# ECMLG 2008
# 4th European Conference on Management, Leadership and Governance

## University of Reading, UK
## 27-28 November 2008

Edited by

Ken Grant
Ryerson University, Toronto, Canada

Papers have been double-blind peer reviewed before final submission to the conference. Initially, paper abstracts were read and selected by the conference panel for submission as possible papers for the conference.

Many thanks to the reviewers who helped ensure the quality of the full papers.

Further copies of this book and previous year's proceedings can be purchased from http://academic-conferences.org/2-proceedings.htm

# ECMLG 2008

# Contents

# Preface

These are the proceedings for the 4th European Conference on Management, Leadership and Governance (ECMLG) hosted by the University of University of Reading, UK. The Conference Chair is Malcolm Berry, from the University of Reading, UK and Ken Grant, Ryerson University, Canada is the Programme Chair.

The opening keynote address this year is given by Malcolm Professor Roger Steare, Cass Business School, London, UK. The topic of his talk "Who's doing the right thing in management, leadership and governance?"

The main purpose of the Conference is for individuals working in the area of Management Leadership and Governance to come together to share knowledge with peers interested in the same area of study.

A key aim of the conference is about sharing ideas and meeting the people who hold them. The range of papers will ensure an interesting two days. The topics covered by the papers illustrate the wide range of issues that fall into this important research area. To further enhance the conference there is a Panel Discussion led by Malcolm Berry, looking at the question *In the light of the current economic climate, will corporate governance become a more important issue, or will it be seen as simply another overhead ?*

With an initial submission of 69 abstracts, after the double blind, peer review process there are 24 papers published in the Conference Proceedings. These papers represent research from Australia, Bahrain, Greece, Italy, Malaysia, Poland, Romania, Saudi Arabia, South Africa, Sweden, The Netherlands, United Arab Emirates, United Kingdom and United States of America.

I hope that you have an enjoyable conference.


Ken Grant
Ryeson University
Toronto, Canada

# Biographies of Conference Chairs, Programme Chair and Keynote Speaker

## Conference Chair

**Malcolm Berry** has a strong reputation in management, earned as a consultant in the UK and Europe to both private industry and government agencies. His career in Information Systems, covered many roles including project manager, systems manager and data processing director. His later career as an independent consultant spanned twenty years, with over thirty clients in business, government and industry, including names such as ADAS, Cluttons, the Corporation of Lloyds and Glaxo Wellcome. In parallel with this, he was founding Managing Director of Blackberry Estates, a property developer active in residential development in the South East of England and commercial development in the South West. He is now a founding Director in Easyoak Ltd, a family business which specialises in residential refurbishment; and is busily launching a family run Nursery School. Malcolm has returned to academe as a Visiting Fellow at Reading University Business School, where he teaches Information Systems and Knowledge Management. He is contributing editor to a book on information systems and supervises graduate students enrolled in the Knowledge Transfer Partnership: a collaboration with Industry. He was until recently subject custodian for Management and Information Systems at The College of Estate Management

## Programme Chair

**Professor Ken Grant** was the founding Director of the Ted Rogers School of Information Technology Management at Ryerson University in Toronto, Canada. He now teaches in both undergraduate and graduate programs within the School. He specializes in business and technology strategy and IT governance and also researches in the fields of innovation and knowledge management. In addition, Ken is a Visiting Professor at the American University in Bulgaria UBG and also teaches at Johannes Kepler University in Austria and at the University of Surrey in the U.K. He is a Research Associate at Henley Management College in the UK, where he is completing his doctorate.Prior to his appointment at Ryerson he had a long career in management consulting working with clients across the world as a Vice President with AT Kearney and a Partner with KPMG consulting. Earlier in his career, he held IT management positions with BMW UK, Canadian Oxygen and the Royal Navy.

## Programme Chair
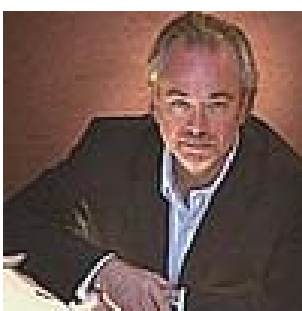
**Roger Steare.** In October 2008, The Times described Roger Steare as "The man who wants us all to stop and think about the way society is headed…" His work has been endorsed by the great and the good, including President Jimmy Carter, David Cameron, Abbot Christopher Jamison at Worth Abbey and top executives from firms such as HSBC and PricewaterhouseCoopers LLP. Roger studied the History of Western Philosophy with the late Lord Conrad Russell, son of the great British philosopher Bertrand Russell. He draws on a wide range of professional experience as a banker, a social worker, an executive coach and CEO of a UK subsidiary of Adecco, the world's largest employment agency. Roger is the author of ethicability®: How to decide what's right and find the courage to do it. He is a regular contributor of articles to newspapers and business journals and speaks regularly on the radio and at conferences and seminars, including those for the Institute of Chartered Accountants, the NHS and the UK Defence Academy. He is Visiting Professor of Organizational Ethics and teaches on the Executive MBA programme at Cass Business School. He is co-founder of the Soul Gym at Worth Abbey (BBC TWO's "The Monastery"); a Director of the Centre for Applied and Professional Ethics; a Fellow of the Royal Society for the Arts; and a Fellow of the Recruitment and Employment Confederation.

# Biographies of contributing authors (in alphabetical order)

**Maria Argyropoulou** is a research associate in Athens University of Economics and Business/Greece and an associate lecturer in Strathclyde University/Scotland. She is a doctoral candidate at Brunel University/London. She received her BSc and MSc in Kapodistriako University of Athens/Greece and Athens University of Economics and Business/Greece respectively. She also holds an MBA from Strathclyde University. She has worked for Greek and international companies for more than 10 years specialising in operations management and ERP systems implementation. Her work has appeared in journals and conference proceedings. Her research interests focus on corporate governance and IT systems implementation and evaluation.

**Dean Bartlett** is a Chartered Occupational Psychologist with degrees from the University of London and the University of Southampton. He is a Fellow of the Higher Education Academy and specialises in the application of psychology to the workplace. He has published widely in a number of peer-reviewed journals and has particular research interests in the areas of Innovation, Stress and CSR.

**Paul Breman** studied of Business Administration, and gained a Master of Science in 1980. He Trained in Neuro-Linguistic Programming (NLP). He has work experience as a consultant in not-for-profit organizations and small business, as a communication and team trainer for unemployed, employees, managers and entrepreneurs, and as a researcher, especially in action research. He currently works for the Hogeschool Utrecht (Utrecht Business School).

