1979 (DOE, 1995). Throughout the eighties and nineties, women have continued to outpace men in college enrollments. By 1990, women finally surpassed men in the number of bachelor's and master's degrees conferred (DOE, 1996). This surge in female education results from a number of factors including the civil rights act, affirmative action, and a slow change of society's perception of women.

What has happened to the women who left college to pursue a family life? These women have also begun to re-enter academia. The number of total adults (aged 25-64) enrolling in a higher education program has risen slightly from 1978 to 1993, 4.0% of the adult population to 4.4% of the total. The increase in female adults' return to college is more substantial, 4.0% to 5.1% (DOL/BLS, 1995). The reasons behind this surge can be seen in the re-education of the work force as a whole. Consider that 64% of adult education participants have some sort of employer involvement (financially or with in-house education) (DOE, 1991). The opportunity to further women's education has increased through some employer encouragement, but mostly through personal determination. The Digest for Educational Statistics shows that, at least in 1991, while more females participated in adult education than males, men received significantly more aide from employers (DOE, 1991). The

personal drive of women to acquire an education cannot be summed up in statistics. Perhaps Maslow's hierarchy of needs, which theorizes that all individuals aspire to fulfill a goal of self-actualization, correctly applies to women who have been denied access through conventional methods of educational and career development.

WOMEN IN ENTREPRENEURSHIP

Self-employment exists as a non-traditional avenue for women who continue to bump their heads on the "glass ceiling." Women-owned and women-operated businesses in America have succeeded as early as the 17th and 18th centuries. In early 18th century Boston, more than a third of licensed innkeepers were women. In 1777, the Second Continental Congress awarded the contract for printing the official, signed copy of the Declaration of Independence to Mary Catherine Goddard, a female business manager. Throughout history, women have split from the traditional work experience to try their hand at running their won businesses. Within the last decade however, the reasons for this transition has changed. Previously, women would become entrepreneurs to gain power and increase financial wealth. The reasoning of today's woman entrepreneur has less to do with authority and focuses more on freedom. "The new women entrepreneurs' main goal is freedom rather than power, a quality of life that enables them to earn good money and control an agenda. Many of them left larger corporations at higher salaries to enjoy the flexibility they want for running their own show" (Fields, 1998).

Small business ownership has seen a significant increase in the number of women in the last two decades. In 1997, 3.6 million women had created their own jobs and businesses after leaving the conventional work force. Women owned 6.4 million businesses in 1992 (1/3 of all domestic firms) (DOL/WB, 1998).

These women appear to enter this stage of entrepreneurship as they mature. Where men's entrepreneurship seems to have its strongest backing in the under-30 age group (43% of men who started business in 1988), women tend to wait until their thirtieth year to take charge of a business (47% of 1988 female entrepreneurs) (Allen, 1993). Even the seemingly traditional careers of family-owned businesses are seeing a change at the helm. "(Female relatives rising in the ranks of family-owned businesses) is an increasing trend, " according to Leon Danco, Ph.D., co-founder of The Center for Family Business in Cleveland" (Mulhern, 1998). These changes signal the only way women can truly uproot the male-dominated employment system; build a new system. Women-owned firms employed 13.2 million people and created $1.6 trillion in revenues in 1992 alone. With numbers like those (and growing), these trends position women-and family-owned businesses to be major players in shaping governmental, economic, and social issues for years to come.

PERSONAL CASE HISTORY

Sometimes you come face to face with life changing opportunities without realizing it until years later. Looking back when you are in your sixties, you identify objects or situations that created paths which pointed their beckoning finger in your face. In my case, the object was a $3.00 tennis racket. The situation was my mother's disappointment when I announced in 1953 that I was getting married instead of returning to college. Those seeds led me, years later, through the unique adventure of a lifetime and then to a challenging position in an entrepreneurial hardwood flooring business.

In 1947, when my widowed mother married an Italian tailor widower with two children, we moved to a $5,000 house one block from a busy intersection Although finances were

meager, the blended family of German-Italian heritages merged successfully. We all had fun. On Sundays the Italians worshiped at their Catholic church and the Germans worshiped at the Lutheran Church. We respected and enjoyed the diversity.

