

## **Letter from the Editor**

BY ALBERT J. MILLS

Welcome to the Spring 2018 edition of the Workplace Review. We have seven great pieces in this issue, relating to a wide range of topics across management, marketing, accounting, finance, and management education disciplines.

Our first paper is by Elaine MacNeil of the Shannon School of Business and Peter MacIntyre of the Psychology Department at Cape Breton University. Elaine and Peter present exploratory research on the causes of shopping stressors. Their research indicates that some of the more salient stressors include loud or bad music in stores; bad attitudes of store employees; lack of availability of staff; overcrowded stores; long checkout queues, and lack of stock.

Our second paper, by Megan Thompson and Brad Long of St. Francis Xavier University, shifts gear and helps us to make sense of servant leadership. The paper reports on a case study of a newly introduced leadership and human resources development program modelled on servant leadership and how members make sense of their experiences. Using a sensemaking approach to analyse the range of responses of those involved, Megan and Brad demonstrate the way people assign different meanings to the same event. They conclude that “assistants ... are able to make more sense out of the [Servant Leadership Program] and find more meaning within it as they grow and develop through its practices.”

The third paper is by Leslie Wardley and Derrick Hayes of Cape Breton University and Charles Bélanger and Valorie Leonard of Laurentian University. This moves us to an examination of public trust in the accounting industry. To that end, they “explore the concept of maintaining the public’s trust; discuss potential factors that have contributed to the occurrence of unethical behaviour; determine whether fines levied by the accounting regulatory bodies could be considered as sufficient deterrents and discuss how financial crimes may be further eroding the public’s trust.” They conclude that “regulation of the accounting profession by government may not be the answer to restoring the public’s trust, because the profession is very complex and it requires a professional accountant to understand and explain the industry.... While we may not be ready for [extreme] legislation ...swift accountability for actions may be the answer to re-establishing the public’s trust.”

The fourth paper is by Kristin Williams and Jean Helms Mills from Saint Mary’s Sobey School of Business. The paper reports on a case study of the global NGO, Junior Achievement and “its systematic construction and subsequent recruitment and promotion of the ideal volunteer.” Kristin and Jean coin the term “*ideological colonization*, to describe the practice of exporting western virtues of the ideal volunteer identity”. The authors use intersectionality and critical discourse analysis to consider how JA “perpetuates and embodies global practices regionally through a review of annual reports”. They propose that “the individual volunteer is erased under the strategy of communicating aggregate data, emphasizing the corporate sponsor and branding”. The authors consider the usefulness of intersectionality and its application to metanarratives such as poverty and the corporation. They suggest that “as a contribution to management and

organizational studies, the paper offers a critique of the ideal volunteer identity as a neglected area of corporate interest and academic study.”

The fifth paper is by Melissa Gottschall, Meaghan Kells, and Ken MacAulay of St. Francis Xavier University. The paper “explores factors that affect the financial literacy of university students.” Surveying 442 university students, Melissa, Meaghan and Ken set out to “capture measures of financial knowledge, financial attitudes and financial behaviours along with several social and demographic factors.” They conclude that “parental income, whether parents owned stocks or not, year of study, faculty enrolled in, and gender all influenced knowledge. Greater financial knowledge and financial attitude scores were found to have a positive influence on financial behaviour scores.”

Our final two contributions include our regular focus on teaching practices and a case study. Tina Saksida and R. Blake Jelley from the Faculty of Business at the University of Prince Edward Island explore the “initiatives in the University of Prince Edward Island’s Faculty of Business to teach evidence-based management” in the undergraduate and Executive MBA programs. The paper reviews how evidence-based curricula was developed for the programs and provides insight on the perceived benefits and challenges of using this method in the classroom. The paper is a helpful case for those seeking to incorporate evidence-based management practices in their own teaching.

The case study for this issue is by Robert A. MacDonald and Jeff Bandy of Crandall University and focuses on “business model considerations as Codiac Organics pursues growth.” The case identifies key aspects of an organization’s task environment; key aspects of an organization’s general environment; examination of a company’s value chain as a driver of competitive advantage; analysis of operational scalability; and integration of entrepreneurial worldview into organizational decision making.

### **Afterword**

Workplace Review seeks to publish high-quality articles from authors in Atlantic Canada, or on topics pertinent to the Atlantic Canadian and Canadian context. We are also pleased to consider special issues. If you have an idea for a Special Issue of the Workplace Review please contact myself ([albert.mills@smu.ca](mailto:albert.mills@smu.ca)) and Ellen Shaffner ([ellen.shaffner@smu.ca](mailto:ellen.shaffner@smu.ca)). To submit a paper for review, please contact Ellen Shaffner, Managing Editor at the email above.

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## **A CLOSER LOOK AT SHOPPING STRESSORS WHY ARE THEY STRESSFUL?**

Shopping stressors are stressful but why they are stressful has not been explored. This gap must be addressed because consumers' coping behaviour affects retailers as well as consumers. This exploratory research shows consumers appraise negative consequences for their time, money, physical, psychological and social wellbeing because of shopping stressors.

### **Introduction**

Retail shopping can be a source of pleasure but also a source of stress. Stress is a driver of consumer behavior and therefore a concern for retailers as well. Consumers prefer to avoid stressful shopping situations (Dholakia and Uusitalo, 2002) and thanks to e-shopping it has never been easier to do this. By 2019, it is predicted that Canadian consumers will make 9.5% of purchases online and will spend C\$39.9 billion (Forrester, 2016). Although e-shopping comes with its own set of stressors, it can be an attractive alternative to the specific stressors of retail shopping, and a way to avoid the most unpleasant of those in-store hassles.

Stressful shopping experiences can cause consumers to spend less time in a store, resulting in negative store evaluations, and influencing re-patronage intentions (Whiting, 2009). Unfortunately for retailers, consumers who spend less time in a store shopping tend to spend less money (Donovan, Rossiter, Marcolyn and Nesdale, 1994). Negative store evaluations affect repatronage decisions for the individual and their friends. Social media has facilitated the sharing of bad shopping experiences, increasing negative word of mouth communications' (N-WOM) reach and effect. The question of why shopping stressors are stressful must be addressed so that coping behaviour can be better understood and retailers can make shopping less stressful for their customers.

The consumer behavior literature reveals no shortage of shopping stressors (see d'Astous, Roy, Simard, 1995; Aylott and Mitchell, 1998; d'Astous, 2000; Machleit, Meyer and Eroglu, 2005; Sujan, Sujan, Verhallen and Bettman, 1999). However, it is surprising that the basic question of "why shopping stressors are stressful?" largely has been ignored. Instead, the research emphasis

has been on what shopping stressors mean for retailers not consumers. This is a serious oversight. Before accounting for inter-individual differences in reactions to stress, we need to know more about the nature of the stressors and the closely related issue of how consumers are coping. From a retailing perspective, coping behaviour is of particular interest to retailers because it provides insight into previously unexplored consumer behaviour that can have a direct impact on a retailer's profitability.

In consideration of the above, the aim of this study is to make a contribution towards understanding shopping stress. We explore what it is a consumer is coping with when they encounter stressors in the shopping environment to address the question "why are shopping stressors stressful?" The paper begins by reviewing the literature on multiple shopping stressors to see which shopping stressors have been found and to find what explanations, if any, have been offered as to why these shopping stressors are stressful. Then, the theoretical framework that informs this study is introduced. Next, the research methodology and key findings are discussed. Finally, conclusions are drawn, managerial implications considered and suggestions offered for future research.

### **Shopping Stressors**

Few in-store experiences are objectively stressful, but almost anything (from store personnel to ambient lighting) potentially can be appraised as a stressor, as defined subjectively from the consumer's point of view. Aylott and Mitchell (1998) describe shopping stressors as something that occurs during the shopping task which is incongruent with a customer's goal and which disturbs the homeostasis of an individual. Shopping stressors have also been referred to as "irritants" (see d'Astous, Roy and Simard, 1995; d'Astous, 2000) and as "daily hassles" (see Machleit, Meyer and Eroglu, 2005). Although many consumer behavior studies focus on a single stressor, we found five studies that discuss multiple shopping stressors. D'Astous, Roy and Simard (1995) asked French Canadian consumers what they found irritating about shopping. Irritants were placed into five categories: (1) sales contact (irritations caused by sales personnel), (2) product assortment (irritations related to the availability and variety of products), (3) store organization (irritations related to structural factors within the store that interfere with the purchase process), (4) physical environment (irritations caused by physical characteristics of the shopping environment), and (5) situational factors (irritations caused by particular circumstances associated with the shopping experience). According to d'Astous, Roy and Simard (1995), shopping irritants (i.e. stressors) evoke feelings of anger, frustration, discontentment, aggressiveness and stress. They also assessed the degree of irritation and the frequency of occurrence of the irritants. High frequency/high irritation stressors included crowds, waiting in line, and high pressure selling.

Aylott and Mitchell (1998) explored grocery shopping stressors in the United Kingdom. They suggested that there was a causal relationship between some stressors. For example, crowding and queuing were related with queuing being a function of crowding. Crowding was also associated with parking problems, aisle width and congestion, time pressure, stockouts, trolley (i.e. cart) manoeuvrability and collisions, and obstructions by elderly people and prams. Sujana et al (1999) reported that long lines, messy shelves, pushy personnel, slow personnel, product unavailability,

and parking were sources of stress for American consumers. They were interested in the number of strategies an individual had in their coping repertoire in relation to perceived self-efficacy. Not surprisingly, the Sujun study found that consumers felt more efficacious if they had a greater number of coping strategies at their disposal. D'Astous (2000) reclassified environmental irritants previously identified in the d'Astous, Roy and Simard's (1995) study using Baker's (1987) framework into three categories: (1) ambient factors, (2) design factors, and (3) social factors. They advised retailers to eliminate shopping irritants. Machleit, Meyer and Eroglu (2005) asked a group of 110 American university students to reflect back over the past month to identify things they disliked about their shopping trips. Irritating, frustrating, or distressing events were considered hassles. Hassles were then placed into one of five categories: (1) merchandise hassles, (2) hassles associated with store employees, (3) hassles caused by other shoppers, (4) hassles related to the store environment, and (5) miscellaneous hassles. Results showed that rude store employees and the unavailability of store employees when needed were evaluated as highly unpleasant experiences.

None of these studies explained why consumers used the coping strategies they do. Only Aylott and Mitchell (1998) provided some explanation as to why some grocery shopping stressors are stressful. Aylott and Mitchell suggested that consumers who perceived crowding to be stressful did so because crowding prevented them from achieving their task as quickly and as easily as they would like. Shopping carts could be a source of stress if they were difficult to handle or if a collision occurred with another shopper's cart. Checkout problems were a source of stress when the problems resulted in the customer being delayed. Too much choice was stressful for consumers who had limited funds because it reminded them of just how restricted they were in terms of what they could purchase. Finally, shopping with other people could be stressful if there were disagreements about what products should be purchased. There are numerous stressors consumers can encounter when shopping. Even with some indication of the stressors involved, consumers are active participants in shaping the stressors via their coping efforts.

## **Coping**

Shopping stressors elicit negative emotions motivating consumers to engage in coping behaviour to restore emotional equilibrium. Coping has been defined as "constantly changing cognitive and behavioural efforts to manage (reduce, minimize, master, or tolerate) specific external or internal demands that are appraised as taxing or exceeding the resources of the person" (Lazarus and Folkman, 1986, p.572). Cognitive and behavioural efforts do not have to be successful to be considered as coping. Researchers usually dichotomize coping strategies as either problem-focused or emotion-focused. Problem-focused coping is directed at managing or altering the problem causing distress and emotion-focused coping is directed at regulating emotional responses (Lazarus and Folkman, 1984, p.150). However, Lazarus (2006) points out that a simple dichotomy may be inappropriate; by coping with the problem, the individual is also coping with the emotions. Most research on consumer coping strategies identifies the ways consumers deal with a single shopping stressor, such as crowding, or explores how consumers cope with a single negative emotion, such as anger, or investigates the use of a single coping strategy such as complaining (see Whiting, 2009; Bougie, Pieters and Zeelenberg, 2003; Chebat, Davidow and Codjovi, 2005).

Focussing on only one stressor provides a static view of the coping process that may obscure much of what consumers are doing. To be consistent with the definition of coping, a more dynamic account of coping with stressors is needed because coping attempts are “constantly changing” the immediate shopping environment. As conceptualization of stressors and coping efforts become more dynamic and contextualized, it becomes clear that a missing piece of this puzzle is an assessment of what is at stake for consumers and how those stakes are appraised as part of the ongoing process of retail shopping.

### **What is at Stake?**

Stakes provide the key to understanding coping behaviour because coping varies in accordance to what is at stake (Lazarus and Folkman, 1986). We draw on two complementary and very similar theories to understand what consumers appraise is at stake when they are pursuing product acquisition goals: cognitive appraisal theory and the theory of perceived risk. The strength of cognitive appraisal theory is its emphasis on emotions; the strength of perceived risk is its emphasis on cognitions. Cognitive appraisal theory has been widely used in psychology to understand stress and coping but because stakes are context specific; the stakes identified in one domain are not necessarily applicable to another. The perceived risk literature identifies stakes in product choice (see Roselius, 1971; Jacoby and Kaplan, 1972) and store choice (Mitchell and Harris, 2005) but the stakes in shopping have not been fully explored. Moreover, because the emphasis has been on cognitions not emotions, appraising stakes is often not recognized as stressful and risk reduction strategies are not always seen as coping strategies.

The essence of cognitive appraisal theory is that thoughts elicit emotions. Negative thoughts elicit negative emotions. Individuals are motivated by negative emotions to engage in coping behaviour to restore homeostasis. Although there are different versions of cognitive appraisal theory, we find Lazarus and Folkman’s (1984, 1987) version particularly useful for the purpose of analysis, because they tease apart the appraisal process into primary and secondary appraisal. Primary appraisal is concerned with the motivational relevance of what is happening including whether an event is relevant and congruent to the person’s goals. If an event is relevant but incongruent with a person’s goal, the person evaluates the implications for their wellbeing (i.e. negative consequences/stakes). Secondary appraisals are evaluative judgments about what can be done, if anything, to make the situation better (Lazarus and Folkman, 1984). It is an assessment of coping potential and provides the foundation for coping.

Emerging from this overview is a dynamic process linking consumer shopping behavior and stressors encountered. The overarching research question of this study can be phrased as follows:

**What are the major sources of stress reported by consumers in retail shopping with a product acquisition goal in mind, why are those stressors appraised as stressful, and what is at stake for consumers as they cope with one or more specific stressors?**

To address the overarching question guiding the present study, we will use qualitative methods to get a deeper, richer account of the dynamic processes involved in coping with stressors in the retail environment.

## **Methods**

To help focus respondents on a common type of shopping experience, we focus on consumers who are shopping to accomplish product acquisition goals, rather than shopping for fun. We focus on task-oriented shoppers based on the belief that they are likely to have more concrete goals than recreational shoppers. Concrete goals make it easier to determine success in shopping and raise the stakes when goal pursuit is interrupted. Under such conditions, consumers are likely to be more cognizant of specific shopping stressors, pay closer attention to the details of retail environment that produce stress appraisals, and are more sensitive to threats to goal attainment (Massara, Liu and Melara, 2010).

### **Design and Procedure**

Both in-depth interviews (n=50) and focus groups (n=4) were used. One-on-one depth interviewing was used to gain access to consumers' interpretations and evaluations of shopping events or encounters that were appraised as threatening or preventing goal attainment. Focus group interviewing was done to see how others responded to a participant's interpretations and evaluations of shopping events and to encourage participants "to develop their own analysis of their [shopping] experiences" (Kitzinger, 1995, p.301).

### **Data Collection**

Participants were asked about shopping for groceries, gifts, and clothing because these are the most common types of shopping situations. Participants also volunteered their experiences when shopping for vehicles and electronic products, shopping on vacation, and shopping using nonretail modes of shopping, yielding a rich data set with a variety of stressful and enjoyable retail shopping experiences. The logic behind asking participants about their experiences when shopping in different situations was similar to the logic behind maximum variation sampling, whereby any common pattern that emerges from a diverse sample is considered of particular interest and value in understanding the phenomena in question (Patton, 1987). In this research, inconsistencies across different shopping situations were important because they provided an opportunity to question what was different about the shopping situation, or about the individual in that particular shopping situation, that was responsible for stress being appraised.

Three types of sampling were used to recruit participants to interview for this study: purposive sampling, snowball sampling, and theoretical sampling. Initially the sampling frame included only men because an abundance of anecdotal evidence suggests that men are particularly susceptible to experiencing shopping stress. Snowball sampling was then used to "accumulate"

additional research participants who disliked shopping. Theoretical sampling was used to find female participants, with demographic profiles similar to the male participants to interview, after it became clear that there were no male participants in our study who disliked all types of shopping.

Focus group participants were recruited using radio [the researcher was a guest on CBC Information Morning], a poster campaign, and by word-of-mouth. Individuals were assigned to focus groups based on two criteria: gender (male/female) and attitude towards shopping (liked/disliked shopping). The researcher aimed for homogeneity within each group because according to Morgan (1998), focus group participants feel more comfortable if they think that other participants are like them or share similar views with respect to certain topics. Only participants quoted in this paper are described in Table 1.

**Table 1: Description of In-depth interview and focus group respondents**

Name	Age	Occupation	Marital Status	Education	Children
Abe	Early 50s	Government employee	Married	University Graduate	3
Alex	Early 60s	Professor	Married	University Graduate	2
Allan	Early 40s	School teacher	Married	University Graduate	3
Cory	Early 40s	Accountant	Married	University Graduate	3
Ed	Late 50s	Business Owner	Married	University Graduate	4
Eva	Late 30s	Homemaker	Married	University Graduate	3
Hugh	Late 30s	Call center employee	Common law	High school graduate	0
Jack	Early 40s	Sheet Metal Worker	Married	College Graduate	2
Jeff	Late 40s	Professor	Married	University Graduate	0
Jude	Late 50s	Professor	Married	University Graduate	2
Karl	Late 30s	Engineer	Married	University Graduate	2
Mark	Mid-40s	Engineer	Married	University Graduate	4
Meg	Early 50s	Nutritionist	Married	University Graduate	2
Neil	Early 20s	Student	Single	Some College	0
Ray	Late 50s	Retired School Principal	Married	University Graduate	3
Rory	Mid-40s	Manager	Married	University Graduate	2
Sam	Late 40s	Electrician	Married	College Graduate	2
Stan	Early 20s	Government employee	Single	University Graduate	0
Ted	Early 60s	Retired engineer	Married	University Graduate	3
Zack	Late 40s	Unemployed due to disability	Married	High school Graduate	1

## **Data Analysis**

The data was analyzed using the constant comparative method from grounded theory. Consistent with the advice given by Glaser (1965), the questions the researcher asked included “what category (concept) does this incident indicate?” and “what is the participants’ main concern?” Both deduction and induction were used during data analysis. Deduction was used to build themes that were constantly checked against the data. Induction was used to refine categories, concepts, and theories by working back and forth between the themes and the transcripts. To avoid general statements, we will use a grounded-theory (inductive) approach to focus our attention on



the negative implications that consumers appraise for their wellbeing in the context of trying to accomplish product acquisition goals in the retail environment.

### **Findings and Discussion**

Space limitations make it impossible to explain why all shopping stressors are stressful, especially since stress is personally subjective and can vary over time and across shopping situations. Instead we focus on in-store stressors that were identified in three of the four studies discussed in the literature review and that also emerged from our data. Since d'Astous (2000) did not identify any new stressors but reclassified stressors identified in the 1995 study, we count the d'Astous studies as one study. These stressors are: (1) store plays bad/loud music, (2) store employees have a bad attitude/rude, (3) store personnel not available when needed, (4) store is too crowded with other shoppers, (5) long checkout queues, and (6) stockouts. We supplement this list with four stressors identified by Aylott and Mitchell for which they offered an explanation as to why the stressor was stressful: (1) shopping carts (2) checkout problems (3) hyperchoice and (4) shopping with a companion. Exemplar excerpts are provided to illustrate the different reasons consumers have for appraising the shopping stressor as stressful.

#### **Store Plays Bad/Loud Music**

Most research on background music in retail settings focuses on the positive aspects of music for retailers such as increased sales (see Garlin and Owen, 2006 for a meta-analysis) but retailers are negatively affected when music is fast or loud because it reduces the amount of time consumers spend in the store shopping (Milliman, 1982; Smith and Curnow, 1966; Sullivan, 2002). Our findings suggest that consumers experience physical stakes and psychological stakes when they are forced to listen to music they dislike. In the following excerpt, Abe experiences negative consequences for his physical and psychological wellbeing because of irritating music. Physical stakes are appraised because loud music gives him a headache. Psychological stakes are appraised because the music affects his ability to concentrate. When an opportunity presents itself to alter the situation that is causing his distress, he asks the staff to change the music they are playing. When they laugh at Abe's request, Abe is now dealing with an additional, new shopping stressor, rude store employees. The primary stakes he appraises are now social, because the negative consequences he experiences for his psychological wellbeing are caused by other people in the store. He feels that the lack of consideration store personnel show him is demeaning. Abe uses confrontive coping which Folkman et al. (1986) defined as aggressive efforts to change the situation. He tells them that it is a poor choice of music if they are going to try to sell him a pair of boots. Again they laugh. He then uses another coping strategy, behavioural disengagement. Behavioural disengagement is defined as "reducing one's efforts to deal with the stressor, even giving up attempts to attain goals with which the stressor is interfering" (Carver, Scheier and Weintraub 1989, p.269). This strategy helps Abe cope with the negative emotions he experiences but the cost is high because Abe has found a pair of boots he wants to buy.

*I heard them call out ‘what do you want to put on now?’ – and I went to the counter and I said, ‘Anything but the kind of stuff we’ve been listening to. I’m trying to buy a pair of boots,’ and he laughed and put on something very similar. So I went back and said, ‘That’s a poor choice of music if you’re going to try and sell me a pair of boots,’ and he laughed and said, ‘but that’s the music we like,’ and I said, ‘Then I won’t buy my boots here,’ and left the store and I had found a pair of boots I wanted to buy, but I just thought ‘I’m not going to go through with it, it’s just giving me a headache’. [Abe, male, early 50s, interview]*

### **Store Employees have a Bad Attitude/Rude**

As seen above, rude store employees can be a source of shopping stress. Arnold, Reynolds, Ponder and Lueg (2005) suggested that store employees are often to blame for terrible shopping experiences. They used the term *lack of interpersonal effort* to describe store employees who are unfriendly, rude or who ignore customers. Two excerpts are provided to show consumers experiencing negative emotions because of poor treatment by sales staff. Karl was angry when the salesperson was more interested in answering the phone than selling Karl a motor for his boat. Meg is indignant when she is ignored by store personnel. Karl uses behavioral disengagement as a coping strategy and leaves. Meg plans on using retail patronage to avoid experiencing social stakes in the future when she goes shopping for clothes. She promises herself that she will not go back to *that* store.

*I walked in there and said, ‘Who do I talk to about an outboard?’ and she pointed to this guy, and I sit at his little cubicle. And his phone rang and he talked and he hung up... He took four phone calls... all he had to do was not pick up the phone, and I would have made arrangements to buy the friggin’ motor, right? I just couldn’t believe it. Oh, I was angry. [Karl, male, late 30s, focus group]*

*I have had the experience where I’ve walked in and no one’s come to help you out. I’m indignant. Yes I’ve said ‘Screw that person; I’m not coming back to that store if they’re not willing to serve me’. [Meg, female, early 50s, interview]*

### **Store Employees Unavailable When Needed**

Social support is an important coping resource (Endler and Parker, 1990). Social support refers to the availability and use of a network of caring others who can provide resources “on the spot” to help individuals alleviate stress and cope more effectively (Cohen and McKay, 1984; Cohen and Willis, 1985). Informational social support can help consumers compensate for lack of product knowledge, store knowledge, or even a lack of fashion sense when clothes shopping. Instrumental social support refers to the availability of tangible assistance which helps reduce the time and energy required for shopping. The unavailability of store personnel when needed is a shopping stressor. Our findings suggest consumers appraise time stakes, physical stakes, and financial stakes because of this shopping stressor. Time stakes are appraised when consumers have to wait for service especially if they have limited time. Physical stakes can be appraised, if the

unavailability of store personnel means that shopping is more work for the consumer. Financial stakes are appraised if the consumer spends more money as a result of trying to locate a product. This shopping stressor can also lead to goal abandonment. Three excerpts are provided. In the first, Hugh appraises his time is at stake when he is grocery shopping and can't find a store employee to ask for assistance. In the second excerpt, Ed appraises his money is at stake when he is grocery shopping because of how many more products he sees he wants to buy when looking for a product. In the third example, the unavailability of store personnel when needed causes Rory to abandon his shopping goal of buying a pair of running shoes.

*The most stressful situation... I want to find something new and I can't find it, and I can't find anybody on the floor to help me. Sobeys is terrible for that. I could go around for five minutes looking for the green jersey, and there's not a single person anywhere. Oh, I hate that! [Hugh, male, late 30s, focus group]*

*You go in and part of the reason they give you such terrible service is while you are trying to pursue what you are actually looking for, you see many more items than you would see if you walk in, ask a clerk, get what you want and you leave. [Ed, male, late 50s, interview]*

*I'll rely on the staff there... I'm looking around and I can't see any staff, so I spend all of five, six minutes looking over all the areas. There's just so many different styles and types and brands [running shoes], so again, this relates to the getting in and out quick, so I could have just went in there and asked some questions, but this particular day I couldn't find anybody so I just said, 'The hell with it' and left. [Rory, male, mid 40s, interview]*

### **Store is Too Crowded with Other Shoppers**

“Shopping in a crowded retail store can be a terrible experience ... because of the stress and frustration that crowding creates” (Whiting, 2009, p.487). Eroglu and Machleit (1990) theorize that crowded conditions frustrate consumers shopping to buy because it interferes with their ability to complete the task as quickly and as easily as they would like. Lunardo and Mbengue (2009) suggest it is the perception of lack of control that is frustrating. Our findings confirm that consumers appraise time stakes because of crowded stores. Ideally consumers who find shopping in crowded stores stressful like to avoid shopping when the store is busy. Participants avoided shopping at certain times of the day, certain days of the week, even certain days of the month. Unfortunately it is not always easy to predict when a store will be crowded. Three excerpts are provided. Neil finds shopping in crowded stores stressful; his time is at stake. Rory likes to avoid grocery shopping on Saturday because he finds it frustrating. Sam uses behavioural disengagement and leaves the store as soon as he arrives. He is prepared to sacrifice his travelling time to avoid the hassles he associates with shopping in a crowded store.

*Whenever the mall is really busy or the store is really busy, that would be more stressful. Mostly because it is hard to move around... It slows you down and lineups and stuff. [Neil, male, early 20s, interview]*

*I pick my times. Saturday is frustrating. You get in there ... carts banging all over the place... So if I can, I avoid Saturdays. [Rory, male, mid 40s, interview]*

*If it is busy, I'd leave. If the checkouts are busy, I will just come back another day when they are not, so I don't have to deal with the hassle of waiting. [Sam, male, late 40s, interview]*

### **Long Checkout Queues**

Long checkout queues are a common shopping stressor. Our findings show consumers appraising time stakes, psychological stakes, and financial stakes because of this stressor. Time stakes were appraised if the consumer was short of time or if they felt that their time was being wasted. Psychological stakes were appraised if there were long checkout queues and not enough registers open and the customer felt that the retailer didn't care about them or value their business. Financial stakes were appraised if the consumer spent money as a result of waiting in the checkout queue. Eva appraises time stakes when confronted with long queues in the grocery store after picking up her groceries. She blames the retailer for not having enough cashiers working. She uses behavioural disengagement to cope and abandons her shopping cart. She is still upset when she gets home and complains to the store manager who provides some compensation for the time she wasted in the form of coupons. Abe appraises physiological stakes when the store is busy and there are not enough checkouts open. He also blames the retailer and he too abandons his shopping cart. Evidence is seen of a desire to punish the retailer for not having enough checkouts open. Abe knows that when he leaves, there will be a cart full of groceries that will have to be put back on the shelves or in the coolers. Usually, he will tell the clerk that he is leaving but if the store is really busy he won't bother. Allan appraises financial stakes because he paces when he gets agitated; he ends up picking up more merchandise after he gets in the queue.

*There was such a terrible line up. It was pouring rain and then they left you in a hard spot because if you left your groceries you have to invest another hour picking them up. ... So I walked away from my order ... but I knew that he [her son] was walking home in a rainstorm or standing on the back step in the pouring rain ... But I did call the store manager and told them that I was not happy and that I wanted something back for what happened. [Eva, female, late 30s, interview]*

*I don't like line-ups. If I have to wait I'm not going to wait to pay. I figure if there's a cart or two in front of me and there are checkouts not manned, the store has a problem. I sometimes say 'Excuse me, there is a cart load of groceries; I am leaving. Some of it has to be refrigerated'. If it is really bad, I won't bother to tell them. [Abe, male, early 50s, interview]*

*I'll probably be really agitated. I'll pace. And I'm sure it's intentional eh, I end up putting....another twenty bucks in the cart, trying to pass the time waiting in the line-up. [Allan, male, early 40s, focus group]*

## **Stockouts**

Products being out of stock have been identified as a shopping stressor. According to Fitzsimons (2000), a consumer's response to an out of stock situation depends on how committed the consumer was to purchasing the out of stock product. Our findings show consumers appraise time stakes and financial stakes because of stockouts. Time stakes were appraised when a consumer knew they were going to have to go elsewhere to buy the product. Financial stakes were appraised if the out of stock product was on sale and the consumer knew they were going to have to pay full price for a substitute product. Products out of stock also thwart product acquisition goals. Cory will have wasted his time if he goes to the store and finds that the pair of running shoes he wants to buy is out of stock. Cory uses anticipatory coping to avoid this stressor and phones ahead to verify that they have this brand and style in his size.

*I call the Running Room and I say 'I want New Balance 880 2E, size 11. Do you have any in? No? Can you get them? I'll be up on Friday.' I'm in for ten minutes. I will get my running shoes and I get out. I won't even try them on. [Cory, male, late 40s, interview]*

## **Shopping carts**

Aylott and Mitchell (1998) suggested shopping carts could be a source of stress if the carts were difficult to handle or if a collision occurred with another shopper's carts. Participants in our study appraised physical stakes and psychological stakes because of this shopping stressor. Physical stakes were appraised because of concerns about being hit by a shopping cart or being physically injured because of a malfunctioning shopping cart. Psychological stakes were appraised if they accidentally hit another shopper with their shopping cart or knocked down a merchandise display. In the following excerpt, Rory worries about injuring his back because of a malfunctioning shopping cart.