**Rosa Caiazza** is Phd Candidate in Business and Management at Parthenope University. As Visiting Schoolar at Wharton University of Philadelphia (Philadelphia – PA – U.S.A.) in 2008, she focused her main interests on interlocking directorates and M&A.

**Gabriele Carbonara** is Associate Professor of Business Administration at Parthenope University. His main research interests are corporate governance, with focus on evolution of governance structure after M&A processes. Other research interest's concern shipping and cruise industry. In 2008, as Visiting Professor at Salem State College (Salem – MA – U.S.A.) he realized some research on Financial and Economic Effects of Horizontal Mergers and Acquisitions: an Investigation in the Cruise Shipping Industry. He got the Best Presenter Award, 2008, "In recognition for your support as a distinguished speaker for The Global Management & Information Technology Research Conference, New York, May" for the paper named "Unicredit Bank CEO's Dilemma Agenda: Grow Internationally Preserving a Strong Cultural Identity

**John Deary** working life commenced as an engineering apprentice and held positions in industry training within the UK.  He has juxtaposed his interest in change management and held diverse management, teaching and consultancy positions in business, vocational and higher education in NZ, UK,  UAE and currently Bahrain.  He holds an EdD in Leadership and Management from the University of Leicester, M Phil in Management and Employment Relations from the University of Auckland, and a BA in Finance/Accounting and Management from Oxford Brookes University.

**Niculae Feleagă** is a university professor PhD. at the International Accounting Department and Financial Reporting at the Academy of Economic Studies, Bucharest; professor at the National Institute of Economic and Accounting Techniques, Paris, for one semester each year (1997-2000); representative of CECCAR inside the "Accounting" working party (1998-

2001) and within the "Corporate Governance" working party belonging to the FEE; member in the Professional Accountants in Business Committee (PAIB) of the IFAC (starting the 1st of January 2008)

**Piotr Gawrysiak** (1974) received his PhD in Computer Science from Warsaw University of Technology in 2002 after completing his MSc at this university in 1998. He is also a Warsaw University graduate where he studied Business Management and received MSc in 2001. He is currently working as a Deputy Director for Scientific Research at the Institute of Computer Science of Warsaw University of Technology. His research interests include data, text and web mining and artificial intelligence but he is also exploring such diverse topics as (among other things) open source development management, intelligent wireless networks or ontology creation and management. He is also working as a freelance IT consultant, in this capacity he managed projects for industry and international organizations (including United Nations and World Bank) in Africa, Asia and Europe.

**Michael Hitson** is a program and project manager specialist with Verizon Communications in the United States as well an adjunct faculty member with the University of Phoenix. Michael served as a public educator for 23 years in the areas of chemistry and the life sciences. Michael's primary area of interest is virtual leadership and he also spends time working with informatics, plant culture, and personal fitness.

**Arash Hooshmand** was born in 1978 in a Muslim family in Persia after a few months that his parents had come back from Iowa/America where they studied engineering. They started their own company called Kavir Markazi Engineering Group then. Arash and his brothers and sisters all are engineers too. Arash has got master degrees in Electrical Engineering and Information and Communication Technology Entrepreneurship and now he studies Nanotechnology at Royal Institute of Technology (KTH). He has a diploma in Mathematics and Physics from National Organization for Development of Exceptional Talents, Iran where he was chosen several times in first rounds of National Scientific Olympiads (top 175 in the country) followed by his excellent results at University Entrance exams (ranked 126 out of a few hundred thousands of competitors) that resulted in his BSc in computer engineering at University of Tehran where he was the main representative of students of Electrical and Computer department and managed lots of innovative important activities at school. Meanwhile, he was the commercial manager and general manager of KMEG (Plaska) that he serves it as a senior consultant now."

**Adnan Iqbal** is an Assistant Professor in College of Business Administration at the Prince Sultan University, Riyadh Saudi Arabia. His current research interests are: Organizational Behavior, Human Resource Development and Business Policy. Adnan received his MBA degree in Finance in 1993 from Institute of Business Administration (IBA), Punjab University Lahore, and earned his second MBA in Operations Management and HRD from University of Technology Sydney Australia in 1998. He received his PhD in OB/HRM in 2006 from the University of Manchester, UK. Adnan has more than 15 years of experience in teaching, consulting and research in Pakistan, UK and Saudi Arabia. Currently he is undertaking researches on Aging studies and the work-family balance in Saudi Organizations.

**Angeliki Karamitrou** is a registered Nurse in United Kingdom (2001) and Greece for more than 13 years. She is a graduated from ATEI School of Nursing Athens, Greece and she has earned her MSc in Nursing (2002), from the University of Wales, College of Medicine, School of Nursing and Midwifery Studies, Cardiff. She has an MSc in Human Resources Management and Employment Relations (2008) from Brunel University, West London. She

has been presenting regularly presentations at conferences in Greece and abroad with a focus on the Health Sector.

**Dimitrios Koufopoulos** BSc, MBA, PhD, MCMI, FIBC. Dimitrios holds a B.Sc. degree in Business Administration from the Athens University of Business and Economics (former ASOEE) and an MBA and PhD degree from Cardiff University. He is Fellow of the Institute of Business Consultants, Member of the Chartered Institute of Management and Academic Member of the European Corporate Governance Institute He has taught as visiting Lecturer in both British and American institutions and currently serves as an Adjunct Faculty at  as well as at the Hellenic Open University He is member of the Editorial Board of the academic Journal *Corporate Board: role, duties & composition* and of the *World Journal of Business and Management.* He has been appointed to the *Corporate Affairs Committee* at the Chartered Management Institute (CMI) in September 2004. He is the Founder and Managing Partner of the *Gnosis Management Consultants* and an external, independent Board member of the *PROGNOSIS SA Market Research, Public Opinion and Behavioural Social Studies* as well as a Company Secretary of the EU-MAP Consulting –a specialised Public Affairs and Lobbying consultancy company. He is also Head of the Management Research unit at the Athens Institute for Education and Research (ATINER), and Scientific Advisor at the International Management Studies, . Since January 2007, based on a Memorandum for joined research between Brunel Business School and the Federation of Greek Industries and Enterprises, is the Research-Co-ordinator of the Hellenic Observatory of Corporate Governance.

**Jolanta Kowal** Ph.D. Wroclaw College of Management (Vice Rector, professor), the Institute of Psychology of Wroclaw University and (tutor and researcher), Poland. Member of scientific associations PTS and PTPA accredited by IAAP. Researcher and lecturer, the author of over 60 scientific publications. Lectures and seminars on methodology of management, applied statistics in socio-economic, psychological and multicultural research. Interests and research specialisation: organization and management, methodology, quantitative and qualitative research, analytical psychology, cross-cultural research.

