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### **Mission Statement**

The mission of the *Journal of Multidisciplinary Research* is to promote excellence in leadership practice by providing a venue for academics, students, and practitioners to publish current and significant empirical and conceptual research in the arts, humanities, social sciences, and other areas that tests, extends, or builds leadership theory.

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**Editorial** 

Welcome to the Spring edition of the Journal of Multidisciplinary Research (JMR). From

the start, we set out to create a world-class journal—accepted and respected by our peers in

academia.

Our recent agreements with such great international partners as ProQuest, IBR, IBZ, and

EBSCO, solidify our credibility and viability as an academic journal. They improved our brand

recognition, increased exposure, created additional Web traffic, and increased the quality of

published academic research. As a result, we are experiencing overwhelming growth, and I am

proud to announce that we are moving from two issues a year to three.

This current issue of the peer-reviewed Journal of Multidisciplinary Research contains five

articles, two book reviews, and one student article in our "student corner." In essence, these

articles are what the journal is all about—while multidisciplinary in nature, they are interesting

and current, and they represent significant research from around the globe.

As Malcolm Forbes once said, "Education's purpose is to replace an empty mind with an

open one." We believe the Journal of Multidisciplinary Research actively contributes to that end.

All the best,

Hagai Gringarten, Editor

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# The Influence of Strategic Learning Practices on Employee Commitment

# Chien-Chi Tseng

### **Abstract**

This research explored the influence of strategic learning practices on employee commitment in the small business setting. A quantitative research design was used in this study. First, descriptive statistics for the scales are reported. Then, the relationships among strategic learning practices and employee commitment are explored with correlation analysis and structural equation modeling. The study finds that strategic learning practices have strong influences on employee commitment in organizations. The findings generate important implications for leadership theory and practice: Strengthening strategic learning practices is a wise way to develop organizational commitment, and well developed organizational commitment is the advantage to foster strategic learning practices.

### Keywords

strategic learning practices, employee commitment, small business

### Introduction

Strategic learning practices is generally described as knowledge-oriented; having an entrepreneurial culture and a flexible, organic structure; with a facilitative leadership (Watkins & Marsick, 1996) in order to create a learning environment and to widely disseminate the adoption of improved processes or other learning widely throughout the entire enterprise. The strategic learning practices also can be characterized as an organization skilled in modifying its behavior to reflect new knowledge, insights (Garvin, 1993), and commitment (Bhatnagar, 2007).

Employee commitment has received a great deal of study, both as a consequence of and as an antecedent to other work-related areas of research (Allen & Meyer, 1990; Randall, 1990; Steers, 1977). Organizations want commitment from their employees because committed employees will exert more effort (Mowday, Porter, & Dubin, 1974; Scholl, 1981) when the enterprise drives toward the goal of becoming a learning organization. Steers (1977) described employee commitment as the strength of an employee's involvement in and identification with

the organization. Thus, employee commitment is stated as an employee with a strong belief in and acceptance of an organization's goals and values, a willingness to exert considerable effort on behalf of the organization's goals and values, and a strong desire to maintain membership in the organization (Mowday, Porter, & Steers, 1982; Porter, Steers, Mowday, & Boulian, 1974). In commitment related behaviors, individuals forgo alternative courses of action and choose to link to the organization (Mowday, Steers, & Porter, 1979).

Therefore, it is valuable to understand that learning and its implementations when they integrate with employee commitment and contribute to business success (Marsick & Watkins, 1999). According to Watkins and Marsick (1996, p. 4), learning is "a continuous, strategically used process—integrated with and running parallel to work." According to Garvin, Edmondson, and Gino (2008), the strategic learning practices are defined as "employees excel at creating, acquiring, and transferring knowledge" (p. 110) and "an organization skilled at modifying its behavior to reflect new knowledge and insights" (Garvin, 1993, p. 80).

The articles in multidisciplinary research have examined learning performance in large companies; however, in an extensive literature review conducted for this study, little research on the topic of the influence of strategic learning practices on employee commitment in a small businesses context could be identified. In addition, Argyris and Schön (1996) argued that many small businesses recognize the significance of practicing strategic learning and understand that learning results in changing in organizational values and promoting a fundamental transformation of the organization, it is anticipated that understanding the influence of strategic learning practices on the commitment of employees has significant implications for enterprise stockholders, managers, employees, customers, and the communities in which small businesses operate all over the world (Wolff & Pett, 2006).

Therefore, the following research question was developed for this study: What is the influence of strategic learning practices on employee commitment in the small business setting?

### Theoretical Framework and Hypotheses Development

A framework was designed to measure the influence of strategic learning practices on employee commitment in the small business setting. The conceptual framework and the hypothesis development were initiated based on the theoretical review.

### Research Model

In order to address the research question and to empirically analyze the existence of significant and persistent differences in organizations based on strategic learning practices and employee commitment, a hypothesized model and 22 related research hypotheses were proposed to fully explore the possible learning to be achieved from this research.

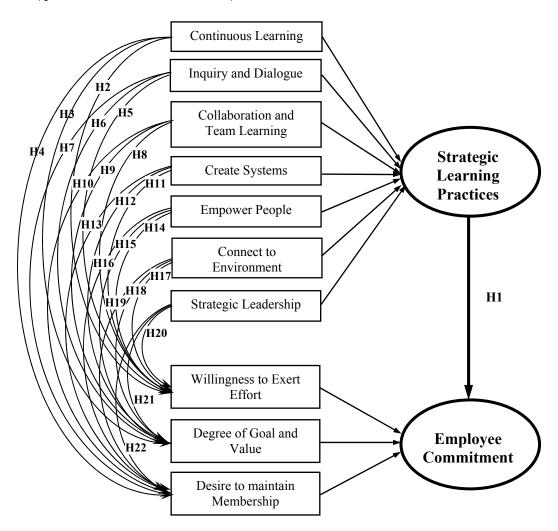


Figure 1. Hypothesized model of this study.

The hypothesized framework used as a starting point for the analysis in this study is shown in Figure 1. In the figure, the straight line, H1, links the two measurements from strategic learning practices to employee commitment. At the left side of the figure, there are seven factors for strategic learning practices and three factors for employee commitment. Twenty-one curved lines construct the linkage between the seven factors of strategic learning practices and three factors of employee commitment from H2 to H22. This model demonstrates the anticipated value of strategic learning practices and their impacts on employee commitment.

### Hypotheses Development

Each hypothesis and its theoretical background are proposed below.

The learning orientation of an organization is pertinent to the context of keeping employees committed (Sayeed, 2001). Bhatnagar (2007) stated that strategic learning practices shared through training of staff will increase the level of employee commitment in organization. Strategic learning practices strengthen the psychological contract and motivate employees to

have continued commitment to the firm (Harel & Tzafrir, 1999). Committed employees, consequently, accept as true that their organizations will continually offer to them prospects to develop and grow in their career paths (Bhatnagar, 2007).

Based on the concept of Mowday, Steers, and Porter (1979) for employee commitment and strategic learning practices in organization, the relationship between the two constructs is reciprocal. Consequently, strategic learning practices can assist in enhancing employee commitment toward organizational development. Also, with employee commitment, employees are more motivated and eager to learn in the workplace (Cho & Kwon, 2005).

Through strategic learning practices, the goals and values are accomplished and employee commitment can be fulfilled. Therefore, the first hypothesis (H1) is developed and presented in Table 1: H 1: Strategic learning practices have a positive influence on perceived employee commitment.

Table 1 Hypotheses

Hypothesis	Description	
H 1	Strategic learning practices have a positive effect on perceived employee commitment.	SLP→ EC
H 2	Creating continuous learning opportunities has a positive effect on perceived willingness to exert effort on behalf of the organization.	SLP1→EC1
H 3	Creating continuous learning opportunities has a positive effect on perceived degree of goal and value congruency in the organization.	SLP1→EC2
H 4	Creating continuous learning opportunities has a positive effect perceived desire to maintain membership in the organization.	SLP1→EC3
H 5	Promoting inquiry and dialogue has a positive effect on perceived willingness to exert effort on behalf of the organization.	SLP2→EC1
H 6	Promoting inquiry and dialogue has a positive effect on perceived degree of goal and value congruency in the organization.	SLP2→EC2
H 7	Promoting inquiry and dialogue has a positive effect on perceived desire to maintain membership in the organization.	SLP2→EC3
H 8	Encouraging collaboration and team learning has a positive effect on perceived willingness to exert effort on behalf of the organization.	SLP3→EC1
H 9	Encouraging collaboration and team learning has a positive effect on perceived degree of goal and value congruency in the organization.	SLP3→EC2
H 10	Encouraging collaboration and team learning has a positive effect on perceived desire to maintain membership in the organization.	SLP3→EC3
H 11	Establishing systems to capture and share learning has a positive effect on perceived willingness to exert effort on behalf of the organization.	SLP4→EC1
H 12	Establishing systems to capture and share learning has a positive effect on perceived degree of goal and value congruency in the organization.	SLP4→EC2
H 13	Establishing systems to capture and share learning has a positive effect on perceived desire to maintain membership in the organization.	SLP4→EC3
H 14	Empowering people toward a collective vision has a positive effect on perceived willingness to exert effort on behalf of the organization.	SLP5→EC1
H 15	Empowering people toward a collective vision has a positive effect on perceived degree of goal and value congruency in the organization.	SLP5→EC2
H 16	Empowering people toward a collective vision has a positive effect on perceived desire to maintain membership in the organization.	SLP5→EC3

H 17	Connecting the organization to its environment has a positive effect on perceived	SLP6→EC1
H 18	willingness to exert effort on behalf of the organization.  Connecting the organization to its environment has a positive effect on perceived	SLP6→EC2
	degree of goal and value congruency in the organization.	
H 19	Connecting the organization to its environment has a positive effect on perceived	SLP6→EC3
	desire to maintain membership in the organization.	
H 20	Providing strategic leadership for learning has a positive effect on perceived	SLP7→EC1
	willingness to exert effort on behalf of the organization.	
H 21	Providing strategic leadership for learning has a positive effect on perceived	SLP7→EC2
	degree of goal and value congruency in the organization.	
H 22	Providing strategic leadership for learning has a positive effect on perceived	SLP7→EC3
	desire to maintain membership in the organization.	

Note: SLP: Strategic learning practices; EC: Employee commitment; SLP1: Continuous learning opportunity; SLP2: Promoting inquiry and dialogue; SLP3: Collaboration and team learning; SLP4: Establishing systems to capture and share learning; SLP5: Empowering people toward a collective version; SLP6: Connecting the organization to its environment; SLP7: Providing strategic leadership for learning; EC1: Willingness to exert effort; EC2: Degree of goal and value; EC3: Desire to maintain membership.

Strategic learning practices have been shown to be related to the three factors of employee commitment, as follows: The first is the willingness to exert effort on behalf of the organization. It has been found that strategic learning practices not only develop employees and improve their skills and abilities but also enhance their willingness to exert effort on the job and their commitment to the organization (Harel & Tzafrir, 1999; Paul & Anatharaman, 2004).

The second is the degree of goal and value congruency with the organization. According to Pedler, Burgoyne, and Boydell (1991), strategic learning practices facilitate the learning of all of the organization's members and continuously transform the organization in order to meet organizational goals and commitment. Thus, building the capability of strategic learning practices leads to employee commitment (Ulrich, Jick, & Von Glinnow, 1993).

The third is the desire to maintain membership. Mowday, Steers, and Porter (1979) pointed out that commitment could be inferred not only from the expressions of people's beliefs and opinions but also from their desires and action. The learning orientation of the organization is pertinent to the context of helping employees to become more committed and to desire to maintain membership in the organization (Sayeed, 2001). Therefore, it appears that employees who stay with their employer are more inclined to deepen their commitment to the company (Lin & Chang, 2005).

In small enterprises, continuous learning opportunities include activities such as organizational learning programs, online learning, and developmental coaching. In these activities, the experience of creating continuous learning opportunities is essential for developing a positive willingness to exert effort, degree of goal and value, and desire to maintain membership in the small business setting. Therefore, based upon the foregoing, three related sub-hypotheses (H2, H3, and H4) related to "Creating Continuous Learning Opportunities" are developed and shown in Table 1.

When entrepreneurs gain reasoning leadership skills to express their views and the capacity to listen and inquire into the views of others in the enterprise, the culture is changed to support questioning, feedback, and experimentation. Consequently, the experience of promoting inquiry and dialogue is essential for developing a positive willingness to exert effort, degree of goal and value, and desire to maintain membership in the small business setting. Therefore, three

related sub-hypotheses (H5, H6, and H7) related to "Promoting Inquiry and Dialogue" are developed in Table 1.

In small enterprises, different ways of thinking are accessed and work is designed for collaboration; entrepreneurial teams or groups are expected to learn and work together. Consequently, the experience of encouraging collaboration and team learning is essential for developing a positive willingness to exert effort, degree of goal and value, and desire to maintain membership in the small business setting. Therefore, three related sub-hypotheses (H8, H9, and H10) related to "Encouraging Collaboration and Team Learning" are developed as shown in Table 1.

Learning enterprises focus on the ability to create a learning system to share learning and capture lessons learned from previous mistakes. Consequently, the experience of creating systems to capture and share learning is essential for developing a positive willingness to exert effort, degree of goal and value, and desire to maintain membership in the small business setting. Thus, three related sub-hypotheses (H11, H12, and H13) related to "Establishing Systems to Capture and Share Learning" are listed in Table 1.

Enterprise members are involved in setting, owning, and implementing a joint vision; responsibility is distributed close to decision making so that entrepreneurs are motivated to learn what they are being held accountable for. Consequently, the experience of empowering people toward a collective vision is essential for developing a positive willingness to exert effort, degree of goal and value, and desire to maintain membership in the small business setting and the three related sub-hypotheses (H14, H15, and H16) for "Empowering People toward a Collective Vision" are developed as reflected in Table 1.

As key members of the enterprise scan the work and the entrepreneurial environment and use information to adjust work practices, the enterprise is linked to the related communities. Consequently, the experience of connecting the organization to its environment is essential for developing a positive willingness to exert effort, degree of goal and value, and desire to maintain membership in the small business setting. This desire to connect the organization to its environment has lead to the development of the three related sub-hypotheses (H17, H18, and H19) shown in Table 1.

Appropriate strategic leadership is also important to help enterprise members create a collective vision toward which the entire organization can work. Consequently, the experience of providing strategic leadership for learning is essential for developing a positive willingness to exert effort, degree of goal and value, and desire to maintain membership in the small business setting. Thus, three related sub-hypotheses (H20, H21, and H22) relating to "Strategic Leadership for Learning" are developed and shown in Table 1.

### Research Method

### Population and Sample

This research conducted a self-administered computer-based online survey. The questionnaires were sent to a random sample of 500 key managers in Taiwanese small businesses, including 250 awarded outstanding small businesses and 250 incubating start-up small businesses. Follow-up emails and telephone calls were used to remind people to complete the online survey when responses were not received within two weeks of the original request.

Responses were obtained from key managers in 305 small businesses, including 152 awarded outstanding small businesses participants (60.8% response rate) and 153 incubating start-up small businesses participants (61.2% response rate). Responses received from five enterprises that had been in operation for less than one year were excluded from the study. Therefore, of the 305 responses received, 300 usable responses were gathered from the target population, and this number is well above the sample size of at least 200 observations generally considered adequate for this type of a research project (Kelloway, 1998).

### Instruments

In this study, a brief 21-item Dimensions of Learning Organization Questionnaire (DLOQ) (Marsick & Watkins, 1999, 2003; Watkins & Marsick, 1996, 1997) instrument was used to address strategic learning practices in organization as the first part of the questionnaire; in the second part of the questionnaire, a nine item Organizational Commitment Questionnaire (OCQ) developed by Mowday, Steers, and Porter (1979) was used to address employee commitment. The two instruments were tested by a five-point Likert-type scale, ranging from "Strongly Disagree" (1) to "Strongly Agree" (5) for consistency across all items in the consolidated questionnaire.

In the DLOQ, items 1-3 measured Continuous Learning; items 4-6 measured Inquiry and Dialogue; items 7-9 measured Collaboration and Team Learning; items 10-12 measured Creation of Systems; items 13-15 measured Empowerment of People; items 16-18 measured Connection to the Organization; and items 19-21 measured Strategic Leadership.

In several studies reviewed in preparation for this research, a short-form version of the OCQ instrument had been administered with only positively worded items (Mowday, Steers, & Porter, 1979). Consistent with Mowday, Steers, and Porter (1979), the questionnaire for this study used the nine-item short-form version: three items (numbered 22-24) from the component of willingness to exert effort on behalf of the organization; three items (numbered 25-27) from the component of degree of goal and value congruency with the organization; and three items (numbered 28-30) from the component of desire to maintain membership.

The two instruments adopted in this study were originally developed in English. Thus, it is necessary to conduct an English-to-Chinese translation before the field study. This study followed the guidelines for instrument translation recommended by Hulin and Mayer (1986) and combined the two English original instruments into one consolidated questionnaire, and then English-to-Chinese translations of the questionnaire were undertaken carefully to ensure this process was done appropriately.

### Reliability and Validity

The reliability of the instrument was examined for internal consistency using Cronbach's alpha ( $\alpha$ ). Construct validity was measured using a confirmatory factor analysis (CFA) and data fit indices.

Reliability evidence. The analysis of the data showed that all of the subscales had satisfactory reliability estimates that are well within the range of accepted tolerances. The scales of employee commitment and strategic learning practices showed a high reliability with  $\alpha$  of 0.75 and 0.83, respectively. The coefficient alphas of the three subscales of employee commitment

ranged from 0.76 to 0.79, and this range is well within accepted thresholds. The seven subscales of strategic learning practices had moderately high reliability estimates ranging from 0.53 to 0.79. Table 2 displays the statistical results of reliability estimates for the measurement model of the two scales in the study.

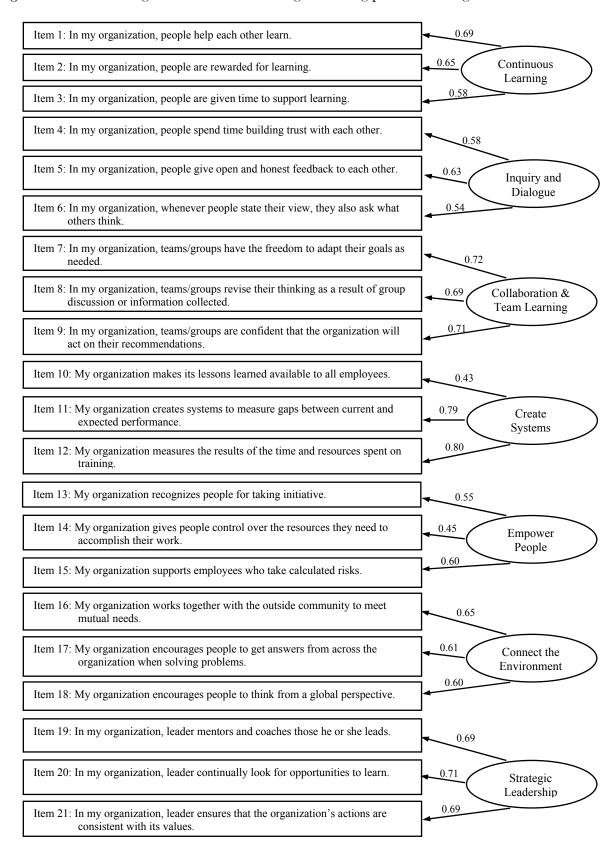
Table 2
Reliability of the Consolidated Questionnaire in the Taiwanese SMEs Context

Scale	Subscale	Number of Items	Cronbach's Alpha (α)
Strategic Learning	SLP1: Continuous Learning	3	.71
Practices	SLP2:Inquiry and Dialogue	3	.66
	SLP3: Collaboration & Team Learning	3	.79
	SLP4: Create Systems	3	.60
	SLP5: Empower People	3	.53
	SLP6: Connect the Environment	3	.67
	SLP7: Strategic Leadership	3	.78
	Total Scale	21	.75
Employee Commitment	EC1: Willingness to Exert Effort	3	.76
	EC2: Degree of Goal and Value	3	.79
	EC3: Desire to Maintain Membership	3	.78
	Total Scale	9	.83

Evidence of construct validity. In this study, based on CFA, the 21 items of DLOQ were grouped by similar characteristics to form seven factors, and the nine items of OCQ were grouped by similar characteristics to form three factors. By grouping the 21 items of DLOQ to seven factors and by grouping the nine factors of OCQ into just three factors, it is possible to reduce the complexity of the study without compromising the validity of the results and to present the results of the study in a more easily understood format. Then, continuing with this approach, it is possible to compute a correlation coefficient between a factor and an item belonging to the factor, a process termed factor loading (Gall, Gall, & Borg, 2007).

Testing of the factor loading. The factor loadings of all items loaded on their respective subscales are above the generally accepted minimum of 0.40. Therefore, the subscales of DLOQ and OCQ were verified by the factor loadings as appropriate factors for the research. Figures 2 and 3 demonstrate the analyses of CFA for the factor loadings between the items and their related subscales of DLOQ and OCQ in the study.

Figure 2. Factor loadings for subscales of strategic learning practices in organization.



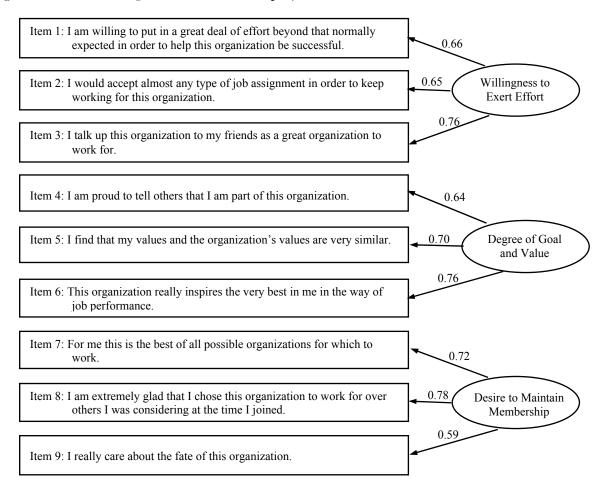


Figure 3. Factor loadings for subscales of employee commitment.

The analyses of CFA in figures 2 and 3 show evidences of the factor loadings: In the strategic learning practice scale, "My organization measures the results of the time and resources spent on training" had the highest factor loading (= 0.80), and "My organization makes its lessons learned available to all employees" received the lowest factor loading (= 0.43). In the employee commitment scale, "I am extremely glad that I chose this organization to work for over others I was considering at the time I joined" had the highest factor loading (= 0.78), and "I really care about the fate of this organization" received the lowest factor loading (= 0.59).

In addition, the average variation extractions in DLOQ (= 0.54) and OCQ (= 0.61) are higher than the 0.5 standard. Therefore, the results of this research indicate that the subscales of strategic learning practices and employee commitment possess a high degree of convergent validity, and each scale (including DLOQ and OCQ scales) can reasonably measure the subscales belonging to each category in strategic learning practices and employee commitment (Anderson & Gerbing, 1988).

Data fit indices. Six model-data fit indices were used to evaluate the properties of the two scale models in this study.

Table 3
Fit Indices for the Measurement Models of the Two Scales

Model	$\chi^2$	df	$\chi^2/df$	GFI	NFI	NNFI	CFI	RMR	RMSEA
DLOQ	408.26	168	2.43	.93	.96	.97	.97	.044	.068
OCQ	81.19	24	3.38	.94	.97	.97	.98	.038	.088

Note: GFI= Goodness-of-fit index, NFI= Normed fit index, NNFI= Non-normed fit index, CFI= Comparative fit index, RMR= Root Mean Squared Residuals, RMSEA= Root Mean Squared Error of Approximation.

In Table 3, the DLOQ scale measuring strategic learning practices showed that all six data fit indices indicated appropriate fit between the measurement model and the data. These data fit indices also show that the OCQ scale reasonably fits the data.

### Data Analysis

The analysis of the research data was accomplished using standard research statistical processes and included group means, standard deviations, and frequencies. Correlation analysis was used to assess the associations among the constructs of learning organization practice and employee commitment, and a structural equation modeling (SEM) approach was employed to verify hypothesized relationships among the constructs of the two instruments using LISREL (Jöreskog & Sörbom, 1993).

### Results

To explain the results of data analyses, differences among demographic groups and small businesses are presented first; then, descriptive statistics for the scales are reported; finally, the relationships among strategic learning practices and employee commitment identified through SEM process are presented.

Differences among Demographic Groups and Small Businesses

Gender. Gender differences in the dimensions of strategic learning practices were minimal; however, in all of the subscales and the scale of employee commitment, males were found to have had a higher willingness to exert effort, degree of goal and value, and desire to maintain membership. In addition, males were found to be more satisfied with their organization overall.

Education Level. Those employees with a doctoral degree showed the highest levels of differences in the DLOQ and OCQ scales. The respondents with a master's degree showed a higher level of commitment to the organization than those with a college degree or those who did not finish college. Education level did not affect the responses for two subscales of strategic learning practices (Collaboration and Team Learning; and Connecting the Organization to its Environment).

Primary Responsibility. The group with primary responsibility in "Entrepreneurial and Administration Management" had more positive responses to the questionnaire on the seven

factors of DLOQ and the three factors of OCQ than these with "Technical and Marketing" responsibilities.

Years of Enterprise Operation. Respondents in organizations that have been in existence the longest had the most positive responses in all areas except for the "Providing Strategic Leadership for Learning" item in the scale of strategic learning practices. On this item, no differences were identified based upon years of operation.

Employee Size. Most comparisons based on the number of employees showed consistent differences, with the largest companies always scoring higher in all factors than the smaller companies, and the medium-sized companies also scoring higher in all factors than the smaller companies. Only in one component (Providing Strategic Leadership for Learning) were no differences shown in the data.

Outstanding Award Group. In all comparisons, the small businesses designated as awarded outstanding small businesses scored higher than those companies that had not received any award; however, there were no differences between the different award types.

### Descriptive Statistics

Individual and overall means and standard deviations were calculated to gain insight on the strategic learning practices and employee commitment scales and their subscales.

Scale of strategic learning practices. In the research data, the means of the scale and the subscales of strategic learning practices scores ranged from 3.33 to 4.09 with standard deviations ranging from 0.55 to 0.76. The 21 items in this scale reflected mean scores from 2.85 to 4.55. The item "My organization recognizes people for taking initiative" had the highest score (4.55) with the lowest standard deviation (0.60). In contrast, the item "My organization creates systems to measure gaps between current and expected performance" had the lowest score (2.85).

