

# Journal of International

## Doctoral research

### CONTENTS

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<b>Introduction and Welcome .....</b>	<b>3</b>
<i>The Editorial Board</i>	
<b>The Editorial Story of IDR Journal.....</b>	<b>4</b>
<i>Pat Joynt and Gillian Warner-Søderholm</i>	
<b>Resource-Based Determinants of Internationalization of Polish Companies .....</b>	<b>8</b>
<i>Aleksandra Wąsowska and Krzysztof Obłój</i>	
<b>Transformational Leadership in China .....</b>	<b>35</b>
<i>Jane Li</i>	
<b>A Case Study of Criminal Leaders versus Criminal Followers: An Empirical Study of White-Collar Criminals' Characteristics and Imprisonment Years .....</b>	<b>55</b>
<i>Petter Gottschalk and Lars Glasø</i>	
<b>An Empirical Investigation into Similarities and Differences in Communication of Female and Male Students at a U.S. University .....</b>	<b>78</b>
<i>Blair Tande, Karn Lamon, Chelsea Harstad, James Ondracek and Andy Bertsch</i>	

# JOURNAL OF INTERNATIONAL DOCTORAL RESEARCH

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Volume 2, Issue 1

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## INTRODUCTION AND WELCOME

The Editors

The International Doctoral Research Centre (IDRC; [www.idrcentre.org](http://www.idrcentre.org)) was created by like-minded researchers who wish to promote excellence in doctoral and post-doctoral research.

The IDRC hosts two annual research seminars – the European Research Seminar held in April and the American Research Seminar held in September. For details about locations, submission guidelines, and other information about these annual seminars, please visit [www.idrcentre.org](http://www.idrcentre.org).

In addition to the two annual seminars, the IDRC publishes an annual journal: the Journal of International Doctoral Research (JIDR).

The IDRC provides doctoral associates and experienced post-doctoral researchers with a forum for presenting and discussing their research at one of the annual seminars. These seminars are an opportunity to get feedback from and exchange comments and views with experienced researchers. Specifically the IDRC provides a forum for peer review of a researcher's current ideas and thoughts which enable him/her to formulate future research plans or unblock problems with current research. A benefit of the IDRC includes building a close network of experienced researchers.

To submit an abstract to one of the IDRC seminars, please forward your working paper to: [patjoynt@online.no](mailto:patjoynt@online.no).

To submit a manuscript for blind peer review for publication to the JIDR, please forward to: [annikaws@hotmail.no](mailto:annikaws@hotmail.no)

Regards,

Editorial Board of the JIDR  
Directors of the IDRC ([www.idrcentre.org](http://www.idrcentre.org))

## **THE EDITORIAL STORY OF IDR JOURNAL**

Pat Joynt and Gillian Warner-Söderholm

### **THE LIGHT AT THE END OF THE TUNNEL**

When teaching the courses associated with getting a doctorate degree, one often tells the story of the light at the end of the tunnel. It works rather well in motivating doctoral associates who may have spent a couple of years reviewing the theories and methodologies associated with their thesis. Often one runs into a motivation problem due to lack of data, a poor sample, or the difficulties in applying the appropriate statistics. The light at the end of the tunnel works well if one can tell the associate that turning back is a longer journey than if one continues to the finish line.

When one reaches the finish line, one is then told that it is important to publish in refereed journals. "You have at least two articles you could publish from your thesis" we were told some years ago. And so begins another journey which is often called "publish or perish" for those who have elected to make a career in academia. The Journal of International Doctoral Research is a result of the reaction from new doctors who have just passed the finish line.

### **WALKING THE TALK**

"Walking the talk" is another motivational technique to encourage young and old doctors to publish. Many of the key conferences available today often require only a few pages to get acceptance for a 10 minute presentation. However, the next step often involves the 20 page or more article that can be published in a key refereed journal.

In soliciting articles for the first issue of the journal, we were often told that "this is my idea

for a great refereed journal article. What do you think of it?" A year or two later we are often told "I/we are still working on it." "Actions speak louder than verbal words." or "walk the talk" is often a key step in getting the first empirical paper published on the way to becoming a Professor.

This short summary is about "walking the talk" and the experiences we have had with the first two issues of the Journal of International Doctoral Research. And it is international as we have had correspondence and articles from Doctors living in the Americas, Europe, Asia, the South Americas and Africa. Rigor is another concept that is key in journal publication. We will now attempt to give a short summary of the inputs we have received for the Journal.

## **THIS ISSUE**

This issue of the Journal of Doctoral Research is devoted to a wide range of research topics which are all linked, implicitly or explicitly to Internationalization issues. The discussions in these articles – and indeed in current leadership literature in general- highlight number of recurring and yet unresolved issues in these research fields. The most critical of these is does culture and ethics matter in international business and leadership.

In publishing this symposium we believe that our 9 authors offer pertinent reflections upon this valid question.

In the first article the authors address the question of how firm-level resources, capabilities and organizing context affect internationalization of Polish business operations. Valuable insight is offered into the emerging economies of Eastern and Central Europe. In our second article, the association between transformational leadership theory and organizational performance excellence is examined empirically within a Chinese context. Findings support the hypotheses that influence/inspirational motivation, quality of leader-member and intellectual stimulation were positively associated with organizational

performance excellence. The third article offers an empirical study of white-collar criminals' characteristics within a Norwegian context. The authors identify a strong need to focus more on both criminal leadership and criminal followership and potential criminal leader-follower exchange dynamics in future studies: findings which are also critical in international business research today. The final article offers an empirical investigation into gender based communication norms. Significant differences were found for social composure, social confirmation, social experience and also social media preferences across genders: useful findings within international business issues.

#### **ARTICLE ACCEPTANCE RATE AFTER BLIND PEER REVIEW PROCESS:**

2012: 40% acceptance rate

2013: 25% acceptance rate

#### **MANUSCRIPT SUBMISSIONS**

- Goal of advancing understanding of international research through theoretical analyses and empirical investigation.
- We attach no priorities to subjects for study, nor do we attach greater significance to one methodological style from another.
- We refrain from listing topics in which we are interested.
- We are interested in compact presentations of theory and research
- We are interested in good writing and see poor writing as a reason to reject manuscripts. We're looking for manuscripts that are well argued and well written....clear and logical.

## MANUSCRIPT PREPARATION

Submit electronically at [annikaws@hotmail.com](mailto:annikaws@hotmail.com)

### *Submission Preparation Checklist and Style Guide*

To help us with the submission process, please follow the preparation checklist at the back of the journal prior to submitting your manuscript. Submissions may have to be returned to authors that do not adhere to the following guidelines. We thank you for your assistance.

# RESOURCE - BASED DETERMINANTS OF INTERNATIONALIZATION OF POLISH COMPANIES

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## ABSTRACT

In this paper we address the question how firm-level resources, capabilities and organizing context affect the propensity of Polish public companies to internationalize their operations? In doing so we make three contributions to the literature. First, it provides insight into the little examined emergent economies of Eastern and Central Europe. Second, we try to extend the theory by testing impact of firm-specific resources on the process of internationalization exploiting all three major approaches to resource-based view of the firm – resource heterogeneity, capabilities and organizing context. Finally, we extend our knowledge about resources and internationalization of Polish companies listed at the stock exchange. Our analysis of total sample of Polish listed companies show that general availability of resources influences positively level and scope of their internationalization but specific types of tangible and intangible resources influence level and scope of internationalization in different ways.

**Key Words:** Firm-level resources, prosperity of Polish companies

## 1. INTRODUCTION

Meyer and Peng (2005) in their important paper on management and IB theories claim that the transformation of Central and Eastern European (CEE) countries from planned to market economies has provided us with a unique research setting to test the applicability of existing theories in a new context (Meyer & Peng, 2005). They indicate three areas for future research. The first area relates to motives and entry strategies of foreign entrants, especially in the form of JVs that were a predominant mode in the 80s and 90s, and acquisitions and greenfield investments later on. The second area consists of research on local incumbents' moves, especially those related to restructuring and adaptation efforts in response to MNCs entries (Hegemajer & Tyrowicz, 2012). The third area, relatively the most recent in comparison with the former two, deals with entrepreneurship, i.e. newly established local firms that after an initial period of development might decide to internationalize their operations (Bruton, Ahstrom, & Obloj, 2008; Cieslik & Kaciak, 2009; Cuervo-Cazzura, 2012). Meyer and Peng's (2005) conclusion from the extensive analysis of types of theories applied and tested, and research performed, was that CEE research agenda focused mainly on the importance of contextual influences such as institutions. It seems to be a very natural development because of very different transformation paths that these countries took and their immediate impact on (institutions') development of institutions. For example, we can consider Poland as a representative of a drastic, 'cold turkey' approach to the transformation of a political, economical and institutional environment (Slay, 1994).

Poland started to build an institutional framework appropriate to a market economy and a political democracy immediately after 1989, when drastic austerity and institution development programs were introduced in order to transform the economy. Other CEE countries, like the Czech Republic or Hungary took a more evolutionary approach to

transformation of its political, economic and institutional environment (Slay, 1994). As a result different institutional environments emerged that allowed researchers to explore their dynamics and impact upon firms' decisions and actions.

Research questions related to resources that are crucial in such institutional environments to the firm's success (Meyer & Peng, 2005;) and to internationalization paths that firms from CEE take remain relatively underdeveloped (Yamakawa, Peng, & Deeds, 2008). In this paper we address the question that relates to both of these areas: how do firm-specific advantages (FSAs), such as resources, capabilities and organizing context affect the propensity of Polish public companies to internationalize their operations? In doing so we make three contributions to the literature. First, we provide insight into the still little examined emergent economies of Eastern and Central Europe. Second, we try to extend the theory by testing impact of firm-specific resources on the process of internationalization exploiting all three major approaches to a resource-based view of the firm – resource heterogeneity, capabilities and organizing context (Newbert, 2007). Finally, we extend our knowledge about resources and internationalization of Polish companies listed on the stock exchange. Initially we decided to use a set of public companies for two reasons. First, one of the crucial problems in doing research in Central Europe is a lack of good and reliable databases. Due to institutional requirements public companies have to publish reliable data on their performance and operations which increases validity of research. Second, public companies are very visible in emerging economies and serve as a benchmark of good management practices for other companies (Wasawska & Obloj, 2012). However, once we started to study the literature we were surprised to discover that the number of studies of public companies' actions and behaviors in CEE, and emerging economies in general, is very limited. We reviewed published research on performance and operations of listed companies

in 30 of the most influential journals (used in FT research ranking) from January 1995 to April of 2009.<sup>1</sup> We used the following key words in our search: public companies, listed companies, performance, internationalization, developing countries, emerging economies, China, India, Brazil, Russia, Central Europe, Eastern Europe, Central and Eastern Europe, Poland. The result of this review is striking. In spite of all calls in the field of IB to study firms from CEE, we found no studies of the relationship of public companies' resources and their internationalization, which adds validity to our choice of sample and topic.<sup>2</sup>

The article is structured as follows. In section 2 we discuss a theoretical framework of resource based view and internationalization process. Hypothesis development follows. Then we detail the data selection procedure and model specification. In section 4 we provide the results of the analysis. We conclude with a discussion on implications and limitations of our findings.

## **2. THEORETICAL FRAMEWORK AND HYPOTHESES**

A significant body of international business literature has focused on the role of FSAs in the internationalization process (Dunning and Lundan, 2008). Since Hymer's (1976) study of the role of firm's proprietary resources in the process of internationalization via FDI, researchers have identified several factors supporting internationalization. Most of the studies concentrate on evaluating the significance of different resources for the development of firm's presence and/or competitive advantage in foreign markets<sup>3</sup>. The main evolution path of this research

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<sup>1</sup> We decided to use 1995 as a threshold because of time lag of transformations' effects and publication cycle. We have excluded some journals that seemed unsuitable for our study like Journal of American Statistical Association, Journal of Operations Research and so called practitioners journals – Academy of Management Perspectives, CMR, HBR and SMR. We understand that the result of our research would be different if we had extend our analysis to other journals or if we had used different key words.

<sup>2</sup> It has to be stressed that we found several studies of Chinese and Indian public companies from RBV perspective.

<sup>3</sup> Some recent literature (Verbeke&Brugman, 2009) argues that FSAs act as mediators between internationalization and performance. Both FSAs and motives of foreign entries should be taken into consideration when answering the question of how foreign expansion affects performance. In this paper we

stream led from studying the impact of tangible assets to studies of the role of intangible resources that are fungible, flexible, and difficult to imitate. An integration of these studies was performed by J. Dunning in the well-known OLI framework (Dunning & Lundan, 2008). The framework postulates that there are three main sources of advantages that explain firms' decision to internationalize their production and operations. Ownership-specific advantages take form of privileged possession or access to tangible and especially intangible assets (e.g. economies of scale, scope and specialization, production, marketing, organizational systems, knowledge and accumulated experience, institutions like incentive systems, culture, leadership). Location-specific factors refer to uneven spatial distribution of natural and created resources. Internalization advantage means the ability to circumvent or exploit market imperfections.

The OLI model was proposed in the 70', when most MNCs originated from the Triad nations, their main activities were related to trade and production and the key issue in their internationalization strategy was the 'make-or-buy' dilemma (Mudambi, 2004). Although in the last 30 years the rules of the game in the world business have drastically changed, the OLI model continues to be the most popular theoretical framework in the research on determinants of internationalization (Stoian & Filippaios, 2008; Narula, 2012).. The popularity of this model lies in the fact that, although it does not constitute a coherent theory, it offers a framework able absorb new theoretical streams (Cantwell & Narula, 2003), indicating new sources of ownership advantage, such as knowledge management (Kogut & Zander, 2003), relational capital (Dunning, 1997) and resource-seeking through internationalization (Dunning, 2000).

The IB approach to the relationship between firm's ownership, location and

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do not investigate the complex relationships between internationalization and performance, instead we focus on FSAs as factors enhancing internationalization.

internalization advantages and its actions to internationalize operations parallels resource-based concepts of firm's competitive advantage in the theory of strategy (Kotha, Rindova, & Rothaermel, 2001). The Resource-based View (RBV) sees organizations as bundles of resources which can generate performance heterogeneity and rent differentials across firms. These resources can be either of a tangible or intangible nature, although recent research has argued, similarly like OLI framework, that intangible resources are the principal source of competitive advantage (Amit & Schoemaker, 1993; Peteraf & Barney, 2003).

Particularly today, intangible resources are thought to be crucial for competitive advantage since competition is increasingly characterized by rapid technological and regulatory changes with fewer restrictions in information transfer (Hall, 1992). Intangible resources are by definition not easily transferred (Szulanski, 2000), harder to imitate than tangible assets, exhibit time compression diseconomies (Dierickx & Cool, 1989), and are difficult to trade on the market for resources (Peteraf & Barney, 2003). Despite the importance of intangible resources, there has been little theoretical integration of research on the relationship between a firm's intangible resources, the resulting capabilities, and the firm's performance (Makadok, 2001; Carmeli & Tishler, 2004). Recent assessment of empirical research on the resource-based view of the firm (Newbert, 2007) indicates three parallel (but not mutually exclusive) approaches categorized according to independent – dependent variable pair.

The first approach focuses on the impact of the quantity and heterogeneity of resources and correlates it with measures of firm performance or competitive advantage. An example of this approach would be a study by Bruton and Rubanik (2002) that showed that tangible resources like financing, technology, logistical systems of entrepreneurial firms are particularly restricted in emergent economies and limit their ability to develop competitive advantage. The result is that entrepreneurial firms in emergent economies need to be more

proactive, able to acquire and leverage their intangible resources, and learn to an even greater degree than entrepreneurs in developed economies (Knott, Bryce, & Posen, 2003; Obloj et.al., 2010).

The second approach focuses on the role of possession of dynamic capabilities onto competitive advantage (Eisenhardt & Martin, 2000). Strategy scholars employing this approach study primarily human resource, innovative, IT, technological, learning capabilities (Newbert, 2007). An interesting example of a very recent work following this path is a study of impact of managerial ties of Chinese managers with suppliers, buyers, competitors, business associations, government official on their firms performance (Zhang & Li, 2008)<sup>4</sup>

Finally, there is a group of scholars interested in specific firm-level conditions that facilitate utilization of resources and capabilities that a firm controls. This approach focuses on the impact of such variables as firm's routines rooted in its history, organization (structure), strategy, level of diversification on resources and capabilities exploitation.

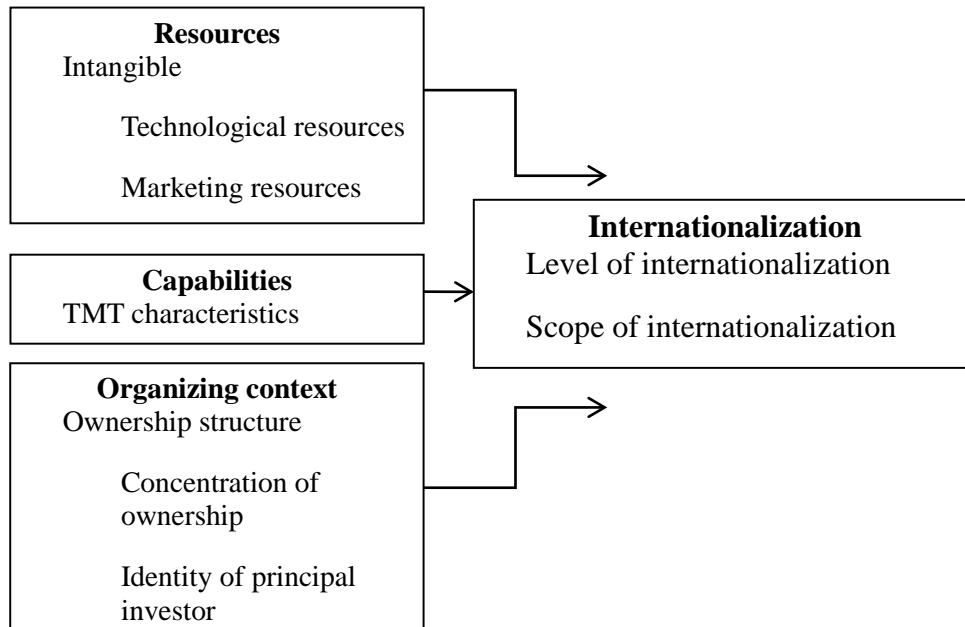
Integrating a framework proposed by Newbert (2007) with research in the field of IB we propose a research model of Polish public companies shown in Figure 1.

