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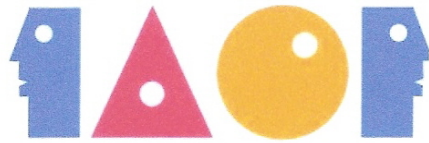
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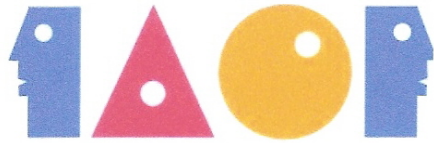
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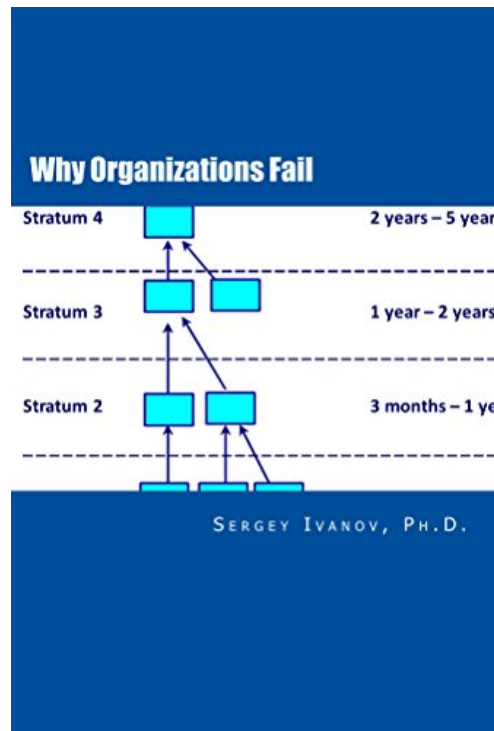
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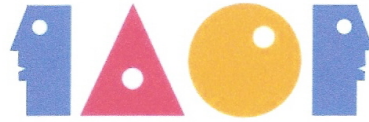
Why Organizations Fail: Organizational Studies Based on The Theories of Dr. Elliott Jaques

by [Sergey Ivanov](#)

This advanced organizational research endeavor started in 2011, and has been an ongoing effort by faculty and interested graduate and undergraduate students. The research focuses on scientific studies of organizations in the United States and abroad. This volume is based on scientific studies of Dr. Elliott Jaques. The effort is led by Associate Professor, Sergey Ivanov, Ph.D., faculty member at the School of Business and Public Administration, University of the District of Columbia, Washington, DC, USA, and is widely supported by colleague faculty members, administration, and students.

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THE STUDY ON THE RELEVANCE BETWEEN THE EXTENT OF
THE JAPANESE FAMILY BUSINESS FOUNDER'S LEADERSHIP
STYLE AND INTERNATIONALIZATION

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Abstract

This study aims to provide an insight into the relationship between Japanese family business founder's leadership style and internationalization. Enterprise internationalization has a very important relationship between enterprise competition power and enterprise sustainable development. By means of international market resources, enterprises cannot only increase competition power, but also easily own higher profits and further growth. Besides, enterprises can properly apply for worldwide materials and human resources to make products with low costs and high additional value, and then eventually comply with worldwide market competition and idea of resources mobilization internationally. Certainly, management models across overseas become the key decision to the success of business management. On the other hand, Japan plays the leading role of economy in Asia. When business management internationalization extremely matures, there must be important influences and reference values for future overseas investment, if based on experiences of Japanese business management model.

Keywords: Family Business, Internationalization, Leadership Style

Introduction

Family Business is not only the oldest and common industry genre in the world, but also one of the symbols of Chinese Business. Businesses in Taiwan use the main management model of family for quite a long time. Based on the worldwide investigation, nearly 60% of businesses in France and Germany and up to 74% of that in Holland and Italy belong to family business (Casillas et al., 2003). It appears that family business obviously exists everywhere and plays an important role in different countries. Studies on internationalization development of family business mostly focus on the issues of board of directors' stock shares related in the local and overseas literature, but scarcely using the founder's leadership style as the key mediator variable to process business internationalization survey. The study aims at the correlation between the founders' management style of family business, which includes dominant leadership, charisma leadership and candid leadership and internation-

alization for the sake of future relevant studies and businesses.

Businesses in Taiwan are facing a complicated and changing internalization-related problem. Studies on Taiwan internationalization are many; but studies between family business and non-family business are limited. According to scholars' assessment, more than half of OTC listing companies in Taiwan belongs to family business (Huang et al., 2012; Su & Lee, 2013).

Co-founder of Apple, Steve Jobs is regarded as a genius of talented, far-sighted and full of charisma. Praised as master of Success, Brian Tracy thought that originated leadership style of Steve Jobs. Like the well-known MBA master, Tom Peters said, top leaders do not create followers but leaders. The purpose of the study is to study the correlation between the internationalization level of family business and management performance from leadership style of the founder's prospective to further discussion about the influence on internalization between family business and

non-family business and provided as a reference of internalization business in Taiwan through this study.

Regarding the study of family business internationalization, five main topics are as follows:

1. If the internationalization level of family business has a significant positive relation to the management performance of Taiwan subsidiary.
2. If the founder's leadership style has a significant influence on management performance.
3. If the founder's leadership style and entrepreneurship has a significant influence on the development of internationalization.