Employee commitment scale. The means of the scale and the subscales of employee commitment scores ranged from 3.79 to 3.99 with standard deviations ranging from 0.62 to 0.78. In this scale, the means of the 9 items ranged from 3.36 to 4.53. The item "I would accept almost any type of job assignment in order to keep working for this organization" had the lowest score (3.36) and indicates that most participants have a preference for specific jobs in the organization. The item "I really care about the fate of this organization" had the highest score (4.53) and may indicate that most employees are committed to their employing organization and its future.

Relationships between Strategic Learning Practices in Organization and Employee commitment

Correlation analysis and SEM were conducted to explore the relationships between strategic learning practices and employee commitment.

Correlation. In this research analysis, the criteria developed by Tian and Wilding (2008) to define correlation values and relationships were adopted for use. Therefore, correlation values between 0.10 and 0.30 are referred to as small or weak positive relationships; values between 0.40 and 0.60 are referred to as moderate positive; and values of 0.70 and above indicate high positive relationships. While the total range of correlations in this study ranged from weak to high, most correlations were shown to be moderate to high. Table 4 shows further detail on the correlation matrix of all dimensions of the strategic learning practices and employee commitment constructs.

Table 4
Correlations among Subscales of the Two Measurements

	Mean	S.D.	1	2	3	4	5	6	7	8	9	10
1. SLP1	3.76	.69	1									
2. SLP2	3.51	.62	.38*	1								
3. SLP3	3.75	.74	.34*	.35*	1							
4. SLP4	3.34	.76	.43*	.31*	.43*	1						
5. SLP5	4.10	.55	.33*	.21*	.33*	.28*	1					
6. SLP6	3.61	.75	.23*	.35*	.35*	.34*	.16*	1				
7. SLP7	3.76	.61	.23*	.22*	.40*	.51*	.16*	.31*	1			
8. EC1	3.80	.76	.49*	.39*	.49*	.55*	.19*	.26*	.42*	1		
9. EC2	3.99	.64	.44*	.40*	.43*	.56*	.28*	.30*	.37*	.65*	1	
10. EC3	3.99	.62	.39*	.33*	.43*	.48*	.21*	.32*	.44*	.65*	.53*	1

<sup>\*</sup>Pearson Correlation is significant at the 0.01 level (2-tailed). S.D. is standard deviation.

Note: SLP: Strategic learning practices; EC: Employee commitment; SLP1: Continuous learning opportunity; SLP2: Promoting inquiry and dialogue; SLP3: Collaboration and team learning; SLP4: Establishing systems to capture and share learning; SLP5: Empowering people toward a collective version; SLP6: Connecting the organization to its environment; SLP7: Providing strategic leadership for learning; EC1: Willingness to exert effort; EC2: Degree of goal and value; EC3: Desire to maintain membership.

As shown in Table 4, correlations among the three subscales of employee commitment were strong (ranging from 0.53 to 0.65) and higher than the correlations between them and the dimensions of strategic learning practices (ranging from 0.16 to 0.43). In addition, the correlation between the two measurements of strategic learning practices and employee commitment was found to indicate a high positive relationship (correlation coefficient 0.73).

Structural equation modeling (SEM). In order to explore further the relationships between strategic learning practices and employee commitment, SEM was utilized.

First, the significant positive path coefficient at 0.90 (p < 0.05) shows that strategic learning practices have a very strong influence on employee commitment. This research finding fully supports hypothesis 1, "Strategic learning practices have a positive influence on perceived employee commitment" in small businesses.

Second, in an effort to validate the 21 sub-hypotheses developed from hypothesis 1, SEM analyses was also performed on these sub-hypotheses. The results of this analysis are indicated in Table 5.

Table 5 Hypotheses Testing for the Effects of Path Estimates by Structural Models

	Hypotheses Tes	sting		Effects of Path Estimates	Results
H 1	Strategic learning practices	$\rightarrow$	Perceived Employee Commitment	.90*	Supported
H 2	Continuous Learning	$\rightarrow$	Desire to maintain Membership	.86*	Supported
H 3	Continuous Learning	$\rightarrow$	Degree of Goal and Value	.88*	Supported
H 4	Continuous Learning	$\rightarrow$	Willingness to Exert Effort	.83*	Supported
H 5	Inquiry and Dialogue	$\rightarrow$	Desire to maintain Membership	.92*	Supported
Н6	Inquiry and Dialogue	$\rightarrow$	Degree of Goal and Value	.91*	Supported
H 7	Inquiry and Dialogue	$\rightarrow$	Willingness to Exert Effort	.90*	Supported
H 8	Collaboration & Team Learning	$\rightarrow$	Desire to maintain Membership	.79*	Supported
Н9	Collaboration & Team Learning	$\rightarrow$	Degree of Goal and Value	.77*	Supported
H 10	Collaboration & Team Learning	$\rightarrow$	Willingness to Exert Effort	.72*	Supported
H 11	Create Systems	$\rightarrow$	Desire to maintain Membership	.80*	Supported
H 12	Create Systems	$\rightarrow$	Degree of Goal and Value	.85*	Supported
H 13	Create Systems	$\rightarrow$	Willingness to Exert Effort	.83*	Supported
H 14	Empower People	$\rightarrow$	Desire to maintain Membership	.91*	Supported
H 15	Empower People	$\rightarrow$	Degree of Goal and Value	.96*	Supported
H 16	Empower People	$\rightarrow$	Willingness to Exert Effort	.89*	Supported
H 17	Connect to Environment	$\rightarrow$	Desire to maintain Membership	.94*	Supported

H 18	Connect to Environment	$\rightarrow$	Degree of Goal and Value	.94*	Supported
H 19	Connect to Environment	$\rightarrow$	Willingness to Exert Effort	.95*	Supported
H 20	Strategic Leadership	$\rightarrow$	Desire to maintain Membership	.83*	Supported
H 21	Strategic Leadership	$\rightarrow$	Degree of Goal and Value	.83*	Supported
H 22	Strategic Leadership	$\rightarrow$	Willingness to Exert Effort	.83*	Supported

Note: \* P < .05 (t > 1.96), t-value in parenthesis.

As shown in this table, the path coefficients for the 21 sub-hypotheses (H2 to H22) are all in the positive range, are all above the minimum threshold for validity, and all results are found to be significant.

To further validate these results, the fit indices of the structural models were conducted on the research data.

Table 6
Fit Indices for the Structural Models based on Research Hypotheses

Model on hypothesis	$\chi^2$	df	$\chi^2/df$	GFI	NFI	NNFI	CFI	RMR	RMSEA
H 1	133.72	34	3.93	0.92	0.97	0.97	0.98	0.023	0.099
H 2	28.64	8	3.58	0.97	0.97	0.96	0.98	0.025	0.093
H 3	9.07	8	1.13	0.99	0.99	1.00	1.00	0.013	0.021
H 4	17.65	8	2.20	0.98	0.98	0.98	0.99	0.020	0.064
H 5	8.10	8	1.01	0.99	0.99	1.00	1.00	0.018	0.006
H 6	7.22	8	0.90	0.99	0.99	1.00	1.00	0.012	0.000
H 7	12.18	8	1.52	0.99	0.99	0.99	1.00	0.015	0.042
H 8	24.39	8	3.05	0.97	0.98	0.97	0.98	0.028	0.083
H 9	17.60	8	2.20	0.98	0.98	0.98	0.99	0.022	0.063
H 10	35.33	8	4.41	0.96	0.97	0.95	0.97	0.024	0.097
H 11	9.81	8	1.23	0.99	0.99	1.00	1.00	0.025	0.027
H 12	17.61	8	2.20	0.98	0.98	0.98	0.99	0.027	0.062
H 13	23.85	8	2.98	0.97	0.97	0.97	0.98	0.031	0.081
H 14	22.36	8	2.80	0.98	0.97	0.97	0.98	0.020	0.077

H 15	25.31	8	3.16	0.97	0.97	0.96	0.98	0.020	0.085
H 16	40.40	8	5.05	0.96	0.96	0.93	0.96	0.025	0.096
H 17	11.86	8	1.48	0.99	0.99	0.99	1.00	0.018	0.040
H 18	27.96	8	3.50	0.92	0.97	0.96	0.98	0.032	0.091
H 19	24.37	8	3.05	0.97	0.97	0.97	0.98	0.022	0.083
H 20	20.19	8	2.52	0.98	0.98	0.98	0.99	0.024	0.071
H 21	20.64	8	2.58	0.98	0.98	0.98	0.99	0.020	0.073
H 22	18.47	8	2.31	0.98	0.98	0.98	0.99	0.016	0.066

Note: GFI= Goodness-of-fit index, NFI= Normed fit index, NNFI= Non-normed fit index, CFI= Comparative fit index, RMR= Root Mean Squared Residuals, RMSEA= Root Mean Squared Error of Approximation.

As shown in Table 6, the overall model-data fits are in the moderately acceptable range (Bentler & Bonett, 1980) and again confirm the validity of the 21 sub-hypotheses.

### Discussion

This study has both theoretical and practical contributions for business and multidisciplinary research. Based on the findings, this research concludes that strategic learning practices have a positive influence on employee commitment and that the seven dimensions of strategic learning practices have positive effects on the three subscales of employee commitment too. Furthermore, positive strategic learning practices fully support goal of achieving employee commitment in organization.

Through correlation analysis and the structural equation modeling approaches, the three hypotheses were examined. Correlations among the three subscales of employee commitment are strong (ranging from .53 to .65), higher than the correlations between them and the dimensions of strategic learning practices (ranging from .19 to .56). Besides, correlations between the subscales of strategic learning practices and employee commitment were strong (ranging from .19 to .56). The inter-correlation between the two constructs was .73. The correlation matrix of all measures of two constructs showed adequate convergent and discriminant validity evidence for two scales and showed positive interrelations between the internal dimensions of the two constructs.

The structural equation modeling results confirmed that strategic learning practices have a strong influence on employee commitment with a significant positive path coefficient. Thus, the first hypothesis in this study was supported. Similarly, the seven sub-scales of strategic learning practices have a strong influence on three sub-scales of employee commitment with a significant positive path coefficient. So, strategic learning practices play a key role for cultivating the better employee commitment in enterprise. The findings from this study conclude that the influence of strategic learning practices on employee commitment is strong.

While the findings in this paper have significance in many ways, the findings may be limited by one concern: The issue of common method variance (CMV) bias may have impacted the results of the research. When CMV bias exists, the true relationships among important

constructs that appear to have been empirically supported may not be valid, and theories that have been abandoned for lack of empirical support may actually be some of the best theories in the field (Doty & Glick, 1998). The issue of CMV may have been a potential threat to construct validity when we used self-report instruments to collect primary data from a similar source of respondents in this research. However, to avoid the problem of CMV, we used a sample size of 300 SMEs and obtained "as much diversity as possible in terms of data-sources and classification process" as recommended by Campbell and Fiske (1959, p. 103).

### Implications and Recommendations

The results of this study provide valuable implications for managerial professionals in businesses. In addition, this study provides the foundation for future research to examine causal links between strategic learning practices and employee commitment for further understanding of the role of leadership in business development.

First, as validated by this research study, employee commitment in the workplace appears to benefit when an enterprise uses strategic learning practices in organization. Also, strategic learning practices may help a organization to integrate its vision, mission, and strategy into the practice of leadership. Finally, implementation of these practices may encourage employees to be more innovative and committed, and may include the implementation of new problem solving ideas and other value-adding initiatives into the workplace environment.

Second, this study reveals that appropriate strategic leadership is important to help enterprise members to create a collective vision, which the entire organization can work toward the business goals. Therefore, it appears that it would be highly useful for entrepreneurs and enterprise managers to provide strategic leadership, and encourage collaboration and team learning in order to create strategic learning practices in organization.

Third, there is a need to further test the research model using multiple methodologies, such as multivariate analysis of variance (MANOVA), case study, and qualitative research, to diagnose organization practices and employee commitment, and to explore, observe, or reconfirm the findings from this empirical study.

Finally, reliable and valid measurements can be valuable tools in actual practice and academic research. Measurement scales, such as the DLOQ and OCQ, if appropriately applied, can help to diagnose problems, weaknesses, and strengths. Through selective application and use of these tools, enterprise practitioners could become more aware of the current conditions in their respective enterprises and could use the information gained through the use of these tools to provide appropriate leadership and training so that desired results are achieved.

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# Knowledge Management Strategy, Enablers, and Process Capability in U.S. Software Companies

# Barbara Beliveau, Eldon H. Bernstein, and Hsin-Jung Hsieh

### **Abstract**

Managers are increasingly aware of how knowledge can affect their company's competitive position and are attempting to use knowledge to sustain organizational performance and gain market share. Unfortunately, knowledge management research is fragmented across a variety of disciplines. It is also fragmented conceptually, particularly with respect to the concepts that researchers and organizations identify as significant. We constructed an integrated framework for measuring the various aspects of knowledge management strategy, knowledge management enablers, and knowledge management process capability to assess their effectiveness in improving knowledge management performance. Studying a sample of firms from the United States software industry, we found support for the importance of knowledge management performance, and mixed results for the importance of knowledge management performance, and mixed results for the importance of knowledge management process capability in improving knowledge management performance.

### Keywords

knowledge management, knowledge management strategy, knowledge management enablers, knowledge management process capability.

### Introduction

Successful managers recognize that "the competitive advantage of firms in today's global economy stems not from market position but from the ownership, employment, or both, of difficult to replicate knowledge assets and the manner in which they are in fact deployed" (Teece, 2009, p. 194). This focus on knowledge as a core capability of the firm echoes Drucker's (1995) observation that "knowledge has become the key economic resource and the dominant and

perhaps even the only source of comparative advantage" (p. 287). Shortly after making that statement, Drucker (2000) predicted that by the year 2005, more than one third of the U.S. labor force would be made up of knowledge workers.

Suggesting that building a knowledge-based theory of the firm would be a valuable tool for researchers, Grant (1996) proposed a model that recognized organizational capability, organizational design, decision-making mechanisms, and the boundaries of the firm. However, this formulation omits what is perhaps the most critical element of knowledge management, the ability to transfer that knowledge between and among members of the organization (Kogut & Zander, 1992; Brown & Eisenhardt, 1997).

Managers need to consider both how knowledge can affect their company's competitive position, and how they might use knowledge to sustain organizational performance and increase market share. Effective knowledge management is critical for organizations striving to gain an economic advantage in competitive markets. An increasing number of firms realize knowledge management is an important element they can employ to achieve greater value from core competencies (Keskin, 2005). A sustained competitive advantage depends on a firm's capacity to develop and deploy its knowledge-based resources effectively (Perez & Pablos, 2003).

Unfortunately, knowledge management research is fragmented across a variety of disciplines as well as by the concepts viewed as significant by researchers and firms. For example, various scholars view knowledge management strategy, knowledge management enablers, or knowledge management process capability as the key determinant of knowledge management performance. We propose an integrated framework for measuring the various aspects of knowledge management and assessing their effectiveness in improving overall organizational performance.

### Knowledge

While most of us have an intuitive feel for what the term knowledge means, it is a difficult concept to define. Organizational scholars assert that knowledge is a multifaceted concept with multi-layered meanings for different circumstances and for different people. In the knowledge management literature, a universally accepted definition of knowledge is lacking (Hlupic, Pouloudi, & Rzevski, 2002). Some define knowledge as the set of justified beliefs that enhance an entity's capability to take effective action (Alavi & Leidner, 2001; Nonaka & Takeuichi, 1995). As Peter Drucker (1994) famously observed:

Knowledge is not impersonal, like money. Knowledge does not reside in a book, a databank, a software program; they contain only information. Knowledge is always embodied in a person; carried by a person; created, augmented, or improved by a person; applied by a person; taught by a person, and passed on by a person. (p. 210)

Later, Davenport and Prusak (1998) defined knowledge as:

...a fluid mix of framed experience, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experiences and information. It originates in the minds of knowers. In organizations, it often becomes embedded not only in documents or repositories but also in organizational routines, processes, practices, and norms. (p. 21)

Each definition emphasizes a different aspect of knowledge. Some emphasize information or experience. These include Leibeskind (1996), Ruggles (1996), Allee (1997), Davenport and Prusak (1998), Leonard and Sensiper (1998), Wijnhoven (1998), and Raisinghani (2000). Others emphasize belief (Nonaka & Takeuchi, 1995; Wiig, 1994), rules (Den & Huizenga, 2000), or the capacity for effective action (Sveiby, 1997; Fahey & Prusak, 1998). More recently, Al-Hawari and Hasan (2004) defined knowledge as "an object that can be codified, distributed, understood, and applied in order to achieve a set of goals" (p. 22).

Regardless of the particular definition chosen, it is important to differentiate knowledge from information and data. If knowledge is not different from either data or information then there is nothing new or interesting about knowledge management (Fahey & Prusak, 1998). According to Davenport (1997), data are observations of states of the world, information is data endowed with relevance and purpose, and knowledge is valuable information. The most common representation of knowledge places it atop a conceptual pyramid, the foundation of which is data (Davenport & Prusak, 1998). The knowledge pyramid represents the concept of knowledge transformation, where data is transformed into information, and information is transformed into knowledge.

This is not to say there is agreement about how knowledge, data, and information are related. Tuomi (1999) argued knowledge must exist before information can be formulated and before data can be measured to form subsequent information. This echoes Koopmans' (1949) early work on the impossibility of measurement without theory. Tuomi (1999), using the development of computer systems as an example, argued that data emerge as a result of adding value to information. For Tuomi, information is knowledge that has been structured, articulated, verbalized, and stored in computer memory for automatic manipulation. Information is then split into atoms that have no meaning to allow automatic processing. Finally, when information is assigned a fixed representation and standard interpretation, data is created. Critical to this argument is the concept that knowledge does not exist outside of an agent or knower, and is indelibly shaped by one's needs as well as one's initial stock of knowledge (Alavi & Leidner, 2001).

Wiig, de Hodg, and van der Spek (1997) listed some of the most important characteristics that set knowledge apart from other resources: (a) knowledge is intangible and difficult to measure; (b) knowledge is volatile and can disappear without warning; (c) knowledge is usually embodied in agents with will; (d) knowledge is not consumed in a process and sometimes increases through use; (e) knowledge has wide-ranging impacts in organizations (e.g., knowledge is power); (f) knowledge cannot be bought in the market place and often has long lead times; and (g) knowledge is an element that is not subject to rivalry and that can be used by different processes at the same time for different intents.

### Taxonomies of Knowledge

There are a variety of taxonomies of knowledge, but it is commonly agreed that knowledge can be split into two types: explicit and tacit (Hubert, 1996; Nonaka & Takeuchi, 1995; Tiwana, 2002). Explicit knowledge can be codified and transmitted through systematic and

formal language (Nonaka & Takeuchi, 1995). Tacit knowledge is personal and context-specific. It is difficult to formalize, record, or articulate, and is stored in the heads of people (Tiwana, 2002).

In addition to explicit and tacit knowledge, various other types of knowledge exist within an organization. Boisot's (1987) knowledge model considered knowledge within an organization to be either codified (knowledge that can be readily prepared for transmission purposes) or uncodified (knowledge that cannot be readily prepared for transmission purposes), and either diffused (knowledge that is readily shared) or undiffused (knowledge that is not readily shared). Blackler (1995) classified knowledge as encoded, embedded, embrained, encultured, or embodied, while Ruggles (1996) distinguished process, catalogue, and experiential types. Quinn, Anderson, and Finkelstein (1996) divided knowledge into cognitive knowledge (know-what), advanced skill (know-how), systems understanding (know-why), and self-motivated creativity (care-why).

Demarest (1997) considered knowledge to be scientific, philosophical, or commercial, and Fleck (1997) categorized it as formal, contingent, informal, meta, tacit, or instrumental. Probst (1998) classified knowledge as individual or collective, while DeLong and Fahey (2000) classified knowledge as human, social, or structured. Housel and Bell (2001) used the labels process, skill, and people to distinguish types of knowledge.

### Knowledge Management

Given the lack of consensus as to the definition of knowledge, it is hardly surprising that definitions of "Knowledge Management" are equally diverse. Early work by Hannabuss (1987) viewed users' knowledge, attitudes, and decision making as key components of the process. This view was modified, to a greater or lesser degree, by subsequent research. Wiig (1994) suggested that knowledge management in an organization must be considered from three perspectives, each with a different scope and purpose: (a) a business perspective - focusing on why, where, and to what extent the organization must invest in or exploit knowledge, and which strategies, products, services, alliances, acquisitions, or divestments should be considered from a knowledge-related point of view; (b) a management perspective - focusing on determining, organizing, directing, and monitoring the knowledge-related activities required to achieve the desired business strategies and objectives; and (c) a hands-on operational perspective - focusing on applying the professional skill to conduct explicit knowledge-related work and tasks.

Knapp (1998) defined knowledge management as "a set of processes for transferring intellectual capital to value" (p. 3), while Davenport and Prusak (1998) defined knowledge management as the management of a corporation's knowledge through a systematic process for acquiring, organizing, sustaining, applying, sharing, and renewing both tacit and explicit knowledge from employees to improve organizational performance and create value. More recently, researchers have focused on what knowledge management does, rather than how it does what it does. Darroch (2003) defined knowledge management as "the process that creates or locates knowledge and manages the sharing, dissemination, and use of knowledge within the organization" (p. 41), and Keskin (2005) concluded it is a principle aimed at satisfying and exceeding the customer's expectations.

Managing information can be frustrating to managers. Of particular concern is how imbedded information can be transmitted among members who may not realize how much

information in fact exists (O'Dell & Grayson, 1998). Halata and Lutta (2009) studied the sharing of information in the context of social networking.

### Knowledge Management Strategy

Knowledge management strategy has been defined as a high-level plan that describes and outlines the processes, tools, and infrastructure (organizational and technological) required to manage knowledge gaps or excesses, and to permit knowledge to flow effectively in corporations (Zack, 2002). The appropriate strategy is both situational and firm specific. A firm's strategic goal is to find the balance of internal and external knowledge management that best meets that firm's needs and fits its resources (Bierly & Chakrabarti, 1996). Jordan and Jones (1997) explored the key dimensions of organizational knowledge and split the known knowledge management strategies into two types: tacit-oriented strategy and explicit-oriented strategy. The purpose of tacit-oriented strategy is to acquire internal and opportunistic knowledge and share its aspects informally. Conversely, explicit-oriented strategy is used primarily to acquire external, focused knowledge and to share that knowledge formally.

Zack (1999) analyzed the concept of the knowledge gap between what a firm should know and what that firm actually knows about managing knowledge. He categorized knowledge management strategies as aggressive or conservative, and concluded that aggressive strategies were more effective. Hansen and Haas (2002) identified codified knowledge and personalized knowledge as key components of knowledge management strategies.

Zack (2002) argued knowledge strategy and knowledge management strategy are different. Knowledge strategy is a competitive strategy built around a firm's intellectual resources and capabilities. In contrast, knowledge management strategy is defined as a high-level plan that describes and outlines the processes, tools, and infrastructures (organizational and technological) required to manage any knowledge gaps or surpluses.

The most commonly identified dimensions of knowledge management strategy are system orientation and human orientation (Choi & Lee, 2002). System orientation focuses on codifying and storing knowledge via information technology and sharing that knowledge formally (Choi & Lee, 2002). Human orientation emphasizes dialogue via social networks and person-to-person contacts. Human orientation focuses on acquiring knowledge from experienced and skilled people, and sharing knowledge informally (Choi & Lee, 2002). While the various taxonomies have many differences, it is possible to collapse the categories into those primarily oriented to systems and those oriented to the people engaging with the system. We refer to these as System Orientation Strategy (SOS) and Human Orientation Strategy (HOS).

Our first hypothesis is that the effective use of knowledge management strategy improves knowledge management performance. More formally, we can write that Knowledge Management Performance is positively related to the use of both System Orientation Strategies and Human Orientation Strategies. We measured knowledge management strategy using Choi's (2002) eightitem Knowledge Management Strategy Scale. This questionnaire can be found in Appendix 1. The first four items were aggregated to yield an index of a firm's System Orientation Strategy (SOS), and the last four items were used to construct an index of Human Orientation Strategy (HOS). We measured Knowledge Management Performance (KMP) using another scale developed by Choi (2002). The questions used to assess Knowledge Management Performance are found in Appendix 2.

### Knowledge Management Enablers

Knowledge Management Enablers refer to organizational infrastructure that enhances the efficiency of knowledge management activities. These enablers include codifying knowledge and sharing knowledge assets among individuals (Chan & Chau, 2005; Sarvary, 1999). There is broad agreement that technology, structure, and culture are three of the most powerful enabling factors (Gold, Malhotra, & Segars, 2001). Technology focuses on information technology support within an organization (Choi, 2002). Structure comprises two critical dimensions: centralization and formalization (Tata & Prasad, 2004). Organizational culture is composed of collaboration, trust, and incentives that achieve knowledge sharing and transfer (DeTienne, Dyer, Hoopes, & Harris, 2004). The three factors that appear consistently are technology, structure, and culture (Gold, Malhotra, & Segars, 2001; Laupase, 2002; Ngoc, 2005).

### Technology

Lee and Choi (2003) referred to technology as the presence of information technology support within an organization. Information technology plays a crucial role in eliminating the communication boundaries that often inhibit interaction among different parts of the organization. Marwick (2001) proposed that a number of information technology tools be applied to knowledge creation processes. Information technology that promotes effective knowledge management can be classified into two types: communication technologies (e.g., email, video conferencing, electronic bulletin boards, and computer conferencing) and decision-aiding technologies (e.g., decision-support systems, expert systems, and executive information systems) (Song et al., 2001).

Communication technologies provide ways to enable, intensify, and expand the interactions of organizational members and departments (Kendall, 1997). Communication technologies enable companies to overcome time and space constraints in communication, increase the range and depth of information access, and they permit knowledge to be shared rapidly and conveniently (Marwick, 2001). Decision-aid technologies are defined as the information technologies that provide ways to increase the capacity of an individual, organization, or team to create models effectively, to develop alternatives and solutions, and to make more effective decisions (Kendall, 1997).