**Themistokles Lazarides** is an Economist, and currently he works as a Lecturer in the Department of Applied Informatics in Administration and Economy at the Technological Institute of West Macedonia, Grevena, Greece. His research interests focus on corporate governance and ES system design and implementation, organizational economics, information asymmetry, power and control equilibrium within the firm and business communications. Before joining TEI of West Macedonia he has worked as the head of operations for a financial firm for four years. Prior to that he has worked as a consultant and he was responsible for a number of projects.

**Scott Lichtenstein** is a Client Director at Henley Management College and Subject Area Leader in Foundations of Management. Before joining Henley, Scott was a consultant with a market research-based brand strategy consultancy on target marketing. Prior to that, he worked in Belgium as a consultant for Hill & Knowlton International Brussels, a Public Relation/Public Affairs company and in the European Commission's Enterprise Policy directorate. Scott lectures, researches and publishes in the areas of Strategic Leadership and Management as well as Corporate Governance. His most recent published papers have been on vision, personal values and shareholder value and integrity, values and the board agenda and the relationship between executives' personal values and psychological traits. Scott was born and raised in Oakland, California. Along with his MBA from the Henley Management College, he has a BA in Political Science with an International

Relations emphasis from the University of California at Santa Cruz, finishing his General Education requirement courses at UCLA.

**Michael Makowski** born in Berlin/Germany, study of Business Administration, Master of Science in 1980. Training in Neuro-Linguistic Programming (NLP) 1991 - 1996 practitioner, master and trainer level. I have working experience as consultant in not-for-profit organizations and small business, as a communication and team trainer for unemployed, employees, managers and entrepreneurs, and as researcher, especially in action research. Sinds 1987 I am living in The Netherlands and sinds 2000 I am working voor the Hogeschool Utrecht (Utrecht Business School).

**Roger Mason** is a senior lecturer in the Departments of Marketing, University of Wolverhampton, UK and Durban University of Technology, South Africa.  He obtained BA and PhD degrees from Rhodes University and an MBL from the University of South Africa. His background includes marketing management in the motor industry and consultancy in a variety of industries. He researches in the fields of marketing, management, strategy and complexity science.  He has presented papers at international conferences and published in international journals

**John Mendy** is at The University of Lincoln Business School. He is a full-time PhD student and a part-time lecturer in Human Resource Management and Research Methods. His current area of research interest is in the dynamics of organisational change management and culture issues. It is anticipated that over time, these research interests will revolve around communication forms that facilitate or hinder employee 'presence'-contributions during change interventions. Another emerging area of interest hinges upon the shifting nature of the boundary between what managers and employees are willing to contribute during times of uncertainty and stress.

**Ewa Pańka MEng.** Expert in range of scientific publishing house and organizer of post-graduate study at College of Management "Edukacja". She is graduated Wroclaw University of Technology Faculty of Civil Engineering. Research specialisation: multicultural research concerning women professional success in Poland,  professional counseling, development of interpersonal ability and marketing and management. She is organiser of many conferences and courses. She is keen on astrology and sport.

**John Politis** has earned: a Doctoral of Philosophy (Ph.D.) in Management from University of Technology, Sydney, Australia, a Master of Business Administration from Century University, USA; a Graduate Certificate in Enterprise Management from Swinburne University of Technology, Australia; a Master of Science (Mechanical) from Aristotelion University, Greece; a Bachelor of Engineering from the University of Melbourne; Australia; and a Certificate of Technology in Aircraft Engineering from the Royal Melbourne Institute of Technology, Australia.

**Barnes Sookdeo** is a Senior Lecturer at the University of South Africa (UNISA), in charge of the qualification Management Services. He presently holds A National Diploma in Organisation and Work Study, a National Higher Diploma in Operations Management, a Masters Degree in Operations Management and is currently busy with his Doctoral Degree (Ph.D) in Operational Research.His professional memberships include the Southern Africa Institute for Management Scientists (SAIMS) and the Southern Africa Institute for Management Services (SAIMAS) and he is the Secretariat of the South African Society for Quality (SASQ).

**Amalia Stafyla** is Associate Assistant Professor of Human Resource Management and Organizational Psychology at the Technological Educational Institution (TEI) of Thessaloniki, and Associate Lecturer at the University of Macedonia, Greece. Amalia holds a PhD in Work Psychology from the Department of Psychology, Aristotle University of Thessaloniki, Greece. She has consulted and published in the area of Human Resource Management. Her current research interests include leadership, gender, personal values, organizational change, work stress.

**Anton Wiesmann** provides businesses with insights to their core competencies by assessing the firm's resources defined as an "asset, competency, process, skill, or knowledge controlled by the corporation" as well as how the new mission of the IT department comes into effect.  He also deveoped a methodology to determine the value and feasibility of outsourcing. This outsourcing decision model attempts to determine the outsourcing delivery consideration from a construct of score cards that are based on strategic, process suitability, risk and  Anton Wiesmann has been an outsourcing practitioner for over 15 years with an international IT service provider and in the airline, healthcare and consumer industries. His outsourcing experience spans the entire sourcing cycle, from executives' decision support, vendor selection, transition management, vendor relationship management that meet cost savings goals and maps outsourcing initiatives to business strategic competitiveness. Anton holds a Masters in Information Technology from RMIT, Melbourne and graduated with a Bachelor of Applied Computing from the University of Tasmania. Anton also has a Graduate Diploma in Management Research and is presently pursuing his PhD with the University of South Australia researching in strategic management theories.  Anton has written a Master Dissertation on Scale Economies in Outsourcing and several white papers on Think Global Act Global, Outsourcing Decision Model, the Specialised Enterprise and the Fourth Wave of Outsourcing.

**Puan Yatim** is a senior lecturer at School of Business Management, Universiti Kebangsaan Malaysia, Malaysia. Her teaching and research activities focus on corporate finance and corporate governance, audit committees, and internal control. She has co-authored several research articles in a number of related areas. Her recent co-authored article appeared in *Managerial Auditing Journal* in 2006.

**Rachid Zeffane** is currently Associate Professor in Management and Organisational Behaviour at the College of Business Administration of the University of Sharjah, United Arab Emirates. He is also the Chairman (Head of Department) of the Department of Management, Marketing & Public Administration in that College. Rachid's research interests are in the areas of Organization Theory, Organization Behavior and Human Resource Management. His research work appears in several international academic journals and he has contributed to several books & monographs. His current research interest is in the area of  "leadership, innovation & trust"

# Innovation Leadership: The Development of Social Equality and Sustainability

**Dean Bartlett**
**London Metropolitan Business School, UK**

**Abstract:** This paper presents an empirical case study of a leadership development programme within the public sector aimed, specifically, at enhancing innovation in the design and delivery of services to socially excluded communities. Some models of public sector innovation describe an 'innovation imperative' and emphasise the role of 'community profiling' which may be thought of as the development of a knowledge base of social capital within a particular local context. The current paper goes beyond these conceptualisations to consider the potential of such approaches to enhance or develop such social capital.

