

## Олимпиада для студентов и выпускников вузов – 2012 г.

### Демонстрационный вариант и методические рекомендации по направлению «Менеджмент»

#### Профили:

«Маркетинг»

«Маркетинговые коммуникации и реклама в современном бизнесе»

«Стратегическое и корпоративное управление»

«Управление проектами: проектный анализ, инвестиции, технологии реализации»

«Управление человеческими ресурсами»

«Экономика впечатлений: менеджмент в индустрии гостеприимства и туризме»

### ДЕМОНСТРАЦИОННЫЙ ВАРИАНТ

**Время выполнения задания – 180 мин.**

В соответствии со своим выбором программы магистерской подготовки выберите и прочтите статью, сделайте ее критический анализ на русском языке.

#### Профиль «Маркетинг»<sup>1</sup>

While most Chinese consumers still consider foreign companies better in the overall quality of their products and services, a growing number of multinationals and global brands such as Toshiba, Wal-Mart, Nestle, KFC, and SK-II have had to face the discontent of Chinese consumers. As some recent incidents have revealed, such as the well-publicized smashing of a Mercedes-Benz in public, multinationals as well as the government were caught unprepared by the displays of dissatisfaction and frustration from some Chinese consumers over shoddy products and poor services (Chang & Yan, 2002; China Economic Review, 1997). With the increasing support from government agencies and consumer associations, consumer advocacy or consumerism has come into the limelight in China (Ho, 2001; Ho & Sin, 1988). Many multinationals in China have realized that they can no longer take the goodwill of Chinese consumers for granted. The burgeoning economies in the Big Emerging Markets such as China, with a large population and growing affluence, have made it all the more important for both local players and global companies to understand how consumers in these societies perceive marketing.

Researchers and practitioners have long been interested in consumer attitudes toward marketing and how they affect consumers' experiences in the marketplace (Chopin & Darrat, 2000; Gaski & Etzel, 2005). Previous studies suggest that given the advanced development of their economies and their high levels of consumerism development and consumer protection, consumers in developed economies are more positive toward marketing and want less government intervention (Barksdale et al., 1982; Varadarajan & Thirunarayana, 1990). Here, consumerism is referred to as the advocacy of consumer rights and organized consumer movement instead of the emphasis on consumption and materialism. In comparison with the previous studies of more advanced economies, recent studies have found that consumers in some

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<sup>1</sup> Статья составлена по: Cui G., Chan T., Joy A. Consumers' Attitudes toward Marketing: A Cross-cultural Study of China and Canada. *Journal of International Consumer Marketing*, Vol. 20 (3-4), 2008.

countries like Hong Kong and mainland China, which are at the crusading stage of the consumerism lifecycle, are in fact less critical of marketing (Chan et al., 1990, Chan & Cui, 2004). These researchers questioned whether their more favorable attitudes toward marketing reflect the good behaviors of marketers; instead, they propose that this could be related to the cultural value of collectivism and the emphasis on being nonjudgmental in Chinese societies. Thus, the objectives of this research are to test the two competing hypotheses – the consumerism lifecycle hypothesis and the cultural value hypothesis – to shed light on the inconsistent findings about the observed country differences in consumers' attitudes toward marketing.

### **Consumer Attitudes toward Marketing**

Recently, several researchers have found that a number of factors influence consumers' attitudes toward marketing. In a study of advertising – one of the more visible marketing mix variables, Treise et al. (1994) examine the perceptions of familiar advertising controversies: targeting practices and message strategies. Their results show that consumers believe that advertising often violates broad ethical norms. In addition, the degree to which consumers judge advertising as ethical or unethical varies as a function of their ethical philosophies, such as relativism and idealism. Similarly, Obermiller & Spangenberg (2000) find that consumer skepticism significantly affects their perceptions of advertising appeals. Thus, consumer attitudes toward marketing may vary depending on their ethical ideologies in that consumers with greater emphasis on idealism and less on relativism tend to be more critical. In addition, Nwachukwu et al. (1997) find that perceptions of individual autonomy and consumer sovereignty play significant roles in consumers' ethical judgment of advertising and marketing.

While consumer attitudes toward marketing reflect their evaluations of the marketers' performance, these perceptions have also been found to be linked to several key macroeconomic variables and have been used in economic forecasts (Chopin & Darrat, 2000). Gaski & Etzel (2005) longitudinal analysis based on the data from the U.S. suggest that consumer attitudes toward marketing have undergone significant changes over time, at least on some of the dimensions. Their results show a pattern of slightly improving consumer attitudes toward marketing practices. In addition, the patterns of such changes are significantly related to the macro-economic indicators of the country, such as the Consumer Price Index (CPI) and savings rate. Recently, the Barksdale-Darden-Perreault (BDP) longitudinal theme has been reprised by Fornell et al. (1996) with the American Customer Satisfaction Index (ACSI), which subsequently has been adopted or modified by researchers in other countries. Therefore, consumer attitudes toward marketing activities are important from both a theoretical and a managerial standpoint and represent important knowledge for management decisions and public policies.

### **Cross-national Comparisons**

Due to the rapid globalization of business, rigorous measures of consumer attitudes toward marketing are needed for cross-cultural comparisons. Several cross-cultural studies have found some differences between countries in consumer attitudes toward marketing (Barksdale et al., 1982; Varadarajan & Thirunarayana, 1990; Wee & Chan, 1989). One of the important research questions is the relationship between the level of consumerism development and consumer attitudes toward marketing. Straver (1977) proposed a lifecycle of consumerism development with four stages from crusading, popular movement, organization to bureaucracy. Later, Barksdale et al. (1982) surveyed six countries including Israel, England, Australia, United States, Canada and Norway and placed them on a lifecycle of consumerism development. They proposed that consumers in the countries with advanced levels of consumerism development

tended to be more satisfied with the status quo and were less likely to want additional government regulation, thus having less positive attitudes towards consumerism. In contrast, consumers in countries at the introductory or crusading stage would be more critical of businesses and have positive attitudes towards consumerism.

Despite the cross-country differences in consumer attitudes toward marketing, the findings from previous studies are inconsistent and inconclusive about which aspects of a society or culture are relevant in explaining these variations. Researchers have provided alternative explanations about the sources of the cross-national variations in consumer attitudes toward marketing – they are either related to the stage of consumerism development (Barksdale et al., 1982; Varadarajan & Thirunarayana, 1990) or cultural differences such as individualism (Chan, Yau & Chan, 1990; Chan & Cui, 2004). However, our knowledge about consumerism in the unique cultures of less developed countries is very rudimentary (Kaynak & Wikstrom, 1985).

### **RESEARCH DESIGN AND HYPOTHESES**

Organized consumerism movement has been largely a Western phenomenon and most studies of consumerism have been on the developed economies. Consumerism in developing countries has received little attention in the current literature. Consumers in different societies face rather distinctive economic and market environments and have different sets of perceptual characteristics such as their beliefs and priority of needs. For instance, while the advanced economies are more likely to emphasize love/affection and self-esteem, less developed countries tend to be dominated by physiological and safety/security needs. Moreover, there is a predominance of fatalism among consumers of less developed countries. Consumers in LDCs require sufficient development in terms of socio-economic and cultural variables, such as consumer education and stronger beliefs in activism, that make it acceptable for people to become involved in consumer issues (Kaynak & Wikstrom, 1985). Thus, comparing the consumer attitudes toward marketing and consumerism and examining the influence of cultural values can help reconcile the inconsistent findings.

The existing literature suggests two alternative explanations for the cross-cultural differences in consumers' attitudes toward marketing, i.e., the stage of consumerism development and cultural values (i.e., individualism/collectivism). These two factors form the competing hypotheses about the sources of cross-cultural differences in consumer attitudes in this study. First, economic development and consumerism tend to go hand-in-hand (Barksdale et al., 1982; Straver, 1977). According to the lifecycle concept of consumerism development, several researchers suggest that consumers in developed economies in Europe and North America such as Canada have more positive attitudes toward marketing but less positive attitudes toward consumerism because these countries already have strong institutions for protecting consumer rights and consumers are in general satisfied with the status quo (Barksdale et al., 1982). In less developed economies, where consumerism development is at the early stage of the lifecycle, consumers tend to have less positive attitudes toward marketing and more positive attitudes toward consumerism, i.e., a stronger consumerism sentiment (Varadarajan & Thirunarayana, 1990). Based on the lifecycle concept of consumerism development, mainland China would be at the introductory crusading stage, where legal infrastructure and consumer protection policies are still underdeveloped (Chan & Cui, 2004; Ho, 2001). Thus, given the low level of consumer protection, Chinese consumers would have more negative attitudes toward marketing yet more positive attitudes toward consumerism than those in a country such as Canada, where consumer

protection has become more institutionalized. Thus, we propose the following hypotheses based on the lifecycle concept of consumerism development.

*H1:* Consumers in China have significantly more negative attitudes toward marketing than those in Canada.

*H2:* Consumers in China have significantly more positive attitudes toward consumerism than those in Canada.

To validate the role of consumerism development in affecting consumer attitudes toward marketing, it is necessary to adopt other control variables or covariates to ascertain that the observed differences are consistent and not due to chance (Lenartowicz & Roth, 1999). Thus, as previous studies suggested (Gaski & Etzel, 1986), consumer attitudes toward marketing can be validated with other concepts including consumer satisfaction with marketing and frequency of problems. Consumer attitudes toward marketing are closely related to their satisfaction with marketing institutions in general. In fact, researchers such as Fornell et al. (1996) have adapted the original Barksdale scale and developed the American Customer Satisfaction Index (ACSI), suggesting that the consumer attitudes toward marketing and consumer satisfaction are closely related concepts. Thus, consumer attitudes toward marketing should be reflected in and consistent with the satisfaction or dissatisfaction of consumers (Barksdale et al., 1982; Chan & Cui, 2004; Gaski & Etzel, 2005). Given the inadequate protection of consumer rights, it would be expected that the Chinese have a lower level of satisfaction than consumers in a country at an advanced stage of consumerism development. Likewise, if the consumerism lifecycle concept holds true, in an emerging market economy like China where consumer protection mechanisms are not yet fully established, consumers would encounter more problems with marketing. In contrast, in a country like Canada, where consumerism and consumer protection are at an advanced level of development, consumers would encounter fewer problems with marketing and are more satisfied with the status quo. Thus, these two variables, i.e., satisfaction with marketing and frequency of problems would serve as a strong test of the predictive and convergent validity of the lifecycle concept of consumerism development. We propose the following hypotheses for testing.

*H3:* Consumers in China have a significantly lower level of satisfaction with marketing than those in Canada.

*H4:* Consumers in China have a significantly higher frequency of problems with marketing than those in Canada.

On the other hand, as Chan, Yau & Chan (1990) have argued, consumer responses to evaluative questions about marketing may be grounded in cultural values, such as individualism or collectivism. Among the great number of cultural values such as man-nature relationship and power distance, individualism/collectivism (i.e., I/C) is one of the cultural value dimensions that exert the greatest influences on an individual's perceptions of one's role in the larger social group (Hofstede, 2001; Yau, 1988). China represents one of the East Asian societies that emphasize the values of collectivism. Existing research has provided ample evidence about the differences in individualism or collectivism between Western societies and Eastern cultures such as China, and such differences have been found to influence many aspects of attitudes and behaviors across cultures (Hofstede, 2001). Specifically, individualism has been found to influence consumers' interactions with marketers, such as their complaint behavior (Hui & Au, 2001; Liu & McClure, 2001). Thus, one way to assess the relationship between consumer attitudes toward marketing and the cultural value of individualism is to examine the complaint behaviors of consumers across cultures. Several authors argue that compared with consumers in an individualistic society

such as Canada, Chinese consumers are relatively less critical of marketing because of the Chinese society's emphasis on the cultural value of collectivism, e.g., favoring harmony and being non-judgmental (Chan, Yau & Chan, 1990). Consumers in collectivist societies are less likely to “voice” their opinions or complain directly to the marketer than consumers in individualistic societies (Liu & McClure, 2001). On the other hand, consumers in collectivistic societies are more likely to resort to public resolution, i.e., third party responses, than those from individualistic societies such as Canada (Chelminski, 2003; Nyer & Gopinath, 2005). Therefore, how the cultural value of individualism/collectivism affects consumer attitudes toward marketing and their satisfaction should be reflected in their complaint behavior. We propose the following hypotheses for testing.

*H5:* Consumers in China are significantly less likely to complain about marketing than consumers in Canada.

*H6:* Consumers in China are significantly more likely to resort to public resolutions than consumers in Canada.

## **METHOD AND MEASURES**

To measure consumer attitudes toward marketing, we adopted the Consumer Sentiment toward Marketing scale that was developed by Gaski & Etzel (1986). The scale has been validated in several studies outside of the U.S. and used in most studies of consumer attitudes toward marketing (Chan & Cui, 2004; Wee & Chan, 1989). The questionnaire includes measures of consumer attitudes toward each of the marketing mix variables – product, retailing, advertising, and price. Consumers are asked to respond to 28 statements about their attitudes regarding the marketing mix variables, such as “I am satisfied with the quality of products that I have purchased”. A Likert scale is used for measuring consumer responses, ranging from (1) strongly agree to (5) strongly disagree with a point of neutrality in the middle. The measures of attitudes toward consumerism were adapted from previous studies and included six items about their support for organized consumer movement (Barksdale et al., 1982; Varadarajan & Thirunarayana, 1990). In addition, the instrument also includes measures of consumer satisfaction and the frequency of problems with each of the marketing mix variables (Gaski & Etzel, 1986). For complaint behaviors, we adopted measures from previous studies to measure complaint to 1) marketers (voice) and 2) negative word-of-mouth (NWOM) or complaining to others (Liu & McClure, 2001; Singh, 1990). For public resolution, we measured public complaint responses of consumers and their support for government regulations of marketing activities (Barksdale et al., 1982; Singh, 1990). Lastly, the 8-item individualism measurement scale of Hofstede (2001) was included in the questionnaire.

As the consumer revolution has largely been an urban phenomenon in Chinese mainland, studies of Chinese consumers have focused on major urban areas (Cui & Liu, 2001). In our study, we conducted a survey in four major cities including Beijing, Shanghai, Guangzhou, and Chengdu, which represent the north, east, south, and west of China. Two authors of the study are bilingual speakers of Chinese and English. The English questionnaire was translated into Chinese by one researcher, and then back translated into English by another. This process was repeated three times to ensure conceptual correspondence. Based on the results of a small-scale pilot study, we made further improvement in the Chinese measures of these concepts. Finally, the Chinese version of the questionnaire was used for data collection in China's cities.

To complete the survey, research assistants were recruited among graduate students enrolled at local universities in the four cities of China. These assistants were trained to conduct

a central location intercept survey (CLIS) of residents of these cities using the structured questionnaire. The CLIS method is an effective and widely used method in consumer and marketing research that can generate results that are comparable to other methods based on probability samples. To ensure that the sample represents urban consumers in China, multi-stage random sampling method was used. First, three urban districts were selected from each city, each of which has about a dozen urban districts. From each district, a neighborhood shopping center was randomly chosen as the interview site. Then, an intercept survey was conducted at these shopping centers at different times of day during a ten-day period to interview every fifth person until the 200th interview was completed. Finally, 200 usable questionnaires were collected from each of the cities, resulting in a total of 800 cases for the Chinese sample. Since a large-scale consumer survey is prohibitively expensive in developed countries such as Canada, we conducted the central location intercept survey (CLIS) in two major cities: Toronto and Montreal, using the English version of the questionnaire. We recruited and trained research assistants among graduate students enrolled at local universities in the two cities. A central location intercept survey was then conducted in each city at a major shopping center at different times of day during a 14-day period to interview every fifth person until the 250th interview was completed. Finally, we collected 500 usable questionnaires from the Canadian survey.

## RESULTS

First, we compared the key characteristics of the two country samples to ensure their comparability using a series of chi-square tests. We did not find significant differences between the two samples in gender distribution and employment status. We also compared the two samples in terms of age, marital status, occupation, and income distribution. Although we did not find any major differences, the China sample has a slightly larger group of younger age (under 30), more single people (34% vs. 23%), a smaller group in the lower income category, and less people in the professional occupation category in comparison with the Canadians. These differences reflect the overall younger population and the less developed economy in China. All categorical groups of these variables are represented in both samples. Overall, the major demographic characteristics of the two relatively large samples are comparable and representative of their national populations of urban households.

We then performed the same item purification procedure that was used by Gaski & Etzel (1986). The same five items to measure attitudes toward marketing functions are used for the two countries. The reliability of each measure toward the marketing mix variables proved to be satisfactory based on the Cronbach's alpha (Table 1). We also tested the reliability measures of other key variables, including attitude toward consumerism, individualism, and satisfaction, which proved to be satisfactory for both samples. The difference between the two countries in the individualism measure is statistically significant in that China has an average score of 3.92 while Canada has an average score of 4.36 ( $t$ -value = - 15.52, sig. < 0.001). This difference is consistent with that based on the Hofstede's country index scores for China and Canada (20 vs. 80).

**Table 1. Reliability of Measures: Cronbach's Alpha**

<b>Factors/Country</b>	<b>China</b>	<b>Canada</b>
Attitude toward product	0.758	0.771
Attitude toward channel	0.701	0.820
Attitude toward promotion	0.707	0.724

Attitude toward price	0.766	0.802
Attitude toward consumerism	0.774	0.791
Individualism	0.832	0.805
Frequency of problems	0.776	0.733
Satisfactions	0.653	0.706
Complaint	0.712	0.601
NWOM	0.735	0.746
Support for government actions	0.714	0.809
Public resolution	0.824	0.868

To construct the index score for the overall attitudes toward marketing, we followed the same procedure that previous studies used (Gaski & Etzel, 1986; Wee & Chan, 1989). The overall index score is the sum of the weighted measures of all sub-scales for product, retailing, advertising, and price in a multi-attribute attitude model. The results in Table 2 suggest that the overall index score for consumer attitudes toward marketing in mainland China is 8.62. By comparison, the Canadian consumers have an overall index score of 5.51. Thus, the index score for Chinese consumers is slightly but significantly higher than that of Canada, which is contrary to hypothesis one. This is similar to the findings of comparisons in a previous study (Chan & Cui, 2004). Moreover, contrary to hypothesis two, Chinese consumers report significantly less positive attitudes toward consumerism (mean of 4.02) than their Canadian counterparts (mean of 4.19). Thus, the hypotheses based on the lifecycle concept of consumerism development do not hold in our empirical analyses.

**Table 2. T-tests of Country Differences across Dimensions**

<b>Variable/Country</b>	<b>China</b>	<b>Canada</b>	<b>T-value</b>	<b>Sig. Level</b>
Overall attitudes toward Marketing	8.62	5.51	7.92	0.001
Consumerism	4.02	4.19	- 5.49	0.001
Individualism	3.92	4.36	- 15.52	0.001
Frequency of problems	2.81	2.54	6.25	0.001
Satisfaction	3.24	3.04	5.89	0.001
Complaint	4.17	5.54	- 25.50	0.001
NWOM	3.83	4.86	- 17.99	0.001
Public resolution	3.34	2.94	6.07	0.001
Support for government actions	4.26	3.78	10.89	0.001

*Note: Overall attitudes toward marketing are measured by the weighted sum of the attitudes toward the four marketing mix variables, while all other variables are means of the items measured on a 5-point Likert scale.*

We then compare the two countries in the reported consumer satisfaction with marketing and frequency of problems using t-tests of the mean scores of these variables. According to the

results in Table 2, the overall satisfaction score is significantly higher for the Chinese than for the Canadians (3.24 vs. 3.04), which is in the opposite direction by predicted by Hypothesis 3. Thus, one might conjecture that the Chinese businesses are performing the marketing functions better than their Canadian counterparts. However, consistent with Hypothesis 4, Chinese consumers report a significantly higher frequency of problems with marketing activities than their Canadian counterparts (2.81 vs. 2.54), despite the fact that Chinese consumers have reported more positive attitudes toward marketing and a higher level of satisfaction. The inconsistency of findings between different measures of similar concepts is indeed puzzling. These results demonstrate the problems with comparisons of country means in many comparative studies. At this stage, any conclusions about the relationships among these variables would be premature.

Then, we examine the findings on the complaint behaviors and support for government regulations, which are related to the cultural value of individualism. The results in Table 2 indicate that Chinese consumers are significantly less likely to complain directly to stores than the Canadians (4.17 vs. 5.54), and they also engage in less negative word-of-mouth (3.83 vs. 4.86), i.e., complaining to others. Thus, the Chinese have a weaker tendency for private complaint behaviors. On the other hand, Chinese consumers report a stronger preference for resolution by public institutions (3.34 vs. 2.94), including reporting to the press or consumer protection agencies and resorting to legal procedures. In addition, Chinese consumers also report greater support for government actions than the Canadians (4.26 vs. 3.78). Thus, both hypotheses 5 and 6 are supported by the results. Overall, Chinese consumers, from a collectivist society, are less likely to engage in private complaint behaviors (voicing and NWOM) and show stronger tendency toward public resolution and stronger support for government regulations than their Canadian counterparts from a more individualistic culture. The results are consistent with the emphasis of different cultural values in these societies and provide support for the hypotheses based on cultural value.

Lastly, to further examine the differences between the two countries, we run the bivariate correlations among the key variables for each country separately and present them in Table 3. The correlations for the Chinese sample are below the diagonal line while those for the Canadian sample are above. While the correlations between consumer attitudes toward marketing and the control variables (i.e., satisfaction and frequency of problems) are comparable and in the same direction in these two countries, there are some interesting differences in the correlations of other variables between the two countries. While there is no significant correlation between attitudes toward marketing and attitudes toward consumerism for the Chinese (-.06), they have a significant negative correlation for the Canadians (-.25). Furthermore, the correlation between individualism and consumer attitudes toward marketing is insignificant for the Chinese (.02) but significantly negative for the Canadians (-.13). These findings indicate that consumer attitudes toward consumerism and individualism have significant associations with consumer attitudes toward marketing among the Canadians, but the same is not true for the Chinese sample.