*They're not oiling the wheels and what not. If you get a bad cart [trolley], especially the big carts, you could throw your back out by the time you get a full load on there. [Rory, male, mid 40s, interview]*

## **Hyperchoice**

Hyperchoice refers to having too many products to choose from. Choice is attractive because variety increases consumers' intention to purchase (Piris 2014). However too much choice confuses people, increases regret, and is ultimately unsatisfying and psychologically draining (Mick, Broniarczyk and Haidt, 2004). Aylott and Mitchell (1998) were alluding to financial stakes being appraised when they suggested too much choice could make shopping more stressful for unwaged shoppers and people on low incomes because as one participant in their study explained, 'it [choice] encourages you to spend too much money and the pension soon runs out'. According to our findings, time stakes were appraised because of hyperchoice. Ted appraises time stakes because it takes him four or five minutes to select cheese when there is too much choice. Again

evidence of the event being stressful is seen as Ted describes it as driving him ‘just about crazy’. Stan’s time is also at stake because of how many brands of toothpaste are on the market. He copes the way he does because time is a limited resource and he is aware of the opportunity cost of time. Time spent comparing toothpaste prices is time that is not available to him to spend on other activities.

*I think, I think the market is over saturated with the same kind of a product. For example, if I were to go look for cheese and say low-fat cheese, well geez, I’ll be there almost four or five minutes ... I mean you go into the cheese counter and that drives you just about crazy. [Ted, male, early 60s, interview]*

*There are about 50 million brands of toothpaste... I usually just grab the first one that is in front of me and throw it in the basket. My background is in economics so I figure that the time I would spend comparing prices could be better spent doing something else. [Stan, male, early 20s, interview]*

### **Checkout Problems**

Aylott and Mitchell (1998) suggested checkout problems were a source of stress when the problems resulted in the customer being delayed. Our findings suggest that time stakes, social stakes, and financial stakes are appraised because of checkout problems. Three excerpts are provided. Both Ray and Zack appraise times stakes because of checkout problems. However, Ray also experiences social stakes because he feels the cashier is trying to manipulate him into buying an extended warranty. Ray blames the retailer for the checkout problems; Zack blamed other shoppers. Evidence of checkout problems being stressful is seen in the first quote with Ray using the word *seething* to describe how upset he gets when he thinks the checkout problems are a deliberate effort by the cashier to buy more time to sell him an extended warranty. In the third excerpt, Jeff appraises financial stakes if he is not vigilant because he is concerned about scanner fraud.

*They will take five-ten minutes longer than they should to do a 30 second job. Usually, it is because the card doesn’t match, or the keys got stuck or because they hit the wrong key or the drawer doesn’t open when it should .... Basically, what they want to do is sell you a three-year warranty for your equipment and they will give you the spiel and they will make you wait to the last possible minute to get you out the door in case you change your mind. I am seething, white hot when that stuff happens. [Ray, male, late 50s, interview]*

*I find myself in long line ups ... waiting for little old ladies to pick their change out of the purse or for someone to get their credit card out, only to find that it’s been barred because they’ve used their limit... I stand there like an idiot with my one item for 15 or 20 minutes thinking that there are better things to do with my time. [Zack, male, late 40s, interview]*

*There will be a sale price on a product and you go to the cash and it won’t ring through. So it’s an insidious type of neglect. If you are not watching, if you are not on to it, if you*

*are not looking over your shoulder, you're getting screwed. [Jeff, male, late 50s, interview]*

### **Shopping with a Companion**

Shopping companions can be a resource if they offer informational and instrumental social support or they too can be a shopping stressor. Aylott and Mitchell (1998) suggested shopping with other people could be stressful if there were disagreements about what products should be purchased. Financial stakes, time stakes and social stakes were appraised by participants because of this stressor. Financial stakes are appraised if a person spends more money than they would like because of a shopping companion. Time stakes are appraised if a person spends more time than they would like because of their shopping companion. Social stakes are appraised if the shopper experiences negative consequences for their psychological wellbeing because of how their shopping companion behaves. Two transcripts are provided. In the first transcript, Jude appraises financial stakes if he goes grocery shopping with his wife because his wife likes to stock up when she is shopping. In the second transcript, Cory appraises time stakes if he goes grocery shopping with his wife because Cory's wife likes to browse and read labels when she is grocery shopping whereas he likes to buy only what is on his list and complete the task as efficiently as possible. In both of these transcripts, evidence of goal tension is seen because the goals of the shopper and their shopping companion are incompatible.

*I don't like shopping with my wife... because she just picks things off the shelf, 'Oh we need this, we need that, we should get two of these, we should get six of these!' and that really, for me, is losing control of the shopping process, and I end up spending \$300 and I'm saying, 'Do you realize you've blown two weeks of our shopping budget?' [Jude, male, late 50s, interview]*

*She is more of a looking around, reading labels. She will go through the aisles and say 'Wow, we should get this.' And I say 'Why should we get this? It's not on the list. Just keep going and buy what we are supposed to.' And that would annoy me. Like what are you doing? Let's just go. [Cory, male early 40s, interview]*

### **Conclusions and Implications**

We used semi-structured and group interviewing to explore the unexamined question of why shopping stressors are appraised as stressful. Perhaps the major conclusion of this study is that shopping stress is much more subjective and idiosyncratic than the existing literature might imply. Different consumers can appraise different stakes even with an identical shopping stressor, or they can appraise the same stakes in shopping because of differing shopping stressors. Adding to the complexity, consumers can appraise several stakes emerging from a single shopping stressor. Unfortunately for both consumers and retailers, there are multiple stressors in shopping, each with

its attendant stakes. From a retailer's perspective, reducing shopping stressors is more difficult than it might first appear.

Five different shopping stakes were identified as a result of examining ten shopping stressors and the reasons for appraising these stakes were explored. Consumers appraise negative consequences for their time, money, physical, psychological, and social wellbeing because of ambient, design, merchandise and social shopping stressors. Of the various stakes associated with shopping, time stakes were cited most often by the informants in this study. Consumers appraise negative consequences for their time when they encounter stressors that waste their time or force them to spend more time shopping than they would like. Time stakes were appraised in seven of the ten stressors discussed: (1) the unavailability of store personnel when needed, (2) store crowded with other shoppers, (3) long checkout queues, (4) stockouts, (5) hyperchoice, (6) checkout problems, and (7) shopping with a companion. Consumers appraise negative consequences for their financial wellbeing because of losing money shopping, or spending more money than they should because of shopping. Financial stakes were appraised because of the unavailability of store personnel to help locate products, long checkout queues, scanner fraud, stockouts, and shopping with a companion. Consumers appraise negative consequences for their physical wellbeing because of the physical and mental energy expended on shopping as well as the physiological costs that are incurred as a result of shopping. Physical stakes were appraised because of bad/loud music, the unavailability of store personnel to offer instrumental support, being hit by shopping carts and shopping carts malfunctioning. Consumers appraise negative consequences for their psychological wellbeing because of how shopping makes them feel. Psychological stakes were appraised because of irritating music and, not enough registers open. Social stakes were appraised because of how other people in the shopping environment make them feel including store personnel and other shoppers. That included sales personnel who were rude, who ignored customers, or who tried to manipulate customers. Most shopping stressors are blamed on the retailer but other shoppers including a shopping companion can also be blamed.

Retailers must be cognizant that consumers who encounter shopping stressors are motivated by negative emotions evoked to engage in coping behaviour. Coping efforts are not just confined to actions undertaken by consumers during shopping. Consumers can use coping strategies before going shopping to avoid experiencing shopping stress, and after they leave the retail store to deal with residual negative emotions. This includes N-WOM. Social media has made it easy for consumers to share their negative shopping experiences with countless others and this can hurt retailers. Consumers also remember past shopping experiences which shape how they imagine future shopping trips. Memories of past negative shopping experiences elicit negative anticipatory emotions motivating consumers to engage in anticipatory coping before going shopping. This includes the decision on where to shop, which should be a major concern for retailers. Retailers can choose to do nothing about shopping stressors; however they should be aware that the cumulative effects of consumers coping with negative shopping experiences will exact a toll on the retailer's financial health.



### **Limitations and future work**

The findings reported in this exploratory study are limited to in-store stressors identified in three out of four studies discussed in the literature review and that also emerged from our data or for which Aylott and Mitchell offered an explanation. The nature of our sample and the methodology used, in no way guarantees a comprehensive accounting of all shopping stressors encountered by consumers or all of the stakes consumers appraise because of these shopping stressors. This limitation would have been more serious if the purpose of this research was to provide an exhaustive list of stressors or a comprehensive account of why shopping stressors are stressful instead of exploring the question “why are shopping stressors stressful?” to determine exactly what it is that consumers are coping with.

Future research might delve deeper into the motives that drive product acquisition goals because “the goals of a particular individual in a specific situation are the most important determinants of emotional reactions” (Johnson and Stewart 2005, p.12). This could shed more light on resource allocation, goal commitment, as well as insight into why consumers abandon their product acquisition goals.

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**MAKING SENSE OF SERVANT LEADERSHIP:  
CONCORDANT AND DISCORDANT EXPERIENCES IN A LEADERSHIP AND  
HUMAN RESOURCES DEVELOPMENT PROGRAM**

This paper reports on our case study of a newly introduced leadership and human resources development program, modeled upon the theory of servant leadership, and how members of the organization make sense of their experiences within the new program, with implications for other organizations undergoing similar change initiatives.

**Introduction**

This paper reports findings of our analysis of a leadership development program introduced within a nation-wide organization that provides care for people with intellectual and developmental disabilities. The organizing principle of this organization is community; within community, people with developmental disabilities – referred to as core members – and their assistants come together in familial relationships and share daily responsibilities. The leadership development program was built upon the important strand of leadership theory known as servant leadership.

In February 2013, this organization embarked upon a new five-year mandate in which three strategic imperatives were designated to serve as their areas of focus: leadership, mission and growth, and outreach. Of these imperatives, leadership was regarded as the most important issue since it will influence the continued growth and stability of the organization in the future. Working with the international consulting firm McKinsey & Co., the organization created its own leadership development model intended to promote its organizational identity and mission statement and rolled it out gradually into locations (“communities”) across the country. This customized servant leadership program (SLP), titled “Cultivating Servant Leadership,”<sup>1</sup> is a collection of human resource practices and procedures, including immigration proceedings, compensation policies, employment practices, recruitment and hiring processes, job descriptions, and evaluation methods.

The SLP also consists of the servant leadership model, which specifically concerns the identity, mission, and ten values that are central to the organization’s culture, and aims to align all

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<sup>1</sup> The proper name of the leadership program has been modified to help protect the anonymity of the organization featured in this case study.

employees of the organization to these values through a development process. Each value is divided into numerous concepts, and each concept describes what this value looks like in a lived experience. The servant leadership model is institutionalized through a visual display of the ten values. These values are physically and visually demonstrated in numerous ways in order to allow for understanding amongst both core members and assistants. For example, core members are encouraged to interact with mission cards, which present each value's concepts on a colourful card with a relevant visual icon and a few words, whereas assistants are presented with a detailed description of each. This descriptive guide includes a question that asks each assistant to reflect on how they meet these values, and provides them with examples of how these values can be exhibited in community. The elements of the model are used in all of the program tools, including in role guides, interview forms, and performance reviews. For example, evaluations demonstrate how well an assistant lives the values, and interview questions are intended to determine how well applicants understand and relate to the values. A series of monthly newsletters has been produced to further support the understanding of values and culture within communities.

The purpose of this study is to understand how the "Cultivating Servant Leadership Program" is experienced by employees within communities, in particular how the SLP (of which the values model is a key part) impacts upon individual, relational, and organizational experiences within the organization. We develop this understanding by undertaking a field study in two of the locations in Canada in which this organization is present (i.e. two communities). The experiences of the employees of this organization, understood as a meaning making process, creates a need for an understanding of how that meaning is created. Therefore, this study focused on determining how employees ascribed meaning to their experiences, thus influencing their perceptions of the SLP.

## **Literature Review**

### **Servant Leadership Theory**

Servant leadership, a term coined by Robert K. Greenleaf in 1970 (Greenleaf Center for Servant Leadership, 2016), is a shift toward a model and leadership style promoting teamwork and community within an institution. Greenleaf had long been invested in leadership development; his interest was piqued when a teacher told him that large institutions do not adequately serve their employees or greater society. As he rose through the management ranks at AT&T, Greenleaf implemented training programs that exposed his employees to the humanities and the wider implications that corporate decision-making imparts upon society. He believed that the organization exists for the human being, just as the person exists for the organization; the needs of employees and the organization needed to be balanced equally. Upon his retirement in 1964, Greenleaf began working as a writer and a consultant. He developed servant leadership theory as a reflection of the beliefs he held throughout his career, and explored how leaders and institutions can act as servants (Greenleaf Center for Servant Leadership, 2016).

The term servant leadership itself forms a paradoxical concept: how can two opposing roles, such as servant and leader, be fused into one person or organization (Beazley, 2003)? Greenleaf (2003) acknowledged that the words "serve" and "lead" often come with negative connotations, assumed to hold self-righteous and dominating meanings. Despite this, he believed that the words could be rebuilt to endorse a construction of leadership through service. The theory of servant leadership is built upon the principle of caring for persons in a good society, as both the "well able" and the "less able" serve each other (Greenleaf Center for Servant Leadership, 2016).

More recently, Liden, Panaccio, Meuser, Hu and Wayne (2014) used the basic concepts and characteristics of servant leadership to develop a servant leadership model framework. This framework draws upon the existing literature to suggest that our knowledge of servant leadership can be compartmentalized into three main components. First, antecedent conditions refer to the existing conditions that are theorized to impact servant leadership. Secondly, in the process of leading, certain behaviours are deemed central to the construct of servant leadership. Finally, research attends to the potential distinguishing outcomes of servant leadership (Liden et al., 2014).

With respect to the antecedent conditions, servant leadership implies that servant leaders have a servant-first mentality; they begin with a natural desire to serve others. This natural desire inspires them to make a conscious choice to lead. Their leadership, however, is not derived from a yearning for power or authority, but rather is focused on ensuring that the highest priorities of others are met (Greenleaf Center for Servant Leadership, 2016). As servant leadership is not just a management style, but also a set of attitudes, there is a certain frame of mind that is required by its leaders. The individual must be seen as a credible leader in order to empower and develop relationships with their peers (Liden et al., 2014). According to De Pree (1992), a leader in an employment relationship is expected to act as a servant, removing any obstacles that prevent others from accomplishing their job. Leaders must understand the talents of their followers and abandon their own personal strengths in favour of the strengths of the group. As a result, servant leadership results in the sharing of power throughout an organization, which allows all individuals to perform at their highest potential (Greenleaf Center for Servant Leadership, 2016).

With respect to how servant leadership is displayed in practice during the process of leading, Spears (2003) outlined ten characteristics that are central to Greenleaf's description of servant leadership. These characteristics are as follows: (1) listening, (2) empathy, (3) healing, (4) awareness, (5) persuasion, (6) conceptualization, (7) foresight, (8) stewardship, (9) commitment to the growth of people, and (10) building community. Servant leaders communicate by listening to the needs of their followers, understanding how they feel, and helping them work through their personal problems. It is important for servant leaders to understand their own impact on their followers, and ensure that they persuade others to change rather than coercing them. When serving their followers, servant leaders are able to define a clear sense of direction, reliably predict what will happen in the future, and take responsibility for their leadership role (Spears, 2010).

Finally, with respect to its distinguishing outcomes, servant leadership aims to contribute to the growth and development of those being served. To determine the effectiveness of a servant leader, one should identify if those being served have grown as people; they should become healthier, wiser, freer, and more autonomous. In turn, these followers should gain the skills that render them more likely themselves to become servant leaders. Servant leadership also focuses on the impact on the least privileged in society, as they should either benefit or not be further deprived from its actions. (Greenleaf Center for Servant Leadership, 2016). Servant leadership behaviours should also result in increased organizational performance and a positive impact on greater society (Liden et al., 2014).

In sum, servant leadership replaces the traditional, hierarchical model of leadership with more ethical and caring behaviour. This approach aids the personal growth of organizational members, while also improving the quality of the institution. The follower-first mentality among leaders creates a positive environment within the organization, thus adding to job satisfaction and organizational commitment among employees (Spears, 2003). Acting as a servant prepares the individual to lead because learning occurs through growth and experience. As a result, the leader

is in a better position to listen to and understand the ideas of their followers. Thus, the essence of servant leadership allows the leader to recognize and accept the leadership from the individual with the best insight, rather than asserting their position of power in decision-making (Spears, 2003).

Although characterized as an emergent leadership model (Western, 2013), servant leadership is rarely experienced within organizations (Heskett, 2013). Trends in the leadership environment, the scarcity of the human qualities that are required, and the demands imposed on the practitioner of the method deter organizations from performing the shift to the developing model (Heskett, 2013). Traditional trends in business environments in particular place value on achieving short-term goals and rising to a position of power within the hierarchy. The individual that serves and helps others is not in a favourable position to be rewarded and ascend the organizational ranks (Heskett, 2013). In contrast, within an organization employing servant leadership, leaders see themselves in a position within the hierarchy amongst other employees, rather than at the top. The leader seeks consensus among the group, in place of issuing top-down orders (Spears, 2003).

Despite the slow adaptation, certain organizations did identify immediately with its notions when the concept of servant leadership was first introduced. Religious groups associated servant leadership's principles of service and community with their own scriptural values; for example, Christian organizations recognize Jesus as an example of a servant leader. Sr. Margaret John Kelly, the executive director of the Vincentian Center for Church and Society in New York, recommends the servant leader style to church managers (Kelly, 2010). Some non-profit organizations also embraced the servant leadership concepts, which are similar to their own emphasis on service and development within purposeful communities (Kelly, 2010). Although it may be uncommon, a number of corporations, such as Southwest Airlines and TDIndustries, also used the basic concepts of servant leadership to run their organizations (Northouse, 2015).

The organization at the centre of our case study has a mission that consists of the following three parts: 1) make known the gifts of people with intellectual disabilities, revealed through mutually transforming relationships; 2) foster an environment in community that responds to the changing needs of our members, while being faithful to the core values of our founding story; and 3) engage in our diverse cultures, working together toward a more human society. The organization's philosophy, therefore, appears to fit well with servant leadership theory. This aspect of serving is not just for the purpose of the able-bodied doing things for the disabled, but to befriend them and live with them as equals. Such a commitment to developing relationships of mutuality, to creating community with some of the most marginalized members of society, to humility before god and to the growth and flourishing of each individual perhaps make this organization a natural adopter of a servant orientation toward leadership and human resource management practices.

### **Organizational Culture and Value Alignment**

Organizational culture is founded upon widely shared values, beliefs, and paradigms held by all employees within an organization. These shared ideas form a distinct pattern of thinking that directs organizational activities and behaviours. In contrast, organizational values that are held only by the leader require the implementation of formalized planning and procedures, since the employees will not engage in the notions voluntarily or naturally (Weick, 1985). Thus, leaders seek to align their organization's values with those of their employees in order to foster a strong organizational culture. With a strong organizational culture, there is a reduced need for managerial interventions because the culture itself exerts a controlling influence over employees.



Servant leadership behaviours in managers and the focus on serving others interact not only through the dyadic relationship between leader and follower, but also through the organizational culture. Employees are socialized to support each other, thereby enhancing overall organizational performance. Organizational values and beliefs can function in the same manner as a strategic plan, since they can both be interpreted and implemented in a variety of ways by individuals. The company culture can be a strategy in itself, used to impose coherence, order, and meaning (Weick, 1985).

Establishing common values within an organization stimulates a motivated, mutual sense of purpose for all employees. This foundation of values serves to aid in the development of relationships between all employees, which is particularly important in a dynamic and changing environment. Many organizations develop their strategic business plans based on the existing skills, knowledge, and abilities of their employees, and implement a plan that allows these competencies to adapt to a changing work environment (Williams, 2002). Thus, at the base of organizational culture and strategy are the competencies that employees collectively value. These values function to develop a greater sense of meaning in the workplace, as life purpose and work purpose are integrated in one being. The value alignment process fosters a greater unity between employees, merges self-identity with the organization, and results in superior organizational commitment (Williams, 2002).

Managers influence organizational culture by symbolically ordering the practices and thinking of employees by reminding them of key values (Weick, 2001). Weick (2001) states that high reliability systems achieve centralization and decentralization at the same time; a leader implements the standard operating procedures, creating core values that are socialized and coordinated into the rest of the organization. Stories hold significant importance, because they provide general guidelines that can be applied to the local environment. Accordingly, a potential accomplishment of the SLP's efforts to increase value alignment and cultural cohesion is an increase in the meaningfulness people ascribe to their membership in a community, their commitment to broader organization, and, from this ordered way of thinking about the organization, an equally ordered way of acting within it.

## **Research Objectives**

The purpose of this study is to understand how the "Cultivating Servant Leadership Program" contributes to the individual, relational, and organizational experiences of employees within the organization. On an individual level, we aim to understand whether and how the SLP contributes to the development of leadership skills and the ability of employees to become servant leaders. Second, we aim to identify whether and how the SLP contributes to value alignment, cultural cohesion, and organizational commitment in a relational context between the organization and its employees. Lastly, we aim to determine whether and how the SLP promotes organizational development to enhance the lives of those it serves and positively impacts organizational performance.

## **Methodology**

### **Research Design**

This study takes the design frame of a qualitative case study, in which a particular place is studied over a specified period of time (Thomas, 2011). The case study framework focuses on understanding a phenomenon in its natural environment, and is most often used when the experience of the participants within the context of the environment is important (Iacono, Brown, & Holtham, 2009). Thus, this particular form of research allows the researcher to investigate real-life phenomenon under its natural conditions (Thomas, 2011).

Two communities in the same region of Canada were selected for this case study. These specific communities were selected because they were both at least one year into the implementation process of the SLP, and their geographic proximity to one another and the lead author's primary residence made them convenient. This length of time was believed to have been long enough to foster observable effects of the program in the communities. The most senior manager in both communities received a letter detailing the proposed research topic and requesting consent, and in return each confirmed their willingness to participate.

### **Data Collection**

This study is based on participant observation and informal interview commentary gathered in two communities during the summer of 2016. The lead author spent four weeks in each community. During this period, she used the method of observer as participant, meaning she observed the job responsibilities and employee interactions while actively partaking in the community work herself. She acted in the same manner as a volunteer within the community and culture of the daily environment. These observations occurred overtly, as the other workers in the community were aware of the purpose of the study. She documented her observations in a journal throughout the day, and added further notes upon reflection at the end of each day.

Participant observation allows for a non-obtrusive method of research, as the researcher becomes familiar and unnoticed while observing patterns of life in society (Watts, 2011). Due to the active participant nature, the researcher's status of onlooker is dissolved into a member of the community. This gradual invisibility develops practical and ethical dilemmas in balancing the participant and observer role elements. Historically, research observations have been tarnished by unethical behaviour in which vulnerable participants have been exploited or harmed (Watts, 2011). Since this study involved vulnerable individuals with developmental disabilities, the ethical standpoint was significant throughout the research process. Within this sensitive context, it was determined that the employees alone would be the subjects of the participant observation, and the researcher's role as a volunteer was communicated to the core members. Informed consent and the voluntariness of participation were assured per standard practices.

Participant observation presents some limitations since the researcher is restricted to his or her perspectives of the data that is collected and how it is interpreted. The researcher must be self-aware throughout the period of study in order to avoid preconceived notions about attitudes and behaviours (Oliver & Eales, 2008). In addition to these subjective analyses, observation techniques do not allow the researcher to view internal developments within the subject. Participant's interior motivations, attitudes, and intentions are not visible through observation (Burns & Bush, 2014). As a result, this study also included informal interviews with 32 employees of the organization (combined from both communities) to clarify and enhance the observations. Interviews took the form of informal conversation, and questions flowed naturally based on the lead researcher's observations of, and interactions with, the servant leadership program. Initial questions focused broadly on the SLP, and each participant expressed their personal feelings, thoughts, and

experiences as a servant leader. At times, the participants (employees) would initiate these conversations because they were interested in the research and wanted to voice their opinions and experiences. The quotes and content from these conversations were recorded in a journal, either during the conversation or shortly after.

### **Data Analysis**

The collected data were manually entered into word processing software, and were then read in search of common themes and recurring patterns. An assessment of the collected data was performed, and the data were categorized into seven distinct themes. Each theme consists of a group of variables that refer to a similar subject, and are conceptualized by an umbrella term (Miles, Huberman & Saldaña, 2014). The second author evaluated the same data set and listed seven of his own noted themes. The lists of themes were then compared to reach a degree of reliability and agreement. This method of inter-rater reliability has found that qualitative researchers will identify similar themes, but may label them with different names (Armstrong, Gosling, Weinman & Marteau, 1997). The common themes between the two lists were further analyzed, and a final list of six distinct themes was compiled. Following the finalized six themes, the data was re-examined and codified. Once the data were ordered into its themes, each theme was sorted to pair comments on similar topics within the theme. These themes in the results section are described using a compare and contrast system to demonstrate opposing views held by employees.

The data from this research was then analyzed using principles from the theoretical lens of sensemaking. Sensemaking outlines how people bring order and meaning to their impressions throughout their lives. Sensemaking is particularly important within organizations that function in a dynamic and turbulent context, as employees need to maintain their understanding of their work processes and sustain relationships (Maitlis, 2005). Organizational members arrange the stimuli and cues of their daily interactions into a framework to develop a systematic construct of meaning and understanding. Rather than highlighting the outcomes of an event in an organization, sensemaking focuses on the process of organizing over time. This construct allows people to effectively navigate through uncertainty and problems, as they are able to make sense of the situation through their established schemas (Weick, 1995).

Sensemaking is considered to be a process that is (1) grounded in identity construction, (2) retrospective, (3) enactive of sensible environments, (4) social, (5) ongoing, (6) focused on and by extracted cues, and (7) driven by plausibility rather than accuracy (Weick, 1995). Specifically for employees of the organization being studied, sensemaking provided a model for understanding why the SLP was implemented, how the program is understood and lived in community, and how different meanings can be assigned to the same event - in other words, how both concordant and discordant views emerged amongst employees from the same SLP intervention. Subsequently, sensemaking provides insight on the consequences that differences in meaning can have on the individual and the overall organizational culture. The sensemaking tool allows for an analysis of how the identities of employees are redefined as their environment changes, how they engage in social interactions, and how they assign meaning to their membership in the organization.

## **Results and Analysis**

### **Thematic Analysis**

This section details the results of the data collected from the employees of the two communities involved in this study. The first part of this section is organized into themes; each theme offers a concordant section, including observations and comments that appear to positively align with the theme, and a discordant section, including observations and comments that argue against the prior statements. Illustrative quotes are not included in this paper for the sake of brevity.

### **Theme one: Leadership construct within the SLP**

**Concordant.** The SLP has offered a shift in thinking for communities, as there is now power in the fact that everyone can be a leader. Multiple assistants referred to the program as designating everyone as both teachers and students, where everyone has the responsibility to help everyone else. The SLP has created an invitation to lead whereby assistants can make their own decisions and share their gifts without having to look to their supervisor before taking the next step. The senior leadership team is trying to help their assistants recognize their own gifts and take an initiative to implement them into their work themselves.

**Discordant.** The term ‘servant leadership’ and its theory have been problematic for some assistants, with some bristling to the idea of being a servant. A number of assistants had difficulty understanding what servant leadership means or how it impacts them, and what now makes them a leader as opposed to someone simply performing their job as usual.

### **Theme two: Equality**

**Concordant.** Many employees believe that the SLP has made the community a much more holistic environment for all community members. Assistants devote much of their time to core members, and a large emphasis was previously placed on ensuring that core members are taken care of and have the resources they need. As a result of the implementation of the SLP, one assistant feels that assistants and core members are now viewed at an equal level of importance. Core members and assistants have eliminated any power differences, and building friendship is central amongst all community members.

The shift of focus to include assistants in the vision of equality has still ensured that core members are treated with respect. One employee stated that assistants have always had the title of “assistant”, because they assist core members when needed. They are not the bosses of the core members, and they do not want to use titles that place assistants above core members. It is important that core members can voice their opinions, and a number of day programs hold a vote each morning to confirm that core members want to do the planned activities. The group makes the decisions together. Servant leadership promotes equality in decision-making amongst the entire team, and they like to hold everyone on their teams as equals.

The evaluation and review process under the SLP has also promoted an increase in equality for all employees. Assistants appreciate that they have the opportunity to complete reviews for all fellow assistants and leaders and then everyone is looked at equally.

**Discordant.** The implementation of the SLP appears to target the higher levels of leadership. Many lower-level or part-time assistants were unaware of the complete functions and theory of the program. The model of complete equality for all community is not always feasible or sensible. One senior leader within a community acknowledged the importance of treating her assistants as equals and is not authoritative or controlling within her role; she reported, however,

that there are times when she feels a greater responsibility to step up when needed as compared to assistants.

### **Theme three: What is old is new again**

*Concordant.* This theme contains a description of the extent to which employees believe that the SLP is a formalized and standardized version of how they already lived in community. All employees who were asked agreed that all of the values existed in the organization's philosophy prior to the introduction of the servant leadership model. The values feel like the way assistants had always acted, but now they are given a more formal title. The constant reminders add to the experience, as they ensure people are constantly reflecting and living the organization's values. Although communities may have already been living the values, the SLP clearly defined their previous activities and provides an explanatory logic for why they do certain things. The formalized structure of the program has added to the experience and has given assistants a better understanding of their actions.

*Discordant.* A number of assistants did not like the formalization of the SLP as it makes actions they had already been engaging in feel imposed and forced, reduced to a checklist. Some assistants felt that they could ignore the SLP and continue on as before. Although some assistants feel that the words, values, and ideas in the SLP are all very nice, they believe they are too artificial to use in daily life. The use of the servant leadership cards, which visually demonstrate the organization's values, seems to be particularly problematic for some assistants. A few assistants said they believe that everyone feels that using the cards amongst themselves is unnatural and too clinical.

### **Theme four: Impact on core members**

*Concordant.* Although the majority of the SLP is focused on the assistants, some assistants have noted that core members are benefiting indirectly, as it ensures that everyone is practicing the organization's values. The SLP has also encouraged some assistants to think outside of the box and be more open to trying things again or finding ways to make it work. Furthermore, some assistants are more focused on pushing the envelope to help core members grow and develop, and core members participate in all decision-making that influences their lives. Since the implementation of the SLP, one supervisor said that she has noticed an increase in confidence in the core members, as they now have the ability to express what they like and want. The program has given core members the opportunity to voice their opinions. Finally, the idea of the servant leadership cards has allowed employees to gain a better appreciation for the thought processes of core members. Core members can now clearly view distinctive ideas and express themselves.