During the summer of 1949, I learned that nearby Centennial park was offering free tennis lessons. After purchasing the $3.00 tennis racket from a cousin, my school friend and I began tennis lessons which would eventually lead us to the high school doubles championship in 1952. We practiced every day during the summers, played on the West End High School tennis team, and in the fall of 1952, entered Belmont College together. In the summer of 1953, I won the Nashville Municipal singles tennis championship. Tennis had become a significant part of my life. That all changed in 1953 when I dropped out of school and married.

After our first child was born in 1955, I was employed four years at Dun and Bradstreet as a typist until our second child was born. In April 1960, General Motors Acceptance Corporation hired me because I could type very fast. My entry level salary was approximately $200.00 per month. As I adapted easily to the structured environment of the company, the salary increases and promotions came quickly. It was a happy time for me and as a reward for outstanding performance and loyalty, I was later awarded the tittle of Assistant Accounting Manager and Corporate Secretary. I am grateful for the thirty-two years at GMAC as that safe-haven position allowed us to provide our two sons with the finest possible high school and college education.

In 1984, I was elected Chairperson of the General Motors Quality of Work Life Committee by popular vote. My assignment was to gather information regarding complaints or misunderstandings from the work force and to present same to regional management. When several instances of local management misconduct came to light, two male employees were reassigned to other branches. This supposedly "no repercussion"

situation was the end of my career with General Motors Acceptance Corporation. From then on I was "marked" by remaining management. Amid this chaos and confusion, I began finally to break the bonds of structure and really think for myself. When I witnessed instances of unfair treatment to fellow employees, I spoke out in their defense. When a black female employee was insulted by management with a racial slur, I reported it. It is amazing how bold you can get after your children graduate from college.

In 1984, both sons married. In January of 1985, I entered Belmont College night school. Because of my acquired love of accounting, I once again began work on my degree. As it pertained to my job, GMAC paid the tuition. After two semesters of business law and two A's, I was hooked on studying. My next courses were Accounting, Cost Accounting, Governmental Accounting, second year Accounting, and anything else that was offered at night. Those nights at school allowed me to meet young and old students from varied job situations--all following that same path--to better themselves and to learn. It was a totally different world from my daytime career. During working hours, I would be in a structured environment where your thinking was done for you. During night school, I could listen for hours to brilliant professors teaching those who worked all day but felt privileged to listen and learn at night. Many of the older students had families at home who also sacrificed for the sake of their students. Those were influential times in the development of my thinking process.

As time went swiftly by, when I was offered early retirement from GMAC, I had enough credits to be forty-four hours from graduation. The position of Accounting Manager had been awarded to someone else. The stress and uncertainty became a daily bitter pill for me to consume. My husband strongly suggested that I retire and not only return to school full time, but to also play on the tennis team. After thinking about it for about

thirty seconds, I decided to take his advice. That was the beginning of my big, once-in-a-lifetime adventure.

Summer school started immediately in June of 1992 along with summer conditioning for college tennis. I made four A's and was feeling very satisfied when the fall semester started and fall tennis conditioning began. However, I quickly found out that my idea of being in shape was not the same as the tennis coach's. I was told to run. The next Monday I excitedly told the coach that I ran a mile Saturday and Sunday. From then on, school was demanding, the training was hard but we had fun. As the ladies' tennis team had not won a conference game in three years, I was able to make the makeshift team. We had a new ladies coach come in and she scouted around the campus and found one super player to anchor our team. We worked really hard and when spring schedule was over, we were a fairly good team that won seven conference games.

Since my mother now could see that I was close to graduation, she came to see me play for the first time against our biggest rival. She was seated next to a lovely young lady who was the mother of my opponent. There they sat side-by-side to watch their daughters battle on the court in a match that lasted two hours and twenty minutes. I won in three sets and when I walked off the court she said: "Did you win or lose?" I thought to myself*, if you don't know, they are rolling your curls too tight at the beauty shop*. My mother was pleased and I could see that maybe my inheritance was not lost after all. I was a month away from graduation.

The closer graduation day came, the more respect I had for college athletes. It was not easy for me at age fifty-nine to compete with the young, although I was more experienced in life and tennis. What I lacked in physical force, I made up for in being a veteran. My presentation for Managerial accounting was in my tennis outfit because I was late to class from playing Tennessee State University that afternoon. It was an unusual

experience to be "outside the lines" in school work but "inside the lines" at matches. It was a unique situation to be able to be different in school and athletics after being so structured in the business world.

