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RELATIONSHIP MANAGEMENT: HOW INDUSTRIAL RELATIONS AFFECTS EMPLOYER'S BRAND

Jamnean Jountrakul, LL.B., DBA.

Graduate School, Rattana Bundit University, Thailand

Email: professordrjj@gmail.com

ABSTRACT

This review paper focuses on the effects of industrial relations on employer's brand. Three questions were posed as a guideline for the review: What are the relationship between industrial relations and employer's brand? How industrial relations affect the employer's brand? How to minimize the effect of industrial relations on employer's brand? In answering question No. 1: What are the relationship between industrial relations and employer's brand? It was concluded that industrial relations is the management of relationship of management and employees in the organization. Employer's branding is the perception of the organization as an excellent place to work by both current and potential employees. It is the package of functional, economic and psychological benefits provided by employment, and identified with the employing company. It is used to motivate and retain talent in the company and to attract talent to join the company. Both industrial relations and employer's brand supporting each other. In answering question No. 2: How industrial relations affect the employer's brand? It was found that industrial relations have both positive and negative impacts on employer's brand. The positive impacts should be promoted while the negative impacts should be avoided and managed. In answering question No. 3: How to minimize the effect of industrial relations on employer's brand? It was recommended that the negative impact should be avoided and managed through preventive and proactive industrial relations strategies. It includes worker involvement and participation and industrial democracy. It was stress that cultural dimensions must be taken into account when applying Western industrial relations strategies in the workplace in Eastern cultural contexts.

Keywords: Relationship Management, Industrial Relations, Employer's Brand

INTRODUCTION

Relationship management is an essential part of organization management especially in business organization. It is not only the "deep, ongoing links with individual customers, suppliers and other businesses" but also employees in the organization (Boone & Kurtz, 2011, p 13). Organization is defined as "an aligned complex of structures, management processes, reward systems and human resource practices which must be aligned with each other" (Galbraith, 2000, cited in Dive, 2004, p. 2). The objective of any organization is to

produce products or services that justify its establishment and existence to accommodate the needs of society. One of the most important and indispensable components of an organization is people. A Union Carbide plant reflects this idea as it states that “Assets make things possible; people make things happen” (Werther & Davis, 1993, p.6). In general there are two major groups of people in any organization; workers and management. In order to achieve its objectives these two groups of people are working together to produce goods or services which are the products of the organization. One of the most important activities in an organization is management as it is a way to get thing done through people and with people in an efficient and effective manner (Kreitner, 1998, 2007). It could be said that in managing an organization management has to manage people through various human resource practices by using the most effective reward systems under the complex organizational structure. At the same time management has to manage the relationship of the people in organization.

The term “relationship management” is usually used in marketing field (Boone & Kurtz, 2011; Zikmund, McLeod, & Gilbert, 2003) with a specific term of “customer relationship management” or CRM (Kostojohn, Johnson, & Paulen, 2011). It is also referred as “relationship marketing” (Zikmund, et al., 2003, p. 2). However, the term “industrial relations” (IR) is normally used to refer to the practice of management of relationship of management and employees in an organization (Holley, Jennings, & Wolters, 2005; Rose, 2001; Salamon, 2000).

Managing employee and management relationships in organization or IR is now closely related to brand as the objectives of brands today are much broader than in the past. The present objectives of brands include attracting and retaining talent and increasing employee commitment (Fisher-Buttinger & Vallaster, 2008).

Relationship has both positive and negative effects on organization depending on the practice of management application. Similar to good management practice of customer relations help attract, retain and expand more customers, the good practice of employee-management relationship could do the same to organization to attract and retain capable and desirable employees with organization. In contrast, poor management of relationship could damage the organization reputation or brand in many ways especially in the management of relationship of management and employees. It might cause strike or lockout or any other stronger industrial actions (IA) such as sit-in or work-in including boycotts (Jackson, 1987; Johnston, 1975; Joungrakul, 2010b; Rose, 2001; Salamon, 2000). In certain case it could lead to a loss and ultimately a closure of business. In order to elaborate and seek reply to the issues of the topic of this paper three questions are posed: (1) what are the relationship between industrial relations and employer’s brand? (2) How industrial relations affect the employer’s brand? (3) How to minimize the effect of industrial relations on employer’s brand?

This review paper focuses on a review of relationship management, IR, employer’s brand (EB) and how IR affects EB. A discussion is made and conclusions and recommendations are presented.

RELATIONSHIP MANAGEMENT

According to Boone & Kurtz (2011), “Relationship” is one of the six eras in the history of business in the USA as briefly describes in Table 1 below:

TABLE 1: SIX ERAS IN THE HISTORY OF THE BUSINESS

Era	Main Characteristics	Time Period
Colonial	Primary agricultural	Prior to 1776
Industrial revolution	Mass production by semiskilled workers, aided by machines	1760-1850
Industrial entrepreneurs	Advances in technology and increased demand for manufactured goods, leading to enormous entrepreneurial opportunities	Late 1800
Production	Emphasis on producing more goods faster, leading to production innovations such as assembly lines	Through the 1920
Marketing	Customer orientation, seeking to understand and satisfy needs and preferences of customer groups	Since 1950
Relationship	Benefits derived from deep, ongoing links with individual customers, employees, suppliers, and other businesses	Began in 1990s

Source: Boone and Kurtz, 2011, p. 13.

As specify in Table 1 above relationship in business is an extension and development of previous business eras especially the production and marketing eras. However, long-term approach is applied to the interactions with customer in the relationship era in contrast to the production and marketing eras and relationship management has become the focus of this era (Boone & Kurtz, 2011). Relationship management is “the collection of activities that build and maintain ongoing, mutually beneficial ties with customers and other parties” (Boone & Kurtz, 2011, p. 16). These activities are performed through CRM or relationship marketing which “develops and maintains long-term, cost-effective exchange relationships with partners. These partners include: individual customers, suppliers, and employees” (Boone & Kurtz, 2011, p. 375). CRM is “the strategic use of information, processes, technology and people to manage the customer’s relationship with ... company (marketing, sales, services, and support)” (Kincaid, 2003, p. 41). It is “a strategy of increased focus on developing, maintaining, and extracting maximum value from customer relationships ... CRM program includes people, business process, and technology components” (Kostojohn, et al., 2011, p. 10). It comprises of four major components: information, process, technology and people (Kincaid, 2003).

According to Anton and Petouhoff (2002) employees are people and that the company must pay attention to the needs and preference of its employees as same as its customers especially those who provide customer service. On the other hand employees can be considered as internal customers. In order to avoid major pitfalls in CRM implementation they suggest that people should be the starting point of any CRM program (Anton & Petouhoff, 2002). Issues

to be considered include: understanding the culture and the users' expectation; understanding the difference between strategy and reality; understanding vendors-functionally versus hardware/software purchases; departments arguing over the best thing to do; and understanding the workload and amount of staff and expertise required (Anton & Petouhoff, 2002).

Managing relationship of employees as internal customers is related directly to IR. A brief review of the concept and process of IR will be made in the next part.

INDUSTRIAL RELATIONS

It was argued that IR is a consequence of industrial revolution which began in 1760 in England (Toynbee, 1966 orig. 1884) and spread all over the world with the aim of eliminating economic backwardness (Dunlop, 1958). The factory system was emerged and a new pattern of employment relations where individual employment contract was made between individual employee and the factory or company (Briggs, 1967). The system bring about the relationship issues between employees and management of factory especially the issues of safety, health and environment. Industrial conflicts occurred from time to time and several types of IA were used by both parties: employees and management i.e. strike and lockout. Trade unions were established to represent employees in dealing with management who represent the company. The practices of collective bargaining was implemented and dispute conciliation and arbitration by government and third party were applying continuously until today.

Industrial Relations:

According to Rose (2001), employment relations could be practiced in many ways and several terms are used to reflect these practices.

Firstly, the term of "industrial relations" (IR) is widely used in Europe and those countries following the British system of employment relations. It is the traditional type of arrangement is that the relationship between employer and employee is performed by representative of each party: management representing employer and trade union representing employees. This type of arrangement is normally called IR. According to Salamon (2000, p. 3), IR "encompasses a set of phenomena, both inside and outside the workplace, concerned with determining and regulating the employment relationship." This term is widely used in the UK, Europe and those countries following the British employment relations system.

Secondly, the term of "labor relations" (LR) is widely used in the USA and those countries following the American employment relationship system. It was argued that LR is the "field that emphasizes skills that managers can use to minimize costly forms of conflict (such as strikes) and seek win-win solutions to disagreement" (Noe, Hollenbeck, Gerhart, & Wright, 2011, p. 455). In addition, the term of "labor-management relations" is also used (Boone & Kurtz, 2011, p. 310; Holley, et al., 2005; Noe, et al., 2011) in the USA interchangeably with LR.

Thirdly, the term of “em[ployee relations” (ER) is emphasized by Blyton and Turnbull (2004) and Christensen (2006). This term can be used interchangeably with IR (Blyton & Turnbull, 2004). However, it was argued that IR “has too strong a tendency to view the world of work as if composed of unionised, male, manual workers, working full-time basis” (Blyton & Turnbull, 2004, p. 9). The world of work is changing as women employment nowadays has become a major part of the total employment. New technology especially information and communication technology (ICT) has created the needs for highly skills and knowledge and knowledge workers are needed to cope with the rapid technological changes. It required knowledge workers who have high bargaining power and need less protection from trade unions. Trade union membership is declining in major industrialized countries such as the UK and the USA (Blyton & Turnbull, 2004). In addition, there is a huge number of employees who are not belong to trade union and human resource management (HRM) theory (Salamon, 2000) of IR is being applied widely. The overall HRM approach “has been centred squarely on the individual and the way individuals may be managed to enhance the achievement of broader organizational objectives” (Blyton & Turnbull, 2004, p. 11). In addition, to be more effective ER work has now become strategic ER (Christensen, 2006).

The terms “industrial relations,” “labor relations” and “employee relations” are used interchangeably in this paper.

Industrial Relations Systems

IR work has become more complicated due to the rapid change of living and business environment. The rapid and continuous changes affect the practices and industrial relations system (IRS) in various ways i.e. employment relations and the way to handle and settle any disputes occur from poor or mismanaged relationships in organization. To have a better understanding of these complicated relationships among the three major stakeholder groups of IR, Dunlop (1958) proposed a theoretical framework for analyzing the working of the IRS which may vary in scope ranging from a company to a country as a whole. In the system model IR is considered a subsystem of society which is distinct from, but overlapping, the economic and political subsystems (Dunlop, 1958). The model contains four interrelated elements as specify in Figure 1 below:

FIGURE 1: DUNLOP’S INDUSTRIAL RELATIONS SYSTEM

Actors: Management, non-managerial employees and their representatives and specialized government agencies concerned with industrial relations.
Contexts: Influences and constraints on the decisions and actions of the actors which emanate from other parts of society, in particular, the technological characters of the organization; the market or budgetary constraints affecting the organization; and the locus and distribution of power within society.
Ideology: Beliefs within the system which not only defines the role of each actor or group of actors but also define the view that they have of the role of the other actors in the system. If the views of the roles, one with another, are compatible then the system is stable; if the views are incompatible then the system is unstable.
Rules: The regulatory framework developed by a range of processes and presented in a

variety of forms, which expresses the terms and nature of the employment relationship.

Source: Adapted from Dunlop, 1958, cited in Salamon, 2000, p. 13.

It was argued that the central element of IRS is the rule making process (Wood et al., 1975, cited in Salamon, 2000) and that there are two types of rules: substantive rules which are the output from the IRS to govern behavior within the production system and procedural rules which are established for the internal regulation of the conduct of the IRS (Salamon, 2000). One of the most important tools in the rule making process is collective bargaining which will be elaborated briefly in the next section.

Collective Bargaining

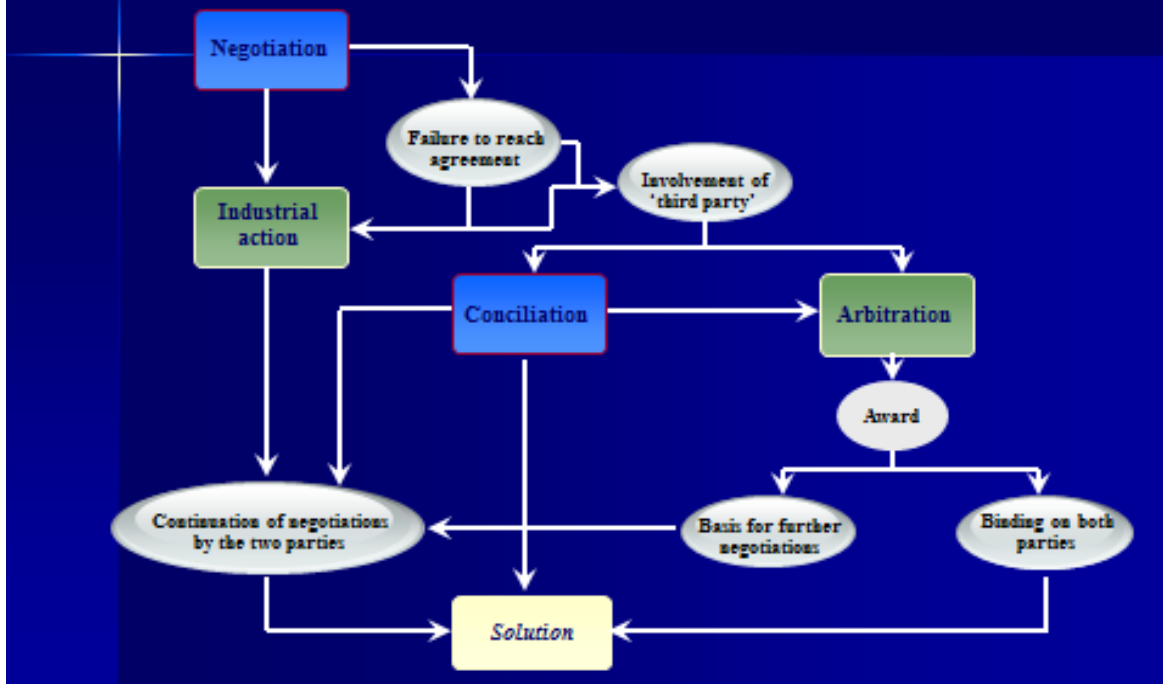
Collective bargaining is one of the trade union functions as proposed by Webb and Webb (1902). It is at the hearth of trade union as stated by Flanders (1968) that trade unions “came into being, established themselves on firm foundations and extended their power and social influence mainly on account of their achievements in collective bargaining” (p. 75). It is:

a method of determining terms of employment and regulating the employment relationship, which utilizes the process of negotiation between representatives of management and employees and results in an agreement which may be applied uniformly across a group of employees” (Salamon, 2000, p. 323).

Collective bargaining is usually initiated by trade union as representative of employees. However, it could be initiated by either party: management or trade union representing employees. In certain country for example in Thailand, employees can group together and submit a demand to employer for establishing or amending of terms and conditions of employment agreement (DOLPW, 2004; Jountrakul, 2010a, 2010b). The general process of collective bargaining can be summarized in Figure 2 below.

FIGURE 2: THE PROCESS OF COLLECTIVE BARGAINING

Collective Bargaining-The Heart of Industrial Relations



Source: Salamon 2000, p. 460.

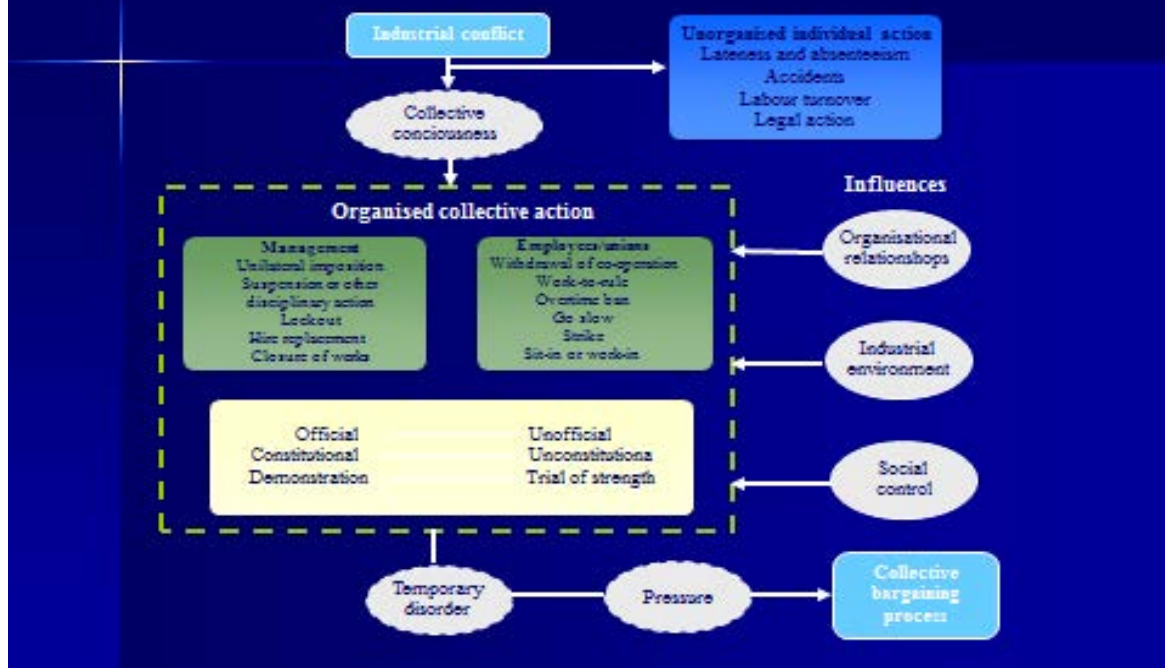
As stated by Salamon (2000), negotiation is the major tool for collective bargaining. If the two parties can reach an agreement a contract may be signed and implement for the agreed period. However, there is a maximum period for application of the contract for example the maximum period of the contract is three years in Thailand (DOLPW, 2004; Joungrakul, 2010a, 2010b). In practice, if an agreement cannot be reached usually there are two alternatives for the two parties: the application of IA or a third party can be involved as either for conciliation or arbitration as indicated in Figure 2 which will be briefly elaborated in the next sections.

Industrial Actions

As indicated in Figure 2, IA could be used by either party when negotiation in collective bargaining failed to reach an agreement. IA can be considered as a consequence of conflict (Joungrakul, 2010b). IA can take place in various forms which includes “any temporary suspension of normal working arrangements initiated by employees (whether through their union or not), or management with the aim of exerting pressure within the collective bargaining process (Salamon, 2000, p. 411). The role and forms of IA can be summarized as indicated in Figure 3 below.

Figure 3: The Role and Forms of Industrial Action

Role and Forms of Industrial Action



Source: Salamon 2000, p. 415.

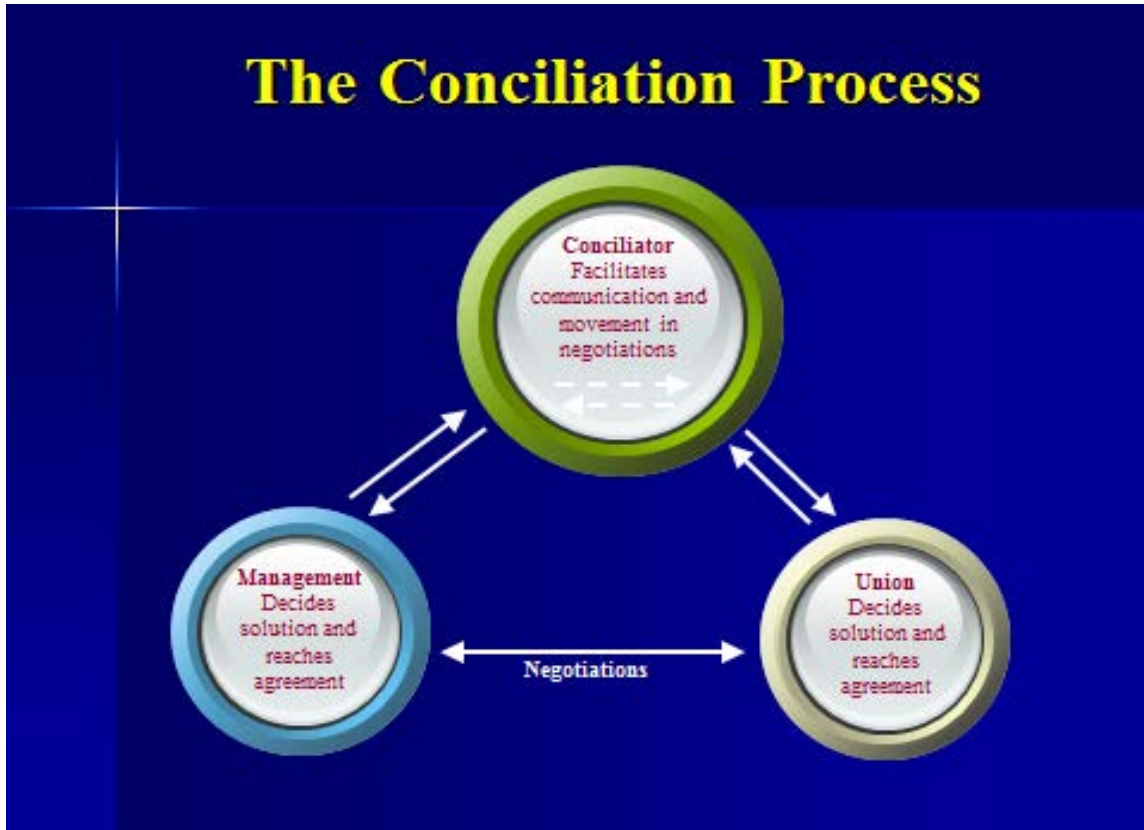
As indicated in Figure 3, IA can be separated into two major types: unorganized individual actions and collective consciousness. The unorganized individual actions include lateness and absenteeism, accidents, labor turnover and legal actions. The organized collective actions may apply either by employees or trade unions or management. For employees, it includes withdrawal of cooperation, work-to-rule, overtime ban, go slow, strike, sit-in or work-in. For management it could include unilateral imposition, suspension or other disciplinary action, lockout, hire replacement and closure of work (Salamon, 2000). When IA is applied either by employees or management it becomes a dispute and that there is a need for resolving or settlement of such dispute. The next section will discuss briefly about dispute settlement.