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<sup>4</sup> We treat social capital in this case as capability because ties were measured with actions related questions e.g. : „to what extent have you utilized personal ties with the top executives at suppliers firms during the past three years?”.

**FIGURE 1**

Hypothetical relations between FSA and internationalization strategies of Polish public firms



According to theoreticians of organizational strategy, innovativeness constitutes one of the main sources of competitive advantage in the global economy (Witz, Mathieu, & Schilke, 2007). The relation between innovativeness and potential to compete on foreign markets was suggested by technological models of foreign trade, such as technological gap theory (Posner, 1961) and product life cycle theory (Vernon, 1966). Technological resources are also one the sources of ownership advantages, analyzed in OLI model. The relation between innovativeness and foreign direct investments was confirmed by research conducted both on industry (Caves, 1974) and firm levels (Trevino & Grosse, 2002). Technological resources, such as product innovations, patents and process innovations (Lopez-Rodriguez & Garcia-Rodriguez, 2005), as well as R&D intensity (Salomon & Shaver, 2005) were also found to positively affect export propensity and export intensity. We will therefore hypothesize that:

*H. 1.1. Technological resources are positively related to the degree of internationalization.*

*H. 1.2. Technological resources are positively related to the scope of internationalization.*

Empirical research proves that product differentiation, followed by marketing resources, positively affects firms' capability to compete on several markets (Helsen, Jedidi, & DeSarbo, 1993). Literature on foreign direct investment suggests that high advertising intensity is related to capital forms of internationalization (Gatignon & Andersen, 1988), assuring higher control over intangible assets (Caves, 1974). Moreover, numerous studies reveal that product diversification (measured with advertising intensity) enhances export activities (Lee & Habte-Giorgis, 2004).

We will expect marketing resources to be associated with entering new foreign markets, both through export and FDIs. Thus, we hypothesize that:

*H.2.1. Marketing resources are positively related to the degree of internationalization.*

*H.2.2. Marketing resources are positively related to the scope of internationalization.*

One of the relatively new research questions in the IB literature relates to the impact of Top Management Teams (TMT) on the process of internationalization. Early studies conducted in this area focused on the influence of TMT on export behavior (Leonidou, Katsikeas, & Piercy, 1998). This field of research suggested that propensity to export and export intensity depend on the age of managers (McConnel, 1979), (Czinkota & Ursic, 1991), level of education (Dicthl, Koglmayr, & Miller, 1990), international experience (Dicthl, Koglmayr, & Miller, 1990), nationality (Simmonds & Smith, 1968), command of foreign languages (Dicthl, Koglmayr, & Miller, 1990), (Holzmuller & Kasper, 1990) and psychological characteristics, such as propensity to risk (Simmonds & Smith, 1968), (McConnel, 1979), innovativeness (Simmonds & Smith, 1968), adaptation capabilities (Holzmuller & Kasper, 1990).

Research on the influence of TMT characteristics on firm's actions is grounded in the upper echelons theory, which states that a strategy can be seen as a sequence of decisions, taken under the conditions of limited rationality and depending on the cognitive lenses employed by managers (Hambrick & Mason, 1984). These cognitive lenses are structured by the way in which managers perceive future events, possible courses of action and their consequences (Obloj et.al. 2010). Upper echelons theory operationalizes these psychological factors using observable characteristics, such as age, experience, background, diversity within TMT (Hambrick & Mason, 1984). Upper echelons theory has been applied by IB scholars, studying relationships between TMT characteristics such as education, professional experience, international experience, tenure, age (Herrman and Datta, 2005), diversity within TMT (Barkema & Shyrkov, 2007) and internationalization strategy.

Empirical research suggests that the age of managers affects the decision-making process (Wiersema & Bantel, 1992). Hambrick and Mason (1984) associate the age of TMT with the propensity to take risks, reflected in product innovations, diversification and using high financial leverage. Herrman and Datta (2005) have proved that younger managers are more willing to undertake geographic diversification (Herrmann & Datta, 2005). On this basis we hypothesize that:

*H.3.1. Age of the CEO negatively affects the level of internationalization.*

*H 3.2. Age of the CEO negatively affects the scope of internationalization.*

Competing on foreign markets requires specific managerial capabilities, such as cross-cultural communications skills, global perspective combined with local responsiveness, capability to cooperate with foreign partners (Adler & Bartholomew, 1992). On this basis we hypothesize that:

*H.4.1. Presence of foreigners in TMT positively affects the level of internationalization.*

*H. 4.2. Presence of foreigners in TMT positively affects the scope of internationalization.*

Hypotheses 1-4 relate to resources and capabilities, expected to influence the internationalization strategy. According to the VRIO model (Barney, 1991), building the sustainable competitive advantage requires not only valuable, rare and inimitable resources, but also a specific organizing context. Ownership structure is one of the main factors influencing ways to mobilize resources. Empirical research confirms that the ownership structure is one of the determinants of internationalization process (Lien, 2005). On this basis we formulate a general hypothesis on the relation between the ownership structure and the internationalization strategy

Managers may be willing to undertake geographical diversification even if it decreases the shareholders' value. Internationalization, contributing to the growth of the company, enhances prestige (Jensen, 1986), increases the salary of managers (Jensen & Murphy, 1990), and, thanks to the diversification of financial flows, makes it easier to manage financial liquidity (Amihud & Lev, 1981). At the same time, research proves that the concentration of ownership strengthens shareholders' control, thus preventing managers from taking risky decisions (Burkart, Gromb, & Panunzi, 1997) and decreasing the propensity to diversify excessively (Amihud & Lev, 1981). We may therefore hypothesize that:

*H.5.1. Concentration of ownership is negatively related to the level of internationalization.*

*H.5.2. Concentration of ownership is negatively related to the scope of internationalization.*

While the influence of shareholders on firm's strategy depends on the level of concentration

of capital, their goals depend mostly on the identity of shareholder (family, institutional investor, bank, etc.) (Thomsen & Pedersen, 2000). The impact of the identity of shareholder on the strategy of firms is an important, yet rarely explored research question (Tihanyi, Johnson, Hoskisson, & Hitt, 2003), (Fernandez & Nieto, 2006). Research shows that the identity of shareholder influences the access to resources (Shrader & Simon, 1997) and the propensity to take risk (Thomsen & Pedersen, 2000).

Research investigating the relationship between the ownership structure and the level of internationalization focused mostly on family firms, considered as insufficiently endowed in technological and financial resources and managerial competencies (Graves & Thomas, 2006), less risk-prone than investors with diversified portfolios (Filatotchev, Strange, Piesse, & Lien, 2007) and thus less likely to pursue international expansion (Fernandez & Nieto, 2006).

The study of Taiwanese companies revealed a positive relation between the family ownership and geographical diversification (Lien et al. 2005). In Spanish SMEs, family ownership was found to be negatively related to export intensity (Fernandez & Nieto, 2006). The authors suggested that the international expansion of Spanish SMEs could be hindered by the risk-adversity and the conservatism of corporate culture, as well as the lack of financial resources and intangible assets. The study on Australian SMEs proved that family firms lagged behind non-family firms in terms of managerial capabilities used in the process of internationalization (Graves & Thomas, 2006). Finally, recent study of Indian companies (Bhaumik et.al. 2010) found that family ownership results in significant and negative effect on firm's FDI. Therefore our second set of hypotheses is as follows:

*H.6.1. Presence of individual investor is positively related to the level of internationalization.*

*H.6.2. Presence of individual investor is positively related to the scope of internationalization.*

Research shows that announcement of foreign acquisition may lead to an extraordinary increase in stock price (Doukas & Travlos, 1988) . Therefore, the presence of short-term oriented shareholders, such as investment funds is expected to enhance internationalization (Tihanyi et.al.,2003). Pension funds, although more conservative and long-term oriented than investment funds, were also found to favor internationalization, considered a vehicle of long-term growth (Tihanyi, Johnson, Hoskisson, & Hitt, 2003). On this basis we may expect both types of institutional investors to be willing to pursue international expansion. We therefore hypothesize that:

*H.7. Presence of institutional investor is positively related to the scope of internationalization.*

Companies deciding to go international incur additional costs, resulting from the ‘liability of foreignness’. The presence of foreign investors is regarded as a factor enhancing knowledge on foreign markets (Fernandez & Nieto, 2006), thus shortening the perceived distance between the company and its potential customers abroad. On this basis we hypothesize that:

*H.8.1. Presence of foreign investor is positively related to the level of internationalization.*

*H.8.2. Presence of foreign investor is positively related to the scope of internationalization.*

### **3. DATA AND METHODOLOGY**

#### ***3.1 Data Set***

The sample examined in the empirical research consists of Polish non-financial companies listed on the Warsaw Stock Exchange. Due to the lack of comprehensive databases of Polish companies, the first step of the present research was to create a multisource database, containing information on resources, capabilities and internationalization strategies. Taking into account difficulties in collecting survey data from companies operating in transition

economies, reported in previous studies, we decided to focus our research on companies traded on the stock exchange, for which financial data is publicly available. The data employed in this study was extracted from annual reports for 2006 and National Court Register and Polish Patent Office databases.

### ***3.2 The Warsaw Stock Exchange – Some History and Facts***

Founded in 1817, the Warsaw Stock Exchange (WSE) or Commercial Exchange functioned through most of the first part of the nineteenth century. Like most of the early exchanges in Europe and America, it traded mostly bonds and a few equity securities. Not all securities were traded through the exchange. Nevertheless, by the second half of the century, buying and selling equity shares became the main activity at the stock exchange. Between World War I and II, the Polish stock exchange operated smoothly and ran several subsidiary exchanges throughout Poland – in Katowice, Cracow, Lodz, Poznan and Vilnius. After World War II, when a planned economy was introduced in Poland by the Communist governments imposed by the Soviet Union, the WSE ceased to operate.

In 1989, with the beginning of the transformation from a planned to a market economy and from communism to democracy, the new Polish governments started to reintroduce institutions necessary in a modern society. In October 1990, the French and Polish governments signed a cooperative agreement to develop the Warsaw Stock Exchange. In April 1991, the Warsaw Stock Exchange was re-established in the form of a joint stock company and trading began, at first only once a week. Five companies were listed at this time – Tonsil SA, Prochnik SA, Krosno SA, Kable SA and Exbud SA. By the end of 1991, there were nine companies quoted with a total market value of 100 million Polish zloty. (Table 1 shows growth of WSE in some details.)

The WSE developed naturally over time. In 1993, it became totally computerized and

parallel markets in derivatives and other instruments were created. In 1994, share options were introduced and traded; trading instruments was extended throughout the workweek, and the WSE became a member of the World Federation of Exchanges. Continuous trading was introduced in 1996. By 1997, the WSE's market capitalization had reached over USD 10.0 billion, representing 100 quoted companies. The American Committee of Exchanges and Securities recognized the WSE as a designated international market, thus confirming that the WSE had attained, U.S. standards for corporate governance and control in the eyes of American regulators. By 1998, market capitalization exceeded USD 20.0 billion. With new securities and options introduced and traded each year, the WSE is considered the most sophisticated and largest exchange in the CEE region.

By the end of 2001, two hundred thirty companies were quoted on the WSE, representing three main sectors: manufacturing (138 companies), financial services (25 companies), and other services (51 firms). Their ownership structures are very different and difficult to characterize, since in many cases they evolved over time. Nevertheless, we can group them by their origins. Fifty-two companies were first listed on the stock exchange by the Polish State Treasury. After the first nine companies were put on the market in 1991, the State Treasury added an average of five companies per year, until the very end of the 90s when the pace slowed down considerably. As late as 1998, the State Treasury privatized through public offerings five companies – Polish Telecom was the largest placement. In both 1999 and 2000, in contrast, only one company per year was privatized in this manner. (In 1999, for example, PKN Orlean, Poland's largest petrochemical company.) The second significant group of companies at the stock exchange are former state-owned companies that were privatized through private placement, management buyouts (MBOs) or initial public offerings (IPOs) on the WSE, but to a limited number of shareholders. The third group of

companies are firms that participated in the program of National Investments Funds. Their shares were placed on the WSE by investments funds. The largest group, however, sixty-four companies, are private companies on the WSE. These firms were generally formed in the beginning of 90s and listed on the stock exchange by their original owners as a means of getting capital for further expansion. The majority of placements occurred in the ‘good years’ of 1998 and 1999, and 2005-2007.

As of 31 December 2006, there were 279 companies listed on the Warsaw Stock Exchange. Excluding foreign companies, financial sector companies and companies that were withdrawn from quotation after December 2006 and whose financial statements were no longer publicly available at the moment of building the database, the sample consisted of 210 companies.

### *3.4 Description of Variables*

Among three main internationalization strategies: export, licensing and foreign direct investments, the first one is most commonly used by Polish companies. Out of the 210 companies included in the sample, 154 had revenues partly based on foreign markets, while 77 had operations abroad. For the purpose of the present study, international involvement will be defined as 1) selling products or services outside the Polish territory 2) having foreign operations. Our main dependent variables are 1) degree of internationalization (DOI), assessed as a foreign sales to total sales ratio and 2) scope of internationalization, assessed as the number of countries in which the company has foreign subsidiaries. Independent variables include tangible and intangible resources, capabilities and organizing context variables, as suggested in section 2. We control for firm size, age since Initial Public Offering, “newness” of tangible resources and industry. Table 1 summarizes the variables included in the study and their operationalization.

**TABLE 1**

Definitions of variables

<b>Variable</b>	<b>Operationalization</b>
<b>Dependent variables</b>	
Degree of internationalization (DOI)	Foreign sales / total sales
Scope of internationalization (SOI)	Number of foreign countries in which the company has its subsidiaries
<b>Independent variables</b>	
Marketing resources (MARKETING)	Selling expenses / total assets
Knowledge intensity (KNOWLEDGE)	Intangible assets / total fixed assets
Patent applications (PATENTS)	Patent applications submitted in the last 20 years (0, 1), dummy variable
Foreigners in TMT (FOR_TMT)	Number of foreigners in Top Management Team
CEO age (AGE_CEO)	Age of the CEO
Concentration of ownership (OWN)	% of shares owned by principal investor
Principal shareholders – corporate (COR_OWN)	0/1, dummy variable
Principal shareholder – financial (FIN_OWN)	0/1, dummy variable
Principal shareholder – private (PRIV_OWN)	0/1, dummy variable
Principal shareholder – foreign (FOR_OWN)	0/1, dummy variable
Former state-owned company (STATE)	0/1, dummy variable
<b>Control variables</b>	
Size (SIZE)	Ln (total assets)
Tangible assets renewal (TANGIBLES)	Net tangible assets / gross tangible assets
Public age (AGE)	Age since Initial Public Offer
Industry	Sectors, according to Warsaw Stock Exchange classification in line with WSE industry indexes (Food, Construction, Chemicals) and Technology – intensive index (Techwig) included as dummy variables.

### ***3.5 Method of Analyses***

The objective of the empirical research is to determine firm-specific factors related to 1) selling products and services in foreign markets, 2) having foreign operations. In the first step of our analysis we conduct descriptive and parametric test statistics. We test for differences between 1) firms that sell products and services in the foreign markets and those who sell

only in Poland, 2) firms that have foreign operations and those which operate only in Poland.

In the second step we estimate multiple regression models, explaining 1) the level of internationalization, 2) the scope of internationalization.

#### 4. EMPIRICAL RESULTS

Table 2 reports the differences between firms that sell products and services in foreign markets and those who sell only in Poland. In table 3 we present differences between companies having foreign operations and those operating only in Poland. Statistically significant differences provide preliminary evidence for association between company resources and internationalization.

**TABLE 2**

Mean comparison test (companies with foreign sales vs. companies without foreign sales)

	Companies without foreign sales	Companies with foreign sales	Diff
PATENTS	0,16	0,47	0,31***
MARKETING	0,08	0,08	0,00
TANGIBLES	0,57	0,63	0,05*
KNOWLEDGE	0,15	0,08	-0,07**
FOR_TMT	0,30	0,11	-0,19**
AGE_CEO	44,49	45,26	0,77
STATE	0,23	0,50	0,27***
OWN	0,35	0,39	0,04
FIN_OWN	0,25	0,12	-0,13**
COR_OWN	0,21	0,41	0,19***
PRIV_OWN	0,52	0,42	-0,10
FOR_OWN	0,18	0,19	0,02

Difference of means significant at the \* 1% level, \*\*5% level, \*\*\*1% level

**TABLE 3**

Mean comparison test (companies with foreign operations vs. companies without them)

	Companies without foreign operations	Companies with foreign operations	Diff
PATENTS	0,32	0,51	0,18***
MARKETING	0,07	0,09	0,01
TANGIBLES	0,60	0,63	0,03
KNOWLEDGE	0,09	0,10	0,01
FOR_TMT	0,16	0,14	-0,02
AGE_CEO	45,10	45,03	-0,07
STATE	0,37	0,53	0,15**
OWN	0,36	0,41	0,06*
FIN_OWN	0,17	0,13	-0,04
COR_OWN	0,30	0,45	0,15**
PRIV_OWN	0,50	0,36	-0,13*
FOR_OWN	0,15	0,26	0,11*

Difference of means significant at the \* 1% level, \*\*5% level, \*\*\*1% level

Two basic empirical models (one including only control variables) are estimated to test for hypotheses referring to the degree of internationalization of Polish listed companies (table 4). Similar procedure was conducted for the scope of internationalization (table 5). All models are statistically significant below the 1% level.