According to the questions above, the purpose of this study is as below:

1. To survey on the correlation of the founder's leadership style and business internationalization.
2. To provide development strategy and suggestions of Taiwan business entering foreign market management.

In order to achieve the purpose of this study, the study process are

divided into the following three phases. First of all, the direction and topic of the study is established by means of literature review for key words. Secondly, the questions and purpose of the study are secured by literature review, and the hypothesis and approach of the study are finalized at last.

Literature Review And Proposition Development

Based on the survey on Taiwan Corporation of China Credit Information in 2006, the time of development of Taiwan Corporation is very short, and they mostly are family business. The model of corporation development is as complicated as the changing structure of Taiwan industries.

Family Business

Family business consists of single or joint members, which over 15% ownership is obtained by aggressive participating in management, persistent shaping industry image or being as consultants, boarding members (Gentry et al., 2016; Miller et al., 2016). Family

business values the family relationship and expects to be continued by next generations (Hiebl, 2015; Au et al., 2013). Lu et al. (2015) defined family business as the ownership of a family member is structured by the model of Chinese family and co-managed as a business.

Besides, family business is occupied 43% in Europe (Procher et al., 2013; Ciambotti et al., 2012), and in Asia, especially in Southern-Eastern Asia Chinese community, the structure of family business exists everywhere (Sharma & Chua, 2013). Statistics indicate that family business occupies approximately over 60% in Taiwan (SMEA, 2015).

Internationalization

The origin of the definition of internationalization is presented by Vernon (1966). By the viewpoint of product life cycle, the purpose of business internationalization is to find the most suitable location for different levels of technology. Business will follow by the evolution of product life cycle and gradually increase the level of internationalization. Åkerman (2015) also thought internationalization means that

business has been promoting price-chain activities abroad in order to create or increase the value of business. Thus, it relies on foreign markets and elements. In short, it means the level of involving in business operation overseas. Business internationalization is a process which business has been continuously investing resources and establishing all kinds of price-chain activities, such as marketing, producing, and R&D, to strengthen the level of internationalization as a whole. Calabrò et al. (2016) mentioned that internationalization of family business often expresses in two models: native nationalization and gradual internationalization. The most representative of all is Johanson & Vahlne's (1990) incrementalism from of well-known Uppsala in Sweden. Uppsala model means business turns internationalization must face many uncertainty. Therefore, business enters to international market in a gradual way.

On the basis of the above literature review, it is hypothesized that:

Proposition 1: There's significant correlation between family business and internationalization.

Leadership Style and Internationalization

According to Goleman's study in 1995, leadership style are categorized to six genres. Every leadership style origins in different EQ. Leaders equipped with 4 or more leadership styles, especially far-sighted, democratic, relative and coaching always create the best working atmosphere and obtain the best performance. The business founder devotes everything to his business by shaping vision and culture of business organization and setups the strategy in person as the center of the business (Carr & Hmieleski, 2015; Zhu & Chang, 2013). Fazzi and Zamaro (2016) suggested that the management model and leadership style of business directly influence the strategy and management of the business, especially multinational corporations' management strategy is more or less influenced by native country's culture and management idea. During the process of becoming internationali-

zation, the management strategy will be changed by all kinds of environments in native country, or regional and worldwide economic environments (Costa et al., 2016).

Goleman (1995) thought that the dominant factor which influences leadership of the organization lies in leadership skills of EQ. The former GE VP, the famous management master, Jack Welch, proposed new 4E of leaders: empathy, experimental, example and excited. Most of businesses in Taiwan are still under the control of family founders (Huang et al., 2012; Lin, 2014). They realize the trend of internationalization, technology innovation, size enlarging and multi-management's pressure. These businesses must introduce and high-level professional managers.

This study aims to provide an insight into the relationship between Japanese family business founder's leadership style and internationalization. On the basis of the above literature review, it is hypothesized that:

Proposition 2: There's a significant correlation between founders' leadership style and internationalization.

Conclusion

This study aims to provide an insight into the relationship between Japanese family business founder's leadership style and internationalization for Taiwan family business's reference of the internationalization development. And by taking an example of Japanese family business, this study provides the way to de-

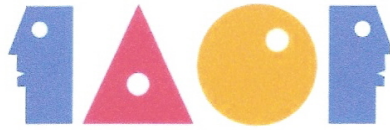
crease investment risks and increases competition power and pursuit of business management application models. Furthermore, enterprises in Taiwan can make use of this study for deeper and faster understanding of the unique and its development of overseas markets. This study is expected to provide a reference for domestic enterprises while facing brand new challenges, to increase international competition power and the benefits of enterprise internationalization development.

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A STUDY ON THE TEACHING MATERIALS AND METHODS OF MICRO FILM COURSES IN GENERAL UNIVERSITY

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Abstract

Owing to rapid development of mobile telecommunications and new media technologies, micro film industry has become a hotspot of new media in the past few years. This lead to produce myriads of works. Many general universities opened micro film courses in recent years, though some of them are only trend-followers. This article tries to explore the teaching methods and materials of micro film course. Clear and valuable ideas of micro film course teaching by discussing its definition, advantages and development directions have been presented in this paper.