**Table 3. Correlations of Key Variables for the Two Countries**

	Overall attitudes	Consumerism	Frequency of problems	Satisfaction	Individualism
Overall attitudes	-	-.25**	-.59**	.63**	-.13**
Consumerism	-.06	-	.15**	-.19**	.32**



Frequency of problems	-.53**	.14**	-	-.61**	.09*
Satisfaction	.66**	-.08*	-.45**	-	-.05
Individualism	.02	.36**	0.3	.02	-

*Note. Correlations for China are below the diagonal while those for Canada are above the diagonal. \*sig. at the 0.05 level, and \*\*sig. at the 0.01 level.*

## DISCUSSION

### Findings and Implications

The results suggest that there are significant differences in the attitudes toward marketing between consumers in China and their counterparts in Canada. Contrary to the concept of consumerism development lifecycle, the Chinese exhibit less positive attitudes toward consumerism than their Canadian counterparts. Despite the fact that Chinese consumers experience a higher frequency of problems with marketing, they report more positive attitudes toward marketing and a higher level of satisfaction than the Canadians. These findings suggest that the level of economic and consumerism development does not necessarily coincide with consumers' attitudes toward marketing and consumerism or their satisfaction. Meanwhile, values and behaviors that are rooted in culture may help dispel these inconsistent findings. The Chinese, from a collectivistic society, are less likely to engage in direct complaining or negative word-of-mouth than the Canadians. They prefer collectivistic measures in dealing with their dissatisfactions, such as public resolutions and support for government regulations. This is consistent with the emphasis of collectivism in the Chinese culture and perhaps the strong role of government in the Chinese economy. These findings help answer the puzzling question why consumers in China, a country at a lower level of consumer protection and consumerism development, have more positive attitudes toward marketing and a higher level of satisfaction than those in a society that is more advanced in this aspect.

Chinese consumers still report a higher level of satisfaction even though they experience a higher frequency of problems with marketing than the Canadians. As for consumers in Canada, although they report fewer problems with marketing, they do not have a high level of satisfaction and their overall attitudes toward marketing are not as positive. At the same time, they are more likely to lodge direct complaints and resort to negative world-of-mouth, suggesting that consumers in advanced economies are more assertive. This is consistent with the higher level of individualism among them. On the other hand, Canadian consumers' support for government regulations is not as strong as that of Chinese consumers. This is the only finding that is consistent with the lifecycle of consumerism development. However, such relationships based on the lifecycle concept of consumerism development may not hold for a different culture such as China, where collectivism plays a more important role in affecting people's attitudes and behaviors.

As Chinese consumers become more educated and informed and as the legal infrastructure continues to develop, they may follow the footsteps of their western counterparts and become more active in organized consumer movement to protect their rights. In fact, consumer rights have steadily taken root in China in the post-reform years, as evidenced by the growing number of consumer organizations. There has been an increasing number of incidents in which consumers take legal actions against marketers, including a number of multinational corporations involving product defects, harmful ingredients, and sub-standard services (Chang & Yan, 2002; Ho, 2001).

## LIMITATIONS AND SUGGESTIONS

This study compares only two countries and cultures. Studies of other cultures and markets would help validate the findings of this study. Both surveys in this study use samples of urban residents, which may not realistically reflect the perceptions of the total population. In addition, culture and human behaviors are dynamic in nature. In the last two decades, China has been in a historical transition from central planning to relying on market forces. Reforms and economic development have led to the adoption of modern marketing practices, the emergence of a consumer society, and a growing middle-class. There is a great likelihood that Chinese consumers' attitudes toward marketing will become more critical in the future. Longitudinal studies of consumer attitudes and cultural values may help examine the evolution of their perceptions and help gauge the performance of marketers.

To attribute country differences to socio-cultural variables, researchers need to conduct simultaneous multi-country studies, include all the eligible explanatory variables in the research design, and test the competing hypotheses. Future studies should consider using direct measures of individualism and other relevant cultural values. When more countries are included in a study and more country-level data are available, researchers can develop well-specified theoretical models and apply sophisticated methods such as hierarchical linear models (HLM) or multi-group structural equation models (MGSEM) to examine the effects of cultural values across countries. These procedures can help reveal the differential effect of a variable based on a theoretical model and help to define the role of cultural values in explaining cross-national differences for a better understanding of consumer and organizational behaviors in different societies.

### **Вопросы для размышления:**

1. Каковы основные проблемы, рассматриваемые в статье?
2. Какие из приведенных в статье исследовательских подходов и методов, выводов по результатам исследования представляются вам спорными, неполными, недостаточно обоснованными? Почему?
3. Каковы ограничения проведенного исследования?
4. Как вы считаете, каковы дополнительные направления использования маркетологами результатов этого исследования?
5. Являются ли рассмотренные в статье проблемы актуальными для российских компаний? Насколько применимы результаты проведенного исследования в российской практике?

## Профиль «Маркетинговые коммуникации и реклама в современном бизнесе»<sup>2</sup>

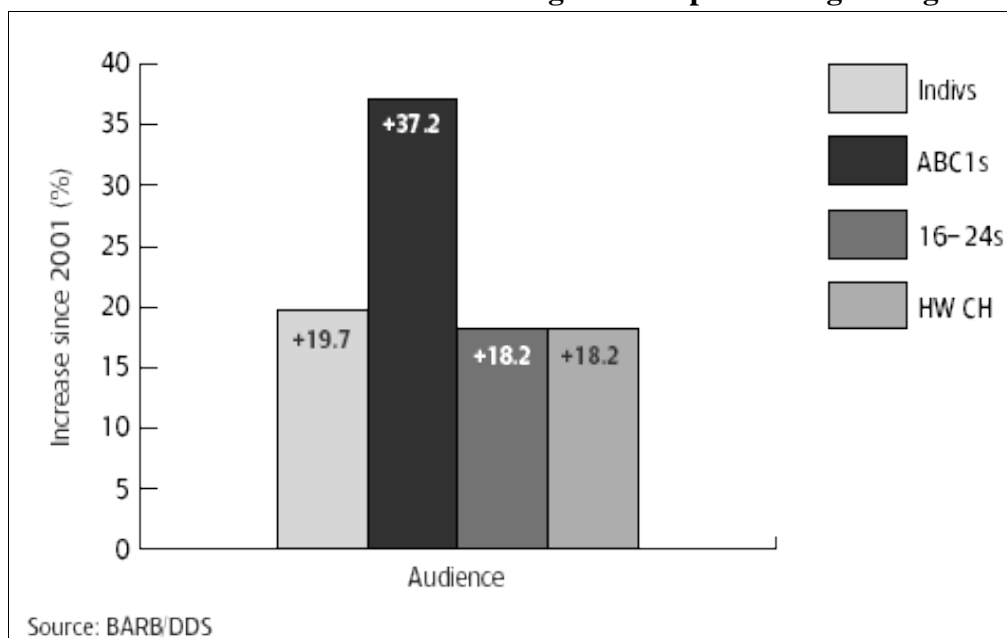
In the process of examining all of the research available, we have been able to demonstrate that many of the most widely held myths about commercial television are simply wrong. As a result there seems to have been a noticeable drop in the doom-laden headlines and sense of mild despair. Here are five of the most prominent myths.

### MYTH 1: COMMERCIAL TV IS IN TERMINAL DECLINE

Contrary to what the doom-mongers have been saying, we can see that broadcast viewing figures have remained at exactly the same levels, or even slightly higher, than through the 1980s and 1990s. This has happened despite reports of new technologies and platforms taking viewers away from the domestic set, currently the only device measured by BARB (British Advertising Research Bureau).

The fact that commercial share of viewing continues to rise in line with an increasing digital universe as people got access to relatively more commercial channels, (especially among younger people) has highlighted TV's ability to reach mass audiences as well as niche targets. This trend is likely to continue until digital switchover is completed in 2012 (see Figure 1).

Figure 1. Impacts still growing: 2006 vs. 2001

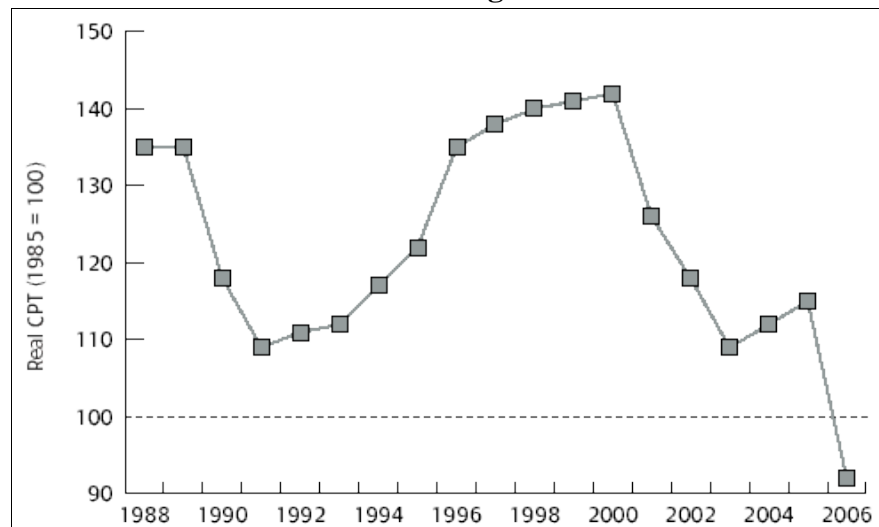


### MYTH 2: TV ISN'T COST-EFFECTIVE

These trends have helped disprove Myth 2: that TV is increasingly less cost-effective and hence unaffordable. In real terms, TV is bought at a more cost-effective price than we were seeing in the mid-1980s (we'll get on to the effectiveness part of that equation later). On a daily basis, the average British consumer watches 40 TV commercials in real time – that's 2.2 billion ads viewed every day – delivering deflation and sensational value for advertisers (see Figure 2).

<sup>2</sup> Статья составлена по: Alps T., Brennan D. Five myths about television advertising. // Market Leader. *The Journal of Marketing Society*. Autumn 2007, Issue 38.

**Figure 2. Sensational TV value now available**



Media pundits predicted consumer resistance to digital switchover. But with digital penetration now over 80%, multi-channel TV is helping to drive viewing and improve targeting. We have whole channels now that can reach niche consumer groups as efficiently as their equivalents in the magazine world. It is also possible for brands to get closer than ever to the TV content these viewers enjoy.

### **MYTH 3: PEOPLE ARE FALLING OUT OF LOVE WITH TELEVISION**

In fact, the opposite is happening. We've seen a massive vote of confidence by the UK public in terms of the amounts spent on big new TV sets (the size of the average TV screen in the UK is growing by an inch a year) – widescreen, flatscreen, HD-ready – and often with cinema surround sound – and we have an opportunity for advertisers to engage with their consumers in bigger and better style.

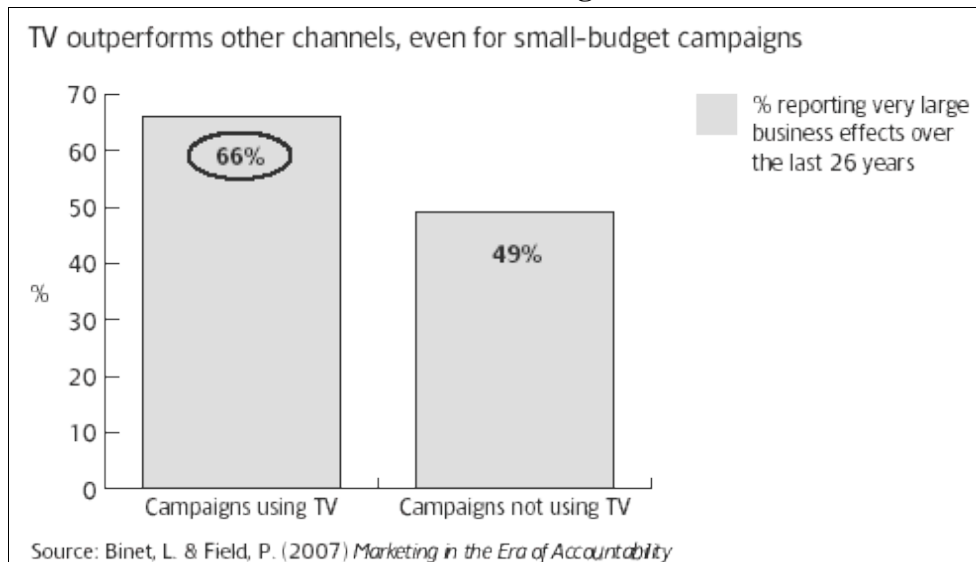
### **MYTH 4: TV CAN'T DELIVER TRUE ADVERTISING EFFECTIVENESS**

One of the most important myths being shattered is that television can no longer deliver true advertising effectiveness. Two of the major business successes across 2006, the launch of Magners Cider and the resurgence of Marks & Spencer, have both publicly credited the contributions of their TV advertising activity.

An even more comprehensive analysis of media “payback” came from the recent IPA (Institute of Practitioners in Advertising) publication *Marketing in the Age of Accountability*, which demonstrated that TV was the most effective media channel in influencing major shifts in sales, profitability and market share.

Not only that, but the report by Les Binet and Peter Field showed TV's effectiveness has been increasing since the launch of multi-channel TV. We have just embarked on a study of advertising payback with PriceWaterhouseCoopers, which we expect to shed more light on this important topic (see Figure 3).

**Figure 3. TV is the most effective medium**



### **MYTH 5: YOUNG PEOPLE DON'T WATCH TELEVISION**

The young are reported to be taking to the new ways of accessing content with enthusiasm. However, they've always been enthusiastic about television, especially when they can make it more relevant to themselves. They are watching just as much commercial telly as ever and their higher than average interest in TV as social currency through the shared experience of viewing live programming does not suggest they are going to desert it in the foreseeable future. Instead, as the young always do, they will make it relevant to their own lives (often with the help of the broadcasters themselves: Channel 4's teen drama *Skins* is a good example of this brave new world).

### **SO, WHY THE APOCALYPTIC HEADLINES?**

We believe there are three interlinked factors: the growth of high-speed internet, the liberation of TV from the living room, and the fears wrought by the PVR (Personal Video Recorders). They have been harder to disprove because they are all related to TV's future.

### **THE INTERNET: FRIEND OR FOE?**

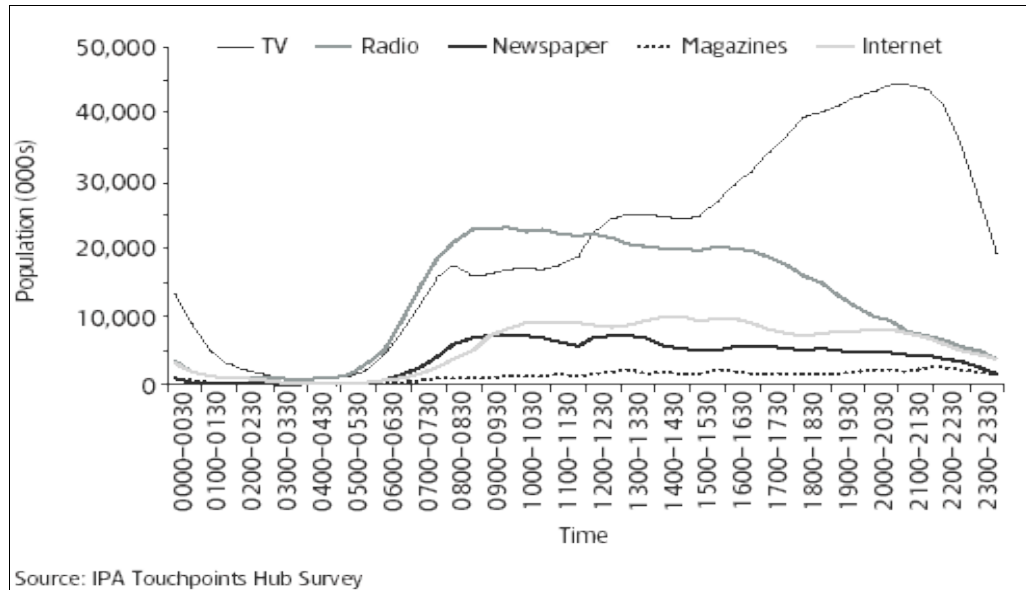
The impact of the internet, not just on business but on all of us at a personal level, has been profound. We use it for many of the things that used to devour vast chunks of time (paying bills, shopping, pursuing passions) or were limited by time and space (finding new friends and hanging out with them, sharing the fruits of our creativity). But there is no evidence that we are changing the essential nature of *what* we do, just the *ways* we do it. Young people have always "hung out" with their peers, it's just that we used to do that in coffee bars or shopping malls or behind the bike sheds.

The internet, of course, is not a medium but an overarching technology that can deliver existing media, including newspapers and radio, as well as giving birth to new ones such as social media, turning private pursuits into public discourse.

There has been limited research on the internet relative to the amount people talk about it, and what has been conducted has often been questionable. Unfortunately, online does not have anything to compare to BARB to help us evaluate the two activities fairly. But we do now have

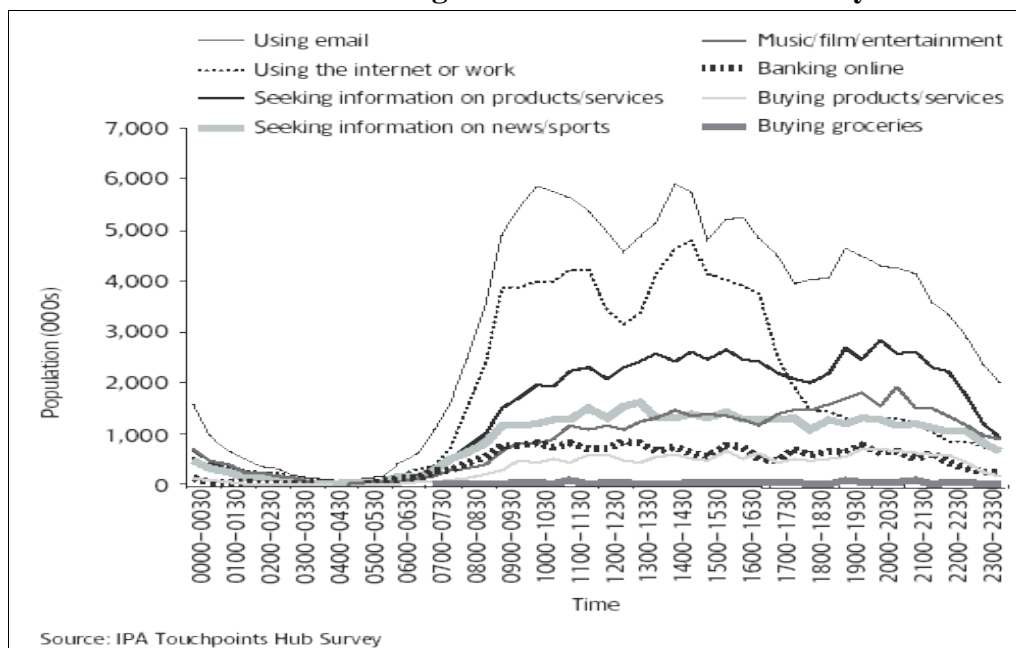
the IPA's Touchpoints survey, as well as that hardy perennial the TGI (Target Group Index Research), to see how much time is spent on the internet compared to TV (see Figure 4).

**Figure 4. Broadcast TV dominates our media day**



Contrary to the popular view, both of these sources show TV time outstripping online time by a ratio of between two and three to one, across all demographic groups. There is increasing evidence of media meshing – watching TV and being online at or around the same time – which Touch points indicates peaks at a high of 12% of the TV audience during weekday peak time. Meanwhile, internet time does not seem to consist of a great deal of watching TV online – as Figure 5 shows. The main use of the internet is for work and email, and if even half of those watching “music/film/entertainment online” were watching TV content, that would still be less than 5% of all online time.

**Figure 5. INTERNET used mostly for email and work**



Things may change when a critical mass of households have a direct link from their high-speed broadband connection to their TV screen, but then that will still be “TV viewing” and we expect BARB to be able to measure that viewing by the next contract start. This will undoubtedly result in more viewing away from the schedules, towards on-demand and a limited amount of “long tail” content. But this may be more of an opportunity to the advertiser than a threat to the advertising model, because it is all part of the liberation of the TV set during the third age of television.

### **THE THIRD AGE OF TELEVISION**

The concept of the “Third Age of Television” is one of liberation: complete freedom of choice for the consumer in an on-demand environment and liberation of content from the domestic household set. Content will be king, which explains why the major broadcasters are pioneering services via IPTV, web TV and mobile TV, which are mainly being taken up by the classic early adopters, the young.

Early data from the trials of both IPTV and mobile TV indicate a lot of additional viewing among enthusiasts but relatively modest projections of penetration and share of all viewing by the end of the decade. They will undoubtedly have an impact, but this is more likely to be at opposite ends of the viewing spectrum. At one end will be “convenience TV”, which might mean a five-minute catch-up of last night's soap on mobile or internet-delivered on-demand viewing of a series that might otherwise be missed. And at the other end will be “treat” TV that could demand a premium, such as major sporting events or first-run movies (indeed the competition from the latter may well affect DVD stores most of all).

Although the evidence suggests a great deal of viewing will continue to be to the live schedules, on-demand also offers specific benefits for advertisers: a highly targeted audience, a selective programme environment, and an uncluttered break environment. The even better news is that, when offered a choice between paying a small fee to view or watching an ad “pre-roll”, a significant majority of consumers choose the ads.

### **DOES THE PVR MEAN DEATH TO THE 30-SECOND SPOT**

The PVR (or DTR, or Sky+ to most users) has been a revelation. It is highly valued by those who have one and yet they use it relatively infrequently. PVRs are already installed in 11% of all homes (28% of Sky homes), surpassing all predictions, and yet it has had nothing like the effect on viewing that had been anticipated. It has been touted as the supreme ad avoidance technology, producing the death of the 30-second spot, and yet the majority of PVR homes watch more ads in real time than they did before they installed one.

Why were we worried? Probably because the links to the electronic programme guides means it would be possible to set it to record a whole evening's viewing in a couple of minutes, while any part of the recorded programme can be fast-forwarded, just like the old VHS machines. So, who wouldn't want to “download” an evening's viewing and then view in timeshift mode, zipping through the ads in seconds? Well, so far, not too many of the early adopters, who are usually more enthusiastic about their technology.

Three separate studies, released in the latter part of 2006, showed broadly similar results. BARB and Sky (via their setmeter panels) and London Business School together with ACB (through video observation of real PVR households viewing TV) demonstrated that viewing is higher when a PVR is installed; that the majority of household viewing is still to live programming, up to 88%; most recorded content is watched on the day of transmission; and,

even when they do watch in time-shift mode, between a third and half of the ads are still watched in real time.

### **THE END OF ENDISM?**

We have never doubted that television as a medium has a future. We are both old enough to have witnessed the “death of cinema” at least four times. In fact, as with cinema, the business models that the new digital technologies are helping to create offer huge opportunities for television, and for TV advertisers. Why?

There are many reasons for the positive potential of these new business models: increased viewing opportunities; better targeting (including addressable advertising, already a reality in the US); additional revenue streams or an efficient response mechanism via online (Google is encouraging its clients to use TV as it boosts branded search efficiencies). We believe the future of television couldn't be more exciting for viewers and brands. Its proven strengths aren't going to go away but they will be enhanced by TV's controllability, interactivity, portability and enhanced creativity. There are no ends in sight, just new beginnings.