### Structure

The structure of an organization can be defined as the formal relationships and allocation of activities and resources among people (McKenna, 1999). A structure that promotes individualistic behavior by rewarding locations, divisions, and functions for hoarding information inhibits effective knowledge management within the organization (O'Dell & Grayson, 1998). Most studies examine organizational structure from a traditional viewpoint, with centralization and formalization as the two critical structural dimensions (Tata & Prasad, 2004). Centralization refers to the hierarchical level that has the authority to make a decision within an organization. Formalization refers to written documentation, rules, and procedures in the organization that affect the communication of knowledge (Schminke, Ambrose, & Cropanzano, 2000).

Centralization is generally considered to hinder interdepartmental communication, the sharing of ideas, and knowledge application (Kohli & Jaworski, 1990; Woodman, Sawyer, & Griffin, 1993). In contrast, decentralization is a structural factor that aids the sharing of knowledge by emphasizing empowerment and information sharing with other employees (Hurley & Green, 2005). While the sharing promoted by decentralization may make it difficult to avoid chaos, inconsistency, and duplicated efforts (Adler, 1999), the absence of a formal structure allows organization members to communicate and interact with one another to create knowledge (Jarvenpaa & Staples, 2000). Formalization systematizes information collection and dissemination, and helps to identify strategic issues (Segars, Grover, & Teng, 1998).

### Organizational Culture

Organizational culture is the set of values, beliefs, norms, meanings, and practices shared by personnel within an organization (Cowan & Harrison, 2004). Organizational culture influences how people respond to a situation and how the environment encompassing the organization is interpreted (Mavondo & Farrell, 2003). Organizational culture is believed to be the most significant factor in effective knowledge management (Gold, Malhotra, & Segars, 2001). An effective organizational culture can provide support and incentives as well as encourage knowledge-related activities by creating suitable environments for knowledge exchange and accessibility (Janz & Prasarnphanich, 2003).

Research by DeTienne, Dyer, Hoopes, and Harris (2004) indicated that collaboration, trust, and incentives were essential components of organizational culture. A collaborative environment creates opportunities for knowledgeable people to share knowledge openly and have more successful knowledge management programs (Alavi & Leidner, 2001).

Trust is a complex and multidimensional concept. Cook and Wall (1980) have distinguished two components of trust, faith, and confidence. Trust refers to faith in the trustworthy intentions of others as well as confidence in their ability (Cook & Wall, 1980). Critical to the development of knowledge-based trust are recurring face-to-face interactions that allow members to know one another and to be able to predict how the other party will behave in various circumstances (DeTienne et al., 2004).

Incentives are the third component of knowledge management culture. In addition to policy and process, a reward system or incentives can determine the channels from which knowledge is accessed (Leonard, 1995). Park (2006) argued that incentive systems could support knowledge management activities. Tangible and intangible incentives are integral parts of the knowledge management process and can be used to motivate employees to share knowledge (Hansen, Nohria, & Tierney, 1999). An organization's system of rewards is a critical structural factor that affects employee behavior and influences employee decisions regarding knowledge creation and knowledge transfer activities (Hurley & Green, 2005).

Our second hypothesis is that Knowledge Management Performance depends on a firm's use of Knowledge Management Enablers: technology, structure, and organizational culture. We assessed structure by the extent of its decentralization and formalization. The questions used to assess knowledge management enablers are found in Appendix 3. The scale is the one proposed by Lee and Choi (2003), used with permission.

### Knowledge Management Process Capability

Knowledge management process is an ongoing, persistent, and purposeful network of interactions among people aimed at managing the knowledge process. Knowledge management process creates a planned, directed, and unified whole that produces, maintains, enhances, acquires, and transmits the enterprise's knowledge base (Firestone, 2001). Park (2006) described four dimensions of the knowledge management process: knowledge acquisition, knowledge protection, knowledge conversion, and knowledge application.

Researchers have identified several key aspects of the knowledge management process, including creation, transfer, and use (Skyrme & Amidon, 1998; Spender, 1996); capture, transfer, and use (DeLong, 1997); and identification, acquisition, development, sharing/distribution, utilization, and retention (Probst, Raub, & Romhardt, 2000). Alavi and Leidner (2001) examined these various characteristics and produced four broad dimensions of process: creation, storage/retrieval, transfer, and application. Shin, Holden, and Schmidt (2001) categorized the knowledge management process as creation, storage, distribution, and application. This study focuses on six aspects of Knowledge Management Process Capability: Internal Knowledge Acquisition, External Knowledge Acquisition, Knowledge Upgrade Capability, Knowledge Protection Capability, Knowledge Conversion Capability, and Knowledge Application Capability.

### Internal and External Knowledge Acquisition

Knowledge acquisition is the process of developing new content and replacing existing content within the organization's tacit and explicit knowledge base (Pentland, 1995). Nonaka and Tackeuch's (1995) SECI model postulated that knowledge is created using four processes to convert tacit and explicit knowledge. The processes were Socialization, Externalization, Combination, and Internalization (SECI). The authors proposed a cyclical translation process that encapsulated the four knowledge conversion processes as follows: (a) tacit knowledge transfer through socialization; (b) tacit knowledge to explicit knowledge conversion through externalization; (c) generation of new explicit knowledge through the combination of existing explicit knowledge; and (d) the acquisition by individuals of tacit knowledge through the internalization of explicit knowledge. Knowledge acquisition can be either internal or external in orientation. We consider both Internal Knowledge Acquisition and External Knowledge Acquisition in our analysis.

### Knowledge Upgrade Capability

Park (2006) argued that an organization should both acquire knowledge throughout the organization and exchange knowledge, even with external partners. Knowledge upgrade occurs continuously through benchmarking, use of best practices, and feedback from project experience to improve subsequent projects. By implementing these systems, the organization can capture knowledge for internal use (Gold, Malhotra, & Segars, 2001).

### Knowledge Protection Capability

Alavi and Leidner (2001) asserted that creating new knowledge is not enough. People and organizations forget, and mechanisms are needed to store acquired knowledge and to retrieve it when needed. The concept of organizational memory aims for the same goal. Organizational memory includes knowledge residing in various components that may include written documentation, structured information stored in electronic databases, codified human knowledge stored in expert systems, documented organizational procedures and processes, and tacit knowledge acquired by individuals and networks of individuals (Tan et al., 1998). Organizational memory includes individual memory (a person's observations, experiences, and actions) as well as shared knowledge and interactions, organizational culture, transformations (production processes and work procedures), structure (formal organizational roles), ecology (physical work setting), and information archives (both internal and external to the organization) (Walsh & Ungson, 1991).

In addition, an organization should develop security-oriented technology that restricts or tracks access to vital knowledge (Gold, Malhotra, & Segars, 2001). To protect knowledge, the following activities are necessary: protecting knowledge from inappropriate use or being leaked within or outside the organization, restricting access to some sources of knowledge by password technology, identifying restricted knowledge, protecting tacit knowledge, and, most importantly, communicating the importance of knowledge protection throughout the corporation.

### Knowledge Conversion Capability

When organizations become cognizant of a lack of specific knowledge within the organization, a "knowledge gap" is identified. In response, organizations attempt to acquire or transfer in knowledge (Gilbert & Gordey-Hayes, 1996). Marshall (1997) defined knowledge conversion as the transfer of knowledge and expertise throughout the organization. Knowledge conversion is a two-part process that involves both the transmission of information to one or more recipients as well as the absorption and transformation of the information by that person or group (Davenport & Prusak, 1998). Two kinds of conversion can be distinguished: internal and external. Internal conversion refers to the transfer of knowledge within the organization. External conversion addresses knowledge exchange between the organization and its environment. Park (2006) listed some of the most important activities that achieve knowledge conversion: (a) converting competitive intelligence into action plans, (b) filtering and evaluating knowledge, (c) transferring organizational knowledge to individuals, (d) absorbing individual knowledge into the organization, (e) absorbing partner knowledge into the organization, (f) integrating different sources of knowledge, and (g) replacing outdated knowledge.

### Knowledge Application Capability

The primary goal of knowledge management is to ensure the knowledge present in an organization is applied productively (Probst, Raub, & Romhardt, 2000). Davenport and Klahr (1998) noted the effective application of knowledge helps companies increase efficiency and reduce costs. Park (2006) noted the effective application of knowledge includes applying knowledge from past mistakes, using knowledge to solve new problems, matching sources of

knowledge to problems, applying stored knowledge to improve efficiency, using knowledge to adjust strategic direction, and linking sources of knowledge available to solve problems. Our third hypothesis is that Knowledge Management Performance is enhanced by the use of Knowledge Management Capabilities: Internal Knowledge Acquisition, External Knowledge Acquisition, Knowledge Upgrade, Knowledge Protection, Knowledge Conversion, and Knowledge Application. Appendix 4 presents the questions used to assess the dimensions of knowledge management process capability. The Knowledge Management Process Capability Scale was formulated by Park (2006) and is used with permission.

### Sample Selection

A software company can be defined as an enterprise that derives more than 50% of its revenues from software and software services (Teubner & Nietsch, 2000). The American Electronics Association (AEA) uses eight North American Industrial Classification System (NAICS) codes to classify software companies into three broad categories: (a) software publishers, (b) computer systems design and related services, and (c) internet services.

Data was collected from software companies based in the United States using an online survey. The names and e-mail addresses of executives at software companies were available from the Web site of Lead411. Lead411 lists approximately 17,811 software company executives. Using Survey Monkey, approximately 6,000 e-mails were sent to executives; 258 responses were received (a 4.3% response rate). Failure to pass screening questions or incomplete answers eliminated 46 responses, resulting in 212 valid responses. A conservative rule for adequate sample size is n > 50 + 8m, where n = sample size and m = number of predictors (Tabachnick & Fidell, 2001). By this rule, the minimum sample size for this study would be 146.

### Methodology

We tested our hypotheses using multiple regression analysis on the composite scores measuring the dependent and independent variables. The use of voluntarily self-reported data is always problematic. However, these issues are offset by the fact that the insider status of the persons responding may improve the quality of the information received. An area for future research is to compare these findings with results from data generated by independent external evaluators.

Multiple regression analysis assumes a linear relationship between the dependent and explanatory variables. This assumption may not be correct. However, because all of the respondents are in the same industry, the regression coefficients can be interpreted as capturing the marginal effects of variations in a firm's approach to Knowledge Management.

### Results

The results of our regression estimates are presented below. Overall, the results support the importance of many of the factors identified in the literature as being significant in effective knowledge management.

#### Hypothesis 1: Strategy Improves Performance

Our first hypothesis was that the use of Knowledge Management Strategy would improve a firm's Knowledge Management Performance. Our results, found in Table 1, support this. In our sample, both system and human orientation strategies appear to improve a firm's knowledge management performance with both explanatory variables being significant at greater than a 99% level. While the R² value is disappointing, that is not unusual with cross sectional survey data of this kind. It would clearly be costly for firms to neglect either aspect of knowledge management.

Table 1
Test of Hypothesis 1: The use of knowledge management strategy improves knowledge management performance

Variable	В	SE	t	Þ
(Constant)	8.353	1.277		
System Orientation Strategy	.408	.072	5.664	<.001
Human Orientation Strategy	.263	.070	3.777	<.001
N = 212 F = 28.247 $df = 2$ $p < .001$	$R^2 = .213$	Adjuste	$ed R^2 = .205$	5

Hypothesis 2: The Use of Enablers Improves Performance

Our second hypothesis was that the use of Knowledge Management Enablers would improve Knowledge Management Performance. These results are found in Table 2. With a highly significant F-statistic, the data clearly support the importance of knowledge management enablers in improving knowledge management performance. The R<sup>2</sup> is especially gratifying for cross section data. Interestingly, only three of the four enablers are statistically significant. Both Technology and Organizational Culture have a positive impact on performance. Somewhat surprisingly, Decentralization has a significantly negative impact on performance. Formalization has a slight positive impact on knowledge management performance, but this affect is not statistically significant. This suggests that an institutional culture or philosophy that fosters knowledge management may be more important than specific policies or procedures. It also seems that, at least in this industry, the costs of decentralization outweigh its benefits.

Table 2
Test of Hypothesis 2: The use of knowledge management enablers improves knowledge management performance

Variable	В	SE	t	Þ
(Constant)	2.330	1.244		
Technology	.382	.066	5.746	<.001
Decentralization	505	.083	-6.118	<.001
Formalization	.063	.045	1.389	.166
Organizational Culture	.405	.038	10.692	<.001

N = 212F = 57.857 df = 4 p < .001  $R^2 = .528$  Adjusted  $R^2 = .519$ 

Hypothesis 3: Increased Process Capability Improves Performance

Our third hypothesis was that increases in the various aspects of knowledge management process capability would improve knowledge management performance. While the overall regression is highly significant, indicating support for the hypothesis, none of the dimensions of knowledge management process capability are significant at the 99% level, and only two, External Knowledge Acquisition and Knowledge Application, are significant at the 5% level. This may be caused by the survey's inability to accurately capture these dimensions or by multicollinearity among these factors within the sample. It seems likely that firms with high levels of knowledge management would excel in multiple dimensions of knowledge management process capability, and our relatively small sample size may not permit us to identify the individual impacts of these components.

Table 3

Test of Hypothesis 3: Increased knowledge management process capability improves knowledge management performance

Variable	В	SE	t	Þ
(Constant)	8.218	1.068		
Internal Knowledge Acquisition	116	.148	.782	.435
External Knowledge Acquisition	.251	.105	2.386	.018
Knowledge Upgrade	024	.124	101	.849
Knowledge Protection	.096	.067	1.447	.150
Knowledge Conversion	.106	.073	1.447	.149
Knowledge Application	.166	.064	2.575	.011

$$N = 212$$
  
 $F = 14.875$   $df = 6$   $p < .001$   $R^2 = .303$  Adjusted  $R^2 = .283$ 

#### Conclusions

Our research provides clear support for all three of the approaches to improving knowledge management performance identified by the literature: knowledge management strategy, knowledge management enablers, and knowledge management process capability. While knowledge management process capability appears to have a positive impact on knowledge management performance, the support for the individual aspects of knowledge management process capability in the U.S. software industry is weak. Although the overall model is highly significant, none of the six measures of knowledge management process capability was significant at the 1% level. This suggests that, at least in this industry, firms should concentrate their knowledge management efforts in the areas of strategy and enablers.

Our results are consistent with the hypothesis that a sound strategy and adequate enablers will prevail, even in the presence of a sub-optimal process. Conversely, an environment rich in knowledge management process capability may not compensate for shortfalls in the other two areas of knowledge management. In the area of knowledge management, the specific process by which the components interact appears to be less important than the strategy that guides the process and the enablers that promote it.

#### Limitations and Future Research

Further research is needed in two areas. First, our results are based on self-reported data. It would be useful to obtain external measures of our variables to see if these results are robust. This could be done by surveying industry analysts or other experts about firm performance and knowledge management characteristics in each of the areas studied in this paper.

It is also important to determine if these results hold up for other industries. Our research may not be applicable to areas such as financial services or manufacturing. In contrast, technological progress may make knowledge management critical in industries that are not

obviously "high tech." For example, success in manufacturing may depend on identifying changing market condition in a timely fashion, an area in which effective knowledge management could provide a critical comparative advantage.

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Appendix 1. Knowledge Management Strategy Questionnaire.

		Strong Strong Disagr	gly			Agree
1.	In our company, knowledge like know-how, technical	1	2	3	4	5
2.	skill, or problem solving methods is well codified.  In our company, knowledge can be acquired easily	1	2	3	4	5
3.	through formal documents and manuals.  In our company, results of projects and meetings are documented.	1	2	3	4	5
4.	In our company, knowledge is shared in codified forms like manuals or documents.	1	2	3	4	5
5.	In our company, knowledge can be easily acquired from experts and co-workers.	1	2	3	4	5
6.	In our company, it is easy to get face-to-face advice from experts.	1	2	3	4	5
7.	In our company, informal conversations and meetings are used for knowledge sharing.	1	2	3	4	5
8.	In our company, knowledge is acquired by one-to-one mentoring.	1	2	3	4	5
	menconing.					

### Appendix 2. Knowledge Management Performance Questionnaire.

	Strongly Strongly Disagree			Agree
Compared with our key competitors, 1our company is more successful.	1 2	3	4	5
2our company has a greater market share.	1 2	3	4	5
3our company is growing faster	1 2	3	4	5
4our company is more profitable.	1 2	3	4	5
5our company is more innovative.	1 2	3	4	5

Appendix 3: Knowledge Management Enabler Questionnaire.

	Strong Strong Disagn	gly			Agree
1. Our company provides information technology support for collaborative work regardless of time and place.	1	2	3	4	5
2. Our company provides information technology support for communication among organization employees.	1	2	3	4	5
3. Our company provides information technology support for searching for and accessing necessary information.	1	2	3	4	5
<ul><li>4. Our company provides information technology support for simulation and prediction.</li></ul>	1	2	3	4	5
<ul><li>5. Our company provides information technology support for systematic storing.</li></ul>	1	2	3	4	5
6. Our employees can take action without a supervisor.	1	2	3	4	5
7. Our employees are encouraged to make their own decisions.	1	2	3	4	5
8. Our employees do not need to refer to someone else to make decisions.	1	2	3	4	5
9. Our employees do not need to ask their supervisor before taking action.	1	2	3	4	5
10. Our employees can make decisions without approval.	1	2	3	4	5
11. In our company, there are many activities that are covered by formal procedures.	1	2	3	4	5
12. In our company, contact with our company is on a formal or planned basis.	1	2	3	4	5
13. In our company, rules and procedures are typically written.	1	2	3	4	5
14. In our company, employees cannot ignore the rules and reach informal agreements to handle some situations.	1	2	3	4	5
15. In our company, employees cannot make their own rules on the job.	1	2	3	4	5
16. Our employees are satisfied with the amount of collaboration.	1	2	3	4	5
17. Our employees are supportive.	1	2	3	4	5
18. Our employees are helpful.	1	2			
19. There is a willingness to collaborate across organizational units within our company.	1	2		4	
20. There is a willingness within our company to accept responsibility for failure.	1	2	3	4	5
21. Our employees are generally trustworthy.	1	2	3	4	5
22. Our employees have reciprocal faith in other members' intentions and behaviors.	1	2	3	4	5
23. Our employees have reciprocal faith in each other's ability.	1	2	3	4	5

	Strong Strong	, ,			
	Disagr	ee			Agree
24. Our employees have reciprocal faith in others'	1	2	3	4	5
commitment to organizational goals.					
25. Our employees have reciprocal faith in others'	1	2	3	4	5
commitment to the company as a whole.					
26. Our employees have relationships based on reciprocal	1	2	3	4	5
faith.					
27. Our company has a standardized reward system for	1	2	3	4	5
sharing knowledge.					

Appendix 4: Knowledge Management Process Capability Questionnaire.

		Strong Strong Disagr	gly			Agree
1.	Our company has internal processes for generating new knowledge from existing knowledge.	1	2	3	4	5
2.	Our company has processes for using feedback from past experience to improve future projects.	1	2	3	4	5
3.	Our company has processes for distributing knowledge throughout the organization.	1	2	3	4	5
4.	Our company has processes for exchanging knowledge with external partners.	1	2	3	4	5
5.	Our company has processes for acquiring knowledge about new products and services within our industry.	1	2	3	4	5
6.	Our company has processes for acquiring knowledge about competitors within our industry.	1	2	3	4	5
7.	Our company has processes for benchmarking performance among employees and departments.	1	2	3	4	5
8.	Our company has processes for identifying and upgrading best practices.	1	2	3	4	5
9.	Our company has processes to protect knowledge from inappropriate use or from being leaked in and outside the organization.	1	2	3	4	5
10.	Our company has technology such as a password system, to restrict access to particular sources of knowledge.	1	2	3	4	5
11.	Our company has processes to value and protect tacit knowledge embedded in individuals.	1	2	3	4	5
12.	Our company has processes to identify restricted knowledge.	1	2	3	4	5
13.	Our company clearly communicates the importance of having knowledge protection on a corporate level.	1	2	3	4	5
14.	Our company has processes for converting competitive intelligence into action plans.	1	2	3	4	5

	Strong Strong Disagr	ly			Agree
15. Our company has processes for filtering and evaluating knowledge.	1	2	3	4	5
16. Our company has processes for transferring organizational knowledge into individual knowledge.	1	2	3	4	5
17. Our company has processes for absorbing individual knowledge into organizational knowledge.	1	2	3	4	5
18. Our company has processes for absorbing knowledge from partners into organizational knowledge.	1	2	3	4	5
19. Our company has processes for integrating different sources and types of knowledge.	1	2	3	4	5
20. Our company has processes for replacing outdated knowledge with new knowledge.	1	2	3	4	5
21. Our company has processes for learning from past mistakes.	1	2	3	4	5
22. Our company has processes for using knowledge to solve new problems.	1	2	3	4	5
23. Our company has processes for matching sources of knowledge to problems and challenges.	1	2	3	4	5
24. Our company has processes for applying stored knowledge to improve efficiency.	1	2	3	4	5
25. Our company has processes for using knowledge to adjust strategic directions.	1	2	3	4	5
26. Our company has processes for quickly linking sources of knowledge (holder and type) available for solving problems.	1	2	3	4	5

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## Music Video Use Among Egyptian and U.S. Young Adults: A Cross Cultural Analysis

# Mohamed Reda Soliman Philip J. Auter Erica Ashton

#### Abstract

Approximately 360 undergraduate students in the United States (U.S.) and Egypt were surveyed regarding their consumption of U.S. and Middle Eastern music videos respectively. Gratifications from the experience were assessed, along with their attitudes about a number of social values questions. They also were asked about their affinity for music video content and their perception of music videos as reality. Results showed that, although there were no significant differences in consumption or beliefs about music videos by age or gender, country of residence and religious affiliation were correlated. Relationships also were found between affinity for music videos and gratifications obtained from them and respondents' beliefs about how music videos affect community values.

#### Key Words

Music videos, video clips, United States, Egypt, cross-culture, uses and gratifications, social values, affinity.

#### Introduction

Since their introduction in the United States in the early 1980's and in Egypt in the latter part of the same decade, music videos have captured and held the attention of younger generations (Aly, 2004). Due to their prevalence and popularity, music videos have been the subject of a great volume of research. However, little is known about how audience uses of and gratifications from music videos cross cultural boundaries. The present study considered music video consumption and how it may vary among U.S. and Egyptian young adults.

#### United States Music Videos

For over a quarter of a century, Music Television (MTV) has set the standard for music videos in the United States. In the early part of the decade, researchers became concerned with the cultural ramifications of video content with particular interest in violence and sexual content. In 1985, 80 percent of MTV's programming time was dedicated to showing music videos (Baxter et al., 1985). Of course, today, a large amount of music videos programming on MTV has been replaced by an overwhelming number of reality shows. However, the music video industry is still going strong. Other channels, such as VH1, CMT, and BET, still air music videos throughout the day. Today's advanced streaming technology has made the Internet a major source of music video consumption, along with iPods and video-equipped cellular phones.

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An analysis by Baxter and colleagues of music videos aired on MTV in April and May of 1985 revealed some of the most frequent content categories of the day. The most common of these were visual/special effects, sexual content, violence/crime, and alcohol and drug use (Baxter et al., 1985). In the decade to follow, the specific categories of U.S. music videos had changed very little. However, the content has increased in frequency and explicitness (DuRant et al., 1997).

From the very beginning, MTV has been criticized for stressing sex and violence. Early music videos on MTV emphasized understated sexuality, which relied on innuendo, suggestiveness, risqué clothing, and light physical contact as opposed to more overt sexuality featured in more recent music videos. Like sexual content, violent acts and crimes also have become more overt and explicit in nature. The majority of violent acts in the earlier videos were the result of elements of physical aggression and often stopped short of the completion of the act (Baxter et al., 1985). Content analyses of music videos in the early 1980s found that more than 56 percent of videos aired on MTV contained violent acts. More recent research in the late 1990s of four major music television networks showed young adults engaging in violent behavior in 63 percent of the videos (Rich, Woods, Goodman, Jean Emans, & DuRant, 1998). The

content analysis by Rich and his colleagues of videos on BET, CMT, MTV, and VH1 in 1998 revealed that more than 14 percent of the videos analyzed contained one or more overt acts of interpersonal violence with a mean of 6.1 violent acts per video (Rich, Woods, Goodman, Jean Emans, & DuRant, 1998).

Another content analysis of the four major music video networks in 1997 showed that alcohol and tobacco use were prevalent in music videos. Although explicit use of alcohol and tobacco is most prominent in this category of content, advertising for both types of products has a significant presence in the videos as well. More than 25 percent of the videos aired on MTV portrayed smoking behavior (DuRant et al., 1997). Recent research shows that negative aspects of U.S. music videos and their potential effects continue, even as the genre has become much more accessible online (Aikat, 2004; Martino et al., 2006).

#### Egyptian Music Videos

The roots of Egyptian music can be found largely in religious recitations and in folk songs that celebrate life and love. Traditional Arabic music is characterized by melancholy. The guiding influence of the principles and systems of Western music has not completely corrupted the traditional expression and characteristics of original Egyptian music. Egypt was first introduced to Western musical instruments during the twentieth century. In the late 1950s, Egypt's Minister of Culture founded two academies focused on Western and oriental music. These institutions are credited with bringing modern Western music to the younger generations of Egypt (Fahmy, 2005).

The first Arabic video-clips, or music videos, were introduced in 1987 (Fahmy, 2005). Today, Arabic music videos have become highly hybridized with the wide availability of international music to Egyptian students (Abaza, 2005). Arab music videos are raising consciousness of struggles over gender identities for both men and women and are full of signifiers focused on the bodies of young women. Some Arabic videos display strong Western influences with scenes of young men and women hanging out at the beach or at parties. Arab music videos rarely contain vulgar language, but a significant number contain promiscuous dancing. Despite the strong Western influence present with globalization, some Arabic videos have managed to maintain the traditional images of Arabic women and preserve the traditional Arab Islamic gender roles (Ismail, 2005).

Arabic music videos can be divided into three general categories: romantic, socially-conscious, and politically-conscious music videos. Many Arabic music videos are more like fantasies or daydreams for the average Arabic viewers who could scarcely afford the cars, clothing, mobile phones, and other items of "luxury." In fact, Arabic music videos have been accused of "narcotizing" the young Arabic men and women through their larger than life content. Music videos promote aspirations of high-class life style and offer an alternative to social life (Ismail, 2005). Studies also have revealed that many music videos contain images of a provocative nature as well as content such as dress that are not in line with traditional Egyptian ways (Aly, 2006).