As expected, Model 1 (table 4) confirms that size and industry are related to the level of internationalization and thus need to be controlled in more comprehensive models. However, no significant relation between the age since IPO and the level of internationalization was observed. Model 2 (table 4) reveals that technological resources are related to the degree of internationalization. We found a positive and significant relationship of PATENTS with DOI. Interestingly, KNOWLEDGE proves to be negatively related to DOI. State history is not a significant variable. Variables relating to TMT characteristics and the ownership structure were not significant and they were not included in the final specification of the model.

**TABLE 4**

Regression results (dependent variable: DOI)		
	Model 1 (control variables)	Model 2
Constant	-0,125	-0,132
PATENTS		0,096***
KNOWLEDGE		-0,200*
STATE		-0,002
SIZE	0,037***	0,037***
Techwig	-0,198***	-0,160***
Food	-0,172***	-0,151***
Fuels	-0,244*	-0,312***
Media	-0,201*	-0,172*
Real estate	-0,206	-0,225
AGE	0,004	
R-Squared	0,228	0,290
Adjusted R-Squared	0,191	0,245
F-Statistic	6,144***	6,526***

\*p<0,1; \*\*p<0,05; \*\*\*p<0,01

TMT characteristics proved to be statistically significant in explaining SOI (Model 2, table 5).

As expected, the age of the CEO was found to be negatively related to the scope of internationalization, while the presence of foreigners in TMT is positively related to the scope of internationalization. The coefficients of variables identifying marketing resources and knowledge intensity are positive, but not statistically significant.

**TABLE 5**  
Regression results (dependent variable: SOI)

	Model 1 (control variables)	Model 2
Constant	-5,132**	-3,462
AGE_CEO		-0,138***
FOR_TMT		0,068*
KNOWLEDGE		2,873
FIN_OWN		-1,093
MARKETING		4,015
SIZE	0,712***	1,047***
Food	-1,197	-1,817
Media		-3,883
Fuels		-1,805
Construction	-1,375	
R-Squared	0,220	0,373
Adjusted R-Squared	0,188	0,289
F-Statistic	6,884***	4,431***

\*p<0,1; \*\*p<0,05; \*\*\*p<0,01

## 5. DISCUSSION, CONCLUSIONS AND LIMITATIONS

The objective of this paper has been to investigate the resource-based determinants of internationalization. Using a broad sample of Polish public companies, we focused on understanding the nature of the relationship between several firm-specific factors, such as intangible resources, TMT characteristics and ownership structure and the level and scope of internationalization.

In the RBV literature, the firm size is regarded as a reflection of a greater availability of resources (Lopez-Rodriguez & Garcia-Rodriguez, 2005) or as a tangible resource facilitating the extension of the firm's resources and capabilities on an international level (Trevino & Grosse, 2002). We found that a greater company size correlates strongly with both the level and the scope of internationalization. This result is consistent with previous research on the determinants of export (Lopez-Rodriguez & Garcia-Rodriguez, 2005) and FDIs (Trevino & Grosse, 2002).

With regard to intangible resources, knowledge intensity was found to be negatively related to the level of internationalization and positively related to the scope of

internationalization, yet the former relation is not statistically significant. This result may indicate that the endowment in intangible assets enhances foreign operations and not foreign sales. This conclusion is also consistent with the IB literature, suggesting that capital modes of entry (as opposed to export) assure a high level of control over intangible assets (Caves, 1974). Seeking patent protection was found to be positively correlated with the level of internationalization. No such effect was observed in the case of the scope of internationalization. Our results do not support the hypotheses relating to the positive relation between marketing resources and the scope of internationalization, since the coefficient of this variable, although positive, is not statistically significant.

Managerial capabilities have proven to be significant only in the case of the scope of internationalization. This result may indicate that the age of the CEO and the presence of foreigners in TMT are important indicators of more risky international strategies (foreign operations as opposed to foreign sales). As expected, the age of the CEO was found to be negatively correlated with the scope of internationalization. This result is consistent with prior research, suggesting that younger managers are more willing to undertake foreign expansion (Herrmann & Datta, 2005). As expected, the presence of foreigners in the TMT structure is positively related to the level of internationalization. A possible explanation of this result could be that the presence of foreigners in the TMT enhances the global orientation of the decision-making team.

Our findings do not confirm the hypotheses on the relation of the ownership structure and the level and scope of internationalization, suggested in prior research (Tihanyi, Ellstrand, Daily, & Dalton, 2000). We may assume that the relation between the ownership structure and the company strategy is dependent upon institutional factors and thus we believe that the proper interpretation of this result needs further investigation in the context of transition economies and relatively new capital markets.

The results reported in this study are subject to several limitations. First, samples used to estimate models explaining both the level and the scope of internationalization were relatively small, due to the limited scale of internationalization among Polish listed companies. Second, the cross-sectional nature of this study limits our interpretation of causality between the resources, capabilities and ownership structure and the level and the scope of internationalization. In order to gain a better understanding of the real causation we would need rich case-based longitudinal studies documenting the decisions and processes used by the firms in our sample to internationalize their operations. Third, we acknowledge the difficulties in measuring valuable resources, reported in previous studies rooted in the RBV perspective (Yeoh & Roth, 1999). We are also aware of the “black box” limitations resulting from the usage of demographic characteristics of TMT as proxies of managerial capabilities. Similar methodological problems are related to considering the identity of shareholders as an indicator of their strategic goals and objectives. Finally, we did not measure the effect of the global crisis (Kobrak, 2013) on internationalization strategies but other studies (Wasowska & Obloj, 2012) show that it seems to have limited impact.

The present study is, to our best knowledge, the first attempt to explore the resource-based determinants of internationalization of Polish companies. It is also one of the very few studies in CEE conducted on the specific samples of publicly traded companies. In this context, we believe that the preliminary findings presented in this paper contribute to enrich our comprehension of the determinants of internationalization of the CEE companies. The conceptual underpinning of the study has applied seminal works in the IB field which were published in the last decade. This could be seen as a limitation of the paper. Consequently, future researchers are recommended to review more contemporary literature related to international business research in relation to firm specific resources and capabilities, firms propriety resources and international strategies.

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## TRANSFORMATIONAL LEADERSHIP IN CHINA

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### ABSTRACT

The present study examines how transformational leadership theory is associated with organizational performance excellence (OPE), quality of leader-member relationship (LMX), and follower satisfaction with leader (JDI). Study data was collected from 450 followers from nine Chinese pharmaceutical companies on mainland China. Three hypotheses were tested. The results were mixed with respect to support for transformational leadership theory. Idealized influence/inspirational motivation were positively associated with organizational performance and quality of leader-member relationship. Intellectual stimulation was positively associated with OPE, while individualized consideration was significantly and negatively associated with JDI. The implications for research and practice are discussed.

**Key Words:** Transformational leadership, organizational performance (OPE), leader-follower relationship (LMX), satisfaction with leader (JDI).

## 1. INTRODUCTION

Over the last three decades, transformational leadership theory has developed gradually and gathered increasing attention from researchers. In 1985, Bass presented a formal theory of transformational leadership, which was refined further by Bass and Avolio through a variety of evaluative investigations (Bass and Riggio, 2006). The four factors of transformational leadership result in different functions in leadership practice. *Idealized influence* is displayed when leaders set an example to be emulated. With this leadership method leaders act as a strong role model, instill pride in colleagues, demonstrate very high moral and ethical conduct, and inspire and induce followers to act beyond self-interest for the good of the group. *Inspirational motivation* is demonstrated when leaders motivate and inspire those around them by providing meaningful and challenging work, talk optimistically about the future, and articulate a compelling vision for the future. Inspirational leaders promote positive expectations about what needs to be done to implement the vision. *Intellectual stimulation* is demonstrated when leaders help followers think about old problems in new ways. Followers are encouraged to question their own beliefs, assumptions, and values, as well as those of their leaders. As a result, followers learn to solve problems by being creative and innovative. Finally, *individualized consideration* is displayed when leaders pay attention to the developmental needs of followers, and support and coach the development of their followers to their full potential. Leaders delegate assignments as opportunities for growth and develop an organizational culture that is supportive of individual growth.

Over the last three decades there has been considerable interest in testing transformational leadership. While most research studies have been conducted in a Western hemisphere, a growing interest is now taking place in challenging the universality of transformational leadership by testing the theory in collectivist contexts. According to Avolio

and Bass (1998), transformational leadership is applicable in collectivistic societies such as China. Preserving interpersonal harmony, exhibiting modesty, and establishing proper relationships are values deeply-rooted in Chinese culture (Farh and Cheng, 1999) and fit well with transformational leader efforts to align follower personal values with organizational vision. In addition, followers from collectivist cultures are expected to more readily internalize leader visions than individualist followers, since they tend to accept leader beliefs more readily because of the large power distance that exists in those cultures. Also, there is typically a high level of value congruence between followers and leaders due to an extensive socialization process in collectivist cultures.

Only a few studies have examined transformational leadership in the Chinese cultural setting (e.g., Walumbwa et al., 2004; Miao et al., 2012; Zhu et al., 2013; Shao et al., 2012), and more studies are needed to test the validity of transformational theory in a Chinese context. The present study aims to test if transformational leadership will be a valid theory in a business context in China, and represents a pioneer work with respect to investigating Bass's (1998) assumption about the usefulness of transformational leadership in China.

## **2. LITERATURE REVIEW AND HYPOTHESIS**

Previous empirical research and meta-analyses have indicated that transformational leadership positively effects organizational performance. Meta-analyses conducted by Lowe and Galen Kroeck (1996) confirm a significant correlation of transformational leadership with organizational performance. Avolio et al. (1999) present support from various studies showing transformational leadership has a strong positive relationship with organizational performance. These studies are based on evidence from the Western hemisphere.

When it comes to examination of the association between transformational leadership and organizational performance in the Eastern hemisphere, Bass (1997), Jung and Sosik,

(2002), Bass et al., (2003), and Shi and Zhou (2003), suggest there will be a positive linkage between transformational leadership and organizational performance. A few studies have been conducted in China that examined the association between transformational leadership and organizational performance. Zhang et al. (2011) used data from three different sources in a lagged design from 108 teams in a large enterprise in China and found that transformational leadership promotes team coordination and thereby team performance by encouraging teams to adopt a cooperative, as opposed to a competitive, approach to conflict management. Aryee et al. (2012) conducted a study in a large telecommunications company in China, and their findings largely supported the association between transformational leadership and organizational performance. Based on these studies, this study will examine if transformational leadership is associated with organizational performance in a Chinese context.

*Hypothesis 1: Transformational leadership is positively associated with organizational performance.*

Leader-Member Exchange theory (LMX) is based on three dimensions (Graen and Uhl-Bien, 1995): respect, trust, and obligation. Respect entails mutual esteem for the capabilities of the other; trust is based on the anticipation of deepening reciprocal confidence; and obligation refers to a commitment that may evolve from a career-oriented social exchange to blossom into true partnership. Graen and his colleagues propose leaders establish a variety of social exchange relationships with their followers (Graen and Scandura, 1987; Graen and Uhl-Bien, 1995). Low-quality LMX relationships are characterized by unidirectional downward influence, economic exchange behaviors, formal role-defined relationships, and loosely-coupled goals (Graen and Uhl-Bien, 1995; Sparrowe and Liden, 1997; Yrle et al., 2003).

Followers in high-quality LMX relationships interact frequently with their leaders and have their support, confidence, encouragement, and consideration. They take on added duties, play a greater role in meeting work group goals, and deliver performance beyond contractual expectations (Sparrowe and Liden, 1997; Wang et al., 2005). Graen and Uhl-Bien (1995) posited that high-quality LMX is associated with transformational leadership, in which leaders inspire followers to transcend their own self-interests for the broader collective purpose (Gerstner and Day, 1997; Graen and Uhl-Bien, 1995).

Studies in the Eastern hemisphere that have examined the relationship between transformational leadership and LMX are few in numbers. Liu et al., (2010), who used data from Beijing and Hong Kong, found transformational leadership to be positively related to trust, which is one of the three dimensions of LMX. Zhang et al. (2012) conducted a study using the data from hospitals in China, and confirmed that transformational leadership behaviours have a positive impact on LMX. Based on these studies, one aspect of transformational leadership this study will examine is the relationship between transformational leadership and LMX.

*Hypothesis 2: Transformational leadership is positively associated with LMX.*

To the author's knowledge, there has been no attempt to date to test the linkage between transformational leadership and follower satisfaction with their leader in a Chinese business setting. Satisfaction with the leader focuses on the extent to which subordinates would like to continue working for this supervisor (Balzer and Smith, 1990). This output variable is broken into sub-groups, focusing on interpersonal skills of the supervisor, job knowledge, and performance of the leader. Indicators of interpersonal skills of the leader are: praises good work; is tactful, not hard to please, impolite; asks for my advice; is influential, and is around

when needed. Indicators for job knowledge and performance of the leaders are: knows job well; is intelligent, a good planner, not lazy, and up-to-date; and tells me where I stand.

Past research suggests that transformational leadership can also lead to greater satisfaction with the leader (Bass, 1998; Handsome, 2010; Hsu, 2008). A number of studies have established the association between transformational leadership in a Western hemisphere. The present study aims to examine if the association is also valid in China.

*Hypothesis 3: Transformational leadership is positively associated with JDI.*

### **3. METHOD**

#### ***3.1 Sample and Setting***

This research study collected data from various types of enterprises in China, including private companies, joint-ventures, wholly foreign-owned companies, and shareholding companies. Data was collected from 450 respondents from nine pharmaceutical companies. China was chosen because much of the existing research on transformational leadership has focused on testing the validity of the theory in the Western hemisphere, and to the author's knowledge, no empirical study to date has collected data from the pharmaceutical industry in China. This study identifies a gap in the literature of whether transformational leadership theory is demonstrably valid in this industry and in this setting.

The response rate was 96% based on 450 contacted individuals. Questionnaires were distributed to the respondents while at work. The respondents' average age was 36 years, with an average education of 14.8 years. The respondents also provided descriptive demographic information on how long (to the nearest month) they had been employed in their current job, as well as their job title.

### 3.2 Instruments

*Transformational leadership* was measured using 20 items from the Multifactor Leadership Questionnaire 5X (MLQ-5X) developed by Avolio and Bass (2004). The instrument has been validated by both discriminatory and confirmatory factor analysis (Avolio and Bass, 2004). Implications from study results indicate the MLQ-5X measures a wider and more detailed range of leadership factors. The MLQ-5X included behavioral items measuring idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.

*Organizational performance* was measured using 16 items from Organizational Performance Excellence (OPE) developed by Sharma et al. (1999). The OPE scale provides the possibility to measure overall organizational performance on a sample that involves different types of organizations. Since this study sample consists of multiple ownership types of organizations, the OPE scale seems most appropriate for measuring performance across different types of organizations.

*Leader-Member Exchange (LMX-7)* is a single dimension scale developed by Graen and Uhl-Bien (1995) that was applied to measure each follower's working relationship with his/her supervisor. LMX-7, which includes respect, trust, and obligation, is applied for data collection. According to statistics of the earlier studies, the internal coefficient alpha of this instrument is 0.80, and the instrument has also presented consistent criteria related to validity (Scandura, Graen, and Novak, 1986; Kozlowski and Doherty, 1989).

*Subordinate satisfaction with the supervisor* was measured with the supervisor-satisfaction subscale of the JDI, which consists of 18 items (Smith et al., 1969; Balzer and Smith, 1990; Hanisch, 1992). The JDI measures employee satisfaction within five dimensions: the type of work, the pay, the opportunities, the supervision, and the coworkers on the job.

Sample items and anchors of the instruments used in this research study are listed in

appendix 1.

**3.2.1 Translation and pilot test of the instruments:** All instruments were originally developed in English except MLQ-5X, which was translated into Mandarin Chinese by Mind Garden (Avolio and Bass, 2004). The majority of respondents did not have adequate knowledge of the English language so a back translation method was used to translate the instruments into Mandarin Chinese. A pilot study was performed on a group of 20 respondents from one of nine selected companies, to test whether the instruments, data collection procedure, and data analysis techniques worked adequately. The pilot testing of the instruments indicated that the instruments had relevance for a pharmaceutical setting.

#### **4. ANALYSIS STRATEGY AND RESULTS**

In this study idealized influence and inspirational motivation ( $\alpha = .76$ ) were combined as one factor because both factors contain components that are charisma-related behaviors. A number of studies (e.g., Avolio and Yammarino, 2002; Bass, 1988; Bycio et al., 1995; Dionne et al., 2004) have articulated that the charismatic components of transformational leadership - idealized influence (attributes and behavior) and inspirational motivation -- can be viewed as a higher-order factor of transformational leadership: the charisma dimension. The hypotheses and data analysis in this study reflect this perspective. In addition, correlation analysis was applied to investigate the hypothesized relationships, where each hypothesis contained three independent variables (idealized influence/inspirational motivation, intellectual stimulation, and individualized consideration) and one dependent variable.

To provide further justification for combining idealized influence and inspirational motivation into one variable, a parallel analysis was conducted comparing eigenvalues from principal components analysis (PCA) and the corresponding criterion values obtained from a randomly-generated data set of the same size (Pallant, 2005). Confirmatory factor analyses

(CFA) was conducted by using LISREL, checking inter-item correlation and item-to-total correlation (Joreskog and Sorbom, 2004). Results show that the three factor transformational leadership model is most appropriate for this study (eigenvalues >1; Chi-Square = 752.13; df = 167; P-value = 0.0000; RMSEA = .090). Furthermore, the alpha coefficients were in an acceptable range for all the variables of interest (Hair et al., 2010). As hypothesized, all three factors of transformational leadership were significantly and positively correlated with the output variable performance ( $r_s = .28$  and  $.32$  respectively, both  $p < .01$  and  $r = .12$ ,  $p = < .05$ ). The three factors of transformational leadership were also positively and significantly correlated to LMX ( $r_s = .47$ ;  $.34$ , and  $.30$ , respectively, all  $p < .01$ ), which are in accordance with the hypothesis. For the last output variable JDI, no significant correlation was found for the charismatic components of transformational leadership (idealized influence/inspirational motivation) and inspirational motivation. However, the third component of transformational leadership, individual consideration, was significantly and negatively correlated to JDI ( $r = -.20$ ,  $p < .01$ ), which was contradictory to the hypothesis.