It is especially so with a view of the current economic turmoil. In the latest economic recession (2008-2009) a lot of advertisers cut their advertising investment in traditional media (print, radio, TV, outdoor and transport), but TV budgets went through the biggest reduction.

### **THE REAL CONSUMER EXPERIENCE OF WATCHING TELEVISION**

Many of the reasons for television's effectiveness could be seen in the footage from our recent Engagement Study (see “Details of Research”). We saw just how TV viewers relate to the ads, discuss them, sing along to them and share the experience with their housemates, friends and family. It reinforced the importance of TV's role in creating brand emotions and associations in the memory, both implicit and explicit. In short, it showed us why TV advertising works so effectively.

#### **Engagement can be Identified through a Wide Range of Behaviours**

When we took on this project we worried at the prospect of lots of footage of people sitting stock still, hopefully looking at the screen, but otherwise not doing much. How naïve we were! When the respondents were sitting down watching the ads, around two-thirds (68%) recorded some observable ad-related behaviour, according to ACB's team of professional ethnographers. What's more, positive behaviours outnumbered negative by almost two to one (43% compared to 25%).

The range of behaviours was fascinating. Music is important – a cue for viewers to sing along, whistle, clap and even dance – which they did on many occasions. People will stop the PVR and play back an ad in real time. They laugh out loud, openly express wonder at the creative execution, or refer the creative to things that are important in their daily lives (which we call self-referencing). They mimic the voice-overs affectionately and regularly play “guess the ad” games. They can also shout at the telly, roll their eyes and disparage the ad to each other. Just not nearly so often.

#### **Engagement is not the Same as Attention**

Although engagement is more likely to occur when attention is more focused on the TV, there were numerous examples of high engagement springing from a very low-attention base. People would interrupt deep conversation for a shared favourite and mimic an ad even when they had their backs to the screen. We recorded many examples of strong engagement occurring even when people were in a different room.



The main driver of attention is concurrent behaviours, so it is not surprising that engagement is higher when there are few distracting activities. However, we need to look closer at the types of activity being conducted; there are many common activities that are “heads-in-TV” activities – where the activity is created around the TV set (eating and drinking, exercise, some forms of housework) where engagement is often higher than it is when viewing is the sole activity.

### **The Power of the Shared Experience**

In this era of the importance of word of mouth and the power of the viral message, it is reassuring to know that TV offers the most viral medium of them all – where ads are often discussed and shared with each other in the same physical space. It is something unique to television, and part of the power of the medium to get advertisers' messages out there.

We saw lots of examples of people discussing the ads, the brands, previous experience of the products and the people in the ads. They love to share the humour, often taking “ownership” of favourite ads and pointing them out whenever they watch with family or friends. It is a powerful characteristic of the medium.

Perhaps that is why the optimum number of people in a room to create engagement is two. It gives people the opportunity to share their experiences of the ads, but not so many as to be distracting. The good news is that the majority of TV viewing (around 70%) in the UK is shared viewing, and it appears to be growing as more viewing comes back to the main set (where most of the new TV technology sits).

### **The Importance of Emotion in Advertising**

When we classified the ads by their primary content factors (affective, cognitive or sensory) it was the affective (i.e. emotional) ads that performed by far the best in terms of eyes on screen or positive engagement behaviour. In particular, ads that elicited nostalgia, humour, excitement or personal identification (via self-referencing) seemed to do well. Interestingly, the second most positive response was seen for highly cognitive ads – the opposite end of the spectrum – suggesting ads should not try to mix styles – it should either be highly emotive or information-packed, but not both. Worryingly, more than 20% of ads could not be classified as strongly cognitive, affective or sensory, which made us wonder why they had been made. Needless to say, these ads performed particularly poorly in our analysis.

When we tested the 20 ads in the quantitative stages of this study, we found that the strongly emotional or affective ads performed far better than the informational ones, and even better against ads that attempted to mix emotion and information too much. These ads seemed to work more intensely at an implicit level, which is not really covered by many research methodologies. Emotional ads seemed to work particularly well against ad liking, which we found to be the most important metric of them all. All of this supports the recent IPA findings, following meta-analysis of more than 800 IPA Effectiveness Awards entries, that showed campaigns that aim to strike an emotional connection with consumers performed much better than those that attempt to impart information about the brand.

### **DETAILS OF RESEARCH**

Our research partners (ACB) installed video cameras within the TV sets of 22 households, totaling 74 individuals. They represented a range of demographics, household types and technographics. The only way in which our sample differed significantly from the population at large was that half of them owned a PVR, which meant a higher than average number of them

also had digital multi-channel TV services such as Sky, Virgin or Freeview. This was to “future-proof” the research against emerging trends in programme access as well as allowing us to thoroughly test the probability that PVR ownership would dramatically impact on live TV spot audiences.

We monitored their viewing for six weeks and took samples of viewing (to commercial breaks only) after two weeks, once their viewing had settled. Altogether, we had four hours of viewing to commercial breaks for each household, giving us a data set of almost 15,000 commercial exposures. Each of these exposures was coded for behaviours as well as commercial content and viewing context factors – a total of 170 different codes for each commercial exposure.

This was followed by a lab-based Memory Study, where we tested the impact of six test ads in different attention contexts – full attention, no attention and two partial attention groups. We attempted to measure implicit as well as explicit memory of ads, as well as test the approach for the larger-scale quantitative survey.

Finally, we conducted a full quantitative survey among 3000 respondents, using an online broadband sample (pre-recruited). This allowed us to measure viewing patterns and contexts, as well as test the impact of a wider range (20) of different ad types to test some of our theories from the earlier stages of the study.

**Вопросы для размышления:**

1. Which models of communications do you find relevant to describe marketing activities using TV?
2. What kinds of products do you find best (and what less so) to be promoted via TV (including digital TV)?
3. Which author statements of the article concerning TV as ad carrier do you agree (and disagree) with?
4. What use in business practice do you see for the proposed arguments?
5. What are the means of conceptual integration of brand messages delivered via both traditional and new media?
6. What opportunities for brand promotion are being opened for practitioners with the processes of digitization, convergence of TV, Internet, other media?

## Профиль «Стратегическое и корпоративное управление»<sup>3</sup>

### 1. Introduction

The board of directors is charged with protecting and promoting the interest of shareholders who would find it costly to exercise control due to wide dispersion of stock ownership. In the empirical literature, the monitoring effectiveness of the board is typically viewed as a function of its independence, size, and leadership structure. While the first two characteristics are relatively well developed in the theoretical literature, the debate within the corporate governance framework as to whether the leadership structure, manifested through the combination or the separation of the roles of the Chief Executive Officer (CEO) and the Chairman of the Board (COB), leads to superior performance is based on contradictory arguments presented in two different academic theories: the organizational theory and the agency theory. Advocates of the organizational theory believe that the company can attain superior performance only when the CEO exercises complete authority and his role is both unambiguous and unchallenged. For example, Anderson and Anthony (1986), Donaldson (1985), and Barney (1990) consider that it is better to have a combined role as this provides a “single focal point for company leadership”, projecting a clear sense of direction. Cannella and Lubatkin (1993), Donaldson and Davis (1991), Sridharan and Marcinko (1997), and Brickley et al. (1997) report a positive link between a dual leadership structure and financial performance. Brickley et al. (1997) also find a negative market reaction upon the announcement of splitting roles. In addition, Simpson and Gleason (1999) show that the probability of financial distress for companies that have combined roles is lower than for companies that have an independent COB.

On the other hand, proponents of the agency theory or the principal-agent theory developed by Jensen and Meckling (1976) argue that the leadership structure of a company mitigates the agency costs. For example, Fama and Jensen (1983) suggest that the separation of decision management (CEO) and decision control (COB) facilitates the reduction of the agency costs and leads to superior firm performance. Similar arguments are presented by Berle and Means (1933), Berg and Smith (1978), Pratt and Zeckhauser (1985), Rechner and Dalton (1991), and Pi and Timme (1993). Sridharan and St. John (1998) report an improvement in performance of companies that changed their governance structure from duality to separation of roles, and Daily and Dalton (1994) find that a combined role is associated with a higher probability of bankruptcy. More recently, Malmendier and Tate (2004) report that the significant increase in compensation observed after managers achieve superstar status via high profile awards from the business press are due mainly to the CEOs who also hold the titles of President and Chairman of the board, suggesting that CEOs opportunistically extract rents from companies. In a takeover context, Bange and Mazzeo (2004) show that targets that combined the roles are more likely to be taken over and the bidders are less likely to negotiate the publicly observed offers they make with them. These results provide support to the proposition that the combination of the roles exacerbates the agency conflicts. Other studies, however, show a weak relationship between firm performance or managerial behavior and the board structure (e.g., Baliga et al., 1996; Brickley et al., 1997). McWilliams and Sen (1997) and Coles and Hesterly (2000) suggest that other governance mechanisms such as board independence counteract the negative aspect of the combined roles.

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<sup>3</sup> Статья составлена по: Carapeto M., Lasfer M.A., Machera K. Does Duality Destroy Value? // Working Papers, Cass Business School, City University, London, 2005.

In the US where most of this empirical work is undertaken, the structure of the board has typically given the CEO a significant amount of power, thus favoring the organizational theory. For example, Booth et al. (2002) and Core and Larcker (2002) find that about 76% of US companies do not separate the roles of the CEO and the Chairman. When a US company separates the two roles, this is usually perceived as a sign of weakness by investors. In contrast, in the UK, following a series of corporate scandals in the beginning of the 90s, the Cadbury Committee (1992) put forward a set of recommendations that include the separation of the roles of the COB and the CEO and stated that there should be a clear division of responsibilities at the head of the company which will ensure a balance of power and authority, such that no one individual has unfettered powers of decision. Following these recommendations and those of Greenbury (1995) and Hampel (1998), the London Stock Exchange (LSE) issued the Combined Code (Committee on Corporate Governance, 1998) which states that there are two key tasks at the top of every public company – the running of the board and the executive responsibility for the running of the company's business. These recommendations are also endorsed by the largest UK financial institutions such as the National Association of Pension Funds (NAPF), the Pensions Investment Research Council (PIRC), and the Association of British Insurers (ABI), who all put a lot of pressure on UK companies to split the roles or to explain in their annual reports the reasons why they are not complying with the Combined Code.<sup>3</sup> As a result, more than 80% of UK firms had split the role in the late 1990s (e.g., Dahya et al., 2002; Lasfer, 2004).

The purpose of this paper is to assess whether the decision to split and to combine the roles of CEO and COB creates value. We first document the market reaction upon this decision. We then evaluate the performance of both types of firms in the pre- and post-event periods to determine whether these decisions are driven by poor performance and whether they lead to a mitigation of the agency conflicts. We use a sample of 119 firms that announced their intention of splitting the roles of CEO and COB and a sample of 49 firms that announced their intention of combining those roles over the period 1995 to 2003. Consistent with the agency theory, we find positive (negative) and significant abnormal returns on the announcement of the decision to split (combine) the roles. Our positive market reaction on the announcement of splitting roles is consistent with Dahya et al. (1996) who find that splitting roles produces a major positive market reaction but does not provide support to Dedman and Lin (2002), who report no significant abnormal returns, probably due to the fact that they used a rather small number of firms where the roles are split. The negative market reaction to the announcement of the decision to combine the roles is not consistent with Dahya et al. (1996) who show that combining roles does not generate a significant reaction. We also find that the announcement dates abnormal returns are strongly related to various measures of agency costs.

However, despite this strong market reaction, we do not find strong evidence of performance improvement in the post-event period. In particular, we show a significant increase in the level of leverage for both types of firms (split, combine) and a decrease in the return on equity and  $Q$  ratio two years after the split/duality decision. This evidence provides support to Dahya et al. (1996), Florou (2001), Dedman (2000), Franks et al. (2001), and Weir et al. (2002) who report weak evidence of performance improvement after the decision to split the roles. Weir and Laing (2001) support that duality is actually associated with good performance.

Finally, we assess the extent to which this decision, particularly the split of the roles, is driven by poor performance, and thus shareholder pressure. We find that firms that split the roles are not necessarily poor performers in the pre-announcement period. These results are not consistent with Franks et al. (2001) and Dedman (2003) who find a positive association between

poor performance and forced management turnover, with many cases of splitting the roles of the Chairman and the CEO. There is also no significant change in the performance of companies that combined the roles.

Overall, our results indicate that, in contrast to the market's expectations, the split of the roles of the CEO and the COB is likely to lead to superior performance, suggesting that this decision is likely to be marginal. It doesn't appear to create more conflicts of interests and delay in decision-making rather than resolve the agency conflicts. The rest of the paper is organized as follows. Section 2 presents the data and methodology. Section 3 discusses the results, and Section 4 concludes.

## **2. Data and Methodology**

We use the Lexis-Nexis database as our main data source. We search the company news, namely "Company News Feed" (formerly "Regulatory News Service") for any announcements on board change. We then focus on companies that separated or combined the roles of CEO and COB over the period 1995-2003.

The initial dataset consists of 250 corporate governance changes from April 1995 to February 2003. The event is taken as the date when the company made the announcement in the Company News Feed about the split or the combination of the two roles. We first identified 71 firms that combined the roles and 179 firms that separated the roles of the COB and the CEO. However, for the stock prices analysis the actual dataset used was reduced to 168 because in each of the remaining 82 cases several problems in their share prices were detected. Specifically, 55 of the stocks were fairly illiquid while in the case of the other 27 firms the relevant data was not available or the share price appeared to be constant.

We use the standard event study methodology to assess the market reaction to the announcement of a dual or split of the roles. We have two distinct periods, an 81-day event period centered on the announcement day and a 200-day estimation period prior to the beginning of the event period. We use the market model to obtain the abnormal returns, the difference between the actual returns and the expected returns, with the benchmark given by the FTSE All Share Index. Daily returns are computed as the percentage price (or index) changes in two consecutive trading days. Closing share price and FTSE-All Share index level data for 282 trading days surrounding the announcement dates for the relevant companies (241 days before, the announcement day, and 40 days after) were obtained from Datastream (Thomson Financial).

The main aim of an event study is to capture the effects of the announcement on the share price around the days of the announcement. However, there is a problem when companies announce their decision to split or combine the roles at the same time as other announcements, such as final results or corporate restructuring. We refer to these confounding events as hybrid announcements, i.e., cases where the effect of each separate announcement cannot be measured in isolation in a precise way. We overcome this problem by examining companies with hybrid announcements separately. We divide the sample into four portfolios. The first portfolio includes 74 companies that solely announced that they planned to separate the roles of the CEO and COB. The second portfolio is composed of 45 observations where the companies made a split hybrid announcement. The third portfolio consists of 28 companies that announced solely the combination of the two roles. Finally, the fourth portfolio includes 21 companies that made a hybrid announcement including their intention to combine the two positions. In addition, we split the hybrid announcements into positive and negative tone by assessing whether the additional news not related to the decision to split/combine the roles conveys positive or negative

information to the market. Table 1<sup>4</sup> show the classification used according to the nature and tone of the additional news. Panel A (Panel B) presents the nature of the other announcement for the good (bad) news sub-sample.

We then use ordinary least squares regressions to explain the cross-sectional variation in abnormal returns. We test the hypothesis that the market reaction will be stronger for companies with high potential agency conflicts. Finally, we compare the performance of our firms in the pre- and post-announcement periods to assess whether the decision to split/combine the roles is driven by poor performance and results in a change in performance in the post-event period.

### **3. Results**

#### **3.1. Event study**

We start by reporting some descriptive statistics of the abnormal returns observed for the two samples of companies with opposite announcements, i.e., combination of roles versus separation of roles.

Table 2, Panel A, shows the mean and the median of the 3-day abnormal returns centered on the announcement day for the firms where we observed a change in the top management. We can see that when firms change from a dual role to a split role, the market reacts significantly positively increasing by an average of 1.3%. However, when companies decide to choose duality the abnormal returns are negative and significant (mean abnormal return of  $-2.6\%$ ). The respective medians, not reported in the table, are 0.30% for split and  $-1.73\%$  for combine. The test statistics for the significance of means are statistically significant, suggesting that the market prefers companies to split the roles of the CEO and COB on the expectations that such a decision will lead to a mitigation of the agency conflicts. In contrast, the combination of the roles is expected to result in an exacerbation of the agency conflicts.

Table 2, Panel B, presents the results of the constructed portfolios. The single announcements result in positive abnormal returns of 1.09% for the split and  $-1.46\%$  for combine. Interestingly, the hybrid announcements are economically and statistically larger than the single announcements. In particular, the decision to split is greeted with positive abnormal returns of 1.71%, ranging between 1.95% if the confounding news has a positive tone and 1.12% if it has a negative tone. In contrast, the hybrid decision to combine roles results in negative abnormal returns of  $-4.18\%$ , ranging between  $-0.16\%$  if the other news is positive and  $-9.55\%$  when the confounding news is negative. These results indicate that the announcement of a split or a combination of the roles of the CEO and COB provides more information to the market than any other news.

#### **3.2. Determinants of abnormal returns**

Table 3 reports five ordinary least squares models that assess the determinants of the announcement date abnormal returns computed over the 2-day period  $[0, +1]$ . Models (1) – (3) are computed for all types of announcements and Models (4) and (5) refer to split and combine announcements, respectively. In Models (2)-(5) only the regressions with significant coefficients

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<sup>4</sup> Здесь и далее по тексту предполагается, что авторы статьи не ошибаются в вычислениях и первичной интерпретации произведенных вычислений (считывании информации из таблиц). В этом смысле, их дополнительный анализ не требуется, поэтому сами таблицы с результатами вычислений здесь (в тексте статьи) не приводятся. Остальное: логика построения исследования и выводы, основанные на первичной интерпретации табличного материала, могут обсуждаться.

are presented. We expect the market to react more positively (negatively) to companies with high agency costs on the announcement of the decision to split (combine) the roles of the CEO and COB. We, therefore, test the hypothesis that the announcement date abnormal returns are a function of the following proxy variables for the agency conflicts, board characteristics, and information contained in the announcement, and discuss the results reported in Table 3:

*Size:* Firm size has an ambiguous effect on the scope for managerial entrenchment. Jensen (1986) argues that larger companies are more likely to suffer from agency costs, which in turn increases the desire for larger managerial ownership. However, because of the wealth constraint problem, managers cannot hold large stakes in large firms. In addition, large firms might enjoy economies of scale in monitoring by top management and by rating agencies, leading to a lower managerial ownership (Himmelberg et al., 1999). Lehn et al. (2003) argue that since large firms engage in a higher volume and greater diversity of activities, they are more likely to have more demand for information relating to product markets, foreign markets, mergers and acquisitions, and labor relations, than small firms. Thus, for large companies, the split of the roles of the CEO and COB is likely to reflect the need for information rather than the mitigation of the agency conflicts. We use the 2-year average log of firm book value of assets to measure size. The coefficient of this variable is positive and significant indicating that the market expects large companies that split the roles to mitigate their agency conflicts.

*Profitability:* We test the hypothesis that the higher the firm's profitability, the lower the agency conflicts, the lower the abnormal returns, since it might be felt that there is no need for a change. We use return on equity to measure profitability. This variable is not significant. The results provide support to a number of previous studies who show that duality does not affect company performance in the UK (e.g., Dahya et al., 1996; Laing & Weir, 1999; Dedman, 2000; Franks et al., 2001; Florou, 2001; Weir et al., 2002).

*Growth opportunities:* Board composition is likely to be affected by the firm's growth opportunities. Smith and Watts (1992) report that the cost of monitoring managers is positively related to a firm's growth opportunities, suggesting that high growth firms are more likely to split the roles of the CEO and the COB and that the market reaction to the decision to split the roles will be higher for high growth firms. In contrast, Lehn et al. (2003) argue that, since high growth firms operate in volatile environments, they require board structures that facilitate rapid decision-making and redeployment of assets, and that the high information asymmetry of high growth firms will impair the ability of outside directors to fulfill their advisory role.

These arguments suggest that the market reaction to the announcement of the split of roles will be lower for high growth firms. We test these two contradictory arguments using  $Q$  ratio, computed as the enterprise value (sum of market capitalization plus long and short-term debt) over the book value of total assets, as a measure of growth opportunities. The coefficient of this variable is positive and significant in Model (1) but not significant in Model (2).

*Leverage:* The impact of leverage on the scope for moral hazard is also ambiguous. Harris and Raviv (1988) and Stulz (1988) argue that managers may tend to increase leverage in order to inflate the voting power of their shareholdings, and reduce the discipline of the market for corporate control.

These arguments suggest that companies with high debt have high agency costs and, as a result, the announcement date abnormal returns will be negatively related to the level of leverage. In contrast, Fama (1980) and Jensen (1986) argue that, since managers may tend to protect their under-diversified wealth, including human capital, and reduce the pressures to pay out a large amount of cash, they may limit the use of debt. When debt is high the agency

conflicts are mitigated as debt holders are likely to monitor through their right to demand information.

These arguments imply a negative association between leverage and the announcement date abnormal returns. We define leverage as the 2-year average ratio of long-term debt over book value of assets, to assess the monitoring role of debt holders.

The results indicate that the coefficient of leverage is positive and significant, suggesting that the higher the leverage, the more likely it is that the market would like to see a change of some kind, either moving into duality or from it. Our results are consistent with Franks et al. (2001) who report a strong association between board turnover and poor performance in the UK, particularly for companies with high leverage.

*Executive directors:* As implied in previous studies (e.g., Fama & Jensen, 1983; Jensen, 1993; Hermalin & Weisbach, 1991, 1998), managers are unlikely to prefer nonexecutive directors on the board because their function is to exercise potential decision control. In addition, Jensen (1993) and Hermalin and Weisbach (1991) argue that CEOs often end up controlling the composition of the board and lessening its monitoring role, by, for example, being themselves chairmen. Therefore, under the agency framework, the monitoring power of non-executive directors is enhanced if the roles of the CEO and the COB are split.

We, thus, expect a negative relationship between the proportion of executive directors on the board and the market reaction on the announcement date. The results provided in Table 3 are consistent with these arguments as the coefficient of the executive directors variable is negative and significant in models (3) and (4), but not in model (1) when all the explanatory variables are taken into account.

*Split announcement:* Brickley et al. (1997) show a negative market reaction upon the announcement of splitting roles. Dedman and Lin (2002) find no evidence of significant abnormal returns upon the announcement of splitting roles in the post-Cadbury period. We use a dummy variable equal to 1 if the announcement was a split and 0 otherwise. We expect this dummy variable to be positively related to the announcement date abnormal returns to indicate a negative reaction for combining roles and a positive reaction for splitting roles. As expected and consistent with the results provided in Table 2, this variable is positive and significant.