Dispute Settlement

In normal practice of collective bargaining both parties usually attempt to reach an agreement and try to resolve impasses but in many cases the attempts are failed (Holley, et al., 2005). When negotiation failed in collective bargaining it became a deadlock and either party may apply its IA's as applicable and suitable for the situations. Dispute cannot be prolonged as it affects both parties and society. Therefore, it is necessary for them to settle such dispute as soon as possible. One of the mechanisms of resolving the impasses is to bring the third party to help resolving the disputes. The third party may be a government agency directly related to IR or expert in IR profession. The two major types of activities at this stage are conciliation and arbitration as specified in Figure 2 above. According to Joungtrakul (2010b), the conciliation process helps leads both parties to the solution of the dispute while the arbitrator

“gives an award which may be binding on both parties or be the basis for further negotiation, and may lead to agreement or continuation of negotiations of the two parties” (p.59) as shown in Figure 2. The summary of the conciliation process is shown in Figure 4 while the summary of the arbitration process is shown in Figure 5.

FIGURE 4: THE CONCILIATION PROCESS

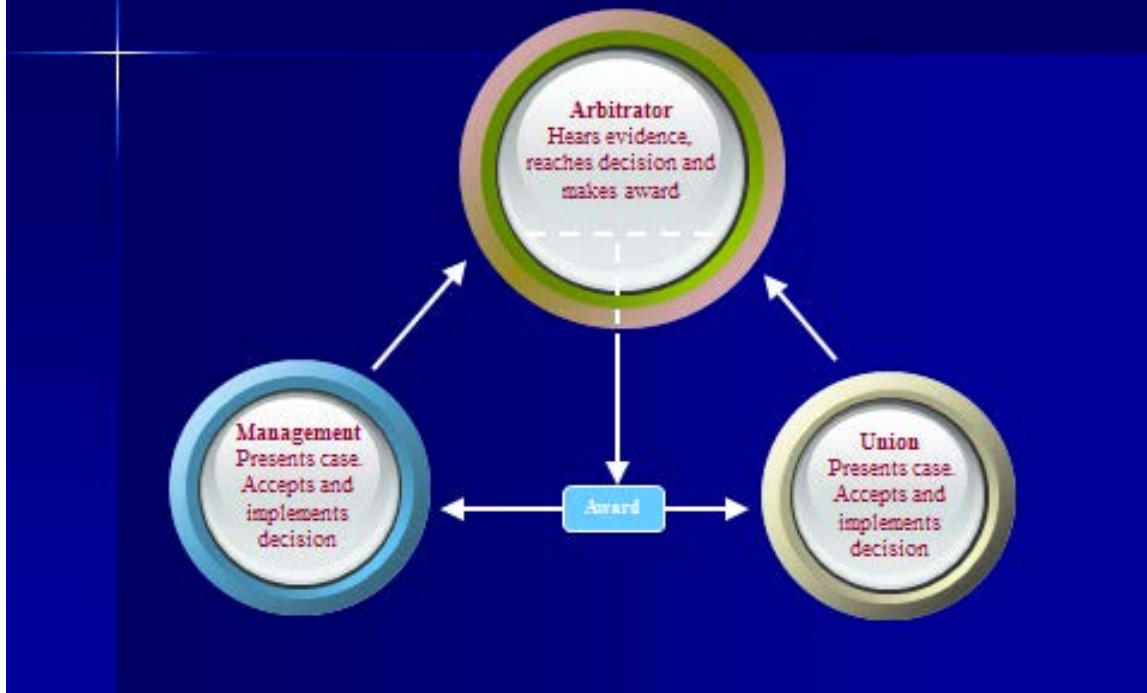


Source: Adapted from Salamon 2000, p. 458.

The major different between the conciliation and arbitration is that the conciliator helps both parties to reach an agreement by using his/her own skills and techniques. He/she cannot make decision for either party and the final decision is remain with the two parties. If both parties agreed with him/her a contract may be signed and the disputed is ended. In the case of arbitrator both parties have abdicated their decision power and give it to the arbitrator to make final decision for them. Once the decision has been made by the arbitrator they have to follow it as it become binding to both parties (Joungrakul, 2010b; Salamon, 2000). Thus, both parties have to agree upon in making selection of an arbitrator.

FIGURE 5: THE ARBITRATION PROCESS

The Arbitration Process



Source: Adapted from Salamon 2000, p. 458.

In addition to the conciliation and arbitration, mediation can be the third mechanism for dispute settlement. Mediation is the process similar to conciliation but mediator plays more active and wider roles which may include making proposal for resolution of the dispute and assists in implementation of the agreement (Salamon, 2000). It is widely used in the USA (Bohlander & Snell, 2004).

Normally conciliation and arbitration are voluntary. However, there are certain provisions that it could become compulsory for example disputes occur in public service where public servants are excluded from the right to strike (Gernigon, Odero, & Guido, 2000). This provision is also applied to the essential services “where the interruption of which would endanger the life, personal safety or health of the whole or part of the population” (ILO, 1993b, cited in Gernigon, et al., 2000, p. 20). The workers in this sector are normally excluded from the right to strike so that it is necessary to have an alternative to resolve the conflict and dispute and that the workers are provided with equivalent protection as those who are covered by the right to strike.

In addition, in the case of national emergency where the right to strikes is prohibited conciliation and arbitration normally become compulsory (ILO, 1996d, cited in Gernigon, et al., 2000). Most countries have established procedures for national emergency dispute settlement for example in the USA the procedures are prescribed under the Labor Management Relations Act (Holley, et al., 2005) and that the procedure for national

emergency work stoppage in the railroad and airlines is provided in the Railway Labor Act (Holley, et al., 2005; Joungrakul, 2010b).

Dispute settlement is a reactive approach that remedy actions are taken after the disputes have occurred. A proactive approach to IR: dispute prevention will be briefly discussed in the next section.

Dispute Prevention

Instead of using a reactive approach described in dispute settlement section, dispute prevention can be used as a proactive approach to IR. According to Holley, et al. (2005) management has five alternatives of IR strategies as specify in Figure 6 below.

FIGURE 6: THE FIVE MAJOR INDUSTRIAL RELATIONS STRATEGIES

Strategy 1: Union Suppression	Strategy 2: Union Avoidance	Strategy 3: Union Substitution	Strategy 4: Codified Businesslike	Strategy 5: Accommodation or Labor- Management Cooperation
Union busting, Illegal acts, Refusal to bargain, Decertification, Filing for bankruptcy, Encouraging strike	Positive human resource management, Double- breasting	Company paternalism, Company sponsored employee organizations, Forms of employee participation and employee involvement	Neutral in union campaign, Straightforward approach	Gain-sharing, Union involvement, Employee empowerment, Employee stock option plans

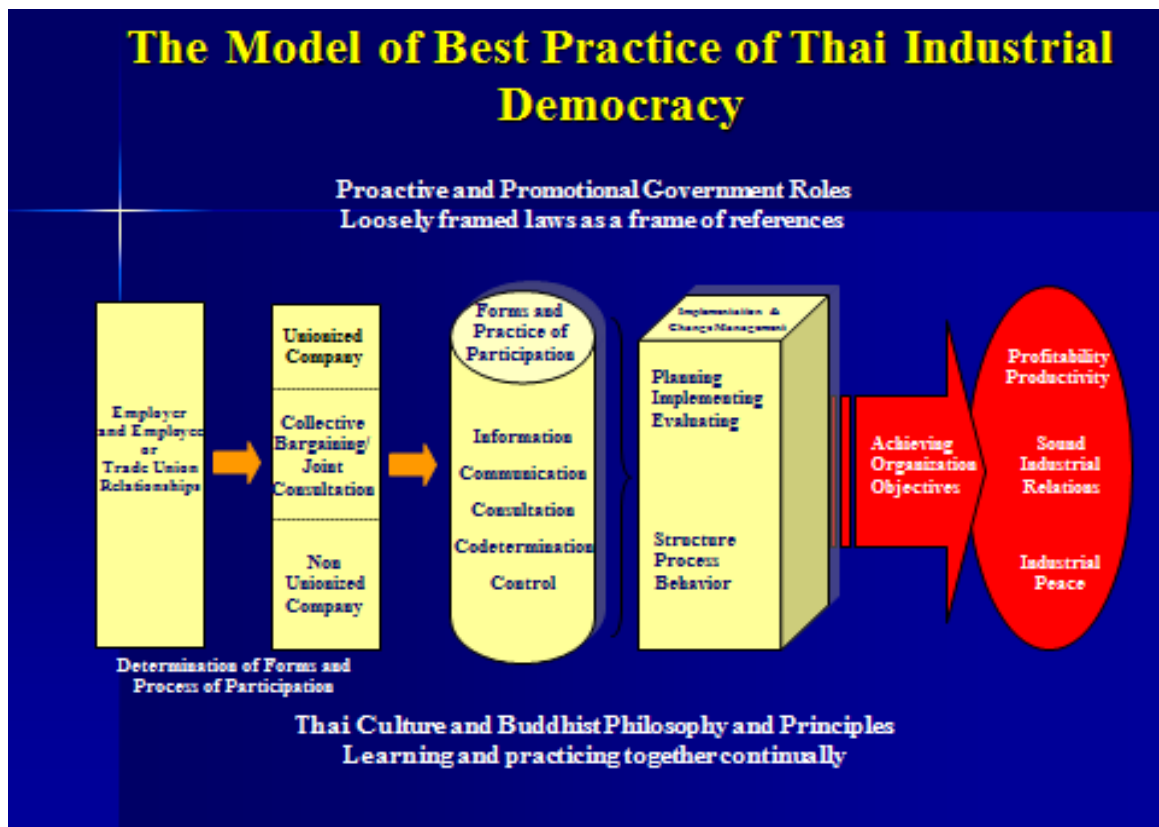
Source: Adapted from Holley, Jennings and Wolters 2005, p. 131.

According to Joungrakul (2009, 2010b) industrial democracy (ID) (Webb & Webb, 1902) is considered proactive approach to IR. It was argued that "...to prevent concerted industrial action is to avoid it happening. We can do this by applying the concepts of industrial democracy based on the philosophy of 'We think we do' and then advance to 'You think you do'" (Joungrakul, 2010b, p. 80). ID allows employee participation and involvement in decision making in various ways in addition to collective bargaining (Lashley, 2001; Marchington, Goodman, Wilkinson, & Ackers, 1992) as specified in Figure 6. In addition participation may include information sharing (Lashley, 2001), communication (Lashley, 2001), consultation (Clegg & Chester, 1967; Flanders, 1968; Lashley, 2001), co-determination (Lashley, 2001), work councils (Farnham & Pimlott, 1983; Halbach, Paland, Schwedes, & Wlotzke, 1994; Mayer & Schweissshelm, 2000), employee director (Halbach, et al., 1994; Thorsrud & Emery, 1970), financial participation (Gomez-Mejia & Welbourne,

2000; Schuller, 1993) and lastly control which is the method that employee-owned organizations employ (Boncodin & Sto Tomas, 1987; Lashley, 2001).

To be proactive in IR, Joungrakul (2009) proposed the model of best practice of Thai ID as shown in Figure 7.

FIGURE 7: THE MODEL OF BEST PRACTICE OF THAI INDUSTRIAL DEMOCRACY



Source: Adapted from Joungrakul, 2009, p. 450.

Figure 7 shows that employee and management jointly determine the methods and processes of participation through collective bargaining in the company where trade union exists and joint consultation will be used in nonunionized company. The forms and practice of participation may include information sharing, communication, consultation, co-determination, control, etc. Implementation and change management can be done together by planning, implementing and evaluation. The change needed includes structure, processes and behavior. This will help the organization achieve its objectives and goals and then lead to profitability and productivity, sound IR and industrial peace. In this model the government needs to change its role to be IR promoter instead of regulator and labor laws are to be used as guideline for practice. At the same time Thai culture and Buddhist Philosophy will apply and three groups of actors must learn and practice together the activities present in the model.

In order to evaluate the effect of IR on EB a review will be made on the concept of branding and EB in the following part.

EMPLOYER'S BRAND

The Concept of Branding

The brands concept is not new. Riezebos (2003) argued that “the root of today’s brands lie in the Greek and Roman times” (p.1). It has been in existence for centuries (Keller, 2013). In general, “a brand can be defined as a name, term, sign, symbol, design or a combination of them, meant to identify the goods or services of one seller or group of sellers and to differentiate them from competitors’ goods or services (Kotler & Keller, 2009, cited in Heilmann, Saarenketo, & Liikkanen, 2013, p. 285). It is “every sign that is capable of distinguishing the goods or services of a company” (Riezebos, 2003, p. 32). It is “a means to distinguish the goods of one producer from those of another” (Keller, 2013, p. 30). It could be seen as “the sum of all associations customers have with a certain product or service” (Fisher-Buttinger & Vallaster, 2008, p. xiii) and “... the sum total of relationships among stakeholders, or the medium through which stakeholders interact and exchange with each other” (Myers, 2003, cited in Fisher-Buttinger & Vallaster, 2008, p. xvii). The American Marketing Association defines the brand as “a term, symbol or design ... intended to identify the goods or services of one seller ... and to differentiate them from those of competitors” (Ind & Bjerke, 2007, p.23). Keller (2013) argued that it is “something that resides in the minds of consumers ... a perceptual entity rooted in reality, but it is more than that—it reflects the perceptions and perhaps even the idiosyncrasies of consumers” (p. 36).

From these definitions, two parameters of a brand strategy can be identified: “differentiation and added values” (Fisher-Buttinger & Vallaster, 2008, p. 17). In terms of differentiation, it was argued that the effect of the brand is “to create a distinctive positioning in the mind of the customer” (Ries & Trout, 1986, cited in Ind & Bjerke, 2007, p. 23). Keller (2013) stressed on this point that “branding is all about creating differences” (p. 57). In terms of values an explanation can be made by using basic principles of branding and brand equity:

- Differences in outcomes arise from the “added value” endowed to a product as a result of past marketing activity for the brand.
- This value can be created for a brand in many different ways.
- Brand equity provides a common denominator for interpreting marketing strategies and assessing the value of a brand.
- There are many different ways in which the value of a brand can be manifested or exploited to benefit the firm (in terms of greater proceeds or lower costs or both) (Keller, 2013, p. 57).

In addition, brand elements, or brand identities is another important part of the concepts of branding. These include those “trademarkable devices that serve to identify and differentiate the brand. The main ones are brand names, URLs, logos, symbols, characters, spokespeople, slogans, jingles, packages, and signage” (Keller, 2013, p. 142). The criteria for choosing brand elements include: (1) Memorable; it should be easily recognized and easily recalled;

(2) Meaningful; it is descriptive and persuasive; (3) Likable; it is fun and interesting, rich visual and verbal imagery and aesthetically pleasing; (4) Transferable within and across product categories, across geographic boundaries and cultures; (5) Adaptable; it should be flexible and updatable; (6.) Protectable: it is legally and competitively (Keller, 2013).

Based on an extensive review and analysis of the most influential brand research articles published between 1985 and 2006, Heding, Knudtzen, and Bjerre (2009) suggest the seven approaches to branding which include:

- The economic approach: the brand as part of the traditional marketing mix.
- The identity approach: the brand as linked to corporate identity.
- The consumer-based approach: the brand as linked to consumer associations.
- The personality approach: the brand as a human-like character.
- The relational approach: the brand as a viable relationship partner.
- The community approach: the brand as the pivotal point of social interaction.
- The cultural approach: the brand as part of the broader cultural fabric (p. 4).

Knapp (2008) suggested five steps of how to create a genuine brand. Firstly, Brand assessment: where an assessment of an organization's essence and experiential commitment is conducted. Secondly, Brand promise: where a unique promise and paradigm shift are created. Thirdly, Brand blueprint: to make differences in customers' and consumers' minds in addition to competition. Fourthly, Brand culturalization: to think like a brand and keep brand's promise. Finally, Brand advantage: to have a lifelong commitment to customers. In addition, Gregory (2004) suggested four steps for a better branding process. The first step is discovery: this step is performed to understand the audiences' experience and perceptions of the company's image and reputation. The second step is strategy: this step is to develop a strategy for communicating this vision of the brand which will be a long-term objective. The third step is communication: This step is to bring the brand to life by creating a platform for communication development. The final step is management: This step is to manage the brand's consistency.

The concepts of brand can apply to products, corporation, personal and community (Knapp, 2008) including employers. This paper is about how IR affect EB, thus the concept of EB will be briefly elaborated in the next section.

Employer's Branding

According to Hubble and Clark (2014) an EB is defined as "the perception of the organization as a great place to work by both current and potential employees" (p. 5). Whereas the two originators who coined this term, Ambler and Barrow (1996, cited in Backhaus & Tikoo, 2004, p. 502) define it in terms of benefits, as "the package of functional, economic and psychological benefits provided by employment, and identified with the employing company." Heding, et al. (2009) argued that EB is related to "strategies for communicating about a company as an attractive employer to both current and potential employees" (p. 16). It suggests "the differentiation of a firm's characteristics as an employer from those of its competitors... and highlights the unique aspects of the firm's employment

offerings or environment” (Backhaus & Tikoo, 2004, p. 502). It is the reputation of the company as an employer (Hubble & Clark, 2014). In addition, it was proposed that the EB “establishes the identity of the firm as an employer... encompasses the firm’s value system, policies and behaviors toward the objectives of attracting, motivating, and retaining the firm’s current and potential employees” (The Conference Board, 2001, cited in Backhaus & Tikoo, 2004, p. 502).

Backhaus and Tikoo (2004) commented that these definitions indicate that EB “involves promoting, both within and outside the firm, a clear view of what makes a firm different and desirable as an employer” (p. 502). It was noted by Hubble and Clark (2014) that about ten years ago not many human resource practitioners gave much attention to EB. As markets become more sophisticate and it is difficult to find quality talent HR leaders are now give high priority to EB (Hubble & Clark, 2014). It is being used to attract the potential employees and retain the current employees especially those talent employees who are essential to the company success.

Hubble and Clark (2014) argued that an EB “program include strategies for enhanced talent attraction, engagement and retention to strengthen an organization’s employer brand” (p. 5). They suggested seven phases procedure for creating a powerful EB which comprises of: (1) Get leadership buy-in; (2) Determine stakeholders and their roles; (3) Define the strategy and investment; (4) Develop an employee value proposition; (5) Communicate the message- Leverage the right channels; (6) Create an employee brand ambassadors; and (7) Measuring return on investment (Hubble & Clark, 2014).

EB related to several terms of brand in an organization such as product brand, service brand and corporate brand. A product brand is “a brand linked to the product and not to the corporation and describes a situation where each individual product has its own brand” (Heding, et al., 2009, p. 17). According to Heding, et al. (2009) in choosing to brand the corporation or the product is a question of brand architecture. Regarding the service brands they are “brands that sell services instead of products. This means that, the brand is experienced in the process of consuming the service and that the employee delivering the service becomes a central communicator of the brand” (Heding, et al., 2009, p. 17). For corporate brand it is occurred “when the corporation is branded instead of the individual products, a corporate brand is the case ... it is assumed that “the energy and inspiration of the brand stem from within the organization and that a branding strategy, in order to be successful, requires the engagement of the whole corporation” (Heding, et al., 2009, p. 16).

In sum EB is the reputation of the company in the eyes of stakeholder groups including the current and prospective employees. It is the perception of an organization as the most desirable place to work or it could be seen as an employer of choice so that the organization “can bring together the best and brightest people to work on the challenges and opportunities of a new era” (HBR, 2013, p. 1).

THE AFFECT OF INDUSTRIAL RELATIONS ON EMPLOYER’S BRAND

One of the major objectives of relationship management in organization is to create sound relations among stakeholders in the organization including management and employees (Joungtrakul, 2009, 2010b). The management of relationship between management and employees is the management of IR function. Based on the literature reviewed it was found that sound management-employee relationship could lead to the achievement of objectives and goals of organization and then lead to profitability and productivity including sound IR and industrial peace. Sound relationship in organization help creating good working environment and can become a motivation factor for employees to perform and continue staying with the company. It could promote employee engagement and reputation of the company. This could be a factor to help the company to be an employer of choice. It could help in attracting the potential applicants especially the talent to join, perform and continue working with the company.

IR has both positive and negative impacts on the organization especially when there is a poor management-employee relationship in the company. The negative side of IR normally occurs when IA's are used by either party or both especially when the strike or lockout including picketing is applied (Joungtrakul, 2010b).

Some potential employer strike or lockout costs include: (1) lost sales revenue; (2) loss of customers/market share (temporary or permanent); (3) continued fixed operating costs (e.g., utilities, taxes, rent, maintenance, debt service); (4) non-bargaining unit employee payroll costs; (5) recruitment, selection, and training costs for temporary or permanent replacement workers; (6) shutdown and start-up costs; (7) negative publicity; (8) legal fees; (9) damage to bargaining relationship or co-worker relations (temporary or permanent); (10) increase stress level on managers, employees, and their families (Holley, et al., 2005). Some potential employer actions to minimize or limit such costs as suggested by Holley, et al. (2005) include: (1) build inventory in advance of an anticipate strike; (2) notify customers and suppliers in advance of strike potential and help arrange alternative sources to meet customer needs; (3) engage in a publicity campaign to inform the public (customers, civic leaders, and employees) about company efforts to resolve the labor dispute; (4) shift the struck work to other primary employer owned plants or outsource such work to other secondary employers; (5) continue business operations using some combination of non B.U. employees; B.U. employees willing to cross the union's picket line; and temporary or permanent strike replacements; (6) existence of poor product market demand serves to decrease risk of market share loss and sales revenue; (7) purchase strike insurance or enter mutual aid act with other employers.

One of the major objectives of EB is to attract, motivate and retain talent for the company (Schumann & Sartain, 2009; Sivertzen, Nilsen, & Olafsen, 2013). According to Heilmann, et al. (2013) the benefits of EB include: employer attraction, reduced costs, efficient recruitment, employee productivity, job satisfaction and employee retention. In terms of external marketing it helps in recruiting talent while in terms of internal marketing it helps in retaining talents.