*Discordant.* Several assistants said that their core members do not engage with the SLP tools, as it is too difficult for them to understand and reflect in meaningful ways. A few houses no longer use the cards with their core members, as some understood them better than others. Moreover, the pictures do not entirely depict the specific value or aspiration, because many of the topics are vague and abstract. For example, it is difficult for assistants to explain a value such as "Stand On Humble Ground" in a meaningful way that can be understood by core members.

### **Theme five: Training and momentum**

**Concordant.** Many assistants viewed the introduction of the SLP as being a transition period, which required time to evolve and grow into new language and processes. It was frequently acknowledged that the SLP was a lot of work in the beginning, but would become ingrained in daily processes as people came to understand it. Some assistants found completing the review process to be easier the second year and believed that it would continue to become easier as assistants grow with the SLP.

**Discordant.** When the SLP was first introduced, some employees did not understand why they needed to change and viewed the program as an imposed and enforced set of procedures. Numerous employees stated they would understand if the SLP elements would make new hires hesitant to continue working for the organization, as it is very overwhelming. Conversely, one assistant feels that the SLP is more difficult for assistants who have worked in the organization for many years, perhaps even in a different location, as they already have pre-existing ideas of how to do their jobs. She believed the SLP would be easier for new assistants because the SLP is all they have ever known. The momentum of the SLP seems to be dependent on the other activities that are planned throughout the community. The SLP gets sidelined as more pressing things come up in community and distract from its implementation and progress.

#### **Theme six: The SLP as an organizational development tool**

**Concordant.** Many employees believe that the SLP has allowed for more growth and development as a team for all assistants. As people become confident in their roles, they feel more comfortable initiating difficult conversations with their fellow assistants. Some assistants feel that the review now allows for better commentary and clarification as to what needs to be improved, which is more helpful for the growth of assistants. As a result, many assistants feel inspired and empowered knowing they have the opportunity to improve and be even better than they already are. The role guide tool has been beneficial for communities, both in defining expectations for assistants and as a component of the review. The leadership team feels that the role guides help new assistants adjust to their roles and provide a resource to help new assistants understand the concrete values.

**Discordant.** Some assistants viewed the SLP to be too restrictive on components of life in community. One assistant said the cards are used to focus the topic of conversation for meetings, which makes it difficult when they want to discuss a certain thing that is not part of the SLP. Regarding the reviews, some assistants have had difficulty adjusting to the new evaluation and review process with the SLP. A number of people said the review itself is too long, asks for too much detail, and takes too much time to complete.

#### **Sensemaking**

An important aspect of the sensemaking process is how people assign meaning to events that are uncertain and unfamiliar. The themes that emerged from two months of conversations and observations within the two communities may be re-examined to provide evidence of sensemaking processes at work. In the following section, we revisit the six themes that emerged from the experiences of employees impacted by the SLP using the seven properties of sensemaking to understand how the employees made sense of the SLP in both similar and differing ways.

#### **Grounded in identity construction**

The first property, grounded in identity construction, defines sensemaking according to our need as individuals to maintain an identity. In particular, we attempt to maintain an identity that is both consistent and positive. Identity is constructed from a number of factors, including our past experiences and our interactions with others (Weick, 1995). The first theme, which detailed the leadership construct within the SLP, provided an explanation of the extent to which employees understand their personal identities as leaders. Some assistants have identified with the notions of the SLP, as they feel they are developing leadership skills. However, some assistants faced an internal struggle, as they could not identify with the ‘servant’ aspects of leadership in the SLP, or did not identify as a leader. As stated by one assistant, the tasks associated with her job are just what she does because she enjoys it, not because she feels that she is a leader.

As we learn in themes three and six, the role guides are a large component of the SLP that outlines the expectations for assistants. A few assistants stated they saw themselves in the role guides, as they already felt they embodied the values of the SLP. These assistants liked the new program, which confirmed and rewarded the identity they had already constructed for themselves. Conversely, identity construction can explain why other assistants had negative views of the program. Those assistants who disliked the SLP due to the enforced role guide felt like there was only one prescribed way to act in the work environment. Their previously constructed identity was challenged, as it did not match the newly implemented expectations according to the SLP. One assistant stated that her ability to use the SLP tools was consistent with her personality, because she enjoyed reflective practices. Other assistants, who do not enjoy reflection, may have struggled to construct their identity according to the SLP expectations.

### **Retrospection**

Sensemaking is a retrospective activity, as we rely on our past experiences to interpret the current situation. According to this property, people act first, then make sense of their actions later (Weick, 1995). Retrospection recognizes how the past experiences of assistants can have a positive or negative effect on acceptance or resistance to the SLP. As we learned in theme three, all assistants who were asked felt that the new servant leadership values had already existed in community prior to the implementation of the program. This retrospective nature allows assistants to make sense of the past and the ongoing activities relating to leadership and the values. Some assistants felt that the SLP encouraged them to do the things they had already been doing, but now provided a greater sense of meaning and intentionality. However, some other assistants felt that the SLP forced them to do more work than they had before, yet they were still achieving the same results.

As described in theme six, a number of assistants felt that their previous review method was too negative, and therefore were accepting of the SLP because they preferred its appreciative nature to the negativity of the past. Similarly, one senior leadership team stated they preferred the conflict resolution elements from the SLP because it encourages people to address issues as they arise rather than waiting until it was too late. Based on these retrospective thoughts, the assistants were able to make sense of the new SLP in a manner that felt more positive than their old ways. Yet in contrast, theme six also provides evidence that many assistants do not like the SLP because it feels forced and unnatural. Some assistants had difficulty accepting the SLP because they had previously been able to conduct their duties without having to think about how they fit into a fixed routine prior to its implementation. In such instances, the SLP became experienced as negative in comparison to past practices.

### **Enactive of sensible environments**

Sensemaking is enactive of sensible environments, which refers to the way individuals create their own reality. These realities dictate the environment in which individuals act, whereby individuals produce the materials that become their opportunities and constraints (Weick, 1995). Theme two contains a description of how the commitment to equality shapes the context and culture within the community. The SLP encouraged an equal focus on all community members, not just core members. Most assistants described that the focus on equality resulted in the delegation of tasks based on the skills and interests of the individual, rather than prescribing duties based on a hierarchical position. Many employees created this equal environment, promoted by the SLP, and made sense of it as being derivative of the SLP as they engaged with their responsibilities. Despite its attempts to contribute to equality, however, the implementation of the SLP was primarily focused on the higher levels of leadership within the community. As a result, several lower-level or part-time assistants were unaware of the complete functions of the SLP and struggled to make sense of the new environment created by the SLP.

### **Social**

According to the social property, sensemaking is contingent on others. Social interactions influence both the interpreting process and the results of these interpretations. Expectations for situations are developed for and within certain social contexts, and individuals make sense of these situations by using organizational rules, routines, symbols, and language to define a common script for appropriate conduct. When these social elements are not enforced, the individual is more likely to return to using their own personal views to make sense of situations (Helms Mills & Mills, 2000). As a result, the social property serves to explain how elements of the SLP can become institutionalized over time, or disappear if it is not maintained. Theme five provided a description of how the training procedures and momentum of the SLP were dependent on the social processes within the community. In one community in which an employee was devoted to the implementation of the SLP, a number of relationships were created to further enhance momentum. Delegates from each home and program learned about the SLP from the coordinator, and then brought the information back to their respective environments. Conversely, the other community did not host frequent discussions regarding the SLP and failed to establish momentum through social processes, and assistants were more likely to return to their previous practices.

Many of the SLP tools are contingent on relationships and communication between assistants, as described in theme six. The increased communication from the conflict resolution guide has provided a social script that has enabled assistants to build stronger relationships. As a result, some assistants have made sense of the SLP as an enabler of positive impacts that arise from the social interactions. The review process also requires a high degree of social interaction, particularly in the community that has enforced meetings to discuss the evaluations and provide feedback. In contrast, assistants in one community said they did not receive any acknowledgement or feedback after submitting their completed reviews. The lack of social interaction after this process made it difficult for some assistants to comprehend the value of their experiences with the SLP, which resulted in negative perceptions of the entire SLP. Most of these assistants returned to their own personal views to make sense of social interactions, thus reducing the SLP's momentum.

### **Focused on and extracted by cues and driven by plausibility rather than accuracy**



Sensemaking requires the individual to focus on certain cues that inform their viewpoints and then use these cues to confirm their beliefs. In this process, people will completely ignore cues that may render their belief implausible in order to maintain good sense (Weick, 1995). When making sense of an event, people do not focus on accurate details, but rather look for the cues that rule their sensemaking as plausible (Helms Mills & Mills, 2000). The SLP provided many new cues for assistants through the ten values in the model and the tools that correspond with them. These cues were used to inform beliefs and shape understanding in various manners. Also, as described in theme one, the SLP itself was used as a cue to encourage the development of leadership skills. Some assistants were able to use the SLP to confirm their beliefs and inform their understanding of the organization. For example, one assistant said that the SLP is good for the community because it is what the organization is – an intentional place for the development of leaders.

The use of cards to communicate with core members, as noted in theme four, was used as a cue for a number of assistants. The cards served as triggers for episodes of sensemaking activity; assistants who described how core members had positive interactions with the cards then understood the SLP to be beneficial for core members. Other assistants, however, focused on core members that are unable to engage with the SLP and do not take any meaning from it in order to confirm their belief that the SLP is not beneficial for core members or the community as a whole. Consequently, assistants focused on different aspects of the same cue to render their personal beliefs plausible.

Additional SLP tools outlined in theme six also provided a number of cues for assistants. The ten values of the servant leadership model are found throughout the SLP tools, including the reviews and role guides. When determining the value of the SLP, assistants evaluated how these servant leadership values aligned with their daily practices. Those who believed that the SLP and its values were an accurate depiction of what life in community should be like focused on the values that they regularly engaged in. Thus, they were able to explain how they enact these values on a regular basis. In contrast, assistants who did not believe that the SLP accurately portrayed the important values of the organization pointed out aspects of their regular daily life that do not fit a value or category within the SLP. It is within the interaction that assistants had with these values that variances in meaning emerged in ways that conformed to and confirmed prior beliefs and allowed them to make sense of the SLP accordingly.

If an organization implements new procedures without providing proper training and explanations for the changes, employees may resist the change because the new elements of the procedure contradict their old understandings (Helms Mills & Mills, 2000). As seen in theme five, many assistants had a negative reaction to the SLP and said that they were not trained or well versed in its theory. Elements of the program that differed from what they had grown to accept in their previous methods of communication sometimes triggered negative reactions and a rejection of that element of the program. For example, assistants struggled with having to read and write pages of information under the SLP because their old ways dictated that it was important to verbally communicate in order to share and develop relationships. As the new way of communicating contrasted the way they had been taught, it made their belief that the SLP is negative seem plausible.

### **Ongoing**

Finally, sensemaking is an ongoing process, as people engage in constant flows of activity. People look at specific moments in time and extract cues from those moments to shape and reshape

how they make sense of their environment (Weick, 1995). As a result, people are forced to make sense of changes in their environment over time (Helms Mills & Mills, 2000). As we learned in theme five, the rollout of the SLP is an ongoing effort to shape and reshape meaning of work in community through training practices and momentum. Some assistants are making sense of the SLP over time, as one assistant stated that she felt the review process was easier the second time. She believes that the process will continue to become easier as assistants grow and become accustomed to the program. As they started to adjust to the change, a few assistants even indicated that the ideas of the SLP are starting to feel more comfortable and similar to their old methods. Thus, assistants are able to make more sense of the SLP and find more meaning within it as they develop through its practices.

### **Discussion**

The objective of this research was to understand whether and how a customized servant leadership training program (the SLP) contributes to individual, relational, and organizational experiences within a single organization. On an individual level, we sought to understand whether and how the SLP contributes to the development of leadership skills and the ability of employees to become servant leaders. The SLP and its tools clearly aided in the development of leadership skills for some employees. The SLP seemed to start with the senior leadership teams, as they passed on the values and SLP tools throughout the rest of the employees in their communities. The members of the leadership team held the servant-first mentality (Greenleaf Center for Servant Leadership, 2016), whereby they focused on learning about their assistants' goals and what they could do to help them achieve these goals. The SLP tools, such as the reviews and conflict resolution guides, encouraged the leadership team to practice a number of the ten characteristics that are central to servant leadership, as described by Spears (2003). For example, one senior manager stated that she realized it was important to gently persuade assistants to accept the program development process, as opposed to forcibly pressuring them to change. The leaders effectively gained the listening, empathy, and awareness skills that are deemed to be central to servant leadership by following the SLP guidelines.

In order to determine the effectiveness of a servant leader, one should identify if those being served grow as people (Greenleaf Center for Servant Leadership, 2016). Thus, the organization's employees should become wiser, freer, and more autonomous as a result of the SLP. According to one community's leadership team, the SLP has created an invitation for assistants to be free and take initiative on their own accord. Many assistants stated that the SLP increased their confidence, as they now have a better understanding for the expectations within their roles and can now act autonomously without the constant aid of the leadership team. As a result, the SLP seems to be aiding in the development and growth of those being served.

As those being served grow as people through servant leadership, it is suggested that they will become more likely to become servant leaders themselves (Greenleaf Center for Servant Leadership, 2016). Many assistants expressed that the SLP encouraged them to be more considerate of their fellow assistants as they became more aware of the goals of other people and their ability to serve each other. Accordingly, these assistants also developed the skills and leadership characteristics associated with servant leadership.

Despite its success with some assistants, however, the SLP has not contributed to the development of leadership skills for some others. One assistant mentioned that the term 'servant

leader' seems confusing and negative, confirming the thought that servant and leader are opposing roles with contrasting meanings, as suggested by Beazley (2003). Another assistant stated that she did not have any interest in becoming a leader, but rather she just wanted to do her job. Thus, it can be understood that the SLP may not contribute to the development of leadership skills for people that do not want to be a leader.

Second, we sought to understand whether and how the SLP contributes to value alignment, cultural cohesion, and organizational commitment in a relational context between the organization and its employees. At the base of organizational culture are the competencies that employees collectively value (Williams, 2002). In order to foster a strong organizational culture, leaders must align employee values with those of the organization (Weick, 1985). The SLP appears to consist of a formalized set of values that employees of the organization held even prior to the program's implementation. Thus, the SLP sought to align these pre-existing individual values with the collective organizational values. Many assistants felt that the values of the SLP accurately reflected their own, thus increasing organizational value alignment. Some assistants found greater clarity in the values proposed through the servant leadership model, and better understood their role within the organization. A few assistants, however, struggled when an aspect of their personal performance that they valued was not reflected in the SLP. For these assistants, the SLP failed to contribute to value alignment, and occasionally made the assistant question their personal value and feel unappreciated.

The shared values within an organization serve to form distinct patterns of thinking, which direct organizational activities and behaviours (Weick, 1985). The servant leadership behaviours within the SLP are instilled through relationships between organizational employees, as well as through the organizational culture. The SLP promoted an organizational culture in which all community members were socialized to support each other. Accordingly, many assistants stated that the SLP has allowed for growth and development as a team within houses. Assistants feel more comfortable addressing conflicts between assistants, and have reviews and conflict resolution guides that allow them to put any team frustrations into constructive words. A number of assistants who received negative feedback have actually grown to be appreciative of the comments, as they understand it has helped them grow both personally and in the team dynamic. One assistant stated that she now actively thinks about treating other people equally more so than she did before, and is more reflective in her actions.

Strong cultural cohesion is thought to foster greater job satisfaction and organizational commitment among employees (Spears, 2003). Most assistants stated that they have found greater meaning in their roles within the organization, as a result of the SLP. Some assistants stated that the SLP has made them more appreciative of daily life in the community, and they feel more appreciated for their personal contributions. Thus, the SLP has resulted in increased organizational commitment for some employees.

Despite the contributions to value alignment, cultural cohesion, and organizational commitment for some employees, there were other employees who did not find value in the SLP. The communication of information is particularly important when implementing change. Employees who do not engage in the process feel like they do not have control over their personal situations, which segregates them from those who receive more information regarding the change (Barabasz, 2016). Some assistants felt that they were not well versed in the SLP or its tools and a number of other assistants felt that they did not receive any feedback or benefits after spending an extended amount of time completing the SLP review. Due to the lack of social processes for these

assistants, they did not engage with the SLP in a relational context and did not gain increased organizational commitment.

Lastly, we intended to determine whether and how the SLP promotes organizational development to enhance the lives of those it serves and positively impacts organizational performance. Servant leadership frameworks propose that servant leadership models in organizations should result in follower performance and growth, improved organizational performance, and a positive societal impact (Liden et al., 2014). As previously mentioned, the SLP contributed to growth and development for most assistants. This follower growth and development contributed to improved organizational performance, because assistants are now more comfortable in fulfilling their roles and are better prepared to interact as a team. The SLP has also provided a positive societal outcome for the greater geographic region in which the two communities we studied reside. One program leader said that the SLP inspired her to reach out to the neighbours that live around the day program and develop stronger relationships with them by inviting them to their activities.

Servant leadership theory suggests that the effects of the SLP should benefit those least privileged in society, or at the very least ensure they are not further deprived (Greenleaf Center for Servant Leadership, 2016). Consequently, the SLP should serve the core members within the communities. Many employees attributed a number of direct and indirect benefits for core members to the SLP. The cards from the SLP have directly benefitted some core members as a way to voice their opinions and stimulate conversation. Additionally, the SLP implemented a new individualized program plan meeting structure, which assistants believe is a more positive alternative for core members. Although some core members may not be able to engage with the SLP tools, all core members still benefit indirectly from the program. The SLP encourages assistants to live the organizational values, share their gifts, and keep an open mind when working with core members. As a result, many assistants believe that the SLP has created a more positive and intentional environment, which benefits all community members, including core members.

### **Limitations and Conclusion**

This study demonstrates the way people can assign different meanings to the same event. The results highlight the manner in which the SLP redefined the constituent communities of this organization and how assistants reacted to these changes. The sensemaking framework proposed that assistants use a combination of their personal identity, their past experiences, and their relationships with others to make sense of the SLP. The results demonstrate that assistants indeed are able to make more sense out of the SLP and find more meaning within it as they grow and develop through its practices.

This study was, however, conducted in just two communities in the same region. The similar environmental contexts in these communities may influence the way the SLP is experienced. As a result, the experiences of employees within the SLP may vary throughout the other regions in Canada, presenting an opportunity for expanding this research elsewhere. In addition, a number of criticisms of participant observations derive from its potential lack of breadth (Iacono et al., 2009). The focus of this study is on the behaviours and sensemaking associated with servant leadership in two separate regional communities. It may not be possible to generalize the findings in these two communities to evaluate other organizations beyond or even within the

disability support sector. However, this research serves to provide greater insight into a leadership program that has been implemented into a nation-wide organization.

Recommendations for organizations embarking upon a leadership and human resources development program modeled upon servant leadership are threefold. First, even if both the organization and servant leadership theory are grounded in the same ethic of service for the purpose of equality and appreciation, as was the case herein, employees may develop a better understanding of and appreciation for the training program if they can see the connection between it and the underlying theory. Second, the training program should be comprehensive with respect to both the human resources practices that are impacted and the employees that are included in the training. A complete training program associated with the SLP would have provided a better understanding of the SLP and its tools for all employees in the organization. Even after training, most development programs do not lead to improved organizational performance; employees are subject to returning to their old habits if the new practices are not enforced (Beer, Finnström & Schrader, 2016). Finally, it is imperative to change the structures of the organization to encourage and support the new behaviours (Beer et al., 2016). This can be done via the assignment of responsibility for the program implementation, feedback mechanisms as new program elements are introduced, and a forum (e.g. regular meetings) for more consistent communications amongst all employees. These recommendations extend beyond the organization we studied to any organization implementing a new suite of human resource development practices. The inspiration provided to other organizations by this case study should stem from the coherency of the SLP, whereby the program elements were woven together within an integrated and theoretically based framework that was derived from the existent organizational values in an effort to strengthen those values and generate enhanced organizational performance.

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**PUBLIC TRUST:  
HOW DOES THE ACCOUNTING INDUSTRY STACK UP?†**

Public interest in unethical behaviour within the accounting industry has been gradually increasing over the last several decades. As a result, it is paramount that measures be taken to ensure accountability for ethical violations and to re-establish ongoing trust. Currently, the accounting industry is regulated solely by professional organizations. Consequently, it is important that the accounting industry adhere to a strict code of ethics and have a consistent disciplinary process to maintain public trust. The purpose of this paper is to review the three former Canadian accounting bodies (CA, CGA, and CMA) in Ontario to 1) explore the concept of maintaining the public's trust; 2) discuss potential factors that have contributed to the occurrence of unethical behaviour; 3) determine whether fines levied by the accounting regulatory bodies could be considered as sufficient deterrents and 4) discuss how financial crimes may be further eroding the public's trust.

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## **Introduction**

Public awareness of unethical behaviour in the accounting industry has greatly increased over the last several decades (Ameen, 1996; Suddaby, Gendron, & Lam, 2009; Wyatt, 2004). As the media plays a role in shaping the beliefs of the public, the public has become more interested in accountants' accountability. The public is beginning to view white-collar crime to be as harmful as street crime, and punitive measures taken against accountants largely match the demands of the public (Michel, 2016). Inevitably, unethical behaviour results in significant, long-term damage to our society through lost pensions and stock market instability, because we live in a society that publicly trades stocks, bonds, and other securities. Thus, the accounting profession plays a crucial role in protecting citizens from financial crime and fraudulent reporting.

Although Chartered Professional Accountants (CPAs) must adhere to a code of generally accepted accounting principles and auditing standards, their governance is an area of concern to Canadians. While public concern about unethical behaviours in the accounting industry had been steadily increasing over the last several decades, several major accounting scandals in the early years of the 21<sup>st</sup> century have caused this concern to rise sharply in recent years (Leonard, Bélanger, & Wardley, 2016). Unfortunately, the public rarely get "the whole picture" because the media and the popular press are more inclined to focus on their own priorities than to be a source of education. "If accounting scandals no longer dominate headlines as they did when Enron and WorldCom imploded in 2001-02, that is not because they have vanished but because they have become routine" (The Economist, 2014). With this in mind, it is more important now than ever before that the public's trust be won over by the accounting industry.

The apprehension that Canadians are experiencing is based on the nature of the particular set of skills necessary to audit accountants' behaviours. Having the ability to identify any wrongdoing by accountants requires an in-depth knowledge of accounting. The most cost-effective way to regulate the profession is to employ accountants who already possess the needed skills and capabilities, instead of attempting to develop these skills in a non-accountant regulatory board. Therefore, self-governance seems to be the most logical solution to regulate ethical behaviour in the accounting profession. Currently, the accounting industry is completely regulated by professional organizations (Gorman, 2014). For this reason, it is important that the accounting industry adhere to a strict code of ethics and have a consistent disciplinary process to maintain the public's trust; the consequences of criminal activities must be clearly defined and outweigh the benefits received.

It is also important to improve crime prevention methods, and to identify and analyze the societal structures that allow criminal behaviours by accountants to occur, as conflicting views exist about which structures are responsible. Increasing the protection of societal interests may decrease the protection of accountants' self-interests (Finn, Chonko & Hunt, 1988; Hilary & Lennox, 2005; Trevino, Weaver, Gibson & Toffler, 1999). This conflict of interest could create issues within the self-regulation process. If the accounting regulatory body reports all the transgressions of its members, the media reports of these misconducts could possibly cause the public to devalue the profession.

The objectives of this paper are to 1) explore the concepts of maintaining the public trust and public perceptions of white-collar crime in the accounting profession versus street crime; 2) discuss potential factors that have contributed to the occurrences of unethical behaviour; 3) determine whether fines levied by the accounting regulatory bodies could be considered as sufficient deterrents; and 4) discuss how financial crimes may be further eroding the public's trust.

### **Ethical Standards of the Chartered Professional Accountant Profession**

The Chartered Professional Accountants (CPA) of Canada, with approximately 210,000 members across the country, is an amalgamation of the three former major accounting designations: Chartered Accountant (CA), Certified Management Accountant (CMA), and Certified General Accountant (CGA). On the CPA Canada website, members are described as “broad-minded, forward-thinking professionals who undertake appropriate analysis, exercise good judgment, communicate effectively and act to protect the public interest” (CPA Canada, 2017). Members of the profession know that they need to protect and uphold the public interest. Their website states that “the public interest is served by common codes of conduct, disciplinary systems and licensing regimes” (CPA Canada, 2017). In June 2014, the CPA established a Public Trust Committee (PTC) to oversee the ethics standards and self-regulatory processes of the CPA profession and to protect the integrity of the profession while maintaining public confidence and trust” (CPA Canada, 2017).

The ethical standards of the CPA profession are based on five principles: professional behaviour, integrity and due care, professional competence, confidentiality, and objectivity; these principles are enforced by self-regulatory activities. The PTC reports to CPA Canada through the profession's Council of Chief Executives (CCE). The PTC recommends policies and strategies to uphold the public's trust by identifying, researching, and addressing matters that may have an impact on this trust. Any recommendations related to improving the public's trust are communicated to the CCE. The PTC is composed of a chair, appointed by the CCE, with representatives from the British Columbia region (BC and YT), the Alberta region (AB, NW, and NU), the Western region (SK and MB), Ontario, Québec, and the Atlantic region (NB, NS, PE, NL, and Bermuda); one representative must be a member of the CCE, and at least three representatives must be members of the public. No region may have more than three representatives, including the public representatives. Each member has a three-year term, renewable once, and the entry periods are staggered to help provide continuity.

### **Charges Associated with Violating the Rules of Professional Conduct**

Table 1 displays the new CPA Rules of Professional Conduct; the rules have been grouped according to the three former accounting designations to allow comparison. The CA association has had the longest history of ethically reviewing its members (starting in June 1984), while the CGA and CMA have only more recently begun holding their members accountable to their rules of professional conduct, starting in 1996 and 2008, respectively.

### **Data Collection**

The data presented in Tables 1-4 were collected from public documents and data available from the websites of the former Institute of Chartered Accountants of Ontario (ICAO), the Certified General Accountants of Ontario (CGAO), and the Certified Management Accountants of Ontario (CMAO). The data were compiled from court documents (disciplinary notices) collected from the individual websites while they were still available and before the unification process resulted in an amalgamation of the three distinct websites. The decision related to each disciplinary notice was kept in a database on the respective association's website and was publicly available. However, no information was available to the general public regarding members who were under investigation or about whom a complaint was lodged with the association(s) but for which no charges were laid. For each member who was charged, the court files included their name, their city, their gender (sometimes), the year of violation, the rule(s) violated, the number of charges, pleas, penalties, and appeals, and the time elapsed from the date of charge to the date of ruling.

After carefully examining the extensive CA court case data, it was decided not to track those rules of professional conduct with fewer than eight violations over the collection period. We were still able to keep 100 percent of the offenders even when these outliers were eliminated, as they only made up 4 percent of the rulings. The rules with fewer than eight violations were convictions for criminal offences such as illegal possession of firearms, money laundering, extortion, sexual assault, false or misleading application to become a CA member, hindrance, and inappropriate influence or intimidation. Although these crimes are noteworthy, they represent only a very small portion of the overall population of crimes committed by accountants. As the data collection periods were much shorter for the CGA and CMA designations, all rules of professional conduct, were reported, including those with fewer than eight violations.

The data collected for each accounting body were coded by two people to avoid errors in data entry, and were set up in databases. The data collection periods (noted in the Table 1) began on the date on which it became mandatory to stipulate in writing the reasons for disciplinary notices (thus, the Ontario CA database does not include a few of the original court rulings), and ended when information was no longer available on the websites.

## **Results**

The different accounting association rules of professional conduct constitute the structural backbone of Tables 1-4. These rules have evolved over the years to provide clarification, enhance existing rules, or introduce new rules to improve the protection of the public's interest. Table 1 clarifies the identification and the overlapping among the three designations of mutually exclusive rules within the respective codes of professional conduct. If rulings that are directly connected to auditing are separated out (n=528), it can be seen that the CAs database is almost evenly split, with 513 charges laid in the categories that overlap with those of the CMA and CGA designations.

In Ontario, the three former accounting bodies had distinct scopes of practice. CAs were the only accountants who could work as external auditors for companies with publicly traded stocks; CMAs, who worked as in-house corporate accountants, were focused on internal strategy. Thus, the audit-related charges would not have directly overlapped with the other accounting

professions. The differences in the number of charges are somewhat consistent with the varying regulatory time frames (i.e., CA: 26 years; CMA: 8 years; CGA: 14 years).

**Table 1: Charges Associated with Violating the Rules of Professional Conduct for CAs, CGAs, and CMAs<sup>1</sup>**

	CA		CGA		CMA	
	Time Period: June 1987 through February 2013		Time Period: 1996 through 2014		Time Period: 2008 through 2014	
Rules of Professional Conduct	Code Number	Number of charges	Code Number	Number of charges	Code Number	Number of charges
<b>General</b>						
Compliance with bylaws and regulations	101	10	601	15	2.2(b)/1.2(b)	34
			606/606(a)	37		
Co-operation with regulatory process	104	73	610	20	2.2(e)/1.2(e)	18
			611	22	7(1)	5
			509/509(a)	7	22	26
			514	23	31	20
			515	24		
			516	23		
<b>Standards of Conduct Affecting Public Interest</b>						
Maintain good reputation of the profession	201.1	300	101	41	3.1(a)/2.1(a)/21(a)(i)	5
			102	30	3.1(b)/2.1(b)	7
			108	12	3.4(b)/2(4)(b)/4(b)	9
			201	5		
Required to maintain professional competence	203.1 and 203.2b	95	302	7	3.1(c)/2.1(c)/21(a)(ii)	12
Independence	204	35			3.3(d)/2(3)(c)/3(c)	3
<b>Totals for overlapping categories (multiple per person)<sup>2</sup></b>		<b>513</b>		<b>266</b>		<b>139</b>
<b>Specific to public accounting (CAs) only</b>						
Integrity and due care	202.1	151				
False/misleading documents, oral representations	205	128				
Compliance with standards of practice	206	222				
Retention of documentation and working papers	218	18				

<b>Relations with fellow members (public accounting)</b>						
Co-operation with successor accountants	303	9				
Organization and conduct of a professional practice		0				
<b>Subtotal specific to public accounting</b>		<b>528</b>				
<b>Total charges (multiple per person)</b>		<b>1,041</b>		<b>266</b>		<b>139</b>

<sup>1</sup> CA=Chartered Accountant; CGA=Certified General Accountant; CMA=Certified Management Accountant.