**TABLE 1**  
Means, standard deviations, and intercorrelations

	<u>M</u>	<u>SD</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
1 Idealized influence/ Inspirational motivation	2.47	.49						
2 Intellectual stimulation	2.45	.61	.58**					
3 Individualized consideration	2.21	.68	.53**	.46**				
4 Performance	5.43	.79	.28**	.23**	.12*			
5 LMX	3.55	.56	.47**	.34**	.30**	.52**		
6 JDI	2.12	.64	-.03	-.03	-.20**	.46**	.14**	

N ≤ 433. \*  $p < .05$ ; \*\*  $p < .01$ .

## 5. DISCUSSION

Most of the research testing the validity of transformational leadership has been conducted in the Western hemisphere and have shown positive organizational outcomes. This study attempts to broaden our knowledge of transformational leadership by testing the theory in a Chinese context, to see whether the theory's predictions are valid in a collectivistic culture.

Several interesting patterns were identified concerning the relationship between transformational leadership and organizational performance. The correlation analysis showed a positive association between idealized influence/inspirational motivation, intellectual stimulation, and the output variable organizational performance. This finding is consistent with theoretical predictions. House (1996) notes charismatic leadership (as in this study), is measured by the combined idealized influence/inspirational motivation items, contributes to greater performance when employees believe they can contribute to the success of the group mission. Yukl (2010) states an important source of success for an organization is a chief executive officer who can create and communicate a compelling vision of the goal (as in inspirational motivation), and who can energize and transform followers' commitment into stronger efforts. A study conducted by Dionne et al. (2004) proposes idealized influence/inspirational motivation has a direct effect on performance. Less than a handful of studies conducted in China testing transformational leadership have also confirmed that transformational leadership behaviours have a positive impact on organizational performance (e.g. Wang et al, 2005; Casimir et al, 2006; Zhang et al., 2011; Si and Feng, 2012).

Furthermore, correlation analysis showed a positive and significant correlation between individualized consideration and organizational performance. This result is consistent with theoretical prediction and research. Lowe et al. (1996) state that leaders strongly committed to individualized consideration behaviours are perceived to be more effective leaders with

better work outcomes, and their followers are more motivated to transcend their own self-interest for the good of the organization. Other studies conducted in the Western hemisphere have confirmed a positive association between individualized consideration and performance (e.g. Judge and Piccolo, 2004; Avolio and Bass, 2004; Dionne et al., 2004).

The result of empirical testing of the relationship between the three transformational leadership factors and LMX provides another interesting outlook. Idealized influence/inspirational motivation were found in this study to have significant positive impact on LMX. This finding is consistent with Avolio et al. (1999), who note that given the theoretical context and empirical support for idealized influence/inspirational motivation, one would expect a leader who engages in this behavior to engender many positive outcomes in the organization, including organizational performance. Intellectual stimulation and individualized consideration were also significantly associated with LMX. This finding is consistent with studies conducted in both Europe and the U.S. confirming that transformational leadership behavior enhances the relationship between leaders and followers (e.g. Avolio and Bass, 2004; House, 1996). The finding from this study is also in line with studies conducted in China (Wang et al., 2005; Liu et al., 2010; Zhang et al., 2011).

The present study has tried to expand the scope of knowledge by including the dependent variable JDI. According to Bass and Riggio (2006), employees of transformational leaders should be more satisfied. By emphasizing the symbolic and expressive aspects of task-goal efforts and the important values involved, followers' self-esteem is reinforced by transformational leaders through expressions of confidence in their followers. Only a few studies in the field have been conducted in the Western hemisphere (e.g. Percy, 1997; Podsakoff et al., 1990). However, this study is the first research to systematically investigate the relationship between transformational leadership factors and JDI in China. Contrary to predictions, the results of this study show no significant association between idealized

influence/inspirational motivation, intellectual stimulation and the output variable JDI.

However, a negative and significant association between individualized consideration and JDI was obtained. The evidence indicates that cultural value orientations can play an important role in how followers react to transformational leaders (Spreitzer et al., 2005; Walumbwa and Lawler, 2003; Walumbwa et al., 2007). China's cultural tradition dictates great power distance between leader and follower, a reflection of Confucian values, which still provide the basis for the norms of Chinese interpersonal behavior and remain influential both in organizational and personal life (Lew and Shore, 1998). Although followers in both Western and Eastern cultural configurations are sensitive to leadership approaches, follower responses in collectivistic cultures like China may also be influenced by societal constructs and role-based loyalty and trust (e.g. Rockstuhl et al., 2012). The negative finding in this study may reflect follower dissatisfaction with leaders' training methods, as strong directive behaviors from leaders resulted in follower frustration with their leader.

In summary, this study attempts to contribute to research on transformational leadership theory by investigating its impact on organizational performance, quality of leader-member relationship, and follower satisfaction with their leader in a Chinese context. Whether transformational leadership is successful and effective will depend upon, to some extent, the culture, the environment, the organization, the task, the goal involved, and the distribution of power between leaders and followers. Also, collectivistic society seems to be an important determinant of the effectiveness of transformational leadership. China constitutes a collectivistic society where little is known about the significance of transformational leadership (Bass, 1998). This research study broadened understanding of the validity of transformational leadership by investigate the universality of transformational leadership in a collectivist context.

### ***5.1 Implications***

The result of this study generate moderate support for transformational leadership theory, which raises the question as to whether transformational leadership is suitable in a Chinese business setting. Bass (1997) claims the universality of transformational leadership, which can be observed in a wide range of organizations and cultures. Numerous field studies, case histories, interviews and laboratory studies point to the robustness of the effects of transformational leadership. Jung et al. (1995) suggest transformational leadership may be far more pervasive in collectivistic societies than in individualistic societies. Leaders in a collectivistic culture by its very nature have a moral responsibility to care for their subordinates, to foster career development, and to counsel followers individually. Followers, in turn, have a moral obligation to reciprocate with unquestioning loyalty and obedience. China, as a predominantly collectivistic country (Triandis, 1993), values these moral responsibilities, which entail obligations by both leaders and followers. But as Bass (1997) argues that many situational contingencies may be posed as explanation for why transformational leadership theory are modestly correlated with organizational outcomes, as demonstrated in this study. However, one should not rule out the potential usefulness of transformational leadership in China. In fact, one may argue that transformational leadership matches China's current situation very accurately. China, as the most rapidly-developing country in the world, is in its transformational stage. Chinese leaders are under pressure to develop their leadership skills in order to cope with enormous challenges. Hence, several important managerial implications of this study should be highlighted, as warranted by the increasing need to further develop leadership skills in China. First, transformational leadership offers a clear link between the country's vision and a feasible strategy for its attainment. Chinese leaders need to communicate their organizational vision to their followers (Zhang et al., 2012). Second, leaders who ask subordinates to make special

sacrifices should first set the example themselves (Rockstuhl et al, 2012). Third, followers perform best when leaders expect the best of them and show confidence in their ability to succeed. Leaders need to challenge subordinates to analyze and solve old problems with new ways of thinking (Miao et al., 2012). Finally, Chinese leaders need to encourage followers to develop their skills to their full potential in order to further the development of the country and organizations within it (Si and Feng, 2012).

Although transformational leadership was originally developed in the United States, an individualistic society, its usefulness has been exemplified in numerous research projects and studies across cultures (e.g. Bass, 1985; Bass, 1998; Jung and Sosik, 2002; Walumbwa and Lawler, 2003; Wang et al., 2005). In 1997, Bass stated that less developed cultures change as a consequence of the diffusion of ideas and practices from more developed cultures. Organizations are continually seeking benchmarks to become closer in practice to the best of their counterparts. Thus they learn, change, and then become more alike. This could also be the path for China and Chinese organizations to emulate.

### ***5.2 Limitations and Future Research***

Research has shown transformational leadership as implicitly or explicitly the most effective form of leadership. Meta-analytic studies seem to corroborate the proposed effectiveness of transformational leadership (DeRue et al., 2011; Judge and Piccolo, 2004), as supported by the volume of research over the last 25 years. However, recent studies on transformational leadership have identified fundamental problems with the state-of-the-science (Van Knippenberg and Sitkin, 2013). Among the limitations outlined in their study, and one which is also relevant here, is that the most frequently-used measurement tool for transformational leadership, MLQ5, may have failed to reproduce the dimensional structure specified by the theory. When conducting factor analysis on the data collected for this study, CFA analysis

failed to identify four factors, which are the building blocks of transformational theory. However, three factors were chosen as the fit indicators which showed values that were acceptable (Hair et al., 2010), but the CFA for the three factors was better than one factor. Furthermore, as stated by Van Knippenberg and Sitkin (2013), MLQ5 may not sufficiently distinguish aspects of leadership that are not considered to be charismatic–transformational, thus creating a disconnection between theory and empirical evidence. Such methodological weaknesses may explain why transformational leadership did not achieve a strong result when applied in a collectivistic society such as China. Due to perceived weakness in the theory and the instrument for measuring the theory, future research should perhaps first address these problems before further research attempts are made.

The present study has applied a follower assessment to the independent and dependent variables. In general, self-ratings can be inaccurate when compared with ratings provided by others or with objective measures, because self-reporting can suffer from inflation, unreliability, and bias (Atwater et al., 2005). Hence, future research could collect and compare data from both leaders and followers. By using two sources the threat of common method variance is reduced (Podsakoff et al., 2003).

All data for this study were collected from the pharmaceutical industry. This may limit the value of the study to relevance for only one industry; however, the procedure does have its advantages. It can eliminate alternative sources of error variance. Mixing samples from different types of industries can create problems when combining results. Results that look significant can be an artificial creation of the unique combination of cross-industry data. Future research could investigate whether the current findings can be replicated in other industries in China.

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## APPENDIX

### Sample items of the instruments used in this study

Instruments	Sample items	Anchors
MLQ-5X <i>Avolio and Bass (2004)</i>	“I articulate a compelling vision of the future” “I instill pride in others for being associated with me”	0 = Not at all 1 = Once in a while 2 = Sometimes 3 = Fairly often 4 = Frequently, if not always
OPE <i>Sharma et al. (1999)</i>	“The organization is flexible and quick to respond to problems” “The organization believes in experimenting with new products and ideas”	1 = strongly disagree 7 = strongly agree).
LMX <i>Graen and Uhl-Bien (1995)</i>	“I can count on my supervisor to ‘bail me out’ at his/her expense, when I really need it” “My supervisor has enough confidence in me that he/she would defend my decisions if I were not present to do so”	1 = strongly disagree 7 = strongly agree.
JDI <i>Balzer and Smith (1990)</i>	“Around when needed” “Knows job well”	Yes ? (Not sure) No.

**A CASE STUDY OF CRIMINAL LEADERS VERSUS CRIMINAL FOLLOWERS: AN  
EMPIRICAL STUDY OF WHITE-COLLAR CRIMINALS' CHARACTERISTICS  
AND IMPRISONMENT YEARS**

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**ABSTRACT**

The aim of this article is to provide a sample of white-collar criminal leaders and followers and examine any differences between the two groups of criminals. The sample consists of 179 white-collar criminals comprising 97 leaders and 82 followers. A comparison of average values as well as variations in white-collar characteristics of the leaders and followers shows significant differences between the two groups regarding the number of involved persons in the crime and imprisonment years. Leaders committing corporate crime (vs. occupational crime) receive a jail sentence that is three times as long as the followers' imprisonment. The present study clearly indicates that followers may plan and commit criminal acts on their own, contrary to statements claiming them to be passive and naive. Hence, to learn more about white-collar crime, there is a strong need to focus more on both criminal leadership and criminal followership, as well on potential criminal leader-follower exchange dynamics in future studies.

**Key Words:** White-Collar Crime, Leaders, Followers, Corporate Crime, Occupational Crime.

## 1. INTRODUCTION

Sensational white-collar crime cases are regularly revealed in the international business press and published in journals of ethics and crime. White-collar crime is financial crime committed by upper class members of society for personal or organizational gain. White-collar criminals are individuals who tend to be wealthy, highly educated, and socially connected, and they are typically employed by and in legitimate organizations. Ever since Edwin Sutherland introduced the concept of “white-collar” crime in 1939, researchers have discussed what might be included in and what might be excluded from this concept. The discussion is summarized by scholars such as Benson and Simpson (2009), Blickle et al. (2006), Bookman (2008), Brightman (2009), Bucy et al. (2008), Eicher (2009), Garoupa (2007), Hansen (2009), Heath (2008), Kempa (2010), McKay et al. (2010), Pickett and Pickett (2002), Podgor (2007), Robson (2010), and Schnatterly (2003).

Most of these scholars apply anecdotal evidence to suggest what might be included in and what might be excluded from the concepts of white-collar crime and white-collar criminals. Examples of anecdotal evidence in the United States are famous white-collar criminals such as Bernard Madoff (financial fraud), Raj Rajaratnam (insider trading), Bernhard Ebbers (CEO WorldCom) and Jeffrey K. Skilling (former Enron Corp. CEO). While being relevant and interesting case studies, the extent of generalization from such case studies is questionable as done by some of the scholars mentioned above. What seems to be needed is a larger sample of white-collar criminals that can be empirically studied in more detail in terms of average values as well as variation in white-collar characteristics.

Hence, the aim of this article is to provide a larger sample and conduct a thorough analysis of some characteristics of white-collar crime criminals. Our exploratory research is based on a sample of 179 convicted white-collar criminals in Norway. We address the following research question: What differences can be found between criminal leaders and criminal followers?

## **2. WHITE-COLLAR CRIME: A LITERATURE REVIEW**

White-collar crime is a broad concept that covers all illegal behavior that takes advantage of positions of professional authority and power as well as opportunity structures available within business for personal and corporate gain (Kempa, 2010: 252): Crimes such as embezzlement, fraud and insider trading, one hand, and market manipulation, profit exaggeration, and product misrepresentation on the other, add up to a massive criminal domain. Collins and Schmidt (1993: 296) apply a definition provided by the US Department of Justice:

Nonviolent crime for financial gain committed by means of deception by persons whose occupational status is entrepreneurial, professional or semi-professional and utilizing their special occupational skills and opportunities; also, nonviolent crime for financial gain utilizing deception and committed by anyone having special technical and professional knowledge of business and government, irrespective the person's occupation.

Likewise, Blickle et al. (2006: 221) apply the following definition that: White-collar crime is non-violent crime for financial gain committed by means of deception. The term white-collar refers to the characteristics of the occupational position, such as power in the executive position. Therefore, white-collar crime refers to upper-level occupational crime (Collins and Schmidt, 1993). In the present paper, we apply a definition of white-collar crime, where both

characteristics of offense and offender identify the crime. Therefore, white-collar crime is only a subset of financial crime in our perspective: White-collar crime is violation of the law committed by one holding a position of respect and authority in the community who uses his or her legitimate occupation to commit financial crime (Eicher, 2009). White-collar crime contains several clear components (Pickett and Pickett, 2002: 2-3):

- *It is deceitful.* People involved in white-collar crime tend to cheat, lie, conceal, and manipulate the truth.
- *It is intentional.* Fraud does not result from simple error or neglect but involves purposeful attempts to illegally gain an advantage. As such, it induces a course of action that is predetermined in advance by the perpetrator.
- *It breaches trust.* Business is based primarily on trust. Individual relationships and commitments are geared toward the respective responsibilities of all parties involved. Mutual trust is the glue that binds these relationships together, and it is this trust that is breached when someone tries to defraud another person or business.
- *It involves losses.* Financial crime is based on attempting to secure an illegal gain or advantage and for this to happen there must be a victim. There must also be a degree of loss or disadvantage. These losses may be written off or insured against or simply accepted. White-collar crime nonetheless constitutes a drain on national resources.
- *It may be concealed.* One feature of financial crime is that it may remain hidden indefinitely. Reality and appearance may not necessarily coincide. Therefore, every business transaction, contract, payment, or agreement may be altered or suppressed to give the appearance of regularity. Spreadsheets, statements, and sets of accounts cannot always be accepted at face value; this is how some frauds continue undetected for years.

- *There may be an appearance of outward respectability.* Fraud may be perpetrated by persons who appear to be respectable and professional members of society, and may even be employed by the victim.

PricewaterhouseCoopers is a consulting firm conducting biennial global economic crime surveys. The 2007 economic crime study reveals that many things remain the same: globally, economic crime remains a persistent and intractable problem from which US companies are not immune as over 50% of US companies were affected by it in the past two years.

Percentage of companies reporting suffering actual incidents of fraud according to PwC (2007) were: 75% suffered asset misappropriation, 36% suffered accounting fraud, 23% suffered intellectual property infringement, 14% suffered corruption and bribery, and 12% suffered money laundering. Schnatterly (2003) has argued that white-collar crime can cost a company from 1 to 6 percent of annual sales, yet little is known about the organizational conditions that can reduce this cost. She found that operational governance, including clarity of policies and procedures, formal cross-company communication, and performance-based pay for the board and for more employees, significantly reduces the likelihood of a crime commission.

## ***2.2 White-Collar Criminals' Characteristics and Personality Traits: a Literature Review***

The most economically disadvantaged members of society are not the only ones committing crime. Members of the privileged socioeconomic class are also engaged in criminal behavior (Brightman, 2009). The types of crime may differ from those of the lower classes, such as business executives bribing public officials to achieve contracts, chief accountants manipulating balance sheets to avoid taxes, and procurement managers approving fake invoices for personal gain. Criminal behavior by members of the privileged socioeconomic class is labeled white-collar crime (Benson and Simpson, 2009). It is often argued that

women commit less white-collar crime when compared to men (Haantz, 2002; Holtfreter et al., 2010; Huffman et al., 2010). Suggested reasons for possible gender differences in white-collar crime include lack of opportunity and risk aversion.

