An ivory tower or a hermit are images used to connote the separation of thinkers from society. Yet, neither of these terms can apply to the business scholar of the 21st century. For several decades, Baylor Business faculty have taken their scholarship around the globe. We hope you enjoy this Focus on our more recent global research.

Global View

Ethics – from U.S. to Ukraine

Twenty years ago, when he spent a year in Japan as an exchange professor at Seinan Gakuin University, Joseph McKinney began his long-term study of trade between the United States and other countries. He focused on Japan, because trade between that country and this one garnered plentiful attention. Next, he looked at a free trade agreement hammered out between the United States and Canada, and soon he and others surmised that a trade agreement with Mexico looked promising. Both the economic reforms occurring inside Mexico and its proximity to the United States led to that hunch. McKinney collaborated with others to organize a conference at Baylor University on North American Free Trade. The Canadian government co-sponsored the event.

“People told us it was a ridiculous idea, that it would never happen, but we had our conference, published a conference volume out of it, and pretty soon there was an agreement with Mexico and a North American Free Trade Agreement,” McKinney said. NAFTA, the most far-reaching trade agreement of its time, became reality in 1994, and for 10 years McKinney focused a large portion of his attention on subjects related to it. You could say “The rest is history,” but wait a bit. McKinney, The Ben H. Williams Professor of International Economics, continues to ply international waters and add names to the list of countries he’s studying. He’s working with Carlos Moore on a study of international bribery, and the two will present a paper in Hong Kong on the issue. They are looking at how codes of ethics influence behavior inside U.S. companies.

He has recently studied business ethics in Ukraine as well as the settlement of disputes between the United States and the European Union countries. “I’ve enjoyed the international collaborations we’ve had that have resulted from international professors that come to the business school,” McKinney said. He also gives praise to Baylor, which has supported him with both time and financial resources to do the research. “I had two sabbaticals to do Fulbrights, one in England and one in Canada.”

Through all of his studies, a thread permeating international business agreements and the environment they “live” in has been ethics, or the ground rules governing how business operates. As far as trade goes, one could swap the location, location, location mantra for another – ground rules, ground rules, ground rules. A standard set of rules for businesses to follow is essential to a smoothly functioning international economy, McKinney said.

“That applies both to ethical practice and also to living up to terms of trade agreements,” he said. “As far as the one issue of bribery in Hong Kong, all sorts of economic studies show that economies plagued by corruption have problems with economic development and growth.”

The major topics of his recent research involve trade disputes that arise between the United States and Canada, and between the United States and the European Union. “These are our largest trading partners. Whenever we have trade agreements... disagreements will arise about whether each party is abiding by the terms,” he said. “So there has to be some dispute settlement mechanism in place where either party can hold the other party to account.”

Sticking to trade agreements is important to free trade, he noted. When trade agreements are violated, the result is usually restricted trade. “That works against the goal of freeing up trade, allowing people to specialize in what they do best, and just reap the benefits of international specialization,” McKinney said. “I’ve looked at several of those disputes – the softwood lumber dispute...
between the United States and Canada and another dispute over the trade in wheat. As far as the European Union is concerned, I've looked at our dispute with them over trade in biotechnology — genetically modifying foods.”

A visiting professor from Ukraine asked for McKinney's help on a study of business climate ethics in her country, which is changing from a communist to a free market system. They've run into a brick wall of sorts with corruption problems, McKinney said. "We compared the attitudes of business ethics professionals with those in the United States, and we found that in Ukraine things are in a pretty sad state concerning their attitudes.”

For the study, McKinney joined with Olena Vynokurova at the National Technical University of Ukraine; Moore, The Edwin W. Streetman Professor of Marketing at Baylor; and the late Justin G. Longenecker, emeritus professor of Marketing at Baylor. They were interested in improving ethical dilemma's to Ukrainian respondents. Researchers delivered 100 questionnaires in April and May of 2000 and got back 70 completed surveys. The researchers then compared the data to responses from 1,261 usable questionnaires (of 10,200 mailed) in the United States.

In 13 of the 16 vignettes, the Ukrainian business professionals showed more lenient ethical attitudes, according to a paper that appeared in the Journal of Business Ethics in 2005. Researchers attribute the differences to economic transition in Ukraine.

In the paper that Moore and McKinney are working on concerning international bribery, preliminary data show that codes of ethics do make a difference, McKinney said, "that has a positive effect on whether or not people are inclined to engage in international bribery.” Also, they’ve noticed a relationship with respect to the attitude of the company. "Those (American firms) that are more involved internationally seem to be more sensitive to that issue.”

Except for the Ukraine study, his 20-year database of ethics surveys has involved primarily U.S. companies. The research uses all types of businesses. "They are identified by the industries they are in and several other things, but we take care to leave the responses anonymous so they are very frank in their responses,” McKinney said.