Keywords: Micro Film Courses, General University

Introduction

Information dissemination is now in the Internet age, and online media technologies are developing with a fast pace. As a result, traditional information reception modes are becoming outdated. Many “micro” things closely linked to the Internet, such as micro blog, micro message (WeChat), micro novel and micro marketing, have occurred in day-to-day life, ushering us into an era of information “fragmentation.” Since its debut in 2010, micro film has made frequent public appearances. A great number of micro film works have shown up on major websites over the past few years.

Related Research

According to Baidu Baike, an free online encyclopedia, micro films are short videos (quasi films) with complete plots yet micro (ultra-short) lengths (8-15 minutes each), produced in a micro (ultra-short) period (1 to 7 days or a few weeks at most) with micro (tiny) investments (ranging from a few thousand yuan to dozens of thousand yuan for each film), broadcasted only on various new media platforms, and are applicable for viewing in leisure or on the move.[1] This is a definition of micro film that are widely recognized online by the general public.

The concept of micro film was generated, promoted and idolized in China. Against the social background of information fragmentation, many “micro” things of the times, such as

micro blog, micro message (WeChat), micro novel, micro marketing and micro business, have come to the fore. Micro film made its debut at the same time. In 2010, Cadillac launched an advertisement video *Action*, which was directed by Frank Vroegop, Cannes Golden Lion Award winner, and starred by Daniel Wu. The said video was widely recognized as a commercial micro film, and was promoted in the name of “micro film” on such renowned web portals as sohu.com prior to its online debut. In November 2010, the micro film *Old Boys* produced by Youku received its 5 millionth click online, triggering a fever of micro film on the Internet. Since then, the word “micro film” has spread fast and wide, generating a huge number of works, and witnessed a massive surge in 2011. To embrace the fashion, major film and television websites all added a micro film column to their classification and navigation pages. In 2011, NetEase launched China’s first Micro Film Festival. Riding the trend, various micro film contests sprang up, with many of which being designed for college students. Micro film does not have high thresholds for production and release, and enjoys great commercial potential online. This has boosted the enthusiasm of film art hobbyists to a certain degree, further improving the popularity of micro film on various kinds of communications platforms.

Many common universities also opened micro film courses in recent years. There are two reasons for this. One is that there are larger demands for such talents during the industrialization process of micro film; the other is that film creation is no longer out of reach, thanks to the popularization and application of digital film technologies.

A lot of students, including those in common universities, yearn to have knowledge of and take film creation and production courses. Then, what characteristics do micro film courses have, and which aspects need attention during the teaching process?

Micro film features low production cost, low requirements on equipment, short production cycle, and is therefore easy to learn and practice. Shooting micro film is a very good way for learning film-related knowledge, for its expression techniques and production process are not much different from those of traditional video clips. Shooting short videos has always been a common practice in film and television courses. Micro film has low thresholds for shooting and production. It is possible to produce classic works with comparatively smaller investments, just like many world-renowned short films do. Low-cost creation is ideal for students in their learning and practice phases. Both high-end and elementary equipment can be used for production of micro films. Among micro films enjoying high click rates online, some were produced by professional film and television equipment, while some were only taken by a DSLR camera or even a mobile phone. For example, the micro film *Only Choice*, starred by Aarif Lee and a prequel to the film *Cold War*, was produced by directors Lok Man Leung and Kim-Ching Luk and HTC. During the process, HTC mobile phones were used to shoot some scenes of the micro film, making it one of the first micro films produced with mobile phones. Similarly, investments in micro films can be either large or small in line with actual needs. Compared with that in professional film and television col-

leges, the film and television discipline in common universities is under par. But micro film courses have even lower requirements on shooting equipment, fund, team and process, which makes micro film more suitable for practices by students.

Having relatively strong interactive, open and entertainment features, micro film may encourage interest and enthusiasm in learning film production. Thanks to open communications platforms, micro films, which are oriented toward interaction and participation, can be broadcasted on the Internet as well as on mobile phones, the mobile TV sets of public transport vehicles, and other mobile terminals. During their learning and creation, students may acquire funding from multiple channels, such as online crowd funding platforms. Their works, after completion, may be shared on the Internet and many other platforms to directly interact with audiences and solicit comments from the general public, so as to receive more suggestions and guidance outside of classroom. Some excellent micro film works by students have been broadcasted and forwarded online; their creators and performers have also gained reputation and popularity. This is conducive to boosting students' learning enthusiasm to a great extent.

Micro Films Courses Analysis

Through teaching practice it has been found that, the following aspects, however, need attention during teaching of micro film courses:

Having basic courses.

Some common universities only have one independent course for micro film production. Consequently, the

works of their students are often patchy. The reason is that though "micro" these films are, they often have high requirements on the comprehensive qualifications of their creators. They require a wide range of basic knowledge, including playwriting, audio & video languages, photography, video recording, film sound, film editing, and so on. Trying to cover so many contents in a mere course, therefore, can only achieve limited results, and have less relevance in learning and practice. On the contrary, relevant basic courses can help improving not only students' practical skills but also their comprehensive qualifications.