According to Brightman (2009), Sutherland's (1949) theory of white-collar crime from 1939 was controversial, particularly since many of the academicians in the audience perceived themselves to be members of the upper echelon of American society. Despite his critics, Sutherland's theory of white-collar criminality served as the catalyst for an area of research that continues today. In particular differential association theory proposes that a person associating with individuals who have deviant or unlawful mores, values, and norms learns criminal behavior. Certain characteristics play a key role in placing individuals in a position to behave unlawfully, including the proposition that criminal behavior is learned through interaction with other persons in the upper echelon, as well as interaction occurring in small intimate groups (Hansen, 2009).

Sutherland argued that criminal acts are illegalities that are contingently differentiated from other illegalities by virtue of the specific administrative procedures to which they are subject. Some individual white-collar offenders avoid criminal prosecution because of the class bias of the courts (Tombs and Whyte, 2007). White-collar crime is sometimes considered creative crime (Brisman, 2010).

In contrast to Sutherland, Brightman (2009) differs slightly regarding the definition of white-collar crime. While societal status may still determine access to wealth and property, he argues that the term white-collar crime should be broader in scope and include virtually any non-violent act committed for financial gain, regardless of one's social status. For example, access to technology, such as personal computers and the Internet, now allows individuals from all social classes to buy and sell stocks or engage in similar activities that were once the bastion of the financial elite. In Sutherland's definition of white-collar crime, a white-collar

criminal is a person of respectability and high social status who commits crime in the course of his occupation. This excludes many crimes of the upper class, such as most of their cases of murder, adultery, and intoxication, since these are not customarily a part of their procedures (Benson and Simpson, 2009). It also excludes lower class criminals committing financial crime, as pointed out by Brightman (2009).

What Sutherland meant by respectable and high social status individuals are not quite clear, but in today's business world we can assume he meant to refer to business managers and executives. They are for the most part individuals with power and influence which are associated with respectability and high social status. Part of the standard view of white-collar offenders is that they are mainstream, law-abiding individuals. They are assumed to be irregular offenders, not people who engage in crime on a regular basis (Benson and Simpson, 2009: 39):

Unlike the run-of-the-mill common street criminal who usually has had repeated contacts with the criminal justice system, white-collar offenders are thought not to have prior criminal records.

Maybe they have not been caught previously. As part of the white-collar criminal definition, the role of class has been highly contested, because the status of an offender may matter less than the harm done by someone in a trusted occupational position. Croall (2007) argues that the term crime is also contentious, since many of the harmful activities of businesses or occupational groups are not subject to criminal law and punishment but administrative or regulatory law and penalties and sanctions. Therefore, some have suggested a definition of white-collar crime as an abuse of a legitimate occupational role that is regulated by law, typically representing a violation of trust.

When white-collar criminals appear before their sentencing judges, they can correctly claim to be first-time offenders. They are wealthy, highly educated, and socially connected. They

are elite individuals, according to the description and attitudes of white-collar criminals as suggested by Sutherland. Therefore, very few white-collar criminals are put on trial, and even fewer upper class criminals are sentenced to imprisonment. This is in contrast to most financial crime sentences, where financial criminals appear in the justice system without being wealthy, highly educated, or socially connected. White-collar criminals are not entrenched in criminal lifestyles as common street criminals. They belong to the elite in society, and they are typically individuals employed by and in legitimate organizations.

What Podgor (2007) found to be the most interesting aspect of Sutherland's work is that a scholar needed to proclaim that crimes of the "upper socioeconomic class" were in fact crimes that should be prosecuted. It is apparent that prior to the coining of the term "white collar crime," wealth and power allowed some persons to escape criminal liability.

Pickett and Pickett (2002) use the terms financial crime, white-collar crime, and fraud interchangeably. They define white-collar crime as the use of deception for illegal gain, normally involving breach of trust, and some concealment of the true nature of the activities. White-collar crime is often defined as crime against property, involving the unlawful conversion of property belonging to another to one's own personal use and benefit. Financial crime is profit-driven crime to gain access to and control over property that belonged to someone else.

A study in the USA concluded that two main characteristics of white-collar criminals are irresponsibility and antisocial behavior as compared to other white-collar individuals. Collins and Schmidt (1993) examined a personality-based integrity test and homogenous bio data scales as reflected in their ability to discriminate white-collar criminals from other white-collar employees. A bio data scale is a systematic method of scaling life history experiences. The sample included 365 prison inmates incarcerated in 23 federal correctional institutions for white-collar offenses, and 344 individuals employed in upper-level positions

of authority. The various measures were administered to prisoners at the prison sites and to employees at their workplaces. Results show that non-offenders scored significantly higher on performance than offenders. Individuals with high scores on the performance scale are described as dependable, reliable, responsible, and motivated to high performance on the job, and rule abiding and conscientious in their work behavior. Furthermore, results show that non-offenders scored significantly higher on socialization than offenders. Individuals who score high on this scale are predicted to be dependable, honest, conscientious, rule abiding, and are not inclined to be opportunistic or manipulative.

Third measure was responsibility that shares some common characteristics with socialization. The responsibility scale measures the degree to which the individual is conscientious, responsible, dependable, and has a commitment to social, civic, or moral values. Persons who score low on this scale often show antisocial behavior, and, in the workplace, higher scores predict responsibility and attention to duty. Results show that offenders scored significantly lower on the responsibility scale than non-offenders. Fourth and final measure was tolerance, where non-offenders had a significantly higher score. Persons scoring high on the tolerance scale are tolerant and trusting, whereas low scorers tend to be suspicious, judgmental toward others, and do not believe they can depend on others. The common theme running through these four scales applied by Collins and Schmidt (1994) is conscientiousness and positive attitudes toward responsible and pro-social behaviors and activities, suggesting that the discriminating factor between offenders and non-offenders might be conscientiousness.

A study by Blickle et al. (2006) in Germany concluded that two main characteristics of white-collar criminals are hedonism and narcissism as compared to other white-collar individuals. They found that 1) the greater the degree of hedonism is present in a business person, the greater is the tendency to commit economic offenses. 2) The more diagnostic

features of a narcissistic personality disorder an individual in a high-ranking white-collar position exhibits, the higher is the probability that this person will commit a white-collar crime, and 3). The lower the behavioral self-control of a person in a high-ranking white-collar position is in business, the greater is the probability that this person will commit a white-collar crime.

McKay et al. (2010) examined the psychopathology of the white-collar criminal acting as a corporate leader. They looked at the impact of a leader's behavior on other employees and the organizational culture developed during his or her reign. They proposed a 12-step process to explain how an organization can move from a legally operating organization to one in which unethical behavior is ignored and wrongdoing promoted. There are a number of explanatory approaches to white-collar crime in business from scientific fields such as economics, sociology, psychiatry and psychology.

In economics, the rational choice approach implies that if the rationally expected utility of the action clearly outweighs the expected disadvantages resulting from the action thus leaving some net material advantage, then every person will commit the offence in question. One of the many suppositions of this theory is that people generally strive for enjoyment and the fulfillment of wishes for material goods (Blickle et al., 2006). The sociological theory of white-collar crime postulates that managers who commit economic offences live in a social setting, i.e. culture, in which a very high value is placed on material success and individual wealth. Both economic theory and sociological theory are of the opinion that strong striving for wealth and enjoyment in some way contributes to economic crimes committed by managers (Blickle et al., 2006).

Psychiatrists view the behavior of white-collar criminals in terms of narcissistic fantasies of omnipresence. White-collar criminals display little guilt and identify themselves with the ideal of achieving success at any price. The essential features of such individuals are

a pervasive pattern of grandiosity, a need for admiration, and a lack of empathy (Blickle et al., 2006). In psychology, people for whom material things and enjoyment generally possess a high value are called hedonists. Living in a culture in which a very high value is placed on material success and individual wealth can serve as one cause of strong hedonism (Blickle et al., 2006).

### ***2.3 Criminal Leaders and Followers***

White-collar criminals can either take on the role of leader or take on the role of follower. Bucy et al. (2008), who make a clear distinction between leaders and followers in white-collar crime, found that motives for leaders are different from follower motives. Compared to the view that leaders engage in white-collar crime because of greed, followers are non-assertive, weak people who trail behind someone else, even into criminal schemes. Followers may be convinced of the rightness of their cause, and they believe that no harm can come to them because they are following a leader whom they trust or fear. Followers tend to be naive and unaware of what is really happening, or they are simply taken in by the personal charisma of the leader and are intensely loyal to that person. However, leadership in general, and the application of different styles of leadership in particular, are not primarily a one-way process, but often the result of dynamics in which the behavior of followers might influence the style as well as the intensity of the leaders' behavior (see e.g., Grahen and Uhl-Bien, 1995). Accordingly, followers may play a much more active part in such relationships contrary to what is suggested above.

## **3. RESEARCH METHODOLOGY**

To identify a substantial sample of white-collar criminals and to collect relevant information about each criminal, there are several options available. However, in a small country like Norway with a population of only five million people, there are limits to available sample

size. One available option would be to study court cases involving white-collar criminals. A challenge here would be to identify relevant laws and sentences that cover our definition not only of white-collar crime, but also required characteristics of white-collar criminals. Another available option is to study newspaper articles, where the journalists already have conducted some kind of selection of upper class, white-collar individuals convicted in court because of financial crime. Another advantage of this approach is that the cases are publicly known, which makes it more acceptable to identify cases by individual white-collar names. Therefore, the latter option was chosen in this research. Based on this decision, our sample has the following characteristics as applied by newspapers when presenting news: famous individuals, famous companies, surprising stories, important events, substantial consequences, matters of principles and significant public interest.

There are two main financial newspapers in Norway, “Dagens Næringsliv” and “Finansavisen”. In addition, the newspaper “Aftenposten” regularly brings news on white-collar criminals. These three newspapers were studied on a daily basis from late 2009 to late 2011 to identify white-collar criminals. A total of 179 white-collar criminals were identified during those two years. A person was defined as a white-collar criminal if the person seemed to satisfy general criteria mentioned above, and if the person was sentenced in court to imprisonment. For this study it was considered sufficient that the person was sentenced in one court, even if the person represented a recent case that still had appeals pending for higher courts. A sentence was defined as jail sentence. Therefore, cases of fine sentence were not included in the sample. As our research is based on newspaper articles written by journalists, the reliability and completeness of such a source might be questioned. However, most cases were presented in several newspapers over several days, weeks or even months, enabling this research to correct for initial errors by journalists. Furthermore, court documents were obtained whenever there was doubt about the reliability of newspaper

reports. This happened in one-third of reported cases.

#### 4. RESEARCH RESULTS

In our sample of 179 white-collar criminals, 97 persons could be identified as leaders, while 82 persons could be identified as followers. A typical leader-follower case in our sample is the CEO who told his CFO to make expenditures for corruption part of the regular accounting. Another example is the woman (follower) who plaid the role of a rich widow to withdraw money from the bank, after having been told how to do so by an insider in the bank (leader). Leaders and followers are compared in the following table (Table 1). Leaders and followers are about the same age. They receive significantly different jail sentences, as the average for leaders is 3.1 years and the average for followers 1.3 years.

**TABLE 1**

Comparison of characteristics of criminal leaders versus criminal followers

<b>Total 179 criminals</b>	<b>97 criminal leaders</b>	<b>82 criminal followers</b>	<b>Significant difference?</b>
Age convicted	49 years	49 years	No
Age crime	43 years	44 years	No
Years prison	3.1 years	1.3 years	Yes
Crime amount	81 million	61 million	No
Personal income	524 000 kroner	262 000 kroner	No
Personal tax	206 000 kroner	128 000 kroner	No
Personal wealth	2 million	1 million	No
Involved persons	3.5 persons	6.2 persons	Yes
Business revenue	244 million	191 million	No
Business employees	120 persons	121 persons	No

While there are differences in crime amount, personal income, tax and wealth, these differences are statistically not significant. The number of involved persons is significant, as there are significantly more people involved in the crime when there is follower participation.

An interesting distinction can be made between occupational crime and corporate

crime, as illustrated in figures 1 and 2. Occupational crime is crime committed by individuals for their own purposes and enrichment, rather than for the enrichment of the organization as a whole in the case of corporate crime (Hansen, 2009). An occupational criminal acts self-servingly to further private interests and satisfy greed, while a corporate criminal acts on behalf of the corporation with the intention of protecting or enhancing the interests of the corporation (Blickle et al., 2006). Perri and Brody (2011) argue that corporate crime is rationalized as a behavior acceptable to overcome financial difficulties or to make a profit for the business, while occupational crime is rationalized in other ways: I am borrowing the money and will pay it back, or the company owes me money that I never received, but deserve.

**FIGURE 1**

Categories of white-collar crime depending on role and actor

<div> <div>Role</div> <div>Actor</div> </div>	Leader	Follower
	Occupational crime as leader	Occupational crime as follower
Corporate	Corporate crime as leader	Corporate crime as follower

**FIGURE 2**

Criminals in each category of white-collar crime depending on role and actor

<b>Role</b> <b>Actor</b>	<b>Leader</b>	<b>Follower</b>
<b>Occupational</b>	61	55
<b>Corporate</b>	36	27

Figure 2 shows the distribution of white-collar criminals in the four categories. Most offenders are found within occupational crime where the white-collar criminal took on the leader role.

The next table (Table 2) shows that corporate criminals as leaders receive a jail sentence that is three times as long as followers' imprisonment. Based on Anova analysis, this is a statistically significant difference. Other differences for leaders versus followers are also interesting, although they are not statistically significant. For example, the follower has a lower income than the leader, and he has also less fortune. For occupational criminals, there is a significant difference in the number of persons involved in the crime. Thus, significant differences in the table are only found for imprisonment years, crime amount and involved persons.

**TABLE 2**

Comparison of characteristics of criminal leaders versus criminal followers

<b>Total criminals</b> <b>179</b>	<b>36 Corporate Leaders</b>	<b>27 Corporate Followers</b>	<b>61 Occupational Leaders</b>	<b>55 Occupational Followers</b>
Age convicted	49 years	50 years	48 years	48 years
Age crime	44 years	44 years	43 years	44 years
Years prison	3.0 years	1.0 years	3.3 years	1.4 years
Crime amount	120 million	167 million	57 million	9 million
Personal income*	690 000	367 000	426 000	211 000
Personal tax*	261 000	205 000	173 000	90 000
Personal wealth*	2 million	.5 million	2 million	2 million
Involved persons	3.5 person	3.7 persons	3.5 persons	7.4 persons
Business revenue*	152 million	257 millions	298 million	159 million
Business employees	47 persons	167 person	164 persons	98 persons

\* NOK

For corporate criminals and occupational criminals in total, age when convicted was 48 years for occupational criminals and 49 years for corporate criminals, but this difference is statistically not significant. Similarly, differences for age when crime and years in prison are not statistically significant, even though it is worth noting that occupational criminals served 2.4 years in prison, while corporate criminals served only 2.1 years. This is particularly interesting, when the next item on the list is concerned with the amount of money that was involved in the crime. While occupational criminals on average abused 34 million Norwegian kroner, corporate criminals on average abused 140 million Norwegian kroner. So, even if the magnitude of the financial crime in terms of money was substantially and significantly larger for corporate crime, occupational crime nevertheless was judged more severe in terms of imprisonment.

Followers receive a shorter jail sentence as compared to leaders. These differences are significant, where the numbers are 3.0 versus 1.0 years for corporate crime, and 3.3 years versus 1.4 years for occupational crime. Next item in the table is personal income of offender,

where there is no statistically significant difference, although in money terms the corporate criminal made substantially more than the occupational criminal. While making more money, the corporate criminal also pays much more money in tax to the government. Corporate criminals are slightly wealthier than occupational criminals.

## **5. DISCUSSION**

The present study has shown that white-collar crime is a serious and prevalent problem in organizations and in society. Regarding the criminals, the distinction made between leaders and followers is, however, blurred as the present study clearly shows that followers may plan, initiate and perform criminal acts on their own, thus, indicating that followers may not be that passive, unaware or naive as suggested by Bucy et al (2008). On the contrary, it is quite thinkable that some followers may reinforce or even activate destructive and criminal behaviors from their leaders. According to Padilla, Hogan and Kaiser (2007) there are two types of destructive followers; namely «conformers» and «colluders». Conformers act along with destructive leaders out of fear whereas colluders vigorously take part in destructive behaviors. Both groups are motivated by self-interest, but their concerns are different (Higgins, 1997). Conformers try to minimize any consequences of not behaving as expected while colluders search for personal gratification through their relationship with a destructive leader. Conformers are motivated by unmet basic needs, negative self-evaluation and psychological immaturity. Colluders, on their side, are ambitious, selfish and share the values of the destructive leader (Padilla et al, 2007). They act together secretly to achieve a fraudulent, illegal, or deceitful purpose. As such, criminal leadership may, partly, be explained by follower behavior, thus limiting the influence of leaders' individual characteristics and responsibility.

When leadership behavior in general is studied, differences can be found between

leaders and followers. For example, Glasø and Einarsen (2008) studied emotion regulation in leader-follower relationships. They found that negative emotions such as disappointment, uncertainty, and annoyance are typically suppressed, while positive emotions such as enthusiasm, interest, and calmness are typically expressed or faked. When leaders and followers referred to experienced or expressed emotions, the most highly scored emotions were “glad”, “enthusiastic”, “well”, and “interested”. The reported level of emotion regulation was higher for leaders than for followers.

According to Glasø et al. (2006), emotional control can be defined as a process in which individuals influence the emotions that they experience, when they have them, and how they perceive and express them. In this line of reasoning, people can modify their emotions and the emotional expressions connected with them. Emotional control in the workplace is called emotional labor or emotion work. Emotion work takes place in face-to-face or voice-to-voice interactions, and its purpose is to influence other people’s perceptions, emotions, attitudes and behavior.