The paper adopts a qualitative case study approach, drawing on data from several sources including semi-structured interviews with programme participants, data gathered during action learning sessions, entries from the reflective learning logs which were used on the programme and evaluation data gathered by an independent evaluator. A high degree of methodological triangulation, coupled with a rigorous analysis based upon the principles of grounded theory and facilitated through the adoption of a qualitative data analysis software package called Nvivo, ensures valid and reliable interpretations of the mainly qualitative data. The results of this analysis are then linked with relevant theoretical concepts from the research literature.

The main contribution of the paper is to suggest a model of managerial intrapreneurship and social innovation which rises to the challenge of addressing social inequalities that are currently being faced by organisations across the globe in their quest to improve corporate responsibility. The paper also presents a number of specific findings which illustrate the potential of this model for organisational transformation through the social and cultural processes involved in selling the ideas for service development to team members and to the organisation and its management as a whole.

**Keywords:** Leadership, innovation, management development, social capital, corporate responsibility

# Leadership Capabilities in Situation of External Uncertainty and Internal Instability

**Gabriele Carbonara and Rosa Caiazza**
**Parthenope University, Naples, Italy**

**Abstract:** The key to competitive advantage of European banks in the coming years will be the capacity of top leaders to run their firms in a process of external growth that allows the banks to face international competitors. The question that arises is: what kind of leadership banks need to compete on European market?

The aim of this research is to identify leadership capabilities that affect firms' performances in situation of external uncertainty and internal instability. At this aim, we first analyzed leadership capabilities of UniCredit's Ceo identifying how he has transformed UniCredit Bank in an European Champion. Then, through an inductive method, we identified leadership capabilities that lead firms to achieve a sustainable competitive advantage in situation of external uncertainty.

We conducted a longitudinal analysis of UniCredit Bank's process of external growth from 1998 to 2007. This period is significantly important for two reasons. First, changes in European and Italian's system increased uncertainty of banking sector. Second, this period covers all the UniCredit bank history from his formation until the year of the last big acquisition of Capitalia. We collected data through UniCredit's internal reports, public documents and public interviews of Alessandro Profumo, UniCredit's CEO since the firm's formation. Analysis of such data, enriched by telephonic interviews, leads us to evidence Profumo's leadership capabilities and how these capabilities heve affected firm's success in situation of external uncertainty and internal instability. The way in which Alessandro Profumo has run his firm in the last ten years in fact gives us a lesson of high leadership capabilities in uncertain environment. From his success we can identify the main characteristics of a good leadership. A strong determination to achieve a goal, based on conviction and passion. Profumo's competence, constancy, caring, candor and congruity have established trust in UCI keeping the Group cohesive and committed. Purveyors of hope and optimism, Profumo, as all successful leaders, has always believed that he could achieve his goals and he has been able to involve other people in his plans. The final quality that Profumo manifests is the capacity to convert purpose into action, acting with imperfect information.

**Keywords:** Leadership, merger, bank industry

# What Coach Will Lead me to Change (and Change me to Lead)?

**Claire Collins**
**University of Warwick, Coventry, UK**

**Abstract:** This paper describes preliminary doctoral research into one particular way of creating best conditions for embedding leadership change. The research is an exploratory study using mainly qualitative methodology based largely on embedded case study research design. The primary research question asks what factors contribute to the creation of beneficial coach/coachee dyadic relationships. The emergence of this question is based on the body of theory which supports the premise of the key role played by coaching in leadership development and the importance of relationship building in other one-to-one behavioural interventions. Coaching is one form of experiential learning as described by (Kolb 1984). It is grounded in setting goals and working towards them. Goal-setting in itself is found to be a particularly effective form of leadership development (Parry and Sinha 2005). Furthermore, rapport, that is 'mutual recognition and respect' (Hardingham 2004) is known to be essential to the overall outcomes of a coaching intervention. These factors, amongst others come together to focus on the creation of the one-to-one relationship central to the coaching process. Presently, the processes of selection of coaches is at an embryonic stage with many organizations developing selection criteria independently and possibly basing them on criteria used to appoint other professionals (Jarvis 2004). With the absence of clear routes to coaching qualification and accreditation, these selection criteria vary markedly and can be cumbersome and difficult to implement, monitor and manage. In addition, there can be a tension between the criteria that the organization may deem appropriate for selection and the criteria that the coachee may identify as essential informing the optimum relationship required for the coaching process to be effective.

The central aim of the study will be to identify the attributes which both coaches and coachees perceive as being important within their ideal dyadic relationship. Using a number of triangulated methods, for example; anonymised review of written resumés, one-to-one brief 'chemistry' meetings (or "speed-coaching"), journal keeping, interviews and focus groups, rich data will be generated on the attributes being identified by the participants as important for effective coaching relationships to proceed. This data will be compared with the processes employed by the organisation in coach selection and the outcomes that this produces. The value of this research will be to build upon the theory of leadership development, specifically the role that coaching plays, and to describe some potential diagnostic filters which organisations may use in selecting coaches for their senior staff. A contribution to knowledge will be achieved by understanding the desired attributes of coach/coachee dyadic relations compared with other one-to-one behavioural interventions and the potential impact this may have on embedding leadership development and change.

**Keywords:** Leadership development, coaching, relationship, rapport, coach selection

# Champions Change

**John Deary**
**Bahrain Polytechnic, Bahrain**

**Abstract**: This paper is about 'champions' and 'championing' change in a United Arab Emirates (UAE) higher education institution. 'Champions' introduce change, fight for change, and defend others through change. In turn, the champion can be viewed as representing a cause and conquering change. There has been a tendency to overlook the importance of championing and the role of champions in a UAE higher education context, despite the attention given to institutional change in recent years.

The findings highlight the importance to students and staff of a champion's identity and presence during change. They can be displayed, admired and copied. However, the extent to which champions influence others through leadership practices lies in their ability to provide meaning through change, and their ability to solve questions about the future. Champions look after others, provide reassurance, give direction and reduce the sense of isolation. This, in turn, reduces the feeling of being lost, or vulnerable through change.

An ethnographic case study methodology in conjunction with contextual design techniques was used and is presented in this paper.

