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THE LAW OF CONSERVATION OF OPERABILITY

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ABSTRACT

This presentation provides details to the Law of Conservation of Operability that further expands the Bartini/Kuznetsov LT system of interpretation of laws of physics (Bartini, 1963, 1965, 2005; Kuznetsov, 2000) and builds up on the laws introduced by Aleinikov and Smarsh (2006 -2009).

Previously discovered conservation laws introduced the concepts of Extencia (extension, or linear displacement of power) and Expancia (expansion, or area spread of power), i.e., the one-dimensional and two-dimensional power spread. By continuing the same logic in three-dimensions in the vertical, Volupower was introduced and defined as the potential volumetric spread of power. Further, Maneuverability was defined as the rate of expansion and the unit for its measuring was offered. Now, on the next stage, Operability is defined as the linear spread of Maneuverability, or the rate of the Volupower. Operability can be visualized in military applications. For example, military forces can operate in a defined area based on fuel and weapons. Knowing the characteristics of each, one can predict the flexibility of coverage that will conserve at a certain point of time and space, a certain quantity. At certain moment of time and space, the amount of controlled firepower, or Volupower delivered per unit of time is constant. The term offered for the phenomenon of "Operability"is quite transparent. The Law of Conservation of Operability states that under ideal/unchanging conditions the rate of Volupower remains constant. The formula for Operability is Op = Mv   L = L8T -6 = const, where Mv is Maneuverability, L is Distance, t is Time. A new unit for measuring Operability is called Nin. Mathematically, 1 Nin = 1watt   m3/s. Time and place of discovery: August 21, 2007, Monterey, California. This law is applicable to all named above and many other physical as well as complex economic systems and will become a foundation for numerous calculations in strategic management.

HSN, INC.: WEATHERING THE RETAIL STORM

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ABSTRACT

HSNi, a broad-based retailer, owns and operates an interactive lifestyle network (HSN), a television network, print catalogs, as well as an internet site to support its business-to-consumer business model. It has, since its inception in 1981 (first broadcasting in 1985) been one of the leaders in this industry. It had until August 2008 been a part of IAC/InterActiveCorp. However, at that time it along with Cornerstone were spun-off as a separate company.

This case focuses on the strategic implications of this spin-off which occurred during some of the most troubling times for the retail industry. While the main focus of the case are these strategic issues, attention is also given to a complex accounting action which resulted in a write-off of goodwill in excess of $ 2 billion dollars.

This case was developed through the use of secondary research material. The case has a difficulty level of five and is appropriate to be analyzed and discussed by advanced undergraduate and graduate students in a strategic management class.

The case allows the instructor the flexibility of concentrating on one strategic issue, or as a means of examining the entire strategic management process. The major focus within the strategic analysis as well as an excellent stand alone modules is in the area of legal/political influence, economic, leadership succession, or the ability to survive in an unattractive industry. The instructor should allow approximately one class period for each element addressed. Using a cooperative learning method, student groups should require about two hours of outside research on each element researched. The case also provides an impetus to explore a very successful company during the current extreme economic downturn.

NANOTECHNOLOGY AND STRATEGIC CHANGE: REGIONALIZATION IN BUSINESS APPLICATIONS

Steven Holley, Oklahoma State University
Shawn M. Carraher, Cameron University
Samuel Lane, Lane Import

ABSTRACT

Scientists are creating new and amazing materials by manipulating molecules at the ultra-small scale of 0.1 to 100 nanometers. Nanosize super-particles demonstrate powerful and unprecedented electrical, chemical, and mechanical properties. This study examines how nanotechnology, as the multidisciplinary engineering of these novel nanomaterials into atomically precise products, is expected to disrupt most industries. Past industrial revolutions, driven by water power, internal combustion power, electrical power, and computer power, have greatly impacted our economy and forever changed the course of society. Nanotechnology represents more potential power than all previous technologies combined. The primary methodology of this study involved comparing the current literature on developments in nanotechnology to the historical development of electricity to assess if the nanotech revolution is reaching a true "critical mass" based on acceleration of technological change today and at other times in history. As a follow-up to our earlier Chamber of Commerce survey on nanotechnology data was collected through nonintrusive observation by the second author from small to medium sized cities throughout the five regions of Oklahoma (NE, SE, SW, SE, and Central) in order to allow a comparison of how entrepreneurs are dealing with potential changes due to the advent of nanotechnology. It was found that the five regions of the state were responding differently to the advent of nanotechnology. Business leaders in the Central and NE were the most accepting of the needed strategic changes and embraced them openly. At the other end of the spectrum, while having some of the leading high technology businesses in the state, SW Oklahoma had received a large amount of money in order to study needed technological and strategic changes but no changes had taken place. These results were consistently found even with multiple repeat visits and assessments with test-retest reliability estimates made at 2, 3, 4, 14, 30, 60, and 90 day intervals. Suggestions are made as to how entrepreneurship educations can use knowledge about innovation management in order to prepare students and business leaders in order to take a leadership role in this new industrial revolution.

INTRODUCTION/CONCLUSIONS

A copy of the full paper is available from the first author.

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MANAGING VALUE CHAIN STRATEGY

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ABSTRACT

The urgency and immediacy of the current financial crisis that burst into American consciousness in the 4th quarter of 2008 has left companies around the world gasping for air. The question of strategic success for large and small firms has shifted from one of based on profit growth to one of survival. This presents a need to review the meaning of sustainability in an increasingly turbulent environment. This paper seeks to present a working model for evaluating the impact of autonomous and non-autonomous elements of the value chain on the corporate strategy of small and medium sized enterprises engaged in outsourcing toward better utilization and better management of the components of the value chain under turbulent economic conditions.