The two major music video producers of the Arabic world are based in Cairo. As of 2005, open music channels, or satellite channels showing music videos in Egypt, numbered more than thirty. In recent years, one company launched a specialized music video channel in the same vein as the American MTV and with expectations of launching similar channels in the near future.

The music videos aired on the new MTV-style channel and the many Arabic satellite channels have significant influence over image-shaping, fashion, and politics (Aly, 2006; El-shareef, 2004).

#### Social Values

Social values are concepts that vary from one individual to another. Despite this great variation, it is possible to make broader generalizations about the social values of a society that may encompass a majority of the members of that society. In the United States, some values at the heart of all Americans are freedom, individuality, privacy, family, education, competition, goals, and equality. Furthermore, most Americans believe strongly in making the best use of time, while simultaneously living generally casual, everyday lives. The United States has a highly individualistic and capitalistic culture. At the same time, the United States has more places of religious worship per capita than any other country. This evidence represents a considerable hold by Americans to traditional values (An adventure in American culture & values, n.d.).

Society's view of how music videos affect social values is very important. According to a survey conducted by the conservative think tank Culture and Media Institute (CMI), Americans believe social values are in a state of moral decline, with the media as a major contributor to the decline. CMI found that 64% of Americans agree the media play an integral role in shaping moral values in the United States. Furthermore, CMI noted that 68% believe the media negatively impact moral values, and 73% agree the entertainment industry, in particular, has a negative impact on moral values (The media assault on American values, n.d.).

In Egypt, many social values tend toward the more traditional. The social values of Egypt reflect the response of the traditional social values to the penetration of ideas and the technology-oriented society of the West such that the social values have assimilated and, at the same time, remained distinctively Egyptian. Family is an important social value as a source of support and stability, and in the determination of social values (Doing business in Egypt: Egyptian social and business culture, 2007; Egypt, n.d.; Bits of Culture – Egypt, 2002).

#### Affinity and Perception of Reality

Affinity for media content addresses how much an audience member enjoys or "likes" consuming the content. Perception of reality, in contrast, addresses how much the user believes the content is real or representative of reality (Rubin, 1979, 1981). Given the fantasy nature of many popular Western and Middle Eastern music videos, perception of reality would be an interesting variable to measure.

Cultivation theory offers an interesting explanation of the effect of music video consumption on viewers' perception of reality. This theory posits that as people consume more television and as a result receive greater exposure to the portrayed distortions of reality, they will begin to view the real world as similar to the world portrayed in the music videos. Furthermore, an individual will tend to overestimate the presence of certain content in the real world based on the overrepresented content in music videos (Shrum, Wyer, & O'Guinn, 1998).

#### Gratifications

Uses and gratifications (U&G) is an audience-centered form of media research that presumes audience members know (at least subconsciously) why they use various media and what effects they are trying to stimulate. Researchers in this area focus on how audiences direct their media experiences through the choices they make, while most research in this area has looked at news or entertainment programming.

The Expectancy-Value approach to U&G research looked at gratifications sought (motives for media exposure) and gratifications obtained (perceived effects/outcomes of media exposure) (Palmgreen & Rayburn, 1985). Expectancy-value research states audience members know what they want from a given media experience (e.g., information, entertainment, etc.) and actively seek out programming they believe will fulfill their needs. After media consumption, users then determine what experiences they actually obtained and compare those to the gratifications sought. Patterns of media use are developed and continually modified based on audience members' gratifications sought (GS) versus the gratifications they actually obtained (GO) (Palmgreen & Rayburn, 1982, 1985).

In order to study these concepts, Palmgreen, Wenner, and Rayburn (1980) developed a 15-item scale to measure GS. Subjects respond to a series of statements such as, "I watch \_\_\_\_ to keep up with current issues and events," on a 7-point, Likert-type scale ranging from "never" to "always." Rewording the statements allows the scale to measure gratifications obtained (e.g., "After watching \_\_\_ I feel that I have kept up with current issues and events.") (Palmgreen, Wenner, & Rayburn, 1980; Perse, 1994). The scales have been used to measure GS and/or GO of several forms of programming including TV news programs (Palmgreen, Wenner, & Rayburn, 1980), TV news features (Babrow & Swanson, 1988; Palmgreen & Rayburn, 1982), morning news (Rayburn, Palmgreen, & Acker, 1984), and religious radio and TV (Auter & Lane, 1999). Palmgreen et al.'s (Palmgreen, Wenner, & Rayburn, 1980) scale has been found to measure five gratifications: General Information Seeking, Decisional Utility, Entertainment, Interpersonal Utility, and Parasocial Interaction.

#### Hypotheses and Research Questions

Music videos have been shown to be a significant part of both American and Egyptian cultures over the past several decades. As such, this paper sought to understand how consumption of music videos may vary among young adults in each nation. Also, the study hoped to find out how interested viewers are in their music videos. Many work, education, family, and social activities vie for the attention of young adults. One of these, of course, is video viewing via television, Internet, cell phone, and other video transfer methods. Of the many genres of programming available, music videos are one of the more popular with young adults.

#### Consumption of Music Videos

The researchers were interested in determining consumption rates of music videos in both cultures and whether there were differences based on common demographic variables. Therefore, the following research questions and hypotheses were asked:

RQ1: How will consumption of music videos vary by the following demographics: age, country of residence/religion of respondent, and gender?

RQ2: How will consumption of music videos relate to respondents' perceptions that music videos affect community values?

RQ3: How will consumption of music videos relate to respondents' perceptions regarding how music videos affect community values?

H1: Consumption of music videos will be positively correlated with respondents' affinity for music videos.

H2: Consumption of music videos will be positively correlated with respondents' perception of music videos as reality

H3: Consumption of music videos will be positively correlated with gratifications obtained from music videos.

Perceived Effect of Music Videos on Community Values

The researchers were interested in exploring the beliefs of music video viewers in both cultures regarding how music videos may affect cultural values. One query regarded how various demographic variables might be involved. This led to the following research questions:

RQ4: Will the perception that music videos affect community values vary by the following demographics: age, country of residence/religion of respondent, and gender?

RQ5: Will respondents' beliefs about how music videos affect community values vary by the following demographics: age, country of residence/religion of respondent, and gender?

Affinity: Affinity consists of liking/enjoying a message genre. If one likes music videos, but believes they are a "guilty pleasure," there may be some dissonance regarding beliefs about their effect on community values. In contrast, it would seem logical that affinity for the programming would be related directly to beliefs that music videos have a positive versus negative effect. The following research question and hypothesis, therefore, were proposed:

RQ6: How will respondents' affinity for music videos relate to their perceptions that music videos affect community values?

H4: Respondents with a greater affinity for music videos will be more likely to believe that music videos have a positive effect on community values.

Perception of Music Videos as Reality: Music videos, both in the U.S. and Egypt, represent a wide variety of music styles and video formats. Nonetheless, the vast majority of them represent a fantasy lifestyle that is at least a little, and often quite a bit, different from reality. One may

wonder whether someone who believes music videos represent reality would consume more or less of the programming, given entertainment TV often is used for escape. Further, beliefs about the positive or negative effects of music videos on society may relate to a respondent's beliefs about what is good and bad in society. This leads to the following questions about perceptions of music videos as reality and how that relates to a viewer's beliefs they affect community values:

RQ7: How will respondents' perceptions of music videos as representing reality relate to their perceptions that music videos affect community values?

RQ8: How will respondents' perceptions of music videos as representing reality relate to their perceptions about how music videos affect community values?

Gratifications Obtained from Music Videos: Finally, researchers sought to find out how gratifications obtained related, if at all, to respondents' perceptions that music videos affect society and in what way they affect society.

RQ9: How will the gratifications obtained by a respondent from viewing music videos relate to their perceptions that music videos affect community values?

RQ10: How will the gratifications obtained by a respondent from viewing music videos relate to their perceptions about how music videos affect community values?

#### Method

#### Samble

A survey was administered to more than 360 college age students. About half of the students surveyed were undergraduate communication students at a mid-sized public, southern U.S. university. Although located in a cosmopolitan, mid-sized city well over 200,000 in population, the area—including the university student body—has a reputation for being more conservative than other parts of the U.S. These students received extra credit for their voluntary and anonymous participation. Undergraduate students at a large-sized public university in Egypt comprise the other half of the students surveyed. A public school, not focused primarily on religious instruction, the university is located about 125 kilometers north of Cairo in a city nearly double the size of the city where the U.S. institution is located.

#### Measures

All surveys were identical in form and content, with the exception that surveys administered to Egyptian students were translated into Arabic. Questions were divided into several sections including self-reported estimates of time spent watching music videos each week, demographic variables, affinity for music videos, perception of them as reality, and gratifications obtained from watching music videos. Statements tapping the respondent's belief that music videos affect community values, as well as their belief in the type of effect, also were included.

Students were asked to self-report how many hours per week they watched music videos. This question did not ask the respondent to indicate the method by which they consume music videos (i.e., television, Internet, cell phone, etc.). Respondents also were asked to report their gender, country of residence, age, and religion.

Affinity for music videos was measured with a five-statement scale developed by Rubin in 1981 (Rubin, 1981). Respondents were asked to indicate their level of agreement on a five-point scale ranging from strongly disagree to strongly agree to items such as, *I would rather watch music videos than do anything else*. The original version of Rubin's scale was modified by replacing the term *television* in each of the items with the term *music videos*. A five-item, five-point Likert scale, also derived by Rubin in his 1981 study was used to measure respondents' perception of music videos as representations of reality (Rubin, 1981). As in the scale for affinity, the term *television* was changed to *music videos* to measure respondents' perception of music videos as reality.

Gratifications obtained from music video use were measured with a 15-item scale developed by Palmgreen, Wenner, and Rayburn (1980). Subjects respond to a series of statements such as, "I watch \_\_\_\_ to keep up with current issues and events," on a 5-point, Likert-type scale ranging from "strongly disagree" to "strongly agree." The scale has been found to measure five gratifications: General Information Seeking, Decisional Utility, Entertainment, Interpersonal Utility, and Parasocial Interaction.

Respondents also were asked to report how much they believed music videos affected community values. They were provided the options of no effect, moderate effect, and high effect. An additional statement allowed them the opportunity to identify an effect, if any, that music videos have on community values as negative, both positive and negative, or positive.

The survey data was entered into SPSS for analysis. Researchers found responses to the question about amount of time spent watching music videos each week were, at times, not consistent with the requested whole number format. If a respondent reported a range (e.g., "two to four hours per week"), researchers changed that to the mean whole number (e.g., "three hours per week"). Responses that included a decimal or fraction were rounded down if .4 or lower and up if .5 or higher.

Several of the statements assessed the respondent's belief that music video consumption may affect community values. This was a challenging issue to address, especially across two different cultures. Rather than develop an inventor of "community values statements," the researchers felt that a better—albeit not ideal—option would be to allow each respondent to frame community values the way she or he saw fit.

#### Results

#### Preliminary Data Analysis

Three hundred sixty-three undergraduate college students ranging in age from 17 to 50 with an average age around 22 years old responded to the survey. Two hundred thirty-seven (65.3%) of the respondents were female and the rest were male. This percentage was nearly identical in both the U.S. and Egyptian samples. Of the respondents, 168 (46.3%) were living in Egypt and the rest were residents of the United States. Respondents identifying themselves as Christian composed 45.3% of the sample, with 45.0% identifying themselves as Muslim. Nearly 100% of the Egyptians reported their religion as Islam, while nearly 100% of the U.S. residents

reported their religion as Christianity. Respondents overall reported watching an average of 6 hours of music videos per week.

#### Hypotheses and Research Questions

Consumption: Respondents overall reported watching an average of 6 hours of music videos per week. Research question one considered how various demographic variables may correlate with music video consumption. Age and gender were not found to be correlated with music video consumption levels in the sample overall or in either the Egyptian or U.S. students, but country of residence/religion was. Although not statistically significant, it is interesting to note the difference in consumption by gender. Men in the sample, on average watch 6.59 hours of music videos per week, while women only watch 5.77 hours per week.

An independent-samples t-test indicated the difference between U.S. and Egyptian consumption of music videos was statistically significant (t = -5.996, df = 360, p < .001). U.S. students reported watching a mean of 2.90 hours of music videos per week, while Egyptian students report watching a mean of 9.67 hours per week. An independent-samples t-test also indicated the difference between Christian and Muslim consumption of music videos was statistically significant (t = -6.340, df = 325, p < .001). Mean consumption of music videos among Christian respondents was reported as 2.42 hours per week, while Muslim respondents reported watching 9.87. This is consistent with the finding that the Egyptian sample was almost exclusively Muslim, while the U.S. sample was almost entirely Christian.

Research questions two and three considered how consumption levels might be affected by a respondent's belief that music videos affect community values—and whether that effect was negative, mixed, or positive. Interestingly, no correlation was found between these variables.

Affinity for music videos and perception of them as reality were the focus of hypotheses one and two. Pearson's correlation was run to compare the amount of music videos consumed by respondents' affinity for music videos. As predicted, there was a significant positive relationship between the two variables. (r = .302, p = .000). The more people "liked" music videos, the more they watched. Pearson's correlation was run to compare the amount of music videos consumed by respondents' perception of music videos as reality. As expected, there was a significant positive relationship between the two variables. (r = .216, p = .000). The more people believed music videos represented reality, the more they watched.

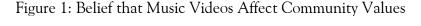
Hypothesis three predicted consumption would be positively correlated with gratifications obtained from music videos. Pearson's correlation analysis revealed the relationship between consumption and overall gratifications obtained was small, but positive and significant as expected. In the case of the sample overall (r = .232, p = .000), as well as the U.S. (r = .285, p = .000) and Egyptian (r = .139, p = .014) respondents separately, the greater the gratifications obtained, the more music videos were consumed.

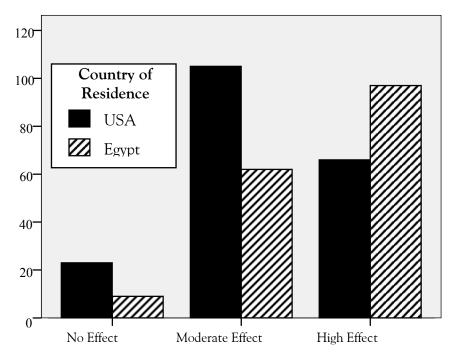
An interesting effect becomes visible if the relationship between these gratifications and consumption is considered separately for U.S. and Egyptian respondents. In the latter case, the only gratification significantly correlated with consumption is music video viewing as an interpersonal utility, which has a weak positive relationship. All other individual gratifications are not significantly correlated to music video consumption for the Egyptian students. In contrast, all of the U.S. students' individual gratifications appear to correlate with music video consumption.

Perceived Effects of Music Videos on Community Values: Whether people believe media content affects them directly or not, it is often found they believe various types of media content have a negative effect on society. The purpose of the following hypotheses and research questions was to determine whether music viewers in the current study felt that type of programming had any effect at all on their community values.

Research questions four and five were designed to determine whether basic demographic characteristics correlated with respondents' beliefs that music videos affect community values as well as whether that effect was negative, mixed, or positive. No correlation was found in either case for gender or age. However, in both cases, country of residence or respondents' religion was found to be a distinguishing factor.

A cross-tabulation of the variables country of residence and perceived effect of music videos on community values was run. This also was done for the variable religion. In both cases, post hoc analysis using the chi-squared statistic revealed a significant difference in the perceived type of effect music videos have on society. (Country of Residence –  $X^2 = 21.34$ , p = .000; Gamma = .442, p = .000. Religion –  $X^2 = 36.10$ , p = .000; Gamma = .414, p = .000). U.S. respondents tended to believe music videos were more likely to have a moderate effect on community values, while their Egyptian counterparts were more likely to believe music videos had a high effect on community values. (See Figure 1.)





A cross-tabulation of the variables country of residence and perceived type of effect of music videos on community values was run. This also was done for the variable religion. In both cases, post hoc analysis using the chi-squared statistic revealed a significant difference in the perceived type of effect that music videos have on society. (Country of Residence –  $X^2 = 49.41$ , p = .000; Gamma = .433, p = .000. Religion –  $X^2 = 71.49$ , p = .000; Gamma = .392, p = .000). U.S. respondents tended to believe music videos were more likely to have a mixed effect on community values, while their Egyptian counterparts were more likely to believe music videos had a negative effect on community values. (See Figure 2.)

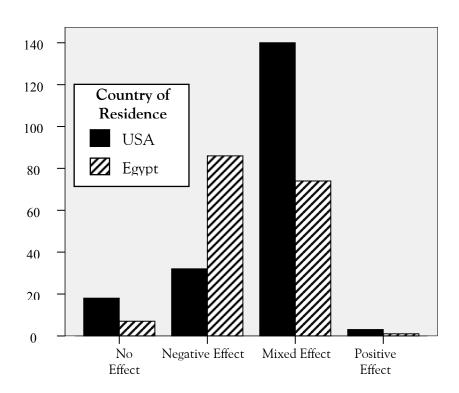


Figure 2: Belief about How Music Videos Affect Values

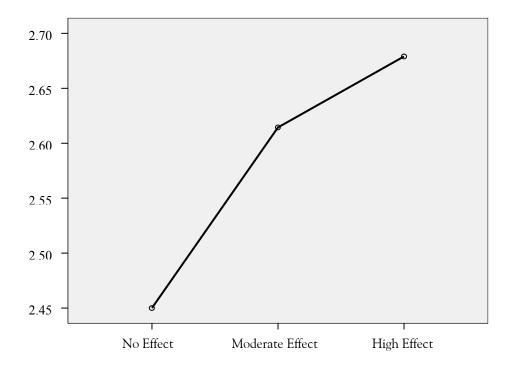
Affinity for Music Videos: Research question six and hypothesis four looked at whether affinity (or "liking") of music videos was correlated with the belief music videos affect community values.

A one-way analysis of variance (ANOVA) was performed to compare respondents' affinity for music videos across the predefined categories of beliefs about the level of effect music videos have on community values: no effect, moderate effect, and high effect. A significant relationship was found -F = 3.22(2, 358), p = .041. Mean scores suggested the greater the respondent's affinity for music videos, the greater the effect she or he perceived they had on society. (No Effect: M = 2.45, n = 32; Moderate Effect: M = 2.61, n = 167; High Effect: M = 2.68, n = 162.) Post hoc analysis using Dunnett T3 mean difference test revealed that the

significant difference was only between the groups "no effect" and "high effect" – T3 mean difference test = .229, p = .026. The strength of this relationship was evident for the entire sample, but not for the subsamples of U.S. or Egyptian respondents individually. (See Figure 3.)

Figure 3: Relationship between Respondent Affinity for Music Videos and Belief that they Affect Community Values

Affinity for Music Videos



Another one-way analysis of variance was performed to compare respondents' affinity for music videos across the predefined categories of no effect, negative effect, mixed (both positive and negative) effect, and positive effect on community values. A significant relationship was found – F = 4.52(3, 356), p - .004. Post hoc analysis using Dunnett T3 mean difference test revealed the significant difference was between the perception that music videos had a negative effect on society (M = 2.75, n = 119) and that they have a mixed effect on society (M = 2.58, n = 213) – T3 mean difference test = .166, p = .055. Interestingly, the greater affinity for music videos, the more likely the respondents would believe the effect on society was more negative. (See Figure 4.)

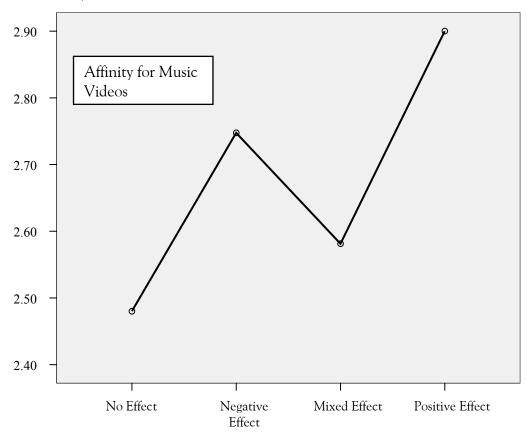


Figure 4: Relationship between Respondent Affinity for Music Videos and Belief about How they Affect Society

Perception of Music Videos as Reality: Research questions seven and eight considered how—if at all—the perception of music videos as representing reality related to the belief they affect community values. In both cases, one-way analyses of variance revealed no significant relationships.

Gratifications Obtained from Music Videos: Research questions 9 and 10 addressed how various gratifications obtained from watching music videos relate to respondents' beliefs that music videos affect community values.

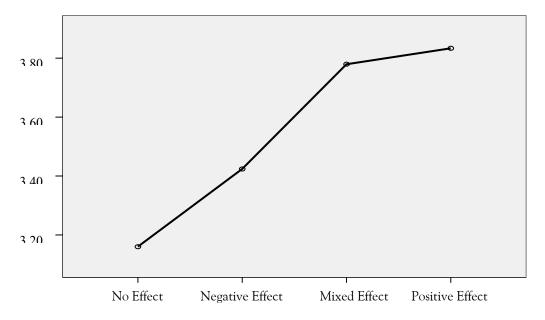
A one-way analysis of variance was performed to compare respondents' gratifications obtained from music video consumption and their beliefs about the level of effect music videos have on community values: no effect, moderate effect, and high effect. A significant relationship was found for the gratifications scale overall -F = 5.53(2, 358), p = .004 - as well as for all of the subscales except being entertained by music videos. However, when the sample was separated by location, it became clear the relationship between gratifications obtained and belief music videos affect community values was purely a U.S. phenomenon. No significant relationship was found in the Egyptian sample regarding how their gratifications obtained related to their belief about music videos affecting community values. Mean scores for the U.S. respondents appear to

suggest the greater the amount of gratification obtained, the stronger the belief music videos affect community values.

A one-way analysis of variance also was performed to compare respondents' gratifications obtained from music video consumption across the predefined categories of no effect, negative effect, mixed (both positive and negative) effect, and positive effect on community values. A significant relationship was found for the total gratification scale -F = 4.56(3, 356),  $p \cdot .004$  as well as all subscales except using music videos as a decision making utility. While all individual relationships appeared to be strong, the strongest linear relationship was between the amount of entertainment obtained from watching music videos and the belief in the type of effect videos have on society -F = 6.63(3, 356), p = .000. (See Figure 5.)

Figure 5: Relationship between Respondent Perceived Entertainment Gratification from Music Videos and Belief about How they Affect Society

Perceived Entertainment Value of Music Videos



Mean scores of total gratifications obtained suggest a linear positive relationship between amount of total gratification obtained and belief they have a less negative effect on community values (No Effect – M = 2.11, n = 25; Negative Effect – M = 2.49, n = 118; Mixed Effect – M = 2.56, n = 213; Positive Effect – M = 3.00, n = 4). Post hoc analysis using Dunnett T3 mean difference comparison revealed significant differences occurred between No Effect ant Negative Effect (T3 = .381, p = .028) as well as No Effect and Mixed Effect (T3 = .444, p = .005).

#### Discussion

This study found Egyptian undergraduate students watch a considerably greater amount of music videos than their U.S. counterparts. The findings also indicate Egyptian undergraduate students have greater affinity for music videos and perceptions of them as real. Age was not found to be a contributing factor to any relationships, perhaps because the age range of the sample was so narrow. It was interesting to note, however, that gender of the respondent also did not play a role in the relationship.

It would be interesting to assess why the Egyptian respondents watched more music video content then their U.S. counterparts. There could be a number of reasons for this. First, it is important to reiterate the specific content of these videos varied, and the content of the Middle Eastern music videos may be more appealing to its audience than the content of the U.S. music videos. Additionally, the literacy rate in Egypt is lower than that in the U.S., suggesting written forms of entertainment might not compete as strongly against audio and video entertainment as it might in the U.S. Further, it is important to point out the U.S. respondents may have a higher standard of living than the Egyptian respondents, resulting in a slightly lower interest in the fantasies portrayed in the music videos. Future research should attempt to determine more concretely why this variance in viewership exists.

This study further revealed that U.S. and Egyptian students varied as to the types gratifications sought and obtained from viewing of music videos. One possible reason for this variance by country of residence may be due to the nature of the videos generally available in both nations. As previously reported, Middle Eastern music videos tend to be less sexual and/or less violent than U.S. music videos. Still, further research should be done to explore these findings.

The current research found affinity for music videos, perception of them as reality, and gratifications sought and obtained all correlated with music video consumption as well as with one another. These findings are consistent with previous studies of television viewing and add further support of the importance and interrelationship of affinity and perception of TV as reality.

Furthermore, the findings show the perceived level of effect of music videos on community values was different for U.S. students and their Egyptian counterparts. A similar difference between the two groups was found for the perceptions of the type of effect music videos have on community values. Affinity for music videos was found to be related to viewers' perceptions of both the level and type of effect of music videos on community values. Finally, the findings support a conclusion that gratifications also are related to perceptions of effects of music videos on community values.

The study's findings are limited somewhat by the fact that music video formats and genres, and regional cultural values, differ in the U.S. and Egypt. The type of content available for viewing could certainly play a role in consumption levels as well as how that consumption affects a respondent's beliefs about the society. Varying community values, standards, and expectations certainly should be considered as well in future research, as these differences would most certainly also play a role in the relationship.

Despite the study's limitations, the findings provide additional evidence that music video use is very popular with young adults. However, there are marked cultural difference in not only uses but also perceived effects on society. Youth-based cross-national studies such as this also can

provide evidence not only of cultural differences but also of the many similarities people share across cultures. These may have a number of economic and cultural implications, particularly as the world changes rapidly before our eyes.

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# Product or Customer centered Organizations and Leadership Styles

### Jack T. McCann

#### **Abstract**

The purpose of this study was to determine whether organizations in the United States are product or customer centered, as perceived by their marketing managers. The research was designed to evaluate the levels of product centered and customer centered behaviors in United States organizations. This study included a target population of the 2009 Fortune 500 companies in the United States. Product or customer orientation, and outcome factors, were rated by marketing managers in these organizations using the Product Centered or Customer Centered Questionnaire (V-1). Leadership orientation and outcome factors were measured through direct report ratings of CEOs using the Multifactor Leadership Questionnaire (MLQ 5X) (Short Form). The research addressed the following questions: Are organizations in the United States product or customer centered, as perceived by their marketing managers? Is there a correlation between product and customer centered tendencies and leadership orientation and outcome measures of the multi-factor leadership questionnaire?