Paying attention to creativity and spending efforts in topics and contents.

In the course of teaching, it is necessary to make best use of the advantages and bypass the disadvantages of micro film. Since there are convenient and diversified choices of new media broadcasting platforms, micro films need to attract audiences in a short span of time. When making micro films, students usually have small budgets and are unlikely to organize star lineups. Under such circumstances, contents are vital to an attractive film. Excellent micro film works in recent years consists of the following categories: 1. Creativity; 2. Fun; 3. Novelty; 4. Philosophy; and 5. Care. During the 2015 Chinese College Students Micro Film Contest, *Dormitory*, the winner of best original screenplay, builds on the hotspot topic of dormitory relationship in college to demonstrate off-the-beaten-path friendship with a suspenseful plot, rendering an example of low-cost yet excellent works. Another example is micro film *L'ACCO-RDEUR*, winner of Best Short Subjects

Award of International Short Film Festival Leuven 2011 and César Awards 2012 respectively. *L'ACCOR-DEUR* is known in the cyberspace as the “best suspense micro film in history.” It works wonders in both technicality and plot structure. Excellent films, therefore, can also be produced with low costs.

Cultivating students' comprehensive qualifications.

Like all forms of art works, micro film has its commerciality once being linked to gains. The first micro film Action is in fact an advertisement. Be it the early commercial micro film Route 66, the comic and commercial micro films by Hu Ge, or the Old Boys by Chopstick Brothers, all have their commercial purposes. Micro films have a unique business mode different from that of traditional films, so that micro film courses must help students understand and learn the commercial marketing of micro film. However, the combination of micro film and advertisement has its advantages and disadvantages, as too much commercialization may compromise the artistic nature of micro film. That's why film-related artistic cultivation is indispensable. Students need to know that excellent micro films are not equivalent to popular online videos. Both commercial and artistic ideas should be introduced to students during the course.

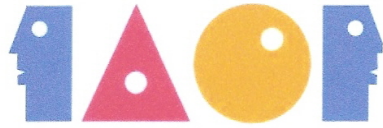
Conclusions

As new media platforms continue to develop, “micro film is also actively expanding into the fields of Internet, television, games, animation and audio & video, showcasing significant crea-

tivity and originality.”^② Micro film industry has tremendous development potential. Cultivation of talents is one of the key elements for micro film industry to grow larger and more professional. Only by focusing on the professionalized cultivation of talents can we stimulate students' learning potential, improve teaching quality, continuously update knowledge, complete micro film courses, and identify more excellent talents in this regard.

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INSTITUTIONAL LOGICS AND PRACTICE VARIATION - GOVERNANCE CHANGE IN FM IN THE NETHERLANDS

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Abstract

This paper explores the change in the governance in the field of facility management (FM) in the Netherlands by drawing upon the insights of the neoinstitutional theory. This is a qualitative field research which utilized multiple sources of data, that is, FM academic literature, practitioner documents/reports and semi-structured interviews with different actors in the field. The analysis reveals that the development of governance in the field of FM in the Netherlands has been substantially influenced by financial control. More specifically, different governance forms emerged over time without a significant change in the dominant institutional logic of financial control. This provides counterpoint to the institutional logics literature which suggests that new practices emerge when there is a change in the dominant institutional logics of an organizational field. FM is a quite specific case and the concept/idea of FM was driven by the logic of financial control at the time of its origin in 1980s. Furthermore, the financial control logic remained dominant historically due to stringent financial environment and efforts of different organizations to cope with such an environment resulted in the emergence of new forms of governance over time.

Key Words: Financial control, Governance change, Institutional logics, Institutional theory, Practice change/variation

Introduction

Neoinstitutional theory is often used for explaining how innovations or new practices are adopted in an organizational field as a result of isomorphic diffusion (DiMaggio & Powell, 1983) or how individuals and organizations strategically respond to institutional

pressures (Oliver, 1991) by doing institutional work (Bjerregaard, 2011; Gilmore & Sillince, 2014; Lawrence & Suddaby, 2006). Institutional work refers to 'the purposive actions of individuals and organizations aimed at creating, maintaining and disrupting institutions Lawrence and Suddaby, 2006; p. 215). This stream of research on in-

stitutional work features the role of institutional entrepreneurs in shaping the organizational fields and/or establishment of a new practice (Garud, Jain, & Kumraswamy, 2002; Greenwood, Suddaby, & Hinings, 2002; Lounsbury, 2002). The notion of institutional entrepreneurship limits practice variation only to the actions of actors acting strategically and deflects attention from practice creation/ alternative sources of practice variation and the processes and activities that occur prior to the diffusion of a practice (Lounsbury and Crumley 2007; Lounsbury 2008). The institutional entrepreneurship gives a picture as if the actors are free from the influence of existing institutions and as if they have independent interests (Lounsbury 2008). The concept of institutional logics in neoinstitutional theory provides an alternative explanation to practice variation/creation because the institutional logics guide human/managerial cognition in making decisions. Institutional logics are, ‘the socially constructed, historical patterns of material practices, assumptions, values, beliefs and rules by which individuals produce and reproduce their material subsistence, organize time and space and provide meaning to their social reality’ (Thornton & Ocasio, 1999; p.804).