*Independence of COB:* Splitting the roles of CEO and COB is likely to have a negative impact when the COB remains executive. Conversely, combining the roles when the COB was already an executive might produce a negative reaction. A dummy variable with a value of 1 if the announcement was a split and the COB remained executive and 0 otherwise has a significant negative impact in the abnormal returns, as expected. In addition, a second dummy variable with a value of 1 if the announcement was a combination and the COB was an executive before and 0 otherwise is found to have a significant negative impact as well.

*Hybrid announcements:* Companies are more likely to make single announcements to provide an unambiguous signal to the market about their strong determination to resolve their agency conflicts. In contrast, hybrid announcements are more likely to have a negative impact, as they are typically associated with either unforeseen events or an attempt to confuse investors. We use a dummy variable equal to 1 if the announcement was hybrid and 0 otherwise. The coefficient of this variable is negative and significant. Surprisingly, the tone of the other announcement does not seem to affect the value of the abnormal returns.

*Resignation, Retirement, and health problems:* These cases are likely to trigger the need for duality, at least temporarily, which has a negative impact on abnormal returns. This is particularly true in the case of resignation, where most likely there might have been some



internal ‘bad blood’ present. Dedman (2003) in fact find that non-routine departure of the CEO is more likely when the CEO and the COB are two separate people. All coefficients associated with dummy variables that take the value of 1 when one of these reasons is cited and 0 otherwise are negative, as predicted, though only significant for split role announcements in the case of health problems. Dahya et al. (1998) and Dedman (2000) argue that in the case of retirement there is a move towards splitting the roles, and so a positive effect. Alternatively, retirement could hint some new (good) blood coming into the firm, and so a dummy with a value of 1 in this case and 0 otherwise has a positive and significant coefficient as expected.

*Temporary change:* This statement is expected to have a negative impact, since temporary changes are typically associated with cases of a move towards duality, normally as a result of unforeseen circumstances. Statements that refer to a sooner or later change in the top management are more likely to be associated with firms that have currently a combined role of the CEO and COB, and so they should actually produce positive, though not necessarily significant, abnormal returns. The coefficients of dummy variables with a value of 1 in these latter cases and 0 otherwise are not significant (i.e., the statements have no credibility attached to them), but significantly negative in the first case.

### **3.3. Performance**

We test the hypothesis that the decision to split/combine the roles of the CEO and COB alters the performance of the firm in the post-announcement period. Table 4 shows some financial profiles for all our subsamples of firms. Panel A (Panel B) reports the results for companies that split (combine) the roles. Panel A-1 shows a comparison of the profitability measure, ROE. The results indicate that in general there is some statistical change in the median level of performance in the pre- and post-announcement periods, with hybrid split announcements with negative tone displaying the biggest decrease in ROE in the postannouncement period. The analysis of the mean ROEs indicates that the profitability has actually declined in the post-event period, suggesting that the split of the roles has not mitigated the agency conflicts and may have created delays in decision-making. However, these results are not significant at conventional levels. Our results are consistent with Laing and Weir (1999), Dedman (2000), Franks et al. (2001), Florou (2001), and Weir et al. (2002), who find little evidence that the board characteristics recommended by Cadbury (1992) have indeed lead to a better performance.

It is interesting to note that the median ROEs are all positive in the pre-announcement period, implying that the decision to split the roles of the CEO and COB is not driven by underperformance. Our results do not reject the association between duality and good performance put forward by Brickley et al. (1997) and Weir and Laing (2001). Panel A-2 reports the results of the Q-ratio. The results show a clear indication that Q decreased significantly in the post-announcement period, except in the case of hybrid split announcements with positive tone. For example, for the sample as a whole, the median Q decreased from 112.1 in t-3 to 86.4 in t+3. For companies that made hybrid announcements with negative tone, the median Q decreased from 140.2 to 78.7 over the same period. To the extent to which Q is a proxy for growth opportunities, the results indicate that the decision to split the roles signals the transition from high growth into maturity. These results are not consistent with Lasfer (2004) who reports using a large sample of UK companies that boards become more independent with the roles of the CEO and COB split as the firm’s growth opportunities increase.

Table 4, Panel A-3 reports that in general leverage increased in the post-event period. For example, the median leverage increased from 15.5% in t-3 to 18.9% in t+3 for the sample as a whole. Similarly, the median leverage of companies that made hybrid announcements with negative tone increased from 14.9% to 18.4% over the same period, though not significant at conventional levels. This evidence is consistent with Dahya et al. (1996), who find the same pattern for events in the pre-Cadbury period.

The results for companies that combined the roles reported in Panel B are relatively similar to Panel A. The level of underperformance is much clearer than Panel A-1. For example, in Panel B-1, the mean ROE for the sample as a whole decreased from 28.4% in t-1 to -453.6% in t+1. These results may however, suffer from small sample bias. An extended dataset will allow us to make consistent comparisons.

#### **4. Conclusion**

In this paper we test two conflicting corporate governance theories, the agency theory and the organizational theory relating to the decision to split the roles of the CEO and COB. According to the agency theory, announcements of separation of the roles of the CEO and COB should be seen as good news by the market participants, whereas duality should produce a negative market reaction. Following the organizational theory, we should expect exactly the opposite reaction, positive for duality and negative for separation. Our results provide strong support for the agency theory, as the announcement date abnormal returns are positive (negative) when companies decide to split (combine) the roles of the CEO and COB. This is valid for both single and hybrid announcements. We also find that the announcement of the decision to split/combine the roles displays more information content than the other hybrid announcements.

The implications of our study are two-fold. Firstly, investors perceive the implementation of Cadbury (1992) as a positive event, given that their reactions to corporate governance announcements follow the agency theory, whose rationale was borrowed by the Combined Code. Secondly, despite the implementation of the code, the performance of the companies announcing different governance changes in the post-Cadbury period is i) not different across the two types of announcement, and ii) not different from the pre-Cadbury period, which was studied by Dahya et al. (1996).

We also find that the announcement date abnormal returns are strongly related to various measures of agency costs and to other reasons cited for the change to a dual role of the CEO and COB, including issues such as resignation, health problems, and retirement of the person in one of the top jobs. These are in most cases unforeseen circumstances that warrant fast action, namely the temporary appointment of the person in the other top job to assume in addition the responsibility of the vacant position. Given the pressure from the Combined Code to adopt separate roles for the CEO and COB, many firms which are not in compliance with the rules tend to announce that the separation will happen ‘in the near (or far) future’, without a definite calendar in place, thus trying to support their share price. The market appears to distinguish between companies that are “serious” about the split of the roles.

#### **Вопросы для размышления:**

1. Изучению какой основной проблемы посвящена статья, и какова роль настоящего исследования?
2. Насколько корректна приведенная методология исследования, каковы границы ее применимости в изучении данной проблемы?

3. Согласны ли вы с выводами и объяснением полученных результатов?
4. Как эта проблема выглядит в российской действительности?
5. Как бы вы построили исследование этой проблемы в России? Какие гипотезы можно сформулировать в этой области?

## **Профиль «Управление проектами: проектный анализ, инвестиции, технологии реализации»<sup>5</sup>**

Project management has come to play a central role in the management of organizations in almost all fields of human activity. Over the last decade, many organizations have implemented one or more Project Management Offices (PMOs) as part of organizational project management attributing a variety of both operational and strategic roles to their PMOs (Dai & Wells, 2004). While PMOs are now a prominent feature of organizational project management, the underlying logic that leads to their implementation or renewal is still not understood. The results of a survey of 500 PMOs documented the great variety and lack of consensus on the value of PMOs, the structure of PMOs and the functions included in their mandates (Hobbs & Aubry, 2007).

Many consultants and some researchers have written on PMOs in recent years. The focus of the vast majority of this work has been on identifying the characteristics of PMOs and a limited number of variables that would drive the choice of configurations of new or existing PMOs. The implicit underlying assumptions in the current literature are that there are a limited number of variations of PMOs and that PMOs are relatively stable structural entities.

At least three independent surveys have shown that the average age of PMOs is approximately two years (Hobbs & Aubry, 2007; Interthink, 2002; Stanleigh, 2005). This has not changed in recent years. The authors know of no research results that are inconsistent with these observations. PMOs are, therefore, often not stable structures but temporary arrangements with a rather short life expectancy.

The 17 case studies conducted in this research illustrate the temporary nature of PMOs. This case study work also revealed that significant changes in PMOs can be associated with the organization's internal or external environment. The case study results indicate that focusing on the organizational change process surrounding the implementation or the transformation of a PMO, rather than focusing on the characteristics of the PMO as a static organizational entity can be a fruitful approach.

The pertinence of this process approach to better understand PMOs has been validated recently during executive workshops that have been held in Europe, USA, Australia and Canada.

The present investigation employs a rather broad definition of the PMO in order to capture the variety of form and function (Project Management Institute, 2008). It highlights that PMOs are organizational entities and that their mandates vary significantly from one organization to the next. However, the present study makes a distinction between the multi-project PMO and the single-project PMO or “project office”, which has responsibility for the management of one large project. The scope of the present investigation includes only PMOs with mandates that cover many projects or “multi-project PMOs”.

For the purposes of this investigation, it is not necessary that the organizational unity be called a PMO.

In the professional literature all texts deal principally with three themes: the justification of the PMO's existence, its roles and functions, and steps for its implementation.

The descriptions of PMOs in the literature are often summarized in typologies comprised of a small number of models. The most common types of PMOs described in the literature proposed three or four models. The Gartner Research Group's 2000 study (Kendall & Rollins,

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<sup>5</sup> Статья составлена по: Aubury M., Muller R., Hobbs B., Blomquist T. Project management offices in transition. *International Journal of project management*. 28 (2010). pp. 766-778.

2003) proposed one of the most influential typologies of PMOs. The Gartner Group typology is comprised of three types of PMOs: (1) project repository, (2) coach, and (3) enterprise.

Some of the typologies identify the single-project entity of “project office”, which is outside the scope of the present study.

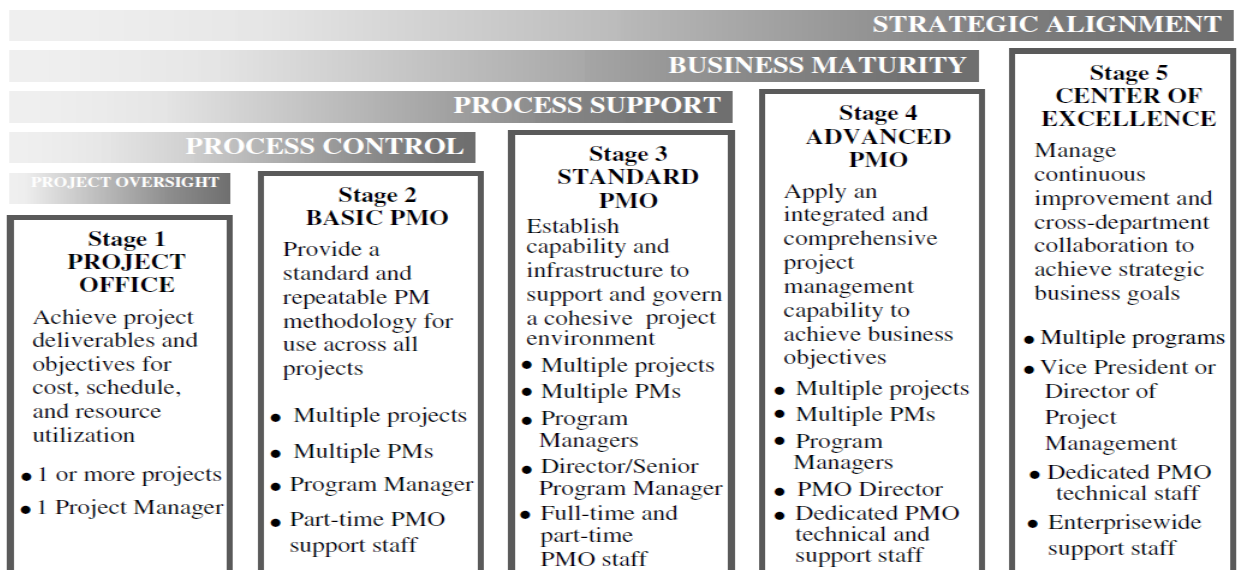
Each of the typologies proposes two, three, or four multi-project PMOs, organized in an ascending hierarchy. The progression of PMO is intended to follow an incremental path from a low level to a high level model. Some authors proposed a maturity model specific for PMO (Kendall & Rollins, 2003) where the same assumption of progression is taken for granted. The Organizational Project Management Maturity Model (OPM3) from Project Management Institute (2008b) is also based upon this assumption.

According to Gerald M. Hill<sup>6</sup>, five general stages of PMO competency are prescribed. Figure 1 presents an overview of the PMO competency continuum and a description of each of its stages. These five PMO stages represent a progressive competency and advancement of functionality that can be attained to meet the needs of the project management environment and the associated business objectives of the relevant organization.

It is presumed that a higher-stage PMO has already achieved the competencies prescribed for any lower-stage PMOs. Thus, if an organization wants to establish a Stage 3 standard PMO, it will also have to ensure it has first realized the competencies prescribed for Stage 1 and Stage 2 PMOs. It is also suggested that a PMO at any stage can pursue activities at any level to address the needs within the relevant organization, which is far more important than stepping through levels of competency in sequence.

Moreover, it is critical to discern the approximate level of PMO competency that the relevant organization needs. Not every organization needs to have a PMO at Stage 5. In fact, for most organizations, the Stage 3 standard PMO is probably more than adequate.

**Figure 1. Overview of PMO capabilities across the PMO competency continuum**



The reality from our case studies doesn't support a regular progression towards a better PMO.

<sup>6</sup> Hill Gerard M. Evolving the project management office: a competency continuum. // Information systems Management. 2004. Vol. 21, Iss. 4, pp. 45-51.

Many of the interviewees pointed out the danger that a PMO could end up being one more bureaucratic element incurring more disadvantages than support for the projects and their managers.

Developing a PMO that is truly needed counters this tendency, and this can be achieved by performing a thorough stakeholder analysis before designing the office.

The aim of this research bears on organizational changes. In this section we present the basic foundations used to conceptualize a PMO transformation followed by the conceptual framework used in this research.

### **1. Open up the PMO's black box.**

Organizational change mobilized great attention from scholars in economics since Schumpeter recognized organizational innovations as part of the creative destruction process (Schumpeter, 1950). Evolutionary theory has developed within the Schumpeterian tradition to better understand technological change at the macro-level (long economic cycle), but attention has also focused on the micro level, opening the black box of routines, learning and innovation within organizations (Lévesque et al., 2001). A basic evolutionary model envisions the organization as a collection of routines or stable bundles of activities. With time, variation occurs within these routines with the result that any given set of routines evolves, whether intentionally or not. A certain number of new routines are then adopted as temporarily permanent practices. This simple variation–selection–retention repeats itself continuously (Miner, 1994).

The capacity of organizations to change their routines and structures has already been identified as a source of competitiveness (Pettigrew, 2003). Conversely, within evolutionary theory, inertia in large organizations has been identified as a constraint for organizations to succeed in competitive environment.

The aim of this paper is to open up the PMO's black box when the change occurred. The focus is therefore placed at the organization level exploring the process of PMO change.

Following Massini et al. (2002) “the level of analysis in evolutionary economics is normally the firm, within which tacit and explicit forms of knowledge interact and are selected on the bases of choices made by individuals, according to some utility emerging from the historical and economic context”.

This gives the opportunity to observe routines that are changing in relation with their context. PMO can be described as a structural entity embedding a bundle of routines using the PMO descriptive model (see section below). Social dynamics within the PMO transformation process complement the evolutionary framework as shown in the following section.

### **2. PMO transformation process.**

Implementing a PMO or reconfiguring an existing PMO is an important organizational change. This change is often part of a wider organizational reconfiguration. A methodology and an interpretive framework are needed that can capture the dynamic complexity of organizational change. The approach that has been adopted investigates the PMO embedded in its organizational context. History and context are essential to the understanding of what is observed at any one point in space and time in complex systems such as organizations (Engwall, 2003). The theoretical foundations of the social innovation system framework take into account the context in which such organizational innovations take place (Hughes, 1987). Social innovation builds also on a bidirectional relation that conceives of organizational innovations as socially-constructed and society-shaping (Bresnen et al., 2005). Organizational innovations are produced by the interplay between actors in structures and the organization as a whole.

The PMO is a socially constructed entity that in turn shapes the organization. The PMO and its host organization co-evolve.

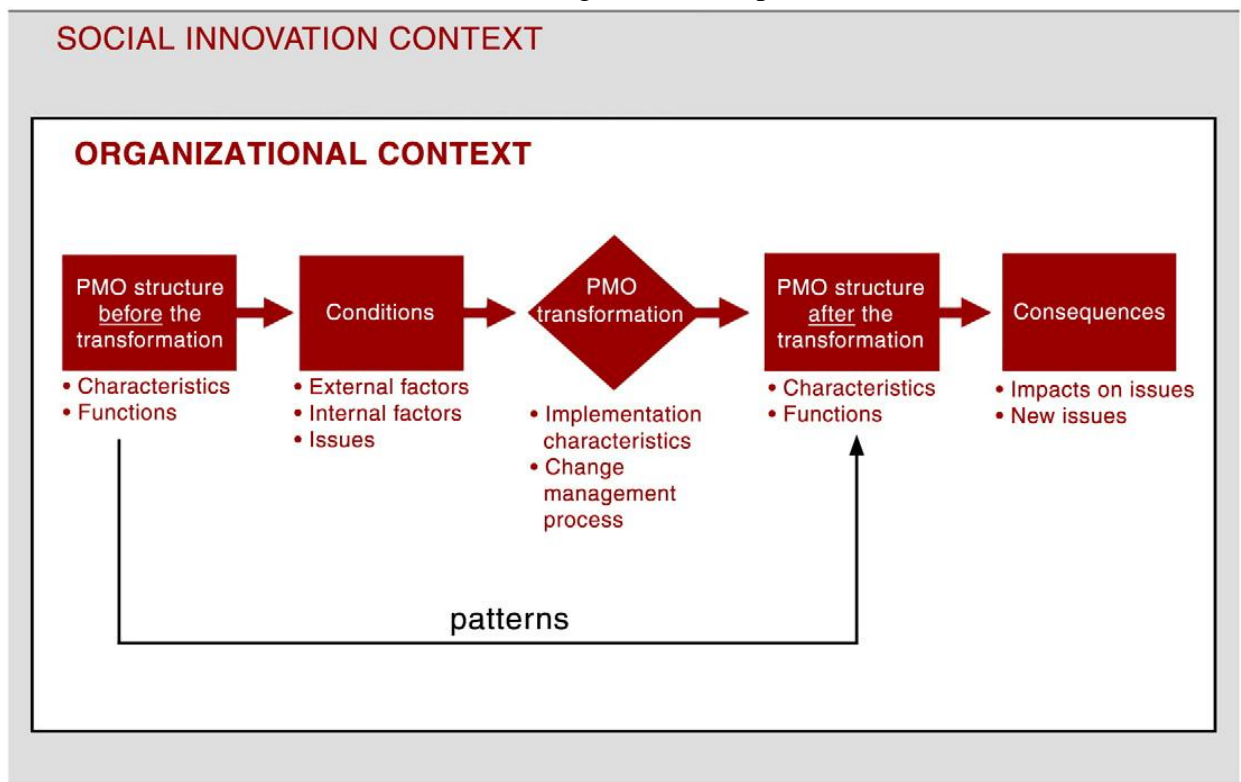
Organizational change occurs in a political environment either inside or around the organization (Mintzberg, 1983).

Tensions within the organization play an important role in determining the path that an organization's development will follow. The investigation of the creation or restructuring of PMOs will need to integrate the political dimension of organizational change.

A recent in-depth case study research on PMOs (Aubry, 2007) adopted the grounded theory approach as described in Strauss and Corbin (1990). In general, this approach enables the researcher to analyze data in order to understand a complex social reality through the development of a process (Langley, 1999). A process can be described using three basic components: conditions, action/interaction and consequences.

This process repeats itself over time as the consequences become the conditions for the next iteration. The grounded theory approach has been used to explore the PMO as an organizational innovation (Hobbs et al., 2008). In this approach, the PMO in one period is seen as a temporary state resulting from previous conditions and generating new consequences.

Figure 2. Conceptual framework for PMO in transition



This sequence constitutes the PMO structuring process, which is illustrated in the conceptual framework in Figure 2. This paper looked at one transformation at the time but the framework was built to support a dynamic continuous structuring process.

The conceptual framework is process based and aimed at capturing the PMO transformation as it unfolds. The process is embedded in the social system. The starting point is the PMO description before the transformation using the PMO model.

### 3. PMO descriptive model.

Table 1. PMO descriptive model

	Classes of data	Element of data
PMO context	<p>Organizational context</p> <p>Type of projects in the PMO mandate</p>	<ul style="list-style-type: none"> <li>• Economic sector</li> <li>• Public or private</li> <li>• Size of organization</li> <li>• Percentage of resources that Report to the same management as the PMO</li> <li>• Manager or that are matrixed throughout the organization</li> <li>• Internal or external project clients</li> <li>• Single or multiple project customers</li> <li>• Level of organizational project management maturity</li> <li>• Supportiveness of organizational culture</li> <li>• Scope expressed as the number of people working on the project</li> <li>• Scope in terms of duration</li> <li>• The type of product or service delivered*</li> <li>• The primary performance criteria of the PMO's projects*</li> <li>• The inclusion of post-delivery activities within project scope*</li> <li>• Involvement in outsourcing contracts*</li> </ul>
PMO description	<p>Structural characteristics</p> <p>Roles or functions</p>	<ul style="list-style-type: none"> <li>• The name used to identify the PMO</li> <li>• Time to implement the PMO</li> <li>• Location within the organizational hierarchy</li> <li>• Relationship(s) with other PMO(s) in the same organization</li> <li>• Staff of PMO (other than project/program managers)</li> <li>• Size expressed as the number of people working on the project.</li> <li>• This is also a measure of the size of the PMO</li> <li>• Experience of the staff*</li> <li>• Professional background of the staff*</li> <li>• Presence of business analysts or business architects among the staff*</li> <li>• Age of the PMO</li> <li>• Percentage of projects within the mandate of the PMO</li> <li>• Percentage of project managers within the PMO</li> <li>• Decision-making authority of the PMO</li> <li>• The status of the project management methodology</li> <li>• Homegrown or brought in from outside*</li> <li>• Use is compulsory or discretionary*</li> <li>• Degree to which methods are actually followed*</li> <li>• The adequacy of funding of the PMO*</li> <li>• The means of funding including the billing for services*</li> </ul>



		<ol style="list-style-type: none"> <li>1. Monitor and control project performance</li> <li>2. Develop and implement standards and competencies</li> <li>3. Multi-project management</li> <li>4. Strategic management</li> <li>5. Organizational learning</li> <li>6. Management of customer interfaces</li> <li>7. Recruit, select, evaluate and determine salaries for project managers</li> <li>8. Executive specialized task for project managers</li> </ol>
Performance	Perceived performance	<ul style="list-style-type: none"> <li>• Legitimacy, reported in response to the question, “Has the relevance or even the existence of the PMO been seriously questioned in recent years?”</li> <li>• Contribution to project/program performance.</li> </ul>

The model proposed here describes the PMO under a set of characteristics and functions. This model has been developed using 500 descriptions of PMOs from a survey that was done in 2005 (Hobbs & Aubry, 2007). The set of characteristics are grouped into three classes: organizational context, PMO description and performance. The description of the PMO is further divided into structural characteristics and functions. Table 1 presents the PMO descriptive model.