CONCEPT INTRODUCTION

While there is much discussion, both academic and practical, about the strategic advantage sought through outsourcing and, equal discussion about the process of making the decision to outsource, little has been done to examine how best to manage the outsourced value chain. Both successful and poor outcomes of these outsourced processes have been reported, but no model has been developed to improve the possibility of surviving the crisis and replicating success. This model seeks to fill that void.

With this model, the channels of information, communication, authority and factor resources which structure the value chain are examined. The differences in flows through each component may be evaluated so that the relationships between components (and between the components and the enterprise) are more clearly seen. The balance between competition and collaboration within the chain is calibrated for external turbulence and internal aggressiveness producing affects, which then are aligned with the strategic position of the enterprise. With this alignment, the fragmentation of the applications of strategy is reduced, relationships between components become more transparent and the possibility of replicating or innovating successful practice is increased, even in the throes of this current crisis.

Use of this model in the strategic process should enable the small or medium-sized enterprise to answer the following questions:

- Are the participants in the value chain part of our strategy design and application?
- Are we participants in their value chain?
- Are we treating the value chain participants as SBU's or SBA's?
- Do our value chain participants affect our encounter with the external environment?

- How do we affect theirs?
- Does participating in this value chain change our organizational structure and decision making?
- How should the value chain be managed and by whom?

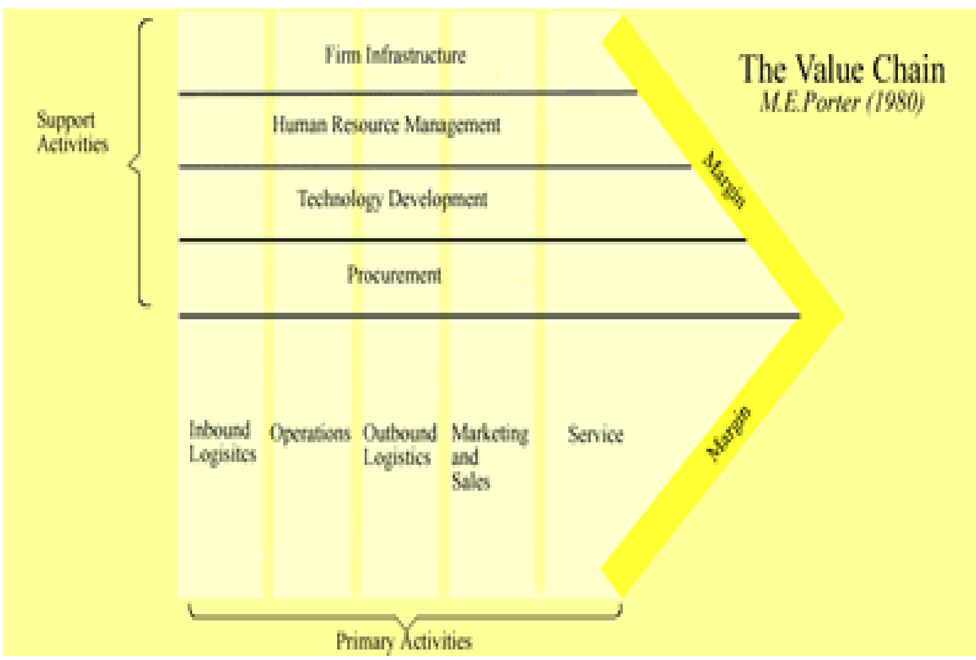
And, perhaps most important of all,

- Are we responsible for the value chain or dependent on it?

VALUE CHAIN

The value chain is a systematic approach to examining the development of competitive advantage was created by M. E. Porter in his book, Competitive Advantage (1980). The chain consists of a series of activities that create and build value. They culminate in the total value delivered by an organization.

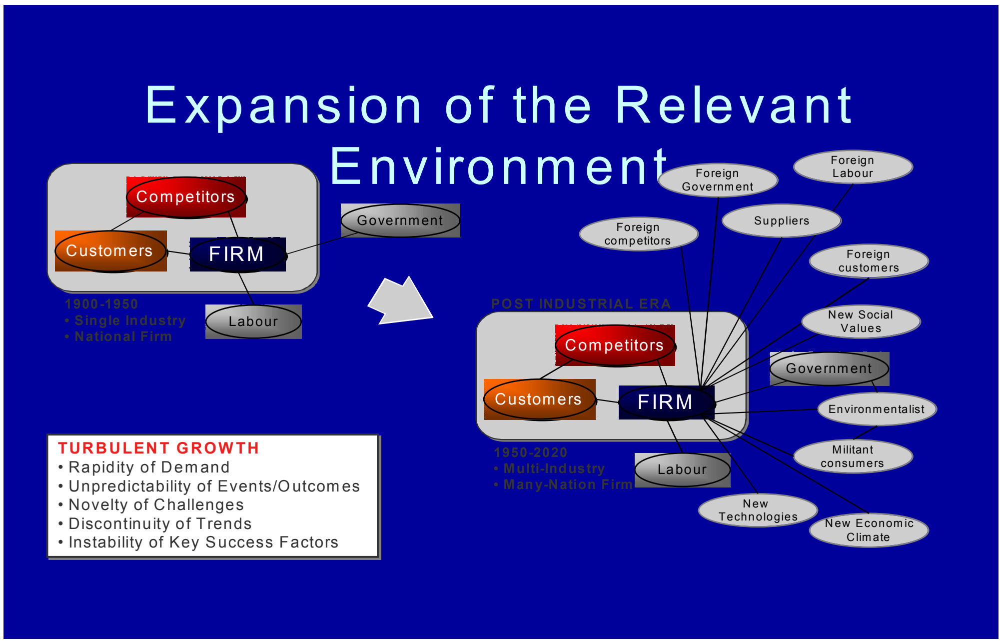
The 'margin' depicted in the diagram is the same as value added. The organization is split into 'primary activities' and 'support activities.'