**Keywords**: Change, champions, championing, communities of practice, higher education, UAE

# Corporate Governance between Classicism and Modernism

**Niculae Feleagă**
**Academy of Economic Studies, Bucharest, Romania**

**Abstract:** Corporate governance is a complex issue, an assembly of mechanisms used to bring order into managers' decisions. The rules of corporate governance are the ones holding the balance between the economic entities' leaders and third parties who invest their resources in the business.

Corporate governance issues did not appear by hazard, but resulted from the necessity to reconcile conflicting business interests within a company, especially those conflicts between the shareholders and management. The Anglo-Saxon view, in which business power is given to equity items, is traditionally opposing the Continental European vision, where the focus is on stakeholders' interests. In a world dominated by globalization, and where the financial markets evolve on an exponential curve, the two above mentioned corporate governance models ought to interact one with the other in a constructive manner. Even if the corporate governance concept has a few decades' history, its origins are rooted way back into world history.

Corporate governance is organically linked to capitalist society and economy. After 9/11, many of the contemporary authors have had the tendency to declare this date as the beginning of the 21st century. If the 'Twin Towers' had hosted companies like: Tyco, Enron, Xerox, WorldCom and many other Stock Exchange-quoted businesses, it is likely that the financial crisis of 2000-2002 would have been differently perceived, and corporate governance would have developed slightly different evolutionary mechanisms.

This paper aims to provide a scientific view on global corporate governance, based on the comparison between ancient and modern corporate governance practices, which we finally integrate into the Romanian experience.

**Keywords:** Managerial and shareholders utilities; agency conflicts; market-oriented corporate governance; crises in the new capitalism; Romanian corporate governance

# KNOW-IT: Methodology and Software for Driving Innovation Processes in Small and Medium Enterprises

**Piotr Gawrysiak**
**Warsaw University of Technology, Poland**

**Abstract:** This paper presents an overview of a research project, aiming to create a new product design methodology for small and medium sized enterprises. This methodology combines structured innovation approach of TRIZ with the modern market analysis techniques in order to help design innovative and competitive products. TRIZ, which is an abbreviation of  Theory of Solving Inventive Problems, is a methodology of coping with engineering problems, formulated by Genrich Altshuller almost fifty years ago, and developed since. It is a proven engineering methodology, used in order to solve production or technical problems very effectively. Coupled with modern market analysis tools it could be – as the project demonstrates – also a very effective method of devising improvements in existing products – or even in coming up with new product lines – that respond to market needs.

Along with the methodology, a knowledge management tool is being created, that will support methodology users with knowledge gathering and organization. The software tool will utilize natural language processing technology in order to help statistically analyse the documentation repositories describing technology state of the art – such as patent databases. It will also support analysts, by guiding them in a systematic way through current product – and its production process – description and analysis.

**Keywords:** TRIZ, innovative product development, patent research, knowledge management, natural language processing

# An Investigation Into the Relationship Between Leadership Style Applied and Job Satisfaction Levels of Virtual Team Members

## Michael Charles Hitson
## Verizon Communications, Noblesville, USA

**Abstract:** This paper reports on an investigation into the identification of a leadership style which equates to the greatest level of job satisfaction among virtual teaming participants. The study also investigated the correlation between the leadership desires of virtual team members as compared to the leadership behaviors they are exposed to and the impact this relationship has on the job satisfaction level of the virtual team members. The objective was to determine and discuss leadership behavior and virtual team member job satisfaction and determine that if meeting the perceived leadership behavior needs of virtual team members will equate to higher levels of job satisfaction and if a particular leadership style is preferred by followers in this environment.

A cursory discussion of virtual teaming, leadership, and job satisfaction provides a foundation of information to familiarize the reader with the topics under review during this quantitative, descriptive, correlational study. Results are integrated with recent work on leadership, virtual teaming dependencies, and job satisfaction. The study applied techniques of a non-experimental nature to explore virtual team member views and study correlational relationships. One hundred twenty-one members of the international virtual work support organization VE – Forum from 23 different nations, completed Internet bound, Likert-type surveys supplying data on leadership behaviors applied, leadership behaviors desired, and job satisfaction rankings on various dependencies. Full demographic data are provided.

The study investigated correlations between the predictor variables of leadership style, leadership behaviors, and follower desired leadership behaviors, and the criterion variable of job satisfaction. The conclusion is that the application of a Self-Management methodology equates to higher levels of job satisfaction among virtual team members. The study also determined that the greater the correlation between the leadership behavior desires of the virtual followers and the leadership behaviors they are exposed to, the greater the level of job satisfaction.

The paper concludes through discussion of considerations for both followers and leaders in reaching the highest levels of performance. The study offers opportunity for further research. The results add to the virtual teaming knowledge base.

**Keywords:** Leadership, job satisfaction, virtual, teaming

# New Role of CIO as IT Leader and the Power Game

**Arash Hooshmand**
**Royal Institute of Technology (KTH), Stockholm, Sweden**

**Abstract:** The role of Chief of Information Officer has dramatically changed during the last years from a purely technical guy toward a strategic managerial role in the company. CIO is expected to create innovative solutions to increase the profit, to reduce the costs and to contribute in important managerial decisions. This is a position development for the role of CIO from an IT technical guy to a new role as IT leader. During this promotion there are some internal politics inside the companies that a CIO should conquer to achieve his right position. He needs different personal developments and skill developments including learning and applying power game techniques. We want to study the best practices in this area for this new leader.

**Keywords:** IT leadership, CIO, IT leader, power, power game

# Assessing the Managerial Styles in Pakistani Context

**Adnan Iqbal**
**Prince Sultan University, Riyadh Saudi Arabia**

**Abstract:** This mixed method study investigated the prevailing leadership styles in the Pakistani knitwear industry. The quantitative data was collected from the 100 organizations in Lahore and Faisalabad, Pakistan in 2007. Five set of questionnaire per organization were distributed to get the perceived leadership styles. Of the 415 questionnaires 365 were found to be valid, which is a useable response rate of 74%. Furthermore, Pearson's correlation, One-way Analysis of Variance (ANOVA, is normally used to compare differences between three or more different groups. In this case the different groups are managers, supervisors and workers) and Post-Hoc Tukey Test (HSD) were applied to the data for the purpose of analysis. The qualitative data was collected through 20 semi-structured interviews from CEOs and senior official of Pakistan Hosiery Manufacturing Association (PHMA) and also managing their knitwear concerns. This study explored that currently top management exercises initiating structure style in their organizations while literature has highlighted that consideration style of leadership is most favourable and influential style of leadership on organizational effectiveness. Therefore, it is suggested that CEOs/top-management in knitwear industry should change their management style. This is the first study on managerial styles in the Pakistani knitwear industry, therefore, will have strong implications for the literature of leadership in developing countries.