Then the conditions that are associated with the transformation are identified as co-evolution suggests with events from external or internal contexts. Issues, tensions or conflicts are captured as proposed in a grounded theory approach. The transformation itself is described in terms of change management.

The resulting PMO after the transformation is then described using again the PMO model. Consequences of the changes are also identified as suggested by the grounded theory approach.

### **Methodology**

Two distinct methodological objectives were pursued within this study: a) investigating the present research question by use of a multicase study approach, following (Partington, 2000; Eisenhardt, 1989; Yin, 2003), and b) developing the data capturing tool (i.e. a questionnaire) for the next research phase in the program by using a grounded theory approach, following Strauss and Corbin (1990).

The process was operationalized by using the interviews from the case studies to (a) collect data for the present study, plus (b) to refine the questionnaire by seeking feedback from the interviewees on the contents and layout of the survey.

### **The case studies**

Data was collected at two different points in time. A first set of seven cases was done in 2006 in the context of a doctoral thesis with a total of 44 interviews. The second set of 10 cases was done in 2008 with 29 interviews. The 17 case studies spread over 10 different industries in two different countries.

We used in-depth interviews, where we asked the interviewees to tell us “their PMO transition story”. A rich data set was collected that allowed for a comprehensive understanding of the circumstances that lead to the transition, the transition itself, and the implications of these transitions.

We defined 35 factors as drivers of the transition. We used contents analysis in form of the relative frequency of mentions of the different factors to identify their importance (Denzin & Lincoln, 2000). Of the 35 factors, 15 were mentioned more frequently than the average of 6.9 mentions, 3 were at the level of average, and 16 were below the average.

In the final step the factors mentioned most often (that is, above average) were clustered by their logical relationships, in order to identify the main clusters of factors in PMO transitions.

### **Empirical results**

The empirical study aims at obtaining data that will then enable a process analysis. The empirical study should provide data on PMOs transformations. When looking at the process side, the focus is no longer on the description of each individual PMO, but rather on the transformation from one PMO to the next. Therefore, the unit of analysis is the organizational transformation around a reconfiguration of a PMO. The sample is made up of 17 “organizational transformations” of existing PMOs.

We offer the next typology of drivers. So far, we have presented the conceptual framework for capturing the PMO transformation process based on a continuous cycle of conditions, structure and consequences. Conditions act as drivers for a PMO transformation which in turn contains within itself tensions that may be the ingredients for the next transformation. An analysis of the 17 transformations revealed 35 different categories of drivers, which we clustered under six groups of drivers. The six groups and the 35 drivers with their definitions are listed in the Appendix. Figure 3 presents the typology of these drivers.

When looking in more detail at the conditions as drivers of change, not all of them have the same degree of importance. In each case study, significant conditions for a PMO change have been codified in a grounded theory approach, letting categories emerge from what people said. Table 3 presents the most frequent drivers grouped in the six categories under two integrative types: external and internal environments. Altogether, internal factors and issues are part of the internal context specific at each organization.

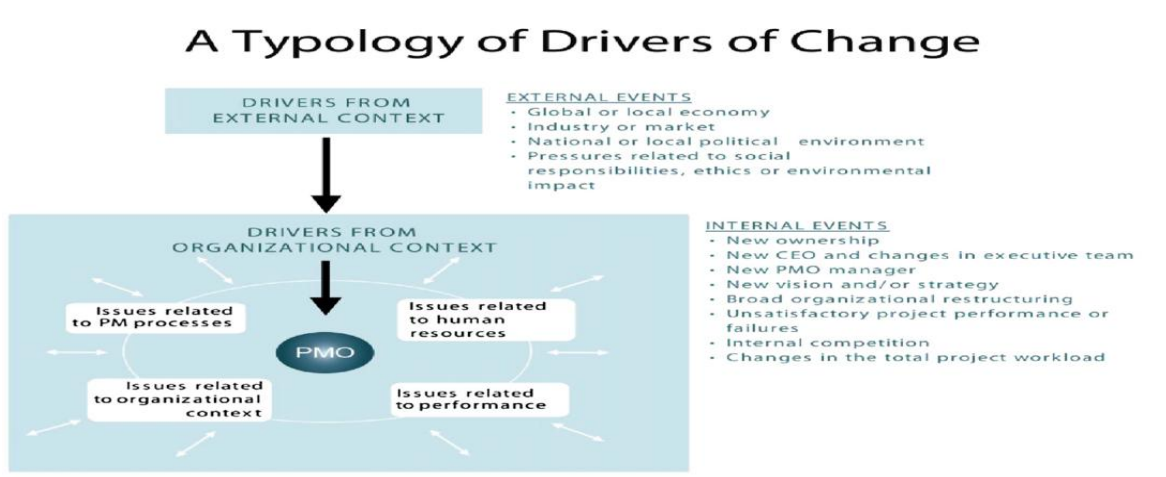
Results show evidence of the prevalence of internal drivers.

Three factors may have led to an underestimation of the importance of external drivers. First, we have selected events from the external environment that had an impact on the PMO.

The numbers reflect only a partial view of the global external environmental analysis. Second, we observed that interviewees in higher management positions often linked external events to a PMO transformation. For example, project managers generally focused on their project and were unaware of the global external environment.

Third, an external event can have numerous impacts on the internal context of an organization over a long period of time. Despite these qualifying remarks, it is clear that most people interviewed attributed the changes in PMOs to conditions that are internal to the organization.

**Figure 3. A typology of drivers of PMO transformations**



From Table 2 it can be seen that some drivers are more frequent than others. In the first column, under the external context, only the industrial/market factor has been mentioned often. In 13 cases out of 17, this factor played a role in the PMO transition. Most of the time, looking internally to understand a PMO transition does not suffice. Some external change in the industrial or market environment may have contributed to the PMO change decision. An example of this is found in one of our cases from a telecommunication organization after the dotcom bubble burst. The PMO was centralized with a strong control mandate over projects.

**Table 2. Most frequent drivers from case studies**

Drivers of change in PMO					
External			Internal		
1 External factors	2 Internal Factors	3 Organizational context issues	4 Project management process issues	5 Human relations issues	6 Performance
Industrial/market factors (13)	Reorganization (11)  New CEO (11)  New PMO Manager (10)	Client and stakeholder relations (11) New strategy (11)  Accountability for projects (10)	Control of project portfolios (12)  Standardized project management processes (11)	PM Skills development (13)	Project performance (11)

In the second column, there are three factors under the internal factors. Global reorganization, new CEO and new PMO manager altogether are the most important category of internal drivers. They often happen together. When such events occur, there is no reason why the PMO might be stable particularly when the rest of the organization is going through a global reorganization. This is an important result from our case studies that calls into question the stability paradigm for PMOs.

Looking at the third column, issues within the organizational context show that relationships with clients and other stakeholders may lead to a PMO change. This factor refers to the organizational politics in which the PMO is embedded. A PMO from one of our case studies was almost completely forbidden to maintain relationship with the project clients. After a while, this PMO was disconnected from the client reality and lost its legitimacy in the face of business unit managers. A new business strategy could also be a factor contributing to a PMO change. As projects are means to implement a business strategy (Morris & Jamieson, 2004), so are the structure such as PMOs (Pettigrew, 2003). The last factor frequently mentioned is the accountability for projects. PMOs might change to give more or less accountability to certain stakeholders. One example is given in a banking organization when project managers were moved from the central PMO to business unit PMOs in order to give the business unit managers full accountability for project outcomes.

Looking now at issues related to project management process in the fourth column, we find that the control over the project portfolio is the most frequently mentioned as an issue leading to PMO change. The issues mentioned in our case studies refer specifically to the lack of legitimacy for a PMO to make the selection of projects to be included in the portfolio.

Other factors could be identified as potential issues such as the allocation of resources between projects. But they haven't been mentioned in our case studies. The second issue in this category refers to the standardization or project management processes.

This issue could go in two directions: not enough standardization or too much. In either case, it plays a role in PMO change.

In the fifth column, we can observe that the human side of the PMO is of great importance in the transition when considering the category of human resources issues. Project manager skill development is a frequent factor in our case studies. The lack of these skills could lead to a change in the PMO. In our case studies, many interviewees highlight the major importance of interrelationship management skills particularly when projects are done more and more in an international context. Finally, in the last column, the project performance issue was mentioned often as a factor for PMO change. Quite often, a PMO change is initiated after major project failures or problems.

The feedback from participants confirmed not only the way the PMO transformation process has been modeled but the relative importance of the drivers as well. Nevertheless, some executives expressed some reserve regarding the word "transformation".

They argue for an evolution instead of a transformation. The drivers may stay the same, but it is acknowledged in the organization that the PMO will evolve and it is managed that way. In such organizations, the change process is seen as an evolution. It is difficult to know whether the organizational realities being described are different or whether the organization or national culture may not accept that there are transformations in the same way that some cultures do not recognize the existence of conflicts. The 17 qualitative case studies were all recognized as transformations. However, there are certainly variations in the degree of change; they may vary from evolutionary to radical and disruptive. The questionnaire currently in use captures variations in the degree of change.

## **Conclusion**

The analysis presented here makes several contributions to the study of organizations. It confirms that the PMO is deeply embedded in its host organization, and that the two actively take part in the transforming process. This result is in line with the research on the value of

project management where a “fit” should exist with the organizational context (Thomas & Mullaly, 2008). The study also shows that internal events and tensions are among the primary drivers behind the reconfiguration of PMOs. The playing out of these drivers brings into focus the importance of organizational politics. The analysis shows that PMOs and more generally the structures put in place to manage multiple projects are part of a political system that plays an important role in organizations (Morgan, 1989). In the project management literature, power and politics are often treated with an instrumental approach through risk management and stakeholder management (Magenau & Pinto, 2004). The analysis here shows that power and politics should be examined at the organizational level and integrated into organizational project management.

Theories that seem to be most relevant to explain PMO transformations are associated with the constructive mode of change rather than prescriptive. The PMO could be considered as an organizational innovation in the sense that it is a recent and important phenomenon. But if it is an innovation, it is unstable and still evolving both in individual organizations and in the population of organizations as a whole. If the institutionalization process is at work, the results are not yet visible. Seeing the PMO transformation as a life cycle didn't fit with what has been observed in our case studies as the changes unfold. PMO transformations happen rather as an answer to drivers coming from external and internal contexts.

#### Appendix A. Categories of factors

Main category	Category	Definition
Demographics	Researchers assessment of maturity level Overall approach to PMO	The researcher's evaluation of the overall project management maturity of the organization. Measured from 1 to 5, with 1 being very low and 5 being very high Describes the overall PMO strategy, such as tactical or strategic, as well as the level of enterprise wide or local PMO.
External factors	Economic Industrial/Market Political Social responsibilities Customer	Above average changes in production, exchange, distribution, and consumption of goods or services on a national or international basis. Changes in or emergence of factors in a company's industry, such as automobile or banking. Change in government policies or appearance of international laws or standards, such as Basel II or Sarbanes-Oxley. Ethical or ideological factors external to the corporation. Factors stemming from a company's customers or clients.
Internal factors	Growth in projects New owner or Merger New strategy Reorganization New CEO New member of Executive Board New PMO Manager Project failure	A significant increase in the number or size of projects within an organization. A change in corporate ownership, such as a take-over of merger. A recent change in strategy (both corporate or business unit level) A recent reorganization affecting the PMO A recent change in the Chief Executive Officer (CEO) or head of the corporation

	Complexity in projects Internal competition	A change or joining of a new member of the board of directors of the corporation Changes or appointment of a new PMO manager Change or constantly high failure rate in projects Change in complexity levels of projects Factors related to inter-organizational rivalry, competition or other forms of out-performing other parts of the organization
Context issues	Political issues Organizational commitment for project management Client and stakeholder relations  Project management collaboration with line organization Accountability for projects Synergy among project managers	Factors of organizational political nature Factors of organizational commitment for project management as a discipline  Factors related to the relationship with customers, clients or other stakeholders of the firm Factors related to the way line and matrix management work together and interacts  Factors related to new accountabilities for projects and their results Factors related to changes in or intentions to achieve synergies among and across PMOs
Process-issues	Innovativeness  PMO costs Agility Standardized project management process Control of project portfolio Skill allocation Maturity in project management Project alignment with strategy	Factors related to changes in the way innovation is used in the firm, or innovative ways of doing business are pursued Factors related to changes in real costs or evaluation thereof Factors related to the use of Agile/Scrum or other new methodologies Factors related to the application of standardized processes and compliance with it  Factors related to the change in control of the project portfolio Factors related to the change in assigning skills to projects Factors related to the organizational maturity in project management Factors related to the alignment of projects with the organization's strategy
Outcome (performance)-issues	Project performance Business performance HR perspective PM skills development	Factors related to project deliveries and results Factors related to the business performance of the organization Factors related to human resources and their management Factors related to the development of project management skills within the organization.

**Вопросы для размышления:**

1. Опишите актуальные теоретико-методологические проблемы создания проектного офиса (ПО) в компаниях?

2. В чем состоят ключевые отличия между подходами, влияющими на эволюцию (ПО) в организации?
3. Какие существуют факторы эволюции ПО, и какие вы видите препятствия на пути процесса его совершенствования? Проанализируйте результаты полученные автором.
4. Проанализируйте изменения зрелости организации по известным вам моделям зрелости проектного менеджмента, в случае повышения уровня зрелости ПО, рассмотренного в статье.

## Профиль «Управление человеческими ресурсами»<sup>7</sup>

Characteristics of social networks are important to both men's and women's advancement to higher hierarchical levels (Metz & Tharenou, 2001). However, specific elements of social networks may relate differentially to career success of men and women. For instance, greater success of men in gaining promotions has been attributed to their more effective use of networks (Cannings & Montmarquette, 1991). Although Forrett and Dougherty (2001) found little discrepancies in networking between men and women, other studies have suggested that there are (still) important pitfalls that hinder women to use social networks effectively. These studies pointed specifically at the exclusion of women from networks, especially when above the glass ceiling (e.g. Davies Netzley, 1998; Lyness & Thompson, 2000). Within academia, the study of Gersick et al. (2000) showed that when faculty members are interviewed about their networking, the stories of women are about harm, whereas men tell about help. The results of these previous studies emphasized the importance of examining gender differences in networking relationships, because if women develop less effective network relationships, they may miss essential ingredients important for career success (Baugh & Graen, 1997; Burke et al., 1995). Most frequently, research into network activities focused on the use of informal networking. In the present study, we will extend this focus by examining gender differences in:

- (1) the engagement in formal networks;
- (2) the use of informal network contacts to discuss work-related issues.

The distinction between formal and informal networks is relevant for this study because engagement in formal networks may have different implications for organizational change than the engagement in informal networks (McGuire, 2000). Since formal networks are public, officially recognized within the organization and with identifiable memberships and explicit structure, they will be more accessible for change policies to advance women's careers. For instance, an employee who is excluded from a formal network can refer to company policy or written job descriptions to argue that she or he has been treated unfairly. Employees who are excluded from informal networks, in contrast, have little recourse because organizations do not take responsibility for informal work ties (McGuire, 2000).

We will relate the engagement in both formal and informal networks of men and women to career satisfaction. Generally, career success can be assumed to comprise objective or extrinsic (e.g. pay) and subjective or intrinsic (e.g. career satisfaction) elements. The antecedents that lead to objective career success are often quite different from those that lead to subjectively defined success (Judge et al., 1995). In the present study, we will focus specifically on the subjective elements of intrinsic career success and their relationship with formal and informal networking. Career satisfaction refers to satisfaction with their present jobs and advancement potential and effective networking is expected to be associated with positive career attitudes. We expect that men engage more in networking and that men are able to use networking effectively, which will show in the achievement of greater career satisfaction. In the next section, we will elaborate on these expected gender differences and formulate some specific hypotheses.

### **The social network perspective**

Central focus of the social networks perspective is the structure of social interactions and how these structures enhance or constrain access to valued resources, e.g. career satisfaction

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<sup>7</sup> Статья составлена по: Van Emmerik I.J.H., Euwema M.C., Geschiere M., Schouten M.F.A.G. Networking your way through the organization. *Women in Management Review*. 2006. 21, 1. pp. 54-66.



(Burt, 1997; Granovetter, 1992; Lin et al., 1981; Sandefur & Laumann, 1998; Seibert et al., 2001). In this view, networking is seen as an increased exposure to other people within the organization, which for instance may enhance understanding of organizational practices, may provide valuable job search information, etc. (Lankau & Scandura, 2002). Networking is the building and nurturing of personal and professional relationships to create a system of information, contact, and support and altogether this is thought to be crucial for career and personal success (Whiting & De Janasz, 2004).

Gender differences in networking activities are thought to arise from gender-specific socialization experiences and the socialization perspective departs from the assumption that men and women learn gendered attitudes and behaviors about what it means to be men and women (Addis & Mahalik, 2003). For instance, it is suggested that men hold more instrumental attitudes, whereas women hold more emotional responsive attitudes, and seem to disclose emotions more easily (Bakker et al., 2002; Ogus et al., 1990). That is, the feminine role is thought to encourage the display of emotional dependence on others, whereas the masculine gender role puts a premium on strength and individuality. Accordingly, women are expected to be more sensitive to others, to place more value on interpersonal relationships, and to seek social support for a greater extent than does the masculine gender role prescribes for men (Greenglass et al., 1996). Thus, societal expectations of gender appropriateness may emphasize that women are expected to display communal (nurturing, interpersonally sensitive) and that men are expected to display agentic (independent, assertive and ambitious) qualities and behavior (Wood & Lindorff, 2001). Consequently, in the present study it is expected that men are more likely to specialize in improving the instrumentality of their networking activities than women.

Hence, it is expected that men will participate more in networking activities than women and that the engagement of men in networking will be stronger associated with career satisfaction. In the present study we will differentiate between a positive association of:

- (1) engagement in informal networking;
- (2) engagement in formal networking with career satisfaction.

#### *Engagement in informal networking*

Informal networks tend to be personal, voluntary, and have fluid boundaries. Participation in informal networks is not formally governed or officially recognized (McGuire, 2000). Informal social network activities are with organizational members who share, for instance, common social interests and are often used as a means to socialize among colleagues and to participate in activities they enjoy. Organizational issues are often discussed unofficially. Informal social groups are likely to be found in most areas of an organization and in most organizations there are many informal social groups (Ladge, 2004). On average, studies show that men have more fully developed informal networks than do women. Cannings and Montmarquette (1991) showed that there is a significant gender difference in the impact of such networks on the objective career success (i.e. number of promotions). They showed that informal networks benefit the career outcomes of male managers more so than female managers, and we will extend this to expect that this also will hold for professional employees within the banking sector.

*H1.* More engagement in informal networks is associated with more career satisfaction.

*H2.* The positive association of engagement in informal networks with career satisfaction is stronger for men than for women.

### *Engagement in formal networks*

Formal networks or network groups are formally prescribed relationships among functionally defined groups that exist for the purpose of accomplishing some organizational task (Ibarra, 1993). Formal networks tend to be public, official, and have clear boundaries, they also tend to have an identifiable membership, and explicit structure and are officially recognized by employers (McGuire, 2000). In the banking organization that we studied, there are several networks that assist employees in various ways, e.g. a network for young talent, or the diversity network. They usually meet several times a year, and often include both times for socializing and formal agendas and programs (e.g. providing career help or information about company policies). The managerial women and men in the study of Burke et al. (1995) had interpersonal networks of supportive individuals inside and outside of their organizations, with a considerable range in the number of individuals in both networks, and there were more men than women on both inside and outside networks, with a larger difference on the inside network.

Formal networks can be expected to be associated with increased career satisfaction because they may increase the strength of relationship among their members. Network group members will know more people, or know them better than before. Therefore, participation in formal networks can be expected to provide its members with added information, mentoring, and political support and this will be positively related to career satisfaction (Friedman et al., 1998).

*H3.* More engagement in formal networks is associated with more career satisfaction.

*H4.* The positive association of engagement in formal networks with career satisfaction is stronger for men than for women.

## **Method**

### *Population and sample*

Data were collected within a Dutch bank, after a letter explaining the purpose of the study, electronic questionnaires were sent to 691 employees (200 to men, women were oversampled by sending them 491 questionnaires), from the middle and higher hierarchical levels. A total of 276 questionnaires were returned (response 40%). For the present study, after deleting respondents with missing data on the network variables (because of the extensive questionnaire, the network part was presented as optional), the information of a total of 260 employees (38%) was used: 180 female (69%) and 80 (31%) male employees.

### *Measures*

*Participation informal networks.* The participation in formal networks was a count of the participation in internal formal networks (i.e. the network of young employees, the diversity network, and or specific networks within the bank), and participation in external formal networks. Since we wanted to relate the participation in formal networks with career satisfaction of both women and men, we excluded the participation in women's networks, because these women-only networks are expected to be less powerful than mixed formal networks (Ehrich, 1994).

*Participation in informal networking activities.* The participation in informal networking activities was asked with four items concerning discussing work-related issues with:

- (1) colleagues,
- (2) a supervisor,
- (3) a coach,
- (4) other people.

The items were rated on a five-point Likert-type scale with "1" (almost) never to "5" (nearly) always. Alpha was 0.83.

*Career satisfaction.* Career satisfaction was measured with four items concerning:

- (1) satisfaction with specific job,
- (2) satisfaction with job contents,
- (3) satisfaction with career development,
- (4) satisfaction with career perspectives.

The items were rated on a five-point Likert-type scale with "1" (almost) never to "5" (nearly) always. Alpha was 0.80.

*Control variables.* Both engagement in formal and informal networking activities and career satisfaction can be expected to be dependent on the availability of time. Being scarce of time may diminish the amount of time that employees interact with their coworkers and this can be reflected in their network characteristics (McGuire, 2000). Further, it has been emphasized that especially for women it is important to take both organizational and home aspects into account when studying social network characteristics (Higgins & Duxbury, 1994). Generally, women's work and family-role obligations are more demanding than men's and men are shown to have more control over the distribution of their time (Higgins & Duxbury, 1994). Therefore, we controlled for two time constraints that can be expected to be related to gender differences in network characteristics.