#### Key Words

Leadership, Marketing, Marketing Management, Product Centered, Customer Centered, Multifactor Leadership Questionnaire

#### Introduction

Most companies believe they are customer centered, but the truth is they are actually product centered (Slywotzky, Wise, & Weber, 2003). They develop products and services, and then look for customers. Today, and in the future, the traditional product centered strategies will be unable to create the type of growth that companies desire (Slywotzky, Wise, & Weber, 2003). The challenge will be to shift their thinking to a more customer-focused organization to follow the demands of the individual customer (Kotler & Westman, 2006). Adopting a customer centered strategy sounds simple. Focusing on the customers' needs, values, and expectations that

provide value for the customers is the goal to which most companies hope to aspire, but most do not deliver.

Many major United States (U.S.) firms claim to be customer-driven and even customer-obsessed. However, most are organized around product lines and not customers. The leadership of these organizations have read and studied the topic of customer centered or focused business, and many have hired consultants to become customer-focused. Innovative companies are utilizing focused market research, segmentation, and data mining techniques to develop customer profiles that improve targeting and marketing activities by segments. Organizations that are product centered made sense in the 20<sup>th</sup> century, but today's organizations in the 21<sup>st</sup> century, must understand their customers' needs and wants better and sooner than the competition. They must organize around the customer, not just the products, and to learn to measure profit by customer versus simply product. Organizations also must learn to study their most profitable customers' behaviors and fulfill their needs to capture greater share of customer value, which sustains the organization's efforts in becoming customer centered (Johnson & Schultz, 2004).

Kotler and Westman (2006) asserted that Chief Executive Officers (CEOs) must make marketing their top priority and focus on the customer centered model for two major reasons. Today's market is changing exponentially and is in a state of hypercompetition. As a result of these conditions, CEOs must spend more of their time looking outward, rather than inward. They must develop the ability to see the larger picture and focus on the customer. Lippitt (2009) stated the advantage of a third generation of leadership is it concentrates on a leader's ability to read the environment effectively and achieve results. Leadership competencies and styles are necessary, but insufficient, for leadership success. They must be practiced within a framework that uses the environment and targets results.

According to Aktar, Anagun, and Koksal (2009), the development of a user-centered product is an important policy of an enterprise in today's highly competitive marketplace. When products fit consumer needs, their competitiveness is improved. Utilizing these methods can be useful to any industry that designs and produces consumer products. According to Drucker (1974), things get done that are measured. Given the rapidly rising costs of marketing, organizational leaders are under pressure to provide evidence that planned marketing strategies will yield more value for the company and its shareholders. The five non-financial dimensions of the measurement of marketing performance most prevalent in the literature are (1) market share, (2) customer satisfaction, (3) customer loyalty/retention, (4) brand equity, and (5) innovation. Financial measurement and non-financial measurement must be evaluated together to determine market performance as presented by Gao (2010). A customer centered approach focuses more specifically on these measurements, as compared to the product centered approach.

This research examined organizations and whether they are product centered or customer centered, and whether there is a relationship with their leadership orientation. The theory of transformational and transactional leadership is considered. Specifically, this research examined the following research questions:

Research Question 1: Are United States organizations product centered or customer centered as perceived by their marketing managers?

Research Question 2: Is there a relationship between product- and customer centered tendencies and leadership orientation and outcome measures of the multi-factor leadership questionnaire?

#### Literature Review

This literature review provides the background for answering the research questions and to help determine if a relationship exists between the customer- or product centered organization focus and leadership style. An investigation into the current literature of product- and customer centered company from an organizational standpoint is appropriate for this writing. In addition, the literature from transformational and transactional leaderships is considered for this review. This analysis defines what product- and customer centered marketing or business is and provides a comparison of each. Then, transformational and transactional leadership are defined, and how the two styles augment one another is considered.

Product centered and the Customer centered Business Model

Slywotzky, Wise, and Weber (2003) found that, in the past, companies have relied on classic product-focused growth strategies. This involves creating an innovative product, expanding the markets for them globally, and then gaining market share and creating efficiencies. The typical strategies were brand extensions, core product enhancements, and new product introductions. Companies are finding that, with this approach, product differentiation is harder to achieve, new products fail more that they succeed, reducing and lowering cost does not differentiate enough, and internationalization is offering fewer opportunities because markets are crowded and competition is tough. Kotler and Armstrong (1996) found this old marketing thinking is giving way to newer ways of thinking, and this exhibited in Table 1.

Table 1
Product centered versus Customer centered Thinking

Old Marketing Thinking or Product centered	New Marketing Thinking or Customer
Make connections with customers	centered
Sales and product centered focus	Be focused on the market and customer
Mass marketing approach	centered
Products and sales focus	Target selected market segments or
Grow market share	individuals
Standardize products	Focus on customer satisfaction and value
Market locally	Development of customer relationships
Commerce is conducted in marketplaces	Grow customer share
	Customize products
	Market globally
	Commerce is conducted in market spaces

Note. Table 1. Customer centered versus product centered thinking comparison. Adapted from P. Kotler and G. Armstrong, (1996), *Principles of Marketing* (7th ed.), Upper Saddle River, NJ: Prentice-Hall.

The reason for the importance of service in the goods-sector and public-sector is because there is a strong positive relationship between market orientation and better firm performance (Quinn, Doorley, & Paquett, 1990). Rusk and Chung (2006) found in their study that traditional marketing science has shifted from a product centered approach viewed in their comparison of articles in 1982 in *Marketing Science*, versus a comparison made in the same journal in the Fall 2004 issue. The degree to which service dominates the economy could be understated since service plays such a large role in the economy (Quinn et al., 1990).

Rust and Chung (2006) asserted that with the growth of the service sector, advances in information technology, e-commerce, and communications that facilitate the management of relationships with the customer, models of service, and customer relationships are the fastest growing area of marketing today. In the U.S. economy, 55% of all consumption is services based, while private employment is well over 85% in services (ISM Services Report, 2010). Models of service and relationships can help managers service more efficiently, customize service, manage customer satisfaction and relationships, and even model the financial impact of those customer relationships. Managing a customer service centered model is different than managing a product centered organization. The characteristics of intangibility, heterogeneity, inseparability, and perishability are the characteristics of service that result in the challenges and opportunities that are unique to service (Rust & Chung, 2006).

Kotler and Westman (2006) found that more CEOs are realizing the importance of transforming their organization into a customer centered model. This culture change can be difficult, and they recommend this change be conducted under the CEO's leadership. Kotler and Westman (2006) recommended the CEOs lead the strengthening of marketing performance of their organizations, and they presented four key areas of importance for managing this change:

- 1. Making the company truly market focused and customer centered
- 2. Strengthening the marketing planning process and the effectiveness of resulting plans
- 3. Revamping the marketing budget process
- 4. Developing the company's marketing and sales personnel (p. 21).

A customer centered strategy comes with the realization that customer satisfaction is the key. Management must solve any problem with its people, processes, and technologies to make this strategy possible. Drucker (2007) stated:

What is our business is not determined by the producer but by the consumer. It is not defined by the company's name, statutes, or articles of incorporation but by the want the consumer satisfies when he [sic] buys a product or service. The question can therefore be answered only by looking at the business from the outside, from the point of view of the customer and the market what the consumer sees, thinks, believes and wants at any given time must be accepted by management is an objective fact deserving to be taken as seriously as the reports of a salesman, the tests of the engineer or the figures of the accountant — something few managements find it easy to do. In management we must

make a conscious effort to get honest answers from the consumer himself [sic] rather than attempt to read his [sic] mind. (p. 50)

Business today must focus on answering and solving the demands of the customer more than ever before, and leadership is necessary to assure this alignment.

#### Transformational and Transactional Leadership

Bass and Avolio (1993) proposed that the transformational leader changes his or her organization by first understanding it and then realigning the culture with a new vision of its shared assumptions of values and norms. Bass (1985) found that the transformational leader is one who motivates his or her employees to do more than they are expected to do, and then an environment of transformation can be achieved in any of the following three ways:

- 1. Increasing our level of awareness and consciousness about the importance and value of specific outcomes and the ways to achieve them can cause transformation.
- 2. Motivating us to transcend our own self-interest for the team, organization, or society as a whole.
- 3. Altering our need level on Maslow's (or Alderfer's) hierarchy or expanding the needs and wants that we hold. (p. 20)

Burns (2003) articulated that a vigorous interaction between transforming leaders and their followers is a powerful causal force for change. Northouse (2004) defined transformational leadership as a process that changes and transforms individuals. It is concerned with emotions, values, ethics, standards, and long-term goals, and includes assessing followers' motives, satisfying their needs, and treating them as full human beings. Its goal is to move followers to accomplish more than expected and incorporates charismatic and visionary leadership.

According to Bass (1985), charismatic leaders are often also transformational. Charisma is a relationship between an individual and one or more followers based on a leader's behaviors and key elements. The elements of visualizing and articulating goals and communicating expectations and mobilizing these efforts are what characterize charisma (House, 1977). Bass (1985) also found that charismatic leaders arouse and articulate feelings of followers and that they have the ability to build on these needs, values, and hopes through words and actions.

Avolio, Waldman, and Yammarino (1991) expanded on earlier conceptualizations of leadership by including the "four I's," which make up transformational leadership. These four components can characterize transformational leaders, and they are as follows: individualized consideration, intellectual stimulation, inspirational motivation, and idealized influence. Transformational leaders will integrate a creative insight, persistence, energy, intuition, and sensitivity to the needs of others to forge the strategy-culture for their organization (Bass & Avolio, 1993).

Individualized consideration is shown by the transformational leader through paying attention to the individual recognizing that each follower has different needs and wants and that these change over time or by the mentoring of followers. Intellectual stimulation is shown by the transformational leader by providing ways to change the way a follower thinks about technical problems, personal problems, or personal attitudes developing over their life (Bass, 1985). The

leader exerts intellectual influences the follower's conceptualization, comprehension, and analysis of problems and solutions. Inspirational motivation is shown by the transformational leader through strengthening and sharing of an overall organizational vision and generates excitement thus instilling a confidence in the leader. Inspirational leaders often will set an example of hard work, give pep talks, be an optimist, and even find creative solutions to a challenge. Idealized influence is the culmination of the other "three I's." Followers see the success the leader is generating by showing respect for others and building confidence in the mission, and thus, they form bonds with their leader and referent power exerting influence over followers. The transformational leader creates in followers the ability to lead themselves when necessary (Avolio et al., 1991).

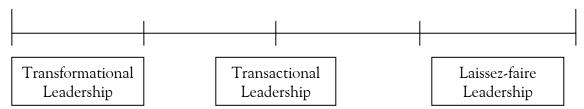
Bass (1985) proposed a model for the relationship between transformational and transactional leadership in which he proposed that transformational leadership augments transactional leadership. Waldman, Bass, and Yammarino (1988) confirmed this augmentation effect when outcome was based upon unit performance. Bass's (1985) model of leadership provided a basis for effective leadership. However, a greater amount of Extra Effort, Effectiveness, and Satisfaction is possible from employees by augmenting transactional with transformational leadership.

Jung and Avolio (1999) found that in the transformational culture, there is a purpose and feeling of family. Commitments are long-term, and leaders and followers share a mutual self-interest and a sense of shared fates and interdependence. In this culture, leaders and followers go beyond their self-interests or expected rewards for the good of the team and the organization. Leaders serve as mentors, coaches, role models, and leaders socializing members in the culture out of a personal obligation to help members of the organization assimilate into the culture. In the transformational culture, a rich set of norms exist, and much talk occurs in the organization about its purposes, visions, and meeting challenges (Bass & Avolio, 1993).

Burns (1978) first presented a seminal examination of how leaders shape and transform followers into leaders. He developed the theory of transformational and transactional leadership, and Bass (1985) furthered this paradigm by expanding and refining it to evaluate effective leadership in various organizations. Burns' (1978) theory of transformational leadership placed a strong emphasis on followers' needs, values, and morals. The theories of transformational and transactional leadership are interrelated and important for effective leadership in today's organization.

Burns (1978) first identified transactional and transformational leadership with each concept's definition lying at the opposite ends of a continuum. Transformational leaders recognize and exploit an existing need or demand of a potential follower, and look for potential motives seeking to satisfy higher needs thus engaging the full person and converting followers into leaders, whereas the transactional leader approaches followers with an eye on exchanging one thing for another. Bass (1985) refined these concepts with each complementing the other and giving more attention to the followers versus the leader's needs. Bass & Avolio (1993) found the best leaders displayed both transformational and transactional leadership. These factors were considered part of a continuum from transformational or active leadership to Laissez-faire Leadership or passive leadership. Figure 1 displays these factors on a continuum.

Figure 1 Leadership continuum from transformational to laissez-faire leadership



Bass and Avolio (1993) suggested it is possible to describe a purely transactional organizational culture and a purely transformational one, but it is more likely organizations will have cultures characterized by both leadership styles. These authors argued organizations need to move in the direction of a transformational culture, but they also must maintain a healthy level of transactional qualities.

Burns (1978) defined transactional leadership as the motivation of followers through contingent-reward-based exchanges. The primary focus of this leadership style is on setting goals, clarifying the link between performance and rewards, and providing positive feedback to followers toward goal attainment. Bass (1985) suggested that transactional leadership is based on contingent reinforcement, and that the leader and follower must agree on what to do in order to be rewarded or to avoid punishment.

Avolio, Waldeman, and Yammarino (1991) found the most common form of effective leadership in organizations is transactional. Transactional leaders must know what is expected of them by their upper-level leaders in order to insure goal attainment and set goals with followers. They must know the strengths and weaknesses of their followers and their needs and desires. They must have good communication skills to determine and disseminate information about the responsibilities, goals, and needs.

Transactional leaders operate within an existing culture by attempting to satisfy their follower's needs by focusing on exchanges and reward behavior. They pay close attention to deviations in these exchanges and make adjustments when variations occur in order to regulate them (Bass, 1985; Burns, 1978). Bass (1990) further stated effective leadership develops an understanding and agreement about the role of the leader and the employee in this relationship. He proposed the transactional leader contributes to this relationship by (1) clarifying the expectations of employees' performance, (2) making clear how to meet the expectations, (3) setting the criteria of effective performance, (4) providing feedback individual and group progress reports, and (5) providing rewards contingent on goal attainment.

In the practice of transactional leadership, an exchange of materials, social, and psychological benefits occurs. In a fair and profitable exchange, the benefits to the leader and follower exceed their costs. In this process, leaders and followers reinforce each other's behavior with reward or punishment. As an effective leadership method, contingent reward has limitations. Rewards for performance and disciplinary actions for failures may not have their desired effects. In addition, feedback may be limited by the timeliness, accuracy, attractiveness, and perceptions of employees about their feedback. Additional moderating effects by many additional factors in this leader-employee relationship may create unexpected consequences (Bass, 1990).

# Methodology

#### Measures

The Product Centered or Customer Centered Questionnaire (V-1) was developed by the author and used to measure the marketing manager's responses regarding his or her perceptions of his or her organization's focus on being product-centered or customer-centered in this study. A total of 21 questions were utilized to determine an organization's focus using a Likert scale rating from 1-5. A rating of 1, meaning this behavior does not occur at all, to the rating of 5, which means frequently, if not always occurring. The 21 questions are broken down into eight product-centered tendency questions and 13 customer-centered questions. The questions were fashioned from the work of Kotler and Armstrong (1996) about old marketing thinking giving way to new perceptions, as presented in Table 1. The higher the mean score would indicate a greater tendency toward product- or customer-centered behavior as perceived by the marketing manager. The results of this survey are included in Table 2.

Leadership orientation and outcome factors were measured through direct report ratings of organization leader's using the Multifactor Leadership Questionnaire (MLQ 5X) (Short Form). The marketing manager's perception of his or her leader was measured using the MLQ 5 X (Short Form) using a Likert scale. The marketing manager selected by marking his or her perception of his or her leader, as follows: 1 indicated behavior that occurred "not at all"; 2 meant "once in a while"; 3 meant "sometimes"; 4 meant "fairly often"; and 5 indicated "frequently if not always."

# Population

The research was designed to evaluate the levels of product-centered and customer-centered behaviors in United States organizations and included a target population of the 2009 Fortune 1000 companies in the United States. The companies selected for this research participated by complying with the requirements of the letter of request to participate.

# Data Collection

A "request to participate in research" letter was mailed to the marketing managers of the 2009 Fortune 1000 companies in the United States. Each marketing manager was asked to participate in this study by completing the surveys concerning their perception of his or her organization's focus and its leadership. Each of the survey instruments were mailed along with the request letter and a self-address stamped envelope for return to the author. The results then were compiled onto an Excel spreadsheet and analyzed using SPSS Version 14 for students.

Data for this research then was utilized to determine if there is a relationship between product- and customer-centered tendencies, and leadership orientation and outcome measures of the multi-factor leadership questionnaire. The data from the survey instruments Product Centered or Customer Centered Questionnaire (V-1) and the Multifactor Leadership Questionnaire (MLQ 5X) (Short Form) were examined with Kendall's tau-b to determine correlations, and results are presented in Table 3.

Table 2. Product and Customer Centered Survey (Survey 1) and Multifactor Leadership Questionnaire (MLQ 5X) (Survey 2) using Kendall's tau b.

	PC 1	CC 2	IIA	IIB	IM	IS	IC	CR	MBEA	MBEP	LF	EE	EFF	SAT
		2, 4, 6,												
		8, 10,												
	_	12, 14,												
	1,	16, 17,												
	3,5,7,	18, 19,												
	9,11,	20, 21	10, 18,	6, 14,	9, 13,	2, 8,	15, 19,	1, 11,	4, 22,	3, 12,	5, 7,	39, 42,	37, 40,	
	13, 15	(sum/1	21, 25	23, 34	26, 36	30, 32	29, 31	16, 35	24, 27	17, 20	28, 33	44	43, 45	38, 41
	(sum/8)	3)	(sum/4)	(sum/)	(sum/4)	(sum/2)								
N	104	104	104	104	104	104	104	104	104	104	104	104	104	104
Minimum	1	1	1	1	1	1	1	1	1	1	1	1	2	2
Maximum	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Mean	3.75	3.61	3.93	3.84	4.14	4	3.404	3.62	2.63	2.27	1.82	3.65	3.96	3.96
Std. Deviation	1.14	1.24	1.1	1.21	1.02	1.11	1.34	1.27	1.19	1.27	1.12	1.89	0.88	0.84

Table Key:

Survey: 1Product or Customer Centered -------PC 1=Product Centered Attributes

CC 2=Customer Centered Attributes

Survey 2: Multi-factor Leadership

Questionnaire (MLQ 5X) -----Transformational Leadership Dimensions:

IIA = Idealized Influence Attributes

IIB= Idealized Influenced Behaviors

IM= Inspirational Motivation

IS= Intellectual Stimulation

IC= Individualized Consideration

Transactional Leadership Dimensions:

CR=Contingent Reward

 $MBEA \!=\! Management\text{-by-Exception: Active}$ 

MBEP= Management-by-Exception: Passive

LF= Laissez-Faire

Dependent Variables:

EE=Extra Effort

EFF=Effectiveness

SAT=Satisfaction

Table 3. Correlation of Survey 1 and 2 Variables (Customer or Product Centered-Survey 1 with the MLQ 5X-Survey 2).

	IIA= Idealized Influence Attributes	IIB=Idealized Influenced Behaviors	IM= Inspirational Motivation	IS=Intellectual Stimulation	IC= Individualized Consideration	CR=Contingent Reward	MBEA=Management-by-Exception Active	MBEP= Management-by-Exception: Passive	LF= Laissez-Faire	EE=Extra Effort	EFF=Effectiveness	SAT=Satisfaction	
PC 1=Product Centered Attributes													
Correlation Coefficient	0.081	0.029	0.062	0.069	0.035	0.022	.105**	-0.068	-0.043	0.043	0.062	0.026	
Sig (2-tailed)	51	0.476	0.139	0.091	0.391	0.589	0.094	0.094	0.304	0.366	0.139	0.657	
N	104	104	104	104	104	104	104	104	104	78	104	0.5	
CC 2=Customer Centered Attributes													
Correlation Coefficient	0.064	0.004	0.022	0.068	-0.008	0.042	0.023	-0.057	086*	-0.047	0.018	-0.032	
Sig (2-tailed)	0.121	0.919	0.602	0.096	0.849	0.300	0.568	0.162	0.04	0.318	0.663	0.585	
N	104	104	104	104	104	104	104	104	104	78	104	50	

<sup>\*\*</sup>Correlation is significant at the 0.01 level (2-tailed)

<sup>\*</sup>Correlation is significant at the 0.05 level (2-tailed)

# Descriptive Analysis

Descriptive statistics were utilized to examine the data from the surveys for this research. Included in the Appendix is Table 2, which addresses the following research question:

Research Question 1: Are United States organizations product centered or customer centered as perceived by their marketing managers?

The product or customer orientation and outcome factors were rated by marketing managers in these organizations using the Product Centered or Customer Centered Questionnaire (V-1), which used a Likert rating scale. Leadership orientation and outcome factors also were measured using a similar Likert rating scale as completed by the marketing managers surveyed. These ratings of the organizational leaders were completed using the Multifactor Leadership Questionnaire (MLQ 5X) (Short Form), and these results also are presented in Table 2.

Kendall's tau\_b was utilized to examine the relationship between product centered and customer centered factors and the (MLP 5X) (Short Form) leadership factors and were used to answer the following research question:

Research Question 2: Is there a relationship between product and customer centered tendencies and leadership orientation and outcome measures of the multi-factor leadership questionnaire?

The results of the correlations are presented in the Appendix in Table 3.

#### Results

# Descriptive Statistics

The means and standard deviations also were computed for the product centered or customer centered perception of the marketing managers and are presented in Table 2. The product centered mean score was 3.75 with a standard deviation of 1.14, compared to the mean score of the customer centered dimensions of 3.61 with a standard deviation of 1.24. These results indicate that organizations in this study have a higher affinity to the attributes of having a product centered approach than that of the customer centered one, according to the marketing managers. These results affirmatively answer research question 1: Are United States organizations product centered or customer centered as perceived by their marketing managers?

The means and standard deviations computed for each of the leadership factors and outcome variables are presented in Table 2. The highest dimension mean scores overall were consistent with the transformational leadership style, followed by the transactional and then laissez-faire styles. The highest mean score from the factors were the transformational leadership dimensions of inspirational motivation (4.14) followed by idealized influenced behaviors (3.93). The lowest mean score was the laissez-faire leadership (1.82). The higher mean scores of the transformational leadership dimensions and lower scores in transactional dimensions and laissez-faire leadership dimensions are similar to the findings of Avolio and Bass (2004). Intellectual stimulation and individual consideration were higher than the transactional leadership factors. The mean scores for the transactional factors of contingent reward, management by exception (active), and management-by-exception (passive) were higher than laissez-faire leadership. These findings are similar to those of Avolio and Bass (2004). The mean scores for the outcome determinants of extra effort, effectiveness, and satisfaction were also comparable to the studies presented by Avolio and Bass (2004). These data indicate that leadership is present and that the transformational style is prevalent in the population. The data may indicate a relationship

between the product centered or customer centered attributes and the leadership styles and outcome determinants.

In Table 2, the mean scores of the leadership styles show a significant relationship. The dimensions of transformational leadership show a higher mean score overall than that of the transactional or laissez-faire leadership dimensions, with the exception of contingent reward of transactional leadership style for this population. These mean scores are similar to those reported in the summary of a sample of 27,285 participants from the U.S. in a variety of industries and organizations for the MLQ Form 5X (Avolio & Bass, 2004).

Question Analysis and Correlation

Table 3 presents a correlation analysis between the two questionnaires compared in this study, Product Centered or Customer Centered Questionnaire Version 1 (Survey 1); MLQ 5X: Multifactor Leadership Questionnaire, Form 5X (Survey 2). This analysis assists in answering research question 2: Is there a relationship between product and customer centered tendencies and leadership orientation and outcome measures of the multi-factor leadership questionnaire? There is a relationship between product and customer centered tendencies and leadership orientation and outcome measures, based on the following findings from the study.

Data were analyzed for the nine factors of the MLQ-5X and the three outcome Determinants as independent variables measuring leadership, extra effort, effectiveness, and satisfaction, including the dependent variables of product centered attributes and customer centered attributes. A significant positive correlation was found among the product centered attributes and the MBEA (Management-by-Exception Active) at a correlation coefficient of .105, significant at the level of 0.01 level (two-tailed). It is a transactional leadership behavior and more aligned with traditional "management" activities and is, generally speaking, a less effective style of leading others than transformational. Management-by-exception (MBE) is more active than Laissez-faire, but is still a reactive and generally an ineffective approach to obtaining results from subordinates. It involves a leader focusing his or her full attention on dealing with mistakes, complaints, and failures, and keeping track of all mistakes or directing attention toward failures to meet standards.

A significant negative correlation of -.086 at the 0.05 level (2-tailed) was discovered between the customer centered attributes and the laissez-faire style of leadership. According to Avolio and Bass (2004), laissez-faire (LF) leadership is inactive and the most ineffective approach to leadership. In this form of leadership, the leader ignores responsibilities and avoids making decisions. Judge and Bono (2000) defined laissez-faire as "non-leadership." It is exhibited by avoiding leadership duties and responsibilities, and it is the failure of both transformational and transactional leadership.

#### Discussion

The findings of this study provide empirical support for determining the focus of many top organizations and their preference for product centered behavior versus customer centered behaviors. This study also found marketing managers perceived their leaders to possess both transformational and transactional traits. This leadership paradigm does not replace the conceptions of leadership exchanges contingent on the performance of followers.

This research also furthers Bass's (1985) transactional-transformational paradigm and its applicability in organizations in the United States. Avolio and Bass's (2004) full range leadership model examined a full range of leadership styles from the passive avoidant, represented by laissez faire leadership, to the fully engaged transformational style. Bass (1985) found the full range of

leadership model used both styles. Effective leadership was found in transactional leadership, but a greater amount of extra effort, effectiveness, and satisfaction were possible by augmenting transactional with transformational leadership (Avolio & Bass, 2004). The transformational style has been found to complement transactional leadership, but in the absence of transactional leadership, it may be ineffective (Avolio & Goodheim, 1987).