Graduation was in May 1993--a glorious day with students eager to leave school work behind and enter that same business world that I was so happy to leave. There is nothing corporate America had to offer me in the way of promotions, salaries or recognition that can compare to Graduation Day. The beauty of that long walk down to the waiting diplomas was the culmination of 7 ½ years of night school and day work.

Sending out resumes was the next step to finding that wonderful job for an experienced person with a fresh accounting degree. Many were sent but only two were answered. No one wanted me. I reminded myself that it was not difficult to estimate the age of a person with thirty-two years experience with General Motors. I had only one interview. An automobile dealership needed a controller and I was qualified, but the job went to someone else although my experience was in that field. I joined a temporary service and had two assignments which paid roughly $200.00 per week after taxes. After three months, my son casually mentioned that he could use me in his small business operation and would pay $250.00 per week. Little did I know that his small entrepreneurial business would grow at a rapid pace and I would have a hand in making it do so.

Jeff was always an industrious young man. His first business was a neighborhood grass cutting venture, which provided him all the gadgets he could purchase. His interests ran from fishing to archery to golf to football and finally wood. His walk-in closet became a workshop in which he constructed a beautiful doll cabinet for a girlfriend. As soon as he gave it to her, he never saw her again. He worked part time at hardware stores and a "C" store while in college. After graduating from Belmont University with a dangerously low C average, he worked several

jobs before announcing to us that he was going to become a flooring contractor.

For eight years he installed and finished hardwood floors. He learned the business from flooring veterans and by actually doing the work. After all the years of experience, he made another announcement. He had decided to open a flooring distributorship which would provide all the supplies and equipment needed in the industry. Floormen would not have to travel all over town to purchase their supplies--they could shop in one place and be totally prepared for the job. He also stated that he was going to call his business: "Jeffco." With continued weekend flooring jobs, Jeffco Flooring & Supply was opened in May, 1992. His first month's receipts were $8,000.

By January 2, 1994, the business was substantial enough to hire a machine mechanic and me. We sold hardwood, sandpaper, finishes, flooring machines, nailers, nails and any products that were needed for the flooring industry. Sales increased $1,000,000 each year and projected to be $6,000,000 in 1998. From a small warehouse we moved to a larger warehouse and in June 1998, we moved to a 36,000 square foot warehouse and office space with nine full time, four part time employees and four delivery trucks. There are several contributing factors to the success of this business.

> *THERE WAS A NEED TO FILL*...No company in Nashville sold everything required for the flooring industry. One place had sandpaper, another had finishes and still another had machines or wood. Too much time was wasted in acquiring products.

> *RIGHT PLACE--RIGHT TIME*...The flooring industry had begun to flourish as many people were discovering that carpet was not acceptable if they suffered from allergies. The building boom in Nashville resulted in many large houses being constructed with hardwood flooring. Jeff was experienced in the industry, had the necessary backing and the

knowledge to succeed as a distributor. He was beginning to tire of the back-breaking effort required of the floorman.

SACRIFICE...The three of us were willing to work at reduced compensation to assist the business. The mechanic had installed floors for many years and was ready for a change. I was thrilled to be away from the structured work place and was also thankful for a change. Jeff continued to install on weekends until funds became available for his salary. He and his wife sold their house and lived in a small apartment.

CUSTOMER SERVICE...Jeffco Flooring & Supply guarantees that all customers will be pleased with their floors. Only the finest products are sold and Jeff personally handles all complaints. Since wood is a product of Mother Nature, there are some instances of concern. Every effort is made to assure our customers of complete satisfaction.

All of us at Jeffco are proud of our accomplishments. We have carved a niche in the industry and are proving that you can be a small business and survive. We have tough competition; however, they do not provide the personal relationship with the customers. We try hard to be productive, supportive and caring. It is satisfying just to be a small part in an entrepreneurial venture.

Personally, I am very pleased to be Financial Director and Corporate Secretary of this company. I handle the banking, collections and auditing of the daily work. We are financially sound, own our own building (subject to mortgage), and are in a position to significantly increase sales each year. The future of Jeffco Flooring & Supply, Inc. looks bright.

The transition from corporate to small business has been rewarding. Although accounting functions must be structured, there is a big difference in the daily work place. There is more of a commonsense approach to situations. Also, there is a feeling that you are really contributing to the success of a business and can actually see results from your efforts.