**Keywords:** Leadership styles, Pakistan, mixed methodology, leader behaviour description questionnaire (LBDQ), consideration and structure styles of leadership

# Corporate Governance and the Mission Statement in the Greek Health Sector

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**Abstract :** The aim of the study is to explore the relationship between the Healthcare Organizations' mission statements and their performance. The contribution of the Board of Directors (BOD) is crucial in the creation and implementation of mission statements. It is therefore important to examine the function of the BoDs in Healthcare Organizations, the existence of a mission statement, and its value in influencing positively organization's performance.

There is a range of previous studies concerning corporate governance and boards' components (such as board structure and composition, board's size, role of CEO, duality, internal and external board members and board independence).

Bart and Bontis (2003), mentioned that the "organisational mission statement" seems to be of crucial interest worldwide. Mission statements are considered to be the beginning of every action or decision within the organisation.

The methodological approach of this study adopted from Bart (2004). More specifically, this study's main discussion fields are some of the Board of Directors characteristics and the concept of the mission statement. Furthermore, the level of existence and effectiveness of mission statements of Healthcare Organizations in Greece is examined. The Board of Directors of each hospital implements strategy processes in order to fulfil the goals of the organisation by using the mission statement effectively. Thus, the components of mission statements are being observed in relation to the function of the Board of Directors, to examine possible relation with the organisation's outcomes.

In order to achieve our purpose 251 questionnaires were sent to both the public and private health sector in Greece. The response rate was 10%, with the majority of answers coming from the Public sector, providing significant information about the function of healthcare organisations in Greece. The results of the research showed that the Greek Health system has rather strong Boards. Finally, further research in this sector is needed to gain more evidence.

**Keywords**: Board structure, CEO, duality, board independence, mission statement

# Factors of Career Success, Work Motivation and Employees' Life Quality

**Jolanta Kowal and Ewa Pańka**
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**Abstract:** This paper shows possibilities and some methodological aspects of quantitative and qualitative methods applied for socio-economic and psychological research on the one hand and on the other hand it constitutes the research report concerning differences between life quality sense, professional success and motivation factors. We present the report and research summary whose the main goals are answers for the following questions:

Do employers observe particular capacities of the various professional groups,

Do they expect the same capacities from men and women?

What preferable abilities are expected during the process of recruitment?

Are these abilities dependent, in terms of content and hierarchy, on employees dominating gender?

Are professional groups capacities hierarchies similar in different Lower Silesian regions,

What factors are more important: professional knowledge and practical experiences and skills or psychological features and socio-psychological abilities?

Managers often consider how to gain good employees with suitable skills, knowledge and psychological features and which of these variables may be good success predictors and how to motivate people with good results in two spheres: in business and in quality life level of employees.

**Keywords**: Methodology of quantitative and qualitative research, economic quality life factors, competences and factors of professional success of bank employees, professional success factors, work motivation factors, work satisfaction and quality life level sense

# Agency Theory, Disclosure – Transparency: The Nemesis of Enterprise and Corporate Governance Systems

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**Abstract:** This study investigates whether there is a direct relationship between Corporate Governance (CG) and Enterprise Systems (ES). In doing this, the paper discusses the connection between agency theory and the adoption of ES and suggests that the problem of asymmetry of information can be solved partly with the usage of ES that guarantee that CEOs and managers effectuate their fiduciary duty as conductors of information inside and outside of the firm. Moreover, we review the basic information requirements for compliance with the Sarbanes-Oxley Act (SOX) and the OECD's Principles of Corporate Governance. This analysis reveals that corporate governance principles can not be implemented without the implementation of modern enterprise systems that can secure disclosure and transparency. On the other hand ES implementation can benefit from corporate governance control, accountability, and transparency mechanisms.

# How Strategic Leaders' Values Shape Value Creation

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**Abstract:** Business now almost universally accepts that the primary management task is value creation. But what determines the multiple paths to creating shareholder and stakeholder value? This paper will examine the crux of value creation: strategic leaders' personal values. Although theorists (e.g. Mintzberg et al, 2003; Porter, 1980) have acknowledged the crucial link between personal values, strategy formulation and implementation, this paper proposes how executives' value systems translate into predictable patterns of value create.

Executive values data was collected from 163 owner/managers, senior managers and middle managers from the international business community across a broad range of industries without particular profiling.

Results of the research found empirical support for three clearly definable executive value systems. From these results, a model and propositions are offered concerning how personal values translate into predictable patterns of visions, goals and strategies. The paper concludes with implications including that strategic leaders have to understand how their values translate into strategy preferences and how these preferences can causes dis-ease amongst those in the organisation with different values. Limitations and further research are indicated.

**Keywords:** Strategic leadership, values, shareholder value, performance

# Team Flow – The Magic of Collaboration

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**Abstract:** This paper is about the conceptual framework of team flow and the action research project at the Hogeschool Utrecht (University of Applied Sciences) which has been launched recently.

Have you ever linked the performance of The Rolling Stones – as a longstanding successful music business - to concepts of leadership and collaboration? By doing so, you can discover critical success factors for a new quality in collaboration, called *team flow*.

The key elements of the team flow concept are; authentic communication, complementary qualities and habits, shared leadership, sharing a common passion and synergetic identity. These elements find further ground in the U-Theory by Scharmer, the concept of team roles by Belbin, the shared leadership approach by Pearce, and others. You will probably have heard of the theory of Czíkszentmihályi, "that people are most happy when they are in a state of flow— a state of concentration or complete absorption with the activity at hand and the situation. The flow state is an optimal state of intrinsic motivation where the person is fully immersed in what he or she is doing" (Czikszentmihalyi 1999).

For collaboration, this means highly motivated persons co-creating a state of team flow through communicating authentically, sharing leadership and a common passion. Team flow is a concept for generative collaboration, a kind of collaboration focused on innovation and co-creativity. This concept promotes entrepreneurship and fundamental change. In the above-mentioned research project, the main object is the impact of team flow on the innovation capabilities of teams. This project has started with several pilots implementing relevant conditions for team flow, such as shared leadership and authentic communication. In a world of high complexity and dynamics with the associated need for innovation and change, a collaboration concept that goes beyond effectivity and efficiency seems called for. At the same time, it is clear that the understanding of how conditions for team flow can be achieved is lagging far behind (Pearce/Conger 2003).

The goal of this conference presentation is to present and share the main aspects of this team flow concept, in order to obtain relevant notions of how to apply this concept in teams.

The concept brings an innovative and challenging approach to collaboration and leadership, in turn leading to co-creativity and synergy in teams.