<sup>2</sup> The same person being charged more than once.

Tables 2-4 afford an in-depth look at the monetary fines given to CAs, CMAs, and CGAs, respectively. The majority of the offences received fines under \$10,999 (79% of CAs were fined less than \$10,999, with 8% levied no fine at all; 88% of CMAs were fined under this threshold, with 6% receiving no fines; and CGAs reported 98% under \$10,999, with 18% receiving no fines).

**Table 2: CA<sup>1</sup> Monetary Fines for Violating the Rules of Professional Conduct**

Rule of Professional Conduct Violated (Rule Number)	Number of Charges	CA Monetary Fines							
		No Fine	Under \$1,999	\$2,000 to \$4,999	\$5,000 to \$10,999	\$11,000 to \$14,999	\$15,000 to \$19,999	\$20,000 to \$99,999	\$100,000+
Compliance with bylaws and regulations (101)	10	0	0	4	5	0	1	0	0
Co-operation with regulatory process (104)	73	3	29	27	12	0	0	2	0
Maintain good reputation of the profession (201.1)	300	17	12	56	135	1	23	56	0
Conduct services with integrity and due care (202.1)	151	11	11	20	60	24	12	13	0
Required to maintain professional competence (203.1)	95	4	18	46	19	0	3	4	1
Independence during engagements (204)	35	1	7	17	3	1	2	0	4
False/misleading documents, oral representations (205)	128	6	4	18	54	23	11	12	0
Compliance with standards of practice (206)	222	42	10	59	90	0	9	7	5
Retention of documentation and working papers (218)	18	3	3	7	3	0	0	2	0
Co-operation with successor accountants (303)	9	0	0	3	6	0	0	0	0
<b>Total charges (multiple per person)<sup>2</sup></b>	<b>1,041</b>	<b>87</b>	<b>94</b>	<b>257</b>	<b>387</b>	<b>49</b>	<b>61</b>	<b>96</b>	<b>10</b>

<sup>1</sup> CA= Chartered Accountant.

<sup>2</sup> The same person being charged more than once

**Table 3: CMA<sup>1</sup> Monetary Fines for Violating the Rules of Professional Conduct**

Rules of Professional Conduct Violated [Rule Number]	Number of Charges	CMA Monetary Fines							
		No Fine	Under \$1,999	\$2,000 to \$4,999	\$5,000 to \$10,999	\$11,000 to \$14,999	\$15,000 to \$19,999	\$20,000 to \$99,999	\$100,000+
Breach of the act or the bylaws [2.2(b)/1.2(b)]	34	2	13	6	11	0	0	2	0
Failure to respond promptly and cooperate fully [2.2(e)/1.2(e)]	18	0	7	2	9	0	0	0	0
Responsibility for and fidelity to public needs [3.1(a)/2.1(a)/21(a)(i)]	5	1	2	0	1	0	0	1	0
Fairness and loyalty to such member's, student's or firm's associates, clients and employers [3.1(b)/2.1(b)]	7	1	2	1	1	0	0	2	0
Competence through devotion to high ideals of personal honour and professional integrity [3.1(c)/2.1(c)/21(a)(ii)]	12	2	4	1	2	0	0	3	0
Not, in the course of exercising his, her or its duties [3.3(d)/2(3)(c)/3(e)]	3	0	1	0	0	0	0	2	0
Not commit an act discreditable to the profession [3.4(b)/2(4)(b)/4(b)]	9	2	3	0	1	0	0	3	0
Failure to register [7(1)]	5	0	2	1	1	0	0	1	0
Rules of conduct governing members [22]	26	1	10	5	9	0	0	1	0
Obligation to reply to society requests [31]	20	0	8	2	9	0	0	1	0
<b>Total charges (multiple per person)<sup>2</sup></b>	<b>139</b>	<b>9</b>	<b>52</b>	<b>18</b>	<b>44</b>	<b>0</b>	<b>0</b>	<b>16</b>	<b>0</b>

<sup>1</sup> CMA= Certified Management Accountant.

<sup>2</sup> The same person being charged more than once

**Table 4: CGA<sup>1</sup> Monetary Fines for Violating the Rules of Professional Conduct**

Rules of Professional Conduct Violated [Rule Number]	Number of Charges	CGA Monetary Fine							
		No Fine	Under \$1,999	\$2,000 to \$4,999	\$5,000 to \$10,999	\$11,000 to \$14,999	\$15,000 to \$19,999	\$20,000 to \$99,999	\$100,000+
Discredit [101]	41	10	6	18	7	0	0	0	0
Unlawful activity [102]	30	9	3	7	10	0	1	0	0
Conduct unbecoming [108]	12	1	0	6	5	0	0	0	0
Conduct [201]	5	2	2	0	1	0	0	0	0
Professional development [302]	7	5	1	0	1	0	0	0	0
Advertising and other forms of solicitation [509/509(a)]	7	0	1	4	2	0	0	0	0
Registration [514]	23	1	3	10	8	0	1	0	0
Practise inspection requirements [515]	24	0	4	10	9	0	1	0	0
Professional liability insurance [516]	23	1	5	8	8	0	1	0	0
Compliance [601]	15	1	5	2	6	0	1	0	0
Detrimental actions [606/606(a)]	37	9	4	12	11	0	1	0	0
Requirement to reply in writing [610]	20	4	9	5	2	0	0	0	0
Assistance to the Board [611]	22	5	11	5	1	0	0	0	0
<b>Total charges (multiple per person)<sup>2</sup></b>	<b>266</b>	<b>48</b>	<b>54</b>	<b>87</b>	<b>71</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>

<sup>1</sup> CGA= Certified General Accountant

<sup>2</sup> The same person being charged more than once



## Discussion

### Re-establishing the public trust

While accounting professionals largely follow their rules of professional conduct, maintaining the public's trust is important. Gottschalk (2011) believes that the public is reliant on whistleblowers to reveal crime and misconduct within the accounting profession. Whistleblowers need two basic characteristics to be successful: they must have evidence of non-trivial misconduct, and they must have the courage to expose the misconduct publicly (Gottschalk, 2011). However, some businesses make whistleblowing difficult because of codes of silence and the ability to hide evidence of wrongdoing within corporate structures (Gottschalk, 2011; Hansen, 2009). In self-governance, when misconduct is discovered within the accounting industry in Canada, it is up to the profession to make this information public. This is a responsibility that may not always be carried out.

To minimize the occurrence of criminal activities perpetrated by accountants, it is necessary to develop a series of crime prevention methods. When 141 business organizations were asked how they would prevent misconduct within their business, their answers were coded as either a reactive or a proactive approach. Reactive approaches include adapting control routines when faced with issues, as well as implementing consequences for violations. Proactive approaches include instilling ethics in education, employing rigid hiring processes, as well as displaying admirable leadership throughout the company (Gottschalk, 2011). The emphasis is placed on transparency, ethics, monitored procedures, and clearly defined consequences for violations, as well as putting more care into the hiring process and training.

While there are several proposed solutions to the unethical behaviours among accountants, every one of them seems to be controversial. Some scholars believe that the performance of accountants should be reviewed more rigorously and that they should be given annual bonuses for ethical behaviour; others believe that rewarding people financially for not committing a crime to be arbitrary. Accountants arguably are already paid well for the work they do (Gottschalk, 2011). Despite this thought, a recent approach was suggested in the United States to reward whistleblowers by giving them a small portion of funds seized from criminal activity (Gottschalk, 2011). While the whistleblower has an important role to play in the detection of unethical behaviour, more government involvement may also be a part of the solution (Cohen & Pant, 2017, Mysicka, 2014).

In 2002, President George Bush passed a law known as the *Sarbanes-Oxley Act*, whose objective was to re-establish the public's trust in the accounting profession (Wegman, 2005). The law stipulates that accounting firms must have a certain number of audits performed annually by a third party. The number of audits performed is determined by the size of the accounting firm; larger firms are to be inspected more often than smaller firms. When discrepancies are found in the auditing process, an investigation swiftly follows, which requires the complete compliance and testimony of all employees of the firm. If an individual chooses not to comply, their licence to practice is revoked (Wegman, 2005). The *Sarbanes-Oxley Act* may seem harsh to many people within the accounting profession, but it presents a clear message from the government about

establishing trust and increasing auditor accountability. This sort of message is comforting to the public; however, Canada may not yet be ready for this type of legislation.

### **Public perception of white-collar crime versus street crime**

When confronted with the issue of maintaining the public's trust in self-regulated professions such as accounting, it is important to understand how the public views white-collar crime in general. A study by Dodge et al. (2013) found that there is a large difference between how society views white-collar crime versus street crime. The common theme found within the study was that participants had little empathy for victims of financial crime, and that it was the responsibility of the victims to protect themselves from financial crime. Participants felt more empathy for victims of street crime, and therefore rated those crimes as more serious (Dodge et al., 2013).

While identifying individual patterns of empathy in crime, it is also important to explore whether the public's perceptions of crime have changed. Michel (2016) states that in the second half of the 20<sup>th</sup> century, public interest in financial crimes rose sharply due to many large-scale accounting scandals such as Enron, Nortel, and Livent. Despite the lack of empathy for victims of white-collar crime, participants in this study were more likely to have supported similar punitive measures for white-collar crime offenders and street crime offenders, such as hefty financial penalties and jail time (Holtfreter, Van Slyke, Bratton, & Gertz, 2008). These findings suggested a significant change in public awareness of crime. While public interest in street crime has remained relatively stable, public interest in white-collar crime has risen significantly as a result of the exposure of accounting scandals (Michel, 2016).

### **Social structures supporting white-collar crime**

It has been widely suggested that the media plays a large role in how the public views crime because it has a substantial amount of control over the information to which the public is exposed (Bennadiktsson, 2008). By analyzing the media coverage of large-scale accounting scandals, Bennadiktsson (2008) concluded that the degree to which the public is aware of white-collar crime and accounting scandals is directly linked to the partnerships between corporations and major media outlets.

In Canada, several factors affect the reporting of news, including major media outlets catering to populations with specific political beliefs and their dependence on advertising revenue (Hackett & Uzelman, 2010). This means that the media outlets are not obligated to report crimes, especially if they conflict with their political or corporate interests. Michel (2016) suggested that major news reports about accounting scandals have played a crucial role in the gradual change of public perceptions regarding accounting crimes. However, with a lack of comprehensive information readily available to the public, public interest has the potential to be formed based only on corporate interests, at the expense of culpability and the development of public trust.

### **Punitive measures in the accounting world**

Perhaps public opinion has some influence when it comes to the prosecution of crimes. Michel's (2016) study also analyzed what the public believed to be appropriate punishments for crimes. Survey participants were asked to rate the seriousness of an assortment of crimes, including common street crimes (murder, rape, assault, robbery) and white-collar crimes (fraud, misappropriation of funds, releasing pollutants into the environment, selling unsafe toys to the public). They were given a clear scenario describing each crime and its perpetrators, and were then asked to suggest an appropriate punitive measure for each crime. Not surprisingly, the more serious punitive measures, such as lengthy prison sentences, were suggested for violent crimes such as murder, rape, and assault, while substantially less harsh punitive measures such as small monetary fines were suggested for an assortment of white-collar crimes, such as misrepresentation of funds and money laundering, despite the harms that such financial crimes cause. Most participants decided that monetary fines were significant enough for most of these crimes, the most severe punishment being five years or fewer in prison (Michel, 2016). The most severe punishment in the study was reserved for a scenario in which a toy company used lead paint on children's toys.

The results of Michel's (2016) study were strikingly similar to those of the Leonard et al. (2016) study of punitive measures taken against chartered accountants in Ontario, in which it was found that 61.8% of guilty charges resulted in monetary fines ranging from \$2,000 to \$11,000. According to the results of various studies including those of Michel (2016) and Slyke & Bale (2010), it seems that the public, who may be unaware of the implications of white-collar crime, considers those punitive measures for accounting infractions to be adequate.

Are these financial penalties levied by the accounting bodies a sufficient deterrent? If we select only one designation to review, CGAs reported starting salaries of approximately \$55,000 a year and the upper ranks were making well into the six-figure range based on more experience and senior roles, according to a 2013 article reported in the *Globe and Mail*. In fact, the article states that, in 2013, CGAs were included in the top five percent of all Canadian earners (Bouw, 2013). Considering some of the offences involved (e.g., fraud, embezzlement, and falsifying accounting documents), the size of accompanying fines could be sending the wrong message to wrongdoers. Tables 2 to 4 highlight the inadequacy of the financial repercussions. As noted, fines were not levied for many of the charges, and the majority of fines were well below any threshold that would cause even a newly graduated junior accountant to experience more than a slight change to their lifestyle.

### **Financial crimes in Canada**

While Canada has experienced a number of accounting scandals, not all of them have been publicized. Leonard et al. (2016) conducted a study of misconduct by chartered accountants in Ontario over the course of 27 years, and found that, only 417 CAs were charged with professional misconduct over a total of 22 years (Leonard et al., 2016). Either CAs are very well behaved or there may not be enough whistleblowing of unethical behaviours within the profession. The study results showed that members practicing public accounting accounted for 70% of the total offences,

with sole practitioners accounting for 53% of the total offences (Leonard et al., 2016). Results like these may be the product of the difficulties that forensic accountants face when trying to track down the person(s) responsible for falsifying the records in a corporate setting (Ionescu, 2009). By performing illegal activities between multiple job boundaries and chains of responsibility, the few dishonest people can be relatively safe from criminal responsibility (Shapiro, 1990).

Here are three blatant Canadian cases of criminal activities where individuals responsible to protect the public failed in the discharge of their managerial and accounting/auditing duties. The first one addresses Bre-X, a Canadian mining company founded in 1989. Not only were the books falsified, but also the entire company was fabricated. Owner David Walsh bought property in Indonesia and began drilling to test the land for gold (Goold, 2017). The owner purchased \$61,000 of panned gold from locals, then used the gold to tamper with the core samples to “prove” that Bre-X had discovered one of the richest gold deposits in the world. As a result of these falsified results and mass media enthusiasm about investing in Bre-X stock, the value of Bre-X stock skyrocketed from \$0.30 to \$250.00; Canadians lost billions of dollars when Bre-X was exposed as fraudulent in 1997 by the Indonesian government (Tedesco, 1997). To date, not one person has been charged for the crimes that occurred with the Bre-X scandal (Lawrence, 2007). The Bre-X case is an example of a recent event in Canada that shook the public’s trust to the core.

A second example is Live Entertainment Corporation of Canada, Inc. (Livent), a Toronto-based theater production company whose initial public offering was made in 1993. In 2009, the company’s owners, Garth Drabinsky and Myron Gottlieb, were convicted on fraud and forgery charges; they had been falsifying their financial statements for many years. The crimes came to light after KPMG conducted an audit for a potential investor and found nothing wrong. A KPMG partner, Robert Webster, was then appointed as the Executive Vice-President of the company. One of his responsibilities was to monitor the accounting and finance decisions being made by the management team. Working with Livent’s accounting staff, Webster soon discovered that the staff had been told to not disclose information without the approval of Drabinsky. Eventually the Chief Financial Officer informed Webster of the fraud, which created doubt for the accuracy of the financial records. A forensic audit found that the income had been manipulated in four ways: transfers to fixed assets, expenses, amortizations, and revenue-generating transactions. This would have negatively impacted the public’s trust, as Livent had been considered a reputable company in the arts community (Lokanan, 2014a; Lokanan, 2014b).

A third example is Cinar Corporation (Cinar), an animation studio founded by Ronald Weinburg and Micheline Charest in 1976. In 1999, the company was accused of using American writers instead of Canadian writers, a practice that had an impact on what the corporation would receive from the Canadian government in the form of funding and tax credits. Weinburg and Charest had been crediting the written work to Erika Alexandre, a pseudonym for Charest’s Canadian sister, Helene. An audit found that the company was misappropriating funds, was committing tax evasion, and was not disclosing information properly. This damaged the public’s trust, as Cinar had been a “darling of the investment community” (Magnan et al., 2010); many people would have been investing in them to try to make money for many reasons, such as retirement funds.

### Conclusion

Public interest in unethical behaviour in the accounting industry has been gradually increasing over the last several decades. As a result of this awareness, it is paramount that measures be taken to ensure accountability for ethical violations and to re-establish ongoing trust. Regulation of the accounting profession by government may not be the answer to restoring the public's trust, because the profession is very complex and it requires a professional accountant to understand and explain the industry. While the American *Sarbanes-Oxley Act* may have had a strong, tough-on-crime effect, penalties contained within that American legislation seem too harsh to be embraced by Canadian society. While we may not be ready for legislation that extreme, swift accountability for actions may be the answer to re-establishing the public's trust. It is possible for the government to step in and create harsh legislation to achieve this, but this may not be necessary in Canada if companies and accounting firms take responsibility and are more proactive in their training and hiring processes.

There is a large difference in how society views white-collar crime versus street crime; the public tends to view white-collar crime as being less serious than street crime, and has little empathy for victims of white-collar crime. While these opinions may not seem entirely pertinent to discussions of public trust, it is important to understand how the public views crime and to identify changes in its perceptions in order to create a stronger, more confident public trust. There may be a relationship between how the public views white-collar crime and how major media outlets report it — while major media outlets tend to report crimes that are within the interest of network owners and political and corporate interests, they are under no obligation to report every crime that occurs. This has the potential to cause a “disconnect” between the crimes that are occurring and the public's knowledge of them. Despite this, punitive measures that have been taken against Ontario members of the former Canadian accounting professional associations may not match directly with the public's opinion of how crime in the accounting profession should be handled.

Finally, the Canadian public has been shaken in the past by scandals such as Bre-X, Livent, and Cinar, which were fully supported by accounting professionals, including those in the financial sector. This reinforces the need for accountability in the accounting industry. Without accountability, the public has the potential to feel helpless and to demand that the government step in and create harsher penalties.

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## **THE STUDY OF A GLOBAL NGO AND THE MAKING OF THE IDEAL VOLUNTEER**

This case study is an analysis of the global NGO, Junior Achievement (JA), and its systematic construction and subsequent recruitment and promotion of the ideal volunteer. The authors have coined the term *ideological colonization*, to describe the practice of exporting western virtues of the ideal volunteer identity. Using intersectionality and critical discourse analysis, the authors review the ways in which JA perpetuates and embodies global practices regionally through a review of annual reports. The main thesis proposes that the individual volunteer is erased under the strategy of communicating aggregate data, emphasizing the corporate sponsor and branding. Also considered is the general utility of intersectionality and an expanded application to metanarratives such as poverty and the corporation. As a contribution to management and organizational studies, the paper offers a critique of the ideal volunteer identity as a neglected area of corporate interest and academic study.

### **Introduction**

The inspiration of this paper is personal. The primary investigator/author works as a regional CEO for Junior Achievement, which is a global non-profit/charity. Junior Achievement (JA), provides financial literacy, entrepreneurship and workplace readiness vocational training for youth<sup>1</sup> and volunteers provide all front-line services by delivering programs to youth in schools and in community – a model shared by many NGOs<sup>2</sup>.

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<sup>1</sup> According to the Junior Achievement (JA) Worldwide website ([www.jaworldwide.org](http://www.jaworldwide.org)) JA is one of the largest NGOs with more than 100-member countries. Its stated mission is *to inspire and prepare young people to succeed in the global economy*.

<sup>2</sup> Under recognized is that fact that NGOs constitute one of the largest economic sectors. Imagine Canada reports that Canada's charitable sector is the 2<sup>nd</sup> largest in the world, and it is larger than automotive or manufacturing industries. It is also one of the largest sectors in the USA (see Ozcelik, 2008). Aiding in reach and profile is digital marketing (Ozcelik, 2008) which serves three functions for NGOs: information, interaction and fundraising (Pollach et al., 2005).

Recently, the first author was engaged to personally deliver a program at a local high school, because JA was short one volunteer. She was looking forward to the experience of interacting with the students and volunteers directly – a rare opportunity for a CEO. As programs are delivered by two volunteers per class, she was paired with a volunteer to deliver a grade 9 program designed to encourage students to stay in school, and to explore and secure potential education and career futures. As she became acquainted with her partner, on the way to the classroom, she learned that he was a military serviceman who had not graduated from high school. This came as a surprise, as her understanding of the “ideal” volunteer in the JA context was someone who was a business leader; someone who could mentor students about different sectors, industries, careers and professions; someone who could share success stories. This understanding included a bias about the necessity of post-secondary education. However, as the program was delivered, she learned the value of his life experience for the students. Her partner talked candidly and poignantly about how difficult it was to raise a family on minimum wage and the challenges he faced making advancements in his career. He provided a vivid picture of how higher education provides options and opportunities. It was clear that his personal story and experience had an impact. It turns out that he was the ideal volunteer for JA because he was able to motivate and inspire the youth in the classroom to think about their future in a different way. He achieved the desired outcome for JA, but he did not fit the organization’s stereotypical volunteer. He was the volunteer JA needed, but he was not the volunteer JA was recruiting for.

This experience has prompted us to examine what it means to say: ‘ideal volunteer’, and how this impacts who organizations recruit. Adopting a social constructivist position, we recognize that identity (in this case, the *ideal volunteer identity*) is created through interaction with others and a wider social environment (e.g. organizational setting) (Hearn & Louvrier, 2015). In the case of JA, volunteers are part of a mission to create pathways to employability and help youth realize their potential through economic empowerment. As such, JA ascribes the ideal volunteer identity (that of the anonymous volunteer provided by the corporate sponsor) and uses it to categorize and recruit individuals that fit this conception.

We suggest that notions of the *ideal* identity are a relative neglected area of corporate interest and academic study. Our contribution to management and organizational studies is offering a critical exploration of how a single identity category (i.e. ideal volunteer) can dominate and undermine other potential identities, thereby supplanting and even erasing these valued volunteers and their potential contributions. The ideal volunteer that JA pursues then acquires power and durability and becomes taken for granted as a best practice (see Bernstein et al, 2015; Bodenhausen, 2010; Alvesson et al, 2008). Challenging this construct means challenging the very meaning-making venture that JA undertakes in telling its story and carrying out its mission.

Per the 2017 annual report, JA World Wide enlists the support of over 450,000 volunteers annually who interact with more than 10 million youth. Our stance is that the ideal volunteer may not be ideal at all, and that advancing a mission which seeks to empower young people by cultivating their potential may be inadvertently impaired by JA’s own outreach practices and beliefs. Our concern is not only philosophical, but practical as well. What is the impact of recruiting for the volunteer you want, instead of the volunteer you need?

Another important inspiration for this research is the overwhelming value that volunteers provide to community health and sustainability. According to Volunteer Canada<sup>3</sup>, 6 in 10 Canadians volunteer, representing 17 million people who seek out opportunities to contribute to community well-being. A white paper, prepared by TD in 2012<sup>4</sup>, asserts that volunteerism creates \$50 billion in annual economic value for Canadians. Volunteers are integral to the work of NGOs and the broader market economy. Securing their support and understanding their relationships to causes and organizations is vital to the sustainability of NGOs and their missions.

A recent study by Posner (2015) suggests that volunteer leaders are more closely managed than paid leaders, which suggests in the context of our study that the recruitment of the ideal volunteer is a very deliberate practice. We share Posner's (2015) view that NGOs face unique challenges and constraints related to effectiveness. We want for our study to add insight into some of the barriers to effectiveness that NGOs face.

However, as we stated in the beginning, we submit for consideration that the concept of the *ideal volunteer* is a social construct and a highly contested, contextual notion. To that end, we build on the research of McAllum (2014) and others who assert that "the conceptual boundaries of volunteering are vague" (p.98). McAllum emphasizes that volunteers themselves give meaning to organizational volunteering. We contend that in turn, organizations also construct such meanings. These tensions between the volunteer individual identity and the volunteer organizational identity can clash (such as the case of our military serviceman) or converge and become anthropomorphized. Our paper will review the ways in which one organization (JA) creates an ideal volunteer through various discourses that emerge globally and then reproduces these discourses which support said ideal regionally. Our research explores the ways that western virtues of an ideal volunteer are exported, translated, and mapped onto a global context. We ask: what are the sites of resistance and/or embodiment, and what discursive structures support what we call *ideological colonization*?

### **Theory and Approach**

To undertake this research, we use critical discourse analysis (CDA) to examine annual reports Junior Achievement (JA) Worldwide along with the six (6) regional operating centres (ROCs), namely: the USA, the Americas, Europe, Africa, Asia Pacific and MENA<sup>5</sup>. We have selected CDA as a method because it helps to see not only what is explicit, but also what is implicit (Phillips & Hardy, 2002). Specifically, CDA has value in understanding the ways in which control is exercised through managerial programs, such as outreach programs, thus revealing discursive activities that construct and support institutional practices and imbed various power relations and

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<sup>3</sup> <https://volunteer.ca/blog/landscape>

<sup>4</sup> <https://volunteer.ca/content/td-economics-economists-case-volunteering>

<sup>5</sup> JA has a global network comprised of six regional areas: the USA, Americas (includes Canada and South America, but not the USA), Europe, Africa, Asia Pacific (plus Australia and New Zealand) and MENA (includes Middle East and North Africa).

understandings which become taken for granted and “serve to privilege some actors and disadvantage others” (Phillips & Hardy, 2002, p. 27.).

We are also drawing on intersectionality, but not as an approach that views identities as categorical, but rather as dynamic, overlapping experiences, which reveal specific social ordering that are context specific and socially constituted (Mercer et al, 2015). Intersectionality “places emphasis on power and oppression” (Powell et al, 2015, p. 531.). There remains disagreement on whether intersectionality is a theory, a concept, a heuristic or a strategy for doing analysis (Davis, 2011). We have selected an intersectional lens because it helps us to understand issues of difference and multiple identities and reveals what might be marginalized or oppressed in the privileging of one identity over another (Mehrotra, 2010; Davis, 2011). In this case, we are discussing the deliberate construction, reproduction, exportation and translation of an ideal volunteer over the potential of another kind of volunteer identity that could provide value to the mission. As we showed in the introduction, this deliberate construction may not be interfering with valuable volunteers being engaged, but it does present an important disconnect between behaviour and intent that must be surfaced and examined.

We are applying intersectionality to a global context by examining the making of the ideal volunteer in different regional settings. This approach also expands the potential value of an intersectional lens in a theory building activity by mapping intersections in one organization across its global network. We start with how *impact* is communicated, which results in the erasure of the individual under the power of *aggregate data* and the *corporate sponsor*. We then look at the *metanarrative of poverty* and the influences and discursive practices that result. Finally, we look at *branding*, which simultaneously gives an organization a global identity while suppressing a local one. In conclusion, we look at specific sites of resistance and embodiment in the JA regions where the global ideal has been replicated, which concern the profile (i.e. construction), recruitment and experience of the ideal volunteer. This reproductive process is requires the absolute acceptance of the taken for granted *ideal volunteer identity* as a prerequisite of success. In this way, we build on the argument posited by Alvesson et al (2008) in which such discursive systems orchestrate “the regulation of identities and the resulting political and material consequences” (p. 16).

Our epistemological stance serves to remind us of the power of the metanarratives of western privilege and the ongoing discourses that serve to protect them. In an organization like JA, which began in the west (in the USA in 1919) and expanded globally to over 100 countries worldwide, there is an opportunity to deconstruct and understand what has been manufactured and exported; essentially reproducing ideas and practices around the world. JA specifically recruits business leaders from companies who have recognized brand identities. This ideal volunteer shares his or her perspectives and ideas on education and career futures, often promoting with that the opportunities akin to their profession or industry and seeding repetitive ideas about what to study, where to study, where to work and who to work for. We are surfacing this practice and revealing it as a social, political and economic activity. Thus conceptionally, we call the practice *ideological colonization*.

Dill-Thornton and Zambrana (2009) point to the value of intersectionality in revealing complexities of individual identities and group identities “while making visible the ways in which

diversity within groups is often ignored” (Dill-Thornton and Zambrana, 2009 as cited in Mehrotra, 2010). Intersectionality focuses on the ways in which multiple forms of oppression interact in complex ways (Mercer, et al, 2015). By examining the portrayal of ideal volunteer, which is often marketed in an overly simplistic, monolithic fashion, we can uncover the seemingly invisible ways that individuals and other groups are overlooked. We submit that by exclusion, we are enacting a kind of *symbolic violence* that McCall (2005) describes in her work on intersectionality, whereby material inequalities (exclusionary practices) are performed, embodied and “defined by race, class, sexuality and gender” (McCall, 2005, p. 1777). We would add to this list: global corporations, metanarratives and brand identity and suggest that intersectionality has greater unitarity beyond these original parameters.

As an emic researcher, the first author brings her personal insights to bear on this analysis and willingly admits that this may be a self-serving endeavour and a personal sensemaking process. By occupying the role of both CEO and researcher, she is also combining activist writing with reflexivity by anchoring her research to her own subject position. Together, as authors, we also need to find a balance between embracing varied practices, experiences and perspectives while simultaneously taking a political stance (see Mehrotra, 2010). We carry into this research agenda a desire to do what is best for youth and believe that organizations such as JA are well positioned to have a positive impact on important social issues, like youth empowerment, employment and entrepreneurship. We also believe that even in organizations with noble intentions, discursive effects are at play. They exist in the tensions between resource availability and allocation decisions, between policy makers and community enablers and supporters, and between funders and charitable causes. These intersections provide “a means of raising the visibility and audibility of previously invisible and silenced groups” (Powell et al, 2015, p. 522). With these foundational elements discussed, we can now move onto to a brief review of the literature concerning volunteerism.

## **Volunteerism**

Diversity has emerged as an important topic within management and organizational studies. Many studies have focused on employee diversity and to a lesser extent some studies have focused on inclusionary practices for volunteers (see Bortree & Waters, 2014). Diversity in a global context is important for not only public relations e.g. reaching a diverse range of external stakeholders, but in the case of JA, volunteers must be relatable to students. Students should see themselves in the volunteer and be inspired by them. A strategy that JA employs is through corporate volunteerism and this strategy comes at a cost. This means that companies are targeted to have their employees volunteer. Caligiuri et al (2013) suggests that several firms are adopting corporate programs and such programs are on the rise because they offer a sustainability strategy for both the NGO and the corporation through mutual benefits (e.g. CSR and non-profit performance). These programs represent a “firm-level investment of time, money and human talent” (Caligiuri et al, 2013, p. 828). However, if the firms are not diverse, then neither are the volunteers. Additionally, if the firm loses interest, then the NGO’s capacity is compromised.

Other literature has investigated the potential cost and value of volunteerism. For example, strategic leadership may be more difficult to implement in a NGO that has different informational, interpersonal and decisional roles as well as multiple market segments and different service levels (Dimitrios et al, 2013). However, volunteerism offers clear financial value. For instance, research has looked closely at the ability of volunteers to ease the labour burden and associated costs for NGOs, which is certainly the case at JA<sup>6</sup> (Martinez & McMullin, 2004).