Essentially, this was a way of examining the value added by both direct and indirect departments or by both cost and profit centers.

Current texts for Strategic Management explain that 20 years after the conception of value chain analysis, US firms faced increased competition at all levels while in the 80's no two companies were at the same level of competition. Where the original motive of firms was increased production, by the change of millennium, the main motive had become customer service. Products were increasingly differentiated closer and closer to customer. The original reactive approach of industries was replaced by an active/proactive approach.

Customers, also, evolved during these 20 plus years. Where customers had had relatively little market power and limited interest in product specifications, by the beginning of the 21st century, customers had become increasingly sophisticated, increasingly interested in specifications, and more powerful.



This expanded understanding of companies and markets through value chain analysis led to the increasing use of outsourcing in both the primary and support and primary activities. This was intended increase value to this increasingly important and powerful customer while decreasing the costs to the organization. By 1999 Charles Leadbetter's Living on Thin Air suggests that ideas rather than products were the sole and central generation of value. At the same time, there was an increasing assumption that products needed to be inexpensive to be valuable, but that idea generation (Human Capital inputs…labor, entrepreneurship and knowledge) should be highly rewarded. This was possible as long as development funding was readily available through a combination of debt and equity financing. The relative ease of attracting financing and the rewards for outsourcing again changed the weight that value chain analysis held and the way it was done.

By 2005, Strategic Management texts were carrying a caveat that value chain analysis was useful and accurate when applied to production based organization but less accurate and less than effective in examining service producers and idea generating firms.

The current financial crisis and the failure of firms to recognize its advent, demands that a new look be taken at the generation of value. Value chain analysis and evaluation offers a starting point.

"A recent survey of the main usages of the term "value" in economics, marketing, strategy and operations fields indicates that the notion of value chain may be a misnomer, although a widely used one. According to this analysis, only resources move along the chain of linkages between firms - supplies going one way and money going the other…Therefore, value chains can be thought to operate in both directions, with suppliers accruing value from financial resources, payment terms, stability and future order cover that their customers provide, while customers derive value from delivered products and services." (Feller, A., Shunk,D. and Callerman, T., pg. 4)

In other words, the traditional value chain tends to be seen as a synchronization of a demand chain with the supply chain, leaving unaddressed the metaphysical sense of "value" associated with benefits that occur at various exchange points.

Changes in the channels and flows of: Information, Authority/Power, Communication, Resources (especially capital) have forced changes throughout the Value Chain matrix since these have changed the exchange points.

- Information channels and flows have changed in terms of availability, access, openness and transparency.

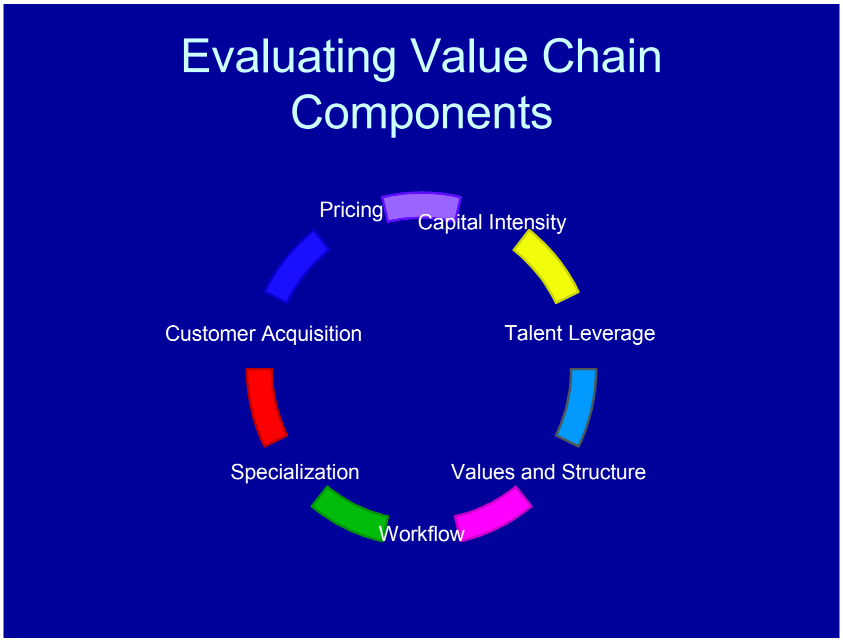
- Authority/Power channels and flows have changed in terms of decision and control as well as input and out put autonomy.

- Communication channels and flows have changed with the link of internal and external networks, and the virtualization of production.

- Human and Financial Capital channels and flows have changed in both in sources and uses.

It has long been recognized that Value Chain management requires rigorous management of the outcomes with awareness of inputs, rigorous management of the channels and flows, and rigorous management of the relationships: internal components/partner/customer. What has not been examined is the responsibility/dependency/independence within and among the value chain participants.

Traditionally, Value Chain participants have been evaluated on the following criteria: Pricing, Capital Intensity, Talent Leverage, Structural Fit, Workflow and Specialization, Customer Acquisition. It is important to note that these criteria all address functional level activities with accepted measurement dimensions that provide for the appearance of objectivity.



What has not been evaluated is Capital Sourcing, Talent Sourcing, Dependency on the Value Chain, and Impact of External Economic Changes. It is important to note, that these criteria do not lend themselves to objective measurement. It is important to note, that these criteria:

- do not lend themselves to objective measurement,
- are not within, but among participants in the value chain.