Burns (2003) stated a vigorous interaction between transforming leaders and their followers is a powerful causal force for change. Northouse (2004) defined transformational leadership as a process that changes individuals. It is concerned with emotions, values, ethics, standards, and long-term goals, and it includes assessing followers' motives, satisfying their needs, and treating them as full human beings. Its goal is to inspire followers to accomplish more than expected, and it incorporates charismatic and visionary leadership.

Bass and Avolio (1993) proposed the transformational leader changes his or her organization first, understanding it and then realigning the culture with a new vision of shared assumptions of values and norms. The transformational leader integrates creative insight, persistence, energy, intuition, and sensitivity to the needs of others to forge the strategy-culture for his or her organization.

The challenges of managing the change in an organization from a product centered model to a more customer centered model can be accomplished best by meshing the transformational and transactional forms of leadership. Transactional leadership alone will fall short as a basis for long-term development and organizational change. However, when used with transformational leadership, higher order objectives associated with highly successful organizational systems can occur (Avolio, Bass, & Jung, 1999). Transactional and transformational leadership models can be utilized in conjunction to help guide organizations in their pursuit of a customer centered model and focus on the needs of their customers as these models are complementary and mesh. Avolio, Waldmen, and Yammarino (1991) asserted that, to be successful, leaders would have to serve as change agents fulfilling the role of the transformational leader. The leader will need to be more than just a manager: he or she must develop followers, raise his or her follower's need levels and energize them, and promote positive changes in individuals, groups, teams, and the entire organization.

Wofford, Whittington, and Goodwin (2001) found transformational leaders are typically defined as those who stimulate their followers to change their motives, beliefs, values, and capabilities so their followers' interests become intertwined with those of the organization. Transformational leadership is strongly related to successful organizational performance and leaders serve as role models of desired behaviors. Transformational and transactional leadership are intertwined and work best when used together.

Transformational leadership is an enhancement to traditional leadership theories including transactional leadership. Transformational leadership is grounded in moral and ethical principles, and a transformational leader will utilize his or her inner moral compass, hopefully, to make better ethical decisions. The implementation of transformational leadership, along with transactional leadership theories, will help today's organization improve performance. Bass and Steidlmeier (1999) compared authentic transformational leadership with pseudotransformational leaders:

Self-aggrandizing, fantasizing, pseudo-transformational leaders branded as immoral. But authentic transformational leaders, as moral agents, expand the domain of effective freedom, the horizon of conscience and the scope for altruistic intention. Their actions

aim toward noble ends, legitimate means, and fair consequences. Engaged as they are in the moral uplifting of their followers, in the sharing of mutually rewarding visions of success, and in enabling and empowering them to convert the visions into realities, they should be applauded, not chastised. (p. 22)

#### Conclusion

This research examined the concepts of product and customer centered organizations and the theory of transformational and transactional leadership, and the need for organizational change from a product centered model to the customer-model. Some organizations focus on product centered leadership, some on perfecting operations, and some on customer centered leadership. Organizations may offer goods or services, but despite the focus, the fundamentals for growth are the same. Organizations finally must discover that customers hire products, services, and ideas to get their jobs done. Upon this discovery, they then can work with their customers to discover the innovations they need to grow their organizations (Bettencourt & Ulwick, 2008). In summary, the transformational leadership theory should provide the ethical vision and foundation for today's organizational needs, while the transactional leadership component will guide the interactions of give and take focusing the leader and organization's development of its followers toward a customer centered model. In today's market, the customer is at the center of an organization's universe.

In addition, this study contributes to the growing body of evidence that measuring leadership can predict organizational outcomes. Proper CEO selection and training in the organizational environment utilizing a customer centered approach, along with the full range of leadership model, is potentially a fruitful area for future leadership research and organizational improvement. Any organizational strategy to improve leadership, leadership selection, and organizational outcome should include a focus on the full range of leadership model (Avolio & Bass, 2004).

There are certainly limitations to the findings from this study. One such limitation may be these findings may not apply to all industries in the United States, as it represents only a cross-section of industries in a limited population. Recommendations for further research would be to reproduce this study in a greater number of companies and in specific industries with similar organizational contexts.

A final consideration for future study would be to determine in more detail what the makeup of effective leadership and product or customer centered behaviors may be in a specific industry and to extend the organizational outcomes to include some measures organizations consider important. Some possible outcomes to study could be stock performance, production, profit, and other financial considerations. These outcomes could be combined with the MLQ-5X (Short Form) to determine if there is a relationship between a financial outcome and product centered and customer centered attributes as measured by the Product Centered or Customer Centered Questionnaire (V-1).

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# Web Economics: The Added Value of the Web for Daily Newspapers and Commercial Television Stations

# Michelle I. Seelig

# Abstract

While traditional media moved at enormous speeds to present and disseminate news and information online, many have done so without considering details of content and the economics of such a venture. Therefore, this research compares daily newspapers and commercial television stations' current and future strategic plans for content and Internet operations. Overall, findings show that the online version is not a mutually exclusive product from its traditional counterpart, and much overlap exists in content, structure, and audience. While both media products complement each other, in time, the Internet and social media will function as the prime source of news and information, and traditional media will play a complementary role to sophisticated or technologically driven content for consumption. News managers are shifting structural characteristics within the media organization such as their business model, content, and operations to accommodate this reversal of media consumption.

# **Keywords**

Websites, traditional media, newspapers, television, economics, convergence.

#### Introduction

Today, there are more than 1,100 daily newspaper Websites and 750 commercial television Websites.<sup>1</sup> Yet, while traditional media moved at enormous speeds to present and disseminate news and information online, many have done so without considering details of content and the economics of such a venture (Chan-Olmsted & Kang, 2003; Chyi & Sylvie, 1998; Cohen, 2002; Demers, 1996; 1998; Slocum & Albarran, 2006). Traditional media turned to the Internet as an outlet to reach audiences and to ensure survival with little consideration as to an Internet strategy or business model (Bressers, 2006; Chan-Olmsted & Ha, 2003; Chyi & Sylvie, 2000; Ketterer, Weir, Smethers, & Back, 2004; Picard, 2000; Saksena & Hollifield, 2002; Zavoina & Reichert, 2000). Mostly, traditional media's presence on the Internet relies on the

same formulaic content presented in traditional media. Typically, this content has been digital content that is a substitute for the physical product (Chan-Olmsted & Park, 2000; Chyi & Lewis, 2009; Lin & Jeffres, 2001; Pitts, 2003; Seelig, 2007, 2008). The bottom line: There is no clear content or revenue strategy regarding the Internet (Chan-Olmsted & Ha, 2003; Fahmy, 2008; Ihlström & Palmer, 2002; Picard, 2000).

For the most part, news managers have been cautious in the development of technology-driven content and distribution apart from traditional media (Chyi & Lasorsa, 2002; Greer & Mensing, 2004; Seelig, 2008). It is common for an organization to see what others in their industry are doing before adopting an innovation (Rogers, 1995). What remains unclear for many media organizations is what the competitive edge or consequences are by adopting and implementing the Internet and other emerging media. Many are now taking a step back and scrutinizing the media environment to determine how to proceed in a beneficial way (Boczkowski, 1999; 2004; Cohen, 2002; Zavoina & Reichert, 2000). The purpose of this research, then, is to make known traditional media's current and future strategic plans for content and Internet operations. Specifically, this study compares the perceptions of news managers at daily newspaper managers with news managers at commercial television stations to determine how media organizations have worked through the structural characteristics of the Internet as an outlet to disseminate news and information.

# Background

According to Rogers (1995), the diffusion of innovations in an organization is a two-part process: initiation and implementation. The first part of the process referred to as initiation consists of information gathering, conceptualizing, planning, and ultimately a decision. Implementation is the second part of the process and occurs after an innovation is adopted. Implementation includes redefining/restructuring, clarifying, and routinizing within an organization. Once an innovation loses its separate identity and becomes part of the everyday routines within a social system, it is said that adoption of an innovation is complete. Although good may come out of adopting an innovation, members of a social system rarely take advantage of an innovation-evaluation performance, until it is time to adopt the next innovation or when problems starts to emerge with the current innovation.

Much diffusion of innovations research falls short or stops once an innovation is adopted and rarely examines how the organization responded to the implementation of the innovation (Rogers, 1995). Research that explores technological innovation is typically in the context of basic demographics of adopters, time of adoption, rate of adoption, attributes of the innovation, and predictors of adoption in a social system (Abrahamson & Rosenkopf, 1993; Atkin, Jeffres, & Neuendorf, 1998; Davis, Bagozzi, & Warshaw, 1989; Papacharissi & Rubin, 2000; Patwardhan, 2004). According to Rogers, there are structural characteristics that often hinder the success of implementing an innovation within an organization. Such structural characteristics usually entail a business plan or model that articulates organizational structure, any changes to the operations of the organization, resources, and personnel as well as revenue devoted to implementation of the innovation. What follows is a further examination of the structural characteristics traditional media have been working through to meet the economic viability of the Internet to media organizations.

#### The Internet and Traditional Media

Research has examined traditional media's motives for establishing a presence on the Internet (Boczkowski, 1999, 2004; Chan-Olmsted & Ha, 2003; Chan-Olmsted & Park, 2000; Chyi & Sylvie, 1998, 2000; Demers, 1996, 1998; Kiernan & Levy, 1999; Lowrey, 2003; Papacharissi & Rubin, 2000; Picard, 2000; Rosenberry, 2005; Saksena & Hollifield, 2002; Slocum & Albarran, 2006; Sullivan, 2006; Zavoina & Reichert, 2000). Much of this research did not support the theory that competition in traditional media influenced content on corresponding Websites, nor that traditional media would be replaced by a presence on the Internet; instead, the online version would supplement the traditional product (Chan-Olmsted & Ha, 2003; Chyi & Lasorsa, 1999; Kiernan & Levy, 1999; Peng et al., 1999; Saksena & Hollifield, 2002). Others said their purpose for having an online product was a result of parent company influence, without having a real understanding of how to proceed (Saksena & Hollifield, 2002). Research also found that, in addition to the economic pressures for publishing online, the Internet was a solution to reach a wider audience, regardless of location, to foster interactivity with consumers, to provide diverse content and information as well as to change the newsgathering process, generate revenue from advertising, a promotional tool for the traditional product, helpful in reducing production and distribution costs, and an advantage over the competition while staying in front of technology (Chan-Olmsted & Ha, 2003; Chyi & Lasorsa, 1999; Fahmy, 2008; Lowrey, 2003; Peng et al., 1999; Ren & Chan-Olmsted, 2001; Rosenberry, 2005; Russial, 2000; Saksena & Hollifield, 2002; Seelig, 2005; Zavoina & Reichert, 2000).

## Revenue

While audiotext and videotext were unsuccessful attempts at reaching audiences beyond the traditional media product, according to Picard (2000), they laid the groundwork for alternative distribution of content. Television followed with something similar called text TV with material prepared for magazines and newspapers such as program listings and marketing of certain content, but this was successful mostly in Europe, not the United States. Similar to the Internet, these vehicles provided the concept of targeting audiences with content they wanted, immediacy of content, and a revenue model whereby users paid for specific content, yet most users want their content free. News managers also considered pushing advertising on users, but this was perceived as an intrusion and too many messages. News managers sought other alternatives to distributing content on the Internet such as portals. Content organized in this way enabled quick and easy access to information to a wide audience and was thought would generate advertising revenue and at the same time control advertising exposure.

Other pay structures have included click-through, flat rates, views, etc., though yet to prove successful (Boczkowski, 1999; Chan-Olmsted & Ha, 2003; Chyi & Sylvie, 2000; Demers, 1996; Demers, 1998; Ihlström & Palmer, 2002; Picard, 2000; Slocum & Albarran, 2006). Generally, traditional media have financed the online product through their traditional counterpart and some revenue from online advertising (Ihlström & Palmer, 2002). Even though online newspapers are not bound to a local market, they still target audiences in their local market, and this does impact their advertising dollars, particularly when 90% or more of a newspaper's Website revenue is local advertising (Chyi & Lewis, 2009). Despite declining circulation figures in print, online traffic is on the rise for newspapers (Fahmy, 2008). Although

traditional media reported their online product generates revenue, profits have been low, compared to profits typically generated for the traditional product (Chan-Olmsted & Ha, 2003; Chyi & Lewis, 2009; Fahmy, 2008; Ihlström & Palmer, 2002).

#### **Business Models**

In 2000, Chyi and Sylvie's interviews with news managers at newspapers revealed several strategies in play among national, metro, and community online newspapers. National newspapers were more likely to approach their online product from an economic standpoint such as resources, awareness, and quality news. Metro papers were divided by two strategic approaches: One focused on their online product as fulfilling a "niche" and, therefore, sought a business strategy that would appeal to this type of audience; the other online product was "localized" and focused on providing content that appealed to their local audience. Neither model catered to subscriptions and mixed results regarding shovelware. Smaller daily and weekly newspapers also differed in their strategy. Due to restrictions of market size and available resources, these newspapers focused on revenue-generating content such as classified charges, creating sites for clients, and serving as ISP providers for their community. Before, traditional media defined their market as local, metro, regional, national, or global; now, the Internet allows media to self-identify their market along the dimensions of content-oriented, ad-oriented, marketing-oriented, and audience-oriented.

Whereas Chyi and Sylvie (2000) found newspapers define their online product by market, Chan-Olmsted and Ha (2003) discovered commercial television applied one of three business models: revenue-oriented, cost-oriented, and support-oriented. Mostly, television stations applied the support-oriented business model whereby the Internet is a complement to their traditional product. Some practiced the cost-oriented business model that sought to increase the value of the online product by cultivating audience relations and audience intelligence. Lesser still, a revenue-oriented model devoted to the online product such that there is a separate set of operations for this product and views online revenues as more important or relatively important, compared to the traditional product. Chan-Olmsted and Ha (2003) also found the majority of television stations devoted only 1 to 5% of their budget to Internet-related activities.

# Internet Operations

Traditional media are also struggling with the structure and staff allocated for Internet operations and content for both versions of the news product. Many are haphazardly integrating the Internet into the operational structure of the newsroom as well as struggling to recognize the unique features the Internet offers in presenting content (Bressers, 2006; Chan-Olmsted & Ha, 2003; Saksena & Hollifield, 2002; Zavoina & Reichert, 2000). News managers have been working through issues relating to news routines, roles and responsibilities of staff as well as the organizational structure between traditional and online operations (Chan-Olmsted & Ha, 2003; Dupagne & Garrison, 2006). Many daily newspaper managers also perceived the Internet to be a disruption to the news process (Saksena & Hollifield, 2002).

While staff did attend budget meetings, still not much by way of collaboration between both sets of staff; mostly, they work exclusively for each of their respective product (Bressers, 2006; Russial, 2009; Zavoina & Reichert, 2000). Except for some of the larger newspapers, most

newspapers also did not have a separate staff of photographers for their online product (Zavoina & Reichert, 2000) and no more than two employees devoted to Internet operations (Chan-Olmsted & Ha, 2003). For those where the bulk of personnel was assigned mostly to the print product, online operations employed a smaller staff, yet have been "expected to carry out multiple tasks from assigning and gathering visual content and carrying out all prepost jobs such as scanning and color balancing, to recropping for the online format" (Zavoina & Reichert, 2000, p. 147).

Even though managers have been working to integrate staff of both versions of the product, Bressers (2006) found cultural differences in the newsroom pertaining to status of the particular medium one works. Many newspapers also did not have a converged news desk central to the newsroom to dispense stories, regardless of the version of the news product. This may be due to lack of a structural relationship between traditional and online operations (Fahmy, 2008); or, according to Russial (2009), most converged positions have been primarily for the online product, and this is even more apparent at larger newspapers that hire staff in cross-platform positions with the budget to do so. For example, a newspaper with a circulation of 100,000 typically devotes five staffers to the online operations while the traditional product may include 50 reporters and 10 photographers. Generally, it is photographers expected to have multiple skill sets such as audio and video gathering and editing tasks, shooting stills, and other multimedia work; plus, smaller newspapers have been hiring staffers with multiple skill sets too.

Along with no clear protocol for structure of personnel, how best to handle content for both versions of the media product has been challenging (Bressers, 2006; Chyi & Lewis, 2009; Fahmy, 2008; Saksena & Hollifield, 2002; Zavoina & Reichert, 2000). In 2000, Zavoina and Reichert said the days of shoveling content from traditional media outlets to the Web was over, and newspapers were breaking news. Other changes in content included more photos published in print than online; however, the online product typically updated photos at least once daily. Yet, recent research does not show much by way of original content developed for the online product, nor a lot of effort or resources devoted to the online product (Chyi & Lewis, 2009; Fahmy, 2008; Saksena & Hollifield, 2002). Instead, many newspapers have outsourced the online edition, or the parent company has been involved in the development of the Website, except for breaking news online first (Bressers, 2006). Mostly, media have held back generating content exclusively for online and continue to repurpose content from one version to the other (Bressers, 2006; Chyi & Lewis, 2009; Fahmy, 2008). According to Chyi and Lewis (2009), "At present, most newspapers are 'shoveling' or otherwise replicating their print edition (with its traditional sectioning of international, national and regional news, among other sections) on their Web presence, with insufficient thought to the relative value of purely localized news and information" (p. 49).

# Convergence

Several media organizations have reported partnering within the same media company (i.e., newspaper and television), with other media, or with other online entities and other news organizations. In most scenarios, convergence has played out in the form of cross-media promotion (Bressers, 2006; Chan-Olmsted & Kang, 2003; Dailey, Demo, & Spillman, 2005, 2009; Dupagne & Garrison, 2006; Ketterer et al., 2004; Kraeplin & Criado, 2006). Ketterer et al.'s (2004) study of convergence cross-media convergence found the *Daily Oklahoman* and

KWTV still viewed each other as competitors for advertising revenue and news; as such, they fell short of their stated goal of convergence. Instead of both media expanding their resources to provide more coverage through convergence, news coverage was lacking, erratic. and inconsistent. There were coordination problems among staffing, and stories were on both the joint Website and on each medium's Website. Problems were often the result of both media's differing organizational styles and newsroom culture, and, therefore, the dynamic for convergence was not strong for these two news organizations.

In 2006, Kraeplin and Criado found television stations were more likely to partner with local newspapers not owned by their station's parent company, and most collaboration was initiated more so by newspapers than television. Dailey, Demo, and Spillman (2005, 2009) also found a decline in partnerships between television stations and newspapers, and most newspapers gathered their own audio and video. These findings suggest the move toward convergence between television stations and newspapers originally predicted in 2005 did not occur. However, contrary to Kraeplin and Criado (2006), Dailey, Demo, and Spillman (2005, 2009) found newspapers engaged in convergence within their own news organization more so than television stations, particularly sharing content such as planning and discussing how to cover a news story.

Dupagne and Garrison's (2006) case study of media convergence at the Tampa News Center revealed the financial benefits of convergence has been mixed as both media did not completely merge their operations. The Tampa News Center consists of three news units: *The Tampa Tribune*, WFLA-TV, and Tampa Bay Online (TBO.com)—all housed in one building and owned by one company: Media General. At the time of their research, the Tampa News Center still was addressing issues of staffing and budget. This included the financial integration across all three units such as the coordination of sharing content, editing the product, and employee and other expenses for operating and maintaining the news center. Overall, Dupagne and Garrison (2006) found that while the news center is working toward convergence, it is recognizing slowly the economic advantages of a converged news center. Similar to Kraeplin and Criado (2006), Dupagne and Garrison (2006) assert that by housing both the television and newspaper operations in the same building, television more so than newspapers benefits from convergence because newspapers have a depth of resources and coverage typically unavailable for broadcast television.

# Research Questions

In the past, breaking news typically was distributed in traditional media, but now due to the immediacy of the Internet, news organizations are breaking news in whatever outlet the news organization owns that has the greatest potential to reach the audience quickest. Many traditional media outlets have been dual publishing and broadcasting content on the Internet. In some organizations, there has been a separate set of operations for the Internet, versus the traditional media product, while other organizations cross-over personnel. Yet, there is still a fuzzy picture regarding the economic viability of the Internet for traditional media, and many media organizations lack a concrete strategy regarding content and operations of the online product. Accordingly, the following research questions served as a guide for this study:

RQ1: What current strategies are in place for Internet operations in your media organization?

RQ2: Do news managers perceive economic potential for an online presence?

RQ3: How is content produced for traditional and online version of a media's product?

RQ4: Is there a difference in audience for both versions of media's product?

RQ5: What is the perception of traditional media's survival?

#### Methods

National surveys of both news managers at U.S. print daily newspapers and over-the-air broadcast commercial television stations were conducted in two phases. For all phases of the survey, the highest-ranking news managers listed according to the most recent edition of Editor and Publisher International Yearbook 2006 and commercial television station general managers listed in the 2006 edition of the NATPE Guide to North American Media were included in the recruitment for the questionnaire. The first phase of questionnaires was mailed to newspaper managers (1,068 potential participants) and commercial television station managers (854 potential participants); 225 surveys were completed (133 and 92, respectively). The second phase consisted of an Internet survey distributed in early October 2008; 53 surveys were completed (47 and 6, respectively). This approach, although atypical, was to boost the low response rate received by mail and an effort to maximize responses at a reasonable cost. The overall response rate was 16.9% for newspaper managers and 11.5% for television managers. Survey items were the same for both the mail and Web, with minimal changes to meet the formatting differences from print to Web. The survey took approximately 15 minutes to complete. All information remained anonymous, and participation in the survey was strictly voluntarily. The survey link was open 24 hours a day.

Items on the questionnaire addressed Internet strategies adopted by daily newspapers and commercial television stations, composition of Internet operations both in staff and structure, current and predicted revenue streams, content for both versions of media's products and audience composition. Respondents also rank ordered items from a list of emerging technologies they perceive pose the greatest threat to the economic stability to their core product, along with their prediction of both traditional media's survival as a result from the competition of newer delivery systems. Responses from both questionnaires are compared and analyzed in the next section to determine daily newspapers' and commercial televisions' current and future Internet strategy and business model.

# **Findings**

Comparison of the demographic variables for the most part indicated that news managers for both media share similar characteristics. Responses were roughly balanced across groups, with the television news manager's category slightly underrepresented (35.3%) and daily newspaper managers somewhat overrepresented (64.7%). Newspapers ranged in circulation size<sup>2</sup>: The majority of Web newspapers (89.4%) were small (fewer than 100,000), 8.9% were mid-sized papers (100,000–500,000), and less than 1.1% were large papers (more than 500,000). Market size for both media consisted of: 1 - 25 (16.7%), 26 - 50 (16.7%), 51 - 75 (14.6%), 76 - 100 (19.8%), 101 - 125 (7.3%), 126 - 150 (10.4%), 151 - 175 (8.3%), 176 - 200 (4.2%), and 201 + 100

(2.1%).<sup>3</sup> Respondents geographically defined their markets as: Just over half were local (57.8%), 13.1% defined themselves as metro, 22.5% defined themselves as regional, few defined themselves as national (2.2%), and 4.4% defined themselves as global.

This study initially targeted the highest-ranking news managers at daily newspapers and commercial television station general managers. However, results varied when respondents were asked to select which group they primarily identify: 13.4% said publisher and/or president, 14.9% said managing editor and/or vice president, 3.7% said assistant managing editor, 26.4% said executive editor, 28.6% said general manager, 2.2% said news manager, and 10.7% reported other. Among the survey respondents, a small amount were under 35 years of age (9.1%), just under half were between 36 and 50 years of age (40%), and half were over 51 years of age (50.9%). Less than half of the respondents (15.5%) said they have worked in the news industry between 15 to 30 years (51.9%), and 32.6 % said they have worked in the news industry over 31 years.

# Strategy for Internet Operations

Research question one sought to determine current strategies in place for Internet operations. Data indicated that while daily newspapers (77.2% online 2000 or before) went online earlier than commercial television stations (55.4% online 2000 before), it was commercial television stations (80.4%) more so than daily newspapers (60.0%) that reported a clearly defined strategy for their online presence. Both media were relatively equal in their internal structure for producing the online product and some differences in staffing positions devoted to Internet operations (see Table 1).

Table 1
Internet Operations

	Newspapers	Television						
Internal Structure for producing online product								
Works in tandem	89.3%	86.7%						
Works independently	4.0%	2.4%						
Combination	5.1%	7.2%						
Not sure	1.7	3.6%						
Internet employees devoted to In	ternet operations							
Five or less	59.6%	74.0%						
Six or more	19.3%	17.7%						
Positions devoted to Internet ope	erations							
Content manager	57.9%	78.6%						
News editor	30.5%	39.8%						
Multimedia editor	25.3%	20.4%						
Sound editor	2.2%	0						
Web designer	32.6%	35.7%						
Copywriter	6.2%	10.2%						
Photographer	14.6%	4.1%						

Photo editor	7.9%	3.1%
Programmer	29.9%	31.6%
Videographer	14.0%	13.3%
Developer	1.0%	1.0%
Online reporter	2.0%	1.0%
Network operations manager	1.0%	0%
Web producer	1.0%	0%
Web poster	1.0%	0%
*Only yes responses are reported and percentages have bee	n rounded.	

#### Revenue

Research question two looked at how both media generate and allocate revenue for Internet operations. News managers were asked how much their organization is dependent on revenue from online ventures, and both media said their organization considers roughly 10% of their organization's budget devoted to Internet operations. Findings also revealed revenue sorted along three streams: ad sales, content subscription, and customer relations (see Table 2). News managers also were asked what they deemed important for generating revenue for their online product now and in five years. Although both media showed an increase in the importance of these three revenue streams in five years, daily newspapers more so than television perceived these revenue streams important to Internet operations. Both media perceived ad sales as the most important revenue stream now and in five years, and anticipate that in five years revenue for online ad sales will increase.

Table 2
Revenue Streams for Internet Operations

	New	rspapers	Tele	evision				
Importance of:	Now	Five Years	Now	Five Years				
Ad Sales	62.9%	89.9%	47.4%	77.3%				
Content subscription	41.6%	68.9%	18.6%	48.5%				
Customer relations online	56.6%	77.7%	41.7%	63.9%				
Desired % of revenue contribution from online ad sales								
1 to 10%	59.6%	17.3%	76.3%	21.6%				
11 to 20%	29.6%	31.0%	16.3%	46.4%				
over 21%	10.8%	51.7%	7.4%	32.0%				
*Only important responses are reported and percentages have been rounded.								