Literature has considered motivation, and the impact of social, religious and human capital to determine what inspires philanthropic behaviour like volunteerism (see Forbes and Zampelli, 2014; Gage & Thapa, 2012). These research questions are important for organizations like JA that rely so heavily on volunteer support, both at the program and governance level. The theory of volunteer work, has its roots in sociology, psychology and economics which is predicated on volunteer work being a productive and ethical activity, which involves collective action (Forbes & Zampelli, 2014; Wilson & Muslick, 1997). But what motivates a volunteer? Clary et al (1998) suggests that there are several functions that may be served by volunteerism, including: expressing altruistic or humanitarian concerns; using knowledge and practicing skills; engaging socially or pursuing activities that are favourably viewed by others; preparing for a career or improving on relevant skills; displacing guilt over being *better off* than *others*; and enhancing personal growth and self-esteem (as cited in Forbes & Zampelli, 2014).

Research has examined how volunteerism as a social activity contributes to a higher quality of life as well as what barriers exist to volunteerism, be they social or economic in nature (see Kelly et al, 1987; Wilson & Musick, 1999). Some research has also considered volunteer stewardship and retention strategies, which are integral to long term effectiveness (see Mason, 2016). Prosocial motivation spans not only volunteerism but also charitable giving (e.g. financial gifts). Per the JA World Wide Annual Global Factbook 2015 (aka annual report), JA's income is a mix of corporate, foundation and individual funders as well as license fees from the JA member network. Thus, prosocial motivation is an integral tool for its success. However, it is important to note that all prosocial behaviour can be adversely affected by socioeconomic status, race, religion or culture (Mason, 2016) and will vary across different populations (Gittell & Tebaldi, 2006; Newman, 2002; Vaidyanathan, Hill, & Smith, 2011). Therefore, JA is as vulnerable as any NGO which relies heavily on volunteer and donor support.

Rousseau's (1989) work on the psychological contract<sup>7</sup> has also been applied to the context of volunteerism, despite volunteers being viewed by some as more uncertain and ambiguous than paid workers (see Vantilborgh et al., 2012). Vantilborgh et al (2012) suggests that volunteers appreciate value-based obligations more and thus these obligations are more durable than

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<sup>6</sup> In Nova Scotia, JA has a staff of 10, but enlists the support of 900-1,000 volunteers per year. In school year of 2015-2016, JA Nova Scotia benefited from 11,651 volunteer service hours, which is roughly equivalent to an additional 6 FTE who might each deliver approximately 100 programs per year and would otherwise additionally cost the organization approximately \$300,000 per year.

<sup>7</sup> Defined as "an individual's beliefs regarding the terms and conditions of a reciprocal exchange agreement between that focal person and another party" (Rousseau, 1989, p. 123)

transactional ones. Giving freely of one's time and talent is therefore conditional on the nature of the activity, and retention can be influenced by said activity and perceived value.

McAllum (2014) maintains that despite multiple pathways and interest in volunteerism across disciplines and perspectives, conceptualization of volunteering remains vague. Further, McAllum states that there is no precise social practice that can accurately and usefully define volunteerism (McAllum, 2014). Nonetheless we presume a shared understanding, where it is more plausible that definitions are dynamic and consist of integrated, negotiated and at times, rejected meanings (McAllum, 2014). For instance, volunteerism can simultaneously be an individuated activity initiated for personal gain, compassion or duty, or it can be a capitalistic/collective/civic function that alleviates need and creates engagement (McAllum, 2014). One's volunteer experience does not necessarily describe another's in terms of motivation, context or experience. Not only do these motivations, contexts and experiences differ regionally and culturally, but they also evolve temporally.

Volunteerism and the study of it has also evolved from an inconsequential leisure pursuit in the periphery of study to one where theories have become more sophisticated and data more abundant (Wilson, 2012). In this paper, we seek to contribute to this literature with a case study of one of the largest global NGOs: Junior Achievement.

### **Part 1: Worldwide Context**

In this first section, we will review the overall construction and representation of the ideal volunteer at JA in a worldwide context. JA adheres to a predominant notion of the volunteer. This context is important as further in the paper, we will look at the regional adoption of the worldwide notion of an ideal volunteer.

JA emphasizes impact through numerical reports, which include financial information, number of volunteers and students engaged as well as corresponding contact hours. A lack of volunteers effects reach of students and volunteer engagement appears to vary significantly from region to region, which may point to some concern with the present recruitment strategies which rely so heavily on corporate support. Other explanations include a culture or region's view towards volunteerism, which (as we have suggested) varies.

**Table #1: Volunteer Overview by Region**

JA Region	Volunteers	Contact Hours	Students	Countries	Staffing
<b>Americas</b>	41,780	10,448,768	1,096,073	31	605
<b>USA</b>	218,896	34,653,432	4,665,117	1	1,551
<b>Asia Pacific</b>	24,460	12,998,751	963,677	20	190
<b>Europe</b>	164,344	87,893,462	3,454,525	38	861
<b>MENA</b>	7,280	2,760,643	291,952	14	252
<b>Africa</b>	2,576	3,311,857	183,552	14	105

Source: data from JA World Wide annual report, 2015

**Table#2: Sponsor Investment and Volunteer Rates**

JA Region	Highlighted Sponsor	Number of Volunteers	Invested
<b>Americas</b>	HSBC	1,119	\$1.7M
<b>USA</b>	Citi Foundation	2,000	\$4.2M
<b>Asia Pacific</b>	GE Foundation	4,189	\$1.5M
<b>Europe</b>	MetLife Foundation	442	\$1.7M
<b>MENA</b>	Citi Foundation	2,000	\$2.7M
<b>Africa</b>	Bechtel	400	\$800,000

Source: data from JA World Wide annual report, 2015

As we review the role of sponsorship, metanarratives (such as poverty) and brand identity, our intention here is to illustrate how these oppressive forces interact and intersect to produce consequences. Captured interdependently we can see how structural, political and reputational aspects become interlocking systems of oppression<sup>8</sup> (Mercer et al., 2015).

### **Impact – the Intersection of Sponsorship and the Invisible Volunteer**

Of interest, is the invisibility of the individual volunteer. Serving as a proxy for the individual is the corporation or sponsor, which suggests to us that the pursuit and stewardship of

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<sup>8</sup> Not unlike how intersectionality might show how race, class and gender intersect in a feminist critique.



the corporate sponsor perpetuates the invisibility of the individual volunteer. A narrative is shaped by the prominent sponsors in each region in the annual reports. Absent are the stories of individual volunteers. This prominence of the sponsored volunteer is the first indication of how the ideal volunteer is constructed and we will demonstrate how strictly this identity is maintained. The volunteer identity lacks individuality and is best described as universal.

Corporations are valorized for their financial, human resource and intellectual contributions. Volunteers are deployed as assets and commodities. Sponsors pay for the delivery of programs, provide volunteers to deliver the programs directly, and in some cases, help develop and engineer the programs themselves. Examples include Visa's sponsorship of a mobile application of a program in Africa. Similarly, ExxonMobil sponsored a competition designed to inspire European students to pursue careers in STEM. When volunteers are mentioned, it is shaped as follows: "More than 1,000 business volunteers engage in hands-on educational activities with young people throughout the year" (speaking of ExxonMobil in Europe, JA Worldwide annual report, 2015, p. 28). Another example: "Citi has supported INJAZ-Al-Arab (aka MENA) with approximately \$2.7 million in funding and supported programming with 2,000 Citi volunteers" (p. 32). Volunteers are nameless, faceless agents of corporate sponsors.

A rare exception in the profiling of individual volunteers appears in the region of the Americas. The profile speaks of a HSBC volunteer in Mexico.

Presenting finance classes to kids in a public school was appealing to me . . . volunteering is changing the most important part of me because it touches my human side. I never thought this program would add much to my career, but because of it, I'm now interested in linking personal skills to the company's productivity. I like leadership and innovation, but turning towards kids and working with them reminds me to remember the most important part of life. These kids have brilliant ideas and see a better world as something that is possible for them . . . when I arrived to work with my t-shirt on and the class materials in hand, my coworkers were curious about my experience (Rosa Romero Pulido, Volunteer, JA World Wide annual report, 2015, p. 22).

The emphasis is clearly her connection to the key funder and sponsor, HSBC. Her experiences are carefully crafted to both highlight positive aspects, the impact she has had on children, the simultaneous benefit to her company (the sponsor), all while gently encouraging the engagement of other volunteers. She represents the ideal volunteer.

### **Poverty – the Intersection of Metanarratives and Discursive Effects**

September 2015 introduced the United Nations Sustainability Development Goals aim to eradicate poverty across the world by 2030. We are proud of our current contribution toward targets around reducing

the proportion of unemployed youth by 2020 (Goal 8: Decent Work and Economic Growth) and growing youth employability skills, including entrepreneurship education by 2030 (Goal 4: Quality Education) . . . (Asheesh Advani, CEO JA Worldwide, as cited in his address letter in the JA Worldwide annual report, 2015).

To secure credibility and draw the attention and engagement of potential funders and volunteers, JA aligns its strategic imperatives with that of global ones. By linking to the larger cause of global poverty, JA justifies its mission and creates broader interest, particularly that of corporations also eager to demonstrate their benevolence.

The discourse on business and poverty alleviation is extensive. There are many high profile, global organizations that support poverty alleviation (e.g. World Bank). Chatterjee (2014) suggests that such discourses are becoming less adversarial and resistant and business and development is radically shifting such that “global poverty alleviation, market based solutions have acquired a new force and urgency among international donor agencies, think tanks, non-governmental agencies and development experts” (p. 889). These relationships (between organization and cause) however remain discursive in that they still hide corporate agendas as purely altruistic when they are also developmental. We submit that NGOs also enlist this strategy for economic gain. NGOs aligned with the interests of a corporation’s strategic business development objectives are more likely to benefit from their financial and volunteer support. In this case, the volunteer becomes an instrument by which such efforts are exercised and a conduit for corporations to legitimize market development activities.

Congruent with this discourse is the concept that business and entrepreneurship is an empowering model by which impoverished individuals and communities can improve their own circumstances. Chatterjee (2014) asserts that this grand synthesizing framework in which market-based solutions serve to eradicate poverty should be viewed as a *metanarrative*. As an extension to this thesis, we submit that as a metanarrative, poverty alleviation becomes an ideological and political structure which simultaneously replicates taken for granted assumptions about cause and effect, and the *right* stakeholders to be engaged and the *right* solutions to be explored. Such collaborations that result are problematic because they serve to perpetuate assumptions and privilege one solution over potential others, thereby closing off other ways of seeing and doing and the eligibility of other stakeholders. We see why it is clearly an attractive prospect to have companies simultaneously pursue profit and poverty reduction (see Prahalad 2006<sup>9</sup>), but what of the limits of these chosen custodians of poverty elimination? How are they addressed and if not, what are the consequences? One such consequence is the assumption that all impoverished people are would-be entrepreneurs and that all consumers are value conscious (Chatterjee, 2014). Another consequence is that the corporate volunteer may be ill-suited and other potentially valuable volunteers are deemed unqualified or undesirable, before being given the opportunity to contribute.

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<sup>9</sup> The thesis that companies can do well by doing good and that companies can be motivated by enlightened self interest.

### Branding – the Intersection of a Global Brand and the Loss of a Local Identity

JA has invested considerable effort into branding. In recent years, a unified logo and brand standard has been launched throughout the global network, which has sought to eliminate variation and increase profile. Junior Achievement has been replaced with JA, and regional difference is deemphasized. Coherent branding establishes identity, differentiates competitors and enhances recognition and may even influence reputation. In the context of NGO operations, brand image can raise profile and shape investor perceptions (Michaelidou et al., 2015). Branding does not only help to increase donations but it also creates “halo effects”, thus benefiting other charitable activities, such as volunteer engagement (Michaelidou et al., 2015; Bennett and Sargeant, 2005).

JA is made up of financially independent, and independently governed and registered charities. This is sometimes referred to as a federated model, though we accept that definitions of federated models are highly varied and contested<sup>10</sup>. In JA’s case, local charters pay license fees to access the JA brand. Therefore, the brand is considered an important ingredient for success, legitimizing fundraising efforts, and demonstrating credibility for program development and delivery.

Diagram #1: Before and After New JA Brand Strategy



Source: JA World Wide, JA Canada Presentation March 4, 2016

<sup>10</sup> For the purposes of this study, we refer to the industry definition shared in “A Revised Framework for Success for Nonprofit Federations”, authored by Mollenauer (2009), which builds on O’Flanagan and Taliento (2004), and defines a federated model as a “network or partnership that serves a public good and includes a national or provincial organization, affiliate branches and/or some form of local and/or regional bodies that share a mission, brand and program model and have some legal independence from one another”.

The change before and after the implementation of the new brand strategy is remarkable and considered a significant and strategically important accomplishment, especially amongst an independent network. Literature would support the advantages that JA will acquire through this shift. However, in the context of this study, we are interested in what this shift represents in terms of compromise and unstated effects. Regionality, language and diversity have been minimized. While this may help to attract the global or national/regional corporate sponsor, because of an enhanced perception of legitimacy and credibility, it also potentially harms local interest, including volunteers and donors who celebrate such difference and take pride in it.

Branding sends a very strong signal to the market about who an organization is and what it is looking for. JA is signally here to other organizations that it is *corporatist* and thus open for business to other similar organizations. JA is adopting a method of interacting with the market which emphasizes its way of doing things over its mandate. As Ottaway (2001) and many others have said, corporatism has long been critiqued for imposing solutions at the transnational level and we submit that JA is both defining the solution and embodying it and then soliciting large partners, likely at the cost of small.

The collateral damage we would like to highlight here is the potential loss of the local volunteer who may have insight into the local job market (e.g. small businesses who make up the majority of the market<sup>11</sup>) and even labour attachment strategies. Take for instance the Canadian example of JA Quebec, formally known as Jeunes Entreprises. The French language, the first language of the province is erased. The website<sup>12</sup> is in English and only a few of the programs offered in Canada are available in French. Though corporate partnerships leveraged through a global or national brand may procure donors (e.g. Citi) and potentially volunteers, what of local investors and volunteers? Through this example, we can begin to consider the potential ramifications, including impact and reach. For an organization that wishes to empower youth about their economic future, it becomes difficult to imagine one outside of an English-speaking, global enterprise with this strategy.

The consequence of the intersections, which we have highlighted (communicating impact, metanarratives and branding) show how the needs of an organization can be made invisible and how well-intended efforts which may be viewed as necessary to sustain and grow, may also simultaneously compromise desired effects. As we stated in the beginning of this section, the worldwide context is important to understand to appreciate how the ideal is replicated regionally.

## **Part 2: Global vs. Regional**

We will now take a closer look at how the ideal volunteer is constructed through accounts by the organization: the intersection of the global profile with the regional and the sites of resistance and embodiment.

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<sup>11</sup> Per the Government of Canada, Key Small Business Statistics for June 2016, 97.9% of businesses in Canada were small businesses.

<sup>12</sup> <http://jacanada.org/ja-quebec> or <http://quebec.jacharters.org/>

### **A global profile**

Each day, JA volunteers roll up their sleeves to delivery JA programming and help empower young people in all parts of the world. More than 450,000 volunteers from all sectors of society contribute their time and talents. It is in this meeting between young, inquiring minds and experienced mentors that the unique JA magic happens. The JA volunteer corps bring enthusiasm and passion to their application of the JA curricula. Throughout the course of the program, students' dreams and excitement for the future takes shape. Volunteers are counselors and teachers, but often also constitute students' first genuine connections in a professional network. (JA Worldwide annual report, 2015, p. 44.)

JA has a global mission to *inspire and prepare young people to succeed in the global economy*. This shared mission spans six continents and over 100 countries. Perhaps not surprisingly, the recruitment of JA volunteers follows a consistent message across this network.

**Table #3: Regional Volunteer Recruitment Language**

<b>JA Region</b>	<b>Recruitment Language</b>	<b>Source</b>
<b>Americas</b>	“All we need is your enthusiasm, life experience, and a willingness to teach children about how you took chances and shot for the stars.”	<a href="http://www.jaamaericas.org">www.jaamaericas.org</a>
<b>USA</b>	“By being a JA volunteer and sharing your personal and professional experiences and skills with students from your community, you help them make the connection between what they are learning in school and what they will need to succeed in work and life.”	<a href="http://www.juniorachievement.org">www.juniorachievement.org</a>
<b>Asia Pacific</b>	“We are always looking for talented volunteers to help the organization achieve its mission. Our volunteers are the lifeblood of JA’s hands on, experiential programs.”	<a href="http://www.jaasiapacific.org">www.jaasiapacific.org</a>
<b>Europe</b>	“. . . we need your help to give students the skills they need to excel. Volunteers are the lifeblood of JA’s hands-on experiential programs, and you’ll receive turnkey training so that your JA young achievers blossom under your care. Now all we need is you!”	<a href="http://www.jaeurope.org">www.jaeurope.org</a>
<b>MENA</b>	“You’ll receive turnkey training so that your INJAZ young achievers blossom under your care. We have the training, curriculum, and a classroom ready to meet you. Now all we need is your enthusiasm, life experience, and willingness to teach youth about how you took chances and shot for the stars. What are you waiting for?”	<a href="http://www.injazarab.org">www.injazarab.org</a>
<b>Africa</b>	“JA’s delivery mode depends vastly on volunteers, professionals from a cross-section of society who give their time and talent to share curriculum content with young people in their communities, companies like Citi, Barclays and Abraj are a few.”	<a href="http://www.jainafrika.org">www.jainafrika.org</a>

Strikingly, the recruitment messages of five of the six regions are personal in nature, appealing to the individual. While there remains emphasis on professional experience, volunteers are socialized to the JA experience via their individual merit and potential contributions not via their companies. Personal and professional experience are weighed with equal value. It is a striking contrast to how volunteers are recognized in JA’s annual reports, where emphasis is given to the corporate sponsor and individual volunteers are not, if rarely recognized. And yet both the recruitment strategy and the recognition strategy are extremely consistent across the global network

even though they are contradictory. JA Africa appears to be the only exception to the general conventions and practices related to recruitment.

Now we will review the ways the JA regions perpetuate and embody the global practices. By examining the 2015 annual reports of the ROCs<sup>13</sup>, we will see how the individual volunteer is erased under the strategy of communicating impact via aggregate data and emphasizing the corporate sponsor; and how the metanarrative of poverty is consistently revisited; along with the role of branding, which in the case of JA, emphasizes its brand through association with other high profile corporate entities.

### **Americas**

Individual volunteers are made invisible by the strategy of communicating volunteer engagement via aggregate data (e.g. statistics) and associated corporate partners. For instance, Scotiabank is highlighted as providing 440 volunteers (JA Americas annual report, 2015, p. 13). The total volunteers are cited along with the numbers of programs delivered, schools involved, and children reached (p. 17), but where corporate sponsors and students are highlighted individually with quotes and impact statements, the individual volunteer is not. For example, this quote from a student appears in a section which highlights HSBC's support, which included the provision of 220 volunteers, but no such similar statements from volunteers appear anywhere:

I loved the project because I learned about the importance of staying in school. I want a better future and more opportunities to be someone in life (Pedro Holanda Medeiros, JA participant, JA Americas, annual report, 2015, p. 15).

Similarly, CIBC's investment of 311 volunteers is highlighted as a statistic. There is a logo of the company, a brief description of their investment's outcomes and a picture of students who were involved.

In line with the JA Worldwide commitment to be aligned with global concerns, JA America's annual report begins with an emphasis on vision, which states:

To be recognized by companies, educators and political leaders of the world as the most important organization that inspires and prepares the young to be successful, contributing members of the global society; and which unites the people of all nations around the common objectives of job creation and stable economies building, providing better life quality (JA Americas, annual report, 2015).

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<sup>13</sup> An annual report was not available for the region of Asia Pacific.

Such commitments are elaborated on under a program sponsored by Citi Foundation, which involves empowering women and has a goal of poverty alleviation and emancipation:

To empower women and develop in them the entrepreneurial spirit to contribute in a direct way with their family economy. It is focused on young women from 18-25 years old in vulnerable situations (JA Americas, annual report, 2015, p. 8).

To emphasize its brand power, JA associates and profiles the assistance and involvement of high profile global companies. These relationships receive extensive credit and acknowledgement in the annual report, along with recognition strategies such as logo inclusion. Some of these partners in JA Americas include: AT&T, Baxter, Caterpillar, CIBC, Citi Foundation, FedEx, GE Foundation, HSBC, Master Card, Scotiabank and more.

## **USA**

JA USA starts its annual report with a message from the President and Chair, which reads in part:

Teens conceptualize, start up, and manage real business enterprises under the mentorship of a volunteer from the local business community (Catherine Brune and Jack Kasakowski, JA USA, annual report, 2013-2014, p. 2).

Despite this emphasis on the local business community, it is the global business community which is profiled through partnerships, such as AT&T. These partnerships supplant the individual volunteer profile. In a rare photo of a volunteer in action, the volunteer is not named and the caption simply reads “Students visiting AT&T’s Aspire Mentoring Academy get a unique, first-hand glimpse of the workplace” (JA USA, annual report, 2013-2014, p. 11):

### ***Illustration #1: AT&T Volunteer in Action***



*Source: JA USA annual report, 2013-2014, p. 11*



In a quote by a student, a volunteer is mentioned by name, but it is unclear if it is the volunteer pictured above and again there is no voice for the volunteer:

I kept changing my mind about my major and had become frustrated. I was paired with AT&T maintenance worker Charles Cole who inspired me. He was informative and eloquent in explaining his job, and I could tell that he wanted to help and guide us. His passion for his career came through. (Paige Walker, Riverside High School, JA USA annual report, 2013-2014, p. 11)

Volunteers are more commonly profiled via broad statistics, such as “during the 2012-2013 school year, more than 1,300 KPMG volunteers from more than 40 KPMG offices delivered 633 JA classes benefitting more than 17,000 US students” (JA USA annual report, 2013-2014, p. 12). This mention is also linked with a promotion of KPMG’s corporate social responsibility strategy which appears alongside a website link: [www.kpmg.com/us/csr](http://www.kpmg.com/us/csr). There is no opportunity to relate to an individual volunteer from a specific community, region and/or language group.

JA USA also plugs into the metanarrative of poverty with a poignant story involving a young woman involved in JA programs. Her story is entitled “Junior Achievement Gives Students the Tools to Overcome the Odds” and reads in part:

My entire life I was surrounded by poverty, violence, drug abuse and psychological illnesses, but more than anything, simply the idea that things were always good enough. Eventually I realized I wanted something different. (Selena Martinez, John H Reagan High School, JA USA annual report, 2013-2014, p. 4).

Here, JA is positioned as the *hand up* and the conduit of liberation and encouragement.

In a section dedicated to recognizing the volunteer via a volunteer service award, the recipients are all corporations, who have been recognized for their cumulative volunteer service hours. Amongst those providing 15,000 or more hours: Deloitte, ExxonMobil, GE, HSBC, Wells Fargo, AT&T, Citi, EY, Capital One and many others. Here we see an example of JA USA aligning itself with corporations in a mutually beneficial marketing strategy (i.e. endorsement). The program is also designed to allow JA to “bestow this honour to corporations with a US presence that provide volunteers to teach JA programs anywhere in the world” (JA USA annual report, 2013-2014, p. 21). As such, JA boosts its own position as a desirable and sought-after facilitator of goodwill measures and an authority and even gate-keeper to ways to help youth effectively.

## **Europe**

JA Europe also wants to be the partner of choice for businesses and promotes its volunteer contribution (164,363 “business volunteers”) alongside that of other metrics, such as number of

teachers (116,687) and students (3,454,750) engaged (JA Europe annual report, 2015, p. 7). In the 33-page report, there is but one volunteer quote:

At the end of the day, with patience and the right attitude, we can always achieve our objectives and create great experiences, especially if you feel you have become someone they trust and can ask for help. (Ignacio Ordóñez, MetLife volunteer from Spain, JA Europe, annual report, 2015, p. 11).

This quote is significant for several reasons: it is a rare insight into a volunteer experience; the individual has again been associated with a corporate sponsor; and the language selected for the quote is English despite the program taking place in Spain.

JA Europe has also taken steps to fit into broader global priorities. The Forward of the annual report is penned by the President of the European Parliament, who emphasizes in his remarks the importance of tackling youth unemployment:

It remains one of the top priorities of the European Parliament. In today's Europe, 7.5 million young people between 15 and 24 are not employed, not in education and not in training. This concerns us all because having a job is about much more than earning a living. It is about the feeling of achievement and it gives dignity. (Martin Schultz, European Parliament, JA Europe, annual report, 2015, p. 4)

Shultz goes on to offer his congratulations to JA and says “JA contributes to a more prosperous and strong Europe” (JA Europe annual report, 2015, p. 4). This is where the metanarrative of poverty and the objective of brand elevation meet. This intersection is an important one because it functions in three parts: a) showing JA as a problem solver; b) showing JA as an important stakeholder in politics and policy; and c) showing JA as a conduit for impactful CSR. These outcomes all mutually support the players' goals (be they JA, corporations or politicians) and emphasize communication priorities and branding objectives.

## **MENA**

JA MENA begins their annual report highlighting their success of reaching more than 2 million youth since 2004 as happening “in collaboration with almost 300 firms and 22,000 volunteers from the private sector” (Akef Al-Aqrabawi, CEO, JA MENA annual report, 2015, p. 7). Many high-profile sponsors are given recognition, including Citi Foundation, HSBC, Master Card, Coca-Cola Foundation and others. Endorsements of these partnerships appear in the form of student testimonials, such as this one:

It was a really nice experience for us. It changed our thoughts regarding society, and we realized that many members of society need our support. With little resources we did a lot of things to many families and we shared

happiness with them. We learned how to make a huge impact with few resources by working in a group. (Tariq Sedih, Student, JA MENA, 2015, p. 20)

Politically, JA MENA has taken steps to elevate its global profile by associating with high profile individuals in the region, including Her Majesty Queen Rania L. Abdullah of Jordan who “commended INJAZ (aka MENA) for its unparalleled efforts in combatting unemployment for Arab youth” (JA MEAN, annual report, 2015, p. 11). Other initiatives have included labour market assessments (funded by JP Morgan), programs designed to foster social responsibility (funded by Coca-Cola Foundation) and securing Arab Ministers of Educations’ endorsement. All efforts are consistent with the aforementioned JA practices.

### **Africa**

Similarly, for JA Africa, the funder profiles are ubiquitous and include Google, MetLife Foundation, Citi Foundation, FedEx, Abraaj Group, Barclays and Bechtel. In an article concerning a financial literacy campaign, volunteers are mentioned merely as agents of various corporations:

Volunteers from Prudential, Fidelity Bank, Stratcomm, and the Abraaj Group were present to support the campaign and facilitate the activities of the day. (JA Africa, annual report, 2015, p. 12)

Volunteers are usually depicted in the following way:

*Illustration #2: Infographic for JA South Africa*



In one profile, another simple infographic clearly depicts the objectives of such corporate partnerships:

*Illustration #3: Building Future Leaders Infographic*



Efforts related to poverty alleviation are clear. Under the auspices of promoting STEM careers, JA Africa and GE partnered to create a technology challenge where the end results were promoted as:

Students came up with technological ideas from recycling apps to solar powered back pack and waste disposal applications. The students left feeling empowered and ready to develop sustainable solutions to problems in their society. (JA Africa, annual report, 2015, p. 13)

GE is heralded as expanding opportunities for youth innovation and strengthening STEM across the continent while simultaneously raising JA's profile as the means by which corporations can gain access to youth. The sponsor and JA identity has become entwined quite intentionally.

### **Conclusion**

We began this paper with a story of a single volunteer who was a military serviceman who had not graduated from high school. Not only is he not the ideal volunteer, according to JA standards, but his recruitment and subsequent impact is an anomaly. Perhaps even unanticipated. We juxtaposed this profile with what JA promotes and are unreconciled to the difference but believe our subsequent case outlines the reasons for this.

The term 'ideological colonization' was used here to describe the adverse effects of exported corporate values of the ideal volunteer across a global context. We explored the sites of embodiment and limited resistance and the structures that support ideological colonization. We also ask who is marginalized and who is advantaged in this process? We have shown that JA and the corporation/sponsor is clearly advantaged and the volunteer and potentially the student are not. The limits placed on a model, which favours the corporate volunteer, also favours the student who will emulate similar goals and aspirations. We do not presume to suggest that this is wholly negative, but certainly worthy of debate. Unintended consequences prompt more questions: how does a global organization understand the needs of the local counterpart and the constituents it serves? How does an organization advance its marketplace position, while not underserving the very communities, which gave rise to their need and seeded the efforts which brought them into being?

Future research could delve further into local volunteer experiences of various JA charters in programming and board roles and consider these experiences across the globe. We also suggest that examining such practices over time would be insightful. Of particular interest to us, was our inability to ascertain if the ideal volunteer actually reflected the JA learner (in interests, ethnicity and language). This study was limited to the selection of only recent years of reports and only those prepared at the global and regional level (i.e. not the local level), though these reports do not appear to differ significantly in the themes explored herein. We have also focused exclusively on program volunteers and not board volunteers though we saw evidence to support similar patterns exist here as well. Surprisingly, it should be noted that all materials were readily available in English, not the primary languages reflected in the regions.

This research was designed with two contributions in mind. The first contribution is theoretical and concerns our use of intersectionality, which has been applied here not only to consider new kinds of intersections, such as that of a metanarrative and an organization, but also to consider the merit of using intersectionality as a lens across a global context. This paper has been an exploratory exercise in the expanded utility of intersectionality. As a result, we believe that intersectionality shows good promise for expanded theorization. At the core, intersectionality surfaces oppression by illustrating ways in which ideological structures interact to suppress. These structures reveal ways in which different kinds of oppression like globalization manifest. Globalization<sup>14</sup> inspires certain strategic behaviour in global organizations which recruits and inspires similar behaviour in NGOs.

Additionally, we are adding to management and organizational studies with a critique on the *ideal volunteer identity*. Identities are knitted into organizational settings with a variety of structures and practices – political, representational and ideological – thereby constituting such formations as taken for granted. As such, the notion of an ‘ideal’ becomes vague and problematic and a neglected area of corporate interest and academic study. Intersectionality reminds us that such concepts are quite fluid and can be critiqued and unpacked by examining the dynamic oppressive forces at work interdependently.