He gives the United States credit for leading the movement with the Foreign Corrupt Practices Act of 1977, making bribery a criminal offense. Since then, major industrial countries that belong to the Organization for Economic Cooperation and Development negotiated an ethical code dealing with international bribery. It’s called the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Even more recently, the United Nations adopted the UN Convention against Corruption. "It’s recognized that there is a need for this sort of improvement and it’s being worked on at several different levels,” McKinney said. The need is particularly pressing for lesser-developed regions, he noted. "It’s very important … for some positive and good ethical practices to be followed in the interest of all the countries in the world, and particularly those that are lesser developed and need so much to benefit from the global economic system.”

Translating research and nuance to Chinese

When Mitch Neubert and Cindy Wu visited companies deep inside China in 2004 to study management, leadership and change management, they focused on three specific areas: employee attitudes toward change; a leader’s influence over employee creativity and innovation; and self-leadership.

The researchers were interested in seeing how their U.S.-tested studies would work in another culture and wanted to help Chinese business leaders better manage their developing needs as the country assumes a role as a global economic force. 

"A lot of the organizational change and leadership research in our field has taken place in a U.S. context,” said Neubert. The H.R. Gibson Chair of Management Development. "With the emergence of China as an economic power, it heightened our interest in wanting to know how western leadership models would apply to China.”

Enabling them to make useful business contacts was a graduate school colleague and visiting Yi of Western Illinois University. Yi had translated for Chinese business leaders who came to the United States for graduate study. She used her contacts to set up the appointments, and Wu and Neubert provided research resources. "Chinese business leaders wanted to better understand how to manage crucial changes in their companies,” Wu said. One of the companies the two studied was a petroleum company in the process of transferring from state to private ownership.

"There’s pretty much lifetime employment for employees if it’s state-owned,” Wu, associate professor of management, said. "With job security guaranteed, workers felt less concerned about creating efficiencies or improvements. But, as the company moved toward a competitive environment, its leaders began discontinuing lifetime employment guarantees and started evaluating employees more rigorously.

At one company, Neubert conducted a seminar for managers focusing on organizational change. In return, he hoped to get employee performance ratings. But out of about 80 managers attending, only two or three provided written feedback.

Their reluctance to provide performance ratings might be partly cultural because identifying and evaluating individual people is contrary to their collective mindset,” Neubert said. "Also, they hadn’t previously focused on performance evaluations, so they may have seen that process as contrary to their organizational culture.”

Obtaining good performance data is difficult in U.S. companies, Neubert noted. But company managers in the United States are usually clear at the start of a discussion that they don’t want to supply that information. In this case, researchers found the mixed message confusing. Still, he said, the data they obtained was useful. Here’s what they discovered:

Attitudes toward change.

"A highly committed employee tends to perform well in context of the change,” Neubert said. His competency is a main driver of his attitude. If he feels competent, he can respond successfully to the change. Another main driver is cynicism, or an employee’s attitude about leadership and the leader’s ability to carry our change. Wu, who led the research on factors relating to cynicism, found that a direct supervisor’s leadership style contributed to employees’ attitudes about organizational change. "We tested transformational leadership, in which leaders articulate a cutting-edge vision,” she said. This includes acting as a role model for employees as well as inspiring them, challenging them intellectually, and acting as a mentor. "We do find that the more employees feel their supervisors are transformational leaders, the less likely they will be cynical about a change.”

Transformational leadership is more group-oriented, which is important in China’s culture. “If you are in a position where you don’t work with other people and don’t feel close to other people in your department, then a leader’s appeal to pull together as a team and achieve common vision doesn’t resonate as well.” Neubert said.

This means that companies planning an organizational change should prepare leaders to be transformational and offer training to let them know what type of leadership works with change, Wu said.

Effects of leadership.

In a high-tech company, the research focused on discovering what influence a supervisor’s behavior has on employee creativity and innovation. Previous studies show that if leaders are supportive and encouraging, employees will be more innovative and creative, Wu said. Instead, this study focused on the leader’s own behavior as observed by employees.

“Our research indicates that it’s not just what leaders say, but what they do,” Neubert said. "Promoting creativity is not as much about telling employees what to do, but in their deeds, providing an example of focusing on achieving goals and improving on the other hand, it’s about how to rules and limiting his exposure to risk, then employees get a signal that creativity is not important.”

Fostering employee creativity is important, Wu noted. “Companies are facing various challenges – globalization, competitors, new technology, and new ways of conducting business – which can be addressed, in part, by promoting creativity and innovation.”

SelfLeadership.