Institutional logics offer historically contingent organizing principles and vocabularies of practice that shape individual and organizational values, beliefs and behaviour (Joseph, Ocasio, & McDonnell, 2014; Thornton, Ocasio, & Lounsbury, 2012). Institutional logics shape rational and mindful behaviour and individual and organizational actors also shape and change the insti-

tutional logics (Thornton, 2004). Societies and organizational fields have different institutional logics and these different institutional logics are often contradictory to each other and such contradictions are the sources of change (Friedland & Alford, 1991). A focus on multiplicity of logics (multiple forms of institutional rationality) can help in examining practice variation and dynamics of change in practice (Lounsbury 2008). Some prior research suggests that logics may shift over time and such shifts result in changes in practices. For instance, Haveman & Rao (1997), illustrate how the rise of Progressive thought resulted in a change in savings and organizational forms in the US in the early 20th century. Similarly a change from professional logics to market logics in US higher education publishing caused changes in the organization of executive succession process (Thornton & Ocasio, 1999). It has been suggested to further investigate where new logics and practices come from and how they are related to each other (Lounsbury 2008).

The aim of this paper is to explore the emergence of different forms/practices of governing (ways of organizing) facility management (FM) in the Netherlands at a field level (instead of a particular firm or an inter-firm level) by using a combination of historical data (FM academic articles and practice documents) and semi-structured interviews with different actors in the field of FM. The supportive services and processes (e.g. cleaning, repairs and maintenance, communications, catering, relocations, etc.) are called facility services and the

management of these processes and services is known as facility management (FM). The term field or organizational field means the domains of organizations that in aggregate constitute a recognized area of institutional life, such as key suppliers, resource and product consumers, regulatory agencies and other organizations producing similar services and products (DiMaggio and Powell, 1983) or a community of organizations that interact frequently and fatefully with each other (Scott, 1995). In this research the field comprises different organizations such as suppliers of facility services, service providers, professional associations, consultants, researchers and educators, facility managers and the clients (organizations) of the service providers or suppliers. FM function can be organized by different departments individually within an organization or an organization may centralize the planning and control of FM within an FM department or make a Shared Service Center (SSC) or choose for Integrated Facility Management (IFM)/ Total Facility Management (TFM) where there is only one service provider organization which does the management as well as the provision of facility services. But the question is: Why and how did different practices of governance or forms of organizing FM emerge and sustain?

The institutional logics literature suggests that the new (governance) practices would appear in any field (such as FM) when the institutional logics of that field change/blend or

¹ Service providers are those suppliers who provide only IFM/TFM services.

new logics emerge in that specific field (Lounsbury, 2008; Lounsbury & Crumley, 2007). New or changed/ blended logics are related to the changes in the field and emergence of new practices (new forms of governance in this paper). However, the analysis of this field research shows that historically (from 1980-2009) only one dominant institutional logic existed in the field of FM over three decades in the Netherlands but different forms/practices of organizing FM appeared over time. This dominant logic is the logic of financial control. The logic of financial control assumes that the primary objective of FM is to achieve efficiency by reducing cost/increasing profits. This finding has implications for the literature on institutional logics and practice variation. The basic premise of institutional logics literature is that new practices emerge when there is change (blending of logics or emergence of new logics) in the dominant logics of a specific field (cf. Lounsbury, 2008; Lounsbury & Crumley, 2007). Interestingly different practices of governance (FM department, SSCs, IFM/TFM) emerged over time (and still exist) in the field of FM in the Netherlands but the dominant logic has been the same which is financial control. Substantial meanings stayed the same but forms of practice changed. The institutional rationality of financial control impacted the decision-making and brought material changes in the practice. This alternative insight may relate to the nature and history of FM because the drivers behind the origin of the concept of FM in 1980s were primarily related to cost savings/finance control and institutional environment became severe for

the support services due to increasing competition and financial crises in tandem with the development of theories that espoused the financial control logic.

The rest of the paper is organized as follows. The next section provides a brief review of the literature on institutions, institutional logics and changes in practices. After that the research setting and research method are discussed. Then the next section explains field study analysis. The last section provides discussion and conclusions.

Literature Review

The institutions are the routinized, taken for granted set of ideas, beliefs and actions used in society that regulate the behavior of individuals (e.g. Jennings, Greenwood, Lounsbury, & Suddaby, 2013; Meyer & Rowan, 1977; Powell & DiMaggio, 1991). An institution is “more-or-less taken-for-granted repetitive social behavior that is underpinned by normative systems and cognitive understandings that give meaning to social exchange and thus enable self-reproducing social order” (Greenwood, Oliver, Sahlin, & Suddaby, 2008; pp.4-5). For example, governance (of FM) is an institution because it is a routinized and established set of ideas and actions to coordinate and control different activities (facility services).