First, we controlled for the presence of *children younger than 13 years*. When the number of children living at home increases, so too will the number of hours devoted to such tasks as transportation, school-related activities, cooking and shopping (Frone & Yardley, 1996). Moore (1990) showed indeed the presence of children to influence the size and structure of networks. Second, we controlled for *home-work interference*. Home-work interference was measured with three items - referring to a negative impact of the home situation on one's job performance - from the Survey Work-Home Interference Nijmegen (Wagena & Geurts, 2000):

- (1) hardly enjoying your work because you worry about your home situation;
- (2) having difficulties concentrating on your work because you are preoccupied with domestic matters;
- (3) domestic obligations negatively affecting your job performance.

The items were scored on a five-point scale from "1" completely disagree to "5" completely agree. Alpha was 0.78. Another relevant variable to control for is *ambition*, because those who are ambitious have been found to be less satisfied with their current situation (see Judge et al., 1995), and thus we expect that ambition will be negatively associated with career satisfaction. Ambition was measured with five items:

- (1) I am prepared to change job functions within this company.
- (2) With my knowledge and experience I can easily change over to a job outside of this company.
- (3) I am prepared to combine my work with other functions.
- (4) I want to continue working in my current job function.
- (5) I want to move higher in the company in the near future.

The items were scored on a five-point scale from "1" completely disagree to "5" completely agree. Alpha was 0.72.

## Results

Table 1 presents overall descriptives and correlations. Table 2 shows the means on the research variable for men and women separately.

Overall, men and women do not differ in career satisfaction (mean = 4.16, SD = 71). Career satisfaction appears to be negatively associated with educational level ( $r = -0.17, p < 0.01$ ) and ambition ( $r = -0.35, p < 0.01$ ). The women in this bank engage more in both formal networking ( $r = 0.36, p < 0.01$ ) and informal networking ( $r = 0.156, p < 0.05$ ) than men. Further, formal and informal networking are correlated ( $r = 0.45, p < 0.01$ ).

Table 3 presents the results of regression analyses. Hierarchical regression analyses were performed for career satisfaction for the total population and for men and women separately. To test specifically for interaction effects, the variables in the analysis of the total population were entered in two steps. In Step 1, gender, age, educational level, the presence of children less than 12 years in the household, home-work interference, ambition, and engagement in formal and informal networks were entered. In Step 2, the product variables, computed by multiplying working gender by engagement in formal networks and multiplying gender by the engagement in informal network activities were entered.

Table 1. Descriptives and correlations (N = 260)

	Mean	SD	1	2	3	4	5	6	7	8
1. Career satisfaction	4,16	0,71								
2. Gender	0,69	0,46	0,01							
3. Age	39,07	7,04	0,11	-0,33**						
4. Educational level	14,57	1,97	-0,17**	0,21**	-0,23**					
5. Children less than 12 years	0,22	0,41	-0,01	-0,12	0,10	-0,01				
6. Home-work interference	1,35	0,49	-0,11	-0,11	0,09	-0,02	-0,06			
7. Ambition	3,39	0,85	-0,35**	0,10	-0,40**	0,32**	-0,02	-0,09		
8. No. of formal networks	0,41	0,69	0,00	0,14*	-0,10	0,19**	-0,01	0,04	0,15*	
9. No. of informal networks	2,48	0,76	0,09	0,15*	-0,28**	0,23	-0,03	0,01	0,25**	0,41**

\*  $p < 0,05$ , \*\*  $p < 0,01$ .

Table 2. Means (SD) by gender and participating in networks (N = 260)

	Woman			Men		
	Total (N = 180)	Participating in networks (N = 109)	Participating in networks (N = 71)	Total (N = 80)	Participating in networks (N = 16)	Participating in networks (N = 64)
Career satisfaction	4.17 (0.72)	4.12 (0.75)	4.25 (0.66)	4.15 (0.70)	4.31 (0.62)	4.11 (0.71)
Age	37.51 (6.01)	37.89 (5.79)	37.10 (6.23)	42.59 (7.91)	40.50 (6.93)	43.11 (8.11)
Educational level	14.85 (1.91)	15.31 (1.77)	14.07 (1.93)	13.95 (1.98)	15.00 (1.26)	13.69 (2.05)
Children less than 12 years	0.18 (0.39)	0.16 (0.36)	0.24 (0.43)	0.29 (0.46)	0.44 (0.51)	0.25 (0.44)
Home-work interference	1.31 (0.39)	1.32 (0.39)	1.30 (0.39)	1.44 (0.66)	1.48 (0.53)	1.43 (0.70)
Ambition	3.45 (0.83)	3.57 (0.85)	3.24 (0.75)	3.27 (0.89)	3.72 (0.73)	3.16 (0.89)
No. of formal networks	0.48 (1.02)	1.67 (0.79)	0.00 (0.00)	0.26 (0.57)	1.31 (0.48)	0.00 (0.00)
No. of informal networks	2.56 (0.80)	2.79 (0.84)	2.19 (0.56)	2.31 (0.64)	2.60 (0.73)	2.24 (0.60)

Notes: T-tests for differences between women and men show differences at the univariate level for age ( $p < 0.01$ ), education ( $p < 0.01$ ), home-work interference ( $p < 0.05$ ), participation in formal networks ( $p < 0.01$ ), and participation in informal networks ( $p < 0.05$ ).

Table 3. Results of regression analyses for career satisfaction

	Total (N = 260)		Women (N = 180)		Men (N = 80)	
	b	beta	b	beta	b	beta
Step 1						
Gender	0.13	-0.01				
Age	0.00	0.02	0.00	-0.02	0.00	0.05
Educational level	-0.04	-0.11	-0.04	-0.11	-0.03	-0.09
Children less than 12 years	-0.08	-0.05	0.07	0.04	-0.30	-0.20*
Home-work interference	-0.23	-0.16**	-0.22	-0.12	-0.24	-0.23*
Ambition	-0.33	-0.39**	-0.31	-0.35**	-0.36	-0.46**
No. of formal networks	0.31	0.30*	-0.08	-0.09	0.35	0.28**
No. of informal networks	0.25	0.27*	0.19	0.21**	0.27	0.24*
Step 2						
G x No. of formal networks	-0.40	-0.34**				
G x No. of informal networks	-0.05	-0.05				
$\Delta R^2$ Step 1	0.19**					
$\Delta R^2$ Step 2	0.02*					
Total $R^2$	0.21**		0.17**		0.37**	

Notes: \* $p < 0.05$ ; \*\* $p < 0.01$

As predicted in *H1*, more engagement in informal networks is associated with more career satisfaction ( $b = 0.25$ ,  $p < 0.05$ ). *H2* predicted that the positive association of engagement in informal networks with career satisfaction is stronger for men than for women. In the analysis of the total respondents this interaction is not significant. However, there is some indication for a difference between men and women when we look at the separate analyses: The association of informal networks and career satisfaction is stronger for men ( $b = 0.27$ ,  $p < 0.05$ ) than for women ( $b = 0.19$ ,  $p < 0.01$ ).

As predicted in *H3*, more engagement in formal networks is associated with more career satisfaction ( $b = 0.31$ ,  $p < 0.05$ ). *H4* predicted that the positive association of engagement in formal networks with career satisfaction is stronger for men than for women. The specified interaction between gender and formal networking was indeed significant ( $b = -0.34$ ,  $p < 0.01$ ). Inspection of separate regression analyses for men and women showed that the slope of the regression equation for men ( $b = 0.35$ ) was steeper than that for women ( $-0.08$ ), thus the relationship between formal networking and career satisfaction appeared to be stronger for men than for women, providing support for *H4*.

### Discussion

In the present study, we examined gender differences in formal and informal network activities and the relationship with career satisfaction. For both men and women, participation in formal networks and informal networks was found to be associated with more career satisfaction. The positive association of engagement in formal networks with career satisfaction appeared to be stronger for men than for women.

Surprisingly, the women in this bank engaged more in both formal and informal networking than men. This is contrary to our expectations and also contrary to the findings of Forrett and Dougherty (2001) who found little discrepancies in networking between men and women and studies that point at the exclusion of women from networks (e.g. Davies Netzley, 1998; Lyness & Thompson, 2000). Perhaps the unique features of this organization – notwithstanding the possible existence of structural constraints on women's network development – may stimulate women to actively develop network relationships and this may be

reflected in different network characteristics than that of their male counterparts. However, it may also be that in the past men engaged more frequently and more efficiently in network relationships, but that as women have become more aware of the importance of networking to their careers, they have begun to engage in networking to a similar extent as their male counterparts (Forrett & Dougherty, 2001).

Although the women in this study engage more in formal and informal networking, the association with career satisfaction is smaller than holds for men. That is, men were able to use their networking activities more effectively (i.e. showing more career satisfaction) than women. Perhaps men are more motivated to use their networking instrumentally to achieve career goals. For instance, Singh et al. (2002) found in their study men were more likely to seek out key people to network with than women. Furthermore, in this line of explanation, Ehrich (1994) concluded that males use their networks more successfully, as they promote their business and themselves to a much greater extent than the extent to which females use their networks.

Some words of caution regarding the results of this study are necessary. The data were collected via self-report measures and common method variance easily can become a problem. These problems are partly remedied by the use of more distant measures of the social network perspective, e.g. by using number of contacts instead of using attitudes. Future research efforts certainly need also to consider using multi-actor data. For instance, gathering information from employees but also from their network contacts. The results of this study also emphasize the need to examine how network characteristics may change within career development trajectories of men and women.

The cross-sectional design of the present study limits causal inferences. It is possible that networking precedes career satisfaction as current theorizing suggests (Judge et al., 1995). However, it is still also possible that employees satisfied with their careers are more inclined to seek social contacts and engage in networking. There is certainly also a need for longitudinal data to resolve issues concerning differential dropout of women and the development of effective social networks.

The practical implications of this study are perhaps somewhat limited to professional organizations, such as banks, because networking within this context may take specific forms due to the task requirements and service orientation. Within professional organizations the successful engagement in both formal and informal networking is of critical importance to achieve valued career goals. However, and that does not hold exclusively for this specific setting, the development of interpersonal skills may need to have more attention to increase career satisfaction. Both men and women need to be able to communicate effectively and develop relationships with others in the organization. Knowledge why some individuals are more likely to engage in networking behaviors than others may represent valuable information for selection processes and training programs (Forrett & Dougherty, 2001).

Although the female employees in this study engage more in networking, they profit less from it in terms of career satisfaction. One possible solution may be to try to develop especially the networking competences of women. To find their way within organizations, it has been suggested that women need social networks that provide the kinds of resources that men cultivate, even if that signifies that they must gain access to a different kind of resources than traditionally are associated with women's roles (Stoloff et al., 1999). Human resource management could consider providing training in learning personal skill development to create better working relationships and to increase their exposure to other people, which may enhance better understanding of their organization through networking (Lankau & Scandura, 2002).

Over the years, the benefits of having a mentor have received ample attention (e.g. Fagenson, 1989; Godshalk & Sosik, 2003; Higgins, 2001; Hunt & Michael, 1983; Lankau & Scandura, 2002; Scandura & Williams, 2001). However, it is increasingly acknowledged that not only having a mentor, but especially a network of developmental relationships may be essential to achieving intrinsic career success (e.g. Baugh & Scandura, 1999; De Janasz & Sullivan, 2004; Higgins, 2000, 2001; Higgins & Thomas, 2001). The present study showed that more engagement in formal and informal networking is for both men and women associated with increased career satisfaction. Similarly, Van Emmerik (2004) found some moderating effects of gender on the relationship between networking and intrinsic career success (e.g. for size of the advice network, emotional intensity, and stability of the relationship). When more is indeed better, as the results of this study stress, than it is important to ensure that employees are provided with ample opportunities to develop mentoring and networking activities.

**Вопросы для размышления:**

1. Каковы основные проблемы, рассматриваемые в статье?
2. Какие из приведенных в статье исследовательских методов и выводов по результатам исследования представляются вам спорными, недостаточно обоснованными? Почему?
3. Каковы ограничения проведенного исследования?
4. Каковы направления использования HR-менеджерами результатов этого исследования?
5. Являются ли рассмотренные в статье проблемы актуальными для российских организаций?



# Профиль «Экономика впечатлений: менеджмент в индустрии гостеприимства и туризме»<sup>8</sup>

## Abstract

A tourism country's competitiveness is important especially when countries strive for bigger market shares. Tourism managers have to identify and explore competitive advantages and analyse the destination's competitive position. The degree to which a country can benefit from its tourism sector depends largely on this sector's competitive position in the international tourist market. This paper refers to the De Keyser–Vanhove model of a competitive destination, which was applied to Slovenia in 1998. It also studies the Integrated model of destination competitiveness developed in a collaborative effort of researchers dealing with the cases of Korea and Australia and examines its determinants and individual competitive indicators as perceived by Slovenian tourist stakeholders on the supply side. The result shows that Slovenia is more competitive in its natural, cultural and created resources, but less competitive in the management of tourism and, according to the Integrated model, demand conditions, with both uncompetitive elements reducing the Slovenian tourism industry's ability to add value. The end discussion points out weaknesses in the development of tourism competitiveness models and calls for greater unity with the competitiveness factor theory and for more caution when creating the main competitiveness factors and models.

## 1. Introduction

In an ever more saturated market, the fundamental task of destination management is to understand how a tourism destination's competitiveness can be enhanced and sustained.

There is thus a strong need to identify and explore competitive (dis)advantages and to analyse the actual competitive position.

The guiding principle of this study is that a destination's competitiveness can be improved through appropriate matches between tourism resources and management strategies supported by tourism stakeholders, especially government and tourism industry managers. Tourism will take a successful position in the tourism market depending on which and how tourism attractions develop value for tourists and how well destination resources are managed.

At present, this is a relevant question in Slovenia which is seeking to improve its competitiveness position in international tourism markets. Based on research questions derived from the results of previous studies on Slovenian competitiveness by Sirs̃e and Mihalič (1999), and Vanhove (1999), different hypotheses were created to determine in which areas Slovenia is more competitive as a tourist destination and where it is less competitive. The main research question was: what are the weakest points in Slovenian tourism's competitiveness? What is the position of tourism management? Are the elements of competitiveness, such as the attractiveness of natural or cultural resources, in line with the development of tourism management, supporting factors and demand conditions? How can added value through the market valuation of Slovenian tourism resources be increased?

The purpose of this article is three-fold. First, it compares the development of competitiveness between the two studies on Slovenian tourism over time. Second, it compares the two different competitiveness models used in the above-mentioned studies, e.g. the De Keyser and Vanhove (applied in 1998) and Integrated models (applied in 2004). Third, it discusses the use of different models and aggregation of indicators for evaluating the competitiveness of tourism in general. The article is thus divided into five sections. The introduction is followed by a short section on tourism competitiveness models. In the third section an illustration of Slovenian tourism is given. The fourth section addresses the competitiveness of Slovenian tourism and the De Keyser–Vanhove and Integrated tourism competitiveness models. After a general description of the research methodology and data, an

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<sup>8</sup> Статья составлена по: Gomezelj D.O., Mihalič T. Destination competitiveness—Applying different models, the case of Slovenia. // *Tourism Management*, 2008, N 29, pp. 294–307.

analysis of the individual determinants of competitiveness and its indicators is followed by the testing of research hypotheses. The article ends with a discussion (Section 5) of some relevant destination competitiveness modelling issues that arose during the research and the comparison of existing competitiveness models and their applications.

## **2. The competitiveness of a tourism destination**

A competitive advantage can be achieved if the overall appeal of any tourism destination is superior to that of an alternative destination open to potential visitors (Dwyer & Kim, 2003, 369). A number of authors have provided some inputs into the understanding and practical research of competitiveness in the area of tourism destinations (De Keyser & Vanhove, 1994; Evans & Johnson, 1995; Hassan, 2000; Kozak, 2001; Mihalič, 2000; Ritchie & Crouch, 1993; Sirs̃e & Mihalič, 1999; Thomas & Long, 2000).

For instance, Go and Govers (2000) defined the integrated quality management of a tourism destination and price-based promotions as a value-increasing strategy. Pearce (1997) pointed out destination evaluation techniques and methods that can systematically analyse and compare the diverse attributes of competing destinations within a planning concept. Mihalič (2000) studied destination competitiveness from environmental perspective. The environmental component was also taken into account in Hassan's model (2000). The model defined a destination's commitment to the environment as one of the four determinants of tourism competitiveness; and included also comparative advantage, industry structure and demand factors. By demand factors he understood the ability to respond to the changing nature of new tourism demand. How different the creation of a competitiveness model and even the understanding of same-named factor can be is shown in a comparison with the De Keyser and Vanhove model (1994). The authors argue that the analysis of a competitive position should take five groups of competitiveness factors into account: tourism policy, macro economic, supply, transport and demand factors. The model has been applied to the Caribbean area (De Keyser & Vanhove, 1994) and used in a competitiveness study of Slovenian tourism in 1998 (Sirs̃e & Mihalič, 1999). In the case of Slovenia, and unlike with Hassan's ideas, demand factors included the growth of tourism demand, income and expenditures for leisure activities, as well as price/cost levels.

According to the well-known tourism competitiveness researchers Ritchie and Crouch (2000), a destination's competitiveness is a country's ability to create added value and thus increase the national wealth by managing assets and processes, attractiveness, aggressiveness and proximity, and there by integrating these relationships within an economic and social model that takes into account a destination's natural capital and its preservation for future generations (Ritchie & Crouch, 2003). In 2003 they presented the most recently improved version of their competitiveness model: a Conceptual Model of Destination Competitiveness. It has five key determinants, namely destination policy, planning and development, destination management, core resources and attractors, and supporting factors and resources. It also points out the importance of the environment surrounding the destination: the global macro environment and the competitive micro environment.

Some of the variables identified by Ritchie and Crouch have been included in the so-called Integrated model by researchers in Korea and Australia (Dwyer, Livaic, & Mellor, 2003). The model also seeks to capture the most important elements of competitiveness mentioned in the general literature and the main destination competitiveness elements proposed by tourism researchers. Its main, so-called competitiveness determinants are Inherited Resources, Created Resources, Supporting Factors and Resources, Destination Management, Situational Conditions and Demand Conditions. The model has been empirically tested on the cases of Korea and Australia (in 2001) and in 2004 its methodology was applied to evaluate the tourism competitiveness of Slovenia.

### **3. Slovenian tourism**

Slovenia—with its capital Ljubljana—is a relatively small country, with a population of 2 million and covers an area of 20 273 km<sup>2</sup>. On one side, it is characterised by the elevations of the Alps and, on the other, by the Mediterranean coast. Forests cover about 50% of the total surface area. Concerning the climate, Slovenia falls within the Alpine, Continental and Mediterranean climate zones.

The beginning of Slovenian tourism goes far back in history. The Lipica stud farm with its famous white horses was founded in 1580. The Rogas̃ka spa is more than 330 years old. Postojna cave—one of the world's most famous natural phenomena—is open to tourists for 180 years. Tourism on the coast in Portoroz̃ is organised for more than 120 years and the first gambling licence was given to the Portoroz̃ Casino in 1913 by the Austrian crown. In the old Yugoslav times, Slovenia used to be a transit country for European tourist flows moving to and from the Adriatic coast.

In 1991, Slovenia became an independent state and, due to the 'Ten Day War' in the country it faced a sharp decline in its tourism flows, registering only a quarter of the normal number of international arrivals per year. After becoming independent, Slovenia intensified the development of its spa tourism, coastal, Alpine, countryside and city tourism. Due to political instability and the war in the Balkans, Slovenia has since registered a slow recovery and the levels of domestic and foreign tourists are still below the best results seen in the period between 1982 and 1991.

Slovenian tourism can be defined as a very important economic and social activity, which accounts for around 9% of Slovenian GDP (direct and indirect effects), 10% of Slovenian exports, 10% of exchange inflows into the current account of the balance of payments and employs about 52,500 people. In 2004 tourism foreign exchange earnings were EUR 1.3 billion, around 5% of the country's total GDP. In 2004, Slovenia had 2.3 million visitors, with 64% being foreigners. The number of overnight stays in 2004 was 7.6 million, of which foreign tourists made 57.5%. In 2004 some of the most important target countries were Italy, Germany, Austria, Croatia and Great Britain (SURS, 2005).

#### **4. The competitiveness of Slovenian tourism**

Some competitiveness and multiplier analyses of Slovenian tourism are already over 20 years old (Mihalič, 1987; Sirs̃e, Planina, & Majcen, 1981). The next study on the competitiveness of Slovenian tourism was carried out for the AIEST Congress in Slovenia in 1999 and was undertaken in 1998 by Sirs̃e and Mihalič (1999) based on the De Keyser–Vanhove model (De Keyser & Vanhove, 1994).

##### *4.1. Application of the De Keyser–Vanhove tourism competitiveness model to Slovenia in 1998*

As mentioned in the second section of this paper, the De Keyser–Vanhove model of destination competitiveness defines five factors of tourism competitiveness. In research conducted in 1998, Slovenian tourism experts agreed that some natural resources (mineral and thermal springs, landscape and scenery) were the competitive advantages of Slovenian tourism; their presence increased the country's competitiveness. Although such primary attractiveness can itself be a source of higher added value, such value is only created through proper tourism management and, conversely, without proper design and management valuable assets may be eroded (Gunn, 2002). Thus it can happen that an advantage arising due to attractions is lost through uncompetitive management and/or an uncompetitive tourism infra and superstructure that, again, is a result of previous tourism management. Indeed, in the study all other supply factors (except attractions) were given much lower competitiveness evaluations and defined as weak points. In addition, the price/quality ratio was relatively unfavourable for Slovenian tourism and the prices were considered to be too high compared to the quality of products and services. Tourism experts also strongly agreed that Slovenian tourism is uncompetitive in human resource management—that there was also a deficiency in education and training programmes.

Further, Slovenian tourism experts claimed that the competitiveness of Slovenian tourism could have been substantially improved by promotion, e.g. increasing the awareness of Slovenian tourism products and their geographical location in foreign markets. At the same time, the demand situation was evaluated in favour of Slovenian competitiveness and experts predicted that demand conditions supported Slovenian tourism's competitiveness and would thus positively influence the development of added value in tourism. By demand factors, the De Keyser–Vanhove model understood (growing) disposable income, tourism demand, leisure expenditures in European countries, etc.