Hence, IR has both positive and negative effects on EB. In the positive side it helps support and promotes the EB while in the negative side it damages or reduces the impact of EB.

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

Discussion of the findings in this review study will be made by responding to the three questions posed in the introduction part of this paper: What are the relationship between industrial relations and employer's brand? How industrial relations affect the employer's brand? How to minimize the effect of industrial relations on employer's brand?

Question No. 1: What are the relationship between industrial relations and employer's brand? The objectives of both IR and EB are complementing each other. IR aims at managing relationships between management and employees in organization in order to create sound relationship that could lead to sound relations and industrial peace in organization that could lead to the achievement of the objectives and goals of the company. It could lead to profitability and productivity of the company (Heilmann, et al., 2013; Joungrakul, 2010b; Sivertzen, et al., 2013). EB aims at motivating and retaining talent in the company. It also helps attracting potential applicants especially talent to apply for employment with the company (Heding, et al., 2009; Riezebos, 2003; Schumann & Sartain, 2009; Sivertzen, et al., 2013). A strong EB helps creating the organizational ability to compete in "labor market and drive employee loyalty can be made with effective recruitment, engagement and retention practices" (Sharma, 2014, p. 11). However, negative impact of IR on EB should be avoided and managed.

Questions No. 2: How industrial relations affect the employer's brand? IR has both positive and negative effects on EB. The positive side is that IR supporting EB major objective of motivating and retaining current talent and attracting potential talent to join the company (Heilmann, et al., 2013; Joungrakul, 2010b; Schumann & Sartain, 2009; Sivertzen, et al., 2013). Positive impact should be promoted through applying ID in IR (Joungrakul, 2009; Thorsrud & Emery, 1970) while negative impact should be reduced or managed through the channel of collective bargaining (Chamberlain & Kuhn, 1986) and employee involvement and participation (Lashley, 2001; Marchington, et al., 1992; Salamon, 2000).

Question No. 3: How to minimize the effect of industrial relations on employer's brand? To minimize the negative effect of IR on EB it is necessary to use both normal and proactive methods. Some potential employer actions to minimize or limit costs of strike or other type of IA's should be applied (Holley, et al., 2005). Worker involvement and participation and ID should be applied by taking into account the cultural dimensions of the theories to be applied in different contexts (Joungrakul, 2009). The Model of Best Practice of Thai ID proposed by Joungrakul (2009) should be considered.

It could be concluded in this reviewed paper that IR has both positive and negative effects on EB. To promote the positive effect of IR on EB, worker involvement and participation should be utilized. Cultural dimensions should be taken into account in applying Western IR theories and strategies in promoting the positive effects and avoiding and managing the negative effects of IR on EB.

LIMITATIONS

This paper is a review paper using a limited number of texts and articles as a basis for review. Therefore, it may not cover various views present in other texts and researches or review articles. An empirical research on this topic should be conducted to test or verify the findings and recommendations presented in this paper.

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IDENTIFYING HOFSTEAD'S REGIONAL, SOCIAL, AND CULTURAL DIMENSIONS REGARDING THE ASEAN COUNTRIES OF VIETNAM AND THAILAND

Paul M Hughes
Khon Kaen University International College
Information Center Building 8th Floor
123 Mitraphap Road A Muang
Khon Kaen 40002 Thailand
PaulHu@kku.ac.th

ABSTRACT

This research investigated the concept to accurately identify, define, and describe specific regional ASEAN cultural and regional values (for this research between Vietnam and Thailand) which might more successfully assess the suitability, compatibility, and adaptability of regional cooperation, services, and economic initiatives within the region. The current research method represents a continuance and enhancement of the questionnaire by Hofstede's VSM-13 and measures six (6) cultural dimensions which he termed the National Culture Dimension Index. The thirty (30) question survey consists of four (4) questions per dimension, with the remaining six (6) questions of the survey gathering personal demographic data. The VSM-13 was given to matched undergraduate college students from both Thailand and Vietnam (N = 251). This research found significance using the Levene's Test for Equality of Variances below the ($p = 0.05$) level for VSM-13 questions 02, 04, 05, 07, 09, 10, 13, 15, 16, and 21 indicating significantly different responses between the Thailand and Vietnam respondents.

Keywords: ASEAN, identity building, regional integration, cultural identity, Hofstede cultural dimensions

INTRODUCTION

Much research has been done in analyzing national cultural dimensions and values across many countries of the world (Pettrakis, 2014, p 250), but little or no attention has been paid to the social and cultural aspects specifically pertaining to the regional ethnic integration and cooperation among the collective ASEAN nations, namely Thailand and Vietnam.

The concept of *cultural identity* can represent many different things to both individuals and society and varies depending upon time and place (Deaux, 2001). Groups are defined by their cultural identity which is, among many things, comprised of the rich web of interrelating

stories, myths, narratives, and traditions held by the people and institutions of a given group (Shindler, 2014). In its simplest form, personal identity refers to *who you are* – or more precisely, who you *think* you are at a given moment in time and during a specific situation. This dynamic and personal construct helps us to make sense of our lives and relationships, and allows us to observe personal and distinctive characteristics in others that may be shared by some or all members of a particular social category, group, or nation state. There are two sides to identity –

- 1.) Identity allows us to determine others who are the *same* as us, and thus,
- 2.) Identity allows us to differentiate others who are *not* the same

Both of these types of identifications are extremely important, and are central in our decisional process of whether to associate or disassociate among certain individuals or groups (Weinreich and Saunderson, 2003, p 54-56). The research of this paper investigates two (2) of the ten (10) original ASEAN countries (Thailand and Vietnam) based upon the VSM-13 questionnaire to measure the six (6) dimensions of national character: Power Distance (large vs. small), Individualism vs. Collectivism, Masculinity vs. Femininity, Uncertainty Avoidance (strong vs. weak), Long- vs. Short-Term Orientation, and Indulgence vs. Restraint (Hofstede, 2013).

LITERATURE REVIEW

Regarding the development and maintenance of culture and intercultural relationships of the society with it, Neuliep (2003) has argued:

“that culture teaches people how to think, instructs people how to feel, and conditions people how to act; especially how to inter-act with others, and maintains that because intercultural communication is a symbolic activity where the ideas of one person from one culture are encoded into a verbal or nonverbal code then transmitted through a channel to another person from a different culture who must decode it, interpret it, and respond to it, the process is replete with cultural noise. The codes people use to compose messages are necessarily representations of their culture”. (p. 37)

In this same regard, Guan (1995) asserts that early cultural standards teach young people to use their own cultural standards to evaluate and communicate with others during what he calls "self-centered dialogue". Cultural values have been concerned not only in ethnic conflict (Chirot and Seligman, 2001; Brewer, 1979) and war (van der Dennen, 1995), but also consumer product choice (Klein and Ettenson, 1999) and political voting practices (Kinder, 1998). Interestingly, even the small and personal subjective distinction is enough to activate behavior favoring certain cultural values, even when personal and group self-interest and reciprocity do not appear to apply to the situation at hand (Ferguson and Kelly, 1964; Tajfel, 1970; Tajfel *et al.*, 1971).

Shindler (2014) states that:

“Those aspects of a group identity which include a narrative, web of traditions, and myth are created and constantly revised by that group in order to further its own agenda and promote social cohesion. In the promotion of a modern agenda it is useful to the group to root its proposed “future” in its past. In doing so a group is able to evolve and adapt to an ever changing environment while still claiming that they belong to the same group as people who lived and died long before any one of them was born”. (p.2)

Regarding the ASEAN Economic Community (AEC) planned to begin functioning in late 2015, the regional and globalization process, along with immigration and migration of intra-country ASEAN workers will carry with it important impacts and consequences due to cultural values of each country. Hobsbawm (1972) writes that, “When social change accelerates or transforms the society beyond a certain point, the past must cease to be the pattern of the present, and can at best become the model for it.” (p. 6) Conflict avoidance will undoubtedly play an essential role in each AEC country involved, with cultural and ethnic understanding becoming of great import for the proposed ASEAN initiative to be a success.

Much of the research in the area of cultural research began with Hofstede (1980), retired founder and director of the Personnel Research Department, IBM Europe. Current Hofstede research (VSM-13) measures six (6) cultural dimensions in what he terms *National Culture Dimension Index*. The six (6) cultural dimensions Hofstede (2013) refers to in the VSM-13 are:

1. **Power Distance** (large vs. small): focuses on the degree of equality or inequality between people in the country’s society (*VSM-13 Questions 02, 07, 20, 23*)
2. **Individualism vs. Collectivism**: focuses on the degree the society reinforces individual or collective achievement and interpersonal relationships (*VSM-13 Questions 01, 04, 06, 09*)
3. **Masculinity vs. Femininity**: focuses on the degree the society reinforces, or does not reinforce, the traditional masculine work role model of male achievement, control, and power (*VSM-13 Questions 03, 05, 08, 10*)
4. **Uncertainty Avoidance** (strong vs. weak): focuses on the level of tolerance for uncertainty and ambiguity within the society (*VSM-13 Questions 15, 18, 21, 24*)
5. **Long-Term vs. Short-Term Orientation**: focuses on the degree the society embraces long term devotion to traditional, forward-thinking values (*VSM-13 Questions 13, 14, 19, 22*)
6. **Indulgence vs. Restraint**: focuses on the degree of gratification of desires and feelings, leisure activities and consumption values (*VSM-13 Questions 11, 12, 16, 17*)

The work was originally based on research that was conducted in the 1960's and collected from matched samples of international employees of IBM Corporation. This research so far has been the most influential work in the field of cross-cultural modeling (Fang, 2009). Both similarities and significant differences in socio-economic and consumer related values were identified among and between countries and geographical regions. It was found that personal values could be both a powerful explanation of, and influence on, a variety of individual and collective behaviors, including consumer behavior (Henry, 1976; Vinson and Munson, 1976) and cross-cultural differences (Munson and McIntyre, 1978; Grunert and Scherhorn, 1990).

METHOD AND DATA COLLECTION

The aim of this paper is to explore how might Hofstede's Values Survey Module 2013 (VSM-13) be used to identify, define, and describe specific regional ASEAN cultural and regional values pertaining specifically to Vietnam and Thailand which might successfully assess the suitability, compatibility, and adaptability of products, services, and economic initiatives within the region by comparing answers obtained from the VSM-13.

The major objective of the research is:

- To analyze the degree of variance in social and regional values by comparing culturally influenced values and sentiments of similar respondents from Vietnam and Thailand

The method of this study took the most current version of the Values Survey Module 2013 (VSM-13) and had each of the thirty (30) questions both translated and back-translated into a Thai language version and a Vietnamese language version. A matched survey of respondents were obtained from undergraduate university students from Vietnam (N = 111) and corresponding university students from Thailand (N = 140). The translated VMS-13 survey was administered, and an item analysis of each of the twenty-four (24) data questions generated and indicated in *Table 1 Group Statistics*. Regarding **Table 1** below, data shows the VSM-13 question number and a statistical analysis from each country regarding this question - such as the size of the sample population, the mean, standard deviation, and standard error of the mean per question.

Following this table, the **Table 2 Independent Samples Test** presents the calculations of Levine's Test of Equality of Variances for each respondent from Thailand and Vietnam regarding each question presented on the VSM-13.

Table 1 Group Statistics

Question	Country	N	Mean	Std. Deviation	Std. Error Mean
Q1	Thailand	140	2.14	1.036	.088
	Vietnam	111	2.33	.966	.092
Q2	Thailand	140	2.51	1.096	.093
	Vietnam	111	2.21	.875	.083
Q3	Thailand	140	2.62	1.021	.086
	Vietnam	111	1.97	1.057	.100
Q4	Thailand	140	2.21	1.365	.115
	Vietnam	111	2.35	1.015	.096
Q5	Thailand	140	2.14	1.310	.111
	Vietnam	111	2.57	.931	.088
Q6	Thailand	140	2.42	1.073	.091
	Vietnam	111	2.32	1.072	.102
Q7	Thailand	140	2.55	1.102	.093
	Vietnam	111	2.71	.824	.078
Q8	Thailand	140	2.42	1.270	.107
	Vietnam	111	2.90	1.160	.110
Q9	Thailand	140	2.44	1.331	.113
	Vietnam	111	2.79	.992	.094
Q10	Thailand	140	2.56	1.348	.114
	Vietnam	111	2.45	1.059	.101
Q11	Thailand	140	2.25	1.164	.098
	Vietnam	111	2.65	1.006	.095
Q12	Thailand	140	2.31	1.060	.090
	Vietnam	111	2.69	.902	.086
Q13	Thailand	140	2.41	1.131	.096
	Vietnam	111	2.83	.761	.072
Q14	Thailand	140	2.38	1.128	.095
	Vietnam	111	2.76	1.055	.100
Q15	Thailand	140	2.72	.669	.057
	Vietnam	111	2.87	.648	.062
Q16	Thailand	140	1.93	.774	.065
	Vietnam	111	2.18	.591	.056
Q17	Thailand	140	2.94	.779	.066
	Vietnam	111	2.72	.677	.064
Q18	Thailand	140	2.58	.769	.065
	Vietnam	111	2.61	.833	.079
Q19	Thailand	140	1.72	.840	.071
	Vietnam	111	1.86	.903	.086
Q20	Thailand	140	2.55	.884	.075
	Vietnam	111	3.24	.965	.092
Q21	Thailand	140	3.23	1.146	.097
	Vietnam	111	2.62	.925	.088
Q22	Thailand	140	1.76	.926	.078
	Vietnam	111	2.23	.950	.090
Q23	Thailand	140	2.77	.876	.074
	Vietnam	111	2.98	.842	.080
Q24	Thailand	140	2.99	.971	.082
	Vietnam	111	2.71	.957	.091

Table 2 Independent Samples Test

Levene's Test for Equality of Variances

	F	Sig.
Q01	.110	.740
Q02*	12.337	.001
Q03	1.691	.195
Q04*	13.595	.000
Q05*	14.745	.000
Q06	.007	.935
Q07*	10.882	.001
Q08	2.651	.105
Q09*	12.130	.001
Q10*	8.791	.003
Q11	2.603	.108
Q12	2.986	.085
Q13*	20.963	.000
Q14	.871	.352
Q15*	5.085	.025
Q16*	7.971	.005
Q17	.442	.507
Q18	.773	.380
Q19	.001	.978
Q20	.032	.858
Q21*	6.916	.009
Q22	.030	.862
Q23	1.226	.269
Q24	2.727	.100

Results and Discussion

As can be seen from an analysis of the VSM-13 data presented in **Table 2 Independent Samples Test** above, a significance (2-tailed) level below 0.05 can be seen regarding VSM-13 questions **02, 04, 05, 07, 09, 10, 13, 15, 16, and 21** represented with an “*” next to the question number and the data highlighted. An analysis of the actual VSM-13 content pertaining to those questions of significance is:

VSM-13 Instruction: *Please think of an ideal job, disregarding your present job, if you have one. In choosing an ideal job, how important would it be to you to:*

- 1 = of utmost importance*
- 2 = very important*
- 3 = of moderate importance*
- 4 = of little importance*
- 5 = of very little or no importance*

Q02: have a boss (direct superior) you can respect

Q04: have security of employment

Q05: have pleasant people to work with

Q07: to be consulted by your boss in decisions involving your work

Q09: have a job respected by your family and friends

Q10: have chances for promotion

VSM-13 Instruction: *In your private life, how important is each of the following to you:*

- 1 = of utmost importance*
- 2 = very important*
- 3 = of moderate importance*
- 4 = of little importance*
- 5 = of very little or no importance*

Q13: doing a service to a friend

Q15: How often do you feel nervous or tense?

Q16: Are you a happy person?

VSM-13 Instruction: *In your private life, how important is each of the following to you:*

- 1 = strongly agree*
- 2 = agree*
- 3 = undecided*
- 4 = disagree*
- 5 = strongly disagree*

Q21: One can be a good manager without having a precise answer to every question that a subordinate may raise about his or her work

CONCLUSIONS

Analysis of the degree of significant variance in social and regional values by comparing culturally influenced values and sentiments of matched respondents completing the VSM-13 survey from Vietnam and Thailand. The study tested the hypothesis that the group variances were equal. The study rejected the null hypothesis at the ($p < 0.05$) significance level since the value of the Levene test statistic is less than the critical value, therefore the study concludes that there is insufficient evidence to claim that the variances are not equal in the following VSM-13 questions:

1. **Power Distance** (large vs. small): focuses on the degree of equality or inequality between people in the country's society (*VSM-13 Questions 02* ($p = .001$), *07* ($p = .001$))
2. **Individualism vs. Collectivism**: focuses on the degree the society reinforces individual or collective achievement and interpersonal relationships (*VSM-13 Questions 04* ($p = .000$), *09* ($p = .001$))
3. **Masculinity vs. Femininity**: focuses on the degree the society reinforces, or does not reinforce, the traditional masculine work role model of male achievement, control, and power (*VSM-13 Questions 05* ($p = .000$), *10* ($p = .003$))
4. **Uncertainty Avoidance** (strong vs. weak): focuses on the level of tolerance for uncertainty and ambiguity within the society (*VSM-13 Questions 15* ($p = .025$), *21* ($p = .009$))
5. **Long-Term vs. Short-Term Orientation**: focuses on the degree the society embraces long term devotion to traditional, forward-thinking values (*VSM-13 Question 13* ($p = .000$))
6. **Indulgence vs. Restraint**: focuses on the degree of gratification of desires and feelings, leisure activities and consumption values (*VSM-13 Question 16* ($p = .005$))

Due to the single market and base of production envisioned to be implemented by the initial ten (10) countries of the Association of Southeast Asian Nations (ASEAN) by the end of 2015, understanding the social and cultural similarities and differences between and among ASEAN countries in this union may allow them to integrate more easily and firmly into the ASEAN Economic Community (AEC). The study suggests further social and cultural research in Southeast Asia and among ASEAN Member States which may help to enhance stability, economic development and regional cooperation in the area.

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RELATIONSHIP BETWEEN INFORMATION SATISFACTION AND INFORMATION ACCESSIBILITY: INTERNATIONAL STUDENTS CHOICE OF HIGHER EDUCATION INSTITUTION IN MALAYSIA

Nurlida Ismail
Taylor's University
No. 1, Jalan Taylor's
47500, Subang Jaya, Malaysia

Tel: +6 03 56295667

Fax: +6 03 56295749

E-mail: nurlida.ismail@taylors.edu.my

ABSTRACT

A wave of change in the education scenario is evident, as its services are expanding vigorously beyond its respective territorial boundaries. This scenario has resulted in an intensified competition among higher education institutions in attaining and retaining students. Hence, identifying factors influencing students' satisfaction is essential. However, it is important to highlight that satisfaction may occur prior to choice. The notion of information satisfaction having a relative impact on overall choice satisfaction cannot be overlooked.

*This study aims to examine the impact of information on institution attributes and information accessibility on international students' information satisfaction in their choice of higher education institution. SEM was used to examine these relationships. Result reveals that information accessibility was a significant predictor of information satisfaction than institution attributes. Additionally, institution attributes has both direct and indirect effects on information satisfaction with a total effect of 0.31 (direct effect = 0.12; indirect effect = $0.31 * 0.61 = 0.19$). Results indicate that information accessibility is a significant mediator. Hence, the challenge is to make sure that promotional effort in providing relevant information to students will result in their satisfaction on the information. Information on important attributes should be easily accessible and understandable to assist student in making choices pertaining to their preferred institution.*

Keywords: International students, higher education institutions, institution attributes, information accessibility, information satisfaction

INTRODUCTION

A wave of change in the education scenario is evident, as education services are expanding vigorously beyond their respective geographical boundaries. Globalization of education has resulted in a paradigm shift in the governance of the higher education system where many governments have liberalized their education market that was previously regulated and protected by the government. Additionally, internationalization of education is seen to have

an economic impact on the education industry. In 2007, there were 54,915 international students in Malaysia and the enrolment number has grown by leaps and bounds to more than 96,000 in 2011 (Ministry of higher Education (Malaysia) 2012). In the year 2002, the revenue from international students was estimated to generate more than RM1 billion from tuition fees and also through its multiplier effect especially in tourism and medical services (Wee, 2002). Hence, this liberalization scenario has resulted in an intensified competition among higher education institutions (HEIs) both at local and international levels. Consequently, there is a pressing need for HEIs to respond to the increasingly diverse student clientele. With the surging competition for obtaining and retaining students, it is essential for HEIs to identify factors that influence students' satisfaction. It is generally accepted that students' satisfaction is a post-purchase phenomenon. However, it is also important to highlight that satisfaction may occur prior to choice. The notion of information satisfaction having a relative impact on overall feeling of satisfaction with service experience cannot be overlooked.

Oliver (2010) mentioned that central to the disconfirmation paradigm, customer's expectations have been generally accepted as affecting choice satisfaction. Customers form expectations from various sources of information either marketer or non-marketer dominated. Thus, accessibility of information plays a vital role in the students' information acquisition and choice process. Thus, prior to overall satisfaction, it is important to primarily identify how information on institution attributes and the accessibility of such information contribute to students' satisfaction of information. Within the context of international students, it is essential that they are able to obtain all information required as they could make better judgment and ultimately feel satisfied with their choice of institution. Especially in education services, which is intangible and normally associated with high perceived risks, the search for information on institution attributes and the need for satisfaction of the information sought enable customers to reduce the level of uncertainty. Hence, this calls for a study on the significant impact of information on institution attributes and information accessibility on international students' information satisfaction.