**Keywords**: Shared leadership, innovation, flow, co-creativity

# Follow me, I'm Right Behind you: Leading From a Complexity Viewpoint

**Roger Mason**
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**Abstract:** This paper is based on the premise that businesses and their environments are complex adaptive systems (CAS), and are therefore too complex to be 'managed' by a single leader. The literature suggests that CASs are self-organising systems and that effective direction and guidance emerges from such self-organisation. Thus, the traditional view of a leader as a decision-maker, instructing and controlling the organisation is inappropriate in a complex/turbulent environment.

A qualitative, case study method was used to investigate the leadership activities in four companies, two each in a turbulent industry (computers) and in a stable industry (packaging). Depth interviews were conducted with 31 respondents. Interview transcripts were analysed using NVIVO, and then compared with field notes and documentary analyses. The objective was to identify if a self-organising leadership approach was prevalent in the more successful company in the turbulent industry, and if bureaucratic management was more prevalent in the more successful company in the stable industry. In other words, is self-organising leadership more effective in a turbulent environment?

The study has value as it is based on theories not common in the management literature. It is also of value to educators, as many management courses are still based on the assumption of the manager as all-knowing planner and controller. Furthermore, it will be of interest to practitioners who are under pressure from environmental changes, and from societies that are demanding more from their organisations.

The findings showed that both the more successful companies, and the less successful computer company, operate via considerable self-organisation principles. Company activities and performance emerge from the interactions amongst the managers, staff and customers, with little direct instructional management from the CEOs. The less successful packaging company managed via the traditional bureaucratic model. These findings and their implications are discussed, and recommendations for further research are made.

**Keywords:** Leadership, management, complexity, turbulence, chaos, self-organisation

# The Dynamics of Organisational Change in Four Private-Sector Organisations in the East Midlands

**John Mendy**
**University of Lincoln, UK**

**Abstract:** Many organisations are increasingly spending time and effort to re-examine how they conduct business. In this paper, I am interested in exploring some of the effects on the lives of those involved in such change. I examine the values and practices of management and non-management employees and how these can facilitate but, at times, pose resistance to organisational changes. The data I use were collected in four private sector organisations in Lincolnshire and Nottinghamshire in the East Midlands, UK. Such organisations may encourage team-development, at the same time they show where the power is– thus setting the scene for a clash of beliefs or in Willmott's (1992) words, of 'competing values standpoints'. I am interested in the dynamic interactions between individuals and organisations during organisational restructuring times.

I introduce the notion of 'presence' (Felstead, Jewson, and Walters, 2005; Taskin and Edwards, 2007) as a way to describe and visualise the ebb and flow of experiences that are generated by internal changes. I identify that organisational studies tend to concentrate on procedures, rather than on what these procedures constrain and what they do not constrain – and that this implies a waste of organisational resources. Using data from four organisations, I examine a range of management and non-management actions and experiences in four change contexts such that these may be construed in more humane ways.

**Keywords**: Change, presence, dynamics, interaction, management

# The Relationship Between Self-Management Leadership; Transformational and Transactional Leadership and Entrepreneurial Orientation

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**Abstract**: The objective of this paper is to empirically examine through an industry survey, the influence of self-management leadership; transformational and transactional leadership on the dimensions of entrepreneurial orientation (EO) – innovativeness, pro-activeness and risk-taking – in established companies. The paper also investigates the level of prediction of the dimensions of EO by adding self-management leadership in the set of predictor variables. Results indicate that self-management leadership behaviours are positively and significantly correlated with the dimensions of innovation and risk taking/proactiveness. The findings also indicate that transformational leadership is a better predictor of innovation, as the innovation-transactional leadership relationship was found to be negative.

Finally, it was found that the dimensions of self-management leadership provided a small but statistical significant incremental validity for the variables of innovation and risk taking/proactiveness after having statistically controlled for the predictive affects of transformational and transactional leadership.

**Keywords**: Innovativeness, pro-activeness, risk-taking, self-management leadership, transformational/transactional leadership

# The UK Code of Corporate Governance: Link Between Compliance and Firm Performance

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**Abstract**: Listed companies in the UK are required to comply or give reasons for non-compliance with the recommendations of the UK code of corporate governance called 'The Combined Code'. Prior studies investigating the relationship between compliance and firm performance have found the link to be either non-existent or at best weak. This study, taking a more holistic view of compliance develops an index of non-compliance for a panel of FTSE 350 companies for four years (2000 -2003 inclusive). Using total shareholder return (TSR) i.e. the sum of capital gain and dividend yield, as the main measure of firm performance, we find the Index to be inversely related to the TSR, implying that more compliant firms enjoy higher TSR in our sample of companies. Contrary to the widely held assumption in the literature that governance variables are generally endogenous, our direct test for the exogeneity of the Index, finds no evidence of endogeneity. This implies that the causality most likely runs from the Index to performance, rather than the other way round. One reason for the clear contrast of our findings with previous work could be our choice of performance measure. Assuming that compliance with the Code is essentially a means of signalling to the investors that firms are well governed and by implication working in the interest of the shareholders, the effects of such positive perception can be argued to fall more on market driven measures of firm performance than on accounting measures such as ROA .Overall, our results suggest that for today's informed and discerning investors, compliance matters not just as a box ticking exercise but as a real change in the governance of large listed companies, for which they are willing to pay a premium.

JEL Classification: G34, G38

**Keywords:** The Combined Code, corporate governance, compliance index and firm performance

# The Application of Work Study Methodologies: Towards the Development of an Efficiency Reporting System for a tap Manufacturing Organisation

**Barnes Sookdeo**
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**Abstract:** The research reported in this paper is aimed at applying work study methodologies to develop an efficiency reporting system for the assembly department of this tap manufacturer to facilitate effective supervision and the achievement of departmental objectives.

Initial investigations revealed poor employee performance due to a total disregard for supervisory staff, the non-existence of time standards and the absence a dedicated and accepted departmental efficiency reporting system. This begged the question: *"Why measure?"* This question was pivotal in the researcher's decision to conduct an investigation using work study methodologies. Presently, there is no method of measuring employee outputs i.e. no recording system and no performance standards. This necessitated the research question which sought to determine the initiatives necessary to overturn this trend?

The research design is a mixture of both qualitative and quantitative research. Research in this study will take the form of systematic data collection relating to the requirements for the development of the efficiency reporting system. A method study investigation will use process charts to chart the activities of the present method of working and thereafter proposed/improved methods will be developed and implemented. A work measurement investigation will use of time study to measure the durations of all activities and to develop standard times. The research instrument will take the form of in-person interviews. This will be used to gain insight into the problems experienced by employees and possible reasons for poor performance. Employees will also be asked to provide possible solutions to the problems. Labour in South Africa is in constant search for increased remuneration. The researcher is of the opinion that increased remuneration *must* be accompanied by a simultaneous increase in productivity.