Looking back, the $3.00 tennis racquet has become a $125.00 racquet and I still keep my game sharp. I am grateful to the game of tennis for helping me withstand all the rigors of corporate life and I am grateful for my now 88-year-old mother who always insisted that I return to college and earn the degree. Little did she know that her wishes for me would come so true.

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THE EMPLOYEE'S ROLE IN THE QUALITY EFFORTS OF SMALL FIRMS

Paul Dreyfus, Athens State University
Robert D. Gulbro, Athens State University
Linda Shonesy, Athens State University

ABSTRACT

Several manufacturing firms were surveyed to find answers to questions about employee involvement in the quality efforts of firms of all sizes. Attempts at finding significant differences between small and large firms were unsuccessful. Respondents from small firms were very similar to larger firms in a variety of quality activities performed by their employees.

INTRODUCTION

The economic environment that firms are currently operating in is characterized by rapid changes brought on by globalization and market deregulation. To compete firms must improve performance by decreasing costs and increasing quality. However, attaining high quality products has been a problem for U.S. firms in the past. Japanese firms were able to take market share because of their higher quality in such manufactured products as automobiles, television sets, and other electronics items. U.S. manufacturers tended to ignore the potential of

quality management until the 1970's, when the realization that quality was important to consumers could no longer be ignored.

To attain a more consistently high quality product, firms in the past twenty years have made a concerted effort to implement continuous improvement processes. It began in the manufacturing sector and has spread to other types of organizations, such as health care, service firms, and government agencies (Brown, 1991; Cohen & Brand, 1993). These continuous process improvement concepts include planning, training, management commitment, statistical process control, empowerment, and teamwork (Deming, 1986; Juran, 1989; Crosby, 1984; Taguchi & Clausing, 1990; and Camp, 1989). However, for these concepts to work, one must acknowledge that employees are the foundation for implementing the various continuous process improvements (Deming, 1986; Juran, 1989; Crosby, 1984).

In order to survive, all firms must develop their own set of efficiency niches (Das & Husain, 1993). It is generally agreed that smaller firms have a difficult time competing directly with larger firms because larger firms can achieve economies of scale. Since quality efforts could add to either variable or fixed costs, smaller firms may have to limit the amount of value that can be added by increasing quality. On the other hand, in order to compete with their larger counterparts, small firms may be forced to attain the same product quality levels. That may require bringing all of their resources to bear on maximizing quality efforts. That especially includes using their employees to help achieve higher quality products. What role do small firm employees play in the quality process? Do small firms actually make adequate use of their employees in the current push for continuous improvement? Are larger firms better able to leverage their employees in achieving quality products and services?

The purpose of this research was to focus on the role of the employee in the continuous improvement process, and how that role may vary with firm size. The variables were divided into nine employee-focused questions. These were compared in large, medium, and small firms to seek a solution the question: Is there a difference in the role of the employee in the continuous improvement process depending upon firm size?

LITERATURE REVIEW

According to Black and Porter (1996), much of the quality management literature is based upon case studies and anecdotal evidence by using the reflections of the various experts in the discipline, including Deming, Juran, Crosby, Feigenbaum, and Ishikawa. Much of the literature focuses on describing common management practices with few attempts to identify those that will impact the continuous improvement processes based on firm size.

Dean and Bowen (1994) decided that the continuous improvement process is a relatively fuzzy concept. Ahire and Golhar (1996) stated that the existing continuous process improvement literature does not provide detailed comparisons between large and small firms. Implementing continuous quality improvement appears to be difficult, with certain specific problems that are encountered by small firms. Sironopolis (1994) found that small firms did encourage innovation. Newman (1988) found that a lack of capital could be a problem for small businesses. Haksever (1996) discovered that two of the most serious problems in trying to implement continuous quality improvement in a small business was a lack of management experience and a lack of both financial and human resources. Ahire and Golhar (1996) believe that small and large firms differ in their experiences with continuous quality improvement.

For many years, large firms seem to have dominated the discussion concerning quality management and continuous improvement processes. Small and medium sized firms have all but been left out., As small firms make up over 90% of the businesses in America, it is important to look at their contributions to quality (U.S. Bureau of the Census, 1991).