The study is aimed at addressing two patterns of relationship; firstly, it addresses the relationship between institution attributes and information accessibility on information satisfaction. Secondly, it also attempts to address the mediating effect of information accessibility on the relationship between institution attributes and information satisfaction

LITERATURE REVIEW

Institution Attributes

When gathering information during university selection process, potential candidates or student-to-be will attempt to reduce the uncertainty associated with the decision. Information gathered from various sources is the basis of students' evaluation and judgment. Wagner and Fard (2009) reported that institutional information had a significant relationship with students' intention to pursue higher education. This indicates that information regarding institution attributes is relevant for students' evaluation and choice process. Souter and Turner (2002) concluded that information on course suitability, university reputation; job prospects and teaching quality were the four most important university related attributes. This

notion was strongly supported by Kusumawati (2011) and Patel and Patel (2012). Other researchers have also addressed the issues on institution attributes influencing students' choice decision amongst others availability of financial support, institution facilities and admission/entry requirement (Hartono, 2012; Ivy, 2010). Previous studies on institution attributes focus on delineating its relationship with institution choice. This study however, recognizes institution attributes as part of marketing information and attempts to seek the relationship of information on institution attributes with information satisfaction. Hence this leads to the following hypothesis:

H₁ Institution attributes have a positive effect on information satisfaction

Accessibility of Information

Information on institution attributes is provided to students in many ways through a variety of sources such as advertisements and institution brochures. Excessive information can cause problem even when the choice is important and this quandary can discourage students' application (Forsyth & Furlong, 2003). This array of information confronting the students could produce dysfunctional consequences, such as a state of information explosion. Significantly, this would generate attention to issues regarding what information to provide, how much to provide and how best to present it. At the same time, the extent to which information is available and accessible may affect customer choice decision.

Information accessibility refers to the extent to which information is available and reachable to consumers in a format that they can use (Bettman, 1979). It was recognised that information accessibility and consumers responsiveness are positively associated. Brown (2002) confirmed that the use of websites depends on the ease of finding and understanding the information.

Readily available information allows for search and evaluation to be done in a more effective manner. Evidences from research have indicated that when information relevant to a judgment was highly accessible, customers were more in favor of retrieving and considering such information (Chang, 2010; Caruso, 2008). Additionally, frequency of use was found to be a primary function of the accessibility of information from various sources rather than the quality of the information (O'Reilly, 1982).

Chang (2010) reported that when information regarding a health issue was made accessible, ease-of-retrieval effects were attenuated. The primary conclusion is the importance of making information more available, which should increase the accessibility of relevant information and reduce experienced recall difficulty.

Study on international students destination choice by Mazzarol and Soutar (2002) indicated that the ease with which international students were able to find information (accessibility) was rated higher than the knowledge of the host country. This strongly indicates that the ease of finding and accessibility to information regarding institution attributes are important determinants of the use of such information. It can be suggested that when information is readily accessible, students are able to respond and react. Additionally, the ability to obtain and secure relevant information may provide these students an opportunity for better-informed decision-making. This might translate to greater students' fulfilment and

satisfaction in their information acquisition prior to making an institution choice. Hence this leads to the development of the following hypothesis:

H₂ Information accessibility has a positive effect on information satisfaction

Information Satisfaction

Spreng, Mackenzie and Olshavsky (1996) indicated that satisfaction with information acquired is recognized as an important antecedent of overall choice satisfaction. And information that is being sought after by potential students prior to making an institution choice is normally information on institution attributes.

Information satisfaction is defined as a subjective satisfaction judgment of the information used prior to making a choice (Spreng *et al.*, 1996). Cardozo (1965) . agreed that the expectation that an individual has concerning a product depends upon information acquired from various sources. Hence, customer expectation may be influenced by marketer controlled information disseminating methods. This explains the strength of students' information satisfaction in making an accurate decision on institution choice. In a study by Petrick, James and Backan (2002) on customers' satisfaction, information satisfaction was found to be a significant antecedent to overall satisfaction.

For that reason, study on information satisfaction is thus necessary because it is the result of students' evaluation of the institution's marketing communication efforts. The possibility of a choice being made is greater if students are satisfied with the information they have obtained regarding attributes of a certain institution. Furthermore, the ease of accessing information on institution attributes will lead to better choice decision.

Hence, it can be hypothesized that accessibility of information facilitates the search for information on institution attributes and it may in turn stimulate the sense of satisfaction among these students.

H₃ Information accessibility has a mediating effect on the relationship between institution attributes and information satisfaction

METHODOLOGY

The sample of this study comprised of international students from private higher education institutions (PHEIs) in Malaysia. Subjects (N = 600) from 32 PHEIs were selected using a stratified sampling procedure by utilizing the international students database acquired with permission from the Ministry of Higher Education.

The institutions were randomly selected and proportionate sampling was utilized to ensure that the sample size drawn from each institution was uniformly represented. This is a good approach as it has high statistical efficiency (Cooper and Schindler, 2011 and Saunders, Lewis and Thornhill, 2009). The subjects were divided according to the international students' population and status of the institutions. The questionnaires were distributed employing three methods based on the type preferred by the officers from the respective institutions. Questionnaires were either hand-delivered, mailed together with a self-addressed stamped envelope or a soft copy of the survey was sent via electronic mail. The number of

questionnaires distributed to each institution was based on the international students' population of the respective institutions. Table 1 shows the arrangement of constructs.

TABLE 1: VARIABLES FOR THE STUDY

Constructs	Sources	5-point Scale Ranging From
Institution attributes	Cubillo, Sanchez & Cervino (2006); Patel & Patel (2012); Simoes & Soares (2010)	1 (not important at all) to 5 (very important) to indicate the importance of institution attributes.
Information accessibility	Connelly <i>et al.</i> , (1990)	1 (strongly disagree) to 5 (strongly agree) to indicate students' level of agreement/disagreement on information accessibility statements.
Information satisfaction	Oliver (1980 & 2010)	1 (strongly disagree) to 5 (strongly agree) to indicate students' level of agreement/disagreement on their satisfaction with information used.

For the purpose of this study, institution attributes construct was classified into four dimensions namely:

1. Academic programs
2. Cost and financing
3. Issues on education institution
4. Professional skills and development

Each of the dimensions was represented by four items/ indicators

DATA ANALYSIS

Table 2 reveals that Kaiser-Meyer-Olkin (KMO) results for all constructs are at acceptable level. Barlett's test is found to be significant at a level of less than 0.05. The constructs explained variance value were at least 62 percent which exceeded the recommended requirement of 0.50 (Hair, Anderson, Tatham, & Black, 1998). Cronbach's alpha results were above the minimum 0.70 cut-off value (Nunnally 1978). Hence, items were consistent and reliable for measurements.

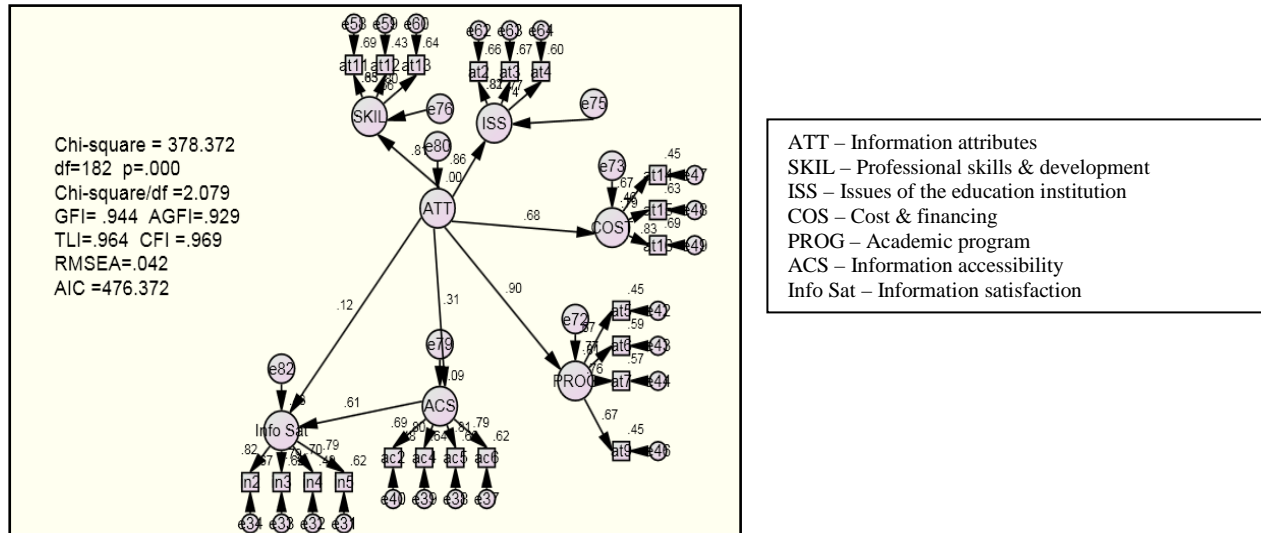
TABLE 2: RELIABILITY AND VALIDITY RESULT

Constructs	KMO	Barlett's Test	Explained Variance	Cronbach's Alpha
Institution attributes	0.869	<0.001	62.9%	0.89
Accessibility	0.876	<0.001	70.0%	0.91
Information Satisfaction	0.843	<0.001	62.0%	0.84

The initial readings of goodness of fit were not satisfactory hence a few rounds of re-specification of the model were undertaken to improve its validity. In addition to modification indices, in considering dropping a few items, the factor loading values were also observed. Figure 1 reveals the final structural model of the study and all statistics were above

the recommended threshold values. The Chi-square/df was below 3.0, other fit indices were more than 0.90 and RMSEA was less than 0.08. Factor loading (L) values for the items were between 0.654 and 0.831 exceeding the minimum requirement of 0.50 for L (Hair et al., 1998). Hence, model fits the data well.

FIGURE 1: STRUCTURAL MODEL OF THE STUDY



The hypotheses were tested using SEM (AMOS 18). Table 3 indicates that H₁ and H₂ were supported. Based on the β values, information accessibility (β = 0.609) was a more significant predictor of information satisfaction than institution attributes (β = 0.118).

TABLE 3: HYPOTHESISED RELATIONSHIP AND RESULT

	Unstd Est	S.E.	C.R.	P	β	Results
H ₁ :Institution attributes have a positive effect on information satisfaction	.143	.051	2.796	.005*	.118	Supported
H ₂ :Information accessibility has a positive effect on information satisfaction	.610	.049	12.347	.000*	.609	Supported
H ₃ :Information accessibility has a mediating effect on the relationship between institution attributes and information satisfaction	(Refer to explanation below & Table 4)					Supported

*Significant at 0.05

Hypothesis 3 (H₃) proposed that information accessibility has a mediating effect between institution attributes and information satisfaction. Table 4 indicates that the indirect effect of institution attributes onto information satisfaction through information accessibility is significant (0.133, 0.267). Additionally, institution attributes have both direct and indirect effect on information satisfaction with a total effect of 0.31 (direct effect = 0.12; indirect effect = 0.31*0.61 = 0.19). The indirect effect is stronger and almost twice as much as the direct effect Thus, results further indicates that information accessibility is a significant mediator.

TABLE 4: MEDIATING EFFECT BASED ON 1,000 BOOTSTRAP RESAMPLES

	Institution attributes
Information satisfaction	[0.133, 0.267]

Note: Rule for mediator: Value zero (0) does not fall with the intervals

CONCLUSION AND DISCUSSION

This study reveals that information on institution attributes and information accessibility were influencing information satisfaction. The findings are in tandem with previous studies indicating that information that is readily accessible will be used more frequently than those that are less accessible. O'Reilly (1982) explained that it is information accessibility, rather than information quality, that is related to frequency of information search. From the findings of this study it can be assumed that the greater the accessibility of information, the higher the students' responses will be. Hence, it can be implied that institutions need to provide information to their prospective students through multiple sources. The availability and accessibility of information from different sources may encourage students to seek more information which may lead to increased search efforts. For example, apart from the websites, institutions should also make an effort to provide students with other information options such as publications, engaging representatives in various countries or even information from rating agencies. In addition, information should not just be conveniently available but information should be updated frequently and user-friendly.

With regards to information on institution attributes, the findings were also supported by previous research. Halstead, Hartman and Schimidt (1994) reported that attending and obtaining a degree from a HEI represents an unfamiliar experience, hence acquisition for information concerning institution attributes is of importance for students' evaluation and choice process. The evaluation of students' expectations and performance perceptions (satisfaction level) is based on the information of the institutions attributes. Hence, it can be concluded that the more important the attribute is, the more essential the information search becomes. HEIs should identify these important attributes and leverage on them in promoting their institutions. In this study, it has been reported that the reputation of institution and quality of education are the top two important attributes that students seek for in making an informed choice of their preferred institution.

Evidences also indicate that there is a positive mediating relationship between accessibility and information satisfaction. This implies that the challenges of HEIs are not only to focus on providing information on vital attributes but of equal importance is to identify strategies on the methods of how such information should be disseminated appropriately and effectively. Furthermore, the challenge is to ensure that promotional efforts in providing relevant information to students will result in their satisfaction on obtaining the information. Information on important attributes should be easily accessible and understandable to assist students in making an informed choice.

LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH OF THE STUDY

This study is not without limitations and there are a few key implications that warrant attention of future research. Firstly, the study focused only on international students currently studying in PHEIs in Malaysia. International students from the public universities were not considered. It is possible that if the study was conducted on other varieties of international students, the magnitude and direction of influence of the determinants of information satisfaction may be different. It is suggested that this study should be replicated at public institutions to compare findings between the public and private institutions.

Secondly, the analysis depicted in this study was quantitative in nature. However, the model developed at this point could also be tested qualitatively. Future research for an in-depth inquiry on the relationship among the determinants of information satisfaction is very much required and may be able to provide a supplementary insight. Additionally, a more comprehensive understanding of international students' information satisfaction can provide fine points that facilitate the development of fundamental strategies for effective marketing campaigns.

Finally, respondents profile can also be analyzed to provide a better understanding of international students' search process. For example, analysis can be done to gauge if gender difference has any impact towards students' search process. Or there may be a possibility that students who wish to pursue a degree in engineering may search for different information on institution attributes as compared to those who wish to enroll in a business administrative degree. Hence, understanding the relationship between different groups of students from different geographical areas and different profiles are worthy

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**ORGANIZATION TRAITS UNDER CONDITIONS OF RELATIONAL
DOMINANCE:
THE ARCHETYPAL CONFUCIAN ORGANIZATION**

John Dixon
Department of Political Science and Public Administration,
Middle East Technical University,
Çankaya, Ankara, Turkey
dixon@metu.edu.kz, johndixon95436@gmail.com

Peggy Pik-Sum Wong
(Formerly) University of Plymouth
United Kingdom

ABSTRACT

The essential character of an organization depends upon the tapestry of the social relationships occurring within it. This paper seeks to distinguish the organizational traits that follow the organizational dominance of a socially foreordained web of interpersonal obligation that are brought to the workplace. Illustratively, when these social relationship obligations are informed by Confucianism they delineate the archetypal Confucian organization. Such an organization can be characterized as being benevolently authoritarian, with a rich, varied, intricately interwoven human mosaic. This is because it is people-centered and didactic, accepting and accommodating the moral requirements of a socially sanctioned and reinforced overlay of inclusive, comprehensive, and subtle social obligation that must be fulfilled in the workplace, as elsewhere. The focus of management, which draws upon the power of relationship traditions and customs, is to pursue organizational goals and interests by managing interpersonal relationships and the relationship of relationships, in order to avoid interpersonal conflict and to gain subordinate commitment and compliance.

Key words: relational dominance, Confucianism, organizational traits

INTRODUCTION

The essential character of any organization depends upon the tapestry of social relationships—patterns of social actions (interactions)—occurring within it. These relationships portray the meaning-content for the mutual interdependence of the organizations members (Dixon *et al.* 2009), so developing and sustaining the organizationally desired and mutually recognized states of connectedness between them. This relationship mosaic reflects complexities in the way members of that organization choose to interact with each other.

The proposition advanced in this paper is that when social actions in an organizational setting can be attributed to perceptions of the supreme importance of interpersonal relationships that are culturally determined (relational dominance¹) (Ho 1998, Ho and Chiu 1998, Ho and Peng 1998, Ho, Chan and Zhang 2001, Ho, Peng, Lai and Chan 2001), the resultant organizational phenomena can best be explained by analysis of those relationships (methodological relationalism) (Ho 1998, Ritzer and Gindoff 1992). These relationships are shaped by an inclusive and comprehensive set of customary social role or interpersonal action obligations (expectations)—relational cognitions—arising from an historically and culturally contingent set of socially-elaborated values, traditions, and practices—adherence to which is secured by a set of socially reinforced sanctions in the event of non-compliance. The goal of this paper is to distinguish the organizational traits that follow the organizational dominance of a set of relational cognitions that creates an overlay of an intricate and subtle web of obligation between organizational members. The paper has draws, illustratively, on one example of such set of relational constructs, namely that informed by Confucian² ethics. This permits the delineation of the traits of the archetypal Confucian organization.

SOCIAL RELATIONSHIPS UNDER CONDITIONS OF RELATIONAL DOMINANCE

Social relations are the product of the establishment of a state of connectedness between individuals. This connectedness gives rise to relatively stable patterns of social interactions, and results in them coming together because they have some common purpose to fulfill. The social hierarchy in any relational situation is known because the rank and priority of those present is taken to be in accordance with the rigidly hierarchical relationship whether determined by a set of explicit rules (for formal social arrangements) or by trust (for informal social arrangements). This predetermined and socially foreordained ranking and prioritization of the actors involved gives rise to social relations that are the subject of a set of ‘*obligatory*’ rules of ‘*required*’ behaviours that choreograph a set of obligatory ritualistic social actions. This follows from each actors’ acceptance that their social relationships are so foreordained. In essence, such relationships can be represented as the portfolio of dutiful action-obligations. These make social actions subject to mutual considerations. The intensity and duration of this mutuality is determined by not only the nature of the interpersonal relationships but also the

¹ Relational dependence and methodological relationalism have also been extended to other types of relational-determinant organizational settings. Some studies have identified the relational dimension in bureaucratic organisations in colonial and postcolonial societies, such as ‘psedobureaucracy’, ‘bantu bureaucracy’ and ‘formalistic bureaucracy’ (Pearce 2001: 66), but their predominate relational influence is dependent on the narrower focused traditional family and clan relationships.

² Confucius’ (551-479 B.C.) teachings are preserved in the *Analects of Confucius* (Muller, 2004), which were recorded and compiled by his disciples and their followers (Fung 2006, Wen, 2012).

relationship of relationships. Thus, according to Ho (1998: 5), the holistic analysis of social actions and interactions under conditions of relational dependency requires of dialectic logic to be applied to:

- the inner dialectics of each action-taker (the internal relational cognitive processes);
- the outer dialectics of the maze of relational roles (the external interpersonal processes); and
- the interaction between those internal and external processes.

This makes ‘self’ inherently relational, with interactions with ‘others’ conducted on a continuum of mutual obligations.

Under the influence of relational dominance, organizational life is focused on the balancing of relationships. These relational cognitions (inner dialectics) dictate relational roles (outer dialectics), which requires the competencies of self-awareness, consciousness of the ‘other’, and meta-cognition of the relationship of relationships (Ho *et al.* 2001). Hence, analysing a relational situation is complicated because “the social arena is alive with many actors interacting directly or indirectly with one another in a multiplicity of relationships” (Ho 1998: 5). Thus, action-takers are subjected to, or influenced by, the actions of a diverse array of other people, which focuses their attention on the relationship of relationships.

Only by action-takers knowing the foreordained rank, priority, and behavioural expectations assigned to each person with whom they have, or could have, a relationship, can they know the totality of their social reality—their universe of relationships—which they reveal by their behaviour to others in a social whole—family, group, organization, or society. These relationship constructs inform them of the diversity of their ‘*required*’ social roles that they must follow (Ho and Chiu 1998) with respect to their:

- *interpersonal* relationships with another individual;
- *intra-group* relationships with other individuals as members of groups to which they belong (in-groups); and
- *inter-group* relationship with individuals in groups to which they do not belong (out-groups).

Thus, there is a need to understand and appreciate the importance of these relationship constructs in the formulation of action-takers’ intentional mental states—the interface between the *external expectations*—the dutiful action-obligations—and the *internal feelings* held about those expectations (Ho *et al.* 2006)—that give rise to a set of compelling motivation to adopt the ‘*obligatory*’ courses of action. These action dispositions define a distinctive metaphysical perspective on what it means to be human. This can be typified as an ideal-type social actor—a Model of Man³ (Dixon *et al.* 2009, Hollis 1977)—*homo consanguinitus* (Relational Man)—who is taken to be always adhering conscientiously to the relationship rules, roles, norms, and practices delineated by an historically and culturally contingent set of socially-elaborated values, traditions, and practices. Illustratively, when

³ It must be emphasized that any Model of Man is an analytical construct, which, as Weber ([1903/1917] 1949) pointed out, cannot embrace the infinite diversity of particular phenomena, so making selection and abstraction unavoidable. Moreover, if an abstract Model of Man becomes concrete, as if it actually describes the behaviour of real people, there is always the danger of reification, which Whitehead (1925: 75 and 77) referred to as the fallacy of misplaced concreteness.

these social relationship obligations are informed by the tenets of Confucian⁴ ethics, a distinctive set of interpersonal practices is expected to be performed at the threat of experiencing the shame and loss of ‘face’ that comes with their non-performance (Redding 1993).

HOMO CONSANGUINITAS

Homo consanguinitas typifies individuals who understand relational situations as domains in which

- their position is established by the traditional or customary relationships they are expected to have with others present; and
- their social interactions are conducted according to a set of socially foreordained relationships rules and obligations.

Thus, *homo consanguinitas* accept the idea of socially sanctioned constraints being imposed on both their individual decision sovereignty and the determination of their social actions. This guides them to believe that they must engage with others in accordance with those relationship obligation—*I must do what I am traditionally obliged to do*.

In a setting where Confucian ethics prevails, this would be the product of *homo consanguinitas* experiencing a life-long exposure to the ecology of beliefs—Confucian relationship constructs—about what is morally correct behavior (see Li and Wen 2014), giving rise to the belief that by fulfilling their moral obligations they are

- advancing their own self-cultivation towards perfect goodness;
- valuing appropriately the benefits of being in a state of dependence upon others, and/or
- pursuing their familial interests, grounded in the values related to filial piety.⁵

This gives *homo consanguinitas* a distinctive set of perspectives on ‘self’, ‘the other’ and social relationships.

On Self

Because the social world in which *homo consanguinitas* conduct their affairs is a complex relational environment, their construction of ‘self’——“the totality of the individual’s thoughts and feelings having reference to himself [sic] as an object” (Rosenberg 1979)—is ‘other’-referenced—an *interdependent self*.⁶ As they navigate their way through their social world—as they expect and accept it to be—they are fully aware of the complexity of their network of ritualistically choreographed interpersonal relationships, the importance of reading relational situations correctly, and the reality of mutual interdependency. They are always sensitive to, and ever thoughtful about, the feelings of others and about their own feelings in response. Thus, they emphasize the importance of appropriately acknowledging

⁴ In Confucian moral principles, there is a clear and layered social hierarchy, defined by age (the older dominate the younger), gender (males dominate females), and occupation (traditionally, in descending order: scholars, farmers, craftsmen, and merchant) (see Liu and Liu 2003: 46).