Obedience theory has the potential of explaining follower behavior. Obedience theory is related to the fraud triangle that consists of pressure, opportunity and rationalization. Obedience theory can be useful in explaining pressures and rationalizations providing the motives for individuals to commit acts of occupational fraud (Baird and Zelin, 2009: 1):

Perceived need or pressure often comes from personal financial problems or living beyond one's means, but it can also come from direct pressure from someone in authority in the workplace and the threat of losing one's job for failure to go along with the boss's scheme. Obedience theory posits that individuals may engage in behaviors that conflict with their personal values and beliefs if they are subjected to pressures to obey someone in authority. According to this theory, the individuals rationalize this behavior by essentially placing full responsibility on the authority

figure rather than taking any individual responsibility for the action themselves.

Obedience pressure is considered a form of social influence pressure, and there are two other types of social influence pressure: compliance pressure and conformity pressure (Baird and Zelin, 2009: 2):

Compliance pressure is similar to obedience pressure, except that compliance pressure can come from one's peers as well as from superiors, while obedience pressure must come from an authority figure. Conformity pressure refers to pressure to conform to perceived or societal norms.

Of the three forms of social influence pressure, Baird and Zelin (2009) argue that obedience pressure can be especially potent because of the power that persons in authority have over their underlings. People within an organization quietly follow the orders of top executives and rationalize their actions by denying responsibility for their behaviors. The pressures to commit crime are often overt requests of management, but can also be based on perceptions from reward and incentive structures.

An even stronger argument for follower behavior can be found when obedience theory is linked to self-control theory. Self-control theory proposes that individuals commit crime because of low self-control. Except in rare cases of mass fraud such as the Enron scandal, not all elites within a given organization or industry will commit crime. Hence, though elites at the top of their profession and corporation differentially associate with the people of equal status in their own and other corporations, not all corporate elites commit crimes and behave in an overtly deviant manner (Hansen, 2009).

Leaders tend to be more domineering and assertive, and less social avoidant, distrustful and exploitable than followers. Glasø et al.'s (2010) study shows that 30 percent of the leaders exhibit elevated profiles of personality characteristics regarding interpersonal problems, on a level comparable to that of a sample with psychiatric patients, thus, indicating that severe

problems may arise in social interactions between leaders and followers.

Leaders can use different behaviors, actions and practices directed at followers to make them cooperate. Bullying and harassment by leaders are examples of a practice reported to happen on a regular basis in many work organizations. Bullying and harassment are carried out deliberately to cause humiliation, offence and distress (Hoel et al., 2010).

White-collar crime involves some form of social deviance and represents a breakdown in social order. According to Heath (2008), based on Sykes and Matza (1957), white-collar criminals tend to apply techniques of neutralization used by offenders to deny the criminality of their actions. Examples of neutralization techniques are (a) denial of responsibility; (b) denial of injury; (c) denial of the victim; (d) condemnation of the condemners; (e) appeal to higher loyalties; (f) everyone else is doing it; and (g) claim to entitlement. The offender may claim an entitlement to act as he did, either because he was subject to a moral obligation, or because of some misdeed perpetrated by the victim. These excuses are applied both for occupational crime and for corporate crime at both the rotten apple level and the rotten barrel level.

When offenders are asked to explain their crimes, they typically portray themselves as decent people despite their wrongdoings. They tend to apply neutralization techniques as defined by neutralization theory (Bock and Kenhove, 2011; Siponen and Vance, 2010; Sykes and Matza, 1957). To be effective at managing the stigma of crime, motivational accounts must be believable to the social audience. Thus, Klenowski et al. (2011) found that variations in patterns of accounts are likely due to the social position of the actors. They examined whether gender constrains the way individuals describe their crimes by analyzing the motivational accounts of male and female white collar offenders. Results show that while men and women both elicit justifications when discussing their crimes, they do differ in the frequency with which they call forth specific accounts and in the rhetorical nature of these

accounts. When accounting for their crime, white-collar offenders draw on gendered themes to align their actions with cultural expectations of masculinity and femininity. These findings suggest that gender does constrain the accounts that are available to white-collar offenders.

## **6. CONCLUSION**

Leaders in crime, both corporate leaders and occupational leaders, receive a significantly longer jail sentence when convicted in court, as compared to corporate and occupational followers in crime. So far, followers seem to have been studied less often than leaders; although their role in the criminal process is obviously essential. The result of the present paper may gain a new and interesting perspective on the notion of leader-follower exchange dynamics. The present study indicates that there are also leader-follower exchange dynamics of a sinister kind, where criminal leaders may form alliances with colluders to achieve their goals of a more personal need satisfaction kind, and the colluders are rewarded for helping them along in these endeavors. Although we, due to the exploratory design of the present study, have not established a relationship between the criminal leaders and their followers in all cases, the present study clearly indicate there is a strong need to focus more on both criminal followership and criminal leadership, as well as on potential criminal leader-follower exchange dynamics in future studies.

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**AN EMPIRICAL INVESTIGATION INTO SIMILARITIES AND DIFFERENCES IN  
COMMUNICATION OF FEMALE AND MALE STUDENTS AT A U.S. UNIVERSITY**

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**ABSTRACT**

Differences in perceived communication by gender for social composure, social confirmation, social experience, wit, and social media communication – using a self-reported instrument – were examined for male and female students at a small university in the Midwest of the United State of America. Significant differences were found for social composure, social confirmation, social experience, and social media preference across genders. No differences were found for wit as related to gender.

***Key Words:* gender, communication, social composure, social confirmation, social experience, wit, social media**

## 1. INTRODUCTION

Communication is an important part of our everyday lives, whether for work or connecting with friends and family. Communication is more than just the words we say, but also how we say them and many other nonverbal aspects. McShane and Von Glinow (2012) define communication as the process in which information is conveyed and understood among two or more people. Thus, communication is what we say, how we say it, and how other people interpret what we say.

Many aspects of communication vary across cultures (McShane & Von Glinow, 2012). There is generally a common difference within a culture in the way men and women communicate and interact with each other, as well as with how people interact and communicate within their same gender. Men and women have similarities in their personality characteristics, but there are also differences across genders when it comes to communication and expression (Langford, 2011). It is important to understand how the opposite gender, as well as the same gender, communicates in order to be respectful of the other person so that conversation can happen.

While men and women are often posed as opposites, men and women work together and may balance each other's many attributes. When men and women act collectively in the workplace, we can discover things from one another. For example, coed groups regularly exhibit superior performance and generate a greater amount of results than teams of the same gender (Nelson & Brown, 2012). Businesses are more effective by operating with men's and women's abilities to make the most of the end result and to meet their objectives. Men and women sometimes misapprehend one another's actions, words and feelings. Gilligan (as cited in Nelson & Brown, 2012) states in her book, *In a Different Voice*, that men and women might articulate distinctive speech that each presumes is similar. Such misinterpretations may hinder conversation and restrict the possibility of collaboration. Not all communication

between genders is troubling, but it can be complex. Communication in general is an intricate practice and inter-gender communication can become more complicated (Nelson & Brown, 2012).

A previous study by Liberman (2006) found that, on average, women speak 8,805 words per day while men only speak 6,073 words per day. Women also talk longer than men in mixed-gender settings. Tannen (1990) found that men tend to talk more than women in public situations, while in private situations, the reverse is true and women talk more than men. Aries (1998) found that men are likely to talk more in problem-solving settings, whereas women are more concerned with relationships and sharing of personal feelings (Brajer & Gill, 2010).

Many studies have been conducted to determine the differences between how men and women communicate. Our study is one involving college students enrolled in a small Midwestern United States of America (U.S.A.) university to see how they perceive their method of communication with others. To accomplish this, questions from a survey developed by Duran and Wheelless (1980) were used. Our research employs the following constructs: (i) social composure, (ii) social confirmation, (iii) social experience, and (iv) wit (Downs, Archer, McGrath, & Stafford, 1988). Gwen Hullman (2007) tested the validity of the instrument and found it to exhibit favorable construct validity and reliability. Our study examines how men and women differ in perceived communication styles.

## **2. LITERATURE REVIEW**

Tannen (as cited by Galvin, Dolly, & Pula, 2012) has discovered through her research that there are major differences in the way men and women communicate. She went as far as to say that conversations between men and women are cross-cultural communication. In Tannen's book, *You Just Don't Understand: Men and Women in Conversation*, she wrote that

communication differentiation between genders starts at a young age. Parents interact with male and female children differently, but likely do so unconsciously (Langford, 2011).

Past research has examined how boys and girls normally associate, mainly in gender specific groups, in order to discover and adopt the societal manner for their specific gender. According to Maltz and Borker (1982), one of the first investigations revealed that activities children engage in are the main cause of gender enculturation. Most of the time, children's recreation is gender specific and variations exist in activities that boys and girls are inclined to take part in (Wood, 2008). According to Clark (1988), Martin, Fabes, Evans, Wyman (2000), Walker (2004) and Winbush (2000), games girls customarily prefer, such as playing house and school, will likely entail a small number of other participants. These games depend on conversation to decide what to do and necessitate collaboration and consideration among participants. Games that boys customarily partake, such as playing baseball, football, and war, often entail many other participants and contain established objectives and standards, so not as much conversation is required. Most games that boys normally engage in are often competitive between teams and may also be for personal standing among a group (Wood, 2008).

Relations through games instruct boys and girls to discern why, when, and how to utilize conversation. Ordinarily, those associated with masculine groups of people gain knowledge of how to converse, to affirm themselves, to contend, to benefit, to be noticed, and to achieve ambitions. Ordinarily, those associated with feminine groups of people generally gain knowledge of how to converse to convey feelings, to reply to and involve others, and develop friendships (Wood, 2008). According to Aries (1987), Beck (1988), Johnson (1989, 1996) and Wood (1993b, 1995a, 1996b, 2005), the communication standards that are discovered through activities as a child will imprint adult communication styles. For example, women's conversations usually are more animated and centered on feelings and friendships

while men's conversations usually are more activity-based and rivalrous. Helgesen (1990) and Natalie (1996) suggest that these distinctions also appear in occupational settings. Some studies convey that women leaders are likely to partake in more private conversations with associates than men do when in management roles (Wood, 2008).

According to Inman (1996), Swain (1989), Walker (2004), and Wood and Inman (1993), an additional dissimilarity is what each gender considers as the essential foundation of friendships. For individuals with adopted manners of masculine personalities, activities likely are the crucial basis of intimate friendships. According to and Wood (2006), Johnson (1996) and Winbush (2000), men generally do things together to strengthen friendships like participating in a soccer game, watching sports, and doing things for other people such as exchanging favors. Individuals with adopted manners of feminine personalities likely consider communication as the core of friendships. So women generally converse about sentiments, individual concerns, and everyday life in order to develop and improve friendships (Wood, 2008).

To narrow the broad topic of communication, our study focuses on four constructs first identified by Duran and Wheelless (1980). These constructs are (i) social composure, (ii) social confirmation, (iii) social experience, and (iv) wit. Additionally, we added a fifth construct: the use of social media (i.e., electronic media such as email, texting, and Facebook) and how the use of social media differs between genders as such media are a widely used source of communication by today's youth.

## ***2.1 Social Composure***

Social composure refers to a person's anxiety when speaking in front of people. It can also be viewed as how nervous, tense, or constrained someone is in social situations. The *social composure* construct also takes into account body posture when in social gatherings (Downs, Archer, McGrath, & Stafford, 1988). As children grow older, boys normally play in bigger groups with controlled hierarchies; while girls intermingle in smaller groups with the importance of collaborating and making beneficial friendships. Women normally communicate in order to develop relationships while men communicate to ascertain their status (Langford, 2011). Tannen suggests that this is likely why men are generally more comfortable speaking in front of larger groups of people. Men commonly communicate in settings where their spoken ideas are made to an audience and may be challenged. On the other hand, women spend more time having private conversations with close friends causing them to experience more anxiety when speaking in larger groups (Galvin, Dolly, & Pula, 2012).

If a person has low social composure he or she is said to have social anxiety (Richards, 2013). As noted by psychiatrist Kendall Genre, social anxiety manifests as panic, anxiety attacks, obsessive compulsive disorder, posttraumatic stress, and social fears for which women are more affected than men (Genre, 2008). According to Nauert (2006), gender plays a role for certain types of anxiety disorders and phobias. Women are found to be twice as likely to suffer from panic disorders or social phobias compared with men, and three times as likely to have agoraphobia, which is the fear of being in public places. About 6.6% of women will develop an anxiety disorder, as compared to 3.6% of men (Nauert, 2006). Thus, social anxiety is a feeling of discomfort, fear, or worry that is centered on interactions with other people and involves a concern with being judged negatively, evaluated, or looked down upon by others. While social anxiety can happen during the social exchange itself, it may also

occur in anticipation of a social occasion. According to Jacobs and Antony (2013), people who experience social anxiety may experience blushing, sweating, racing heart, shaking or tremors, dry mouth, shortness of breath, or feeling faint.

Jacobs and Antony (2013) also suggest that people who experience social anxiety (i.e., lack social composure) may also experience the following behaviors:

- Avoiding entering social situations
- Leaving situations
- Only entering safe places or with safe people
- Using cell phones, iPods, or other devices to avoid being in conversations
- Apologizing excessively
- Asking for reassurance from others
- Preparing excessively (memorizing what to say, extreme grooming)
- Trying to direct people's attention away from one's performance (e.g., by making jokes, dressing in a particular way, etc.) (Jacobs & Antony, 2013)

Social anxiety is typically triggered by public speaking or singing, eating at a restaurant alone, dropping something in a public place, reading in front of others, or voicing an opinion during a meeting or in a school class (Jacobs & Antony, 2013). Interestingly, Galvin, Dolly, and Pula (2012) found that males tend to dominate in-class discussion. Tannen (1991) also found that the standard trend in classroom participation is for men to talk more (Galvin, Dolly, & Pula, 2012). This could have been observed because females typically have higher social anxiety (Nauert, 2006; Genre, 2008).

Overall, females experience a social anxiety disorder twice as often as males; therefore, males tend to be more socially composed than females. Males experience less

symptoms related to social anxiety compared to females, which allows for males to be more comfortable communicating in social settings.

## ***2.2 Social Confirmation***

Social confirmation is defined as empathy toward another person. Empathy can be defined as care or concern for an individual and comprehending how someone else is feeling. Through further research elements of empathy have gradually become distinct. As defined by Hall and Mast (2008), interpersonal sensitivity is the precision in picking up on signals and actions of someone else. According to Smith, additional dimensions of empathy include having tender feelings for less fortunate people, having sympathy for another's problems, being protective of others, being emotionally impacted by the plight of others, and considering yourself kind (Chrisler & McCreary, 2010).

As reported by Garner and Estep (as cited in Chrisler & McCreary, 2010), empathy and sensitivity to individuals is normally considered to be more affiliated with women than with men. One reason that supports this finding is that women are concerned more with friendships and people in comparison to men. On the contrary, Maccoby and Jacklin (as cited in Chrisler & McCreary, 2010) report that gender variations in empathy are unimportant and men and women are similarly empathetic in comprehending another person's emotive response (Chrisler & McCreary, 2010).

Another part of social confirmation is emotional intelligence. Emotional intelligence consists of four aspects (i) personal consciousness, (ii) handling our feelings, (iii) empathy, and (iv) people skills (Goleman, 2011). It developed from Carol Saarni's research of emotional competence which entails several dimensions such as the knowledge of our own personal emotions as well as the other emotions occurring in others, the capability to acknowledge and sympathize with others' feelings, consciousness of the influence of how our

feelings are conveyed to people, and consideration of social standards in expressing feelings (Wood, 2012).

According to Goleman (2011), emotional intelligence incorporates more than understanding one's personal emotions. One also has to be able to convey emotions effectively and have the capacity to acknowledge other people's feelings. Since people associate with others (i.e., are 'social animals' (Brooks, 2011)), when one individual conveys emotions to someone else, it influences that individual; in other words, emotions are contagious. For example, if a person expresses rage, others may be prone to reply with rage or submission. Conversely, if an individual expresses affection or the desire to be with someone, others may reply more positively (Wood, 2012). Various studies on emotional intelligence indicate that women normally have greater emotional intelligence than do men (Goleman, 2011).

Neuroscientists say that an important part of empathy involves an area of the brain called the insula. The insula monitors inputs and relays meaning and reactions. When one empathizes with another person, the insula informs the observer of the kind of feeling present and the sorts of emotions and behaviors to display (Goleman, 2011). Science has revealed gender variations in how the brain works (Nelson & Brown, 2012). If another person is distressed, or his or her emotions are disconcerting, women's brains normally remain with the feelings of the other person; however, men are able to set the other person's feelings aside and compartmentalize them, which makes it easier to space himself from potentially difficult circumstances (Goleman, 2011). Men also have the capacity to switch off emotions. It is suggested that this helps men since it may be hard to reason clearly when emotions are present (Nelson & Brown, 2012). This may lead some women to criticize men for not paying attention emotionally and may lead some men to complain that women are overly emotional.

However, such over characterizations describe averages and not individuals; hence, over characterizations are not completely accurate. It has been suggested that group behavior and traits are normative and should be interpreted with caution (see Bertsch (2013)). For example, some assessments propose that women on average are more competent than men at types of empathy and men are more competent at handling upsetting emotions. When discussing gender dissimilarities in behavior, there appears to be two normal distributions, one for each gender, that mostly intersect (i.e., overlap). This signifies that a particular man could be equally capable or superior to a given woman in showing empathy and a given woman could be equally capable or superior to a particular man at dealing with distress (Goleman, 2011).