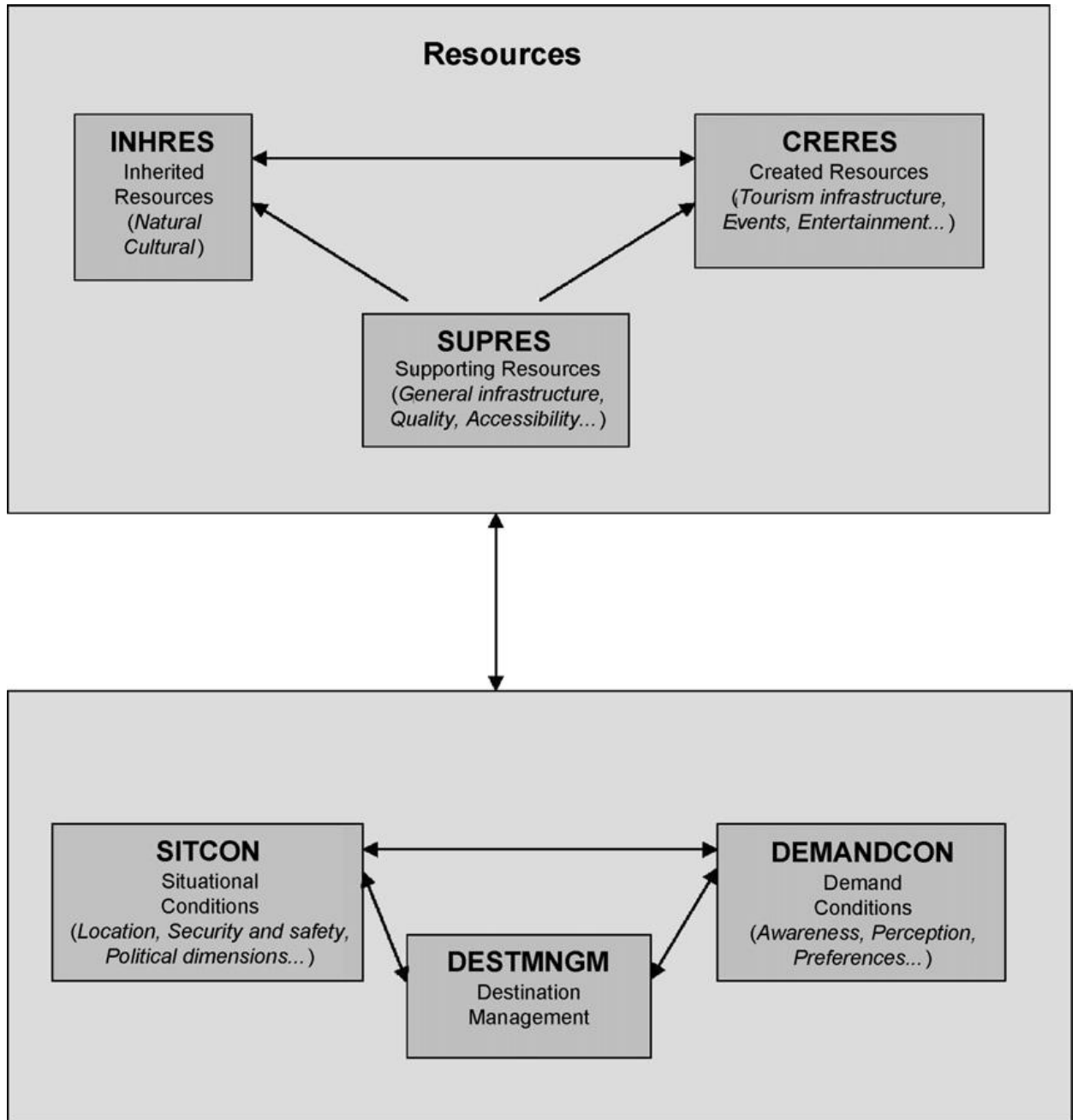
The study concluded that Slovenian tourism was stronger in its non-produced attractiveness than in its built infra and superstructure and management's capability to add value. Hence, at the time Slovenia had strong tourism development opportunities, it had failed to commercialise in the tourism market. This inefficient commercialisation of Slovenian tourism was also due to the demand situation: the lack of knowing or being aware of Slovenia as a tourism destination in international markets, although the experts expected that the growing tourism demand and income in Europe would enhance Slovenian tourism's competitiveness position on the condition that Slovenian tourism promotion would increase the awareness of Slovenia as a tourism destination. Here a relevant question for tourism planners, policy-makers and destination managers is whether in the last few years Slovenian management has in fact improved its ability to add value and increased the competitiveness of the critical factors and whether it has benefited from the development of European demand. This question is addressed with the help of the Integrated tourism competitiveness model for 2004.

#### *4.2. Application of the integrated tourism competitiveness model in Slovenia for 2004*

The Integrated model defines the six main determinants of competitiveness as shown in Fig. 1. For competitiveness research for the case of Slovenia, the model's presentation has been slightly changed but the main competitiveness determinants have been kept. Some of the connections developed by Dwyer et al. (2003) have been retained but the part of the original model, which linked competitive determinants to indicators and economic prosperity, was eliminated (Fig. 1).

Inherited (INHRES), Created (CRERES) and Supporting Resources (SUPRES) encompass the various characteristics of a destination that make it attractive to visit.

Fig. 1. Destination competitiveness model—the main determinants. Source: adapted from Dwyer et al., 2003.



Destination Management (DESTMNGM) covers factors that enhance the attractiveness of the inherited and created resources, strengthen the quality of the supporting factors and those which best adapt to the situational conditions (Crouch & Ritchie, 1999). The category includes the activities of destination management organisations, destination marketing management, destination policy, planning and development, human resource development and environmental management.

Although in understanding the elements of destination management the Integrated model follows the Ritchie and Crouch model (Crouch & Ritchie, 1999), the Integrated model also developed a separate box on demand conditions. These (DEMANDCON) comprise the three main elements of tourism demand: awareness, perception and preferences (Kim & Dwyer, 2003).

The factors of situational conditions (SITCOM) can moderate, modify or even mitigate a destination's competitiveness. There would seem to be many types of such factors, e.g. a destination's location, micro and macro environment, security and safety, and price competitiveness.

#### *4.2.1. Research methodology*

In 2004, data were gathered by a questionnaire. Based on the Integrated model (Dwyer et al., 2003), 85 competitive indicators were created in the form of 85 statements. There is no single set of competitiveness indicators that applies to all destinations at all times. For any element of destination competitiveness various indicators may be employed (Dwyer, Mellor, Livaic, Edwards, & Kim, 2004). In order to obtain a clearer picture, they were grouped into each of the six categories of the Model of Destination Competitiveness (see Fig. 1). The SPSS standard package for personal computers was used for data processing.

The survey required respondents to rate Slovenia's competitive performance on a five-point Likert scale for each of the 85 competitiveness indicators compared to the average of the group of competitive destinations. The aim of this study was not to rank Slovenia against other competitive destinations but to indicate the weak points of Slovenia's tourism industry. That is why the respondents were left to indicate their own group of the most competitive destinations. The majority (80.5%) created their own competitiveness group of countries from the following: the neighbouring Croatia, Austria and Italy as well as Switzerland, a non-neighbouring yet also an Alpine country. The options ranged from 1 (the competitiveness level of the indicator in Slovenia is well below the same level in competitive destinations) to 5 (the competitiveness level of the indicator in Slovenia is well above the same level in competitive destinations).

The survey was performed in spring 2004. Respondents were selected from tourism stakeholders on the supply side, namely the tourism industry, government, tourism school academics, and postgraduate students on tourism management and business courses with work experience. Although tourists are well placed to evaluate the normal components of a destination's attractiveness, they are less able to evaluate those factors that influence competitive production such as destination management factors, especially because of their status as visitors. It was necessary to survey individuals who could respond to questions on management efficiency and tourism attractors. It is not uncommon for destination factors to be evaluated by practitioners. Some authors (Evans & Chon, 1989; Faulkner, Opperman, & Fredline, 1999) have argued that stakeholders' views constitute accurate measures of attractions.

From the 291 questionnaires sent out, 127 were returned, of which 118 or 41% were useable. The sample included 6.8% of government officials, 12.8% of tourist agency managers, 26.4% of hospitality sector managers, 6% of tourism school academics, 15% tourism service managers, 12% postgraduate students taking tourism courses, 15% of employers in local tourist organisations while 6% were represented by others. The sample consisted of 63.6% of tourism stakeholders who had been linked with the tourism industry for less than 10 years, 18.5% of them from 11 to 20 years, 10.2% from 21 to 30 years and 7.7% for more than 30 years. The majority of participants were young, up to 40 years of age (61.9%). The respondents were 66.1% female and 33.9% male. The majority (50.8%) of participants had completed college or university levels of education.

#### *4.2.2. Competitiveness by individual competitiveness indicators*

Below, individual indicators of tourism competitiveness in Slovenia are grouped in the main competitiveness determinants suggested by the integrated model and analysed. This is followed by an attempt to evaluate the weakest points of Slovenian tourism's competitiveness.

*4.2.2.1. Inherited resources.* Compared to its competitive destinations, Slovenia is regarded as being more competitive than its competitors in all attributes of the Inherited Resources (Fig. 2).

The highest rating was assigned to the unspoiled nature, flora and fauna, attractiveness of the climate and traditional arts. The relatively high rating given to Slovenia's natural resources may be expected. It is well known that the country has areas of attractive natural resources, its nature is still unspoiled and its climate is favourable. The smallest standard deviation in this group for unspoiled nature with a value of 0.7 indicates quite a high level of agreement between the respondents.

The relatively high standard deviation seen in the responses for historic sites, artistic and architectural features, and heritage indicates that the respondents hold different perceptions of these attributes.

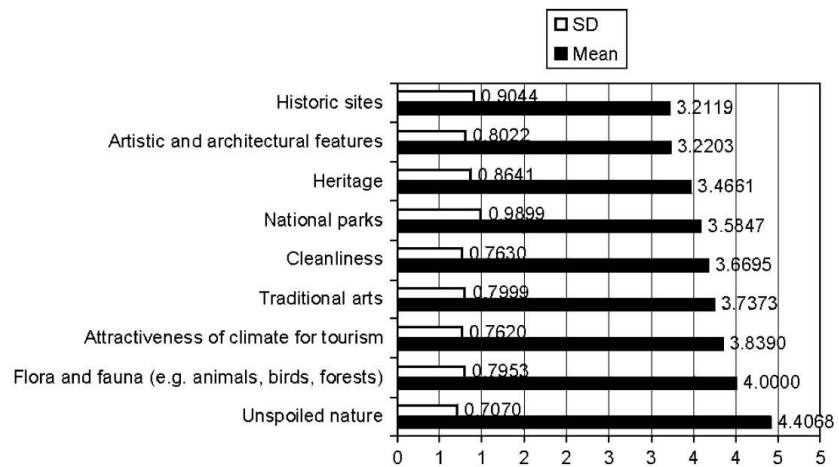


Fig. 2. Mean values and standard deviations (SD) for individual competitiveness indicators of inherited resources (INHRES). Source: RCEF, 2004.

4.2.2.2. *Created resources.* Whilst some created resources, including health resorts, visitor accessibility to natural areas, variety of cuisine, casinos, nature-based activities, accommodation and food service facilities, are considered as some of Slovenia's competitive features, others are rated quite differently: amusement/theme parks, community support for special events and nightlife are not competitive (Fig. 3).

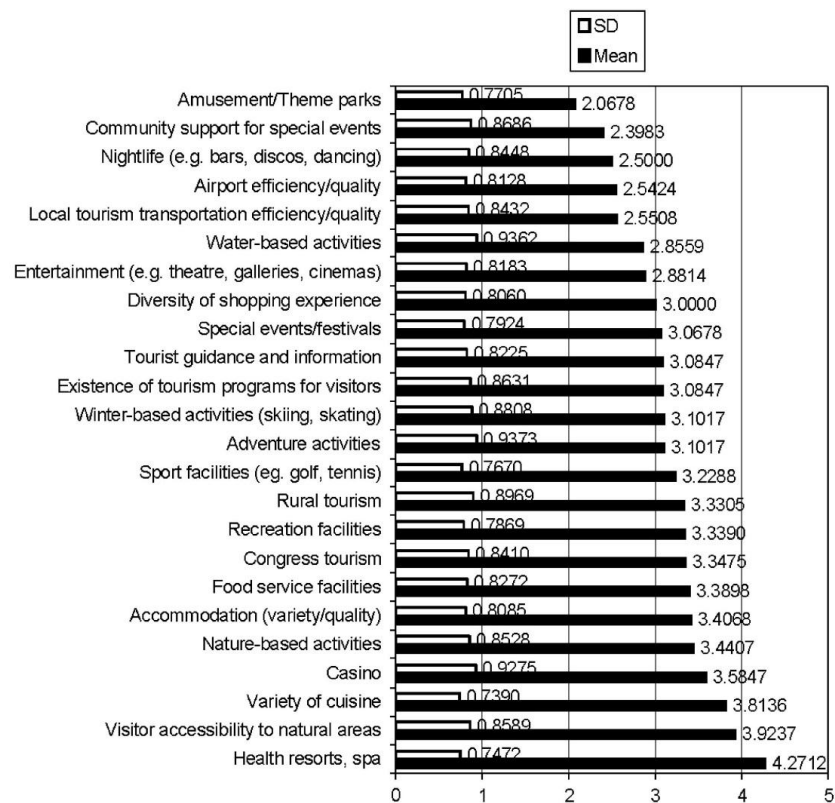


Fig. 3. Mean values and standard deviations (SD) for individual competitiveness indicators of created resources (CRERES). Source: RCEF, 2004.

4.2.2.3. *Supporting factors.* There is less variation in the perceived competitiveness of this group of indicators than for most of the other competitiveness determinants. Only six out of the 12 supporting factors are rated as being more competitive in comparison to the chosen set of competitive destinations: hospitality, communication and trust between tourists and residents, accessibility of the destination, the telecommunication system for tourists, quality of tourism services, and financial institutions and currency exchange facilities. Other competitive indicator values are not competitive. Slovenia fails to meet visitor needs in terms of animation, health/medical facilities for tourists, attitudes of custom/immigration officials, efficiency of customs/immigration, visa requirements, and destination links with major origin markets (Fig. 4).

Overall, the ratings for the indicators of determinant supporting factors were considerably lower than for the Inherited Resources and Created Resources.

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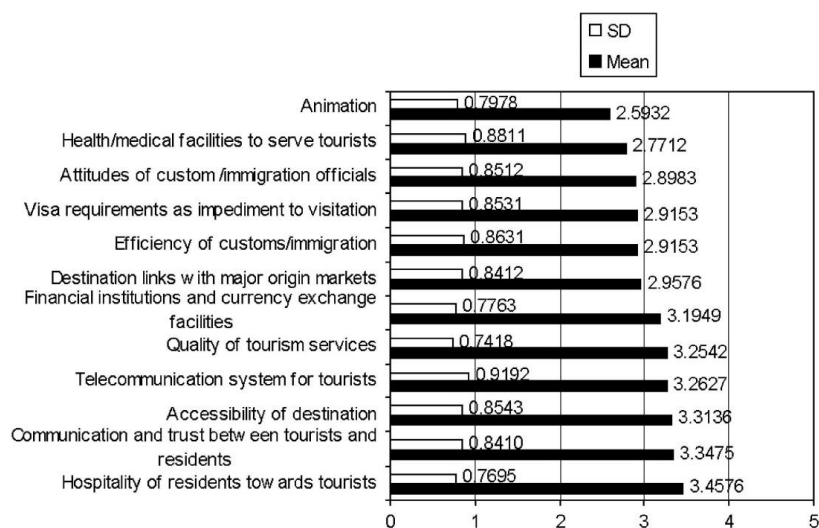


Fig. 4. Mean values and standard deviations (SD) for individual competitiveness indicators of supporting resources (SUPRER). Source: RCEF, 2004.

4.2.2.4. *Destination management.* Residents' support for tourism development, appreciation of the importance of service quality, tourism/hospitality training responsive to visitor needs and private sector recognition of the importance of sustainable tourism development are all rated highly, whilst foreign investment, government cooperation in the development of tourism policy, public sector recognition of the importance of sustainable tourism development, the quality of research input into tourism policy, planning and development are all rated relatively low (Fig. 5).



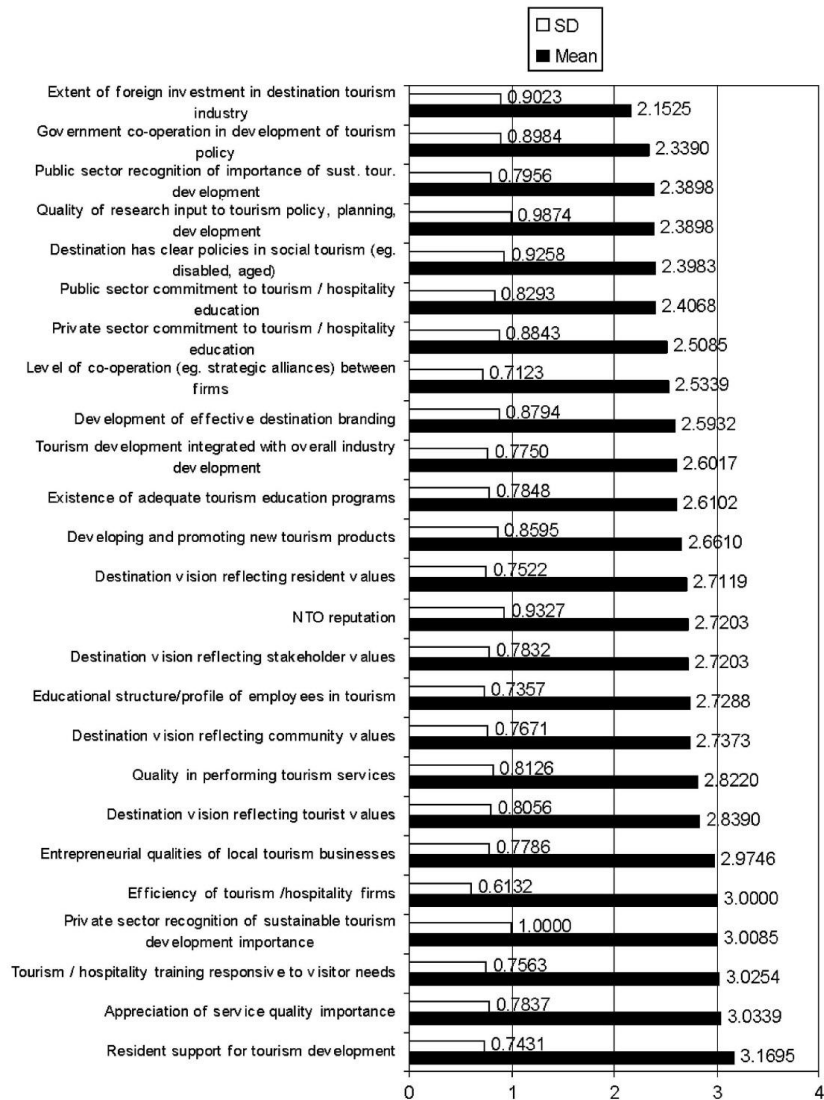


Fig. 5. Mean values and standard deviations (SD) for individual competitiveness indicators of destination management (DESTMNGM). *Source:* RCEF, 2004.

**4.2.2.5. Situational conditions.** The tourism industry's performance depends on the industry's overall structure and the positive environment in which it is situated.

Slovenia is more competitive in terms of the security/safety of visitors, political stability, value for money in destination tourism experiences, value for money in accommodation, the use of IT by firms and value for money in shopping items, but less competitive in the areas of co-operation between the public and private sector, access to venture capital, the investment environment, the use of ecommerce and manager capabilities (Fig. 6). The low standard deviation for political stability indicates a high level of agreement in ratings of this indicator. In the event of the tourism industry's poor performance, Slovenian tourism managers can no longer make excuses by referring to the bad political situation or political instability and the war in the neighbouring Balkans, as was the case in the 1990s.

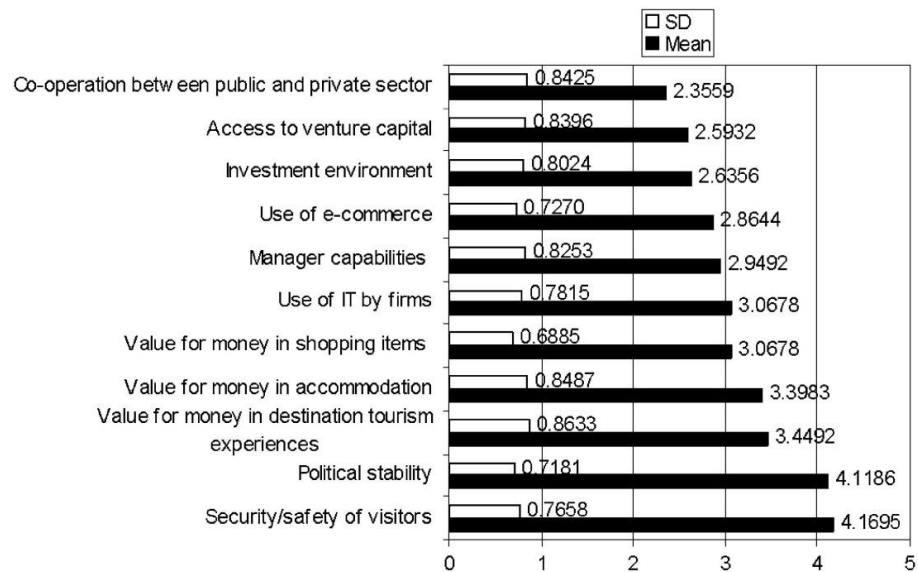


Fig. 6. Mean values and standard deviations (SD) for individual indicators of situational conditions (SITCON). *Source:* RCEF, 2004.

4.2.2.6. *Demand conditions.* According to the applied model, demand conditions concern matters of a destination’s international awareness and image. Awareness can be generated through marketing activities, the image can influence perceptions and an actual visitation will depend on the destination’s image. Slovenia’s tourism is much less competitive in these items compared to competitive tourism countries.

Slovenia is less competitive in all of the integrated model demand condition indicators (Fig. 7). Each of these items is important for generating high and stable tourism flows in the future. The perceived ‘fit’ between destination tourism products and tourist preferences is very important for producing visitor satisfaction. The very low rating given to international awareness should alarm tourism stakeholders.



Fig. 7. Mean values and standard deviations (SD) for individual competitiveness indicators of demand conditions (DEMANDCON). *Source:* RCEF, 2004.

### 4.3. Relations between the main competitiveness determinants

In order to study the relations between the main competitiveness elements, mean values were calculated for each of the competitiveness categories (presented in Fig. 1) from the individual competitive statements in each category. Research hypotheses were created based on the previous findings of the Sirs̃e and Mihalič (1999). In order to test the competitiveness of tourism management, different connections were imagined in the integrated model (Fig. 1) as presented in Fig. 1 that follows the original interactions from the initial model.