⁵ Under the Confucian meaning of materialism, the income unit is the family rather than the individual, a product of and shared values, belief and attitudes that give rise to familial collective objectives (Ho 2006).

⁶ The Confucian concept of ‘self’ (*ji*) according to a Confucian scholar in the *Qing* Dynasty (1644-1912) must be understood as the person (*ren*), which has four meanings: human being, the public, a group of local people, and others (Jiao, cited in Yang 2006: 341). ‘Self’ is where consciousness, knowledge and propriety dwells and it refers to relationships between ‘self’ and ‘others’.

'others' and appreciating their mutual interdependency. Behaving appropriately toward 'others' builds of cooperative relationships, and cooperation, which is seen as the best way of achieving goals. This proposition dominates their perceptions of 'self'. To them, 'self' is at the epicentre of their social network 'webs' (Redding 1993).

They have a need to live up to social expectations, so as to become a *socially idealized self* (Yang 2006). They, thus, fully appreciate the need to confront the challenges of self-cultivation and the avoid spectres of shame and loss of 'face' that comes with social disapproval (Liu and Liu 2003).

Self-cultivation. Inner power—will power—determines whether a person, by self-cultivation, can become a good, cultivated or superior person (*junzi*), or remain a person confronting the shame and loss of 'face' because of the public humiliation that comes with social disapproval. Self-cultivation can, in the long run, correct 'bad' behaviors, including the neglect of 'others' by refusing to act in conformity with the Confucian moral code. Self-cultivation can be achieved by a process of learning by self-reflection and by interacting with 'important others' with whom they have social relationships (*The Analects of Confucius* IV, 2).

Shame. This is self-rejection due to the perceived rejection by 'others' or to their own sense of shameful personal failure, accompanied by the fear of public humiliation or ridicule (Ho *et al.* 2004: 73). It has the function of promoting *righteousness* and *virtue*, which leads to self-correction (*the Analects of Confucius* XIII. 6).

'Face'. This is the emotional response that follows a public expression of approval or disapproval that has been perceived by a person to have resulted in the gaining or loosing of moral or social standing (Ho *et al.* 2007). Saving 'face' is serious matters as 'face' is a determinant of social actions that are essential to relationship building, and to the maintenance and development of interpersonal networks (Redding 1993).

On the Other

To *homo consanguinitas*, the classification of 'the other' is in accordance with their closeness to 'self'—their psychological distance and their importance: from close family members and father-like figures ('important others'), to associates and friends ('personal others'), to distant strangers ('impersonal others'). So, 'others' are categorized, their status established, so establishing their obligations towards them. 'Important others' are permitted to help shape 'self' construct appropriate meaning and determine behaviours—'self's' consciousness—because they are a worthy influence (Ho 1998: 4). As Confucius said: "The Superior Man (*junzi*)...has no friends who are not of equal (moral) calibre" (*The Analects of Confucius* I-8).

Human Nature. To *homo consanguinitas*, people may well be errant, but their behaviour can be changed by adherence to the Confucian relational moral values. Thus, in all relationships there should be respect, self-discipline and self-restraint, loyalty and compliance, and obligations and responsibilities. People are morally obliged, reinforced by social expectations, to practice human goodness. But the tension between the need to satisfy pragmatic material needs and the need to exhibit a consciousness of becoming a good, cultured or superior person—by providing 'personal others' with revealing virtuous acts—has left attitudes towards strangers negotiable. The attentive care given to, and supportive attitude expressed toward, 'personal others' (friends, and associates) stands in contrast to the uncaring

and apathetic attitude towards ‘impersonal others’ (strangers), which is intensified by a severe in-group/out-group dichotomy. The pursuit of material gain, whether for the for the benefit of ‘self’ or ‘others’ has to be justified by a righteous standard of behaviour. Individual intentional mental states must be demonstrably subjugated to relational obligations and duties, because there is social expectation of reciprocal relationships, in conformity with the long-settled Confucian norms.

Social Connection. To *homo consanguinitas*, the acknowledged basis of social connections is *guanxi*, a set of unwritten interpersonal behavioural norms, premised on ‘self’s’ relationships with ‘others’ involving a long-term orientation and a set of mutual expectations (Fung 2006). *Guanxi* is a special sense of obligation of one party to another and can involve ceremonial gift exchanges that bind people together into a complex web of obligation and indebtedness (Dixon and Newman 1998, Fung 2006). This complex social connectedness is inclusive of interpersonal, intra-group, and inter-group relationships. It, thus, provides the outline of the game of social interaction, and offers guidance on the trustworthiness of strangers.

Trust. The granting of trust by *homo consanguinitas* must be preceded by an examination of where the person to be trusted is located in their relationship network, followed by the confirmation that they adhere to a fundamentally common set of socially accepted relational moral values (*relational-based creditable trust*). This is discoverable by means of an intuitive, intersubjective, interpersonal communications process. Trustworthiness is judged by social role performance. Thus, limited and bounded trust is built up in accordance with a set of reciprocal relationship rules: essentially, “you trust your family absolutely, your friends and acquaintances to the degree that mutual dependence has been established and face invested in them. With everybody else you make no assumptions about their goodwill” (Redding 1993: 66).

The trustworthiness of strangers is known only after engaging in relationship building, involving the presentation of evidence of the reciprocity of relationship obligations (*guanxi*). Trust is maintained by the accumulation of trust credit (*xin yong*)—social capital. Stranger would be regarded as more trustworthy if they have a *guanxi* relationship with the trustors, or with a third person who has a close relationship with the trustors, which enables them to mapped strangers onto their relationship network.

On Social Relationships

These are grounded in moral obligations shaped by the ethical propositions that endorse the absolute relevance of the virtuous human qualities—akin to Aristotle’s ([350 BC] 2004) virtue ethics (*ethicai aretai*)—because being of excellent character ensures that moral obligations are habitually met. Confucian ethics shape moral obligations by giving practical guidelines on how *homo consanguinitas* must behave in order to achieve the virtuousness that comes with adhering to a set of socially acclaimed moral and ethical rules that govern human relationships. The outcome sought is the realization of the ideal Confucian society⁷ (Bond and Smith 1998, Fung 2006, Redding 1993, Ho 1995, Nisbett 2003). The following human qualities should, thus, be embedded in any social relationship:

⁷ This is one in which social integration and social solidarity are sustained by people being neither calculating nor self-focused (*The Analects of Confucius* IV, 12); recognising hierarchy and ranking (III, 7); and recognising diversity and socialisation (XVII, 2).

- *humanness (ren)*—being benevolent and seeking perfect goodness, so become a model of a good, cultivated, or superior person (*junzi*);
- *propriety (li)*—behaving in the appropriate way—with proper speech, body language, and manners—given the status, age, and gender of the recipient and the situations in which the social interaction takes place (Muller, 2004);
- *righteousness (yi)*—being fair in the performance of the social obligations that are appropriate to particular individuals in particular situations; and
- *virtue (de)*—being virtuous by cultivating humanness, achieved by acting with propriety.

The resultant ethical behavioural standards are:

- *mutuality*—showing respect by the mutual acknowledgement of ‘others’ in the appropriate way;
- *reciprocity*—having good intentions, amenable attitudes, valuing friendship and brotherhood, and respecting teachers and elders;
- *self-discipline*—being self-restrained, even when it is an arduous struggle;
- *loyalty*—behaving obediently, dutifully, and with propriety, so being faithful to those with a higher social ranking; and
- *obligation*—being ethical, honest, and trustworthy, and valuing social harmony (by fulfilling all moral obligation).

Role performance, according to Ho *et al.* (2006: 25), is dominated by “the overriding potency of interpersonal relationships, relative to individual and situational factors, as the determinant of social actions.” Thus, the ethical standard—manifesting as dutiful action-obligations—is flexible, varying according to the relationship and the situation. In a high complexity network of relationships, however, social role performances can be dilemmatic because of the need to balance diverse relationships and obligations in order to carry out them all out, which can result in a need to weigh (Ho *et al.* 2007):

- propriety and righteousness against genuine feelings (*zhen chi*);
- righteousness against any material gain that can be made from a personal relationship; and
- the granting of trust against preserving ‘face’.

Ignoring relational ethics, or simply not achieving the appropriate balance in social relationships, would, of course, produce an unsatisfactory social role performances. This would lead to relationship unfairness, and, eventually, to a breakdown in both trust and those relationships. This has profound implications for organizational life.

THE ARCHETYPAL CONFUCIAN ORGANISATION

Homo consanguinitas would see an organization as a collection of people—each in their own complex, dynamic, and dominant obligation network—who come together in order to achieve common ends. This would embrace the pursuit of organizational goals and interests—as articulated by a benevolently authoritarian governing elite—but only not so as to compromise the securing and safeguarding of the interests of each member’s obligation network. Vertical workplace relationships between supervisors and subordinates would be unequal. Horizontal workplace relationships could be either equal or unequal relationships, depending on status, age, gender of work colleagues, prioritized as family members, friends and associates, and then strangers. Involuntary and voluntary relationships at work would reveal emotional and supportive roles. The involuntary—and most important—relationship

would be with family members, requiring intense loyalty and cooperation. Voluntary relationships—essentially, with associates or friends—would be bonded by the gratification of pragmatic needs, solidified by the building of obligation, trust, and friendship. Relationships with ‘impersonal others’—strangers—would be distant, guarded, and sometimes defensive, depending on the level of trust that has been achieved. Engagement bond in both vertical and horizontal interpersonal relationships would be mutuality, respect, loyalty and compliance, and obligations and responsibilities.

Organisational Governance

Those who govern an organization would enjoy much autonomy because they would accept moral responsibility for the wellbeing of those who give them loyalty and obedience (*benign authoritarianism*) (Liu and Liu 2003). This is in accordance with the Confucian tradition of *paternalism*—embracing “the themes of hierarchy, responsibility for the whole organisation, mutual obligation, family atmosphere, personalism, and protection of the employees” (Redding cited in Bond 1992b: 78). Paternalistic governors would maintain social order by drawing upon the Confucian concept of the natural cosmic order, grounded in values related to filial piety—of the Five Cardinal Relations (*Wu Lan*)—between father-son, friends, older brother-younger brother, sovereign-subject, and couples—the father-son relationship is the most significant and constitutes the model for all the other relationships (Ceng 2004, Rarick 2007). They would be guided by their moral rectitude, grounded in their relational virtues (revealing the breadth of their virtue and propriety through their actions). In other words, employees would have their duties defined according to their obligations towards ‘important others’, in harmony with their social roles. Thus, organizational governance would emphasize people rather than rules and procedures. Harmony would prevail only for as long as virtue prevails because all the relevant social duties have been performed and obligations are met.

The constraints on organizational governors would relate to their own interpersonal duties and obligations, particularly their responsibility to meet the mutual expectations of fulfilling social duties and obligations,⁸ and the shame and loss of ‘face’ they would experience if they fail to do so (Liu and Liu 2003: 51, see also Fung *et al.* 2003). The Confucian governor would, thus, lead by seeking, achieved by the cultivation of *humanness*, through the enactment of *propriety*, leading to *benevolence*, which is the key to maintaining good organizational order.⁹

Structure

This would be a centralised informal hierarchy, with a well-defined humanistic dimension. It would be highly centralized, with varying degrees of formalisation and complexity. It would be dominated by a highly complex set of obligation networks, making it informal, and certainly personal (Bond 1992a, Redding and Wong 1992). This structure would have little techno-structure, few standardised work procedures, little specialised work

⁸ **“If you govern them [people] by means of virtue and control them with propriety, they will gain their own sense of shame, and thus correct themselves (2-3)”** (*The Analects of Confucius XIII, 6*).

⁹ **“If you govern with the power of your virtue, be like the North Star. It just stays in its place while all the other stars position themselves around it”** (*The Analects of Confucius II, 1*).

tasks, and few precisely define job roles. But it would have specialised social roles, duties, and a unity of direction and direct control on the basis of traditional paternal authority (Redding and Wong 1992: 277-278).

Culture

This would permit little questioning of the orders given by any legitimate organizational authority. But it would be people-centred and didactic, with an emphasis on social role performance—reinforcing the appropriateness of conducting in the workplace virtuous interpersonal acts that signal reciprocity, mutuality, and breadth of virtue and propriety. Indeed, the embedding in an organisational culture of relational moral values, and their integration with the issues of role performance and ‘face’ determines the degree of employee discretion over the performance of organizational roles and task. Such an organizational culture would tolerate, if not actively support, of both nepotism and favouritism.

Ethics

The informing Confucian moral values—the Confucian Five Cardinal Relations—gives clear moral guidance on those relationships. This universally applicable moral knowledge informs all horizontal relationships (between working colleagues) and vertical relationships (between superiors and subordinates). Following these moral guidelines, an organizational member’s duties and obligations would be clear to all. ‘Important others’ would have to be shown respect (by meeting all required obligations and responsibilities), loyalty, and have their instructions obeyed. Management ethics would be premised on the principles of *humanness*, *propriety*, and *righteousness*—thus emphasizing flexibility, appropriateness, propriety, and good faith (*The Analects of Confucius* I-12, III-19, III-26 and IV-13).

Trust

Within the Confucian organization, members would be bonded by trust-based contracts. The vertical and horizontal relationships would be largely informal and significance emphasis placed on trustworthiness, the result of building trust credit (Redding and Wong 1992: 281). Thus, each person would have a set of trust-based relationships with superiors and acquaintances, built upon the basis of reciprocity. Building trust credit develops and consolidates long-term interpersonal relationships. Thus, a favourable trust assessment would promise future repayment. But, trusting involves risks.

Management

The major task of managers in a Confucian organization would be to pursue organizational goals and interests by managing the interpersonal relationships and the relationship of relationships. The informal processes that take place within hierarchical (command-and-control) processes are those embedded in the social order. Thus, immediate—important and personal—‘others’ would have a central role, as such relationships cultivate the informal communications and dispute resolution processes within the formal organizational arrangements. Management’s role performance is driven by the interpersonal relationship rules embedded in the obligation networks. Loyalty, compliance, and trustworthiness has to be mutual, because employees who accept their assigned duties and obligations expect to gain management’s protection.

External control would be preferred, involving informal and personal rules relating to inputs and processes being formally transmitted as obligations and duties through the obligation network, thereby achieving mutual control. Employees would be assessed on their objective role performance (Ho *et al.* 2007) and managers on their paternalist actions (Redding and Wong 1992: 279). Indeed, management legitimacy would be based on paternal authority (grounded in the conduct of their social roles), maintained by trust accumulation (social capital accumulation) and reciprocity norms (emphasizing trustworthiness, compliance, and loyalty).

Management Style. This would be parental, directive, and authoritarian, with high-relationship and high-personal-task behaviour patterns. The intent would be to keep future action options open, which would involve communicating only general instructions, leaving the subordinates to deduce the precise requirements, so as to avoid being blamed in the event of failure and, thus, avoiding any risk of losing 'face'. Indeed, a person's responsibility, reputation, and authority "rest on his capacity to intuit the right strategy" (Redding and Wong 1992: 278). These management behaviour patterns are related to the leadership dimension of 'initiating structure', 'consideration', and 'moral character' (Bond 1992b: 77-78). Management is, thus, about avoiding blame and the attendant loss of 'face'.

Human Behaviour. Confucianism proclaims that people aspire to a harmonious life. Organizational behaviour would reflect the importance of harmony. It would be presumed that members would be satisfied with the attainment of harmonious, albeit ritualistic, interpersonal relationships. Organizations would, then, be able to anticipate the behaviour of members on the basis of their individualized a set of the obligatory choreographed social role performances. This makes behaviour subject to self-control, group control, and social control, achieved by the integration of aspirational relational cognitions—*humanness*, *propriety*, and *righteousness*—and self-disciplinary emotional cognitions—*shame* and 'face'.

Motivation. This would be by means of a set of intrinsic motivators (such as security, safety, self-cultivation, interpersonal obligation, harmony, shame, and 'face'), all of which would have to be compatible with *humanness*, *propriety*, and *righteousness*, which are the relationship rules and the ethical principles that govern social engagements. So, by enabling members—as family bread-winners—to meet their family's physiological, safety and security, interpersonal affiliation, and esteem needs is a significant motivator, because it enable them to maintain family affiliation, and so remain under its protection, and to preserve 'face' and avoid the shame that follows the failure to fulfil familial obligations.

In Confucian organizations there would be a clear instrumental connection between work effort and reward—material security and enhanced social status—that motivates people to work harder. The link is the traditional value of filial piety—"hard work is "a sense of responsibility [to family and] ultimately based on the onus of duty which turns into practice" (Kahn cited in Redding 1993: 6). This responsibility becomes more intense when there is high social pressure and high sensitivity to social influence, for this pressure could only be relieved when there is a guarantee of future prosperity, given material and esteem insecurity. Advancing family material wellbeing is also essential to maintaining family esteem needs within a status-conscious culture. The perception of work and reward is, thus, closely linked to the conception of family duty as an obligatory relational contract, reinforced by social expectation that creates rewards of desirable behaviours. This is encouraged by the social

expectation that filial piety maintains social stability and ensures material wellbeing. In the words of Chinese proverb: ‘among hundreds of virtue acts, *hsiao* [filial piety] be the first’.

In contrast, laziness would have negative connotations readily construed by highly sensitive social networks (Redding and Wong 1992). Non-conformity with group norms makes group identity insecure. Undesirable behaviour would be discouraged by the threat of being shamed, as a result of being incapable of fulfilling family duties and obligations, with the resultant risk of losing ‘face’. This, ultimately, would result in the loss of trust in social relationships and, eventually, would cause alienation from relationship networks.

Power and Compliance. Management power would be modelled on familial relationships. Tradition is a powerful source of authority, as *humanness, propriety, righteousness* guide people’s daily behaviour. The traditional beliefs—social hierarchy, the Five Cardinal Relations, and the theory of moral rectification (*zheng ming*)—are deeply embedded in Confucian social life. They are effective means of regulating individual and group behaviour, and influencing the outcomes of fate. Because luck influences events, and events and people are interrelated, fate plays an important role in the outcomes of social actions. Such influences determine the degree of dependence a person has on ‘others’ in an organisation.

Compliance would be voluntary on the basis of a cognitive commitment to accept the paternalist commitments advanced by Confucian managers. Confucian thinking emphasises governing by ethics (doing what is virtuous and exercising moral restraint). Thus, Confucian managers’ would be expected to perform acts that reveal their paternalism. In so doing, they would perceive paternal acts advancing their own self-cultivation, thereby moving them towards achieving *humanness*. On this basis, their followers would grant them then right to paternal authority, thereby enabling them to issue directive rules (those that ask, command, demand, permit, or caution). Thus, the assigning of duties and obligations in vertical relationships are primarily due to the actions of paternal father-figure managers. Employees willingly exchange loyalty, compliance, and trustworthiness for management’s protection. Thus, manager-employee relations are sustained by a personalised tacit moral code.

Decision-Making and Analysis. The organizational decision-making processes would be highly autocratic. Who makes decisions would be defined by membership of trust-presumed relationships. The decision-making process would be dynamic and decisions open to constant revision, so they would be changeable and rarely submitted to any external scrutiny.

Decision-relevant information would be that which can be verified by a wise person, who would draw upon traditional knowledge, as well as upon rational deductions and empirical evidence. If information is not so verified, its validity is denied, so becoming expressions of emotion or belief. Once, however, information is so verified, it would be analysed and interpreted by decision-makers applying relationally bounded rationality—the instrumental assessment of the cost and benefits of the decision options after consideration has been given to relational factors.

Decision-makers would try and find the relationally rational way of proceeding to the making of a decision. Their emphasis would be on making a reasoned decision, but with relational dominance constraining organizational considerations. This approach to decision making is made possible because relational and organisational goals always overlap. Decision-makers would willingly compromise organisational goals in the face of obligation and ‘face’ issues that require re-balancing the obligation networks, so as to save ‘face’ and assuage interpersonal conflicts. They would prioritise a decision’s organizational and relational importance, its urgency, and its value contestability. With respect to relational

importance, decisions would be made intuitively on the basis of two criteria: relational costs (who loses) and relational benefits (who wins).

Communications. Communication between a superiors and subordinates would not be open. It would be subtle and socio-emotional in style. Reciprocal communication, both verbal and nonverbal, and cultural restraint on personal displays of emotion, would make the act of communicating a scripted role performance requiring much hint taking.

Conflict Management. As the pursuit of interpersonal harmony would be more important than seeking the truth, a high degrees of certainty in human relationships would have to be maintained so as to avoid potential conflicts. Even though conflicts occur, they would most likely be covered up—“[t]he dissatisfaction among the subordinates and conflict between cliques are unlikely to be brought into the open” (Redding and Wong 1992: 280)—or underplayed, in the hope that it could be resolved without negotiation between the parties involved. Thus, interpersonal conflict is best avoided whenever possible.

The basic rule would be that it is better to take preventive action before any interpersonal conflicts happens, the resolution of which could well be complicated, even unachievable. When there is a disagreement with a superiors' judgement the golden rule would be: “honour the hierarchy first, your vision of truth second” (Bond 1992b: 83). Face-to-face confrontation would always be avoided in any way possible at any costs. Disagreement could only be expressed only in indirect and passive way (Ho *et al.* 2007). It would be resolved through the mediation of a third party, someone who could communicate the substance of the disagreement without offending either of the disputing parties, achieved by using mildly ambiguous language. If disagreement and conflict persist, a higher-level third party would be required to use positional authority to resolve the power struggle. In that event, the ‘face’ of both disputing parties would be compromised. The ultimate outcome would be for one or both of them to leave the organization.