#### Content

Research question three examined differences in content produced for both versions of a media's product. While content may come from traditional product, wire services, or parent company, commercial television stations more so than daily newspapers reported producing

original content for their Websites, and have even started to present content first on their Website more so than in their traditional counterpart (see Table 3). The majority of both media reported breaking stories online (81.0% newspapers, 80.4% television stations); however, commercial television more so than daily newspapers updated content throughout the day. This finding is not surprising given that commercial television provides news updates and full news reports throughout the day in their traditional product, whereas daily newspapers meet a deadline for publication once a day. Both media also self-identified the orientation of their online product as content-oriented more than other dimensions.

Table 3
Content

	Newspapers	Television
Original content produced for Website		
1 to 20%	57.5%	42.9%
21 to 40%	26.8%	55.1%
over 41%	15.7%	2.0%
Content first published/broadcast in tradition	al media product	
1 to 20%	7.4%	26.5%
21 to 40%	72.1%	68.3%
over 41%	20.5%	5.2%
Content from wire services (i.e., AP, Reuters)		
1 to 20%	72.5%	77.6%
21 to 40%	23.6%	17.3%
over 41%	3.9%	5.1%
Content from parent company		
1 to 20%	82.5%	82.5%
21 to 40%	11.5%	13.4%
over 41%	6.0%	4.1%
Update content on Website		
Hourly	30.2%	59.8%
Three to five hours	16.2%	22.7%
Twice daily	8.9%	9.3%
Once Daily	40.8%	3.1%
Weekly	3.4%	3.1%
Not often	.6%	2.0%
Orientation of Website		
Content-oriented	58.3%	75.5%
Ad-oriented	0.6%	1.0%
Marketing-oriented	1.7%	3.1%
Audience-oriented	12.2%	6.1%
Not sure	27.2%	14.2%
*Percentages have been rounded.		

# Audience

Research question four looked at audience composition for both versions of a media's product (see Table 4). Findings revealed that the majority of both media did not perceive direct competition with their online product (78.4% newspapers, 85.7% television), yet reported overlap with audience for both versions of product. Newspapers more so than commercial television anticipate that in five years more than half of their audience will be online, while commercial television perceived that the majority of their audience will still attend to their traditional product. More than half of both media reported tracking Web users (68.1% newspapers, 66.7% television); however, methods varied (i.e., internal metrics solution, Sitemeter, to Google Analytics, HitBox, Omniture Site Catalyst as well as National standard measures).

Table 4
Audience Composition

	New	spapers	Television				
Audience overlap							
Mutually exclusive	8	.5%	3.2%				
Overlap of both	91	1.6%	96.8%				
Distribution of Audience							
	Now	Five Years	Now	Five Years			
Mostly traditional	75.4%	28.0%	96.0%	67.3%			
Mostly online	13.2%	55.0%	2.0%	10.3%			
Same for both	11.4%	17.0%	2.0%	22.4%			
*Percentages have been rounded and may not add to 100%.							

# Future of Media

Research question five sought to determine the future of traditional media's survival (see Table 6). Overall, both media appeared cautiously optimistic they will have a place in the future. However, commercial television stations more so than daily newspapers perceived their medium would never be obsolete (58.8% newspapers, 81.6% television). Commercial television stations were more optimistic they would survive competition from newer delivery systems (74.9% newspapers, 91.8% television), and they were slightly more likely to benefit from competition of newer delivery systems (52.2% newspapers, 68.4% television). When news managers were asked which medium they perceived posed the greatest threat to the economic stability of their news organization, responses varied. Newspaper managers perceived print news magazines (28.8%), text messaging (21.6%), and online newspapers (17.4%) to be their greatest threat to the economic stability of their news organization, while television news managers perceived the greatest threat to be their peers (17.3%), mobile phones (16.7%), and RSS feeds (15.3%).

#### Conclusion

When the Internet exploded for mass consumption in the early 1990s, newspapers were eager to maintain their position as a dominant content provider, while commercial television stations were slow to establish a presence on the Web. In the time that followed, it is clear both daily newspapers and commercial television stations have made great strides establishing a presence on the Internet. In spite of this, the success of these ventures has yet to be determined. By investigating the structural characteristics, media organizations have navigated to implement the Internet for the presentation and dissemination of news; this research provides some understanding as to current and future strategic plans for both content and Internet operations. Overall, the findings presented here suggest the online version is not a mutually exclusive product from its traditional counterpart, and much overlap exists in content, structure, and audience.

These findings also are supported by the Online News Association (ONA) and Pew's (2009) survey of online journalists. Their research found cautious optimism for those journalists working online more so than in traditional media than in years past. This research, along with ONA and Pew, also found that while news organizations are working toward full integration of the structure of operations and staffing for both products, there is a slight shift for resources and staffing devoted to Internet operations. Although both studies reported confidence in journalism's survival and found much is riding on advertising as a source of revenue from Websites, their study indicated that journalists are encouraged that some other self-sustaining revenue model will matriculate, but no definitive answers as to what that future model will be. Both studies support that original content is first online when compared to prior years that found original content first in traditional media.

Yet, while this research provides insight as to how both media are strategizing content and operations to meet audiences in the 21<sup>st</sup> century, findings must be interpreted cautiously. This study is limited by its lower than ideal response rate, especially among commercial television broadcasters. Though Kraeplin and Criado (2006) experienced a similar response rate in their 2004 survey of news managers, there is no answer for this. Might this have occurred because only those television managers with a clear strategy responded? In contrast, did more newspaper managers participate because they are more willing to admit they remain fuzzy as to their Internet strategy and look to their peers for guidance? It is conceivable, then, that a more representative sample of commercial television managers will alter the results of this study.

The missed opportunity to include items regarding convergence or partnerships with other media in the questionnaire is also a limitation of this study. Although Seelig (2008) did not find much by way of partnerships or sponsorships on media Websites, ONA and Pew (2009) did find that online journalists pursue partnerships as a viable profit model. However, only a third have some type of revenue-sharing partnership with other news entities, distributors, or advertisers, and most said they do not rely on this partnership for economic stability. Therefore, research regarding plans to carry out partnerships with others will be insightful.

This research also did not consider Deuze's (2003) typology of journalism—orientating, instrumental, monitorial, and dialogical journalism. Instead, news managers were asked to classify traditional media sites along Chyi and Sylvie's (2000) orientation typology—audience-oriented, content-oriented, market-oriented, and ad-oriented. Future research might consider Deuze's (2003) typology in an effort to understand the specific purpose of these Websites. Chyi and

Sylvie's (2000) typology is more concerned with identifying sites along market structure than journalists interacting with citizens, "This suggests that the unique differences between new kinds of journalism developing on the Internet and journalisms existing within other media modalities reveal much wider developments, and thus consequences for contemporary journalism and media production as a whole" (Deuze, 2003, p. 219).

Sullivan (2006) also contends that newspapers today have lost site of their audience and look at journalism as a commodity. He attributes these changes to technology and the diversity of the community the newspaper is said to represent. As newspapers struggle to stay competitive, they have largely ignored how technology may be harnessed to deliver information and fail to see that newspapers no longer follow a one-size-fits-all model of journalism. Instead, most newspapers have been consumed with "selling audiences and advertisers" (p. 68), than what value this news is to the community. Chyi and Sylvie (2000) assert this is partly due to newspapers' poorly defined market structure and inability to define a clear business strategy for both their traditional product and Internet presence, and, changes in competition. Newspapers no longer compete against other newspapers; they are competing with all media. Thus, uncertainty regarding how to characterize properly the purpose of Websites leads to instability as to the economic viability of the online product.

Another issue is the lack of agreement of what a newspaper should be in the 21<sup>st</sup> century. By changing the way the *newspaper* caters to their audience, Sullivan (2006) believes this will ultimately win back the audience it is said to represent. A change in thinking about what journalism is requires the media organization to be reflexive when implementing new strategies for doing things. What works for one media organization might not work for another; therefore, connecting with the community to understand better the function of journalism is a prudent next step to success. These limitations suggest opportunities to research for definitive answers regarding economic pressures balanced with providing a quality product to audiences. More specifically, is there a current business model that is successful, and how may it be applied to the media organizations surveyed in this study?

In sum, this research shows a reversal of roles so to speak, or as Rogers (1995) articulated in his diffusion of innovation theory, an innovation forces an organization to redefine or restructure what it does. Based on the data presented here, news managers have recognized this and have started to shift structural characteristics within the media organization such as their business model, content, and operations to accommodate this reversal of media consumption. Even though Lewis' (2008) survey of Internet users indicated that as young people mature they will seek out traditional media more so than social media and the Internet, the findings presented here supports Stempel and Hargrove's (2008) analysis that a decline in use of traditional media will continue as audiences go online for news and information. According to Chyi and Lewis (2009), while the print product reaches more local readers than the online version, nonnewspapers sites lead in use and market penetration (i.e., Yahoo! News, MSNBC, AOL News, etc.), and the top national newspaper sites have been USAToday.com and NYTimes.com; but, when it comes to local news, readers still sought out their local newspaper for content.

As Dutta-Bergman (2004) suggested, news provided by traditional media and news provided via the Internet serve a complementary function to each other. The expectation here is that both media will complement each other, but that in time the Internet and social media will function as the prime source of news and information, and traditional media will play a complementary role to sophisticated or technologically driven content for consumption. With

continued development of social media and an increase in the availability of broadband access, the Internet will continue to permeate audiences' everyday lives. In view of this, traditional media will survive—albeit smaller and not necessarily at a critical mass—as a niche role, yet still part of the consumers' media mix. Just as other media have moved away from providing content for masses audiences, traditional media will evolve into a more individualized medium. There will be several smaller outlets for journalism content, and in return, smaller dispersed revenue streams. Media formats are changing and, like traditional media, are adapting to new methods of creating, designing, and delivering content to their audiences.

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#### Notes

- 1 Statistics retrieved from American Journalism Review's listing; available at http://www.ajr.org
- 2 Based on Greer and Mensing's (2004) classification of daily newspapers. Circulation data was gathered from *Editor and Publisher International Yearbook 2006*. Circulation numbers are circumspect because they are based on print circulation and not Web site viewership.
- 3 Market rankings was compiled from *Nielsen Media Research Local Universe Estimates 2005–2006*; available at http://www.nielsenmedia.com/DMAs.html
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# **Student Corner**

# Venezuelan President Hugo Chávez and the Media: An Analysis through Cultural Studies Theory

# **Begoñe Cazalis**

# Abstract

Venezuelan President Hugo Chavez has established his government throughout the years as an enemy of the private media by threatening them, calling them messengers of imperialism, and funding increasing numbers of powerful state-owned media channels used as an ideological tool. The Venezuelan private media have fought back with many of the same techniques used by Chavez, such as biased reporting and constant political commentary by journalists, pairing them closer to an opposition party than an objective observer. This research analyses the current power war taking place in the arena of the media in Venezuela through the cultural studies media theory of Stuart Hall. This neo-Marxist perspective, which presents the media as an arena for the power struggle that takes place in society, is ideal to understand the current Venezuelan situation. This media war is resulting in the destruction of objective journalism, of freedom of expression, and, ultimately, of democracy in Venezuela.

# Keywords

Venezuelan media, Chavez, media war, Venezuelan private media, Venezuelan state media

#### Introduction

Venezuelan President Hugo Chavez and the private media have been engaged in a political and communicational war for power that is destroying free and objective journalism, and ultimately affecting freedom of expression and democracy. This conflictive relationship can be best understood through Cultural Studies media theory, a Marxist perspective that presents how medium and message are used in the power struggle between a dominant group in a society and the masses (Stanley, 2006).

Stuart Hall, the father of *Cultural Studies*, will provide the tools for analyzing the current situation in Venezuela. Hall's neo-Marxist ideas, in which a power struggle takes place in the arena of media, are ideal for understanding the state of the media in Venezuela where there is presently a power struggle between the opposition and the government taking place in mass media. Hall believes mass media provides many of the guiding values that shape our perception of the world and serve as important instruments of social control (Davis, 2004). In Venezuela, both the private media and Chavez utilize the media as an ideological tool, aiming also to shape the public's perspective and, in the case of Chavez, directly serve as an instrument of social control.

It is important to mention that Hall called his research *cultural studies*, rather than media studies, because he believes it to be a mistake to treat media institutions as a separate academic discipline from culture. He pushed for the idea of understanding mass communication within its specific context. The historical, political, social, and cultural contexts in Venezuela are all as well crucial parts for understanding this media study.

Hall's *cultural studies* are rooted in other movements and theories that are also quite applicable to the Venezuelan situation. Beginning with the Frankfurt School, which was the first to take on the question of why Marx's predictions had failed and capitalism remained a persistent reality. Why have the *have-nots*, the working class, not revolted against the *haves*? They argued the revolt had not occurred because the prevalent corporate-owned media were effective in sending a message that supported capitalism (Griffin, 2006). This idea echoes Chavez's arguments against the private media in Venezuela. He accuses the Venezuelan and the international private media of "imperialists" and even has called them terrorists with a capitalist message. It is true, however, that prior to Chavez, privately-owned media was the only type of media in the country with the exception of one poorly funded state channel. After Chavez's socialist revolution of the *have-nots*, the number of community and state media channels has increased, but some private ones have also closed down. Prior to Chavez, as the Frankfurt School put it, corporate-media sent a message that supported capitalism, but now the state media sends a message of socialism.

Currently, the private media have been concerned with sending a message of opposition to Chavez, and the state media has focused on sending a message that supports *Chavismo*. Both entities manipulate the information they provide to the Venezuelan audience using the news media as an ideological tool and fulfilling Hall's neo-Marxist theories of power struggle that takes place in the arena of the media. However, in this case, the state is the most powerful entity, and Chavez has made used of his legislative power to impose censorship, tighten public information laws, and close down private media channels. This situation is rather worrying for the future of Venezuelan journalism, freedom of expression, and even democracy. A media environment based on pushing political ideologies is destroying objective and responsible journalism. Chavez's abuse of power also has hindered freedom of expression in the private sector through many cases of censorship and threats to journalists. This situation creates a poor environment for a free democracy. A self-governing society, by definition, makes its own decisions and without accurate information and open exchange of ideas; society cannot decide. "Abraham Lincoln articulated this concept most succinctly when he said: 'Let the people know the facts, and the country will be safe'" (Krimsky, 1997, para. 3).

# Chavez's Use of the Media as an Ideological Tool

Hall believes mass media helps maintain the power of those already in a position of power while exploiting the poor and powerless. Additionally, as a critical theorist, he wants to not only philosophize about this problem but also make a change. The change Hall and most critical theorists want to accomplish is to empower the people on the margins of society (Griffin, 2006). Chávez would agree. He has created an avalanche of government-owned media justified by the idea of giving a voice to those who have been oppressed by the privately owned media: The *havenots*, the poor in Venezuela, the masses. Hall's ideas, critical of the oppression of the status-quo and its power over the media, are in line with Chávez's proposed objectives. Like Hall, Chávez also says he wants to help give a voice to the voiceless proletariate.

However, Hall maintains he does not want to be a "ventriloquist" for the masses but desires to "win some space" where their voices can be heard (Griffin, 2006), as opposed to Chávez, who also wants to win media space, but mainly for his own voice to be heard through dozens of government-sponsored media and long hours of pro-government programming. This is where Chavez's actions diverge from Hall's theory: While Hall wants to articulate in the sense of protesting against oppression and linking that suppression to the media, because that is where meaning is shaped, Chavez has overtaken the media space to create and communicate his ideology as well as oppressing the private and corporate media. Surely, Hall would articulate this as oppression through the message and medium, even though Chavez is supposed to represent the have-nots.

Nevertheless, the ideas shared by Chávez and Hall about the domination of a status-quo corporate media and the limited space masses are given to express ideas are not completely unfounded. Before Chávez's socialist government, Venezuela lived a 40-year-long period of democracy during which elected presidents promoted a capitalist ideology. Venezuela had only one state-owned television station and zero community media channels; most of the broadcast programming came from the few media corporations. During times of high oil revenue, government officials supported all types of private industries, and media was not an exception. This created suspiciously close relationships between media owners and elected officials who pushed a capitalist ideology.

As Rafael Poleo, journalist and Acción Democrática party official, puts it in an essay "Many of the most important media channels cheated themselves into believing that they could manipulate Chavez just how they had done until then with other politicians of popular origin" (Poleo, 2002, p. 42). The owners of television stations, newspapers, and radio stations, Poleo (2002) argues, at the beginning of Chavez's term, were believing in their own fantasy, fed by a mix of fear, ambition, and greed. Chavez used their trust and waited for the moment to confront them based on the real fact that determines his relationship with the media: "That real fact is that Hugo Chavez's political project cannot be consumed with freedom of expression" (Poleo, 2002, p. 42).

However, Chavez's argument is that through government media expansion, popularizing the airwaves and engaging in an open fight with the private media, he is creating a more pluralistic media arena. Andres Izarra (2007), former Venezuelan Minister of Communication and Information, and current President of TeleSUR, a 24-hour news channel meant by Venezuelan government officials to be an alternative to CNN and Fox, argues Chávez's expansion of state-owned media has created a more pluralistic society:

For years, we had 'controlled' news networks. Not controlled by Venezuelans or our government but by the countries that dominate international news like the United States and the United Kingdom, or by large media companies with international ownership of local Venezuelan channels. (Izarra, 2007, p. 15)

Izarra (2007) argues that TeleSUR, which was launched in 2005 with Venezuela owning 51% of the channel and the leftist governments of Argentina, Cuba, Uruguay, and Bolivia owning the rest, and other state-owned media have increased the pluralism of Venezuelan television from what it used to be in pre-Chávez times.

Until recently, Venezuelan television news often became victim of media conglomerates with one-sided views. There are currently more than twenty major television broadcast organizations operating in Venezuela, including private, state-run, and public channels. This pluralism is in contrast to the widely held view that the media in Venezuela is stifled or lacks freedom and diversity, often purported by politicians and the media outlets that report on them. (Izarra, 2007, p. 16)

However, in the same article, Izarra points out that TeleSUR shares a common ideology with Chávez. To understand TeleSUR and the recent changes in Venezuelan media, he says, they must be seen in the context of the political changes towards socialism and popularization occurring in the region. According to Izarra, "We have expressed this desire for political integration through regional economic and social cooperation agreements; financial, technical and energy assistance programs; and now, through the mass media. If integration is the end, TeleSUR is the means" (2007, p. 15). Chavez begins his fight against the media using Hall's argument of popularization of the media and battling the dominant corporate media that presents us with only one perspective. But, in reality, he becomes the hated dominant ideology in media, and the arena ends up being a less pluralistic one—of ideas silenced through legislative power.

Chavez has restricted the rights of the private media through the creation of laws, cancellation of the broadcasting licenses of radio and television stations, and verbal threats that have gone as far as asking Venezuelans to rise and defend themselves from opposition journalists. This has paved the way to various physical attacks against Venezuelan journalists from the private media. Chavez also attempts to control the media through the creation of multiple state-owned media outlets, often used exclusively for the promotion of his own political ideologies. The number of state-owned and community media outlets, television stations, radio programs, newspapers, and Internet pages has increased substantially and surpassed the number of privately owned outlets (Colmenares, 2010).

The Private Media's Use of the Media as an Ideological Tool

There is an open acknowledgement by the Venezuelan government that the state media is being used as a tool to promote Chávez's ideology. At the same time, the privately-owned media, which represents the other end of the spectrum in most cases—the *haves*, the opposition—has fought back to retain its power and promote its own anti-Chávez ideology. The private media often have persecuted Chávez and his ideas through some of the same tactics used by the state media to promote its own agenda: biased reporting, omission of news, and constant

political commentary.

The actions taken by privately-owned stations during the infamous attempt of a *coup* d'état against President Chávez in April of 2002 is an important example of how the Venezuelan private news media, which is supposed to be independent and fair, violated their obligation as members of the press to report truthfully, regardless of the event's political implication. All of the privately-owned television stations failed to report breaking news regarding the attempted *coup* d'état to allegedly help the coup succeed.

Pro-Chávez representatives voiced their concern. Francisco Solorzano, a photojournalist who was part of the MVR, the Fifth Republic Movement or Movimiento (V) Quinta República, a political party founded by Chávez in 1997, but dissolved in 2007, stated the following: "On April 11 our media's credibility was proven. They (the private news media) tried to hide the truth and everything was known through the international media, and that is really something to be worried about" (Perozo, 2004, para. 19).

The private media's credibility was indeed questioned for their decision to have an information blackout during the events that took place April 11-13, when a coup d'état attempt took place. Their actions were living proof of their stance against Chavez and Hall's predictions of the corporate media to utilize their power to promote an anti-leftists ideology. This information blackout was understood as the culmination of taking a position against the president, an open attack on the government. Even if the stations did not work as a team, they were all acting with the same purpose of helping the coup as they could and openly showed a triumphant attitude in various shows during the two days that Chavez was out of power. This was an open battle in the war for political power in the arena of the media.

Private television stations such as RCTV, Venevision, and Globovision broadcast non-stop marches of the opposition that brought about the coup against Chávez, but when millions of Chávistas marched the streets demanding Chavez's return, nothing was shown. It was as if nothing was happening according to the private stations. And, when Chávez returned to power and sent out a message to be shown on all television stations saying to remain calm because he was still president, the private stations ignored these breakthroughs and showed cartoons and other entertainment programming. The private television stations and newspapers, which decided not to print the day after Chavez's return to power, compromised their credibility by linking themselves to the coup. The decision to stand against Chavez then and now was more important to them than maintaining their responsibility as members of the press and keeping their credibility because, with the Chavez project, there is no real independent press anyway.

RCTV, Venezuela's oldest private television station, was forced off the air at midnight on May 27, 2007. Chávez's decision not to renew the station's television license was said to be based on the network's indecent content deemed inappropriate for children. Nevertheless, the general understanding is its involvement in the coup and its openly anti-Chávez programming is what truly prompted the closure. This was the beginning of many legislative actions against the media. Eleazar Díaz Rangel, Director of *Ultimas Noticias* (Latest News), one of the only fairly neutral news organizations, agrees:

Before the coup of April 2002, their [RCTV] information and opinions were oriented towards creating the right conditions for that coup, and when the constitutional forces emerged to reinstitute Chavez in power, they did not provide any information about it even if it was crucially important. The only freedom that Chavez is taking away by closing

RCTV is the freedom of the owners of the channel to say their opinion. (Noboa, 2007, para. 14)

Even the independent media have acknowledged that, just like the state media, they use their communication channels to promote a political ideology. Alberto Federico Ravell, former General Director of Globovision (the only privately-owned channel that still openly opposes the president), agrees there was a blackout of information by privately-owned media stations during the coup, but that, nevertheless, the Venezuelan media act differently than the media in other countries because Venezuela is a country undergoing very special circumstances under the socialist regime of Chavez, which has aimed at eliminating all opposition. Ravell explained in an interview with *The Miami Herald* (2009) when he was still working in Globovision.

In Venezuela, a country where there is no separation of powers, media becomes a power. [Media are] the only power that denounces injustices and corruption and we end up playing a role that the media wouldn't otherwise play under normal conditions.

But, we don't live in a country under normal circumstances, where journalists can ask any question they want, where the national assembly has more than one political party. We will be happy the day the people would go to denounce an act of corruption to the government instead of coming to us. But, that is not the way things are. (Miami Herald, 2009, http://www.miamiherald.com/video/?genre\_id=4275#)

These special circumstances created by Chavez, which threatened freedom of expression, have given the media no other choice but to fight back in this communications war, as Ravell explains. Currently, Venezuela is a country in which pluralism of information is at risk because of the dominant ideology of Chavez, which has worked hard to try to eliminate as many oppositional voices as possible.

#### Pluralism vs. Neo-Marxism

Under Chavez's regime, Venezuela lives in a very particular and weak democracy; therefore, a pluralistic theory, which refers to the media as a promoter of freedom of speech and is used commonly to describe the media in a democratic society, such as the U.S., cannot be applied easily to the weak Venezuelan democracy. According to Gurevitch, Bennett, Curran, and Woollacott (1982), "Pluralists see society as a complex of competing groups and interests, none of them predominant all of the time. Media organizations are seen as bounded organizational systems, enjoying an important degree of autonomy from the state, political parties and institutionalized pressure groups" (p. 256).

The difference between pluralistic theory and Venezuela's society is (refer to Appendix I) that the Venezuelan public and private media organizations do not enjoy "an important degree of autonomy from the state, political parties and institutionalized pressure groups" (Gurevitch *et al.*, 1982, p. 256). The Venezuelan state has infiltrated not just the airwaves, but also the regulatory avenues that media have to go through in order to transmit. Hence, Gurevitch's idea (1982) that a free press encourages an environment where media professionals can express their views without censure from management does not apply.

Media pluralists also assume a basic equality between the media and the audience. They argue that audiences are involved in allowing information to penetrate them, while being capable of manipulating the media as well. "A basic symmetry is seen to exist between media institutions and their audiences ... audiences are seen as capable of manipulating the media in an infinite variety of ways according to their prior needs and dispositions...enabling them to 'conform, accommodate, challenge or reject, what the media offers" (Gurevitch *et al.*, 1982, p. 256). Pluralists believe in the *Limited Effect* theory. This theory, widely used in America since proposed by sociologists and researcher Paul Lazarsfeld in the 1950s, states that people have various ways of resisting media influence, and that their perceptions are formed by numerous factors such as friends and family. Contrary to Hall's ideas, it views media as a reinforcement of existing social trends and not as a powerful ideological tool.

To Hall, as well as Chavez and the Venezuelan private media, media is a powerful ideological tool.

As far as mainstream mass communication research in the United States [Limited Effect Theory] Hall believes that it serves the myth of democratic pluralism—the pretense that society is held together by common norms, including equal opportunity, respect for diversity, one person-one vote, individual rights and the rule of law. (Griffin, 2006, p. 371)

The finding that media messages have little effect, explains Griffin on Hall's theory, celebrates the political claim that democracy works.

Venezuelan's democracy is currently questionable under laws that censor speech, lack of opposition parties and the continuing lengthening of Chavez's presidency through legislative action. This is why Hall's theory is so fitting and a pluralistic view is not. President Chávez cares little of the capacity of audiences to be critical of the media, he, like Hall, believes that the media is a powerful ideological tool and not a medium with little effect in the audiences. He exercises control over what he deems to be a manipulative, powerful, imperialistic media because he understands it as a powerful tool. His Bolivarian Revolution recently revoked the broadcast licenses of 32 private radio stations and two television stations and passed a new law outlawing media material that "produces terror in children" or "goes against the values of the Venezuelan people" (Padgett, 2009, para. 2).