The second contribution concerns the role of NGOs and their adoption of discursive practices akin to that of corporations to advance a market position and to sustain or grow a mandate. There has been much critical research which has considered corporate social responsibility as a less

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<sup>14</sup> NGOs have come to rely on large global organizations (aka multinationals). Multinationals have come under harsh criticism for several reasons, including: exploiting local populations and creating wage slaves; extracting a net outflow of capital on investments and securing ongoing control of technologies; establishing colonial-type exploitive economies; undertaking projects merely as a form of intelligent marketing; avoiding taxes through creative transfer pricing models; and driving hard bargains and achieving exceptional concessions (Morgan, 1997). For these reasons, such global organizations “can create economic, political and social havoc, distorting rather than benefiting the development of their host country” (Morgan, 1997, p. 339). We therefore submit for consideration that such alliances (between multinationals and NGOs) while providing much needed financial and volunteer support, also come at a potential cost.

than altruistic strategy, and emerging critical literature of NGOs and their own discursive practices with respect the pressures of globalization to construct fundraising agendas, particularly concerning poverty alleviation and the environment (e.g. Princen & Matthias, 1994; Bieri, 2010; Cooper, 2013). We hope to add to this scholarship with our paper, which gives insight into the practices of one global NGO.

In fact, we have joined the conversation at an interesting time, expanding on work such as Wang and Hosoki (2016) who have investigated global forces and their effects on domestic NGOs by theorizing various linkages and influences in the environmental sector. There is an indisputable influence of globalization and like many others, we also ask: “at what cost?” We suggest that the cost is with respect to the value of hidden volunteers, which for many organizations, including JA, represent the heart of the NGO. These invisible volunteers (such as our military serviceman) may have much value to provide and efforts to recruit them are lost to the shift in pressures of the global market.

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## **MODELING THE DETERMINANTS OF FINANCIAL LITERACY OF UNIVERSITY STUDENTS**

This paper explores factors that affect the financial literacy of university students. A survey was administered to 442 university students to capture measures of financial knowledge, financial attitudes and financial behaviours along with several social and demographic factors. Results showed parental income, whether parents owned stocks or not, year of study, faculty enrolled in, and gender all influenced knowledge. Greater financial knowledge and financial attitude scores were found to have a positive influence on financial behaviour scores.

### **Introduction**

As the financial landscape continues to increase in complexity, the importance of financial literacy becomes more and more essential for consumers. Previous studies have indicated that the general level of financial literacy around the world is poor (see Xu and Zia, 2012 for a summary of related research). Financial literacy is an important factor in determining life success and well-being (Shim, Xiao, Barber, and Lyons, 2009). Additionally, financial literacy has an impact on economic prosperity within communities (Commonwealth Bank Foundation, 2004).

Young adults are often the focus of financial literacy studies as they are at a stage in life where financial responsibility heightens. Lusardi, Mitchell, and Curto (2010) measured the financial literacy levels of 7,147 U.S. respondents between the ages of 23 and 28 and found that less than one third of respondents possessed basic financial literacy. Finding effective ways to increase financial literacy levels has been the focus of many previous studies. Marcolin and Abraham (2006) reviewed the literature and concluded that more research is needed to determine realistic benchmarks for the measurement of financial literacy. They argue that this will help to determine the validity of educational strategies to improve financial literacy within the school system.

In Canada, FCAC has actively been implementing programs to address low levels of financial literacy across the nation. In 2015, in collaboration with the Government of Canada, they released a nation-wide strategy. A National Steering Committee on Financial Literacy was created to keep the strategy on track and to measure progress. The Government of Canada secured a commitment from Canada's banks to establish a five-year Financial Literacy Partnership Fund of \$10 million. This funding will be provided to community groups with projects that aim to improve

financial literacy of Canadians. The three goals set out in this nationwide strategy include helping people to manage money and debt wisely, to plan and save for the future, and to protect against fraud and financial abuse. (National Strategy for Financial Literacy, 2017)

Our study makes an important contribution by testing a model of financial literacy that incorporates the concepts of financial knowledge, financial attitudes and financial behaviours. Modelling financial literacy is important because it will assist in identifying factors that affect financial literacy. This will allow researchers to better understand how it is acquired and to better understand how the dimensions of knowledge, attitude, and behaviour are related.

This paper will start with an overview of previous studies of financial literacy and the relevant findings. It will then discuss the data and methods used in this study followed by the results. Finally, a discussion of the findings and concluding remarks will be made.

### **Literature Review**

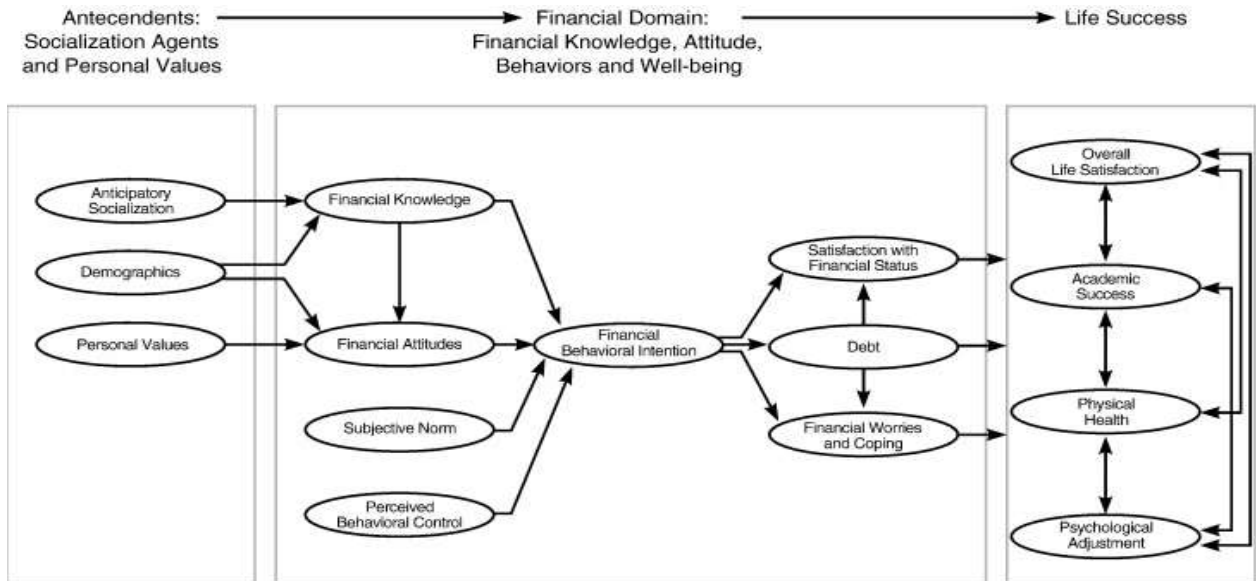
The concept of financial literacy has been operationalized in different ways in the literature. In many studies, financial literacy is used interchangeably with financial knowledge. Although very closely connected and often used interchangeably, financial knowledge and financial literacy do not represent the same concept. This is a common misconception. Huston (2010) did an analysis of seventy-one studies published between 1996 and 2008 on the topic of financial literacy. He found that forty seven percent of the studies he analyzed used financial literacy and financial knowledge interchangeably. Financial literacy, however, is made up of more than just knowledge. It also includes how this knowledge is applied and the thoughts behind this application.

For this study, financial literacy is defined as the combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial wellbeing (Atkinson and Messy, 2012). Financial literacy can therefore be broken up into three separate parts: financial knowledge, financial attitude, and financial behaviour.

Financial knowledge is defined as the stock of knowledge acquired through formal education and experience (Huston, 2010). In attempts to measure financial knowledge, many studies have asked participants basic questions on a variety of financial topics faced by individuals daily. They cover the topics of time value of money, simple and compound interest, risk and return, inflation, and diversification (Atkinson and Messy, 2012). Financial attitude is often measured as short-term gratification versus long-term financial plans. A positive financial attitude is associated with the satisfaction of saving, making other long-term investments, and receiving financial benefits. In contrast, a negative financial attitude is related to satisfying short-term wants which avoids the practice of saving for the future (Atkinson and Messy, 2012). The final component that makes up financial literacy is the behaviour that people employ when making financial decisions. Someone may have superior knowledge of financial matters, but if their behaviour doesn't reflect this knowledge, then there may be no financial gain. Behaviour is, therefore, argued to be the most important element or dimension of financial literacy (Atkinson and Messy, 2012).

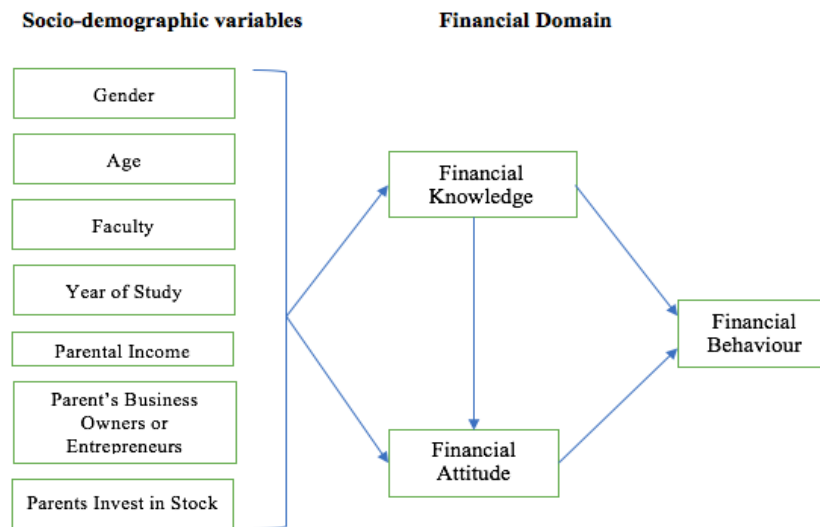
### **Conceptual model**

Another major issue with previous research on financial literacy is the lack of theoretical models that capture the different dimensions of financial literacy (Potrich, Vieira and Mendes-Da-Silva, 2016), but this is changing. Recently Tang and Peter (2015) used Experiential Learning theory from the education literature to guide their study on how education and experience affect financial knowledge. In addition, Potrich, Vieira and Mendes-Da-Silva (2016) propose three different models to capture the relationship between the concepts of financial knowledge, attitudes and behaviours and financial literacy. In our study, we use the conceptual model for student financial well-being proposed by Shim et al (2009).



**Figure 1.** *The proposed conceptual model of student financial well-being by Shim et al. (2009).*

Shim et al. (2009) propose a model to examine financial well-being in young adults by connecting social agents and personal values to the financial domain, and connecting this measure to life success. The model is displayed in Figure 1. The proposed theory by Shim is that young adults' social and personal factors affect financial knowledge, attitudes and behaviours, which are in turn linked to overall life success. They found a direct link between financial knowledge, financial attitude, and financial behavior intentions. In addition to breaking out the components of financial literacy, Shim et al. (2009) also propose several sociodemographic variables which affect financial literacy levels. These include life-cycle stage, formal education, gender, and parental influences. Our study tests a reduced version of the Shim et al (2009) model as shown in Figure 2.



*Figure 2. Proposed model of financial literacy*

## Hypotheses

Mitchell and Lusardi (2015) found that much of the variance in the financial literacy of students is explained by socio-economic factors. Several demographic variables, consistent with previous studies, therefore are included in this study.

### *Gender and Age*

The difference in financial literacy levels for males and females is a commonly studied demographic factor. Fisher (2010) conducted a study on personal saving behaviours and specifically looked at the differences in these behaviours between genders. To eliminate influences from family or spouses, she focused on single person households. Consistent with previous literature she found that women were less likely to save over the previous year and that women are more risk averse than men. Additionally, Chen and Volpe (2002) found that women were less enthused, had lower confidence, and were less willing to learn about personal finance topics than were men. Age is also an important factor on levels of financial literacy. Xu and Zia (2012) found that financial literacy followed an inverted U-shape with respect to age. In the U.S., their review showed those in the 25 to 65 age group scored 5% better on financial literacy questions than those younger than 25 or older than 65.

*Hypothesis 1:* Males will have higher financial literacy scores than females.

*Hypothesis 2:* As age increases for students, financial literacy levels will also increase.

### *Program and Year of Study*

Formal education has been found to impact financial literacy levels. Schuchardt, Hanna, Hira, Lyons, Palmer, and Xiao (2009) found that there is consistent evidence showing that financial education leads to increases in financial knowledge. Chen and Volpe (1998) surveyed 924 college students. They found that the participant's educational background has a significant impact on their financial knowledge. The results of the survey showed business students answering 60.72% of the questions correctly, while non-business majors answered 49.94% correctly. Additionally, Tang and Peter (2015) found a 12% increase in financial knowledge scores by those who chose finance related college majors. Year of study has been found to affect the level of financial literacy. Chen and Volpe (1998) found freshmen respondents had the lowest level of financial knowledge, where graduate level students scored the highest. Xu and Zia's (2012) review of the literature also found that financial literacy is associated with education.

*Hypothesis 3:* Business students will have higher financial literacy than non-business students.

*Hypothesis 4:* As year of study increases, financial literacy levels will also increase.

### *Parental Influences*

The relationship between parental influences and test scores has also been found to influence financial literacy levels. Schuchardt et al. (2009) concludes that current literature identifies parents as primary agents for financial socialization. The main influences are parent's household income, whether parents are business owners or entrepreneurs, and whether they invest in stocks or not. Chen and Volpe (1998) reported results from their study that showed an increase in financial knowledge with a higher level of household income in the current year. Additionally, Mitchell and Lusardi (2015) found that more than one-third of U.S. wealth inequality can be explained by the differences in financial knowledge. It is also expected that those whose parents are either business owners or entrepreneurs would be exposed to money management talks at home, and their financial literacy would be higher than someone who was not exposed to this. Additionally, previous research has found that students whose parents owned stocks will score higher financial knowledge scores than those whose do not. Specifically, Lusardi et al (2010) found that participants whose parents owned stock were 8% more likely to answer a risk diversification question correctly.

*Hypothesis 5:* Students whose parents have a higher income will have higher financial literacy levels than those whose parents have a lower income.

*Hypothesis 6:* Students whose parents are business owners or entrepreneurs will have higher financial literacy than those whose parents are not.

*Hypothesis 7:* Students whose parents invest in stocks will have higher financial literacy than those whose parents have not.

*Financial Knowledge, Attitude and Behaviour*

Martin (2007) conducted a literature review on the effectiveness of financial education. He determined that there is a positive connection between financial knowledge and financial behaviour. In addition to demographic variables, Shim et al (2009) proposed that higher levels of financial knowledge are associated with better financial attitudes and improved financial behaviours. In addition, better financial attitudes are also associated with improved financial behaviours. This leads to the following three hypotheses.

*Hypothesis 8:* The higher the level of financial knowledge, the more positive the financial attitude will be.

*Hypothesis 9:* The higher the level of financial knowledge, the better the financial behaviour will be.

*Hypothesis 10:* The more positive the financial attitude, the better the financial behaviour will be.

**Data and Methods**

**Participants and Procedure**

A survey was administered to various classes at a small undergraduate university in eastern Canada. A total of 442 usable surveys were collected. The descriptive statistics for various demographic and socialization factors are highlighted in Table 1.

**Table 1: Descriptive Statistics**

Panel A: Summary statistics for demographic variables

<b>Variable</b>	<b>N</b>	<b>Percent</b>
<i>Gender</i>		
Male	261	60.0%
Female	176	40.0%
<i>Age</i>		
<18	3	0.7%
18	29	6.6%
19	91	20.6%
20	94	21.3%
21	106	24.0%
22	73	16.5%
23	25	5.7%
24	8	1.8%
25+	13	2.9%



<i>Faculty</i>		
BA	114	25.9%
BBA	297	67.4%
BSc	14	3.2%
Other	16	3.6%
<i>Year of Study</i>		
1 <sup>st</sup>	61	13.9%
2 <sup>nd</sup>	127	28.9%
3 <sup>rd</sup>	101	23.0%
4 <sup>th</sup>	128	29.1%
Other	23	5.2%
<i>Student Loan</i>		
Yes	159	36.0%
No	279	64.0%
<i>Parental Income</i>		
0-60,000	42	10.1%
60,001-90,000	89	21.3%
90,000-150,000	104	24.9%
More than 150,000	182	43.7%
<i>Parent is Business Owner or Entrepreneur</i>		
Yes	164	37.3%
No	276	62.7%
<i>Parents Invest in Stocks</i>		
Yes	253	57.5%
No	187	42.5%
<i>Student Debt</i>		
1 <sup>st</sup> year		\$ 10,959
2 <sup>nd</sup> year		\$ 18,560
3 <sup>rd</sup> year		\$ 22,309
4 <sup>th</sup> year		\$ 25,056
Other		\$ 32,778
Overall Average		\$ 21,932

Panel B: Summary Statistics for financial literacy variables

Variable	N	Mean	SD	Min	Max
Financial Knowledge	442	5.90	1.661	1	8
Financial Attitude	442	8.36	1.808	3	14
Financial Behaviour	442	5.01	1.853	0	9

### Measure of Financial Knowledge

A set of knowledge questions taken from an OECD study by Atkinson and Messy (2012) was used to capture the dimension of financial knowledge. The list of questions and the scoring system for these questions can be found in Table 2. Several different topics and question types were used to capture an overall knowledge score for each participant. In their study, Atkinson and Messy explored the impact of omitting or including certain questions. Because of the advanced nature of the mortgage question, two composite scores were calculated for knowledge, one on an eight-point scale and one on a nine-point scale. The eight-point scale included all knowledge questions excluding the final advanced question on mortgages. The second measure included the mortgage question, and had a maximum knowledge score of nine. For this study, the score excluding the mortgage question was used in analysis, as the test subjects are students and have likely not encountered this situation at this point in their life.

**Table 2: Financial Knowledge Composite Scoring System**

Topic	Question Asked	Scoring Scheme
K1. Division	Imagine that five brothers are given a gift of \$1000. If the brothers have to share the money equally how much does each one get? [open response: <b>\$200</b> ]	1 for correct response, 0 in all other cases
K2. Time-value of money	Now imagine that the brothers have to wait for one year to get their share of the \$1000. In one year's time will they be able to buy: a) More, b) the same amount, c) <b>less than they could buy today</b> d) <b>it depends on the types of things they want to buy</b> , or e) don't know	1 for correct response (c or d accepted), 0 in all other cases.
K3. Interest paid on loan	You lend \$25 to a friend one evening and he gives you \$25 back the next day. How much interest has be paid on his loan? [open response: <b>0</b> ]	1 for correct response, 0 in all other cases.

K4. Calculation of interest plus principle	Suppose you put \$100 into a no fee savings account with a guaranteed interest rate of 2% per year and the interest is paid at the end of each year. You don't make any further payments into this account and you don't withdraw any money. A) How much would be in the account at the end of the first year, once the interest payment is made? [open response: <b>\$102</b> ]	1 for correct response, 0 in all other cases.
K5. Compound Interest	B) How much would be in this account at the end of five years, remembering that there are no fees? <b>a) More than \$110</b> b) Exactly \$110 c) Less than \$110 <b>d) not enough info</b> or e) don't know	1 for correct response (a and d accepted) IFF the previous response was also correct, 0 in all other cases.
K6. Risk and Return	An investment with a high return is likely to be high risk. [true/false]	1 for correct response, 0 in all other cases.
K7. Definition of Inflation	High inflation means that the cost of living is increasing rapidly. [true/false]	1 for correct response, 0 in all other cases.
K8. Diversification	It is usually possible to reduce the risk of investing in the stock by buying a wide range of stocks and shares. [true/false]	1 for correct response, 0 in all other cases.

K9. Mortgage	A 15-year mortgage typically requires higher monthly payments than a 30 year mortgage but the total interest paid over the life of the loan will be less. [true/false]	1 for correct response, 0 in all other cases.
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### Measure of Financial Attitude

Table 3 summarizes the questions asked and the scoring system to create a composite financial attitude score. Participants were asked to rank how strongly they agreed or disagreed with three statements on a scale of one to five, with one being strongly disagree and five being strongly agree. To make this composite score more easily understood, the responses were reverse scored. This allowed for high attitude scores to represent positive attitudes, without changing any of the meaning of the data collected. After this small change was made, a composite score was created for each survey by adding together the scores of the statements, with the highest possible score being 15. The questions and scoring scheme were taken from Atkinson and Messy's (2012) OECD study.

**Table 3: Financial Attitude Composite Scoring System**

Statement	Scoring Scheme
A1. I find it more satisfying to spend money than save it for the long term.	Scale of 1 to 5 used, where one was completely disagree with the statement and 5 is completely agree.
A2. I tend to live for today and let tomorrow take care of itself.	Scale of 1 to 5 used, where one was completely disagree with the statement and 5 is completely agree.
A3. Money is there to be spent.	Scale of 1 to 5 used, where one is completely disagree with the statement and 5 is completely agree.

### Measure of Financial Behaviour

Financial behaviour questions were also taken from the Atkinson and Messy (2012) OECD study. Two composite behaviour scores were calculated, one having a maximum score of seven, the other of nine. The questions, answers and scoring system can be found in Table 4. The first score included the factor on credit cards and had a maximum score of 9, while the second did not include the credit card question and had a maximum score of 7. The seven point scale was created

over concerns that those without a credit card could not score 2 of the 9 points. Two scores were created to convey the financial behaviours of the participants. For this study, the 9-point score was used for analysis as the majority of respondents (74%) did own a credit card.

**Table 4: Financial Behaviour Composite Scoring System**

Topic	Question Asked	Scoring Scheme
B1. Considered Purchase	Before I buy something I carefully consider whether I can afford it.	A scale of 1-5 was used, 1 being completely disagree, 5 being completely agree. Responses of 4 or 5 were given one point, 0 in all other cases.
B2. Timely bill payment	I pay my bills on time.	A scale of 1-5 was used, 1 being completely disagree, 5 being completely agree. Responses of 4 or 5 were given one point, 0 in all other cases.
B3. Keeping watch on financial affairs	I keep a close personal watch on my financial affairs.	A scale of 1-5 was used, 1 being completely disagree, 5 being completely agree. Responses of 4 or 5 were given one point, 0 in all other cases.
B4. Long-term financial goal setting	I set long-term financial goals and strive to achieve them	A scale of 1-5 was used, 1 being completely disagree, 5 being completely agree. Responses of 4 or 5 were given one point, 0 in all other cases.
B5. Responsible and has a household budget	a) Who is responsible for day-to-day decisions about your money? b) Do you use a budget?	1 point if personally or jointly responsible for money management and uses budget often or always. 0 in all other cases.

B6. Borrowing to make ends meet	a) Sometimes people find that their funds do not quite cover their living costs. In the last 12 months has this happened to you? [Yes/No] b) What did you do to make ends meet the last time this happened	1 point if answer to (a) was no, 1 point if answer to (a) is yes <i>and</i> answer to (b) was that the respondent didn't borrow or use credit. 0 in all other cases.
B7. Active Saving	In the past 12 months have you personally saved money, whether or not you still have the money now? [Yes/No]	If the answer was yes, respondents were given 1 point. 0 in all other cases.
B8. Choosing products	a) If you have a credit card, are you solely responsible for making the payments on your credit card? [Yes/No/Don't have a credit card] b) Which of the following best describes how you last chose a credit card?	If respondents did not have a credit card they were given a 0. If respondents did own a credit card and considered several options from different companies they were given a 2. If respondents owned a credit card and considered various options from one company, they were given a 1. 0 in all other cases.

### **Analysis**

Both univariate and multivariate techniques were used in the analyses. ANOVA was used to identify significant differences in knowledge, attitude and behaviour mean scores among various social and demographic variables. Post hoc Duncan tests were used to determine where the significant differences occurred. In addition, correlations were run to examine the relationships between financial knowledge, attitudes and behaviour in the model.

At the multivariate level, Partial Least Square (PLS) software was used. The model created using SmartPLS 2.0 was used to evaluate statistical relationships between the various constructs. Bootstrapping was used to test for significance of coefficients of the various paths. The sample size was set to 442, the number of surveys completed, and number of samples was set to 500 and verified with a set of 1000. Significance was determined with critical t-values of 1.96 ( $p < 0.05$ ). Insignificant paths were removed from the model, leaving only statistically significant relationships in the final model. The degree to which two measures of construct were related was validated using the average variance extracted (AVE) for each latent variable and was then compared to the benchmark value of 0.5. Item loadings were also validated using a recommended benchmark of 0.5 for manifest variables, with only variables meeting this criterion remaining in the final model. Assessment of construct reliabilities was then done using composite reliability (CR) with a benchmark value of 0.7.

## **Results**

### **Analysis of Variance**

SPSS was used to run several univariate tests to identify significant relationships within the collected data and, where applicable, post hoc Duncan tests were used to identify differences among groups. The significant differences found are highlighted in Table 5 and discussed below.

#### *Gender and Age*

For financial knowledge, females scored significantly lower than males. Females scored an average of 5.27 out of a possible eight points, where males scored 6.36. For financial attitudes and financial behaviours, no significant differences were found between males and females. Scores for financial attitudes and financial behaviours were significantly different for different age groups but no pattern could be discerned. Details of the ANOVA results can be found in Table 5.

#### *Program and Year of Study*

Significant differences were found for faculty / program of study. The faculty variable was broken up into Bachelor of Arts, Bachelor of Business Administration, Bachelor of Science, and Other. The first significant difference was found for knowledge scores. Using a post hoc Duncan test, Bachelor of Arts students were found to score significantly lower than all other students. Bachelor of Arts students scored an average of 4.91 out of a possible eight points on the knowledge questions whereas Bachelor of Science students scored 5.86, 'Other' students scored 5.94 and Bachelor of Business students who scored 6.29. The second significant difference was found for financial behaviour scores, with Bachelor of Arts students scoring significantly lower in this category.

A significant difference was also found for year of study for financial knowledge scores but no pattern could be discerned.

#### *Parental Influences*

The parental influences on financial knowledge, attitude and behaviour were tested using parental income, whether parents were business owners or entrepreneurs, and whether parents owned stocks or not. Students whose parents' income is \$90,000 to \$150,000 scored significantly higher on the financial knowledge questions compared to their peers with parental incomes less than \$90,000. No significant differences were found for the different categories of parental income for financial attitude or financial behaviour. The presence of parents who were business owners or entrepreneurs showed no significant impact on knowledge, attitude, and behaviour scores. Whether parents invested in stocks did show a significant impact on financial knowledge levels, but no impact on attitude and behaviour scores. Students whose parents invested in stocks scored significantly higher on financial knowledge (6.11) than students whose parents did not invest in stocks (5.60).

*Financial Knowledge, Financial Attitude, Financial Behaviour*

Aside from the socio-demographic variables, the three dimensions of financial literacy were also found to be related (see Table 6). Significant correlations were found between financial behaviour and both financial knowledge and financial attitude. This provides preliminary evidence consistent with the assertion that financial behaviour may be impacted by both financial knowledge and financial attitudes.

**Table 5: Results of Univariate Analysis**

Variable	N	Knowledge	Attitude	Behaviour
<i>Gender</i>				
Male	261	6.36	8.31	5.28
Female	176	5.27	8.42	4.68
<b>F-stat</b>		<b>5.51**</b>	<b>0.04</b>	<b>0.03</b>
<i>Age</i>				
<18	3	5.00	9.00	3.67
18	29	5.28	9.14	4.52
19	91	5.87	8.10	5.04
20	94	5.90	8.22	4.95
21	106	5.93	8.43	5.29
22	73	5.85	8.08	4.63
23	25	6.76	8.12	5.88
24	8	5.13	9.38	4.00
25+	13	6.46	10.15	5.46
<b>F-stat</b>		<b>1.91</b>	<b>3.37**</b>	<b>2.30*</b>
<i>Faculty</i>				
BA	114	4.91	8.42	4.45
BBA	297	6.29	8.33	5.20
BSc	14	5.86	8.79	5.43
Other	16	5.94	8.06	5.38
<b>F-stat</b>		<b>21.79***</b>	<b>0.47</b>	<b>5.13**</b>
<i>Year of Study</i>				
1 <sup>st</sup>	61	5.34	8.62	4.80
2 <sup>nd</sup>	127	5.93	8.26	4.94
3 <sup>rd</sup>	101	5.62	8.25	4.92
4 <sup>th</sup>	128	6.22	8.38	5.27
5 <sup>th</sup>	17	6.76	8.88	4.47
Graduate	2	5.50	7.00	6.00
Other	4	6.25	8.25	6.75
<b>F-stat</b>		<b>3.31**</b>	<b>0.77</b>	<b>1.57</b>
<i>Parental Income</i>				
0-60,000	42	5.67	8.29	4.62
60,001-90,000	89	5.66	8.26	5.04



90,000-150,000	104	6.26	8.26	5.01
More than 150,000	182	5.93	8.34	5.09
<b>F-stat</b>		<b>2.53*</b>	<b>0.22</b>	<b>0.72</b>
<i>Parent is Business Owner/Entrepreneur</i>				
Yes	164	5.78	8.25	5.14
No	276	5.97	8.43	4.92
<b>F-stat</b>		<b>1.30</b>	<b>1.07</b>	<b>1.40</b>
<i>Parents invest in stock</i>				
Yes	253	6.11	8.38	5.06
No	187	5.60	8.34	4.93
<b>F-stat</b>		<b>10.32**</b>	<b>0.06</b>	<b>0.60</b>

\*\*\* p<0.001, \*\* p<0.01, \* p<0.05

**Table 6: Financial Knowledge, Attitude, and Behaviour Correlations**

<b>Variables</b>	<b>N</b>	<b>Pearson Correlation</b>	<b>Significance Level</b>
Knowledge and Attitude	442	.000	.996
Knowledge and Behaviour	442	.186	.000
Attitude and Behaviour	442	.123	.010

### PLS Model

Partial Least Squared (PLS) software was used to identify which socio-demographic factors had a significant effect on financial knowledge, attitudes, and behaviours and to identify the influential relationships between these financial factors. The bootstrapping function was used in order to identify the factors that had a significant impact on financial knowledge, attitudes, and behaviours. The PLS algorithm was then calculated to identify which variables were statistically significant for each latent variable, and the degree to which the variables were explained by the significant factors. Values greater than 0.5 were kept in the final model.

The results from the PLS bootstrapping model can be found in Figure 3. Five different factors were found to have a significant impact on knowledge scores. Parental income was one of the factors found to have a considerable impact on knowledge scores of the participants. Students whose parents had higher incomes scored higher on the financial knowledge questions. The next factor captured whether respondents were exposed to the idea and nature of stocks in their upbringing. Exposure to this aspect of finance was theorized to have a positive impact on levels of financial literacy. In the PLS model, this factor showed a significant and positive relationship with knowledge<sup>1</sup>. Consistent with previous literature, gender was found to have a significant impact on levels of financial knowledge. The respondent's year of study was also found to impact the levels

<sup>1</sup> The negative sign in front of the coefficient of 0.139 is due to how the variable was coded.

of financial knowledge. Finally, faculty / program of study was shown to influence both financial knowledge and financial behaviour. Compared to other programs, BA students scored lower on both knowledge and behavior ( $t=1.987$  and  $t=3.220$  respectively).