According to Ghobadian and Gallear (1996), small and medium-sized businesses are the backbone of the economies of many countries. Many small and medium-sized companies are suppliers to larger corporations, and have been severely pressured to improve the quality of their products and services. If they did not, they would risk being dropped as a supplier. Thus there is a dependent relationship that exists between large and small organizations, with increasing pressures on firms of all sizes to improve quality. Ahire and Golhar (1996) indicated that operational differences exist between small and large businesses, and that no attempt has been made to determine if these firms implement employee issues differently. Struebing and Klaus (1997) stated that using quality control tools is very important for small business, since these firms may be competing with large companies and need a method to differentiate their products.

Deming (1982) suggested that management must create a system for continuous quality improvement in order to improve product or service quality. He insisted that management had an obligation to keep the company alive for the future, rather than focusing on annual goals. Juran (1991) and Ross (1993) both suggested that management should be held responsible for poor quality. On the other hand, employees were to be empowered to make the decisions necessary to improve quality within the system designed by management. Therefore, training and education would be essential to provide employees with the ability to make these operational decisions (Spencer, 1994). More and more organizations have discovered that training programs are the foundation needed to build a true quality

system. Employees can make important contributions leading to continuous improvement process outcomes, especially when they have the necessary power and preparation.

Once employees are trained and given the authority to make quality decisions, they achieve a new control over their jobs called empowerment. Empowerment involves the workers in the sense that they are at the center of things and are contributing to the organization's success (Bennis, 1991). An empowered work force is said to be committed and is most evident when employees feel significant and competent, feel part of a community, and find work to be exciting (Bennis, 1990). Whatever shape the future ultimately takes, the organizations that will succeed financially may be those that seriously believe their sustainable competitive advantage is based on the training, development and growth of their workers (Andrews, 1992).

Many corporate managers have traditionally viewed workers as adversaries and have tended to lead by fear and intimidation (Bennis, 1987). This view is changing: a survey done by Industrial Week and the Wyatt Company indicated that management was beginning to embrace the concept of worker involvement (McKenna, 1991).

THE STUDY

METHODOLOGY

Parkin and Parkin (1996) have suggested that a small and medium size business (SME) will have fewer than 500 employees. McEvoy (1984) used 250 employees to denote small versus large businesses. For the purposes of this study, small firms were designated as having 50 to 249 employees, firms with 250 to 499 employees were designated as medium-sized, and large firms as those with 500 employees or more.
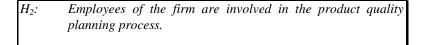
A researcher-developed questionnaire was used to examine the differences in employee roles between these small, medium and large firms. A random sample of 2,000 members was drawn from a section of the American Society for Quality (ASQ), if they met the criteria of members that represented manufacturing facilities (SIC codes between 2039), classified themselves as mid-level managers at the plant-level of organization, and provided a business mailing address. Data from each variable was scored using a seven point Likert scale ranging from one (1) (strongly disagree) to seven (7) (strongly agree).

Using guidelines from Franz and Robey (1986), six ASQ managers reviewed the original proposed instrument to determine if the objectives were met of maximizing readability, clarity, understandability, comprehensiveness, and elimination of ambiguities of the product quality measurements. Based upon the recommendations of these reviewers, the questionnaire was modified. A second test of content validity was conducted with the same group and using a redesigned questionnaire. Minor sentence changes were suggested and their recommendations were incorporated into the final questionnaire. Finally the questionnaire was pilot-tested with members of a chapter of ASQ.

The survey questions and their related hypothesis statements were as follows:

H_1:	*The product quality policies of the firm emphasize the need for employee involvement.*

H_a:	*There is no difference between small, medium, and large firms in their product quality policies that emphasize the need for employee involvement.*

H₂: *Employees of the firm are involved in the product quality planning process.*

Hₐ: *There is no difference between employee's involvement in small, medium, and large firms in the product quality planning process.*

H₃: *There is an effective system within the organization for the employees to communicate product quality problems to management.*

Hₐ: *There is no difference between small, medium, and large firms in their system for communicating product quality problems to management.*

H₄: *There is a structured program for training all levels of employees in the use of quality improvement tools, such as statistical process control and equipment process capabilities.*

Hₐ: *There is no difference between small, medium, and large firms in their programs for training all levels of employees in the use of quality improvement tools.*

H₅: *Quality improvement teams are used to help increase product quality.*

Hₐ: *Quality improvement teams are used to help increase product quality equally in small, medium, and large firms.*

H₆: *Employees inspect their work for defects.*

H_a: *There is no difference between small, medium, and large firms' use of employees to inspect their own work for defects.*