These criteria fall in the grayer area of decision-making and governance which addresses the commonality of the perception and communication of value between and among participants in the value chain. Value, thus, surrounds the movement of resources through the transaction process.

The Value Chain and Evaluation Models suggested in this paper intend to provide a more comprehensive assessment of components and participants within the chain. It also address the perceived value that surrounds the synchronized movements of resources and which should accrue to all parties in the transaction.

They fall in the grayer area of decision-making and governance which addresses the commonality of the perception and communication of value between and among participants in the value chain.

The Value Chain and Evaluation Models suggested in this paper intend to provide a more comprehensive assessment of components and participants within the chain. It also address the perceived value that surrounds the synchronized movements of resources and which should accrue to all parties in the transaction.

From this Model we have derived the following rubric:

	Information Transparency	Communication	Capital	Power	Responsibility/ Dependancy
Scalability					
Price Performance					
Quality					
Process Maturity					
Turbulence					

Evaluation of the Value Chain through use of this Model should:

- Mitigate Risk
- Leverage Vision
- Allow for the Embrace of Complexity
- Create Commitment
- Facilitate Articulation
- Change Customers to Partners
- Increase the Global Footprint

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CUSTOMER SERVICE AND EMPLOYEE TRAINING IN THE TOURIST INDUSTRY

Rosangeles Madriz, Royal Caribbean Cruise Lines
Tatiana Maldonado, Astar Air Cargo
Samuel Lane, Lane Import

ABSTRACT

Customer Service is vital to employee training within the tourism industry. It provides a major strategic advantage to the organization. Within this paper, we strive to prove that an employee is important to the company's success and operations. Properly trained employees will improve customer satisfaction, customer loyalty, customer service and overall brand image. The employee represents and is the face of the company therefore, first impressions are significant. Additionally, if customers are not satisfied with the service provided by employees they will go elsewhere consequently reducing profits. As a result, companies need to invest time and money training their employees to achieve high market share, competitive advantage and boost revenue.

INTRODUCTION/CONCLUSIONS

A copy of the full paper is available from the first author.

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STRATEGIC CUSTOMER SERVICE AND EMPLOYEE SELECTION

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ABSTRACT

The aim of this article is to review the concept of customer service and the importance of employee selection to deliver the desired level of customer service as a differentiating strategy. The emphasis is on four areas of interest that directly affect the relationship between customer care, and its delivery through those individuals charged with the delicate task of dealing directly with the customer. These areas are: personality traits, human resources practices and metrics, cultural differences and customer satisfaction. The article reviews the conventional wisdom of studies performed by marketing professionals, as well as psychologist, whom for years have attempted to identify those particular traits that separate ordinary employees from customer service oriented individuals. In terms of human resource practices and metrics, we explored the evolution of human resources management, as the catalyst through which employee section is conducted. The article provides a review of common hiring practices and measures proposed performance as well as actual results. The purpose here is to perform a cost/benefit analysis that justifies, or not, the ever increasing importance of human resource departments, as well as the amount of company resources that they consume. This article also examines customer service delivery and the effect of cultural differences. Particular attention is paid to the differences between the American and Oriental customer service views and attitudes. Finally, we study the popular but elusive concept of customer satisfaction. Every business wants to satisfy its customer. However, in a global market with different costumes, tastes, and cultures, it is very difficult to completely satisfy a wide range of people with standardized products and services. The article examines a few companies that have been very successful in adapting their products or services to regional differences to satisfy their customers. Towards the end of this research paper, some recommendations are provided that aim to help improve the quality of customer service through employee selection and a better understanding of customer satisfaction.

INTRODUCTION/CONCLUSIONS

A copy of the full paper is available from the first author.

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A REVIEW OF STRATEGIC CUSTOMER SERVICE MANAGEMENT

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ABSTRACT

This paper reviews the concept of strategic customer service, and the underlying skills and techniques necessary to master this concept. This is especially true in genetic markets whose products are basically the same and the only differentiating feature is customer service. The level of customer service that an organization provides is at the core of its business strategy and is supported by employee knowledge and service skills. Understanding customer's needs and wants, allows an organization to design/build its business strategy around its customers and provide customer driven excellence. Through the strategic use of customer relationship management, organizations are able to perform quality assurance, measure customer complaints and satisfaction as well as maximize responsiveness to their customers. This paper also addresses the need of employees to be actively engaged and empowered in the organization. They need to be given a certain level of authority that allows them to make decisions. In order for an organization to provide excellent customer service, they need to hire and be able to retain the right type of employee capable of buying into the philosophy of customer service.

INTRODUCTION/CONCLUSIONS

Future research is suggested based upon prior research and theory (Buckley and associates, 1992- present; Carland and associates 1984-present; Klentzman & Associates, 2007-present).

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MANAGEMENT STRATEGY FOR COLLECTIVE BARGAINING

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ABSTRACT

Many workable definitions of management exist, but a very inclusive definition is as follows: "Management is the process of planning, organizing, actuating, and controlling an organization's operations in order to achieve a coordination of the human and material resources essential in the effective and efficient attainment of objectives" (Newport & Trewatha, 1976). A less academic but more easily remembered description is that management entails getting things done through and with people. Management (the employer) has the sole power to manage or direct employees through coordination of the management functions. However, management does not have lone jurisdiction in determining conditions of employment. Generally, there are only four ways to determine the conditions of employment: they can be fixed by the employee; they can be imposed by the union; they can be ordered by government decree; and they can be determined by collective bargaining (Chamberlain, 1964).

Collective bargaining may not be the perfect system, but it appears to be the best designed to date. The first three conditions involve only one party in the determination of conditions of employment. Collective bargaining brings up two parties; it therefore consists of interaction between unions and managers (Beal, Kienast & Wickersham, 1976).