This study investigated a nine-dimension measure of self-leadership that suggests employees manage change better if they are better at managing themselves. “We used a unique self-leadership scale developed in the United States and had it translated to Chinese context,” Neubert said. “We found that the specific questions and maybe even some of the underlying dimensions did not transfer over to Chinese managers. They attend to certain areas the same way, but other questions were not meaningful to them.”

Because of the influences of China on the global marketplace, the researchers plan to return, but not to visit the same companies, he said. "We’ve done what we can with our current contracts. Our next visit will likely take us to different organizations that we gain access to through different relationships. We don’t know when we will return, but we intend to go back for research or possibly teaching opportunities.”
Baylor’s window to the business world

Baylor established the McBride Center for International Business to provide general coordination and support of international activities. Its offices are inside the Hankamer School of Business, and its work is supported by an endowment from Mayo McBride of Woodville, Texas. Directing the work of the McBride Center is Stephen Gardner with Joseph Mehr with support from the Executive MBA program.

To provide for students’ needs, Baylor University maintains relationships with a range of institutions through bilateral agreements and consortia arrangements. Baylor has bilateral exchange programs with universities from Yonok College in Thailand to Monterrey Tech in Mexico and the University of Edinburgh in Scotland. Hundreds of students participate in summer study abroad programs, including Baylor in Great Britain, the Baylor European Business Seminar, and study abroad in the Dominican Republic, Baylor and International Technology Entrepreneurship in Maestricht. All students admitted to the Business Executive and Scholarship Teams (BEST) study abroad. Exchange programs operate in Argentina, Australia, China, the Czech Republic, France, Germany, Great Britain, India, Japan, Korea, Mexico, the Netherlands, Russia, Scotland, Spain, Sweden, and Thailand.

Although the competitive environment grows tougher each day, new opportunities open for those who have the skills to operate on the global stage. A growing number of students reinforce their undergraduate degrees in the traditional business disciplines with a second major in international business.

Baylor’s graduate programs for students who want to pursue international careers include an International Business specialization in the MBA program, a Master’s of Science program in International Economics and an interdisciplinary Master’s of International Management program. The Executive MBA program accommodates the needs of full-time working students who hold management-level positions. The programs include a group study trip of broad experience, and EMBA groups travel throughout Europe and Latin America.

The McBride Center supports the business faculty through research materials and resources, organizing international conferences, and supporting faculty participation in international meetings and educational programs.

Each year the McBride Center develops new international relationships and programs, providing Baylor’s Hankamer School of Business with a growing window to the world.
International partners: passport to knowledge

When it comes to knowing what the business world needs, Baylor researchers gain a big-picture perspective from their work with scholars in other countries. Their projects include research in such areas as sales, information technology and ethics, and the benefits reach far beyond the borders of the Hankamer School of Business.

“This research is informing our teaching, and we are involving our students in it,” said Jeff Tanner, associate dean for faculty development and research. One of his students who worked in Monterrey, Mexico, as an intern will be involved in some of Baylor’s joint research with a Mexican university.

Dorothy Leidner, The Randall W. and Sandra Fergusen Professor of Information Systems and director of the Center for Knowledge Management, is working with Shu Pan of the National University of Singapore to find a method of sharing, through an international library, best practices, solutions, problems and proposals outside of a small work group.

Leidner’s international experience includes serving as an associate professor at INSEAD in Fontainbleau, France, which hosts a variety of students, faculty, and business executives from all over the world. Fluent in both French and German, Leidner has also taught several courses at the University of Caen in France and at the University of Mannheim in Germany, in addition to an MBA course at ITESM in Monterrey, Mexico and a doctoral seminar in Finland. Teaching in other countries offers rich experience and makes you more aware of the rest of the world, she said. “That’s a real benefit to faculty and it ripples down to students.”

Another benefit is the exposure of international students and faculty to Baylor faculty, Leidner said. Those participating in the Finland seminar got exposure to Baylor that they otherwise would not have benefited from, she said.

One of Tanner’s international partners is Jorge Wise at the Instituto Tecnologico y de Estudios Superiores de Monterrey, or ITESM. The two researchers are involving their students in joint research. While the students prepare papers in concert, Tanner and Wise will have the opportunity to see how they manage virtual teams. “We believe if our students can develop research skills of their own, they will have lifelong learning skills they would otherwise not have, and at the same time develop some of the collaborative skills they will need to be more effective in the global environment they’re going to be facing,” he said.

Tanner has done sales research with scholars in both France and Mexico. He also has a colleague at INSEAD’s regional research center in Israel, INSEAD, which bills itself as “the Business School for the World,” is a leading graduate business school with campuses in Singapore and France and the new research center in Israel.

While on the faculty at INSEAD, Leidner wrote a case study on a large French electronics’ firm. The case study involved the company’s marketing the new research center in Israel.

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