The private media also belittles the audience's ability to accommodate, challenge, or reject Chavez's message. Instead of providing allegedly balanced coverage, unbiased information, and letting the audience accommodate or challenge the information; the private media promotes their own ideology and act more as a political entity that makes use of its power as communicator rather than remain an objective observer. They do this, because, as Hall would put it, a *Limited Effect* perspective, would only work in a "perfect democracy," a definition far from Venezuela's reality.

The Marxist definition is more appropriate than the pluralist to understand the particular context of Venezuelan politics and media. For Hall, media enables dominant social elites to create and maintain power. Media provides the elite with a subtle yet effective means of advancing ideas favorable to their own interests. Mass media can be then viewed as a public arena in which cultural battles are fought to promote and forge a dominant or hegemonic culture power (Dennis & Stanley, 2006).

The theory is quite fitting to explain the situation in Venezuela and can be applied to both sides of the political divide. The media is used to maintain power, to advance ideas and as a public arena where ideological battles are fought (Appendix I). One of the exceptions in Venezuela, however, is the presence of two powerful ideologies being promoted in the media at the same time, instead of a single dominant one. Both entities, the government and the privately-owned media, have abused the media as a powerful ideological tool, not just one of them. The power struggle in the media is even more noticeable in Venezuela where both entities fight openly, and especially intriguing when compared to Hall's theories where only one is dominant and the other side of the struggle is completely voiceless. Thus in Venezuela, the media that once represented the have's now represents the have-nots in the sense that this group does not have a sufficiently representative voice in government nor in the now predominant government media.

The government not only has dominance in the number of media outlets but also in the power it exercises through legal avenues to control the private media. This is another example of how the Venezuelan situation differs from common cultural theory analyses. In Hall's *Cultural Studies*, the status-quo promoted in the media is presented as an elite, capitalist empire and not the revolutionary, leftist government of Chávez, which claims to represent the masses, the *havenots*.

Hall does not suggest that the promotion of the status-quo is a conscious plot by the media. He believes that media professionals enjoy the illusion of autonomy while promoting the dominant trend. This is another way in which the definition of neo-Marxism differs from the situation in Venezuela. Public and private media professionals do not enjoy the illusion of autonomy; they understand and act on their role as powerful persuaders of an ideology. Privately owned media is aware of the punishment and hostility from the government whenever they are being critical of it. They have learned from the RCTV case and laws created by Chávez that increase their censorship and therefore have self-censored their network's journalists and content. On the other hand, others such as *Globovision*, a 24-hour news television station, are open about their dislike of Chavez and clearly set programming agendas that promote those ideals setting the stage for a media that appears biased and unreliable. "The news media that assumed critical positions created their own failing path by openly siding with civil and political organizations against the Chavez project" (Medina, 2007, p. 50).

Reporters from state-owned media are also aware that they are serving the government's interest; they belong to socialist political organizations and openly express their discontent with the opposition. In a September 20, 2009, article on Aporrea.org, a popular socialist news website, Gonzalo Gómez, a reporter from Aporrea.org, editor of the newspaper Socialist Tide, (Marea Socialista), and member of the Communication Commission of the PSUV (Partido Socialista Unido de Venezuela, United Socialist Party of Venezuela), proposes a series of changes towards the socialization of the media in Venezuela. Among its goals, he includes the following: "To continue with the measures of democratization of the public airwaves by transferring control to the Popular Power: This is vital for defending the Bolivarian Revolution from media offenses of the oligarchy and imperialism" (Aporrea.org, 2009). Gomez presented this proposal for the socialist transition of the media in the Bolivarian Revolution (Propuestas de Transición para la Socialización de los Medios en la Revolución Bolivarana) at the Meeting of Counterinformation and Popular Communication in September 2009. This summit of pro-socialist journalists was organized in response to a visit to Venezuela on September 2009 of representatives of the SIP (Sociedad Interamericana de Prensa) or as Aporrea.com, refers to them, SIP Servidores Imperialistas de Prensa

(Imperialist Servants of the Press).

The Justification of Chávez and the Private Media

Pro- and anti-Chávez media representatives do not hide their political positions and feel that they are serving their country best by counteracting each other's manipulation of the media. In a way they are both like Hall: resisting. Hall wants to liberate people from an unknowing acquiescence to the dominant ideology of the culture—although not through message manipulation and censorship as it is happening in Venezuela, in fact that is what he criticizes in mainstream media. The private media and Chávez, just like Hall, want to create a resistance to the other ideology. Their justification in this power war is creating a resistance to the opposite "dominant" ideology.

Ignoring professional standards of objective and unbiased news reporting is justified by exercising resistance toward the counter side. The mission of the cultural studies approach is after all raising consciousness on the media's role in promoting an ideology, which is exactly the justification of both sides of the power struggle in Venezuela. Hall wants to liberate people from an unknowing acceptance of the dominant ideology (Griffin, 2006, p. 371). Similarly, Chávez wants to liberate the people from the "powerful, imperialistic, private media." And, the private media takes up the job of liberating the people from the information that the government provides, even if that means filtering or altering information as both the private and government media do.

In the proposal for the socialist transition of the media for the Bolivarian Revolution, summarized in the Aporrea.org article (2009) the same Frankfurt School's argument that the private media is pushing a (harmful) capitalist ideology becomes clear. Point five of the proposal solicits the following:

The non-renovation of the broadcasting licenses of large private radio and television stations. As well as the cancelation of the broadcasting licenses of the media connected with activities involved in the counterrevolutionary coup conspiracy, or state assassins, so that the menace of psycho-terrorism of the media can be ended, and give a forward step in the socialization of the capitalist media under social control. (Aporrea.org, 2009)

Cultural Studies' Roots and Their Similarities to the Venezuelan Situation

The Frankfurt School theorists also address "the means of production of culture" in which media owners have an undue influence over ideology and political power. Although Hall is less heavy-handed on that idea, he agrees that the corporate control of public communication creates a culture around maintaining the power of the status-quo by restraining free expression. Hall uses the term *hegemony* when he speaks of the cultural role of media. Hegemony, which is defined as the social, cultural, ideological, or economic influence exerted by a dominant group, has also been used by the Chávez government to describe what they would like to do with the Venezuelan media; even though that is exactly the same thing they have criticized the privately-owned media of doing. In a January 8, 2007 interview with *El Nacional*, a Caracas Daily, Izarra stated that the administration of President Chávez is building "information hegemony." He qualified this statement by indicating that this hegemony did not mean the end of opposition, and that the

media that criticize the government would continue to operate. Many analysts agree that it is important for Chavez to keep some private media channels operating only because he needs a "capitalist" enemy he can fight, to preserve his ideology alive, and also as part of maintaining a front for Venezuela and the world of his government being democratic and not a totalitarian dictatorship.

Another influence of cultural studies that is relevant to this case is that of French literary critic and semiologist Roland Barthes, who would systematically deconstruct symbols to reveal their reinforcement of society's dominant values. Similarly to Hall's argument about the media reinforcing the powerful, Barthes says that symbols too reinforce the dominant values of culture. Just like Hall wants to give the oppressed the power to resist the media ideology, Barthes too wants to give people the capacity and knowledge to be able to see beyond cultural symbols.

Signs are powerful. People tend to accept symbols without questioning them and without deconstructing them because they are already linked to a meaning and need no explanation. Griffin argues that "Symbols go without saying. They don't explain, they don't defend, and they certainly don't raise questions" (Griffin, 2006, p. 364).

Chavez knows the power of symbols too. Since his first presidential campaign, Chávez took on mythic signs that were already important to Venezuelans. He seized for himself Simon Bolivar, Venezuela's most important independence hero. Every time Chavez talks about his ideas, goals and dreams, he refers to them as Bolivar's dreams. He has renamed parks, squares and institutions after Bolivar and the very name of his revolution, the Bolivarian Revolution, is further proof of his desire to be completely connected to Simon Bolivar. Chávez has also adopted for himself the Venezuelan flag, the Venezuelan shield and many other Venezuelan heroes. Who would question those symbols? They were already unquestionably connected to "good" ideas such as patriotism and heroism in the Venezuelan collective consciousness.

Chávez repeats these symbols constantly. He is obviously aware of the power of unquestionable signs as well as propaganda theories that describe the efficiency of the repetition of messages and symbols (Dennis, 2006, p. 80). Both communist and fascist propagandists, for example, have used the continuous repetition of symbols that were supposed to stimulate large-scale mass attention and eventually become reflexive through the repetition process.

The last influence of cultural studies that is relevant to this context is that of French theorist Michel Foucault. His concept of *discourse*, which provides a bridge between social power and communications, and between the symbols and the message, helped Hall create the concept of *making meaning*. The process of learning the meaning of a symbol requires for someone to explain that meaning. It is important to recognize the source of that explanation. Not everyone in society has an equal voice or power in creating meaning and defining symbols. Although with the internet more people have the power of making meaning, it is inevitable that those who can reach more people have more discursive power: power to create meaning. Undoubtedly, Chávez has more discursive power than the average Venezuelan resident. Therefore, he has more power to frame meaning and to create meaning. The privately-owned Venezuelan media with its broad outreach also has a great discursive power, which is the reason why Chávez attacks it directly and wants to significantly curb its influence. The power of making meaning is a tool in the ideological war in the media.

## The Problem of the Audience

The ultimate issue for cultural studies is not what information is presented but whose information it is. The source of the information is perhaps the most important issue in today's Venezuelan media. Government-sponsored media and privately owned stations in Venezuela, on many occasions, have become active propagandists. Venezuelans are very aware of this and therefore the ultimate question for them is who owns the media channel from where the information is coming. In Venezuela, it is quite obvious which media are with the government and which are with the opposition.

This situation has decreased the trust Venezuelans have for the media. In September 2008, 79.6% of Venezuelans reported to be suspicious of the Venezuelan media both private and state-owned according to a survey conducted and published by the Venezuelan Institute of Data Analysis (IVAD) (cited in Aporrea.org, 2008). Yet, Chávez and the private Venezuelan media, just like Hall's theory, are more concerned with resisting each other's messages than with the audience's actual interpretation of those messages.

Many analysts agree it is quite obvious to see the biases in the Venezuelan media as well as to detect which media are sided with the government and which are not: "Watching television or reading the newspaper, it was obvious that various media were conducting intentionally a campaign to discredit the government," said Ignacio Ramonet, director of *Le Monde Diplomatique* and director of *Media Watch Global*, On May 15, 2002, in an interview with *BBCMundo.com* about the role of the private media during the 2002 coup attempt.

## The Irony of the Enemy of the Dominant Ideology

Even though 80% of Venezuelans distrust their media and analysts constantly call on the noticeable media biases, Chávez ignores the audience's capacity to be critical of the media, because he focuses instead in the power of the media as an ideological tool. He has created various laws that reduce the power of the private media such as The Law of Social Responsibility in Radio and Television. He constantly fines private stations and newspapers for various questionable reasons, and labels them "media terrorists." He censors media by not buying advertising space causing significant loss of revenue given that increasingly more private businesses are being nationalized. Chávez rarely speaks about the audience's role in understanding the information given by the media. He is predominantly concerned with taking away the private media's space for expression and gaining more space for his revolution or, as he would say, space for the masses.

The apparent irony is that by trying to suppress the dominant oppressive ideology of the private media, Chávez and his ideas became the dominant oppressive ideology. The same irony has also been noted about Hall's theory. As Samuel Becker, chairman of the communication studies department at the University of Iowa, notes in an essay, Hall knocks the dominant ideology of communication studies, yet he "may himself be the most dominant of influential figures in communication studies today" (Becker, 1994, p. 126).

## A Never-ending Cycle

It is no surprise that the private media fights back in this war for ideological domination. The struggle for power will continue in a never-ending cycle (Appendix II): As Chávez oppresses the private media by canceling their broadcasting license, fining them and with his own biased channels, the private media will continue to fight back with biased information and constant criticism, the only weapon they have. Furthermore, as the private media continuously criticizes the Chavez government and takes the role of a political party, Chavez will continue to treat them like a political opponent in the ongoing war for political power.

Each of these entities justifies their media abuse with the charge that they are resisting the opposite ideology and helping audiences resist the opponent. But, it is exactly the audiences the ones who are being affected the most by this war. The power war taking place in the arena of Venezuelan media is a living example of Hall's cultural studies. However, unlike Hall's theory this is an open war. The media acts knowingly as an ideological tool that works toward promoting its own ideas while discrediting the ideas of the opposite side of the political spectrum. This open power struggle is in the end, detrimental for the millions of Venezuelans who do not have access to a free and objective media and can only count with politicized journalists that continue to lose their credibility. This media war is ultimately affecting freedom of expression as well, which is being repressed through legislation, and without true information and freedom of expression, by definition, democracy cannot exist either. This power war that exists in Venezuela in the arena of the media is ultimately destroying objective journalism, freedom of expression and ultimately democracy.

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Begoñe Cazalis is a candidate for the M.A. in Communications, Specialization in Hispanic Media, at St. Thomas University. After graduating with a B.S. in Communication from Florida International University, she worked as a reporter for The Miami Herald and El Nuevo Herald, and later for Miami Today newspaper. She has worked in the Communications Department at St. Thomas University and is currently the Communications Manager for the City of Homestead, Florida. Cazalis is the co-author of a feature documentary about the Republic of Georgia, "The Violet & The Rose: A Lullaby for The Caucasus," and has participated in various other media creative projects in Miami, where she currently resides after having become exiled from her native Caracas, Venezuela, in 1998. Her research interests are in new and old media, and its relation to government and political movements.

## Appendix I

## Similarities between the Cultural Studies Theory and Chavez and the Privately-owned media conflict in Venezuela

#### Cultural Studies Theory:

- . Media is an ideological tool
- в. Media is used to promote dominant ideology
- c. Symbols are used to promote dominant ideology
- D. Power struggle takes place in the arena of the media
- E. Aims to create resistance to the ideology promoted by the media
- F. "Leftist," neo-Marxist theory, anti elite, anti status quo
- G. Goal is to acquire more media space for those oppressed by the media's dominant ideology.

#### Chavez:

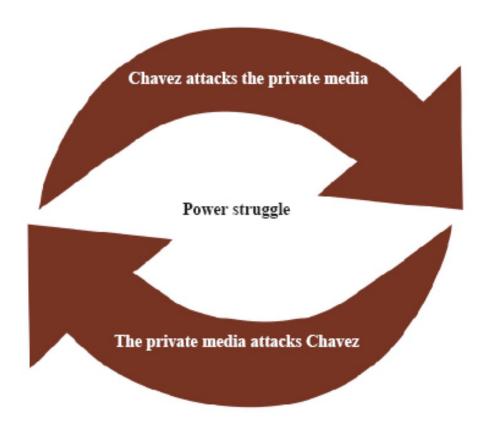
- M. Uses media as an ideological tool and fights the private media for using the media as an ideological tool.
- в. Media is used to promote Chavez's ideology, Venezuela's dominant ideology.
- c. Uses unquestionable symbols such as Simon Bolivar to promote his dominant ideology.
- D. Power struggle takes place in the arena of the media between Chavez (state-owned media) and the opposition (privately-owned media).
- E. Aims to create resistance against privately-owned media and the opposition's ideology.
- F. "Leftist," neo-Marxist ideology of socialism and anti-capitalism, anti-elitism.
- G. Goal is to acquire more media space for those oppressed by the private media's dominant ideology, but in reality he acquires more media space for his new oppressing ideology.

## Privately-Owned Media:

- A. Uses media as an ideological tool and fights the state-owned media for using the media as an ideological tool.
- в. Media is used to promote the opposition's ideology. Used to be Venezuela's dominant ideology.
- c. Uses symbols to promote ideology.
- D. Power struggle takes place in the arena of the media between Chavez (state-owned media) and the opposition (privately-owned media).
- E. Aims to create resistance against state-owned media and the government's ideology.
- F. Against "Leftist," socialist ideology. It is a private industry therefore capitalist.
- G. Goal is to acquire more media space for those oppressed by the state media's dominant ideology.

Appendix II

The Never-Ending Cycle of the Media Power Struggle in Venezuela







"It may be a cliché but learning takes place out of the classroom as much as it does in the classroom. Those not immersed in diversity are losing out on a chance for a more meaningful education."

> Jenkins Chan Class of 2011











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(800) 245-4569 or (305) 623-2310 admitme@stu.edu www.stu.edu/law Journal of Multidisciplinary Research, Vol. 3, No. 1, Spring 2011, 113-115. ISSN 1947-2900 (print) • ISSN 1947-2919 (online) Copyright © 2011 by St. Thomas University. All rights reserved.

## **Book Review**

## **Book Details**

Ward, P. (2011). Gods behaving badly: Media, religion, and celebrity culture. Waco, TX: Baylor University Press. 163 pages. Paperback. ISBN: 9781602581500.

#### Reviewer

Jonathan Chad Roach, MLIS

## **Synopsis**

Practical Theologian Pete Ward's Gods Behaving Badly: Media, Religion, and Celebrity Culture is a prime example of cultural hermeneutics that explores the blurring boundaries between popular culture and religion. This, the most recent publication from Ward, builds upon his work in Liquid Church (2001) and Participation and Mediation: A Practical Theology for the Liquid Church (2008), which explores how God is mediated by culture in the postmodern church.

Ward believes celebrity culture is part of popular culture's DNA; therefore, he engages celebrity culture as a prism of popular culture's mediation of religion. He is defining celebrity culture as the interactions, judgments, and emotional responses of the public as consumers of celebrity as they witness the rising, falling, lives, and deaths of celebrities as it is mediated through the media. Ward notes that "celebrity culture thrives on the fact that we take a view and we form a judgment" (p. 2). For Ward, celebrity culture is not a religion but does include religious elements, imagery, and language. He writes the following: "To speak of celebrity culture as a kind of theology therefore does not tell us anything about the Christian God, but it does reveal something of how we see ourselves" (p. 6).

Ward argues "there is a growing perception that previous distinctions between the religious and the secular, the sacred and the profane, are collapsing into one another" (p. 1). Building upon these ideas, Ward suggests "the mix of the sacred and the profane then serves as a resource for the negotiation of identity in and through popular culture" (p. 7). He suggests the "we" of popular culture sit in judgment of our own gods "...and we judge our gods because they have so much and yet fail 'to make the most of themselves" (p. 8).

In the first two chapters, Ward explores celebrity worship and representation. He examines what happens when celebrities die young. This allows him to probe the question of whether religion is being replaced or relocated. Ward considers how celebrity culture becomes a source of identity as "individuals produce themselves in relation to the flow of representation in

popular culture" (p. 40). In chapter three, he struggles with various definitions of religion from both classical and contemporary theories of religion with the turn toward the subject.

In the final two chapters, Ward asks what kind of gods are celebrities and then tries to establish some of the major themes. He argues that celebrity culture is about attempting to reflect the divine in ourselves, conflicted identity, and disidentity before turning to what celebrity culture informs us about judgment, faithfulness, families, incarnation, sin, saviors, and redemption, which Ward links to rehab.

#### **Evaluation**

This volume is a theologically accessible and readable book that would work especially well for upper division undergraduates, adult church groups, and scholars in media and culture studies. It provides a strong literature review that interconnects with voices from the social sciences. The problem with Ward's literature review is that sometimes it overtakes his voice as the author. Ward's concepts and arguments are intriguing, but readers must dig between the sources to distill them. The examples, from Michael Jackson to Princess Diana, do seem to be a little dated, and this will bog this book down as it ages, although the majority of readers will know and identify with them.

Paradoxically, the greatest weakness of this book is also a potential for its readers. Although Ward argues that celebrity culture should reveal something about "us," he never fully holds the mirror up to culture to outline these revelations. Chapter five begins this process, but it is up to the reader to flesh out these concepts and make the hermeneutical leap into new horizons of meaning. Overall, this book provides a strong addition to the literature of everyday theology and cultural hermeneutics, and should be widely read in both media studies and theology, and within the church.

#### In the Author's Own Words

"The theological significance of celebrity gods does not lie in what they reveal about the divine....We learn little if anything from celebrity theology about the Christian God or indeed the gods of any formal religion. What we do see is a reflection of ourselves—as divine. This is not a society worshipping itself but the collective regard and disregard of individuals as they interact with representations in the media...In fact, we may be skeptical worshippers, cynical worshippers, and distracted worshippers. Celebrity worship reveals the extent to which we are conflicted about ourselves—however much we try to attach a religious balm to our wounds" (p. 107).

### Reviewer's Details

The Rev. Jonathan Roach, MLIS (and Ph.D. student in Practical Theology), jroach@stu.edu

The Rev. Jonathan Roach is the Library Administrator at St. Thomas University. He holds a Master of Library and Information Science from Wayne State University and a Master of Divinity from Ecumenical Theological Seminary. He is ordained clergy in the National Association of Congregational Christian Churches and is currently working in the area of clergy burnout within a contextual theology of work.

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## **Book Review**

#### **Book Details**

Godin, S. (2011). *Poke the Box.* N.p.: The Domino Project/Do You Zoom. 85 pages. \$12.99. Hardcover. ISBN: 978-1936719006.

#### Reviewer

Hagai Gringarten, A.B.D.

## **Synopsis**

Godin's *Poke the Box* (2011) is a manifesto about producing something that's scarce, valuable, viable, and "the foundation of the connected economy" (p. 3). It is all about taking initiative or "poking the box." According to Seth Godin, a successful entrepreneur, a blogger, and an author of twelve bestselling books, poking the box is about starting a project, taking a risk, or just starting something. Godin outlines seven imperatives for making something happen (p. 4):

- 1. Be aware of the market, of opportunities, of who you are.
- 2. Be educated, so you can understand what is around you.
- 3. Be connected, so you can be trusted as you engage.
- 4. Be consistent, so the system knows what to expect.
- 5. Build an asset, so you have something to sell.
- 6. Be productive, so you can be well priced.
- 7. Have the guts and the heart and the passion to ship.

Godin argues the first six imperatives are drilled into you by countless moments in school, work, or books, but when it comes to the seventh imperative, "It seems as though you're on your own" (p. 5). It is simply the challenge of getting you into the habit of starting. Godin calls it "instigation capital" or the desire to move forward. While he acknowledges the importance of what he calls a company's financial, intellectual, physical, prestige, and network capital, he asserts that instigation capital is the most important one a company can have.

Godin emphasizes people should not confuse movement with risk, and risk is not always a bad thing. He recognizes that most initiatives fail but argues that avoiding failure is counterproductive, and if you're not moving forward, you are actually moving backwards, compared to the rest of the world.

Godin argues we live in a static world, where people live in a "pick me" society where most of us believe we "have to wait to be chosen" (p. 24) for a promotion, a project, or another life-changing event. In essence, the "pick me" society shifts the blame from "you to them" (p. 24). Godin suggests—you guessed it—to "pick yourself" (p. 25). By "picking yourself," people can start transforming their lives or their companies, or at least disturb the status quo.

By the end of the book, Godin encourages the reader to start poking. "Be the one to start things" (p. 61). His advice: Make initiative a way of life and do something that matters. "Life is a buzzer box. Poke it" (p. 7).

### **Evaluation**

"Poke the box" is the first book to be an independently published imprint by Seth Godin and "powered" by Amazon. The Domino Project is his latest attempt at "poking." According to Godin, it is named after the domino effect—where ideas spread down the line, pushing from person to person. Seth Godin is a serial author specializing in short, creative, interesting, and inspirational business books. Godin usually incorporates clever taglines, interesting stories, and good observations to create unique marketing books. This latest book falls short of delivering fresh new material and fails to deliver as promised.

The idea behind the "poke the box" is as old and valid as the marketing profession, and it serves a valuable lesson to most of us. Just start something, and don't be afraid to fail. Godin argues that failing is part of being successful, and we all have a moral obligation to start something. "Poking doesn't mean right. It means action" (p. 42). The problem with this book is most readers of popular marketing books are already aware that in life it's better to be a participant, rather than a spectator, and to be one, you most probably need to be an "instigator" or to "be the one to start things" (p. 61).

"Poke the box" is a short book that reads like a blog and costs like a paperback. Godin's message is as basic, familiar, and popular as Nike's tagline "Just do it." He just "decodes" it for us.

#### In the Author's Own Words

"Poke the Box is a manifesto about producing something that's scarce, and thus valuable. It demands that you stop waiting for a road map and start drawing one instead. You know how to do this, you've done it before, but along the way, someone talked you out of it" (Inside front cover).

### Reviewer's Details

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Hagai Gringarten's doctoral research is in Global Leadership with a specialization in Branding. His research interest includes branding, international business, and marketing. He has authored a non-fiction bestselling book Over a Cup of Coffee (Shiram Shachar, 2000). He also pursued postgraduate studies at Harvard Graduate School of Business and the Kellogg School of Management. He currently teaches branding, marketing, and other business courses at St. Thomas University, and serves as the Editor of the Journal of Multidisciplinary Research.

## Instructions to Authors

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- Confirm their manuscripts have not been submitted previously to the JMR for review. Submission of manuscripts published previously in conference proceedings is acceptable; similarly, prior presentation at a conference or concurrent consideration for presentation at a conference does not disqualify a manuscript from submission to the JMR.

- Agree working papers, prior drafts, or final versions of submitted manuscripts posted on a
  Web site (e.g., personal, departmental, university, or working series sites) will be taken down
  during the review process.
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Submitted articles must support the core values of St. Thomas University (http://www.stu.edu).

## The Review Process

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Normal review process. The JMR is a peer-reviewed journal. For each manuscript that passes the initial review stage, the editor assigns an action editor (either him- or herself, an associate editor, or a guest editor) and two to three reviewers. The manuscript's action editor makes publication decisions about it. He or she makes these decisions, however, in conjunction with recommendations members of the JMR's Editorial Board or other qualified reviewers provide. All submissions will be blind reviewed; manuscripts prepared in a way that compromises blind review may be returned for revision prior to being reviewed.

Submission of a manuscript to the JMR also carries an implicit quid pro quo: willingness to review for the JMR. The cornerstone of the editorial process at the JMR is the willingness of colleagues to provide each other feedback through the peer review process. Authors who submit manuscripts to the JMR for review are expected to reciprocate by reviewing for the JMR if called upon to do so.

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