INTRODUCTION

Whether or not management approves or disapproves of union organizations is of little consequence. Management opposition to unionization in all but a few extreme cases (for example, J.P. Stevens) has proven to be costly and futile. The most viable alternative to a costly battle with the union is collective bargaining. It leaves room for a measure of individual negotiation over specific terms and conditions of employment. Collective agreements specify the actual wages and terms of employment which govern the workers in the bargaining unit. It is important to note that individuals do not negotiate terms on their own behalf; they bargain collectively, as a group, for terms or conditions of employment. The core of this paper will deal with some of the management strategies used in collective bargaining.

A brief presentation of some of the more popular quantitative models used by management in plotting its strategy for collective bargaining is presented. Management has the decisive advantage in this category. These models can be manipulated to management's advantage in explaining the company's financial position, manpower needs, and costs. However, unions are becoming aware through education or consultation that one can "lie with statistics."

MANAGEMENT STRATEGY IN COLLECTIVE BARGAINING

Management, in order to retain its right to manage effectively, must provide the company with safeguards and develop a strategy in dealing with a union organization. In this context, strategy can be loosely defined as plans made in light of competition. By no means is this a steadfast way of plotting a strategy. It should remain dynamic, flexible, and open for change.

When a grievance case reaches the negotiation stage, management must be well prepared and "coach" those who are to be involved in the proceedings. In many cases, the spokesman for the union is well-trained in applied psychology and knows his business thoroughly, while many management negotiations are comparative novices in the field (Hill & Hook, 1945). One experienced union negotiator related his strategy for negotiating a new contract as follows: "When I first sit across the table I engage the spokesman for the company in conversation and attempt by some means or other to get him angry. The subject of the discussion may be something entirely foreign to what I have in mind obtaining through collective bargaining, but I keep exploring around until I find something which gets him angry. When he loses his temper, I then 'gig' him" (Hill & Hook, 1945). In response to an inquiry as to what he meant by "gig", he stated: "Then I put to him the things I really want; the fact that he has lost his temper results in his failure to use good sound judgement and I get what I want" (Hill & Hook, 1945).

The person who represents the company at the bargaining table, the chief negotiator, may well determine the fate of the business in the bargaining procedure. The chief negotiator is perhaps the most important player in any management strategy plan for collective bargaining. Unlike the example cited concerning the company negotiator angered by a union negotiator skilled in the art of provocation, the company negotiator must be tactful and adroit. He must be experienced in negotiation and command the respect of his peers; also, he must be diplomatic but firm and have a clear picture of not only the company, its policies, and its financial condition, but also that of the industry (Greenman & Greenman, 1947).

The company negotiator should also have the "big picture" of the labor market and conditions. He must inspect every clause of the labor agreement with respect to company security. Management must provide this negotiator with appropriate facts and figures and bargaining table support composed of a team from several departments (Greenman & Greenman, 1947). If the right person is chosen for this task, he will provide the company with fair contract terms and safety needs. In order to preserve the rights of management, the contract might include clauses safeguarding these rights. One such safeguard could be a clause listing in detail the rights reserved specifically for management or what items would and would not be subject to negotiation. An arbitrator would encounter difficulty in finding a violation if the grievance factor was identified as an absolute management function in the contract (Hill & Hook, 1945). However, management must remember that when using this clause, restrictions may concede that there may have been some doubt as to the union's right to bargain in these functions (Hill & Hook, 1945). This means that the list must cover all rights wished to be restricted for management, or else an arbitrator may rule in the union's favor if that right is not covered.

Another protective clause may be used to restrict unions in areas of company performance and management except in those areas specified by the contract. This clause could possibly be used in conjunction with the one stated in the preceding paragraph as a further safeguard. Other protective clauses included in the contract could have to do with work stoppages--for example, a no strike or no lockout clause. A lockout clause is held to be the employer's equivalent of the union's strike; the NLRB has generally held that lockouts violate labor law, in that they are destructive of the employee's rights to organize (Beal, Kienast & Wickersham, 1976). However, the Supreme Court has held that a lockout is permissible in some incidences. The negotiator may ask for a bonus for all employees who do not participate in work stoppages or possible fines for those who do. These proposals understandably have found little favor with unions, but they should be considered even as a bargaining tool for other union concessions.

The best strategy in bargaining is to be prepared with the correct information and figures and to enlist the help of the best management team available. This team must be completely familiar with the organization and the labor contract. Many have stated that the best way to avoid union organization within a company is to take preventative action. For example, management could make the company a desirable and equitable workplace for its employees. As previously cited, Meany (1978, September) states that employees would not join unions and there would be no use for unions if employees were satisfied with the conditions of their employment. However, Meany's statement is not entirely correct in view of various labor laws. Any company that wishes to maintain control without union interference must provide good working conditions, fair and reasonable wages, policies which outline unfair labor practices and prejudices, and, of utmost importance, a fast and effective two-way communication system. This communication system should provide employees with detailed descriptions of company rules, policies, procedures, long term and short-term objectives, job qualifications, and job descriptions (McKersie & Walton, 1965). It is implied that employees easily tend to forget the compensation they receive from the company; therefore, this communication system should serve to remind them that the company is concerned with their welfare. For example, Federal Express Corporation details on the back of each paycheck how much of each employee's check is matched by the company for employee benefits.