RELATIONAL DOMINANCE’S IMPACT ON ORGANISATIONS

Under the sway of relational dominance, organisations can be characterized as follows:

- Having a structure that a centralised informal hierarchy, and a culture that is people-centred and didactic—“a social setting within which human actors play out their interpersonal roles and psychological dramas” (Bond 1992b: 72).
- Holistically dynamic, with emotion-dominating web of interpersonal relationships—each with customary duties and obligations (social roles)—that create an inclusive and subtle organizational overlay of obligation networks, which give rise to workplace relationships that tend to be harmonious because they are grounded in interpersonal reciprocity.
- Obligated to harmonize job specification with social roles, as the performance of relational duties and obligations is more important than being instrumentally rational, so, strengthening the influence of the informal organisation structure (obligation networks) over the formal organisation structure (rules and procedures).
- Dependent for their organizational harmony upon members having a sense of interpersonal obligations, which means that they must possess a keen altruistic sense of the wellbeing and interest of others, particularly ‘important others’ (otherwise the formal rules and practices would signify nothing) and perform

their relational duties and obligations with complete devotion, sincerity, and appropriateness.

- Able to maintain organisational order because subordinates are responsible to 'important others' for their social behaviour, and are subject to the disciplining effect of socially reinforced sanctions in the event of non-compliance, which is the social lubricant that maintains social harmony.
- Required to find relationally rational ways of making of decisions, such that decision-makers willingly compromise organisational goals in the face of obligation issues, grounded in relational costs (who loses) and relational benefits (who wins), that requires a re-balancing the obligation networks,
- Governed and managed by people who are aware that they need to meeting their customary relationship duties, obligations, and responsibilities, in order to build organisational harmony.

CONCLUSION

The essential character of an organization depends upon the tapestry of social relationships occurring within it. Social relationships are the product of the patterns of social interaction between people in a dynamic complexity of relational situations. This contributes to their 'self' identity and to their social identity as members of that organization (manifesting as its distinctive culture, grounded in the accepted organizational norms, shared beliefs, symbols, and narratives). These mutually recognized states of interpersonal connectedness portray the meaning-content of those interactions for their mutual interdependence and for the self-assessed subjective worthiness of those involved, both of which inform their choice of future courses of social action.

This paper has distinguished the organizational traits that follow the dominance of an organization by a socially foreordained web of interpersonal obligation that are brought to the workplace. By way of illustration, when these social relationship obligations are informed by Confucian moral principles, they delineate the archetypal Confucian organization. Such an organization can be characterized as having a centralized informal hierarchy; as being benevolently authoritarian; and as having a rich, varied, and intricately interwoven tapestry of organizational life. This is because it is people-centered and didactic, thereby being willing to accept and accommodate an inclusive, comprehensive, and subtle overlay of socially sanctioned and reinforced social obligations, which must be fulfilled in the workplace, as elsewhere, as socially sanctioned the moral requirement. The focus of management, which draws upon the power of relationships grounded in traditions and customs, is to pursue organizational goals and interests by managing interpersonal relationships and the relationship of relationships, so as to avoid interpersonal conflict and to gain organizational commitment and compliant behavior.

The organizational traits that follow the organizational dominance of a socially foreordained web of interpersonal obligation that are brought to the workplace define a distinctive organization form. It is one that stands in clear contradistinction to the impersonality of organizations in which people are individually responsible to themselves for their behaviour towards others, albeit within organizationally prescribed rules, which makes them insensitive to those they see as abstract others.

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AN EBAY SELLER'S DILEMMA SHIPPING – TO BUNDLE OR PARTITION

Peter Masters

KhonKaen University International College, Thailand

petmas@kku.ac.th

ABSTRACT

A fully rational bidder on eBay will base their purchase decision on the total cost incurred to obtain the item. Therefore, it will be irrelevant whether the seller bundles the shipping cost with the price for the actual item or partitions the item's price and the shipping cost. The paper used a field study to test this hypothesis by offering identical cell phone power banks for auction, holding seller determined variables constant, except for variable shipping cost (free or \$1.99) and the day the auction ended. The results did not support the rational bidder hypothesis; items using partitioned pricing and \$1.99 shipping cost (actual price shipping cost) achieved higher final revenue than items offering bundled pricing (actual price and \$1.99 shipping cost) achieved higher final revenue than items offering bundled pricing (price including free shipping). The study also did not find that, contrary to popular belief, ending the auction on the weekend will result in a higher final sale price.

Keywords: Online Auctions, eBay, Partitioned Pricing, e-commerce

INTRODUCTION

The most successful online auction site to date is eBay. The eBay marketplace is very competitive because there are often many sellers offering the same or similar items for sale, therefore sellers need to determine the most effective and efficient selling strategies. eBay offers sellers an auction facility or a fixed price 'Buy it Now' option, this study focuses on eBay's auction facility. A seller faces numerous decisions regarding an auction strategy, these include the auction opening bid price, auction length (3, 5, 7, 10 days), using a reserve price, item description (written, photos, video), day of the week to end the auction and the shipping method to offer (free shipping or buyer pays).

It is common for eBay sellers to separate the price a buyer pays for an item into two sections, firstly the price for the actual item and the other price for shipping and handling, referred to as price partitioning. Hossain & Morgan (2006) discuss the concept of mental accounting (Kahneman & Tversky, 1984; Thaler, 1985) where a buyer focuses on the actual purchase price but fails to adequately add on the related shipping cost. Therefore some

bidders will calculate the shipping fee fully or at least in part, while others may totally ignore this added cost (Hou & Blodgett, 2012).

An issue that this study shines a light on is eBay's campaign encouraging sellers to offer free shipping, for example the following information is available on the eBay website.

“If you offer free shipping in your listing—and we can confirm the buyer didn't pay for shipping—you will automatically receive a 5-star rating on your shipping and handling charges detailed seller rating.” (*eBay, 2013*)

“Attract more buyers and get higher placement in search results by offering free shipping.” (*eBay, 2013*)

Therefore, sellers that do not offer free shipping risk having their item being placed lower in the search results which can be a telling disadvantage in a competitive homogeneous category. Of course shipping is not free, therefore if the buyer does not pay, the seller must pay the cost for postage. Also image theory (Beach, 1993) suggests that individuals often create decision rules when they have numerous alternatives from which to choose, the alternatives that do not match these rules are rejected. eBay proposes that items offering free shipping attract a greater number of buyers, and suggests that many buyers may have a decision rule that requires only bidding on items that offer free shipping. In fact, eBay has a filter available that results in only auctions offering free shipping being displayed for any particular search query. Results from previous research support the proposition that a higher number of bids should positively affect the winning price of an auction (Hansen, 1985; Vincent, 1995; Bajari & Hortacsu, 2003; Reynolds, Gilkeson & Niedrich, 2009).

The format of this paper is as follows. First, the hypotheses and support from the literature. Secondly, the data collection process is described and summary statistics for the data collected are provided. Next, a description of the empirical results for the study are described. Finally, a discussion of the results, their limitations and the implications for future research.

LITERATURE REVIEW

Earlier research has explored a range of topics related to price partitioning and online auctions. Morwitz, Greenleaf & Johnson (1998) allocated names to each price partition, the *base price* and the *surcharge*; in relation to eBay auctions, the price of the item being auctioned is the base price and the shipping cost is the surcharge (“shipping cost” is used to represent the cost of shipping and handling). Morwitz *et al.* (1998) presupposed that firms implemented a price partitioning strategy because it would increase consumer demand and then argued that if consumers calculate the base price and the surcharge with the same accuracy as they use when considering the ‘bundled’ price, the partitioned price should not increase demand. The current study uses the number of bids as a proxy for ‘demand’.

Morwitz *et al.* (1998) proposed that surcharges had less influence on buyers than the base price because buyers either fail to process the surcharge or focus on the base price and adjust

insufficiently for the surcharge. Therefore, sellers using a partitioning price strategy may receive greater profits when buyers disregard the surcharge. Xia & Monroe (2004) asked participants to consider a desktop computer purchase where shipping and handling were either included or partitioned from the base price. Despite the fact that the total price was also presented in the price partitioned condition, purchase intentions were higher when the price was partitioned than when it was combined. The prediction that price partitioning can increase purchase intentions seems to challenge some findings from prospect theory (Kahneman & Tversky 1979) which propose that people prefer to integrate losses, and therefore would consider a lower total cost from bundled pricing than from price partitioning.

Choosing which day of the week to finish an auction is another strategy component for the seller to consider, however there is a dearth of literature available. Studies have found that auctions ending during the weekend result in higher final prices than auctions that ended on weekdays (weekend effect) and suggest that people are willing to bid higher for the same item when they have more time to consider the purchase (Wood & Kauffman, 2001; Melnick & Alm, 2002; Lucking-Reilly, Bryan, Prasad, & Reeves, 2007), however, Schamel (2004) could not support a weekend effect.

This study is important because it holds values for numerous elements regarding a seller's auction strategy constant, and thus allows focus on investigating the optimal shipping method and day to end an auction. Hou & Blodgett (2012) noted that keeping background factors like the starting bid and book value constant was a key to "isolating the effect of shipping fees" on consumers online bidding decisions. An important factor in this study is that the seller offered shipping without distinction between local and international destinations and this factor has not been investigated previously. All items were listed on eBay's U.S site but available on all eBay sites, the items were listed in US dollars and dispatched from Hong Kong.

HYPOTHESES DEVELOPMENT

Partitioned pricing refers to the price of a single product in which the surcharge represents an additional amount intrinsic to the overall purchase cost, like shipping and handling fees (Burman & Biswas, 2007).

The notion of revenue equivalence between different eBay listings for an identical product is quite simple. If, in two standard English auctions, the shipping costs serve as the only transaction cost paid by the bidder, then the bidder uses the total cost of the item (price plus shipping) in the decision making process and selects the item that has the lowest total cost, regardless of how that cost is structured between the price and shipping charge. Therefore:

Item A ₁ [Free shipping]	Final bid + Shipping (\$0.00) = R₁
Item A ₂ [Buyer pays shipping]	Final bid + Shipping (\$1.99) = R₁

Where R_1 = Seller's final aggregate sale revenue

H₀. An item offering 'Free Shipping' (bundled price) will achieve the same final aggregate sale revenue (R_1) as an identical item offering shipping at a fixed, specified cost (partitioned price).

H₁. An item offering 'Free Shipping' (bundled price) will achieve a higher final aggregate sale revenue (R_1) as an identical item offering shipping at a fixed, specified cost (partitioned price).

Impact of the number of bids on final sale price

Standard auction theory proposes that a greater number of bidders will positively impact the final sale price (Hansen, 1985; Vincent, 1995). This supports EBay's statement that offering free shipping will result in more bids. Willcox (2000) argues that this positive association results from there being more information available for each bidder. Auction fever suggests that even rational bidders with access to perfect information can be affected by profound emotion (Ku, Malhotra & Murnighan, 2005).

H2a. An item offering 'Free Shipping' (bundled price) will receive a greater number of bids (demand) than an identical item offering shipping at a fixed, specified cost (partitioned price).

H2b. An item with a greater number of bids (demand) will achieve higher final aggregate sale revenue for an identical item

Weekend effect

Much of the advice found on EBay seller forums suggests that sellers should end their auction on the weekend, because it will attract more bidders as people have more leisure time to participate in online auctions on weekends. Wan and Teo (2001) suggest that people who are interested in bidding on eBay can do so with ease because bids can be submitted anytime anywhere. Earlier studies have found the weekend effects on auction price were not significant (Lucking-Reilly, 2000; Lucking-Reilly *et al.* 2007; Wan & Teo, 2001; Melnik & Alm, 2002). Schamel (2004) could not support a weekend effect, finding that auctions ending on Mondays and Saturdays resulted in final selling prices 6% higher (at 1% significance) relative to the Sunday base, while Tuesdays and Wednesdays showed no significant difference.

H3. Auctions ending on the weekend (Saturday, Sunday) will achieve higher final aggregate sale revenue than auctions ending on weekdays

METHODOLOGY

Seller controlled variables

The primary interest of this study is learning the validity of suggestions and policy found on the eBay website regarding the benefits to sellers of offering free shipping as compared to buyers paying a shipping fee (policy) and the weekend effect (suggestion). To investigate these issues dummy variables are allocated; free shipping = 0 and \$1.99 shipping fee = 1, while auctions ending on a weekend = 1 and week days = 0. Any seller controlled variable that could have an effect on the dependent variable (final selling revenue), other than the independent variable (shipping method) has been controlled to keep them from affecting the dependent variable.

- a. Identical item = 2600mAh POWER BANK external portable USB battery charger for mobile phones
- b. Opening bid = \$0.01
- c. Description = identical written description and photos (see Appendix A)
- d. Worldwide shipping = Standard international mail
- e. Auction duration = 5 days

Note:

- i. *This seller offered at least 4 items for auction every day of the study period.*
- ii. *The ending time for each auction in this study was between 02:56:19 and 03:05:36 PDT [a gap of less than 10 minutes]; therefore potential bidders had easy opportunities for comparison.*
- iii. *Note: \$1.99 shipping fee is 35.86% of the average final sale revenue for free shipping*

DATA COLLECTION

Data were collected directly from www.eBay.com on a daily basis, during a five-week period in June and July 2014. Auction data for this study were recorded for an identical item, 2600mAh POWER BANK external portable USB battery charger for mobile phones, being offered by a single seller (bg27cyf). The data recorded includes the following elements: shipping method (free shipping, buyer pays \$1.99 shipping), number of bids (as calculated by eBay, including multiple bids by a single bidder) and final selling price (winning bid). The five-week period was used to lessen the potential for market price changes due to the release of new models or technology. The high sales volume of these items assisted the data collection process. For example on 25th June 2014 at 15:00 there were 9,283 2600mah USB

power bank items listed for sale, of which 189 were being offered using the auction format, with 32 auctions ending within next 24 hours.

SUMMARY STATISTICS

**TABLE 1: A SUMMARY OF THE DATA COLLECTED FROM 133 AUCTIONS
(N=133)**

Summary statistics - mean(<i>stdev</i>)		
	Free shipping	Buyer pays \$1.99 shipping
Number of bids	14.81 (5.23)	14.12 (6.54)
Final aggregate sale revenue	\$5.55 (1.40)	\$7.61 (2.88)
Weekend average aggregate sale revenue	\$5.14 (0.75)	\$6.62 (0.25)
Weekday average aggregate sale revenue	\$5.81(0.33)	\$7.98 (0.89)

Each of the 133 auctions in this study resulted in a sale. The auction outcomes displayed a considerable variation in the number of bids, minimum being 5, and the maximum being 34 bids.

DATA ANALYSIS AND FINDINGS

A test of the revenue equivalence theorem relating to partitioned pricing in eBay auctions.

H1 stated that an item offering free shipping (bundled) will achieve a higher final sale revenue as an identical item offering shipping at a fixed, specified cost (partitioned price @ \$1.99). A one-way ANOVA was conducted to compare the effect of shipping options on final selling revenue in free shipping and buyer pays \$1.99 shipping fee conditions. The final selling revenue differed significantly across the two shipping options at the $p < 0.05$ level, $F(1, 132) = 30.52, p = .000$. The results clearly indicate that an item offered with a \$1.99 shipping fee component results in higher final sale revenue than an item offering free shipping, thus H1 is not supported.

This result supports the proposition that shipping charges have less influence on buyers than the base price because buyers either fail to process the shipping charges or focus on the base price and adjust insufficiently for the shipping charges (Morwitz *et al.*, 1998; Xia & Monroe, 2004).

Impact of the number of bids on final sale price

H2a stated that an item offering free shipping will receive a greater number of bids than an identical item offering shipping at a fixed, specified cost (\$1.99). In other words, sellers following eBay's suggested strategy will benefit from extra bidders being attracted to the items they list for auction. A one-way between subjects ANOVA was conducted to compare the effect of shipping options on the number of bids received, in free shipping and buyer pays \$1.99 shipping fee conditions. The analysis revealed that the shipping option did have a significant, positive, though relatively minor effect on the number of bids received. The number of bids received differed across the two shipping options at the $p < 0.05$ level, $F(1, 132) = 11.95$, $p = .000$. The results indicate that an item offered with no shipping fee component (free shipping) results in a greater number of bids than an item offering shipping at a fixed, specified cost (\$1.99), thus H2a is supported. However, the actual difference between the average number of bids [free shipping = 14.81 ; buyer pays \$1.99 shipping fee = 14.12 ; 6.8%] is relatively minor.

H2b stated that an item that receives a greater number of bids than an identical item will achieve higher final sale revenue. As mentioned above, this follows eBay's recommendation to sellers. A one-way ANOVA was conducted to compare the effect of the number of bids on the final selling revenue in free shipping and buyer pays \$1.99 shipping fee conditions. The analysis revealed that number of bids did have a significant, negative effect on the final selling revenue across the two shipping options at the $p < 0.05$ level, $F(1, 132) = 11.95$, $p = .000$. The results indicate that an item receiving a greater number of bids (free shipping) achieved lower final sale revenue than an item offering shipping at a fixed, specified cost (\$1.99), thus H2b is not supported.

Weekend effect

H3 stated that auctions ending on the weekend (Saturday, Sunday) will achieve higher final sale revenue than auctions ending on weekdays. A one-way ANOVA was conducted to compare the effect of ending the auction on a weekend or a weekday on the final selling revenue in free shipping and buyer pays \$1.99 shipping fee conditions. The analysis indicates that ending auctions did have a significant, negative effect on the final selling revenue across the two shipping options at the $p < 0.05$ level, $F(1, 132) = 8.32$, $p = .004$. The results show that auctions that end on a Saturday or Sunday achieved lower final sale revenue, thus H3 is not supported.

DISCUSSION AND FUTURE RESEARCH

A primary issue for people who use online auction sites is the shipping fee decision. Should they specify a shipping fee as a separate component to be added to the price for the actual

item or combine these into one bundled price, referred to as free shipping? Obviously, shipping is not free; someone needs to pay and sellers using the eBay auction platform need to consider eBay's policies that reward sellers that offer free shipping. Another important factor for sellers using online auction sites is deciding which day of the week to end their auctions to gain the highest sale price.

The findings indicate that sellers benefit significantly by partitioning shipping fees rather than offering free shipping. Sellers offering free shipping received \$5.55 (average) per item, while sellers requiring buyers to pay a shipping fee received \$5.60 (average) per item plus \$1.99; resulting in a \$2.04 or 36 percent premium. The size of the premium is a surprise because the shipping fee was clearly displayed under the current bid price. This may be due to the seller offering a standard, international shipping fee, resulting in the buyer's loss aversion was lowered (Kahneman & Tversky, 1979; Tversky & Kahneman, 1991). This finding is particularly noteworthy as eBay actively encourages sellers to offer free shipping based on the conclusion that free shipping indirectly affect final sale price via an increased number of bids (Hou & Blodgett, 2012). Interestingly, the items offering free shipping did receive more bids, a relatively minor but statistically significant 6.8 percent, but this did not result in these items achieving a higher final sale revenue.

Another interesting finding was that the weekend effect was not supported. The results show auctions offering free shipping and ending on weekdays achieved a 12 percent premium when compared to those ending on weekends. Auctions requiring \$1.99 shipping fee and ending on weekdays achieved an 18 percent premium when compared to those ending on weekends. These results do not support findings reported by several previous studies (Wood & Kauffman, 2001; Melnick & Alm, 2003; Lucking-Reilly *et al.* 2007). This may result from the opening of the huge mobile market by the introduction of the iPhone in 2007 with its user friendly touchpad design and the Android operating system in 2010. In 2013, eBay's mobile commerce (smartphone & tablet) volume increased by 75 percent, eBay increased its mobile users by more than 3.2 million individuals and 22 percent of eBay's sales were made via mobile (<http://www.retailinasia.com/article/tech/technology/2013/10>).

It would be interesting to compare the results of this study with a study, using the same variables, of auctions using an item from a different product category. Further, it would be useful for future research to examine the effect of offering this item at a Buy it Now set price on final selling revenue using the same variables.

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THE ROLE OF BANJAR CULTURE IN IMPROVING ORGANIZATIONAL PERFORMANCE THROUGH THE DEVELOPMENT OF BUSINESS UNIT CENTER TOWARDS SELF-RELIANCE CIVIL SOCIETY ORGANIZATION IN THE MUNICIPALITY OF BANJARMASIN - SOUTH KALIMANTAN

Hastin Umi Anisah, Wimby Wandary, and Widyarfendhi
Economy and Business Faculty, Lambung Mangkurat University
Banjarmasin, South Kalimantan, Indonesia, 70123
hastin_umi@yahoo.com

ABSTRACT

This research aims to shove Civil Society Organizations (CSOs) as Non-Profit Organization to be self-reliance in their funding, by applying Banjar culture to improve organizational performance. It targets the development of Central Business Unit as a mean towards CSOs independency.

Test of quality data excluded two data sources as outlier data with the result 34 data that normally distributed for instrument analysis. Validity testing output for Banjar Culture provides instruments with r -value above r -table of 0.3891 with its reliability score of 0.792. Meanwhile, the validity testing output for CSOs performance provides instruments with r -value above r -table of 0.4187 with its reliability score of 0.885. The simple regression proofed the model is not significant to explain the role of Banjar Culture in improving CSOs performance; in line with the accepted hypothesis null statement (Application of Banjar culture will not improve CSOs performance significantly). This research suggest for specific sample of population in assessing culture, especially at community organization or organization which are specialized in culture as well, because the culture live in personal context, not in the professional context. In addition, applying local cultures does not against the value of professionalism as long as they are the cultural values that promote the best interest for all and uphold partnership than individualistic.

Keywords: Banjar Culture, CSOs Performance, local culture

INTRODUCTION

The government's efforts in enacting and ratifying the amendment of the Bill on Societal Organization (*RUU Ormas*) number 8 in the year of 1985 is angling pros and cons among civil society organization. The growing refusals of the Bill are sets off by several reasons, such as: the apprehension of congregate prohibition to reveal their aspiration and opinion in written or spoken manner; there are negative perception toward civil society organization that their existence incline to be dysfunctional rather than holding the pass to the community interest. Civil society organizations viewed as a problem maker as they are judge for being not objective since external resources fund their activities. It grows the hesitation that they are not carrying out the community interest as they are but endeavor their sponsor's interest. Other resentment to the Bill is the doubt of its capacity to accommodate the diversity of civil society organization in the country. However, the government considers it necessary

to control the large number of civil society organizations existed, as there were 65.557 registered organizations (Ministry of Home Affairs in al Hamzah, 2013) with membership capacity ranging from minimum to millions. It necessities related to the civil society organization activities and characteristics that each of their program must always interconnect to society.