Neoinstitutional theory suggests the organizations adopt new institutional practices in order to conform to societal or institutional requirements and, thus, to become legitimate. Legitimacy is ‘a generalized perception

or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs, and definitions’ (Suchman, 1995, p.574). The legitimacy brings support and acceptability in society. Since many organizations in a specific field or sector try to become legitimate, this results in isomorphism, that is, the similarity among several organizations. Isomorphism may be coercive (due to dependency or legislative requirements or cultural expectation in the society), mimetic (copying the successful companies in uncertainty) or normative (pressures from professionalism) (DiMaggio and Powell, 1983, Powell and DiMaggio, 1991). These three types of isomorphism are associated with three pillars of neoinstitutional theory that constrain behavior, namely, regulative, normative and cognitive pillars. The regulative pillar guides action through coercion and threat of formal sanction, the normative pillar guides action through norms of acceptability, morality and ethics and the cognitive pillar guides action through the very categories and frames by which actors know and interpret their world (Scott 1995). However, more than one isomorphic pressure may be operating simultaneously and potencies of institutional pressures may change over time as a result of constantly changing endogenous factors (e.g key decision maker’s norms, values and unconscious conformity to traditions like ideology, motivation, competence and professionalism at the individual level and shared belief systems, power and politics at the organizational level) and exogenous factors (e.g.; regulatory pressures, public pressures, professional norms

and values at the organizational field level) (Carpenter & Feroz, 2001). However, the focus on the isomorphism and diffusion precludes the focus on why and how new practices emerge.

Another strand of research within neoinstitutional theory suggests focus on heterogeneity, change and practice creation instead of isomorphism by drawing upon the idea of institutional rationality (cf. Lounsbury 2008; Thornton et al., 2014). Institutions provide a collective rationality (called institutional rationality) that guides individual behaviour and that is beyond the discretion of an individual or an organization. This rationality stresses the influence of broader structures of meaning without being deterministic (Lounsbury, 2008). Institutional logics describe the contents and meanings of institutions. Differentiated Institutional logics influence individuals and organizations in a larger variety of contexts, including markets, industries and populations of organizational forms (Thornton & Ocasio, 2008). Institutional logics influence the behaviour of the individuals and individual actors also affect and change the institutional logics (Thornton, 2004). Thus, the institutional logics provide a link between institutions and actions, that is, the situated forms of organizing are linked with beliefs and practices in wider institutional environments (Thornton & Ocasio, 2008). The logic comprises a set of material practices and symbolic constructions and is the core of each institution. The logic forms the organizing principles of an institution and helps organizations and individuals in their activities

(Friedland & Alford, 1991). The core institutions of western society are the capitalist market, the bureaucratic state, family, democracy and religion, and each of these institutions has a central logic (Friedland & Alford, 1991). For instance, the logic of democracy is the participation and extension of popular control over human activity. The typology of the core institutions was further developed by Thornton (2004) who demonstrates that the western societies are composed of six societal sectors- the market, the corporation, the professions, the family, the religions and the state. The institutional logics of the aforementioned institutions are inherently contradictory and such institutional contradictions may serve as the bases for political conflicts and institutional change. Individual, groups and organizations may exploit these cultural resources and institutional contradictions to transform institutions. The institutional logics approach emphasizes that individual and organizational behaviour can be understood when such a behaviour is located in a social and institutional context that both regularizes behaviour and provides an opportunity for agency and change (Thornton & Ocasio, 2008). The logics converge the attention of the key decision makers on a restricted set of issues and solutions (Ocasio, 1997). The institutional logics literature suggests that new practices emerge in any organizational field when there is a change in the dominant institutional logics or new institutional logics surface in an organizational field and become robust/strong. For instance, a shift in healthcare logics led to the changes in the behavior of actors and governance structures (Scott, Reuf,

Mendel, & Caronna, 2000). Similarly, changes occurred in the executive succession due to changes in the institutional logics of US higher education publishing from professional logics to market logics (Thornton and Ocasio 1999). This paper draws on this idea of institutional logics to investigate the change in governance practices/forms over time in the field of facility management in the Netherlands.

Research Setting And Methods

The research setting is the field of facility management in the Netherlands. The research started with the investigation of the emergence of a new form of organizing FM called Integrated Facility Management (IFM) or Total Facility Management (TFM). IFM/TFM is a way of organizing facility services in such a way that all the facility management services and overhead work, including the employees involved, is outsourced to one service provider (Twynstra-Gudde, 2006). During the process of data collection, it was found that other forms of organizing were also present and those forms appeared over time. This led to the investigation of how different forms of organizing FM emerged over time. For the purpose of this research the level of analysis was the field of facility services in the Netherlands. An organizational field constitutes a community of organizations that interact frequently and fatefully with each other (Scott, 1995). Thus in this research the organizational field includes service providers of IFM/TFM, client organizations, suppliers (of different individual facility services but not service providers of

IFM/TFM), professional associations and academics.

Some data were collected in the form of 21 semi-structured interviews with questions based on the literature in institutional theory regarding change in an organizational field. The table 1 below gives information about the interviews conducted with different actors in the field of FM in the Netherlands.