H_7: *Employees have the authority to halt the production process.*

H_a: *There is no difference between small, medium, and large firms in the authority employees have for halting the production process.*

H_8: *Management and workers openly discuss production problems.*

H_a: *There is no difference between small, medium, and large firms' management and workers openly discussing production problems.*

H_9: *Employees are trained to do more than one job.*

H_a: *There is no difference between small, medium, and large firms in the training of employees to do more than one job.*

RESULTS

Dillman's (1978) four-step method for mailed questionnaires was used, which resulted in a response rate of over

33%. Armstrong and Overton (1977) suggested the "last respondent" method of estimating the non-response bias in mail surveys. A MANOVA test was conducted in order to generalize the findings to the non-respondent sample population. This comparison was tested at the $p < 0.05$ level of significance. The outcome of the MANOVA test determined that there was no significant difference between the respondents in the first and third waves, indicating that the respondent's questionnaires were representative of the total sample. If there was no significant differences between wave one and wave three, the results of the total sample were considered representative of the general population.

Of the firms responding, 145 were classified as large (more than 500 employees) and 224 were classified as small (less than 250 but with 50 or more employees). Table 1 summarizes the demographic information obtained from all respondents. Large firms had used quality programs longer, had more levels of management, tended to be more unionized, and had a much higher ROI. Respondents from small firms reportedly were critical of their quality, and rated their products lower than the larger firms.

Table 1

Question Items Relating to Respondent Demographics

Item	Small	Medium	Large	P value
Rating of product quality (reverse scored)	2.19	1.99	2.04	.0113
Average number of employees	150	328	1190	
Levels of management in the organization	2.8	3.0	3.9	.0000
Years of formal quality programs	6.3	7.6	11.3	.0000
Percent of ROI growth	8.0	8.4	13.3	.0079
Percent of Market Share growth	8.1	5.7	4.7	.0008
Unionized (yes=l)?	.22	.25	.42	.0001

Using ANOVA, differences in means were found for few of the quality questions. Table 2 shows employee involvement by firm size and by question. Larger firms were more apt to use teams in their quality efforts than small firms (p =.0023). Perhaps teamwork in small firms falls into a different category. For example, Bacon et al (1996) found teamwork in smaller firms to be improved horizontal interaction among the employees, and not the creation of formal work groups as is found in larger firms.

Table 2

Question Items Relating to Employee Issues

Question	Small	Medium	Large	P value
Policies for employee involvement	5.28	5.40	5.53	.2960
Employee involvement in planning	3.72	3.66	3.42	.2238
Communicating QC problems	4.93	5.03	4.97	.7646
Structured training programs	3.30	3.19	3.58	.1055
Using teams	4.10	4.38	4.79	.0023
Employee inspects work	5.30	5.32	4.91	.0124
Employees have authority	5.17	5.07	4.83	.2110
QC problems discussed openly	4.81	5.00	4.74	.1778
Quality training	3.99	3.91	4.20	.2824
and cross-training	5.28	5.25	4.99	.1039

Small firms, on the other hand, gave their employees more discretion than the large firms did in dealing with quality problems and in inspecting their own work (P =.0124). While the differences were not significant, smaller firms did rate some of

their quality efforts higher than large firms. These items included: involving employees in quality planning, giving employees authority to halt production, in quality discussions held between employees and management, and in the cross-training of employees to do a variety of jobs. The only problem area indicated by a low rating was in the lack of a structured training program in the small firms (p=.1055).

CONCLUSIONS

This study shows that perhaps there is no need to worry about quality in small firms. Small firms appeared to be holding their own in involving employees in their quality efforts. They had policies advocating employee involvement, and in actual practice their employees reportedly were more involved in the planning process than the employees of larger firms. There was a system in place in small firms for the upward communication of quality problems, and their employees and managers discussed problems more than large firms did. While quality training was rated lower in small firms, they did have more cross training. Employees from small firms significantly were more apt to inspect their own work, and had more authority to stop production when problems arose.

These results show that small firms appear able to compete with large firms in achieving quality. The only concern with the responses to the questionnaire was in the lower rating given by the small firm respondents to their product quality. If accurate, that low rating may be saying that although the efforts by employees are there, the quality of the products is not on a par with that of larger firms. On the other hand, since the employees of small firms do inspect their own work more frequently, they may have more first-hand product knowledge and may thus be in a better position to accurately evaluate product quality.

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