When comparing men's and women's tendencies of handling emotions, one approach is not superior to the other; both offer benefits. When the male brushes aside emotions, this scenario has positive benefits as it is necessary to separate one's self from upsets. This separation allows the male to remain composed while others may be emotionally breaking down and the male may be more apt to devise a solution for a critical issue. The female normally continues to be attentive to emotions which allows her to assist in the care and support of others in emotionally trying situations. This is an element of the 'tend-and-befriend' reaction to anxiety (Goleman, 2011). Nevertheless, there are troubles and consequences that may come about in the variations which men and women deal with issues. Women may handle issues to a particularly emotional matter through discussion and comparing similar occurrences with others. When this happens, men will sometimes be troubled because often they take on issues by concentrating on the essentials and trying to find an urgent answer. At times, a man may sense that a woman is unappreciative for the counsel and answers he considers and provides and may become annoyed that the woman did not heed his advice; while all along the woman may not have been desirous of 'fixing' the

issue but rather she was simply sharing and connecting. Likewise, while men propose an answer, instead of discussing the issues, women might be disappointed with how little empathy men apparently exhibit (Torppa, 2010). According to Swain (1989) and Tannen (1990), studies have shown that men have more of an inclination to attempt to resolve other people's troubles than do women. According to Basow and Rubenfeld (2003), MacGeorge, Gillihan, Samter, and Clark (2003), and MacGeorge, Graves, Feng, Gillihan and Burleson (2004), assisting someone with a difficulty might be valued, but normally is not the initial help that someone wants once he or she has conveyed his or her feelings. Most individuals' basic need is the liberty to express their sentiments and have them received from others. Presumably from enculturation, women usually are more capable than men to offer comfort and support (Wood, 2012).

Torppa (2010) suggests that women are normally specialists in *rapport talk*. This is the kind of communication that develops, sustains, and builds friendships. Rapport talk exhibits proficiency in conversing, caring, expressing feelings, and being empathetic. Men normally are specialists in achieving duties and focusing on inquiries related to facts. Thus, men are skilled in *report talk*--the kinds of communication that examines facts, issues, and solves problems. Rapport talk exhibits proficiency, rivalrousness, without emotionality, investigative behaviors, and concentrates on achieving duties (Torppa, 2010). Men may be able to admit that they have feelings as frequently as women do, but men are likely to not communicate their feelings. This is because men often do not like to be intimidated or coaxed to disclose their emotions. Men may be as capable as women in being attentive to emotions in others; nevertheless, men deal with and convey emotions unlike women and have no set way of managing both the masculine necessity of being resilient while at the same time expressing their feelings. In various disagreements, a possible outcome is that a woman may weep while a man may become angry. Men and women respond in diverse ways, she displays

susceptibility and he has the obligation to stay in control--men are likely to often think that control is tied to power and if control is lost, then his power is lost too (Nelson & Brown, 2012).

Several investigators have challenged the connection of a women's position in supporting others. According to Gardner and Gabriel, men and women are equally interested to look for and preserve associations with people in their lives (Chrisler & McCreary, 2010). The dissimilarity between genders may be due to the reality that women might be more apt to focus on person-to-person friendships while men are likely to concentrate on being a part of a group (Chrisler & McCreary, 2010).

In conclusion, even though both men and women are attentive to other people's emotions, (Nelson & Brown, 2012), women are said to be more empathic than men (Chrisler & McCreary, 2010). This may be caused by differences in how men's and women's brains function and each gender's natural instincts.

### ***2.3 Social Experience***

Social experience is defined as the ability of a person to adapt when speaking to many different people and interpersonally engage with other individuals (Downs, Archer, McGrath, & Stafford, 1988). Women are more likely to alter their conversation techniques than men. In contrast, men are more likely to exhibit control in conversation (McShane & Von Glinow, 2012). Examination of this construct will be through the subjects of (i) friendships and groups, (ii) an androgynous style of communication, (iii) and dual perspective communication.

***2.3.1 Friendships and groups:*** Social experience is evident in how people personally interact in friendships and groups. Through research of relationships, it is most often discovered that genders vary in the importance of relating interpersonally with other individuals. According to Gore and Cross (2006), women are more relational than are men (Forsyth, 2009). Costa, Terracciano, and McCrae (2001) report that men and women vary in

their inclination to be in groups. Women are inclined to be somewhat more extroverted than men in the realm of sociability. As reported by Gore and Cross (2006), women state that the relationships they have are significant to them. In general, women are inclined to take on a further co-dependent perspective in comparison to men (Forsyth, 2009).

Other research has raised issues with the weight and sense of the discrepancies made among genders concerning social relationships (Booth, 1972). Although women place additional importance on the relationships they have, they might not be any more social than men. A study of 800 adults in the United States identified that men were more likely to be members of professional groups, boards, political parties, and military organizations than women; however, women devoted more time in their groups as compared to men (Osgood (1996). Parkum and Parkum (1980) and Pittard-Payne (1980) report that neither gender showed contrast in the time spent doing things alone or in a public groups (Forsyth, 2009).

According to Baumeister and Sommer (1997), the divergence, although slight, that comes about shows that women look for association in fewer, casual, and close groups; while men look for association in bigger, more official, and project-oriented groups. These propensities might indicate women's and men's varying social preference, with women more inclined to describe themselves in conditions of being involved with their groups and friendships. The genders might also diverge on the importance of attaining power and developing relationships with others. Men, who strive for authority, become a part of goal-oriented groups, in which they can compete for standing. Women, who look for close friendships, would be more inclined to be a part of small, caring groups (Forsyth, 2009).

**2.3.2 Androgynous style of communication:** Communication professors Virginia Richmond, James McCroskey, and Steven Payne (1991) describe an androgynous person as someone who is able to socialize with both masculine and feminine qualities. Based on the premise of psychological gender orientation, this kind of person has the capability to change

styles by partaking in responsive or assertive behaviors based on the circumstances (Nelson & Brown, 2012). In this sense, androgyny is the capacity to genderflex or code switch. Brown and Nelson (2009) refer to code switching as a phrase taken from linguistics and defined it as understanding two cultures or languages and easily switching among them in conversation. According to Judith Tingley, genderflex is the skill to briefly utilize communication styles usually associated with the opposite gender so as to enhance the possibility for impact (Nelson & Brown, 2012).

Since businesses have expanded worldwide and encountered more competition, management is shifting from the old-fashioned command-and-control male style centered just on duties, to one of integrated group-oriented methods that comprehend the importance and end-result orientation utilizing people skills and emotional intelligence. This shift is requiring men and women to embrace one another's strengths (Nelson & Brown, 2012).

Another obsolete area is that of well-established gender role views and beliefs, which is still implanted in some business cultures. Men and women who distinctively discover and conform to customary gender stereotype methods of communication encounter more nervousness and have reduced sense of worth. When working with others, they can be ineffective, particularly with the other gender. Women who are exceptionally feminine frequently demonstrate reliance, self-denial, and may hold onto letdowns. Exceptionally masculine men endanger themselves as seeming impolite, conceited, and taking advantage of others. On the contrary, androgynous communicators are likely to be described as more innovative, easily become friends with many people, and are not as nervous. Androgynous individuals are the ones people enjoy being with in social settings (Nelson & Brown, 2012).

More recently, men and women are increasingly required to work together for work tasks. When the strong points of each gender's customary manners are valued and broad differences are permitted in forming and influencing actions within a situation, then

businesses prosper and gain the benefits of a comprehensive or androgynous style.

Behavioral flexibility is vital for successful communication approaches in the business environment (Nelson & Brown, 2012).

The connection between gender and communication is complex. Men and women take on varying positions, which are shown in their selection of language. Even though there are gender dissimilarities, communication can be fulfilling and rich between men and women. It is essential to cultivate a type of gender social competence. To start with, there needs to be knowledge of what directs a person's language techniques and the androgynous method. Tannen (1990) believes that it would be best for men and women to study tactics more normally utilized by the opposite gender, not to convert their past ways, but instead to develop and have a wider variety of approaches to use. This collective knowledge and increasing of someone's range of language techniques is crucial to improving communication between men and women. Thus, men and women are able to gain understanding of new approaches from one another (Nelson & Brown, 2012).

**2.3.3 Dual perspective:** An important principle for productive communication is to engage in dual perspective (Wood, 2012). This entails focusing on others in order to identify someone's viewpoint and consider it as one converses. Productive communication does not involve just an individual speaker, but an association among people. Consciousness of people and their beliefs should be exhibited in how one communicates. For example, an alternative to offering suggestions while a woman informs him of a problem, a man who applies dual perspective may recognize that empathy and paying attention to what is being said will be further valued. The goal is that capable communicators value and adjust to the viewpoints of others when conversing (Wood, 2012).

It is not necessary to discard personal viewpoints to conform to someone else's perspective. Actually, it could be harmful to suppress one's own viewpoint just as it is to

disregard someone else's. Dual perspective is comprised of two parts. It involves valuing both one's personal perspective and that of someone else. Many of us are able to respect and develop from differences, but rarely so if one is not heard or is ignored. Recognizing others' viewpoints in conversations breaks ground for supporting relationships (Wood, 2012).

Overall, a socially experienced person can interact in various interpersonal orientations and are able to exhibit androgynous communication. Women are more likely to alter their conversation techniques than men (McShane & Von Glinow, 2012).

## **2.4 Wit**

Wit is defined as the ability to relate seemingly disparate things so as to illuminate or amuse (Merriam & Webster, n.d.). A common definition of wit is humor. Humor can have significant positive effects. It appears to help people's psychological and physical well-being by helping people cope with stress, adversity, and even seems to help people grieve. Laughter has provided benefit for circulation, lungs, and muscles. Also, it helps people deal with pain and physical adversity. By gaining a better understanding of humor, scientists believe that they can then suggest ways that people can live better lives (McGraw, 2011).

Gil Greengross (2012) found that the parts of the brain associated with handling emotions is generally more activated for women in many cognitive processes and behaviors. Greengross also found that women tend to excel more than men in decoding non-verbal emotional cues, and furthermore, express more emotions in interpersonal interactions. Greengross (2012) measured humor processing by using MRI machines. MRI machines measure the flow of blood to various parts of the brain; the more blood, the more activated the region. It is important to note that in Greengross's study, he used non-offensive and non-sexual characters as pictures for the men and women to rate. Had there been more sexual and aggressive humor presented, men may have processed the pictures differently (Greengross, 2012).

Nichole Force (2011) found in research conducted by Provine (1996) that women sought partners who would provide humor while at the same time men offered to be the provider of humor one-third more than they sought it in a partner. Furthermore, psychologists Eric R. Bressler and Sigal Balshine found that men expressed no preference for funny women but more so preferred a woman who 'laughs at my jokes.' Thus, women tended to choose funnier men as partners which women interpreted as 'someone who makes me laugh' (Force, 2011).

With the findings of Force (2011), Edwards studied how men and women rated the funniness of captions they created for single-frame cartoons. The results showed that both men and women created an equal number of highly rated amusing captions, which led to the conclusion that the greater laughter garnered by men is more a consequence of social factors than a sign of superior capacity for humor production (Force, 2011).

Research has consistently indicated that the trends show that men and women are both funny but in different ways that the opposite gender may not find funny. Women tend to share humorous stories and take a narrative approach. Men commonly use one-liners and engage in slapstick humor (Force, 2011). It was found that one-third of the time, men want to be the provider of humor but there appears to be no gender difference in the capacity for humor production.

## ***2.5 Social Media***

Over 72% of Americans use the Internet on a regular basis with email being the most common form of Internet social activity (Brajer & Gill, 2010). So, who talks more using social media, men or women? This is the question that Brajer and Gill (2010) tried to answer by conducting an experiment on male and female use of social media.

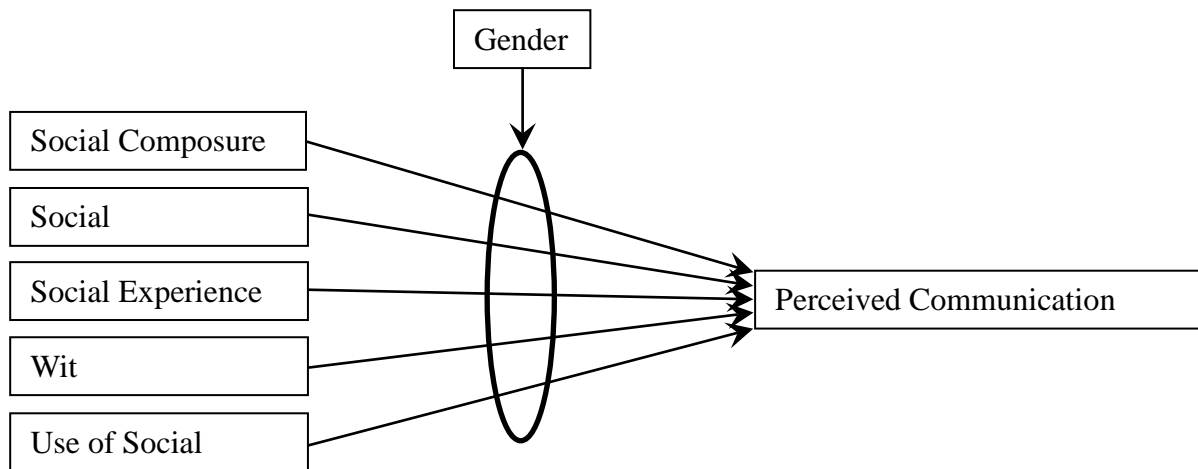
Thompson and Lougheed (2012) conducted a study pertaining to gender differences in social networking, particularly for Facebook use, among undergraduates. Their results showed that 88.1% of females used Facebook as a part of their everyday activity while only 71.2% of males used Facebook daily. Furthermore, there were significant differences in the percentage of females versus males who were heavy Facebook users (defined as more than one hour per day), with women using Facebook more. Females also reported significant differences in responses related to the question, *Facebook helps me to express my feelings easier* (24% females; 19% males). Thompson and Lougheed (2012) suggested that women and men communicate differently when using Facebook.

Studies have shown that women hold a more positive attitude about using email as a communication tool. It is more psychologically gratifying to women than to men. Women also are much more likely to put more thought into email communication with their instructors than do men. Brajer and Gill (2010) concluded that electronic communication may give females an advantage in situations where persuasive and influential speech is important for advancement. Haferkamp, Eimler, Papadakis, and Kruck (2012) found that women's online behavior is more interpersonally oriented. Women typically spend more time writing emails. Men are found to be more task-and-information oriented. Men typically spend more time using the Internet for information seeking purposes.

As a result of the above literature review, Figure 1 is derived to represent the resulting theoretical model. Social composure, social confirmation, social experience, wit, and use of social media represent measurable constructs that directly affect one's perceived communication style. We propose that gender acts as a mediating variable that influences one's perception of her/his communication style.

**FIGURE 1**

Theoretical Model



### 3. METHODS

#### 3.1 Instrument

The instrument employed in this study is one originally developed by Duran and Wheelless (1980). The original instrument was known as the Social Management Scale (SMS). It was developed to measure communication behaviors and included four constructs: empathy, adaptability, social experience, and rewarding impression (Downs, Archer, McGrath, & Stafford, 1988). In 1983, Duran revised the instrument to include two additional constructs. The instrument is now composed of six constructs: social composure, wit, appropriate disclosure, articulation, social experience, and social confirmation and is now known as the Communicative Adaptability Scale (CAS) (Downs, Archer, McGrath, & Stafford, 1988). It includes five questions for each construct for a total of 30 items. For this study only four constructs were used. This shortened the survey to 20 analytical items. The four constructs used are (i) social composure, (ii) social confirmation, (iii) social experience, and (iv) wit. The survey is formatted as a self-reported five-point Likert Scale (Hullman, 2007). Eight demographic questions were added to the borrowed constructs to further assess the

characteristics of the sample. The demographic questions included: gender, age, status (student's year of study), number of siblings, preferred communication channel, frequency of social media use, preference of large or small groups, and whether or not the participant feels comfortable when speaking in public. The participant's number of siblings was included based on Tannen's findings that communication differences start at a young age (Langford, 2011). Thus, sibling number was used to determine if those with more siblings developed different skills than those with few siblings, or if differences were related to gender. These constructs together with the demographic questions will provide insight to the sample's communication style.

Gwen Hullman (2007) tested the reliability and validity of the CAS instrument and addressed the controversy concerning self-reported studies. James McCroskey, of the Department of Communication Studies at the University of Alabama-Birmingham, believes that people's awareness of their own competence is questionable and thinks studies would be more reliable if they combined people's perception of their own abilities with others' perceptions (Hullman, 2007). Despite these concerns, research supports that the CAS is a valid and reliable instrument and it displays consistent factor structure, favorable psychometrics, and is related to other measures as predicted (Hullman, 2007). Overall Hullman (2007) deemed the instrument to exhibit construct validity, concurrent validity, and acceptable reliabilities.

### ***3.2 Sample***

A sample was chosen from students currently enrolled at a small Midwestern university in the U.S.A. To reduce the margin of error, we followed advice described by Bertsch and Pham (2012) and took into consideration the arguments of large vs. small sample sizes (Hair, et al., 2006, 2010). As this particular survey includes twenty analytical questions, we employed a 3:1 ratio in determining the sample size which resulted in a target of a minimum sample of 60

participants. Because the survey is focused on the comparison of women to men, it is also important to have relatively equal numbers of males and females. The sample frame came from small university in the Midwest of the United State of America.

### ***3.3 Data Collection and Analysis***

The survey was administered in four businesses classes. The initial sample pool included 69 students, 36 females and 33 males. The age of the participants ranged from 18 to 42 years with an average age of 21.7 years. Categorized by status, the sample included 15 seniors, 16 juniors, 22 sophomores, and 15 freshmen. The results were then keyed into an MS Excel spreadsheet. This allowed the separation of the data into different groups based on the various demographic questions. These groups were based on gender, age, and number of siblings. One tailed t-tests were conducted to determine if the differences were significant at  $p < 0.05$  (Rabinowitz & Fawcett, 2013).