The first main hypothesis claims that the weakest point in Slovenian tourism’s competitiveness is destination management. Thus, Slovenia is more competitive in the

attractiveness of its created, inherited and supporting resources than in its destination management. A subhypothesis of the first hypothesis claims that, among the resources, inherited resources are the most competitive, e.g. inherited resources are more competitive than created resources and, at the same time, also are more competitive than supporting resources.

The second main hypothesis refers to management and conditions, and claims that management is again the weakest competitiveness factor. A sub-hypothesis relates management to situational and demand conditions, and assumes that Slovenia is less competitive in management than in situational and demand conditions (Table 1).

*Table 1. Sample characteristics. Source: RCEF (2004).*

Number of responses	118
Workplace	
Government officials	6.8%
Tourist agency managers	12.8%
Tourism school academics	6.0%
Hospitality sector managers	26.4%
Tourism service managers	15.0%
Postgraduate students on tourism courses	12.0%
Employers in local tourist organisations	15.0%
Others	6.0%
Work experience in tourism industry	
Linked with tourism industry for less than 10 years	63.6%
Linked with tourism industry from 11 to 20 years	18.5%
Linked with tourism industry from 21 to 30 years	10.2%
Linked with tourism industry more than 30 years	7.7%
Gender	
Female	66.1%
Male	33.9%

The results in Table 2 indicate statistically significant differences between the variables in all cases referring to the first main hypothesis and the two sub-hypotheses. According to Slovenian tourism experts, Slovenia is more competitive in its resources, especially in its natural resources, and less competitive in its destination management efforts.

Regarding the second hypothesis, it had been expected that situational conditions more strongly support Slovenian tourism's competitiveness than destination management and this was statistically proven (Table 2). Nevertheless, destination management turned out to be a stronger competitiveness element in the pair with demand conditions. Thus, demand conditions are the weakest part of Slovenian competitiveness.

This is not in conflict with the 1999 competitiveness study.

*Table 2. Results of competitiveness hypotheses testing—t-tests. Source: RCEF (2004).*

Variables	Mean	SD	95% confidence interval of the differences		t	Sig. (two-tailed)
			Upper	Lower		
I. RESOURCES-DESTMNGM	0.6151	0.3792	0.5459	0.6842	17.616	0.000
I.1. CRESRES-DESTMNGM	0.4560	0.3965	0.3837	0.5283	12.493	0.000
I.2. INHRES-DESTMNGM	0.9991	0.5366	0.9012	1.0969	20.226	0.000
I.3. SUPRES-DESTMNGM	0.3905	0.4386	0.3106	0.4705	9.672	0.000
I.4. INHRES-CRERES	0.5436	0.4608	0.4596	0.6276	12.815	0.000
I.5. INHRES-SUPRES	0.6082	0.5415	0.5095	0.7070	12.201	0.000
II. CONDITIONS-DESTMNGM						
II.1. SITCON-DESTMNGM	0.4685	0.3311	0.4081	0.5288	15.368	0.000
II.2. DEMANDCON-DESTMNGM	-0.2614	0.4691	-0.3470	-0.1759	-6.054	0.000

The De Keyser–Vanhove model indeed defined demand factors as a competitive element of Slovenian tourism but its definition of demand factors related to the growing demand and income in Europe. On the contrary, the integrated model understands by demand conditions the country's actual awareness and image (see Fig. 7). These factors were studied in the De Keyser–Vanhove model under the tourism policy factor, in the element of tourism promotion and the experts agreed that tourism promotion has the strongest impact on strengthening competitiveness. They argued that the competitiveness of Slovenian tourism could be substantially improved by raising the awareness of Slovenian tourism products and their geographical location in foreign markets.

Indeed, the application of both models points out the non-awareness and no-image characteristics of Slovenian tourism in foreign markets as a problem. Thus the findings based on the Integrated model for 2004 are consistent with the findings of a previous study based on the De Keyser–Vanhove model from 1999. The survey results demonstrate that, especially for all kinds of resources—inherited and created—Slovenia is an attractive destination.

This means Slovenia has the opportunity to become a successful tourism destination but, for the efficient prosperity of the tourism industry, many improvements in the area of destination management and demand conditions (most probably promotion) should be made.

## **5. Discussion**

To understand the competitiveness of tourist destinations, all the basic determinants that constitute competitiveness should be considered. Resource wealth is not enough for the tourism industry's success. The tourism vision, the sharing of that vision among all stakeholders, having managers who develop an appropriate management and marketing strategy and a government that supports the tourism industry with an efficient tourism policy may be more important. The most significant is the tourism sector's ability to add value to its products (Crouch & Ritchie, 1999).

While natural endowment is clearly a very important factor of competitiveness in the tourism industry, it alone represents an opportunity for tourism development. In creating value, other resources must be present and are becoming evermore important. A competitive advantage can only be created by improved responsiveness to customer needs and preferences, innovativeness, service quality, price and the so-called non-price factors, etc. Management of the tourism sector has to play a significant role in all of this.

Researchers argue that no universal and optimal competitiveness model exists for every destination. Nevertheless, an existing tourism competitiveness model developed for a competitiveness study in Australia and Korea was used to evaluate the competitiveness of Slovenian tourism. The model and its questionnaire in particular proved to be useful for the Slovenian study and the results showed that Slovenia is, compared to its competitors, more competitive in its inherited and in some of its created resources: natural endowments, cultural heritage and spas. The research also reveals areas where improvements should be made to boost Slovenian tourism's competitiveness and tourism added value in order to catch up with the competitiveness situation in competitive destinations. Destination attractiveness can be increased by appropriate and stronger quality managerial efforts and enhanced through marketing activities. Destination management should take care in creating and integrating value in tourism products and resources so that Slovenia as a tourist destination can achieve a better competitive market position. Tourism promotion should boost the awareness of Slovenia as a destination in tourism markets. Slovenia is not as well known as its competitors. It is the management of tourism destinations that turned out to be the weakest point of Slovenian tourism's competitiveness in the 2004 study.

Nevertheless, when the results of the 1998 study, which followed the De Keyser–Vanhove model, were compared with the results of the 2004 study based on the Integrated model, it was realised that the main competitive factors in tourism competitiveness models may be created from very different individual competitiveness indicators. Although it was agreed that a universal and optimal competitiveness model for every destination does not exist, it was argued

that the nomination and understanding of the main competitiveness factors (determinants) and especially the placement of their elements (in this study, they were named competitiveness items or indicators) that affect the competitiveness of a tourist destination should be common. While a number of conceptual models and approaches have been explored and different authors have included different variables of competitiveness in their studies ranging from quantitative, such as the number of tourists, market share, tourist expenditure, value added, through to qualitative variables, such as the richness of natural resources, scenery, the appeal of the landscape, etc. there must be a more common and settled understanding on the aggregation of these competitive items. If this is not the case, a rounded model aggregated into a few main competitiveness elements may suggest clarification of understanding of the competitiveness factors and interactions but will ultimately fail to do so. Thus, a more standardised placing of individual competitiveness indicators or items under the same or similar main competitive categories is needed.

For example, in terms of demand conditions both models which were examined studied the same variables within a different competitiveness category. Under demand factors, the De Keyser–Vanhove model studied tourist demand in European countries, income and interest on leisure activities, as well as price/cost level. By contrast, under the same notion the Integrated model joins tourism awareness and overall destination image that are, for example, both an item of tourism policy and promotion in the De Keyser–Vanhove model. On the demand side, for example, the tourism economics literature usually studies disposable income, exchange rates, disposable free time, prices (in the form of travel costs and the costs of staying in destinations) and some other non-economic factors such as trends, fashion, habits, prestige, etc. (Crouch, 1994; Witt & Witt, 1994; Bull, 1995). Obviously, in the Integrated model the awareness and image items were placed under demand conditions and thus the model defined demand conditions differently to what would generally be expected. Such a different placement is unimportant when the results are being interpreted for an individual competitiveness indicator (item) level, but it has an impact when results at the main competitiveness factor level are being discussed. Although Dwyer correctly explained that demand conditions in his model are connected (in our opinion even a constitutive part of) to destination marketing or management only, the model might be misleading because its ‘demand conditions’ are presented at the level of the main competitiveness determinants (Fig. 1). Even if statistical methodology or the brainstorming of working groups of experts are recognized to be a scientific and valid method to join different items within aggregated groups, the qualitative criteria in line with the theoretical development of competitiveness factors and destination management theory should be taken into account more when creating general models or especially when naming newly created factors. Since many competitiveness models attempt to be general and thus attempt to provide a general instrument for use by different countries as a tool for benchmarking. This issue is even more pressing.

After a common agreement on the qualitative understanding of the factors of destination competitiveness, a discussion of the relative importance of the main factors determining a destination’s competitiveness may follow. In order to overcome the lack of potential of using different models for international comparisons and benchmarking, researchers are already in the process of developing a destination success index (DSI). The DSI will identify and measure the relative significance of those performance factors that contribute to a destination’s success (Ritchie & Crouch, 2002). This index will provide better insights into the reasons for a destination’s success over time. If generally accepted and used, any such competitiveness model or index would help destination managers stay with the same model or index when they follow the development of tourism’s competitiveness over time and, most probably, when comparing their competitiveness against their competitors.

## **Acknowledgement**

The authors wish to acknowledge the constructively critical comments from the journal referees, which helped improve the paper. Thanks also go to the editor for his support.

## **Appendix A Questionnaire**

The destination competitiveness in tourism depends on various dimensions of the visitor tourism experience. As a stakeholder in Slovenia's tourism industry you will have valuable insights which can assist us to achieve the study aims. We would greatly appreciate if you could spend some time answering questions about Slovenia as a tourist destination.

Please, kindly answer the following questions.

A) Gender:                      Female              Male

B) Age: \_\_\_\_\_

C) Level of education

a secondary

b college

c university

d Master, Phd. degree

D) Your working position

a government official

b tourist agency manager

c hospitality sector manager

d tourism school academics

e tourism service manager

f postgraduate students on tourism courses

g employer in local tourism organization

h other \_\_\_\_\_

E) How long has your work been linked to tourism industry? \_\_\_\_\_ years

F) Which tourist destinations, according to your option, represent the hardest competition to Slovenia? Please name 5 destinations and list them from the most to the least competitive.

For each factor listed below, please give a rating for Slovenia compared to its major competitor destinations.

1. Well below average
2. Slightly below average
3. Average
4. Slightly above average
5. Well above average

Cleanliness	1	2	3	4	5
Attractiveness of climate for tourism	1	2	3	4	5
Unspoiled nature	1	2	3	4	5
Flora and fauna (e.g. animals, birds, forests)	1	2	3	4	5
Traditional arts	1	2	3	4	5
Artistic and architectural features	1	2	3	4	5
Historic sites	1	2	3	4	5
Heritage	1	2	3	4	5
National parks	1	2	3	4	5
Water-based activities	1	2	3	4	5
Winter-based activities (skiing, skating)	1	2	3	4	5
Nature-based activities	1	2	3	4	5
Recreation facilities	1	2	3	4	5
Sport facilities (e.g. golf, tennis)	1	2	3	4	5
Adventure activities	1	2	3	4	5
Food service facilities	1	2	3	4	5
Variety of cuisine	1	2	3	4	5
Visitor accessibility to natural areas	1	2	3	4	5
Congress tourism	1	2	3	4	5
Rural tourism	1	2	3	4	5
Health resorts, spa	1	2	3	4	5
Accommodation (variety/quality)	1	2	3	4	5
Airport efficiency/quality	1	2	3	4	5
Tourist guidance and information	1	2	3	4	5
Special events, festivals	1	2	3	4	5
Entertainment (e.g. theatre, galleries, cinemas)	1	2	3	4	5
Casino	1	2	3	4	5
Community support for special events	1	2	3	4	5
Nightlife (e.g. bars, discos, dancing)	1	2	3	4	5
Local tourism transportation efficiency/quality	1	2	3	4	5
Diversity of shopping experience	1	2	3	4	5
Amusement/Theme parks	1	2	3	4	5
Health/medical facilities to serve tourists	1	2	3	4	5
Financial institutions and currency exchange facilities	1	2	3	4	5
Animation	1	2	3	4	5
Quality of tourism services	1	2	3	4	5
Telecommunication system for tourists	1	2	3	4	5
Accessibility of destination	1	2	3	4	5
Communication and trust between tourists and residents	1	2	3	4	5
Efficiency of custom/immigration officials	1	2	3	4	5
Attitudes of custom/immigration officials	1	2	3	4	5
Hospitality of residents towards tourists	1	2	3	4	5
Destination links with major origin markets	1	2	3	4	5
Visa requirements as impediment to visitation	1	2	3	4	5
Security/safety of visitors	1	2	3	4	5
Political stability	1	2	3	4	5
Value for money in destination tourism experiences	1	2	3	4	5

Public sector recognition of importance of sustainable tourism development	1	2	3	4	5
Private sector recognition of importance of sustainable tourism development	1	2	3	4	5
Value for money in shopping items	1	2	3	4	5
Use of e-commerce	1	2	3	4	5
Use of IT by firms	1	2	3	4	5
Co-operation between public and private sector	1	2	3	4	5
Entrepreneurial qualities of local tourism businesses	1	2	3	4	5
Access to venture capital	1	2	3	4	5
Investment environment	1	2	3	4	5
Efficiency of tourism / hospitality firms	1	2	3	4	5
Existence of adequate tourism education programs	1	2	3	4	5
Tourism / hospitality training responsive to visitor needs	1	2	3	4	5
Destination vision reflecting tourists values	1	2	3	4	5
Destination vision reflecting resident values	1	2	3	4	5
Destination vision reflecting stakeholder values	1	2	3	4	5
Destination vision reflecting community values	1	2	3	4	5
Developing and promoting new tourism products	1	2	3	4	5
Destination has clear policies in social tourism (e.g. disabled, aged)	1	2	3	4	5
Quality of research input to tourism policy, planning, development	1	2	3	4	5
Tourism development integrated with overall industry development	1	2	3	4	5
Government co-operation in development of tourism policy	1	2	3	4	5
Resident support for tourism development	1	2	3	4	5
Public sector commitment to tourism/hospitality education	1	2	3	4	5
Private sector commitment to tourism/hospitality education	1	2	3	4	5
Educational structure/profile of employees in tourism	1	2	3	4	5
Development of effective destination branding	1	2	3	4	5
Extent of foreign investment in destination tourism industry	1	2	3	4	5
Level of co-operation (e.g. strategic alliances) between firms	1	2	3	4	5
Appreciation of service quality importance	1	2	3	4	5
Quality in performing tourism services	1	2	3	4	5
NTO reputation	1	2	3	4	5
Overall destination image	1	2	3	4	5
International awareness of destination products	1	2	3	4	5
"Fit" between destination products and tourist preferences	1	2	3	4	5
International awareness of destination	1	2	3	4	5

Thank you for taking the time to complete this survey. Your input is much appreciated.

**Вопросы для размышления:**

1. Какие основные проблемы рассматриваются в статье?
2. Какие из приведенных в статье исследовательских методов и выводов по результатам исследования представляются Вам спорными, недостаточно обоснованными? Аргументируйте свой ответ.
3. Для решения каких практических задач туристической отрасли могут быть использованы результаты исследования?
4. Какие направления дальнейших исследований по данной проблематике Вы считаете наиболее приоритетными?
5. Являются ли рассмотренные в статье проблемы актуальными для российской туристической отрасли?



## МЕТОДИЧЕСКИЕ РЕКОМЕНДАЦИИ

Олимпиада по направлению «Менеджмент» проводится в рамках отдельных магистерских программ (профилей): «Маркетинг», «Маркетинговые коммуникации и реклама в современном бизнесе», «Стратегическое и корпоративное управление», «Управление проектами: проектный анализ, инвестиции, технологии реализации», «Управление человеческими ресурсами», «Экономика впечатлений: менеджмент в индустрии гостеприимства и туризме».

Участник олимпиады сообщает о своем намерении выполнять работу по профилю конкретной магистерской программы *в момент получения олимпиадного задания*.

Участникам олимпиады предлагается для выполнения одно письменное творческое задание. На выполнение творческого задания отводится 3 (три) астрономических часа (180 минут). Творческое задание оценивается по 100-балльной шкале.

Творческое задание представляет собой *научную статью на английском языке* по профилю конкретной магистерской программы с вопросами для размышления.

В ходе выполнения творческого задания участник олимпиады должен прочитать предложенную научную статью (в том числе, намеренно содержащую спорные суждения, точки зрения, неточные выводы и т.п.) и, на основании сформулированных к статье вопросов для размышления, сделать ее критический анализ, дать свое *обоснованное и аргументированное оценочное суждение в письменном виде на русском языке*.

*Важно помнить*, что сформулированные к статье вопросы для размышления не являются вопросами-заданиями, на которые участнику олимпиады необходимо ответить. Они именно определяют, но *не ограничивают*, направления для размышления в рамках критического анализа материала и проблем статьи.

Выполнение творческого задания предполагает использование понятий, теорий и концепций, входящих в *Раздел 2 «ОБЩЕПРОФЕССИОНАЛЬНЫЕ И ТЕОРЕТИЧЕСКИЕ ДИСЦИПЛИНЫ»* Программы вступительного экзамена по менеджменту для поступающих в магистратуру факультета менеджмента НИУ-ВШЭ (см. <http://ma.hse.ru/vstupi>).

При подготовке к олимпиаде *особое внимание* следует уделить изучению дисциплин, соответствующих профилю выбранной участником олимпиады магистерской программы (см. таблицу).

<b>Профиль магистерской программы</b>	<b>Дисциплины, соответствующие профилю магистерской программы</b>	<b>Основная<sup>9</sup> литература</b>
Маркетинг	Маркетинг	1. Котлер Ф., Армстронг Г. Основы маркетинга: Профессиональное издание. – М: ООО «ИД Вильямс», 2009.

<sup>9</sup> Список дополнительной литературы см. в разделах по соответствующим дисциплинам в Программе вступительного экзамена по менеджменту для поступающих в магистратуру факультета менеджмента НИУ-ВШЭ (<http://ma.hse.ru/vstupi>).

		2. Ламбен Ж.Ж. Менеджмент, ориентированный на рынок. Стратегический и операционный маркетинг. – СПб: Питер, 2004.
Маркетинговые коммуникации и реклама в современном бизнесе	Маркетинговые коммуникации	1. Росситер Дж., Перси Л. Реклама и продвижение товаров. – СПб: Питер, 2001. 2. Котлер Ф. Маркетинг-менеджмент. Экспресс-курс. – СПб: Питер, 2001.
Стратегическое и корпоративное управление	Стратегическое управление Основы корпоративного управления	1. Пособие по корпоративному управлению: в 6 т. – М.: Альпина Бизнес Букс, 2004. 2. Томпсон А.А.-мл., Стрикленд А.Дж. III. Стратегический менеджмент. Концепции и ситуации для анализа. 12-е издание. – М.: Вильямс, 2003. 3. Аакер Д.А. Стратегическое рыночное управление. – СПб: Питер, 2002.
Управление проектами: проектный анализ, инвестиции, технологии реализации	Управление проектами	1. Мазур И.И., Шапиро В.Д., Ольдерогге Н.Г., Полковников А.В. Управление проектами. – М.: Омега-Л, 2009. 2. Милошевич Д. Набор инструментов для управления проектами. – М.: ДМК Пресс, 2006. 3. Управление проектами. Основы профессиональных знаний. Национальные требования к компетентности специалистов (National Competence Baseline, NCB SOVNET 3.0). Ассоциация управления проектами СОВНЕТ, 2010. 4. Полковников А.В., Дубовик М.Ф. Управление проектами. Полный курс МВА. – М.: Эксмо, 2010. 5. Справочник для профессионалов. / Изд. 2-е доп., Шапиро А.В., Цветков Н.Г., Ольдерогге Н.Г. и др. – М.: Омега-Л, 2010.
Управление человеческими ресурсами	Теория организаций Управление персоналом Организационное поведение	1. Дафт Р. Теория организации. – М.: Юнити, 2006. 2. Армстронг М. Практика управления человеческими ресурсами. – СПб: Питер, 2010. 3. Кибанов А.Я. Основы управления персоналом: Учебник. – М.: ИНФРА-

		<p>М, 2011.</p> <p>4. Роббинз С.П. Основы организационного поведения. – М.: Вильямс, 2006.</p> <p>5. Лютенс Ф. Организационное поведение. – М.: ИНФРА-М, 1999.</p>
<p>Экономика впечатлений: менеджмент в индустрии гостеприимства и туризме</p>	<p>Исторические основы менеджмента, функции менеджмента, подходы в менеджменте Маркетинг</p>	<p>1. Дафт Р. Менеджмент. – СПб: Питер, 2011.</p> <p>2. Котлер Ф., Армстронг Г. Основы маркетинга: Профессиональное издание. – М: ООО «ИД Вильямс», 2009.</p>

Однако для получения высших оценок за олимпиадное задание *рекомендуется не ограничиваться* изучением только профильных дисциплин.

Например, успешно справиться с олимпиадным заданием, в котором рассматриваются проблемы маркетинговых коммуникаций (дисциплина профиля магистерской программы «Маркетинговые коммуникации и реклама в современном бизнесе»), будет невозможно без знания основ маркетинга (дисциплина профиля магистерской программы «Маркетинг»), а с заданием, в котором рассматриваются вопросы стратегии и политики управления человеческими ресурсами (дисциплина профиля магистерской программы «Управление человеческими ресурсами»), – без знания основ стратегического управления (дисциплина профиля магистерской программы «Стратегическое и корпоративное управление») и т.д.

*Ответ* (критический анализ научной статьи) должен быть хорошо структурированным, логически последовательным и аргументированным.

При выполнении творческого задания участники олимпиады должны продемонстрировать не только понимание текста статьи, широту знаний соответствующих понятий, теорий, концепций, практических подходов, методов и технологий, но и глубину их понимания, умение грамотно оперировать ими, анализировать их взаимосвязь, а также логически связано и аргументировано излагать свою точку зрения, делать выводы, давать критическую оценку. Важными характеристиками «отличного» ответа на творческое задание должны являться умение излагать свои мысли в тексте в стилистике научных работ, а также владение методами научной аргументации. Приветствуются ссылки на монографии, профессиональные источники и литературу, их цитирование, а также практические примеры.

Для освоения специальной англоязычной терминологии по менеджменту см. *Сычева Л.В. Словарь менеджера (Manager's vocabulary): пособие для изучающих «деловой английский».* – М.: Издательство ГУ-ВШЭ, 2003.

Во время выполнения олимпиадного задания участникам разрешается пользоваться англо-русским словарем (но *только печатным изданием*, а не электронным).