The PLS model also highlighted the connections between the three factors of knowledge, attitude, and behaviour. Knowledge was shown to have a significant influence on both financial attitude and financial behaviour ( $t= 2.390$  and  $t=1.998$  respectively). Thus a participant's level of financial knowledge positively influences their financial attitudes and behaviours. A significant relationship was also found between attitude and behaviour. Attitude was found to have a very significant influence ( $t=7.245$ ) on behaviours. This allows us to conclude that financial knowledge, attitude, and behaviour are in fact all connected.

After significant paths were identified, a PLS algorithm calculation was run (see Figure 4). This allowed for an  $R^2$  value to be identified for each of the financial domain variables.  $R^2$  values of 0.10 or greater ( $R^2 \geq 0.10$ ) were kept in the final model, as this is the threshold for practical significance (Falk and Miller, 1992). The PLS algorithm calculation concluded that the latent variables of income, parental stocks, gender, year, and faculty explain 12.7% of the variance in knowledge scores. The  $R^2$  for behaviours was found to be 0.160, showing practical significance. This means that 16.0% of the variance of the behaviour scores is explained by the influence of knowledge and attitude of participants. The  $R^2$  value for attitude was originally found to be 0.014, which meant that the knowledge variable only explained 1.4% of variance of attitude. Although this relationship showed statistical significance in Figure 3, the  $R^2$  value of 0.014 shows that there is no practical significance in this relationship. This relationship was removed from the PLS Model and the revised model can be found in Figure 4.

Figure 3. PLS Model-Bootstrapping

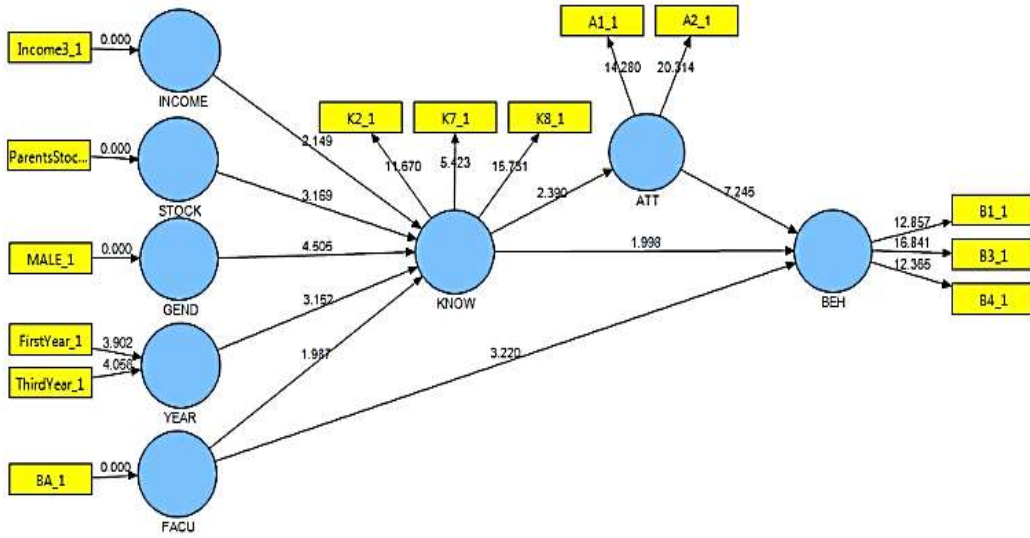
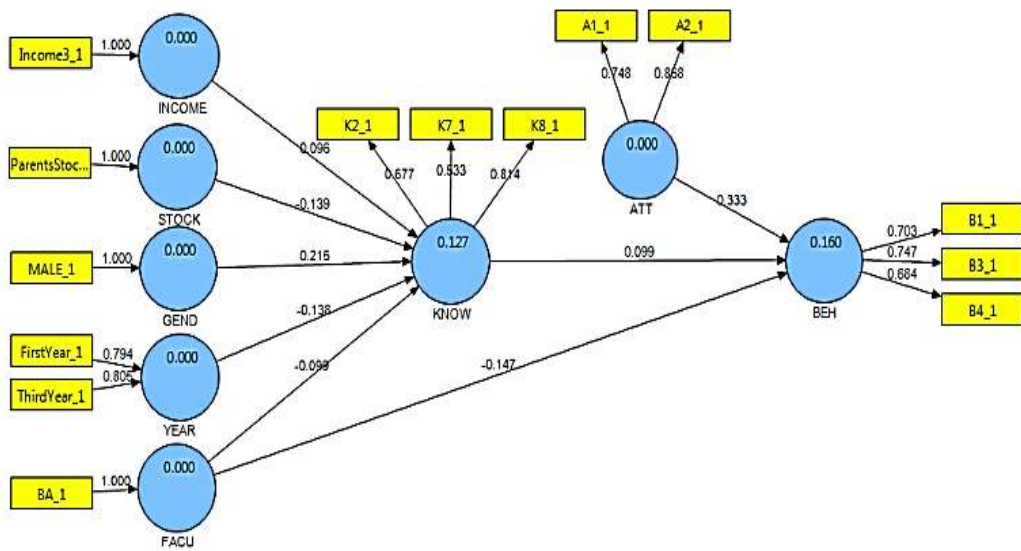


Figure 4. PLS Model- PLS Algorithm



### **Discussion**

This study was undertaken to assess levels of financial knowledge, attitude and behaviour of university students and identify which variables impacted these financial domains. Additionally, this study was conducted to create a conceptual model of several socio-demographic factors, financial knowledge, attitude and behaviour and to show how these variables are connected. The focus was to discover factors that contribute to differing levels of the three financial domain factors and identify how much of the variance could be explained by these factors.

We found that the three components of financial literacy are connected. Several social and demographic factors were found to directly influence knowledge. Knowledge and attitudes were found to directly influence behaviours. This creates an indirect link from the socio-demographic factors to behaviours. The influence between the three financial domains reinforces the idea that financial literacy and financial knowledge are not interchangeable.

A second significant finding was the relatively small impact that knowledge has on behaviour compared to attitudes. While many earlier papers had suggested that knowledge has a significant relationship to behaviour, recent research by Fernandes, Lynch and Netemeyer (2014) suggests these findings may have been due to poor research design. Our findings suggest that research focused on changing attitudes may hold the promise for a larger impact on behaviour. As such, further research and efforts to increase financial literacy should pay closer attention to this relationship and perhaps attempt to address and alter financial attitudes to achieve more positive behaviours.

### **Conclusion**

This study has found that the differences in levels of financial literacy may be partially due to socio-demographic factors. These factors may create inequalities in learning opportunities that affect the ability of individuals to become more financially literate. In addition, we found evidence that the financial dimensions of knowledge, attitudes and behaviours are connected in a manner consistent with Shim et al's (2009) model. While all three financial domains were found to be connected and influenced to some extent by social and demographic factors, our findings must be viewed with caution as we tested only a portion of the Shim et al (2009) model. Future work could be conducted to see if these findings apply to other populations or age groups.

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## **A DECADE OF TEACHING EVIDENCE-BASED MANAGEMENT: INITIATIVES AND FUTURE DIRECTIONS**

Practitioners who apply insights from organizational research to managerial decision-making can make better decisions, yet there remains a disconnect between research, teaching, and practice in management. This paper describes initiatives in the University of Prince Edward Island's Faculty of Business to teach evidence-based management in our undergraduate and Executive MBA programs to help bridge those gaps.

### **Introduction**

Managers make decisions that affect the performance and well-being of organizations and the people who work within them. Systematic research can improve managerial decision-making, but significant gaps exist between management research and practice (Burke & Rau, 2010; Rousseau, 2012; Rynes, Rousseau, & Barends, 2014). According to Rousseau and McCarthy (2007, p. 99), "the absence of a critical mass of evidence-based managers today translates into both poorer outcomes for organizations and into pressures to conform to more ad hoc approaches. An entire generation of evidence-based managers may be needed before organizations make wide use of scientific evidence in their decisions."

Evidence-based management (EBMgt) is "a way of thinking" (Briner, Denyer, & Rousseau, 2009, p. 24; Pfeffer, 2007, p. 12) about organizational decisions systematically, combined with a focus on using knowledge of human behaviour to inform the design of management practices (Pfeffer, 2007). EBMgt has the potential to improve the productivity and effectiveness of organizations along with the well-being of organizations' members (Pfeffer & Sutton, 2007; Rousseau, 2006), yet there exist numerous barriers to its widespread adoption in practice (Briner & Rousseau, 2011). One key barrier, and the focus of the present paper, is an acute dearth of evidence-based management education (e.g., Charlier, Brown, & Rynes, 2011). Increasingly, there have been calls for a profound shift in management education to help support a movement toward a more evidence-based approach to the management of organizations (e.g., Rousseau, 2012; Rousseau & McCarthy, 2007; Rynes et al., 2014). Greater links between research and teaching may help narrow the research-practice gap (Burke & Rau, 2010; Rousseau, 2012; Rousseau & McCarthy, 2007). Some institutions (e.g., Cranfield, Carnegie Mellon, Case Western Reserve, University of Lausanne) have started offering courses that advance management students' skills in accessing, producing, and using research findings as part of the managerial decision-

making process (Briner et al., 2009; Briner & Walshe, 2014; Dietz et al., 2014; Jelley, Carroll, & Rousseau, 2012), but these efforts are in their infancy compared to, for example, the teaching of concepts advocated by famous “gurus” (Graen, 2009). Consequently, there is a need for EBMgt educators to reflect on and share their teaching methods and encourage others to adopt, refine, test, and debate ideas for fostering EBMgt.

In this paper, we describe initiatives in the University of Prince Edward Island’s (UPEI) Faculty of Business that are intended to promote an EBMgt “mind- and skill-set that can transfer to an applied setting” (Gamble & Jelley, 2014, p. 437) in our undergraduate and Executive MBA (EMBA) students. We first provide a general overview of the practice and teaching of evidence-based management, followed by a detailed description of the EBMgt education efforts spearheaded by the authors of this paper and others at the UPEI Faculty of Business. We conclude with reflections on our experience with teaching EBMgt and a discussion of future directions.

### **Evidence-Based Management**

An evidence-based approach to managing organizations involves considering critically the principles derived through formal research, local data, ethics and stakeholder concerns, and practitioner judgment to enhance the quality of organizational decisions and practices (Barends, Rousseau, & Briner, 2014; Briner et al., 2009; Rousseau, 2012). This approach to managerial decision-making is not yet common in organizations (Briner & Rousseau, 2011; Pfeffer & Sutton, 2006). According to Pfeffer and Sutton (2006), most practitioners instead rely on “obsolete knowledge, personal experience, specialist skills, hype, dogma, and mindless mimicry of top performers” (p. 67) to make decisions – methods at odds with an evidence-based approach to managerial practice.

The benefits of applying principles derived from organizational research to managerial practice have been espoused for decades (Briner et al., 2009) and demonstrated empirically through, for example, specific interventions designed to improve productivity (Pritchard, Harrell, DiazGranados, & Guzman, 2008). Nevertheless, there remains a profound disconnect between research, teaching, and practice in management (Burke & Rau, 2010; Rousseau, 2012; Rynes, Rousseau, & Barends, 2014). In recent years, there has been a concerted effort among some of the world’s most influential management scholars to promote EBMgt as a concept (e.g., Briner et al., 2009; Pfeffer & Sutton, 2006; Rousseau, 2006, 2012; Rynes et al., 2014) and “translate” academic knowledge for managers (e.g., Latham, 2009; Locke, 2009). Based on the increased volume of literature using EBMgt terminology (Reay, Berta, & Kohn, 2009), it appears the EBMgt movement is gaining strength among academics. However, managers and future managers must be the focus for implementing EBMgt, as the movement’s ultimate success lies with them (Briner et al., 2009; Rousseau, 2012).

Helping managers adopt an EBMgt perspective and narrowing the research-practice gap will not be easy. Management is not a profession with a well-defined body of knowledge or entry-to-practice standards. Even among managers with a relevant graduate degree, management education may be an acute obstacle. Management students, including MBAs, are usually not taught



how to access, interpret, or use research evidence to inform decision-making and practice (Briner & Walshe, 2014; Charlier et al., 2011; Graen, 2009; Rousseau, 2006, 2012; Rousseau & McCarthy, 2007). For instance, a review of over 800 course syllabi from 333 MBA programs found that research evidence in general, and EBMgt in particular, were not featured prominently: only a few courses directly mentioned EBMgt, while a more liberal operationalization of EBMgt, which included EBMgt-related terms like “research” or “evidence,” was featured in about 25% of core MBA courses (Charlier et al., 2011). Even when EBMgt is covered, educators who adopt an evidence-based approach can encounter resistance from students, particularly when their beliefs and assumptions are challenged (Jelley et al., 2012).

Instilling an appreciation for principles derived from formal research and developing students’ critical thinking skills are crucial to effective EBMgt education. We have been involved with such an EBMgt approach to management education in the UPEI undergraduate business program and EMBA program. Our initiatives include courses in research methods and EBMgt, EBMgt-themed case competitions, (appropriately scaled) systematic literature reviews, skill-building library workshops, and more. These efforts are described in more detail in the sections that follow.

### **EBMgt Education at UPEI**

At the UPEI Faculty of Business, we have worked over the past decade to integrate EBMgt education into our undergraduate and graduate programs. This process has occurred in three stages. EBMgt was first incorporated into our EMBA program, which launched in 2008. Inspired by Denise Rousseau’s 2005 Presidential Address to the Academy of Management, where she advocated for EBMgt and called on educators to help bridge the research-practice gap (Rousseau, 2006), two faculty members with extensive training in the scientist-practitioner model spearheaded this EBMgt initiative. Since the program’s early days, EBMgt has been explicitly and extensively integrated into the EMBA orientation session and two core courses (described in more detail below), though students have certainly had additional opportunities to hone and apply their EBMgt knowledge and skills in other EMBA courses.

The second stage of incorporating EBMgt into our business education occurred as part of curriculum changes to our Bachelor of Business Administration (BBA) program that came into effect in 2014. In the fall of 2012, the UPEI Faculty of Business began a review of its undergraduate curriculum driven by desires to offer students opportunities to pursue different interest streams and more closely match the core curriculum with competencies required of managers in practice. In their study assessing the alignment of MBA curricula from 373 business schools with competencies required for managerial work, Rubin and Dierdorff (2009) used a competency model derived from data provided by 8,633 managers across 52 occupations. They found that competencies deemed most important by incumbent managers were given the least coverage in MBA programs. Specifically, *managing human capital* and *managing decision-making processes* competencies were rated highest in relevance by practitioners, yet were the most underrepresented in MBA curricula. The UPEI curriculum review team determined that Rubin and Dierdorff’s findings applied to our BBA program. Of particular note here is the decision-making dimension, which

includes one's ability to access and appraise the quality of information and which may be covered by courses on decision-making models, statistics, or research methods (Rubin & Dierdorff, 2009). The curriculum review team found some relevant courses in the old BBA curriculum (e.g., statistics, a research project course) but also uncovered deficiencies, particularly with regard to research methods and managerial decision-making. This gap, coupled with favourable experience with EBMgt education in the EMBA program, resulted in the addition of a required second-year course in research methods and EBMgt in the new undergraduate curriculum.

Most recently, we have bolstered our EBMgt educational efforts in the EMBA program by adding an EMBA Capstone Course as an alternative to the existing Signature Project. Offered for the first time in the winter of 2017, the new Capstone Course explicitly incorporates EBMgt into all components of the course, including EBMgt case competitions and a scaled-down version of a systematic literature review. With this newest addition, EBMgt has truly become the central theme of our EMBA program. In the sections that follow, we provide detailed descriptions of the Capstone Course and our other undergraduate and graduate EBMgt course offerings.

### **EBMgt Education for Undergraduates**

With the BBA curriculum change, the authors of this paper were tasked with developing an undergraduate course that would provide business students with a comprehensive introduction to EBMgt and research methods. This required second-year course, titled Research and Evidence-Based Management (henceforth U-RM), was first offered in the fall of 2015. In addition to exposing students to the fundamentals of the research process, the course also equips them with basic EBMgt knowledge and skills. This latter component sets our course apart from most introductory research methods courses, with our course expressly linking research methods knowledge to improved managerial decision-making.

The U-RM course advances students' EBMgt knowledge and skills in several ways. First, we introduce students to the three elements of the research trinity: research design, measurement, and analysis (Kline, 2009; Pedzahur & Schmelkin, 1991). We cover both quantitative and qualitative approaches to research as well as specific design options, data collection methods, and analytic procedures in a conceptual (vs. computational) manner. Literature searching and question formulation are also featured. Such methodological knowledge supports the "pull" approach to EBMgt (Barends, 2012), which is focused on teaching students how to search for, appraise, and apply research evidence. This is distinct from yet complementary to the "push" approach to teaching EBMgt (Jelley & Carroll, 2012), where students learn about core management theories and principles derived from formal research. In line with the pull approach, our research methods course teaches students how to conduct, consume, and use research, thereby equipping them with skills that are essential to becoming an EBMgt practitioner. Linking research methods content to the EBMgt framework and managerial decision-making is designed to foster students' perceptions that research methods knowledge is relevant to their business education (Jelley et al., 2012). In turn, knowledge of research methods should help students think more deeply about and better articulate concerns (and complements) pertaining to research findings they encounter in organizations and life in general.

Second, we employ an innovative approach that promotes our students' understanding of EBMgt and its four components (i.e., formal research, local data, ethics and stakeholder concerns, and practitioner judgment) and allows them to practice applying their EBMgt knowledge to real-world scenarios using business cases. Specifically, we have adapted and integrated ideas from Dietz et al. (2014) and Gamble and Jelley (2014) to design a course-based EBMgt case competition. In preparation for the case competition at the end of the course, we use the *Rocket Cycles* case by Dietz and colleagues (used with permission from case authors; see Dietz et al., 2014) as a "running" case that we return to periodically throughout the course. The primary objective of using this case is to teach the students about the importance of collecting local (organizational) data to inform managerial decision-making. We use the case most heavily during our lectures on research design, measurement, and data collection. Typically, students are asked to form groups and spend 15-20 minutes applying a particular research methods topic to the *Rocket Cycles* case, followed by an instructor-led plenary session. We have found this to be an effective way to advance our students' critical thinking skills by challenging their assumptions and asking them to consider alternatives.

The culmination of our U-RM course is the EBMgt case competition, which is structured as follows. We assign students into groups of 4-5 members and ask them to analyze a short case written by the authors of this paper and inspired by published field research. All groups have to prepare a written report using the same case. The case competition instructions and grading rubric clearly outline how the case analysis requires the students to critically reflect on the four elements of EBMgt put forth by Briner et al. (2009). The top three teams, based on the instructor's evaluation of the written reports, are then invited to present their analyses and recommendations to a panel of judges in the final round of the competition. For their additional efforts to prepare for and participate in the presentation session, finalists receive extra marks on their group project. While different from how cases are used in conventional business case competitions (see Gamble & Jelley, 2014, for a brief description), we argue that having students start with a practical problem conveyed through a case and asking them to apply EBMgt's versatile framework to examine the issues can better prepare them for evidence-based practice. We further elaborate on this point below.

The case method, which is a discussion-based teaching method where students analyze concrete situations and provide business solutions and recommendations, has been used in business schools for over 100 years and has become a nearly ubiquitous approach to management education (Mesny, 2013). With its focus on the particular over the general, the case method may at first glance appear incompatible with an EBMgt approach to business education. However, Gamble and Jelley (2014) proposed that cases can be used to promote an appreciation for EBMgt, arguing that "evidence-based general principles can inform (not dictate) complex, contextualized management decisions" (p. 435). Proponents of EBMgt have suggested learning interventions where (adapted) business cases can be used to support the development of an EBMgt mind- and skill-set in students (Gamble & Jelley, 2014; Goodman & O'Brien, 2012; Rousseau & McCarthy, 2007). We also recognize that most students enrolled in an introductory methods course would find it intimidating, if not daunting, to identify a topic and adequately refine a research question to examine in the time available to them. The case approach helps focus student learning on methodological issues without placing upon them excessive cognitive demands that can impede learning among novices (see Goodman & O'Brien, 2012). An existing fourth-year research course required in the BBA program

provides a venue for students to explore their research interests and engage more fully in the research process (e.g., data collection and analysis).

We have modeled our competition after Gamble and Jelley's (2014) recommendations for an EBMgt case competition and Dietz et al.'s (2014) approach to EBMgt education that focuses on producing local evidence. Gamble and Jelley (2014) advocated for an EBMgt competition that explicitly incorporates the four elements of EBMgt by featuring cases where "protagonists explicitly considered evidence – both local data and formal research – along with ethical considerations, stakeholder concerns, and reflections on their own expertise" (p. 437), but this information is "deliberately incomplete" (p. 438) to encourage students to conduct further research and reflect on the quality of the evidence. We have combined this approach with Dietz et al.'s (2014) suggestions by requiring our students to include a research proposal for producing local evidence as part of their case recommendations. Dietz et al. (2014) approach EBMgt teaching with a narrower focus on local experimentation in order to instill in their students an appreciation for the complexity of EBMgt, make EBMgt more tangible through practice, and help students develop causal reasoning skills. We hope to do the same by adapting their approach.

Our EBMgt case competition takes our students through a similar problem-solving cycle as the one described by Dietz et al. (2014) and modeled after problem-based learning in medicine (Barrows, 1996). First, our students are asked to define the problem in the case and formulate an answerable research question. Second, they are required to search for and identify quality research evidence relevant to the case. To promote our students' skills in this domain, we typically situate the assigned case within a mature body of literature that contains ample high quality but sometimes conflicting or nuanced evidence (e.g., goal setting). In addition, earlier in the semester, U-RM students spend one full class with a resident librarian who teaches them how to search for relevant academic literature. Third, as part of their recommendations, our students need to propose a study to produce local evidence intended to inform the case protagonist's decision-making. Dietz et al. (2014) include further steps in their problem-solving cycle where students actually get to implement their study, collect and analyze data, and propose solutions to the case problem(s).

The structure, pacing, and introductory nature of our semester-long U-RM course prevent us from incorporating local evidence as fully into our course curriculum. Nevertheless, by having students develop a short research proposal as part of their recommendations, including the details of their study design and measurement, we are able to convey the importance of and challenges inherent in gathering local (organizational) evidence using methods that produce causally interpretable data. Students practice articulating problems and research questions while considering whether and how to apply methodological options they learned throughout the term to the case at hand. Through the top-teams' presentations, the class comes to realize that the research process involves both rigour and creativity since no two proposals are identical. Incidentally, we deliberately restrict the presentations and panel interrogations to relatively high-performing groups on the written submission. This is partly to differentiate this research methods course from others wherein all student groups present. It also permits our judges to ask more challenging questions without seeming to be unreasonable and gives stronger student teams a better development opportunity (that generally seems to be appreciated) while serving as an eye-opener for audience members.

### **EBMgt Education for Working Professionals**

In a recent EMBA orientation session for the incoming cohort, an EMBA alumna said about her experience in the program, “I would regularly take the material learned on Friday and apply it at work on Monday.” This ability to immediately transfer newly acquired knowledge into the workplace is perhaps the major difference between our undergraduate and EMBA students, making EBMgt a more obvious fit for the latter group. Our EMBA students are mid-level career managers, entrepreneurs, or high-potential future leaders from varied educational and work backgrounds. On average, students have approximately 14 years of work experience. While the range of different backgrounds can create challenges for educators, it also presents us with a unique opportunity to have a widespread positive impact on managerial decision-making in a multitude of industries locally and beyond. It also provides students with a range of insights based on their colleagues’ diverse experiences.

**Orientation.** Incoming students begin the program with an EMBA orientation. One of its core sessions, typically delivered by the authors of this paper, provides an introduction to EBMgt, including coverage of the basic principles outlined by Barends et al. (2014) and an in-class activity adapted from Briner and Rousseau (2011) where students use the four elements of EBMgt to identify questions pertinent to “diagnosing” an absenteeism problem. We also use an abbreviated version of the human resource management (HRM) content quiz from Rynes, Colbert, and Brown (2002) to highlight the disconnect between management research and practice. Our students tend to struggle with the quiz, but by framing their lack of evidence-based HRM knowledge as a dissemination failure by academics and within the context of Rynes et al.’s (2002) findings of widespread knowledge deficiencies among practicing professionals, we are able to demonstrate gaps in knowledge about practice-related management principles in a non-threatening way that mitigates potential reactions of defensiveness (Jelley et al., 2012). In addition, as part of orientation, students attend a library workshop where a resident librarian exposes them to UPEI’s library resources, academic literature searching, citation practices (with a particular focus on APA style), and the writing-enhancement platform Grammarly.

**Starting the program.** Within weeks of the EMBA orientation, students are again introduced to EBMgt in their first course in the program – Managing People and Organizations (henceforth EMBA-MPO). While this course focuses primarily on the push approach to EBMgt by advancing students’ knowledge of HRM and organizational behaviour topics, it also provides valuable opportunities for students to develop skills associated with the pull approach to EBMgt. Specifically, two course assignments involve a Critically Appraised Topic (CAT), which is a “quick and succinct assessment of what is known (and not known) in the scientific literature about an intervention or practical issue by using a systematic methodology to search and critically appraise primary studies” (Barends, Rousseau, & Briner, 2017a, p. 3). Compared to a systematic literature review, a CAT requires a less comprehensive literature search and is more limited in overall breadth and depth (Barends et al., 2017a), making it a better fit for our students at this stage of the program. In EMBA-MPO, students first produce an individual “mini-CAT,” focusing on only one academic article, and later conduct a more comprehensive CAT as a group project. This work promotes their skills in formulating answerable research questions, searching for relevant literature, appraising the quality of evidence, and synthesizing findings and their practical implications, which are

considered essential to becoming an evidence-based manager (Barends et al., 2014). Therefore, while principally a management-content course, this course is instrumental in laying the foundation for students to find research relevant to their practice-related challenges and interests.

**Research methods.** The EMBA-MPO course described above is immediately followed by Business Research Methods (henceforth EMBA-RM), an introductory research methods course where students learn how to design and interpret research. By extensively incorporating EBMgt into several components of the course, we hope to instill in our students an appreciation for the complexity of research and the essential role it plays in evidence-based practice. As Jelley et al. (2012, p. 342) noted previously, “the EBMgt perspective seems to make research-methods content (reasonably) palatable to pragmatic students, and the research-methods content provides more of the knowledge and skill required to move students beyond a basic awareness of EBMgt.” While the structure and short (six-week) duration of the course do not permit our students to see a research project through from start to finish, the course nevertheless provides ample practice opportunities to help them further hone their EBMgt skills toward becoming proficient consumers and producers of research. For instance, students attend an advanced literature search workshop at the UPEI library as part of this course. We elaborate on other notable course components below.

For one of the course assignments, students are required to conduct a scaled-down Rapid Evidence Assessment (REA), building on the skills acquired through the two CAT assignments in EMBA-MPO. Like a CAT, an REA includes an assessment of the current state of the literature on a particular topic by employing systematic methods to search for and appraise evidence (Barends, Rousseau, & Briner, 2017b). In order to be quick and manageable (or “rapid”), an REA also makes concessions with regard to the thoroughness of the search. However, unlike a CAT, an REA is more involved, as it requires that the search for relevant literature is conducted by two individuals independently of each other, the search process is clearly documented in the form of a flow chart, and the included studies are evaluated for their methodological quality (Barends et al., 2017b). In EMBA-RM, students are put into pairs and tasked with conducting an REA on a topic of their choice using only meta-analyses or systematic literature reviews. With this limit on the type of studies included and our students’ emerging familiarity with research methods, this assignment is only an approximation of what an REA should be. However, similar to Briner and Walshe’s (2014) approach, it meets our goal of providing training in general skills required to conduct systematic reviews. The EMBA-RM course accomplishes this by allowing students to further hone their literature search and evidence appraisal skills and, more broadly, highlighting the importance of a systematic approach to literature reviews for evidence-based practice (Briner et al., 2009; Briner & Walshe, 2014).

Another course component that is intended to promote EBMgt skills is the online questionnaire assignment. Utilizing a widely-used online survey development tool (SurveyMonkey), the course instructor first guides the students through the process of developing an online questionnaire step-by-step. For their assignment, students then have to come up with a research question on a management topic of their choice, find validated scales tapping into the relevant constructs, and develop a short online questionnaire consisting of an informed consent page, main research questions, demographic questions, and a concluding (thank-you) page. While fairly limited in scope, this exercise includes important lessons on research ethics and measurement

and promotes students' ability to produce local evidence using a tool that is readily available for use in applied settings.

Like the U-RM course, EMBA-RM also concludes with an EBMgt case competition. The competition is structured similarly to the one in the undergraduate program, except that the case itself provides fewer details on the relevant body of academic research, requiring EMBA students to conduct more extensive literature searches. Due to the smaller class size, all groups present in the in-class competition, regardless of their performance on the written component of the assignment. Moreover, EMBA students have more advanced mental models about management (Jelley et al., 2012), so we hold them to a higher standard both in terms of their performance on the written report and presentation and the difficulty of the questions posed by the competition judging panel. This course serves two main functions. First, drawing on Gamble and Jelley (2014) and Dietz et al. (2014), it helps students develop their evidence search and appraisal, local experimentation, and critical thinking skills by requiring them to apply the EBMgt perspective to practical problems. Second, it serves as a preliminary look at what students can expect in the EMBA Capstone Course at the end of the program.

**Completing the program.** Our EMBA students now have the option to finish the program either by completing the traditional Signature Project or the new EMBA Capstone Course, first offered in the winter of 2017. Both options are designed to have students apply and further refine the knowledge and EBMgt skills acquired in the program's core courses. Most students now opt for the Capstone Course, but the Signature Project remains a good choice for those who have a keen interest in a particular topic and wish to work on a sizeable project independently, under the supervision of a faculty advisor. The Signature Project can take three forms: academic business research, business plan, or consulting-type project. Of the three, academic business research requires students to draw most heavily on their research and EBMgt skills. While some students have conducted primary research for their projects, a single-coder variant of the systematic literature review, which is a more exhaustive and methodologically rigorous approach to locating, appraising, and synthesizing evidence than a CAT or an REA (Barends et al., 2017a; Briner & Walshe, 2014), has been a particularly popular choice. This is encouraging for two reasons. First, by requiring comprehensive literature searches, careful synthesis and appraisal of evidence, and thoughtful consideration of practical implications, systematic reviews are excellent tools for students to demonstrate their EBMgt skills. Second, systematic reviews are an essential (but often missing) part of a practitioner's ability to engage in evidence-based practice. As Briner et al. (2009, p. 20) pointed out, "As few of these [systematic reviews] currently exist in management or organization studies, even practitioners who wanted to could not fully practice EBMgt." Our students' efforts in this regard thus contribute to the advancement of EBMgt as a field.