Outliers and missing data were be identified and removed. We defined an outlier as a data element that is more than three standard deviations from the mean. If the participant's average was more than three standard deviations above or below the mean, it would have been classified as an outlier for that particular t-test (Osborne & Overbay, 2004). In the comparison of gender, none of the participants provided answers that varied more than three standard deviations from the mean. In the comparison by age, five outliers were identified and removed before the t-test by age was conducted.

Along with outliers, missing information can be an issue. Of the 69 surveys collected, two analytical questions (i.e., questions pertaining to the four constructs which relied on Likert scales) were left unanswered by two different participants. These two surveys were deleted so only complete surveys were analyzed (Howell, 2012). This resulted in the removal of one female survey and one male survey from the sample. Additionally, five demographic questions were unanswered and another five could not be interpreted. For this set of missing

information, pairwise deletion (Howell, 2012) was used. This approach allowed use of data in comparisons with answered questions and omitted data from comparisons for specific unanswered questions.

Pairwise deletion is criticized because parameters of the model will be based on different sets of data, with different sample sizes and different standard errors (Howell, 2012). If this method was used for the Likert scale constructs, this kind of problem would most likely arise. The use of pairwise deletion for demographic only information and comparison is not affected by this problem because each demographic question is considered separately and not compared against those of other respondents within or across groups.

After the data was appropriately scrubbed, analysis to test for significant differences commenced.

### ***3.4 Demographics***

The sample was comprised of 75% with two or fewer siblings and 25% with three or more siblings. For age, the sample was broken into those above average (20.4 years) and those below the average age. In general participants who were 18 to 20 years of age are included in the below average group and those 21 to 26 years of age are included in the above average group. The students who were included in the below average group made up 53% of the sample, and those above average included 47% of the sample. By gender, the sample was made up of 52% females and 48% males.

#### 4. DATA ANALYSIS SUMMARY

**TABLE 1**

Comparison by Gender, Age, and Siblings

Construct	Gender	Age	Siblings
<b>Social Composure</b>	Men: 3.67 Women: 3.43 t-test = .003 P < 0.01 = Significant	Above Average: 3.57 Below Average: 3.55 t-test = 0.37 Insignificant	0 -2 = 3.52 3 & up = 3.62 t-test = 0.15 Insignificant
<b>Social Confirmation</b>	Men: 3.70 Women: 4.01 t-test = .000038 P < 0.01 = Significant	Above Average: 3.76 Below Average: 3.86 t-test = 0.08 Insignificant	0 -2 = 3.84 3 & up = 3.94 t-test = 0.13 Insignificant
<b>Social Experience</b>	Men: 3.68 Women: 3.37 t-test = .00017 P < 0.001 = Significant	Above Average: 3.49 Below Average: 3.55 t-test = 0.23 Insignificant	0 -2 = 3.55 3 & up = 3.44 t-test = 0.15 Insignificant
<b>Wit</b>	Men: 3.01 Women: 2.89 t-test = .14 Insignificant	Above Average: 2.77 Below Average: 3.11 t-test = 0.0018 P < 0.01 = Significant	0 -2 = 2.97 3 & up = 2.89 t-test = 0.29 Insignificant

Table 1 summarizes the results of each specific t-test across each of the demographic groupings of gender, age, and number of siblings.

#### 5. RESULTS

##### *5.1 Social Composure*

Within the social composure construct, the average score for men and women was 3.67 and 3.43 respectively. The difference was significant at  $p < 0.01$ . This indicates that for this sample men perceive themselves to have a higher level of social composure than women perceive themselves to possess. The average score of participants above the average age (3.57) was narrowly higher than those below average (3.55), but was not significantly different. This suggests a person's view of their own social composure does not vary significantly with age.

In the comparison by the number of siblings, those with three or more siblings scored

themselves a little higher than those with zero to two siblings, but the difference was not significant. In this sample of students, the amount of social composure people claim to have was different by gender, but not age or the number of siblings.

### ***5.2 Social Confirmation***

The social confirmation construct, which measures empathy, provided a significant difference by gender, but not age or number of siblings. Men's average score was 3.70 and women's average was 4.01. This is a significant difference at  $p < 0.01$ . This implies women see themselves as being significantly more empathetic than men see themselves. The average score for above average age participants was 3.76 and below average age participants 3.86 yet the difference was not significant. In this sample, the average person's perceived social confirmation does not vary significantly by age. Students with zero to two siblings scored themselves with slightly lower social conformation than students with three or more siblings; however, this difference was not significant indicating that for this sample of students, the number of siblings does not impact empathy toward others. The social confirmation construct measured a significant difference in the levels of empathy between genders, but not by age or the number of siblings.

### ***5.3 Social Experience***

The social experience construct found men to give themselves an average score of 3.68 while women scored themselves at 3.37. This difference proved to be significant at  $p < 0.001$ . This means men consider themselves to contain a significantly higher level of social experience compared to how women view themselves. For the age grouping, participants with below average age scored themselves with a slightly higher level of social experience than above average age participants, but the difference was not significant. People with two or fewer siblings provided a higher average score than those with three or more siblings; however, the

difference was not significant. Overall, the social experience construct provided significant results for only gender and not for age or number of siblings.

#### **5.4 Wit**

Within the construct measuring wit, men and women calculated average scores of 3.01 and 2.89 respectively. Men scored themselves slightly higher; however, the difference was not significant. The average score for those students above average in age for our sample is 2.77 and younger than average students scored 3.11. This proved to be a significant difference at  $p < 0.01$  indicating that younger students consider themselves wittier compared to the self-reported scores of older students. People with fewer than two siblings scored themselves on average slightly higher than those with three or more, but the difference were not significant. In summary, neither gender perceive themselves as being wittier than the other gender, but younger than average students perceived themselves as being wittier than older than average students in our sample. The number of siblings did not make a significant difference in the individual's wittiness.

#### **5.5 Other Results**

To further assess the channel with which students prefer to communicate, additional questions were added that returned some interesting results. The participants were asked if they would rather have face-to-face conversations or communicate through text/social media/email. Of the students surveyed, 82% prefer to engage in face-to-face conversations. Separated by gender, 26% of women surveyed prefer to communicate using text messaging and social media, while only 9% of males chose this option. Even though a large majority of students preferred face-to-face communication, many more females choose electronic communication than males. The students were also asked how often they communicate using social media. An overwhelming 91% of the students claimed to use social media daily. This ranged from once a day to every ten minutes. Of the remaining students, 5% claimed to use

social media weekly and 4% rarely or never use social media to communicate. These two statistics together paint an interesting picture. A large majority of the students use social media frequently, yet they prefer to communicate face-to-face.

In addition, students were asked if they preferred to spend time in large or small groups of people. Of the 34 women who responded to this question, 91% claimed to prefer socializing in small groups of people. Of the 31 men who responded to this question, 90% said they enjoyed spending time with a small group of people more than with a large group. This reveals both men and women prefer spending time with a small group of close friends, instead of a large social gathering.

Yet another question asked the students if they felt comfortable speaking in public. Fifty percent of the women surveyed stated they are comfortable public speaking. A slightly higher number of men, 56%, claimed they are comfortable speaking in public. Overall, slightly less than half of the women surveyed and slightly more than half of the men surveyed claim to be comfortable when the opportunity for public speaking arises.

## **6. DISCUSSION**

### ***6.1 Social Composure***

Past researchers have found men, in general, have a higher level of social composure (Nauert, 2006; Genre, 2008). The results of this study confirm those findings. On average, the men in this study claimed to have more social composure than women claimed to experience. This leads to the conclusion that the average male sees himself as more socially composed than the average female sees herself.

Even though the construct measured results similar to those found in previous studies, when asked if the participant felt comfortable public speaking, about half of each gender claimed they are comfortable. This could be a result of the previously mentioned problem

with self-reported surveys (Hullman, 2007). Though participants in our study may experience anxiety, they still claimed to be comfortable public speaking.

### ***6.2 Social Confirmation***

Previous researchers have found that women are generally considered to be more empathic and sensitive (Chrisler & McCreary, 2010). However, Macoby and Jacklin argued the differences were not important as they believed males and females had similar amounts of empathy for others (as cited in Chrisler & McCreary, 2010). This study confirms the first stated opinion--women self-reported significantly more social confirmation than did men.

### ***6.3 Social Experience***

A socially experienced person can interact in various interpersonal orientations and is able to exhibit androgynous communication. Previous researchers have said that women are more likely to alter their conversation techniques than men (McShane & Von Glinow, 2012). Women are also considered to be more relational than men (Forsyth, 2009). This research found significant, but different results. In this self-reported study, on average, men reported a higher level of adaptability and interpersonal activity than women. This indicates men perceive themselves as being more socially experienced than women.

Other researchers claimed that men prefer socializing among larger groups of people and women in small social gatherings (Baumeister & Sommer, 1997). This was not the case for this study. Here about 90% of both genders claimed to enjoy spending time with a small group rather than a large group. Thus, our results were different from past studies on social experience and the preference of group size.

### ***6.4 Wit***

Past researchers have found that although there are differences in the type of humor used by each gender, there are no gender related differences when referencing perceived wit. For our study, there was no significant difference in perceived wit for men and women which is in

line with others' findings. However, our research did find self-reported wittiness associated with age. The students included in our sample who were above average age (21 to 26 years) reported a significantly lower average score than those students who were younger than average (18-20 years).

### ***6.5 Social Media***

Social media has become a significant channel of communication. Thompson and Loughheed (2012) found women are more likely to be 'heavy' Facebook users. They also found women find communicating online more enjoyable than men. This study found both men and women use social media on a daily basis, but more women prefer this form of communication as opposed to face-to-face conversations. This confirmed the idea that more women are fulfilled by online socialization than men, but there was not a large difference in the use of social media between men and women.

### ***6.6 Further Research***

Using a self-reported instrument, several constructs were examined for male and female students at a small university in the Midwest of the United State of America. In the literature, concern exists relative to the use and generalizability of self-reported measures. Many researchers, the current authors included, have employed self-reported instruments in a myriad of manuscripts and articles. Are there other means to operationalize the constructs measured in this study? Perhaps.

Although the sample size is significant, it was drawn from a small university in the Midwest of the United States of America. Consequently, although many of the results were consistent with pervious research, university students typically are not generalizable unto the population as a whole. Also, concern should exist with the readers that the homogeneity of the Midwest United States likely skews the population from which this sample was drawn. Further, although there may have been several older than average students in the sample, the

average age was considerably below the U.S. average. We illustrated that results for at least one construct varied by age; hence, it may be that a sample drawn from a greater population would yield different results.

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**APPENDIX**

## Instrument: Communication Styles by Gender

**Answer question in the space provided or circle the answer you feel best describes you.**

1. What is your gender? (Male / Female)

2. How old are you?

3. What year are you in college?

Freshman

Sophomore

Junior

Senior

4. Do you prefer spending time in large groups or with a few close friends?

Large groups

Small groups

5. Do you feel comfortable public speaking? (yes/no)

6. How often do you use social media?

7. Which form of communication do you prefer?

Face-to-face

Text/social media/email

Phone call

8. How many siblings do you have?

0

1-2

3-5

6 and up

**For the following questions, circle the number that you feel best describes you.**

9. I feel nervous in social situations.

Never true for me	Rarely true for me	Sometimes true for me	Often true for me	Always true for me
1	2	3	4	5

10. In most social situations I feel tense and constrained.

Never true for me	Rarely true for me	Sometimes true for me	Often true for me	Always true for me
1	2	3	4	5

11. When talking, my posture seems awkward and tense.

Never true for me	Rarely true for me	Sometimes true for me	Often true for me	Always true for me
1	2	3	4	5

12. My voice sounds nervous when I talk with others

Never true for me	Rarely true for me	Sometimes true for me	Often true for me	Always true for me
1	2	3	4	5

13. I am relaxed when talking with others.

Never true for me	Rarely true for me	Sometimes true for me	Often true for me	Always true for me
1	2	3	4	5

14. I try to make the other person feel good.

Never true for me	Rarely true for me	Sometimes true for me	Often true for me	Always true for me
1	2	3	4	5

15. I try to make the other person feel important.

Never true for me	Rarely true for me	Sometimes true for me	Often true for me	Always true for me
1	2	3	4	5

16. I try to be warm when communicating with another.

Never true for me	Rarely true for me	Sometimes true for me	Often true for me	Always true for me
1	2	3	4	5

17. While I'm talking, I think about how the other person feels.

Never true for me	Rarely true for me	Sometimes true for me	Often true for me	Always true for me
1	2	3	4	5

18. I am verbally and nonverbally supportive of other people.

Never true for me	Rarely true for me	Sometimes true for me	Often true for me	Always true for me
1	2	3	4	5

19. I like to be active in different social groups.

Never true for me	Rarely true for me	Sometimes true for me	Often true for me	Always true for me
1	2	3	4	5

20. I enjoy socializing with various groups of people.

Never true for me	Rarely true for me	Sometimes true for me	Often true for me	Always true for me
1	2	3	4	5

21. I enjoy meeting new people.

Never true for me	Rarely true for me	Sometimes true for me	Often true for me	Always true for me
1	2	3	4	5

22. I find it easy to get along with new people.

Never true for me	Rarely true for me	Sometimes true for me	Often true for me	Always true for me
1	2	3	4	5

23. I do not “mix” well at social functions.

Never true for me	Rarely true for me	Sometimes true for me	Often true for me	Always true for me
1	2	3	4	5

24. When I am anxious, I often make jokes.

Never true for me	Rarely true for me	Sometimes true for me	Often true for me	Always true for me
1	2	3	4	5

25. I often make jokes when in tense situations.

Never true for me	Rarely true for me	Sometimes true for me	Often true for me	Always true for me
1	2	3	4	5

26. When I embarrass myself, I often make a joke about it.

Never true for me	Rarely true for me	Sometimes true for me	Often true for me	Always true for me
1	2	3	4	5

27. When someone makes a negative comment about me, I respond with a witty comeback

Never true for me	Rarely true for me	Sometimes true for me	Often true for me	Always true for me
1	2	3	4	5

28. People think I am witty.

Never true for me	Rarely true for me	Sometimes true for me	Often true for me	Always true for me
1	2	3	4	5

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2. A title of not more than eight words should be provided.
3. A brief autobiographical note should be supplied including:
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  - Affiliation
  - E-mail address
  - Full international contact details
  - Brief professional biography.
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6. Although optional, authors are encouraged to provide up to six keywords which encapsulate the principal topics of the paper.
7. Headings must be short, with a clear indication of the distinction between the hierarchy of headings. All headings are to be left justified. The first hierarchy is to be bolded and use title format (each key word capitalized with the exception of words such as 'a', 'the', 'of', etc) The second order of hierarchy is to be bolded and have only the first word capitalized. The third order is to be italicized but not bolded with only the first word capitalized.
8. Notes or Endnotes should be used only if absolutely necessary and must be identified in the text by consecutive numbers, enclosed in square brackets and listed at the end of the article.
9. All Figures (charts, diagrams, line drawings, web pages/screenshots) are to be embedded directly into the MS Word document in the proper location in the document.
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  - *For books:* Surname, Initials (year), *Title of Book*, Publisher, Place of publication. e.g. Harrow, R. (2005), *No Place to Hide*, Simon & Schuster, New York, NY.
  - *For book chapters:* Surname, Initials (year), "Chapter title", Editor's Surname, Initials (Ed.), *Title of Book*, Publisher, Place of publication, pages.

- e.g. Calabrese, F.A. (2005), "The early pathways: theory to practice – a continuum", in Stankosky, M. (Ed.), *Creating the Discipline of Knowledge Management*, Elsevier, New York, NY, pp. 15-20.
- *For journals*: Surname, Initials (year), "Title of article", *Journal Name*, volume, number, pages.  
e.g. Capizzi, M.T. and Ferguson, R. (2005), "Loyalty trends for the twenty-first century", *Journal of Consumer Marketing*, Vol. 22 No. 2, pp. 72-80.
  - *For published conference proceedings*: Surname, Initials (year of publication), "Title of paper", in Surname, Initials (Ed.), *Title of published proceeding which may include place and date(s) held*, Publisher, Place of publication, Page numbers.  
eg Jakkilinki, R., Georgievski, M. and Sharda, N. (2007), "Connecting destinations with an ontology-based e-tourism planner", in *Information and communication technologies in tourism 2007 proceedings of the international conference in Ljubljana, Slovenia, 2007*, Springer-Verlag, Vienna, pp. 12-32.
  - *For unpublished conference proceedings*: Surname, Initials (year), "Title of paper", paper presented at Name of Conference, date of conference, place of conference, available at: URL if freely available on the internet (accessed date).  
eg Aum Mueller, D. (2005), "Semantic authoring and retrieval within a wiki", paper presented at the European Semantic Web Conference (ESWC), 29 May-1 June, Heraklion, Crete, available at: <http://dbs.uni-leipzig.de/file/aum Mueller05wksar.pdf> (accessed 20 February 2007).
  - *For working papers*: Surname, Initials (year), "Title of article", working paper [number if available], Institution or organization, Place of organization, date.  
e.g. Moizer, P. (2003), "How published academic research can inform policy decisions: the case of mandatory rotation of audit appointments", working paper, Leeds University Business School, University of Leeds, Leeds, 28 March.
  - *For encyclopedia entries (with no author or editor)*: *Title of Encyclopedia* (year) "Title of entry", volume, edition, *Title of Encyclopedia*, Publisher, Place of publication, pages.  
e.g. *Encyclopaedia Britannica* (1926) "Psychology of culture contact", Vol. 1, 13th ed., Encyclopaedia Britannica, London and New York, NY, pp. 765-71.  
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e.g. Smith, A. (2008), "Money for old rope", *Daily News*, 21 January, pp. 1, 3-4.
  - *For newspaper articles (non-authored)*: *Newspaper* (year), "Article title", date, pages.  
e.g. *Daily News* (2008), "Small change", 2 February, p. 7.
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e.g. Castle, B. (2005), "Introduction to web services for remote portlets", available at: <http://www-128.ibm.com/developerworks/library/ws-wsrp/> (accessed 12 November 2007).
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