BARGAINING MODELS

Bargaining models help both management and unions understand the nature of the bargaining relationship. Hicks' (1963) bargaining theory model is probably one of the better-known models. Each employee designated as "M" has a wage price that they would rather meet than force a strike. This wage price will be dependent upon the expected duration of the strike. In the case of an expected lengthy strike, the employer would rather pay a higher wage price than in the case of an expected shorter strike duration. The union wage resistance curve works similarly. It is the manager's job to see that point "P" is found; this is the wage which both union members would accept and management would be willing to pay rather than take on the cost of a strike. Therefore, it is the task of both negotiators to identify point "P." If the bargaining is skillful, a strike could be avoided. Strikes represent a miscalculation by either party. Hicks (1963) states this poignantly: "There is a general presumption that it will be possible to get more favorable terms by negotiating than by striking." As the strike continues, the employer is interested only in the cost of the remainder of the strike. The union's power to resist begins to decline from the first day of the strike; therefore, the union's resistance curve moves to the left, reducing the highest wage that the union negotiators can get.

It is possible that conditions may change to improve the union's chances for a better bargaining position, but if this should happen there would arise a new point "P" at which it would benefit the union bargainers to settle with management. Fighting it out to the end simply means going back on the employer's terms. Except for the occasional use of the strike to keep employers aware of the power of the union or to improve the cohesion of the members, a strike usually "arises from the divergence of estimates (of employers and the union) and from no other cause" (Hicks, 1963).

Chamberlain's (1951) bargaining model is representative of simple bargaining power models. Chamberlain (1951) defines bargaining power as: "The bargaining power of A is the cost to B of disagreeing on A's terms relative to the cost to B of agreeing on A's terms." The bargaining power of B is defined in the same manner. This model views the union's bargaining power as the ratio of management's cost of disagreeing over management's cost of agreeing. Management's bargaining power is therefore viewed as the union's cost of disagreeing over the union's cost of agreeing. The relationship between the bargaining power of the two parties can be shown in the following equation:

$$\frac{\textit{Cost to B of disagreeing on A's terms}}{\textit{Cost to B of agreeing on A's terms}} \;\gtreqless\; \frac{\textit{Cost to A of disagreeing on B's terms}}{\textit{Cost to A of agreeing on B's terms}}$$

(Mabry, 1966).

This model focuses mainly on the losses incurred in bargaining. There are benefits and gains to collective bargaining, but Chamberlain (1951) does not include them in his model. There are yet other weaknesses to his model. The model is inconsistent because it does not integrate economic models of wage theory in order to show the consistency of bargaining. Chamberlain's (1951) model implies that if the bargaining power of A is greater than the bargaining power of B, then A must therefore have a stronger bargaining position. Not only must A be able to change B's estimate of the net gains from some level of benefits, but the net gain to A must also not create a loss; thus, A's power is not only limited to influencing the position of B's net gain function, but also by the position in which he is placed in exercising that influence.

Stevens (1963) developed an approach that views bargaining as a conflict situation whereby the union and management negotiators must make a choice between two undesirable alternatives. Stevens' (1963) avoidance model states that a union's goals and management's goals represent extreme ultimate positions. The model depicts that the distance separating the two extreme positions is measured in terms of a range of wage rates. If either side settles on the other's terms, that side loses; if they settle on their own terms, then conflict will develop. In this model, management wants to avoid a settlement on the union's terms. Also, management runs the risk of conflict with the union if they settle on their own terms. For example, point "E" on a graph is the intersection of the two avoidance curves (A & B). In bargaining, a party wants to either raise the avoidance curve A or lower the B curve in order to bring about a settlement in favor to that party; a settlement can only be reached if both parties arrive at the same value for "E," and both parties must be aware that this point exists (Mabry, 1966).

CONCLUSION

No two strategies are exactly alike; therefore, a plan of action must be molded to fit the situation. Once a strategic plan has been formulated for bargaining, it should include provisions for adequate timing and flexibility in the bargaining process. A positive attitude approach should be adopted. A well trained company negotiator can help to establish this attitude in the actual bargaining process by trying to foster a sense of cooperation between management and the union representative at the bargaining table.

Finally, there are cases in which management does not have enough strength or a strong enough case to win a settlement in its favor. The strategy in this situation might be to vary or increase benefits already present in the contract without a long battle with the union.

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PRE-TRAINING MOTIVATION AND THE IMPACT OF "TRANSFORMATIONAL LEADERSHIP TRAINING" ON SATISFACTION WITH TRAINED SUPERVISORS: A FIELD EXPERIMENT

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ABSTRACT

Effectiveness of transformational leadership training has often been researched descriptively. This study, using a true experimental design, empirically evaluates the effectiveness of transformational leadership training. Role of training motivation in explaining the training effectiveness in transformational leadership context is discussed. Consistent with the hypothesis, the results of the study reveal a significant and positive effect of transformational leadership training on employees' satisfaction with the trained supervisors. Furthermore, trainees' (supervisors) motivation towards a transformational leadership training program significantly and positively affects the attitudinal outcomes.

INTRODUCTION

Emotional and symbolic aspects of leadership have remained an avenue of great interest for management researchers since 1980s. The theory of transformational leadership, influenced by the work of James MacGregor Burns (1978) and more empirically researched by Bass (1985 & 1996), describes this important aspect of leadership. Transformational leadership instigates the moral values of followers while unshackling mental processes to instill a concern for ethical issues and to mobilize energy and resources to reform organizations. Current research on transformational leadership, in contrast to Burns, focuses more on pragmatic task objectives than the moral uplift of followers (Yukl, 2008, p. 267). Transformational Leadership has a positive effect on subordinate's attitude and firm's performance. However effectiveness of Transformational leadership training is a less researched avenue. (Barling, Weber and Kelloway, 1996). This study evaluates the effect of transformational leadership training on subordinate's satisfaction with the supervisors.