Other important sources of data included the FM market reports in the Netherlands for the years 2006, 2008, 2010 and IFM Market report 2009. The complete list of field documents is available in the appendix A. Some academic literature in the area of FM, relating to the Netherlands from 1995-2010, was also utilized to get credible understanding of the history of the development of in the field. Furthermore the websites of different organizations were browsed and such data were used for the description and analysis. Different sources of evidence were analyzed to generate a reliable theoretical interpretation of the study. The access to most of the field actors was achieved by participating in a professional facility management conference where meeting with the conference manager built the foundation for potential interviewees. The interviews were conducted from March 2009 until November 2010. Most of the interviews had durations between 1 and 1 ½ hours. The data was coded by using qualitative data analysis software ATLAS.ti 6. The qualitative data analysis software was very helpful in coding, data management and analysis.

TABLE 1: INTERVIEWS WITH DIFFERENT ACTORS IN THE FIELD

Sr.#	Month/Year	Position	Duration (minutes)
1	March 2009	Facility Manager	111
2	March 2009	Account Director (Service Provider)	97
3	February 2010	Consultant	103 (data lost due to recording error)
4	February 2010	Facility manager	97
5	February 2010	Academic	90
6	February 2010	Consultant	88
7	February 2010	Service Provider	59
8	February 2010	Facility Management Netherlands (a professional association)	47
9	February 2010	Facility manager/ Client Organization	68
10	March 2010	Consultant	75
11	March 2010	Service Provider	83
12	April 2010	Facility manager / Client Organization	81
13	April 2010	Facility manager	89
14	April 2010	Facility manager / Client Organization	84
15	April 2010	Facility manager / Client Organization	72
16	April 2010	Service Provider	81
17	July 2010	Account Director (Service Provider)	63
18	July 2010	Senior FM Manager (Service Provider)	26
19	July 2010	Contract Manager (Service Provider)	58
20	October 2010	Manager Maintenance (supplier)	97
21	November 2010	2 District Managers (Supplier)	96

Field Study Analysis

FM and IFM

The term 'FM' appeared in the American literature in the beginning of 1980s and in the mid-1980s the term

became popular in Europe, including the Netherlands (Wagenberg, 1997). The definition of FM is ambiguous. It is difficult to give a clear cut definition of FM and the contents of FM probably differ among organizations and change over time (Van Herk, Diepen-

Knegiens, Van der Kluit, & Maas, 2006). A similar ambiguity was observed with regard to the definition of IFM in the Netherlands: different actors in the field have different definitions of IFM. The terms ‘main-contracting’ and ‘total facility management (TFM)’ are alternative terms for IFM (Wagenberg, 1997; Ytsma & Ytsma, 2005). In IFM all activities related to housing, services and other means are provided by one organization or service provider (Brat, 1996). As suggested by one academic knowledgeable in the field, the construct of IFM is related to the way FM is governed and controlled. In case of IFM, organizations outsource their FM, either internally or externally. The FM organization or department is an entity within an organization with a special focus on facility management. The word ‘integrated’ means that the internal FM organization has the power to plan and control the facility services that are provided to different internal customers. According to him, if the FM department or organization does not have the responsibility of planning and control, it is not FM, let alone integrated. He strongly conceives FM to be similar to IFM. He states:

“The distinction between IFM, in conceptual terms, and FM for me is the same. FM by definition is integrated as an idea. But apparently the market needs to add this word integrated and I think that has to do with the devaluation of the idea of FM. IFM is a marketing tool”

However, in the field of FM in the Netherlands, it is a wide spread understanding that the term IFM involves

external outsourcing. For instance, a consultant describes it as follows:

“When we talk about IFM we are talking about outsourcing. IFM is outsourcing all your facility including management and coordination to one supplier”.

Different Forms Of Governing FM

Different ways of organizing facility services (emerging over time) in the field of FM in the Netherlands could be categorized into four broad types though some variations are also possible.

- a- *Organization of facility services by different departments/divisions individually within an organization*
- b- *Organization of facility services by a facility manager/FM department with central planning and control. It may involve outsourcing of facility services.*
- c- *Shared service center by centralizing the FM function (with internal and/or external outsourcing).*
- d- *IFM (emerged in the Netherlands roughly in the mid-1990s) wherein the operations as well as the management of facility services is transferred to a service provider. IFM phase does not mean that other forms of organizing were absent. Rather there has also been an increase in centralized FM departments, outsourcing and shared service centers.*

Facility services department is an expense center. "Expense centers are responsibility centers for which inputs or expenses are measured in monetary terms, but for which outputs are not measured in monetary terms" (Anthony & Govindarajan, 1994, p.134). The governance of a cost center may be handled by a manager who is responsible for the cost center. One of the major reasons of the early developments towards making a facility management department /unit with a responsible manager was to focus on core and save costs instead of having FM functions dispersed over different departments within the organization. This also necessitated the need to develop the knowledge base for the facility managers. The following opinion of an academic, in FM area, matches with the historical analysis of academic articles and field documents when he describes the rationale behind this movement as follows:

"So about 20 (1980s) years ago in the Netherlands, the multinationals started to see that it was not a good idea to have all these separate activities from management and control point of view. The academic research also hinted at that and then you see that they decided to put them at least under a new manager who had also a higher position in the organization and kind of collected all these activities and made the manager responsible to run these things. And basically there was an idea that if you did it that way, the magic of management would happen and the costs would go down and a lot of practical problems would be solved slowly. I immediately started to see their questions were management re-

lated. How can we control things? How can we know what we are spending in these fields because there was no idea? This was an overhead. It was booked as overhead and the overhead was growing and growing so controllers at the level of these large organizations were becoming more and more annoyed because of these growing overheads and because of the fact that they could not control it. So basically they said, managers you start to control it. So lot of emphasis has been on the cost side."