CSO's/ NPO's independency largely depends on several aspects such as the basic philosophy, financial, and practical political traction. Especially in the reformation era today, there is many CSO's independence eroded by leaving idealism towards pragmatism. They are gets caught in the traction of practical political interests, either explicitly or implicitly. This kind of traction is often encouraged by the financial aspects. CSO's affiliate with and are involved to bear unhealthy practical politics interest and some of them are fully depends on the abroad funding. In such conditions, only stand alone professional attitude to define them as a good and respectable organization. To make it happen, it takes independence and idealism that is free from the mentality of *inlandeer*.¹⁰ The state should provide the nationalistic political education in the development of self-reliance and professionalism for CSOs as the form of responsibility for state management to the public. In Banjarmasin, the municipality capital of South Kalimantan Province, there is 26 registered CSOs that legitimating themselves in Government Office for National and Political Unity (*Kesbangpol*) from total 126-listed organization. The 36 CSOs declared themselves engaged in the field religious, cultural, environmental, and other public interest as the basic requirement from the government. The tracking of randomly picked CSOs finds that there are CSOs that only live just to receiving any financial assistance with the minimum social activities and sometime there are failures in address search to find their listed address. Their address does no longer exist or there is no such kind of address. This circumstance is quite alarming, because people sell societal value for money that mainly caused by their inability of generating funds independently. Under the cultural perception, CSOs communities live in a strong Banjar cultural environment that is firmly rooted. We see it as resources to improve the organizational quality. Therefore, this study focuses on empowering civil society organizations to be self-reliance by utilizing Banjar culture to improve their organizational performance.

LITERATURE REVIEW

The Banjar Socio-Cultural Values: The General Characteristics

Among numerous tribes in Indonesia, Banjar tribe is one of the tribe that uphold their traditional cultural concept that by Daud (2000) expressed in two main characteristics. The first characteristic is the believe that to live is to face the challenge, by working to be prosperous. These believe lived under the strong religious value that provides boundaries to stand on one's last legs in work. In consequences, people limiting their hard work until they perceive their life is quite prosperous. Moreover, when it was quite prosperous, people tend to start living a more relaxed by pursuing the practices of religion. In the end, some communities affirm that life is for charity worship. The last characteristic is quire controversial to the religious values by having a traditional view. There are two common traditional view stated, they still believe in magic - still cannot accept the rational view that

¹⁰ Slave mentality, since the country have been colonized for about 350 years

requires them to break away from the magical belief, and they cannot rely on the honesty. Thus, on various occasions and circumstances, people still turned to the magical effort and guided by the belief that "it's ok for a bit dishonest". Beside those two general characteristics, there is also non-material culture of the Banjar ethnicity that is abstract and pervasive in the pattern of attitude, mindset, feelings and many aspects in daily life which in regional languages known as conception of *bubuhan*, *papadaan*, *gawi sabumi*, and *kayuh baimbai* (Subiyakto, 2010).

Bubuhan is the term and mention for a certain clan or family members. *Bubuhan* system expressed as a function of the collective life of the community since the time of royal Banjar, characterized with more targeted measures to collective families who adopted and maintained as a tradition in social life. It can simply state that the *bubuhan* is a family bond - based on the similarity of descendants and ancestors. The main principal for this cultural concept is support each other, help each other and work together as long as there is a common ancestor. For example, in the old days during the colonial era, two *bubuhan* will unite through marriage to strengthen them against colonialism. In advance, the concept of *bubuhan* is no longer base on the similarity of ancestry, but on shared interests.

The second cultural concept is *papadaan*. It is a term and mention for fellow being, the expansion of *bubuhan* cultural concept - which be likened that *papadaan* contain of a lot sets of *bubuhan*. The value contained in the concept of *papadaan* is a peaceful way between *bubuhan*, because of its broad flexibility spectrum. As a cultural element of Banjar culture, *papadaan* have a high value of solidarity, proactive and productive, which tends to contradict with cultural concept of *bubuhan* that more narrow, egocentric and group individualistic.

The third cultural concept is *gawi sabumi*. This term is synonymous with mutual assistance. This is a good point, but philosophy in this the cultural concept is the mutual activities creates reliance on others, described with a group of people that working odd jobs to make things done. Impact of this cultural concept is the imbalance workload, because the job is well done but the quality of the process is quite poor. We need to consider that not every job are well be done by mutual assistance.

The last cultural concept is *kayuh baimbai*. It literary meaning is rowing together and perceived as partnership. This cultural concept contain values to work together in order to achieve certain goals, thus it has a target to achieve and have a clear planning and clear task distribution. Broadly speaking, this conception contains the values of harmony, mutual respect, mutual trust, mutual help and mutual aid. It is simply say that live is to serve.

CSOs Organizational Performance

As non-profit organization, CSOs enjoy considerable autonomy in defining the mission, set goals, and develop strategies to achieve its goals. In addition, non-profit organizations receive tax exemptions, and their donors receive tax deduction. The tax deduction that represents a loss of government revenue and it considered as a form of tax subsidies. Implicitly declares that within a certain range the non-profit organizations uses the public funds. This condition drives society concerned to ensure the accountability of non-profit organizations - that they are responsible for the entrusted resources, and uses it to pursue their social mission.

There are three main mechanisms for non-profit organizations to be remaining accountable. They are the role of law; self-regulation (in the presence of: standards and accreditation as the third party recognition of its competence); and the disclosure, the

observable upholds the non-profit behaviour to be seen by donors, media and other relevant parties (Uk.sagepub.com, 2008). Civil society organizations is an organization formed by community members, Indonesian citizens voluntarily on the basis of similarity of activity, profession, function, religion, and belief in God Almighty, to participate in the development in order to achieve national objectives within the Unitary State of the Republic Indonesia which in accordance to Pancasila. It is stated in Part I, General Provisions: Article 1 of Act Number 8 in 1985 about Civic Organization (Jabar.kemenag.go.id., 2014). Updated act that triggers the controversy define that Civil society organizations is an organization an organization founded and formed by a voluntary society based on common aspiration, desire, needs, interests, activities, and goals to participate in development in order to achieve the purpose of the Unitary Republic of Indonesia based on Pancasila (icnl.org., 2014). Thus, the act establishes the civil society organization objectives. The stated objectives emphasizes at several reason for the CSOs existence. One of the objectives for establishes CSOs is to lever community participation and empowerment. Moreover, they also provide services to the society; maintain the religious value and belief in God Almighty; preserve and maintaining norms, values, morals, ethics, and cultural life within the community; conserve natural resources and the environment; developing social solidarity, mutual help, and tolerance in society; establish, maintain, and strengthen national unity; and comprehend the goal of the state.

The flourish interest to find out the role of culture to variety variable seems never get into its edge. Chrisman, Chua, and Steier (2002) empirical study involving region, urbanization, nativity, ethnic mix, and family involvement in examining culture dimension. They were interested in finding culture's role in shaping perception toward organizational performance. Research conclusions implicitly stated that culture has no influence toward perceptions. They suggest testing it in other location and other culture. This research try to find out how culture - as means - in lever organizational performance.

Research Hypothesis

- H₀ Application of Banjar culture will not improve CSOs performance significantly
H_a Application of Banjar culture will improve CSOs performance significantly

RESEARCH METHOD

In finding the role of Banjar culture in improving CSOs performance, developed questionnaire aimed to gather primary data to be analyze. Development of questionnaires items is passing through several phases briefly as this below rationalization.

Banjar Culture as Independent Variable

According to Subiyakto (2010), indicators for Banjar Culture consist of four below cultural concept to build up questionnaire items. First indicator: cultural concept of *bubuhan* is use to make available several items. They are: Similar interest; Shared goal; Similar opinion; Sense of superiority; Mastery in life; Being actor in neighbourhood; Finding solution in their own way; Acting as their own way; Establishing the best decision according to their own belief. The second indicator: cultural concept of *papadaan* is use to make available several items as: Agreement to things that consider as important; Shared objective; Shared belief; Live in harmony along with the values in good manner; Betterment of self-conduct first; being egalitarian; Acting in line with its purposes; Being effective; and Being efficient. The third indicator for cultural concept of *gawi sabumi* is use to make available several items. They

are: Comprehend the job's responsibility; Acknowledge the purposes of doing things; Doing their best in working available tasks existed; Just do thing as they are; Avoid of being see as jobless people; the Fourth indicator: cultural concept of *kayuh baimbai* is use to make available several items. They are: Clear organizational vision; Clarity of mission; Clarity of program's purposes; Clarity of objective; Clarity of action; Well job distribution; Concern for individual capacity in task distribution; and Always have a person in charge for every activities.

CSOs Performance as Dependent Variable

According to Wibisono (2011), there are five indicators in figure up CSOs performance.

The first indicator: the suggestion and community feedback is use to make available these questionnaire items: Community suggestion to CSOs and CSOs feedback to community. The second indicator: outreach is use to make available these questionnaire items: Relationship to society and Society's assessment to CSOs output. The third indicator: community and other CSOs support is use to these questionnaire items: Community support and Other CSOs support. The fourth indicator: Partnership to other CSOs and to local government is use to make available these questionnaire items: Relationship among CSOs and Relationship to local government. The fifth indicator: Press-covering is use to make available items: CSOs relationship to local newspaper media and CSOs relationship to local TV media.

Respondents Characteristic

Distributed questionnaire generates primary data that to be examining to describe respondent individual characteristic and to detect whether there are outliers – the not normal distributed data. The respondent individual characteristic describes as follow:

- 1) Among 36 respondents there are 55.56% male and the rest of it are female. The slight distinction shows that there is still male dominance in operating CSOs for reasons. Assumed that females are valued as domestic manager, their orientation is more string to household activities especially for wives. Without their husband's blessing and permission, even though they insist to join a certain CSOs, they will burden with the unbalance CSOs – life. It is the eastern perspective toward women that sometime that still well maintained. For the next individual characteristic, not every respondent fill the blanks about their individual information. It is occurring in provide information about their age.
- 2) There are 30 respondents willingly filled the blanks about their age. From those willingly respondents, it found that they are in ages of 41-50 years old. It can be assumes that be the CSOs members is an effort of pursuing a certain target, because in those range of ages, people are already bear a certain responsibility. Being CSOs member is not their primary activities perhaps – but to support them. They are able to plan and maintain its balance so both activities are not predatory to one another.
- 3) Respondent's educational information shows that there are two respondents are leaving it blank. There are more than 50% of respondents are above high school educated. They are diplomas, bachelors, masters, and even doctoral degree. Under these circumstances, the high level of education provide positive expectation for professional CSOs and well maintained organization in pursuing social goals.
- 4) For membership period, all respondents are willingly to provide the information. One period of membership is equal to 5 years. Among 36 respondents, 33.33% are newbie,

while the rest is about 3 years until more than 9 years of membership period – equal to 6 years to more than 15 years. The newbie assume to be more practical than idealistic. They are more pragmatic than idealistic.

Descriptive Statistic for Primary Data

The result from descriptive statistical analysis as we can see in Table 1 provides information that:

- 1) Among 36 respondents, the average score for Banjar Culture is 3.7019, with Deviation Standard of 0.54530. This result shows a small variations since the score for Deviation Standard is below 20% of mean ($0.54530 < 0.740389$). Full agreement of the questionnaire item positive statement represent in average score of 4. The value of 3.7 represent the hesitant of respondent to the situation provide in the questionnaire items which mean they are not fully agree that they apply Banjar Culture in their CSOs activities, that they are not fully apply the cultural concept of *bubuhan*, *papadaan*, *gawi sabumi*, and *kayuh baimbai*.
- 2) Meanwhile, the average score for CSOs performance is 4.20 with Deviation Standard of 0.415 that is illustrate a small variation since the score for Deviation Standard is also below 20% of mean ($0.415 < 0.839833$). The average score of 4 represent an agreement about positive statement in measuring CSOs performance, that they are: take and receive the suggestion and community feedback; provide positive outreach; receive community and other CSOs; make partnership to other CSOs and to local government; and they press-covered.

TABLE 1. DESCRIPTIVE STATISTIC

	N	Minimum	Maximum	Mean	Std. Deviation
BanjarCulture	36	1.00	4.58	3.7019	.54530
performance	36	3	5	4.20	.415
Valid N (listwise)	36				

Source: primary data processing in 2013

- 3) To provide a good primary data for the next analysis, outlier data is required to be detecting for exclusion. Resulted z-score form analyses must be in range of -1.96 to +1.95 for level of significance 5%. As illustrate in Table 2,

TABLE 2. Z-SCORE

Resp number	Zbud	Zkin	Resp number	Zbud	Zkin
1	1.06	1.93	14	0.90	-0.26
2	-0.35	0.60	15	-0.04	-0.26
3	0.20	0.17	16	-0.06	-0.91
4	0.33	0.99	17	-0.63	-0.48
5	-0.06	-0.50	18	-0.50	-0.26
6	-0.17	-0.48	19	-0.26	-0.05
7	0.29	-0.91	20	-0.59	-0.48
8	-0.44	-0.48	21	0.01	-0.12
9	-0.22	0.60	22	0.80	1.28
10	-0.17	-0.48	23	-0.06	-0.48
11	-0.06	-1.56	24	-0.10	1.28
12	1.61	-0.70	25	0.56	-1.68
13	1.15	0.60	26	0.82	-0.26

14	0.90	-0.26	27	0.27	1.93
15	-0.04	-0.26	28	0.11	1.06
16	-0.06	-0.91	29	0.00	0.00
17	-0.63	-0.48	30	-4.95	1.93
18	-0.50	-0.26	31	-0.43	-2.24
19	-0.26	-0.05	32	0.60	-0.48
20	-0.59	-0.48	33	0.36	1.50
21	0.01	-0.12	34	0.55	0.17
22	0.80	1.28	35	-0.17	-0.48
23	-0.06	-0.48	36	-0.37	-0.48

Source: primary data processing in 2013

Between 36 respondents, there are 2 outlier data came from 2 respondent number 30 for Banjar Culture with z score -4.95 and respondent number 31 with z-score -2.24 that both score are out of required range. Those data will exclude from validity testing.

Validity and Reliability Test

Validity Reliability Test for Banjar Culture Instrument

This test performed to determine the validity of a measuring instrument. Determining r-table score for $df = 33 - 2 = 31$ with level of significance 5% draws interpolation since 31 is not listed in r-table. Interpolation conducted by averaging r-table score for df 30 and df 35 as: $(0.349 + 0.325) : 2 = +0.337$. Thus, r calculation must be positive and its score is more than r-table to meet the validity criteria. Resulted that valid data acquired in third validity round test and 21 items are not qualified.

TABLE 3. R-TABLE/ CORRECTED ITEM TOTAL CORRELATION
Valid in 3rd round
Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
A8	43.2294	21.474	.390	.789
B1	41.8382	22.473	.340	.792
B7	41.4147	23.475	.576	.769
B9	41.3441	24.260	.539	.775
C3	41.3500	23.932	.528	.773
C4	41.6912	22.437	.469	.773
C5	43.1265	21.243	.523	.767
C6	43.4324	21.917	.387	.787
D4	41.1618	24.658	.419	.781
D6	41.4029	23.197	.521	.770
D7	41.3500	23.314	.529	.770
D9	41.1971	24.529	.464	.779

Source: primary data processing in 2013

Since all data already meet the validity criteria, then the analysis continue to the reliability analysis. R-table score for $df = 12 - 2 = 10$ with level of significance 5% resulted in r-table

score for 0.3981. The resulted Cronbach alpha of 0.720 (in table 4) puts the rest of item meet its reliability criteria.

TABLE 4. RELIABILITY SCORE
Reliability Statistics

Cronbach's Alpha	N of Items
.792	12

Source: primary data processing in 2013

Validity and Reliability Test for CSOs Performance Instrument

R- Table score for this instrument found under $df = 11 - 2 = 9$ with the r-table score of 0.4187 under level of significance 5%. Resulted that valid data acquired in third validity round test and 3 items are not qualified.

TABLE 5. VALID DATA FOR CSOS PERFORMANCE
Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
YA1	33.8265	10.767	.573	.877
YB1	33.7676	10.700	.668	.870
YB2	33.9324	10.806	.632	.873
YC1	34.2618	10.652	.473	.889
YC2	34.2029	10.274	.519	.886
YD1	33.9324	10.370	.791	.861
YD2	33.9059	10.078	.702	.866
YE1	33.9265	10.219	.740	.864
YE2	33.8676	10.444	.756	.864

Source: primary data processing in 2013

Since all data already meet the validity criteria, then the analysis continue to the reliability analysis. R-table score for $df = 9 - 2 = 7$ with level of significance 5% resulted in r-table score for 0.4187. The resulted Cronbach alpha of 0.885 (in table 6) puts the rest of item meet its reliability criteria.

TABLE 6. RELIABILITY CSOS PERFORMANCE INSTRUMENT
Reliability Statistics

Cronbach's Alpha	N of Items
.885	9

Source: primary data processing in 2013

Simple Regression Model

TABLE 7. MODEL SMMARY
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.072 ^a	.005	-.024	.45832

a. Predictors: (Constant), BB

Source: primary data processing in 2013

Input for regression analysis in determining effect of Banjar Culture toward CSOs performance is the Reliable data. Processing data for simple regression resulted in correlation coefficient value (R) is 0.072 is considered as very low. It is show the very weak relationship among research variable. Determination coefficient (R^2) tells how good the regression model is, formed by independent and dependent interactions in value of 0.005. It tells that Banjar Culture affecting CSOs performance only in 1%. It is an extremely low – that is almost has no influence at all.

TABLE 8. LINEARITY OF REGGRESION
ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.037	1	.037	.177	.677 ^a
	Residual	7.142	34	.210		
	Total	7.179	35			

a. Predictors: (Constant), BanjarCulture

b. Dependent Variable: CSOsPerformance

Source: primary data processing in 2013

Determining Linearity of the regression was by the significant value, (F-test) that is requires below 0.05. With the significant value above 0.05, it is 0.677 (Table 8) the regression model build from research data is not significant. The linear regression model does not meet the linearity criteria. This mean that the regression model cannot be utilize to predict the role of Banjar Culture to CSOs performance. There are certainly other variables possessing the significant role to lever CSOs performance – and that is not the local culture even in the reality it shows their significant influence.

TABLE 9. MODEL FOR REGRESSION
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.427	.465		9.521	.000
	BanjarCult	-.052	.123	-.072	-.420	.677

a. Dependent Variable: Kin

Source : Processed primer data, 2013

Resulted constant and Unstandardized Coefficient B forms below regression model:

$$Y_{CSOsPerf} = 4.427 - 0.052_{BanjarCulture} + e$$

The constant value of +4.427 means: without Banjar Culture, CSOs performance is already positive. The relationship among variables is negative (from B _{BanjarCulture} of -0.052) that interpreted as increasing Banjar Culture will lowering CSOs Performance or lowering Banjar Culture will increasing CSOs Performance.

Hypothesis Testing

Analysis deliver the t-count value of -0.420 compare to t-table value 1.89458 (from $df = 9 - 2 = 7$). It turn the t-count is smaller that t-table value, thus H_0 is accepted that the Application of Banjar culture will not improve CSOs performance significantly.

Implication in the Result of the Study

Theoretical Implication

The previous study by Chrisman, Chua, and Steier (2002) found that culture has no significant effect to perception toward business performance and they were suggesting doing investigation in other culture and in other region. The finding in this research is get along with their finding that culture has no significant influence to organizational performance (the CSOs performance).

Managerial Implication

People lives within their own values rooted from their basic culture, thus it become their personality, which differentiate them to other culture. When CSOs are not yet self-reliable, they always wait for external donation, which is susceptible to be pragmatic because its donors interest. Assume the CSOs no longer uphold their idealism or at least well maintain its reason for existence for social purposes as determine in the Act for Civil Organization. Afterwards, there is nothing wrong with applying their local culture; in this case is Banjar Culture, professionally.

CONSLUSION

Result

The research conducted that promoting the role of Banjar Culture to be advantage CSOs performance finds that in CSOs on Banjarmasin - the application of Banjar culture does not improve CSOs performance significantly by accepting H_0 . Thus, it will not provide enough support in developing the strategic business unit for them to be the self-reliance CSOs. Even though in daily activities, the Banjar cultures clear observable in its application.

Suggestion

There is an open door for them for being elective to practicing the relevant values of Banjar culture to increase their organizational performance, such as the cultural value of *papadaan* and *kayuh baimbai*. The culture value of *papadaan* is promoting the best interest for all and the other one is promoting partnership than being individualistic with upholds a high value of solidarity, proactive and productive,

Culture is more limited to whom they believe its norms. In assessing culture as variable, we think it will be better if focusing in specific population live in the same context of culture who brought together into a certain community organization specializes in culture, not in general community organization.

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**WORKING PAPER BY PROFESSOR ROGER SMITH, UNIVERSITY OF
WESTERN AUSTRALIA**

***KOESTLER THE CATALYST - CONNECTIONS TO MANAGEMENT AND LIFE
FROM A 20th CENTURY POLYMATH***

(Presented for UWA Extension Services "Great Dates in History" lecture series, September 2001)

September 5, 1905 is a date I consider to be significant because it is the day Arthur Koestler entered this mortal coil. As I hope to show, Arthur not only had a remarkable life, but he also had a significant impact on his world as one of the great men of letters of the 20th century. My caveat for this talk is that I am not an expert on Koestler or his works but rather someone who understands a little about him and who stands in awe of his achievements.

I met Arthur Koestler, via his writing rather than in person, in 1966. In my role as a training officer at that time with WA company CSBP & Farmers Ltd, I was designing and conducting supervisor and manager courses. When looking for information for a particular session on creativity my manager, a person of wide ranging interests and a rather formidable intellect, suggested I read Koestler's book "The Act of Creation". It blew my mind both as a brilliantly written explanation of the creative process and as a source of some very useful examples of creative thought. I still use the Buddhist monk problem in my classes on entrepreneurialism. I suspect that Edward De Bono owes not a little to the ideas espoused by Koestler.