On the other hand, training motivation plays a vital role in determining the effectiveness of a training program (Colquitt et, al. 1999). This study extends our understanding about the role of training motivation in transformational leadership training context.

LITERATURE REVIEW

Transformational leadership Training

The effectiveness of transformational leadership training intervention have been studied from three different performance oriented perspectives i.e. effect of training on attitudinal outcomes of trainees (Howell & Frost, 1989), task performance of subordinates (Kirkpatrick & Locke, 1996) and the impact of training intervention on financial performance (Barling et al, 1996). The dimensions of transformational leadership have been related to the task performance of subordinates. It has been identified that individuals working under a leader exhibiting individualized consideration are lower at task performance than individuals working under charismatic leadership (Howell & Frost, 1989). The effectiveness of transformational leadership training has been evaluated through three different criterions, namely, reaction (Popper, Landau, and Gluskinos, 1992) behavior and performance (Barling et al, 1996). For instance Barling (1996) used a true experimental design to evaluate the effect of transformational leadership training intervention and related it with organizational performance. It has been emphasized that the effect of transformational leadership training should be studied on other individual attitudes like subordinates' satisfaction with their supervisors (Barling et al, 1996).

Training Motivation:

In a training context, however, motivation is a goal directed inspiration derived from trainees' personal needs and the decision processes they use to satisfy those needs (Blanchard & Thacker, 2004). A number of external and individual variables have been identified that affect the motivation towards a training program.

Individuals with an ability to learn but low in training motivation cannot reap full benefits from a training program. (Noe, 1986)

This study substantiates the existing literature by using conceptualizations of transformational leadership to study the effect of such trainings on subordinates' satisfaction. Furthermore, to our knowledge, this study is unique in evaluating the role of training motivation and its impact on transformational leadership training effectiveness.

Method

This study uses a true experimental design. A pretest-posttest with control group design was adopted for the study. The procedure for selection of participants and the instruments is as follows. Area managers of a large scale private healthcare company were selected for studying the effect of transformational leadership training on attitudinal outcomes. The selection of a single company helped control the cultural variations, whereas, the selection of Area Managers, only, helped maintain uniformity of the staffing function as well as the SKA. Other factors that could have distorted the results were controlled using a control group. The authors, under a contract, had to provide transformational leadership training at, geographically dispersed, regional offices of the said company. The trainings were scheduled to be conducted at these offices over a period of one year. In view of the time lag between the occurrences of the training program at various regional offices, the subjects that were to be trained first were considered as an experimental group, and the ones to be trained last, were considered as the control group. Experimental group consisted of twelve managers, out of which, eleven were male whereas, the twelve managers of control group included ten male members. For each subject in the two groups three members, who directly reported to a subject, were selected for the study. Information was collected from them on two parameters the subordinates' perception of transformational leadership behavior of his/her manager and satisfaction with him/her as a supervisor. This information was collected using pretest-posttest design. Moreover, training motivation of the subjects was also measured prior to the experiment.

Questionnaires

Multifactor Leadership Questionnaire (MLQ) was used to study the transformational leadership behavior using subordinate's report. MLQ measures four aspects of transformational leadership: (a) individualized consideration (IC) (b) intellectual stimulation(IS); (c) inspirational motivation (IM); and (d) idealized influence (II) The reliability of these subscales in the current study, as measured by subordinates' perception, was as follows: Individualized consideration, intellectual stimulation, inspirational motivation and idealized influence were 0.87, 0.92, 0.94 and 0.89 respectively at pretest and 0.92, 0.91, 0.95 and 0.90 at posttest stage. This explains that the scales were internally consistent at both the stages. Transformational leadership behavior was measured, through MLQ, at both pretest and posttest stages. The pretest and posttest ratings were collected 10 days prior and 90 days after the training intervention respectively.

A six item five point reduced form of sixteen items measure developed by Noe and Wilk (1993) was used to measure (trainee) managers' leadership training motivation. The internal consistency reliability of this measure in the present sample was alpha = 0.95.

Satisfaction with manager was measured through a 6 item reduced form of 18 item 5 point scale developed by Scarpello & Vandenberg (1987). This questionnaire describes the subordinate's satisfaction with his/her manager. Sample items include "The way my supervisor helps me to get the job done". "The way my supervisor gives me clear instructions" and "The way my supervisor listens when I have something important to say". The internal consistency reliability of this measure in the present sample was alpha=0.95.

Training Intervention

Training intervention was organized by an expert training consultancy that adopted the following training design to impart the transformation leadership training. Training was divided into four modules that were offered with a lag of 7 days in the following sequence.

Session 1:

Prior to the start of this session, all participants evaluated themselves on transformational leadership characteristics. The session that lasted for three days, started with an assessment of the participants' prior understanding of the four dimensions of transformational leadership i.e. idealized influence, individual consideration, inspirational motivation and intellectual stimulation. The participants were asked to identify best and worst leaders around them and later they were exposed to the concepts of transformational, transactional and laissez-faire leadership. Participants were then required to associate their best and worst leaders with the concepts of different types of leaders. The focus, then, was shifted towards transformational leadership, the importance and implications of idealized influence, individual consideration, inspirational motivation and intellectual stimulation were discussed. Self reports and subordinate reports were matched to identify deficient avenues. Key attitudes in transformational leadership stature were identified.

Session 2:

Second session started with an introduction to goal setting theory. Importance of setting specific, difficult but attainable, goals was discussed in a lecture setting. Afterwards, a day long interactive session was conducted to identify appropriate goals and objectives for all participants according to their work requirements. Role playing and in basket exercises were conducted. The session concluded with a case study situation requiring transformational leadership exhibition by participants. Participants were then asked to come up with their goals and objectives in the next session.