The essential contribution of this study is the development and implementation of an efficiency reporting system which will be seen as an example for the many other departments within the tap manufacturer and also other South African organizations in need of measuring and monitoring their daily performance.

**Keywords**: Work study, efficiency, productivity, method study, work measurement

# Gender and Leadership Style in Greek Enterprises

**Amalia Stafyla**
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**Abstract:** The investigation of the impact of gender on leadership style in organizations is an area of systematic research. The literature review of the extant research reveals that recent studies argue that gender has an impact on the leadership style. This argument has to be tested using many and various samples, because a large number of older studies did not support the proposition that gender played a role in the adoption of leadership style. This study, fulfilling this need for further research, tests empirically the impact of gender on the leadership style. In particular, the current study aims at investigating the impact of gender on the practice of the consideration-oriented and the initiating structure-oriented leadership, taking into account the moderating role of organization types. Data were collected from a sample of 115 supervisors (81 male and 34 female) employed in 16 organizations of private and public sectors in the greater area of Thessaloniki, Greece, using the SBDQ (Supervisor Behavior Description Questionnaire) questionnaire. The data analysis revealed that the leadership style adopted by supervisors is relevant to gender. The results, which are in accordance with more recent studies, are discussed with emphasis on the interpretive role of expectations, stereotypes and type of organization.

# State-Inspired Private Investment: A Russian Success Story

**Nadia Vanteeva**
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**Abstract:** This paper aims to explain the recent substantially improved performance of the Russian economy, as it is reflected in the financial market. This phenomenon is correlated with the rise of the private and state co-partnership system that superseded the previous period of entrenched stagnation. The latter is associated with the dominance of the oligarchs. It is argued that an important factor for Russia's improved performance is the introduction of the private-state co-partnership system, which serves to reduce substantial hold-up costs or ex-post contractual non-compliance associated with specific investments (and perhaps other transaction costs such as moral hazard and adverse selection problems) arising from failures in market transactions due to the absence of a well-specified and enforced property rights system. Put another way, the private-state co-partnership may serve as a prophylactic against a defective property rights system, in order to more assure investors of their expected return.

The hypothesis predicts increased profitability and enhanced growth prospects for firms which have adopted the new co-partnership strategy. Such corporate governance structure is expected to be more efficient across industries which are characterised by severe hold-up costs. Moreover, the paper also takes into account structural legal changes and subsidies that channel funds into infrastructure improvements.

The panel dataset is based on firms listed on the Russian Trading System stock exchange from 1998 until the end of 2006. From the dataset the performance indicators are constructed, such as Tobin's Q proxy. In addition, several variables are introduced to account for state involvement. A proxy to capture investor attitudes on specific policies is also developed.

The obtained results show that the combination of state and private ownership acts as an effective mechanism promoting growth in the corporate sector, particularly in industries requiring large fixed investments. One also observes regime legal changes having encouraged increased investment activity and productivity. Moreover, increased levels of long-term subsidised debt act to clearly signal the state's investment priorities. While Russia's economic growth may be by largely attributable to its abundance of natural resources, the evidence shows that the newly instituted policies have also contributed.

**Keywords**: Private and state co-partnership, property rights, hold-up costs

# Resources, Activities and Competitive Advantage: Application to Outsourcing

**Anton Wiesmann and Tatiana Zalan**
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**Abstract:** In this article we present an alternative approach to assessing competitive advantages of a firm and operationalizing the resource-based view (RBV) of the firm in the context of strategic outsourcing. When resource bundles are viewed in the form of activities, they become easier to observe, identify, understand and measure, thus activities can be used to operationalize bundles of resources and capabilities when empirically testing the RBV. We propose a conceptual model and present several propositions for subsequent empirical testing of the RBV.

# Underpricing and Board Structures: An Investigation of Malaysian IPOs

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**Abstract:** By relying on signaling theory, this study investigates the association between board structures and underpricing of 387 IPO firms seeking listing on the Bursa Malaysia from 1999 to 2008. The result of the study shows that there is a reasonably high level of underpricing in the Malaysian IPO market during the study period. This study also finds that larger firms tend to be negatively associated with underpricing, while firms engaging reputed underwriters have a higher underpricing ratio. Consistent with the signaling theory, board independence strongly affects the extent of underpricing, suggesting that board independence is a signal of quality of IPO firms. Contrary to the prediction of the study, board reputation is positively associated with underpricing. The positive association between board reputation and underpricing indicates that investors' assessments are negative when outside directors holding too many directorships at other firms. Finally, both dual leadership structure and board size do not have a significant effect on IPO underpricing.

# Trust in Leadership: Towards a two-Factor Approach

**Rachid Zeffane**
**University of Sharjah, United Arab Emirates**

**Abstract:** For many years scholars and management practitioners alike have been struggling to unpack the enigma of trust formation in varying organizational contexts. Despite much progress and increasing research interest, the issue of "trust" in general and "trust in Leadership" remain enigmatic. One of the major reasons for the confusion is the overwhelming tendency to treat "trust" as a unidimensional concept spanning from "low" to "high" trust.  In 1959, Frederick Herzberg put forth a theory of motivation which challenged the uni-dimensional and sequential approaches upheld by his predecessors. His approach is based upon the deceptively simple idea that motivation can be dichotomised into hygiene factors and motivation factors and is often referred to as a 'two need system'. Reasoning in a similar fashion,  this paper argues that trust in organizations is subject to the same tendencies. That is that trust and mistrust are not necessarily part of a uniform dimension and that factors that trigger distrust are not the same as those that enhance trust.

Hence, we follow Herzberg's approach and attempt to construct a two-dimensional paradigm of factors affecting trust. Although our arguments (and paradigm) are intended to apply to organizational trust in general, to simplify the arguments, in this paper we focus on "trust in leaders". The paper takes a lateral view on this whole issue and posits that "trust" may in fact be a "dichotomous" concept. In other words, there are factors that enhance trust and others that generate mistrust. Focusing on "trust in leadership" and drawing on previous research, the paper develops a framework and arguments the pave the way for future empirical research.  Challenging the orthodox view of leadership and charisma, we argue and show that leaders "traits" (or values) matter significantly and do have a significant effect on "trustworthiness". Their presence would then lead followers to evaluate "behaviors". Their absence would trigger initial "mistrust" This reinforces the significance of expected types of certain behaviors as determinants of trust in leadership. The paper culminates with a general hypothetical model and justified through anecdotal considerations and lays the foundations for future empirical research aimed at testing the model.

**Keywords:** Trust, leadership, trustworthiness, traits, behavior, spirituality