Since that time I have read a number of Koestler's works and incorporated many of his concepts and ideas into my teaching of management, particularly when I want to present alternative views to the logico-quantitative approach that is so prevalent in our education system and in academic research on management and its associated disciplines. There is a paradox here in that Koestler chose sciences in both his secondary and tertiary studies and maintained a life long interest in the area.

Let me briefly introduce Arthur to you before I present and discuss some of his more, to me at least, useful material for living and for managers in particular. To put flesh on the bare bones I present (based on information from Pearson, 1978), you should read his biography titled "Koestler" by Ian Hamilton (1982). Koestler himself wrote four autobiographic books covering different stages of his hectic life - "Arrow in the Blue", "The Invisible Writing", "Scum of the Earth" and "Dialogue with Death", as well as 29 other publications ranging over a large range of topics.

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He was born in Budapest, Hungary, on September 5, 1905. His mother was a Jewish lady of high social standing and his father was a successful businessman. He contracted Parkinson's disease and leukemia in the late 1970's and on Tuesday evening, March 1, 1983 he and his wife Cynthia suicided together.

What a life he packed into the 78 years between those two events.

1924-26 Involved in Zionist politics - in Vienna as he studied science at the University of Vienna. and later in Palestine as a newspaper correspondent.

1927-1930 Foreign correspondent for the Ullstein newspaper chain in Germany and science editor of a well known journal, Vossische Zeitung.

1931- 1934 Joined the Communist Party and was banned from Germany and so moved to Paris. Traveled extensively in Russia and Soviet Asia.

1936-1937 War correspondent in Spain for London News Chronicle. Captured by nationalists and sentenced to death but freed after 6 months imprisonment as a result of protests from Britain.

1938 Formal break with Communist Party as a result of his disillusionment with the failure and degeneration of the Russian revolution. Editor of exile newspaper in Paris.

1939 Interned in French detention camp.

1939-1940 Joins French Foreign Legion and escapes to England after the fall of France.

1940-1983 Devotes life to writing and causes such as the repeal of capital punishment, better conditions in prisons, the campaign for nuclear disarmament and the right of cats and dogs to re-enter the UK without being quarantined. (A recent change of law in the UK has at last made this possible.)

He became a British citizen in 1948 and was made a Fellow of the Royal Society for Literature in 1957 and spent 1964-5 as a Fellow of the Centre for Advanced Studies in the Behavioural Sciences at Stanford University.

He had a great interest in mysticism and parapsychology and this perhaps prevented him from being made a Fellow of the Royal Society or of receiving a Nobel prize. In comparison with his contemporaries, Orwell and Camus he has been largely ignored since the 1950's, for reasons I present shortly. However, he was awarded an MBE in 1972.

His tongue-in-cheek answer to a friend who congratulated him on the award gives some insight into his personality (Hamilton, 1982).

"Thank you for your letter of January 6 with your misguided reference to an MBE. This is given to slimy bureaucrats with a reptilian brain. Next comes the OBE, which is a lower mammalian attribute. Then comes the CBE, given to people supposedly endowed with the rudiments of a neo-cortex. It is at the same time the lowest rung on the snob ladder. So I am consulting my lawyers whether to sue you for slander."

Koestler was an intellectual whose exuberant actions have tended to cloud his intellectual contributions. While he left 500,000 pounds in his will to endow a Chair in Parapsychology at Edinburgh University, in the present highly charged world his attitude to women (more on this later) has led to his bust being removed from that University

His novel "Darkness at Noon" based on the Moscow purge trials of the 1930's, is recognised as one of the truly powerful works of twentieth century political literature and its role in the ultimate downfall of communism should not be discounted. It was published in 30 languages and is the penetrating story of an old-guard Bolshevik (ex-commissar N.S. Rubashov) who, during the purge trials, first denies and then confesses to crimes he has not committed. It ranks with Orwell's "Animal Farm" as the seminal work on the evils of totalitarianism.

"The Yogi and the Commissar", "The Act of Creation", "The Sleepwalkers", "The Ghost in the Machine", "The Case of the Midwife Toad" and "The Call-Girls" cemented his reputation as one of the great men of letters of this century.

Like many such great men he had plenty of flaws and was often selfish, rude, quarrelsome obsessive, obstinate and irrational. Other great men often disagreed with him and his opinions and ideas and he certainly had his detractors.

A recent book by David Cesarani (Arthur Koestler: The Homeless Mind) is particularly scathing of Koestler's personal behaviour. He says "a hopelessly destructive, vain, arrogant and self pitying man who disgraced each of his important relationships with disgraceful drunken rows and who had a despicable attitude towards women". This personal reputation, according to Cesarani, leaves his intellectual reputation in tatters.

However, whatever his flaws as a medium his messages were always innovative, thought provoking and catalytic in the sense of stimulating intense thought about the situations presented in his novels or the concepts presented in his non fiction work.

His friend George Mikes (Mikes, 1983) said that he was the last of the Renaissance men, five hundred years after the Renaissance. He was, said Mikes, a curious phenomenon in our age: he came too late. Or perhaps he came too early. It is far from impossible that humanity will soon discover that less narrow specialisation is needed and more Galileos and even Koestlers are urgently required.

In "The Sleepwalkers" Koestler quotes Seneca -" there is no great ingenuity without an admixture of dementedness". As a rule the dementedness devours the ingenuity but in Koestler's case it did not.

As you read and analyse Koestler's work, fiction and non-fiction, you are most often presented with the spectre of reason failing to triumph.

The bottom line for Koestler's understanding of the human condition is the irrationality of that condition.

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The following material attempts to present Koestler's views on a number of topics and to relate them specifically to areas of interest to managers and to academics who research in management and anyone with an interest in life and its living.

I do not analyse what he says in any depth but present various and particular excerpts and interpretations of what he says in the hope that you will be stimulated to follow up on the rich diversity of his thinking. The areas in which I suggest he has most to offer us are those of creativity, learning, culture, group behaviour, management and research/intellectualism.

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KOESTLER AND CREATIVITY

Excerpts/ideas from "The Act of Creation"

" Creativity - a type of learning where the teacher and the pupil are located in the same individual."

*"The interlocking of two or more previously unrelated skills or matrices of thought seems to be the basic pattern of discovery. Koestler calls this creative process **bisociation**. Associative thought operates along members of a single pre-existing matrix. **Bisociation** is taken to point to the independent autonomous character of matrices that are brought into contact in the creative act.)*

Discovery occurs when people ask why as well as how.

There appears to be a paradox in that the more original the discovery, the more obvious it seems afterwards.

This can result in arrival at the right destination by the wrong boat i.e. it is not necessarily an analytical process."

He saw the creative act as an *upward* surge from some unknown, fertile underground layers of the mind, whereas the exercise of a skill is a *downward* relegation of the controls of skilled techniques.

Language was of great interest to Koestler. To him it was a screen that stands between the thinker and reality. This is one reason why true creativity often starts where language ends. He quotes the example of having a length of string with a pendulum attached, and a nail, and the problem of how to affix the pendulum to the wall - you must separate the 'pendulum' from the 'string' and see the pendulum as a 'hammer' to get the solution - *it is very easy to ignore the obvious.*

We tend to stubbornly adhere to our perceptual frames and matrices of thought and our language definitions.

The pre-requisite of originality or creativity for Koestler is the art of forgetting at the proper moment, what we know.

"The essence of science lies not in discovering new facts but in discovering new ways of thinking about them.

When thought is dominated by emotion and faith the Red Queen always scores over reasonable Alice who asserts that 'one can't believe impossible things' whereas the Queen after a little practice managed to believe' as many as six impossible things' before breakfast."

The main distinguishing features of associative and bisociative thought for Koestler may be summed up as the difference between habit, conservatism and repetitiveness and originality and novelty and super flexibility.

As Gauss is said to have claimed - 'I have had my solutions for a long time but I do not know how I am going to arrive at them'. The mind, owing to its hierarchic organisation, functions on several levels at once and often one level does not know what the other is doing ; the essence of the creative act is bringing them together.

The Four Stages of Creativity (from "Kaleidoscope")

"The four factors that I submit serve as the criteria for creativity are - originality (of the ideas), the improbability of the combination of ideas (bisociation), their constructive-destructive aspect (in terms of upsetting the status quo), and the intervention of extra-conscious processes (letting the mind wander for example). the first rule is to have brains and good luck and the second is to sit tight and wait until you get a bright idea!"

Excerpts from "The Sleepwalkers"

"The inertia of the human mind and its resistance to innovation are most clearly demonstrated not, as one would expect by the ignorant mass - which is easily swayed once its imagination is caught - but by professionals with a vested interest in tradition and in the monopoly of learning."

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KOESTLER AND LEARNING

Excerpt/ideas from "The Act of Creation"

"The learning process is, somewhat paradoxically, easiest to visualise as a reversal of the hierarchical sequence of operations which will characterise performance when learning is completed.

Motor learning proceeds from the lower to the higher levels and performance in the reverse direction.

The controversy over learning theory is essentially that between drill and insight. It is probably better to consider learning as a continuum within these extremes.

Learning in a general sense consists of putting two and two or A and B together. It may be done gradually by plodding through hypotheses and eliminations; or all of a sudden following upon a single implicit try."

Rebellion in a Vacuum (From "Kaleidoscope")

"My own preference is for defining the purpose of education as 'catalysing the mind'. To influence or facilitate is to intrude; a catalyst, on the other hand, is defined as an agent that triggers or speeds up a chemical reaction without being involved in the product.

The ideal educator acts as a catalyst not as a conditioning influence.

An essential part of this catalysing function is to enable the student to re-live to some extent the creative process that led to the present position of the discipline he or she is learning about. This means that the history of the discipline ought to be made a principle part of the curriculum and it should be presented in its evolutionary context - not as a Minerva born fully armed.

Presenting the earlier problems, ideas, struggles, can enable students to re-live and attempt to solve the problems themselves and thus learn as their predecessors learned."

"The skills of reasoning rely on habit, governed by well established rules of the game; the 'reasonable person' - used as a standard norm in English common law - is level headed instead of multi level headed; adaptive and not destructive; an enlightened conservative not a revolutionary; and willing to learn under proper guidance; but - unable to be guided by his dreams."

"It is strange to reflect that a major part of our scientific and philosophical vocabulary consists of old Greek bottles filled and refilled with new wine, e.g. electron once meant a piece of amber and Homer's cosmos a flat disc covered by a vault. A concept has as many dimensions in semantic space as there are matrices of which it is a member. (The Red Queen says - a word means what I intend it to mean.)"

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KOESTLER AND CULTURE

Reflections on a Peninsula (From "Kaleidoscope")

"Buddhism, Taoism and Confucianism, which gave rise to the great Asian cultures, have certain essential features in common which are in direct opposition to Western or European thought.

*The contrast is not, as one tends to believe, between so-called Eastern spiritualism and so-called Western materialism, but between two basically different attitudes to life - so different that a German orientalist (William Haas, Destiny of the Mind, London 1956) suggested a new word for the Eastern approach to existence: *philousia* as opposed to Western philosophy.*

All the evidence, from the Upanishads and the Tao Te-Ching, to the contemporary schools of Yoga and Zen Buddhism, unmistakably indicates that Eastern thinkers are less interested in factual knowledge - in sophia, from which philosophia is derived - than in ousia, essential being: they are more interested in the nature of consciousness itself than in the objects of consciousness.

When you look at India, pre-revolutionary China, or Japan, you find a basic trend of thought amongst the great thinkers, which rejects all sense experience as illusion, denies that the world of objects has a reality independent from the perceiving subject, and which finds it "exceedingly odd that the tree should continue to be when there is no one around in the quad".

It is an attitude that prefers intuition to reason, fluid symbols to sharply defined concepts, thinking in images to thinking in categories, which rejects the axioms of Western (i.e. Greek) logic- such as the laws of identity, contradiction and the excluded middle.

Above all, the Eastern sage strives after self-realisation through the annihilation of the thinking and feeling self; his ideal is de-personalisation, the drowning and dissolving of individuality in the universal pool of Atma, Brahma, Nirvana - as opposed to the Western ideal of self-realisation through the unfolding of individual potentialities.

This fundamental parting of the ways seems to have occurred in the sixth century BC. It is fascinating to note how the split is reflected in the spirit and structure of the language itself.

Out of the same Sanskrit root, matr-, emerged two key words, maya and meron. Maya, in Hinduism and Buddhism, is the symbol of an attitude that regards the visible world as a web of illusions - the veil of maya; whereas meron, measure, regards it as something to be grasped, measured and mastered by the mind.

Thus in the Ionian school of philosophy in the sixth century BC, rational thought was emerging from the dream world to begin the great European adventure which, within two thousand years, transformed our species more radically than the previous hundred thousand years had done."

Farewell to Gauguin (From "Kaleidoscope")

"Our around the world journey took two months and we returned, to coin a phrase, impoverished by the experience.

Looking back on it, much seemed like a journey through an air-conditioned, neon-lit tunnel, filled with the ubiquitous sound of Muzak, the smell of hamburgers, and the sight of blue-haired matrons spending the insurance money of their deceased husbands on package tours from one duty-free shop to another.

Every day about 5.30 pm, the tunnel changes into the dark womb of the same cocktail bar in the same Hilton or Sheraton in Honolulu, Fiji or Teheran; where the same freeze-broiled choice T-bone is banged down by the same Italian waiter beside the same spluttering candle on your table. Never a native dish. Never a tropical fruit.

And all the time, day by day in every way, the muddy floods of Muzak pour down on you, piped into the lift, the lobby, the loo, bar, restaurant, swimming pool, coral beach - a tonal diarrhea, unrelenting, inescapable.

There are worldwide crusades for the preservation of wildlife and the countryside; it is time somebody started a movement for the preservation of silence.

The explosion of the tourist industry and its culture-eroding fall-out is not the minor nuisance it is assumed to be. It is a plague of locusts which brings to the natives material prosperity and cultural corruption, eroding traditional ways of living, contaminating arts and crafts with the vulgarity of the souvenir industry, and levelling down indigenous cultures to a uniform, mechanised stereotyped norm.

The majority of tourists travel like registered parcels, unaware of the natives, their aspirations, problems and tragedies. Instead of promoting mutual understanding, they promote mutual contempt."

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KOESTLER AND THE GROUP

The Urge to Self Destruction (From "Kaleidoscope")

While Koestler is here considering the issues of crime and war, there is a message in his writing for any manager concerned with group behaviour in organisations.

"Thus we are driven to the unfashionable and uncomfortable conclusion that the trouble with our species is not an overdose of self-asserting aggression, but an excess of self-transcending devotion.

Even a cursory glance at history should convince one that individual crimes committed for selfish motives play a quite insignificant role in the human tragedy compared with the numbers massacred in unselfish love of one's tribe, nation, dynasty, church or ideology. Homicide committed for personal reasons is a statistical rarity in all cultures, including our own. Homicide for unselfish reasons, at the risk of one's own life, is the dominant phenomenon in history.

This is a de-personalised, quite unselfish kind of savagery, generated by the group mind, which is largely indifferent to, or even opposed, to the interests of the individuals who constitute the group.

Thus the mentality of the group is not the sum of the individual minds; it has its own pattern and obeys its own rules which cannot be "reduced" to the rules which govern individual behaviour.

The individual is not a killer, the group is, and by identifying with it the individual is transformed into a killer.

The egotism of the group feeds on the altruism of its members; the savagery of the group feeds on the devotion of its members.

One of the main causes of man's predicament is language - wars are fought for words, they are our most deadly weapon.

Each language acts as a powerful cohesive force within the group and as an equally powerful divisive force between groups - even within the same culture."

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KOESTLER AND MANAGEMENT

Comment on "The Yogi and the Commissar"

In this book Koestler grapples with a major dilemma of the human condition, the problem of ends and means. He treats this dilemma in the context of Communism and the Russian revolution and his thesis is that the revolution was doomed from the beginning because of the iron political law that revolution fails whenever either ends or means dominates the other. The symbolism he chooses to express this dilemma is that of the yogi and the commissar.

They are representative types of man who are assigned opposite ends of the political spectrum. In my view much of this work makes great sense also when we substitute "management" for "politics" and "manager" for "politician". With this view in mind the following ideas from the book are shown as espoused by Koestler but from a managerial perspective.

*"The yogi believes that means alone count in **management** and that all efforts to justify **management** action must focus exclusively on those means.*

For the yogi mentality there is no social change except that which follows from a change in the soul of an individual. He takes it for granted that the ends of everything human in origin are unpredictable and hence that there can never be a rational theory of society that is future oriented.

*The yogi argues that reason alone cannot be an effective guide in **management** - the closer people approach the absolute truth the more likely reason is to fail as a guide.*

*His sense of morality is strictly internalised. It is a mentality that disposes the yogi toward passivity in **management**.*

At the other end of the idealised spectrum stands the pure form of the commissar. He is the mirror image of the yogi in every respect.

*He is the supreme **management** activist for whom all **management** morality must be structured with exclusive reference to the ends sought. To him it is the end alone that matters and everything that serves that end is by definition moral. There is no such thing as permanence, everything is in a state of flux. There is no defect in human character or institutions that cannot be changed by the proper application of socio-political **management** techniques. By implication there is a scientific answer to every problem in the human condition.*

*The answer is a deterministic one that sees events strictly from within a cause-effect relationship. He would never admit that the future is opaque and unpredictable. He is in short a revolutionary whose **management** style is predicated on his vision that an earthly paradise can and will take concrete form in the here and now.*

*Participation in **management** means to choose fatefully between ends and means."*

For Koestler's scheme of political reality, practical politics is ultimately the monopoly of one or other of these two ideal types. He suggests that "half way house" politics never succeed because he sees them as soft options to avoid the hard choices of real politics. Man has made a mess of his history either because means were subordinated to the end, or the end to the means.

From a management perspective his schema is very similar to the McGregor theory X and Y approach. Y is the yogi, X the commissar. However, McGregor envisaged a continuum whereas Koestler does not ie "half way houses" are not on.

Such "half way" debate as appears rational to the halfway house intellectuals is founded on an illusion because the argument leads nowhere as the real issue remains that between fundamental conceptions - change from without and change from within.

The Commissar is very much a Skinner behaviourist approach and the Yogi smacks of Sigmund Freud.

In my view much of management has become dominated by the commissar approach. It is time for yogi reassertion.

KOESTLER AND RESEARCH/INTELLECTUALISM

Excerpts/ideas from "The Sleepwalkers"

"The history of cosmic theories in particular may, without exaggeration, be called a history of collective obsessions and controlled schizophrenias; and the manner in which some of the most important individual discoveries were arrived at reminds one more of a sleepwalker's performance than an electronic brain's.

Thus in taking down Copernicus or Galileo from the pedestal on which science-mythography has placed them, my motive was not to "debunk", but to inquire into the obscure workings of the creative mind.

Yet I shall not be sorry if, as an accidental byproduct, the inquiry helps to counteract the legend that Science is a purely rational pursuit, and that the Scientist is a more "level headed" and "dispassionate" type than others (and should therefore be given a leading part in world affairs); or that he is able to provide for himself and his contemporaries, a rational substitute for ethical insights derived from other sources."

In modern science and research:

"The reduction of quality to quantity (colour, sound radiation etc to vibrational frequencies and human values to raw scores) has meant that we can measure results but we do not know what is being measured. All we do know in fact is that we read our instruments - the number of clicks on a Geiger counter, the position of a pointer on a dial or the position of a tick on a Likert scale - and interpret the signs according to the rules of the game. The quantities have as much resemblance to qualities as a telephone number has to a subscriber."

Koestler postulates that within the foreseeable future, man will either destroy himself or take off for the stars. It is doubtful, he says, whether reasoned argument will play any significant part in our ultimate decision, but if it does, a clearer insight into the evolution of ideas that led to the present predicament may be of some value.

He considers that the muddle of inspiration and delusion, of visionary insight and dogmatic blindness, of millennial obsessions and disciplined double-think, which his narrative has tried to trace, may serve as a cautionary tale against the hubris of science - or rather the philosophical outlook based on it.

"The dials on our laboratory panels are turning into another version of Plato's shadows in the cave. Our hypnotic enslavement to the numerical aspects of reality has dulled our perception of the non-quantitative moral values; the resultant end-justifies-the means ethics may be a major factor in our undoing. We may become the worshippers of the new Baal, lording it over the moral vacuum with his electronic brain."

Comment on "The Call Girls".

The novel parodies the intellectual and scientific elites who populate the international guest lecture and conference circuit. (Koestler calls them intellectual call girls.)

As a class they suffer from political impotence; their problem is an inability to wed their massive intellects and genuine scientific contributions to the ordinary canons of political action. Their political impotence however is in inverse proportion to their own sense of importance.

The setting of the novel is one of those international conferences that has been called to save the world from its follies. The very success of the participants in their fields of expertise is however their greatest weakness. - they are unable to see the problems of science and survival except from their own perspectives. It is the effect of over specialisation. It is unavoidable but it may lead to a kind of stunted personality because they feel more and more passionately about lesser and lesser fragments of the world.

The conference becomes a battle between the materialists ("show me a slice of your super ego under a microscope and I will believe it") and the non-materialists ("the unseen and unmeasurable are the prime movers on the human condition").

The conference does not save the world from its follies even in this work of fiction!

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CONCLUDING COMMENT

Obviously there is much more to Koestler than I have been able to cover and my interpretations lag far behind his original contributions in terms of scholarship and erudition. He was never the traditional scientific or political writer and thinker but was always prepared to push beyond the conventional boundaries. He was not an armchair academic and thus drew the wrath of intellectuals with his womanizing, drinking and pursuit of adventure.

While his personal life may have overshadowed his public achievements, this introduction to his critiques of "rational man" and the lust for certainty, of the overemphasis on quantitative research and of reason's dominance over intuition along with his views on creativity and learning does, I hope, give you a reason to think about these issues again.

Preparation of this paper also reinforces one of my pet beliefs and gives me another opportunity to state it once again. This is that the study of the classic works of early writers on management and the works of writers in many of the disciplines that underpin management theory would be as valuable to students of management as the modern texts that are usually served up and are often no more than old wine in new bottles.

Koestler's books remain as a permanent testament to my view, a view shared by many others, that he was one of the literary geniuses and towering intellects of the 20th century despite his personal grief and relationship disasters.

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Roger C. Smith