Session 3:

Goals and objectives identified in the earlier session were revised and operational details were discussed. Transformational leadership attitude was the focus of the session. Role playing exercises were conducted.

Session 4:

This session was a booster that focused on the identification of any observable changes in participants' behavior with respect to the behavior recorded in their respective self reports obtained earlier. In order to serve this purpose, all participants were advised to record their self appraisals on daily basis.

RESULTS AND DISCUSSIONS

Pretest:

We started our analysis by assessing difference between experiment and control group using descriptive statistics. Table 1 and Table 2 explain the state of two groups before experiment. Both groups were same in terms of group members i-e 12 members each. To evaluate the similarity among control and experiment group, we assessed both groups on four dimensions of Transformational Leadership and subordinates' satisfaction with supervisor. It was identified that there was insignificant variation in means values of first two dimensions of transformational leadership stature (IM & IS). For IC and II and satisfaction with supervisor, control group was having higher values than the experiment group. It was assumed similar to the experimental group to safely argue that effective training in transformational leadership can still increase these two dimensions and satisfaction of experiment group over the control group in post test evaluations. Means values for Experiment Group on four dimensions of Transformational Leadership were IM (2.11) IS (2.08) IC (1.02) & II (2.65) respectively. Mean value of satisfaction with supervisor for the same group was 2.50. Means values for Control Group on four dimensions of Transformational Leadership were IM (2.37) IS (2.50) IC (2.36) & II (2.65) respectively. Mean value of satisfaction with supervisor for the same group was 2.90.

Post Test:

Both groups were same in terms of group members i-e 12 members each. There was a significant increase in the post test readings of experiment group. Table 3 explains the positive change in transformational leadership stature and subordinate's satisfaction with trained supervisors. Post test reading of four dimensions of transformational leadership stature for the experiment group were IM (3.30), IS (3.10), IC (2.83) & II (3.85) respectively. Post test readings for satisfaction with supervisor were 3.40. Post test reading of four dimensions of transformational leadership stature for the control group were IM (2.68), IS (2.77), IC (2.76) & II (3.05) respectively. Post test readings for satisfaction with supervisor were 3.03. (See Table 4).

To identify the net effect of training intervention pretest reading of experiment group were subtracted from post test readings of experiment group. The resultant value was subtracted from the net value of control group to reach upon statistics mentioned in Table 5.

Table 5 explains the net effect of training intervention on change in transformational leadership behavior and satisfaction with trained supervisor. A significant increase of mean value (0.79) in overall transformational leadership behavior was observed. There was a significant increase of mean value (.78) in satisfaction with the supervisor was also observed. This reveals the effectiveness of training in transformational leadership behavior.

Correlations:

Table 6 explains the correlation among Pre-Training Motivation, Transformational Leadership Training and Satisfaction with Supervisor. Results show a positive and significant relationship (.79) between transformational leadership training and satisfaction with supervisor. Pre-Training Motivation has a positive relationship (.51) with attitudinal outcomes of the training program. Individuals with higher training motivation were able to benefit more from transformational leadership training.

CONCLUSIONS

The results of the study have two outcomes. Firstly it explains the effectiveness of Transformational Leadership training. Secondly it narrates the relationship between pre-training motivation with training effectiveness. The results of this study are consistent with Barling et, al. (1996). Using a training methodology used in this research could increase transformational leadership behavior of trainees. However the effectiveness of this training design can be confirmed while using this design in different organizational and industrial settings. It is clear from the results that training can significantly improve transformational leadership behaviorist is further identified that transformational leadership behavior has a positive impact on satisfaction of subordinates. This reveals that different organizational benefits can be earned from such training. Satisfied subordinates are likely to perform better and improved transformational leadership can increase organizational effectiveness.

An important finding of this study is the positive relationship between pre-training motivation with training effectiveness in leadership contexts. This finding is helpful to organizations and their trainers. Organizations should assess the pretraining motivation of their employees before sending them to a training program (especially Transformational Leadership Training). Keeping in view the results of the study, it is highly likely that people low in training motivation may not get real benefit from the training. So organization must identify the reasons for such lack of motivation. To get maximum benefit from investment on training, these organizations may need some OD intervention first and then they should train their employees. For trainers, this study offer an interesting insight, trainers must first assess the training motivation of participants and then design an appropriate program that ensures greater learning.

This study has certain limitations. The results are based on a smaller sample. Future research may include large sample including different organizations. The appropriateness of the training intervention used in this research should be validated in future research. Organizational and individual factors affecting the transfer of such trainings should be studied. Overall this study is a preliminary effort to validate the effectiveness of transformation leadership training using experimental design. If such studies are repeated using different output criteria like organization citizenship behavior, commitment, stress etc, it will increase our knowledge about the effectiveness of transformational leadership training.

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PREDICTORS OF SUCCEDSS IN A CAPSTONE BUSINESS POLICY COURSE

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ABSTRACT

Previous research has identified numerous factors that predict scores on comprehensive assessment exams such as ETS. These studies have concluded that student GPA is the primary predictor, with other variables such as ACT/SAT score, gender and age having little or no impact. However, this research does not examine the various events affecting a student's performance in capstone courses where external assessments are utilized. This study models student performance in a business capstone course, using final grade as the dependent variable. Two models were constructed. The first model verifies that cumulative GPA is the primary predictor of student performance. The second model breaks down various components of a student's GPA by including grades for the three prerequisite foundational courses (Management, Marketing and Finance). The second model shows that, while these three courses are each important in a student's overall performance, the student's grade in Finance is the most significant predictor of final grade in this capstone course. Thus, of the three foundational courses, the results show that a student must receive strong grounding in Finance in order to increase their chances of being successful later in the capstone course.