The EMBA Capstone Course is a course-based alternative to the Signature Project. It builds on our experience with EBMgt case competitions and variants of the systematic literature review (i.e., CAT and REA) in other EMBA courses, resulting in an intensive and challenging course that explicitly integrates EBMgt into all course components. Students are required to complete three EBMgt projects, spaced out evenly over the semester. One project is a CAT where students need to narrow down a broad management topic to an answerable question and critically appraise relevant findings from formal research. The remaining two projects are EBMgt case competitions.

Like in U-RM and EMBA-RM, the Capstone Course case competitions follow Gamble and Jelley (2014) by requiring students to critically reflect on the four elements of EBMgt (i.e., formal research, local data, ethics and stakeholder concerns, and practitioner judgment) as part of their case analysis and make evidence-based recommendations. Moreover, for one of the competitions, the case recommendations need to include a research proposal for producing local evidence, in line with Dietz et al.'s (2014) approach to teaching EBMgt. However, the Capstone Course case competitions differ from previous competitions in that students compete individually, the projects are more involved and cover a wider range of business topics, and the cases used are existing business cases which are longer and more complex than the ones used in U-RM and EMBA-RM. In the first offering of the course, the cases were drawn primarily from the fields of management, finance, and strategy, to align with the two course instructors' areas of expertise and provide good coverage of core business areas.

We decided to offer the Capstone Course as an alternative to the Signature Project to facilitate timely completion of the program in a way that is well-aligned with our program's learning objectives, particularly the development of an EBMgt mind- and skill-set in our students. Based on preliminary feedback and our observations, we have been successful in advancing the major objectives of this course, which include proficiency in searching for and appraising evidence and in developing persuasive, evidence-based recommendations, while also making the new Capstone Course an engaging and enjoyable highlight of the program.

### **Reflections on Teaching EBMgt**

In this section, we synthesize our EBMgt educational initiatives by reflecting on how the courses described above appear to facilitate our students' knowledge of and appreciation for the four elements of EBMgt put forth by Briner et al. (2009).

#### **Formal Research**

Our efforts centre heavily on this component of EBMgt. All of the initiatives described in the preceding section, but particularly EMBA-MPO, EMBA-RM, and the Capstone Course, strongly emphasize the importance of evidence search and appraisal skills. We go to great lengths to help our students develop these skills through library literature search workshops, course assignments (e.g., CAT, REA, EBMgt case competitions), and research methods knowledge required to evaluate the methodological quality of studies. As Rousseau (2012, p. 5) stated previously, "Knowing how to obtain and use scientific evidence and reliable business knowledge helps practitioners respond effectively to the uncertainty they face everyday in organizations." Accordingly, by teaching our students how to access and apply research evidence, we hope to equip them with the skills they will need to make informed decisions in the workplace.

Our EBMgt courses provide our students with the skills needed to acquire and critically assess information. Beyond these skills linked to the pull approach to EBMgt, evidence-based practitioners should possess basic knowledge of research in their area of practice (Rousseau, 2012). This is where our undergraduate and EMBA offerings as a whole play a key role. While we cannot



claim that all our colleagues share our interest in evidence-based education, we can say with some degree of confidence that the majority of our undergraduate and EMBA courses effectively employ the push approach to education to advance students' knowledge of relevant theories and research findings in a particular business domain. We further posit that our EBMgt efforts in the BBA and EMBA courses described herein create a demand for evidence-based content among our students. After taking our course(s), it is not uncommon for us to hear that students actively challenge assumptions and look for evidence derived from formal research in their other courses.

### **Local Data**

This EBMgt component refers to the local context within which managerial decision-making takes place. Local data can refer to various organizational metrics for assessing the financial health of the organization or other factors, including employee perceptions and attitudes, that impact organizational performance (Barends et al., 2014; Rousseau, 2012). While other core business courses in our undergraduate and EMBA programs equip students with the skills to identify relevant organizational data and transform them into useful business information (Rousseau, 2012), our efforts in this area focus primarily on our students' ability to produce local evidence or partner with researchers in that endeavour. Our research methods courses, in particular, introduce our students to the basics of research design, measurement, and analysis and help them develop causal reasoning skills. They are then asked to apply this knowledge in our EBMgt case competitions in U-RM, EMBA-RM, and the EMBA Capstone Course. Following Dietz et al. (2014), we believe that requiring our students to propose studies intended to produce local data is a meaningful endeavour, as "producing local evidence is a managerially useful complement to existing evidence when the latter is not sufficiently relevant to the problem at hand, lacks causal interpretability, or cannot be locally applied" (p. 400). Our approach to teaching EBMgt thus encourages students to become savvy consumers *and* producers of research (Dietz et al., 2014; Jelley et al., 2012).

### **Ethics and Stakeholder Concerns**

Practicing ethical decision-making involves paying attention to the interests of stakeholders impacted by the decision or organizational action (Rousseau, 2012). The EMBA-MPO course includes content relevant to moral reasoning and action planning. In addition to discussing the importance of exploring the ethical implications of managerial decisions in-class, we explicitly incorporate this element of EBMgt into our case competitions. As part of their case analysis in U-RM, EMBA-RM, and the EMBA Capstone Course, our students are required to consider the perspectives of all stakeholders affected by the decision and critically reflect on any moral, legal, or values-based concerns related to the case.

We complement the above lessons on ethical decision-making with a discussion of research ethics. Specifically, in U-RM and EMBA-RM, we introduce our students to the basic principles of research ethics, drawing on the *Tri-Council Policy Statement: Ethical Conduct for Research Involving Humans* (TCPS 2; Canadian Institutes of Health Research, Natural Sciences and Engineering Research Council of Canada, & Social Sciences and Humanities Research Council of Canada, 2014) and other relevant materials. Students are expected to apply these principles when

proposing a study to produce local evidence as part of their EBMgt case competition and when developing their online questionnaire assignment in EMBA-RM. Moreover, we require students whose Signature Projects involve data collection from human participants to complete the *TCPS 2 Tutorial Course on Research Ethics*, regardless of whether they intend to publish their research or not, as a pre-requisite to the submission of their ethics protocol. Taken together, our intent is to emphasize practitioners' professional obligation to engage in fair, ethical, and responsible decision-making (Rousseau, 2012).

### **Practitioner Judgment**

Management is about making organizational decisions. An evidence-based approach to management requires developing one's ability to make reflective, thoughtful judgments (Rousseau, 2012). There is no one component of our educational efforts that exclusively focuses on this element of EBMgt. Instead, all our EBMgt offerings are intended to develop our students' judgment to be more conscious, thoughtful, and reflective. Through lectures, activities, class discussions, and assignments, we teach our students to be aware of their decision-making processes and biases and to carefully reflect on but not overvalue their own experience. We are particularly focused on developing our students' critical thinking, which refers to "the ability to engage in purposeful, self-regulatory judgment" (Abrami et al., 2008, p. 1102). In essence, EBMgt combines critical thinking with using the best available research evidence and business knowledge (Rousseau & Barends, 2011), which highlights how central critical thinking is to evidence-based practice. Our EBMgt courses, particularly U-RM and EMBA-RM, promote critical thinking by encouraging students to actively devote attention to their thinking, question and test assumptions, explore alternatives, and be thorough in their analysis of practical matters (Rousseau, 2012).

### **Future Directions**

Based on student feedback and our classroom observations, our EBMgt educational efforts seem promising. For instance, we regularly observe students in our U-RM course asking more thoughtful and informed questions and exhibit better critical thinking skills during classroom exercises and discussions as the course progresses. Moreover, in exit surveys, our EMBA graduates repeatedly cite their newly acquired knowledge of EBMgt principles as the highlight of the program. However, the quality of this evidence is limited, and we have not yet studied the effectiveness of our approach in a systematic manner. It was in reflecting upon ways to assess the "impact" of our EBMgt approach to management education that the need for appropriate measures became clear.

Inventories for assessing evidence-based approaches to education exist in other fields, such as medicine (see Shaneyfelt et al., 2006) and social work (e.g., Rubin & Parrish, 2010), but not, to our knowledge, in management. With no validated measure of the EBMgt mindset currently in existence, we are limited in our ability to conduct formative and summative evaluations of our EBMgt educational efforts. Nevertheless, drawing from evidence-based practice inventories in social work and mental health (i.e., Aarons et al., 2010; Rubin & Parrish, 2010), preliminary consideration suggests that the EBMgt mindset may consist of a constellation of mental concepts

like awareness of, attitudes toward, confidence in using, and intentions to apply an EBMgt perspective. Some of these concepts have strong theoretical and measurement foundations, which would potentially allow us to use existing scales to assess students' improvement in skills or cognitive beliefs that contribute to an EBMgt mindset.

One example would be to adapt a validated self-efficacy scale (see Bandura, 1986, 1997, 2006; Lee & Bobko, 1994) to measure students' confidence in using EBMgt. Perceived self-efficacy refers to "beliefs in one's capabilities to organize and execute the courses of action required to produce given attainments" (Bandura, 1997, p. 3) and is considered to be a major mechanism of human agency (Bandura, 2001). It relates positively to various aspects of work-related performance in numerous contexts (Stajkovic & Luthans, 1998), including managerial performance (e.g., Wood, Bandura, & Bailey, 1990). Assessing our students' confidence in using EBMgt in an applied setting (i.e., their EBMgt self-efficacy) would be a meaningful way to gauge the effectiveness of our approach to EBMgt education. This is further supported by meta-analytic findings by Sitzmann, Brown, Casper, Ely, and Zimmerman (2008) who recommended that post-training self-efficacy be assessed in end-of-training surveys because it is the best affective predictor of cognitive learning outcomes, both immediate and delayed.

Another potentially fruitful approach would be to assess our students' improvement in their critical thinking skills as a result of taking our course(s). As outlined earlier, critical thinking is essential to EBMgt (Rousseau, 2012). Instructional interventions intended to promote students' critical thinking skills have shown promising results in the past, especially when critical thinking objectives are explicitly incorporated into the course curriculum (Abrami et al., 2008). One way in which researchers have assessed critical thinking is by having study participants evaluate claims or scenarios that suffer from a lack of scientific evidence or overreliance on anecdotal evidence, causal claims derived from correlational data, biased samples, and other methodological flaws (Lawson, 1999). The authors of this paper conduct a pre- and post-test assessment of our students' critical thinking skills, employing an adapted version of an existing "evaluating claims" critical thinking measure (see Adam & Manson, 2014; Lawson, 1999), as a teaching tool in our U-RM course. Obtaining ethics approval to also use that strategy for research purposes is a promising future direction.

Measuring students' EBMgt self-efficacy and critical thinking are two examples of how educators could potentially evaluate the effectiveness of their EBMgt efforts. This approach is incomplete, however, as the objective should be the development of a measurement tool that meets rigorous psychometric standards and fully taps into the EBMgt mind- and skill-set. We anticipate that such an inventory would be used widely by educators to evaluate and refine their EBMgt efforts, and by academics to examine how an EBMgt mindset impacts (or relates to) organizational performance and other outcomes. Ultimately, though, the success of the EBMgt movement lies with practitioners (Rousseau, 2012). We expect that the development of an EBMgt inventory would support efforts to further the effective management of organizations by encouraging managers to make use of systematic organizational research processes and findings.

## **Conclusion**

The present paper described the authors' and our colleagues' efforts to advance EBMgt education in the UPEI Faculty of Business. The courses described herein are intended to equip students with a thorough understanding of EBMgt principles and critical thinking and research skills that should translate to better decision-making in the workplace. We hope that our experience encourages other management educators to develop EBMgt curricula and thereby contribute to the narrowing of the research-practice gap. We note, however, that while our approach to EBMgt education has received positive feedback from students and colleagues, our efforts to systematically study its effectiveness have been hindered by a lack of validated measurement tools tapping into the EBMgt mindset. We thus hope to further inspire academics to engage in scholarly activity that addresses this gap. A psychometrically sound EBMgt inventory would answer the call for more rigorous evaluation of EBMgt education (e.g., Jelley et al., 2012) and could ultimately have significant benefits for EBMgt's three critical constituencies: academics, educators, and practitioners (Rousseau, 2012).

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**WE PLANT, BUT GOD'S WATERING:  
BUSINESS MODEL CONSIDERATIONS AS CODIAC ORGANICS PURSUES  
GROWTH<sup>1</sup>**

**Case Summary and Objectives**

Mark Day, a first time entrepreneur in his fifties, is considering the future of Codiac Organics, a Moncton, New Brunswick based business he owns with his wife Fran. While he desires to expand within the growing organic produce industry, he is concerned about his ability to do so.

This field researched case explores a variety of topics including the value chain, the general and task environments, issues of scalability and growth, and the stewardship of an organization's resources from a Christian worldview. This case would be most appropriate at the undergraduate level in that part of an Entrepreneurship, Management Principles, or Strategic Management course dealing with internal and external environment. A rudimentary understanding the concepts of business model, value chain, and environment is recommended prior to case application.

Specific learning objectives of the case study include:

- (a) Identification of key aspects of an organization's general environment using the PESTEL Framework
- (b) Analysis of an organization's task environment using the Five Forces model
- (c) Examination of a company's value chain as a driver of competitive advantage using VRIO/VRINE analysis
- (d) Analysis of operational scalability
- (e) Integration of entrepreneurial worldview into organizational decision making

Key Terms: Entrepreneurship, General Environment, Task Environment, PESTEL, Five Forces, VRIO, VRINE, Scalability, Christian Worldview

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## **Codiac Organics – Imagining the Future**

Mark Day sat down at his desk after a long day of work in his greenhouse. He heaved a sigh as he shuffled through some papers and reflected on the history of his business, Codiac Organics. While Mark was no stranger to making strategic decisions in the development of his organic farm, on this chilly March evening in 2016 he found himself struggling to imagine the future of his business. How could it – how *should* it – grow in a developing market?

### **Building an Organic Farm**

The concept of Codiac Organics was born in 2012 out of a season of hardship for the Day family. While completing an exercise routine as part of his job at the local fire department, Mark felt ill and began to experience intense chest pain. As he slipped into cardiac arrest and his body began to fail him, thankfully another fire fighter was present to call 9-1-1. An ambulance arrived quickly, and after being shocked with a defibrillator Mark miraculously survived the heart attack. After this near-death experience Mark was put on numerous medications and instructed to carefully monitor his diet as he began his recovery. Yet as Christians both he and his wife Fran felt that taking large dosages of pharmaceuticals was not part of God’s plan for human life. They determined together that God was calling them to live a healthy, organic lifestyle.

Two years after changing to a 100 percent organic diet, Mark felt that God was calling him to take his lifestyle change further by starting his own organic farm to grow products not only for his family, but also the greater Moncton community. Mark took action and began the extensive process of incorporating a new business, Codiac Organics, within the confines of the family’s five-acre city lot. The first step was to earmark 2.5 acres for production and begin researching how to grow produce organically. Environmental impact studies, zoning contracts, soil tests, and drainage issues were the first of many conversations Mark had with numerous professionals and government officials to ensure that the business would be “done right.”

While Mark began the process of land development, Fran looked into financing opportunities. She diligently researched government grants and spent copious hours filling out applications and completing extensive paperwork. Her hard work was rewarded with government aid that helped cut the \$30,000 cost of the development of a greenhouse in half. Besides government support, the Days worked to establish relationships with other organic farmers. The couple discovered the New Brunswick based Atlantic Canadian Organic Regional Network (ACORN), an established association of organic farmers. Once connected with this group Mark and Fran began to learn and receive valuable advice from experienced producers.

As the business started to shape up, Mark and Fran both began to develop an understanding of what it meant to operate as a certified organic farm. They learned valuable lessons about farming fundamentals like soil development, watering techniques, and distribution channels for the sale of produce. Attendance at numerous conferences helped to further their education on how the industry operated. Finally, after months of research a business plan was put into place. A five year outlook projected two years of loss, one year of break-even, and two years of profitability (Exhibit 1). With their plan in hand Mark and Fran embarked on the beginning stages of their business, and two years

later the couple was on track with their goals and on the verge of their first summer of break-even production.

### **The Process of Growing Organic Products**

As a certified organic farm, Codiatic Organics had extensive industry requirements to meet when growing produce. The first of these concerned the soil, which had to be tested and approved by industry regulators. Then came the procurement of the fundamental raw material: seeds. The purchase of seeds was one of the company's largest up-front costs and the order process could be taxing. For example, if a seed for a specific vegetable could not be provided from one of the many certified organic suppliers they sourced from (Exhibit 2), there were restrictions on what could be planted. If not certified organic, the seed would have to be approved by an industry regulator as a "non-treed/heirloom seed" (i.e. not genetically modified) and appropriate documentation provided to show that the company had attempted to source the seed from at least three different suppliers. Seed orders could be made online, over the phone, or via fax or mail. Mark and Fran used the plethora of suppliers to their advantage and were able to "shop around" looking for the best prices and the highest quality products, knowing that if one supplier raised prices, there were many other suppliers to choose from, usually at a lower price.

In each season Mark and Fran focused on different aspects of the business. The first stage of operation began in March, or as they called it, "the start season." This period of production (which ran until May) began with the sowing of seeds in pots that were placed on a heated table in the greenhouse. As roots began to form, plants would be put into the ground in the greenhouse until the final product was ready to be harvested. During the second stage – the summer months – a variety of plants would be sown into the field beside the greenhouse where they were kept healthy and weed-free. The final stage of the process was the harvest (Exhibit 3). Because Codiatic Organics planted a variety of crops which had different maturation rates, extensive planning was necessary to ensure a wide range of plants could be offered to customers. Determining when new seeds would be sown in the greenhouse, when plants would be ready to be planted in the field, and when mature plants would be harvested was imperative to the company's success.

### **Key Resources**

Codiatic Organics' operations relied on three significant assets: the greenhouse, an underground watering system, and the Day's land holdings.

The greenhouse was one of the company's largest physical assets (Exhibit 4). Constructed in 2013, the Days projected that its ability to extend the growing season would provide them with a significant advantage over their competitors. For example, with just one tomato harvest (tomatoes being one of their most popular products) sales of \$20,000 would surpass the \$15,000 cost of erecting the greenhouse. The greenhouse allowed at least some level of operation 12 months of the year, making produce available earlier and later than their direct competition.

The second most significant asset the Days used to their advantage was an underground watering system. The high up-front cost of its installation had been offset by providing Mark and

Fran the ability to water plants without the use of a sprinkler system that had adverse effects on the soil and sustainability of the plants. Mark explained that the goal of the underground watering system was to reduce “weed pressure” and allow the use of plastic mouldings to cover the plants and reduce unwanted pests. The high up-front costs deterred competition from utilizing the system, and in Mark’s opinion, provided a material advantage for Codiac Organics.

Finally, the Day’s property was an asset that benefited the company (Exhibit 5). As Mark and Fran had employed a plot of land they already owned, there were no up-front cost associated with real estate acquisition. Perhaps the greatest benefit was its location within the city, providing a distribution channel that was significantly different from Codiac Organics’ competitors. Most organic farms were based in rural areas and sold produce at urban farmers’ markets. Being located within the city meant that Codiac Organics could distribute products directly to customers, who would simply come to the farm to make their purchases. This allowed Codiac Organics to avoid costs associated with the packaging and transportation of their products.

### **Marketing**

Codiac Organics relied on two inexpensive channels to promote its produce: social media and word-of-mouth. By creating a Facebook page Mark and Fran were able to post their business hours and easily inform customers about what products were available for purchase. The page also allowed for efficient communication between the business and its customers. For example, customers could reserve products for pick up by commenting on a post created by Fran and then arrive later in the day and make their purchase. Facebook’s analytics indicated that the Codiac Organics page was deemed “very responsive” to customers, reflecting Fran’s diligent maintenance and her desire to create positive relationships with her clients.

Word-of-mouth promotion began simply as Mark and Fran shared the story of their organic farm with family, friends, and connections through ACORN. Their goal was simple: to build a strong awareness of their business before their first summer of full scale (break-even) production and sales, ensuring that everyone understood that they were both local and a source of wholesome nutrition. Mark and Fran considered the provincial government’s “buy local” promotion in support of New Brunswick’s economic growth to be very complementary to their own efforts, as citizens were encouraged to seek out homegrown products within their communities. They also sought to differentiate their products from a nutritional standpoint, making the claim that Codiac Organics’ produce was “nutrition dense” (i.e. high in nutrients but low in calories). With only a handful of certified organic farms in the province (and none in the city of Moncton) they considered this a real source of advantage.

### **Competition**

On the one hand competition within the organic food marketplace in Moncton was somewhat limited – there were no certified organic farms within the city limits, with the two nearest located in the village of Salisbury (a 20 minute drive west) and the town of Sackville (a 30 minute drive south). While these farms brought their goods to the local farmers’ market on Saturdays, during the rest of the week there were no opportunities to buy directly from a source producer.

That was not to say that retail offerings of organic products did not exist. One of the local grocery chains, Sobeys, sold organic produce and Mark recalled hearing at a conference that 7% of Sobeys' Canada-wide sales were attributed to certified organic products. Another major supplier of certified organic food was Sequoia Natural Health, a franchise operation opened founded in 2011 with three locations within the Greater Moncton area.

Nevertheless, the Days were confident that they would be able to compete with existing businesses. After all – as Mark pointed out – Codiac Organics was the only business within the city that could provide healthy, farm-fresh, local, and certified organic products.

### **Certified Organic**

In Canada operating as an organic brand was challenging. Strict regulations on the industry made it illegal to promote products as “organic” if they had not been certified by the major industry regulator – the Canada Food Inspection Agency. Mark and Fran sought to ensure that their products could legally be labelled certified organic through careful documentation and diligent work. Some regulations required the restriction of chemicals in the production process and detailed record keeping of all processes used in the development of a final product. Additionally, there were requirements regarding the sale of product, including labelling and customer disclosure standards. To Mark, operating as a certified organic producer equated to publically announcing that “I will not spray chemicals, and I will grow my products up to environmental standards.”

For the Days, producing a quality, certified organic product was more than meeting a set of standards – it was a way of life. In their minds, engaging a customer was not only for the purpose of selling produce, but also to advocate for an organic way of life. Mark and Fran believed that they were creating ambassadors for their products and for healthy, organic living. Given the significant improvement eating organically had made in Mark's life, and the sense of divine leading he perceived, he believed that it was his duty to demonstrate to the world how God's creation – properly stewarded – could enhance a person's quality of life.

### **The Organic Market**

Mark believed that he was operating in a niche market, and that his target market (which he defined as Greater Moncton) was full of potential. With recent studies demonstrating that 58% of Canadian families were buying organic products on a weekly basis, and a growing emphasis on the purchase of local products, there seemed to be ample opportunity to create a strong customer base. Additionally, Mark had recently found a study that claimed that 62% of families with children under two years old purchased organic products weekly, as did 62% of 35-44 year olds. This was encouraging as Mark's Facebook marketing efforts had focussed on the 35-44 year old demographic with the understanding that young, educated customers comprised a significant portion of his customer base.

Because buying organic was usually more expensive than the alternative, customers considered the added cost to be worth the perceived additional value provided. Mark had read a

2011 study conducted by the Maine Organic Farmers and Gardeners Association that indicated that the average premium for organic goods was 75%. Another study by the Canadian Organic Trade Association related that customers who regularly purchased organic products spent \$17.50 more per week than those who did not. These were costs that Mark believed consumers were willing to pay as a sort of “social premium,” an investment in their health and well-being. He often referred to eating organic as a “spiritual process” due to the fact that these consumers were concerned with treating their bodies exceptionally well (like a “temple”) and would settle for nothing less than certified organic products. This helped to create a very loyal customer base that was beneficial to generating repeat sales.

It also helped to shape the Days’ approach to pricing. Mark knew that customers considered the higher price of organic products to be justifiable given the perceived added value, therefore he priced his produce above the price points of organic produce at local grocery stores, refusing to lower prices even if he was forfeiting sales. For example, Mark was aware that Sobeys had a partnership with an organic potato farmer in Prince Edward Island. With exponentially greater buying power and bulk purchasing Sobeys carried these potatoes at a price below the going competitive rate; nevertheless Mark would not lower his price on potatoes, even if it meant that some customers would be lured away. Unsold product was composted and used for soil enrichment, which Mark considered advantageous – if customers did not find enough value in Codiac Organics’ products, unsold produce would still benefit the business. The fundamental principle of supply versus demand was not lost on Mark – he felt that the ability to produce crops in the greenhouse out of season meant that the selling price could be set higher in the “off season” than in the peak season for a crop, serving to enhance revenue throughout the winter months.

### **The Capacity Issue**

Compared to a typical New Brunswick farm, Codiac Organics was a small scale operation. Farming was a capital intensive business with substantial start-up costs often in the millions of dollars to purchase land, tractors, equipment, and facilities. Mark and Fran had kept costs low by using their own land and leveraging government assistance to lower start-up costs. However 2.5 acres of farmland raised questions regarding their ability to produce enough product to meet anticipated market demand. In his first summer of production Mark estimated that approximately 30% of his land was ready to begin planting. With a growing organic market and relatively few other local sources for organic produce, he was worried that Codiac Organics may face capacity issues.

Mark’s projected base by the end of his first summer of break-even production was 150 weekly customers. He had also begun conversations with a certified organic farm based in Woodstock, N.B. (270 km to the west) that serviced 100 customers in Moncton. The farmer wanted to pull his business as the travel time and complications that accompanied provisioning a distant city did not align with his vision for his farm, and thus he had offered Mark all of his customers. While Mark was excited at the prospect of growing his customer base, he was also worried – even operating at 100% capacity he was unsure if he would be able to fully serve them. Just how scalable was his business? He was uncomfortable with the prospect of telling valued customers that Codiac Organics was “out of stock.”

While Mark knew that, if necessary, he could increase the amount of his property dedicated to the farm, he was unsure of whether he and Fran would be able to carry out such a project. So far they had enjoyed farming, and the prospect of continuing the project into retirement seemed exciting, but he wasn't sure if he even wanted to expand the business. He had turned to prayer about the matter, and although he was certain that God wanted him to continue operations as planned, he was uncertain as to what God was calling him to do regarding possible expansion.

### **Stewardship and Faith**

One unique aspect of the business was Mark's heavy reliance on his Christian faith. The business had been founded in response to a deep sense of calling from God, and Mark intended to rely on God in every area of the business. "When God gives you something to do with your life, and you know He's backing you up, you know that it can't fail," Mark said. "We plant, but God is watering!" While Mark knew that there were many possible ways for a farming business to go awry, he had faith that with God's help the Codiac Organics would continue to succeed.

In particular, Mark believed that God had given in him a stewardship responsibility. He took seriously the "creation mandate" in the book of Genesis which stated,

*"And God blessed [Adam and Eve]. And God said to them, 'Be fruitful and multiply and fill the earth and subdue it, and have dominion over the fish of the sea and over the birds of the heavens and over every living thing that moves on the earth.' And God said, 'Behold, I have given you every plant yielding seed that is on the face of all the earth, and every tree with seed in its fruit. You shall have them for food.'" (Genesis 1:28-29)*

Mark firmly believed that "dominion" – or stewardship – was a fundamental human purpose, and that it was his duty to share this divine idea with all of his customers. The idea of stewardship not only pertained to Mark's land (which he attempted to keep 100% sustainable), but also to his business practice. He believed that because God had provided him with the resources necessary to create Codiac Organics, it was his obligation to use these resources properly. Additionally, Mark strived to balance relying on God for his success while doing what he saw as his part to mitigate the challenges inherent in business. He wanted to do his best to glorify God by spreading the benefits of living an organic lifestyle.

### **Conclusion**

As Mark left the office to clean up and join his family for supper, he continued to wonder about the future of the business. The "Woodstock opportunity" weighed heavily on his mind and was beginning to take a mental toll. He knew that he and Fran had to make a decision regarding expansion, but which direction would be most beneficial? And how would his decision impact his ability to be a good steward of the resources God had given them?

**Questions for Discussion**

1. How does Codiac Organics create value for its customers? How do resources like its greenhouse, watering system, and land contribute to competitive advantage?
2. Analyze the competitive environment of Codiac Organics using Porter's Five Forces Model. How should the results from this analysis impact Mark's decision?
3. Analyze the general environment of Codiac Organics using the PESTEL model. How should the results from this analysis impact Mark's decision?
4. What options does Mark have to scale Codiac Organics' operations? What limitations are imposed by the firm's current business model?
5. How does Mark's Christian worldview impact his decision?
6. In light of responses to Questions 1-5, what should Mark do regarding the future of Codiac Organics?



**Exhibit 1: Five Year Outlook from 2014-2018**

<b>Year</b>	<b>Principal Activity</b>	<b>Financial Expectation</b>
2014	Land Development	Projected Loss
2015	Crop Development	Projected Loss
2016	Full-Scale Production	Break Even
2017	Full-Scale Production	Profit to Cover Accumulated Losses
2018	Full-Scale Production	Profit to Cover Accumulated Losses

**Exhibit 2: List of Seed Suppliers**

<b>American Suppliers</b>	<b>Canadian Suppliers</b>
Johnny's Selected Seed	William Dam Seeds
High Valley Mowing	Hope Seeds
	Hawthorn Farms
	Maple Farm
	Vesey's Seeds
	Salt Springs

**Exhibit 3: Projected Harvest (List of Products) Operating at 30% Capacity**

<b>Produce</b>	<b># of Rows*</b> <b>Planted</b>	<b>Projected Market Value (\$)</b>
Arugula	3	262
Beans	5	718
Beets	1	262
Broccoli	3	675
Cabbage	1	232
Carrots	6	440
Chicory	1	286
Chinese Cabbage	2	500
Collard Greens	1	210
Cucumbers	4	6,000
Kale	1	375
Lettuce	7	1,748
Mellon	1	170
Mescaline Mix	11	3,200
Mustard Greens	1	460
Parsley	1	675
Peppers (field)	1	235
Peppers (greenhouse)	7	800
Spinach	3	2,400
Swiss Chard	1	245
Tomatoes (greenhouse)	7	20,000
Turnip	2	501
Winter Radish	2	585

\*1 Row = 100 feet by 3 feet

**Exhibit 4: The Greenhouse**



**Exhibit 5: Land for Field Crops**



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