IBM was the first case in the Netherlands that adopted the idea of IFM and the rationale for such a move was also cost reduction, flexibility and increasing shareholders' value. For instance a facility manager and an active member of a professional association in the field, gives examples how IBM and other companies adopted IFM because they wanted to reduce costs (headcounts) and increase shareholders' value.

"In 1995 at a golf course, the general manager at IBM told me that he was busy with the process of starting with Johnson Controls as their integrated facility manager. IBM was in downfall and they had to cut costs and they wanted to make their costs flexible and their main goal was actually more shareholders' value. They said ok how our fixed cost (such as personnel cost) can become flexible so that we can prove to our shareholders in accounting. After outsourcing the value of Dutch IBM rose because they cut off about 350 FTEs. The shareholders said wow you have made cost flexible and they actually earned the cost of

their outsourcing immediately with the process from their shareholders. You see the whole IFM started from much more international companies that have a connection with shareholders value. If you have a huge inflexible cost (200 or 250 own staff) that is difficult especially in Dutch Law. If you want to get rid of somebody, you have to make full payment of 2 years to that person. That's, of course, a lot of money. Companies in Holland make cost flexible like this. Just before merger with Air France, KLM outsourced 300 people only to have a better negotiation with Air France. IBM was one of first companies which had outsourced totally their huge amount in 1994-95."

The two quotes above highlight how the field of FM and governance of FM had been changing over time. The idea of having FM department carries the concept of imposing financial control. Similarly, the adoption of IFM by IBM was motivated by the financial control perspective in the form of cost reduction.

Historical Developments

The historical analysis of the FM academic literature and practitioner data helped in drawing the timeline of the emergence of different forms of governance. Table 2 below shows three phases of the emergence of different governance forms.

Table 2: An Overview Of Historical Emergence Of Different Governance Practices/Forms

Phases	Time Periods	Governance Forms
Phase-1	Pre-1980s	<ul style="list-style-type: none"> i- Centralized control of activities ii- Dispersed activities of FM in different departments / divisions
Phase-2	1980s-1990s	<ul style="list-style-type: none"> i- FM department (without or without outsourcing) with responsibility for planning and control of facility services ii- SSCs (internal or external outsourcing) iii- IFM (one example in mid 1990s)
Phase-3	2000-2009	<ul style="list-style-type: none"> i- FM department (without or without outsourcing) with responsibility for planning and control of facility services ii- SSCs (internal or external outsourcing) iii- IFM / TFM (Many companies were adopting this practice)

PHASE-1 (PRE-1980s)

Before 1980s there was growth in divisional forms. Real estate and facility management departments were founded because of expansion in the

business activities (mass-production & growth) in the first few decades of the twentieth century (Krumm, 2001).

There was continuous growth, internationalization and transformation of traditional functional structures into struc-

tures based on geographical distinctions (Krumm, 2001). Hence the governance forms present during this period of time were centralized control of FM activities and/or divisional form of control.

PHASE-2 (1980s-1990s)

The recession in 1970s contributed to the breakthrough of FM because it forced companies to manage costs more precisely (Barnhoorn, 1995). Management had lost control by pushing down services (Barnhoorn, 1995). In the beginning of the 1970s, rising competition and the increasing cost of doing business forced corporations to rethink their existing structures and strategies (Krumm, 2001). Theories of value chain and distinction between primary and support functions (Porter, 1985) and concept of core competence (Hamel & Prahalad, 1994), had been driving the companies to focus on their core business and outsource support functions like FM (Brat, 1996; Jensen, 2008). There were trends such as back-to-the core, downsizing, outsourcing and right sizing (Krumm, 2001). The economic history of USA and UK and influence on FM was prominent where the 1980s was the time of intermittent recession and consistently vigorous cost-cutting in FM and 1990s was the time of, for economic reasons, the rapid rise of outsourcing of FM functions (Duffy, 2000). During this phase IFMA (International Facility Management Association) and FMN (Facility Management Netherlands) were created. Dutch market knew only single service suppliers and there were no suppliers of integral facility packages (Brat, 1996). The

field of FM has been influenced by the concept of financial control since 1980s. In 1980s-1990s, the companies experienced competition, recession and increase in the cost of operations on the one hand, while on the other hand theories that supported the rationalization and financial control emerged (for instance, the theory of the value chain, regarding a focus on the core and the outsourcing of the non-core). Similarly, the idea of having an FM department with a responsible manager implied enacting financial control. The governance forms that emerged during 1980s-1990s were FM departments (with or without outsourcing), SSCs and IFM. For instance, Dutch Municipalities (Wagenberg, 2003) and DSM- a medium sized international chemical organization in the Netherlands adopted FM Department form of governance. Shell had a SSC called Shell Services International (SSI) in 1995 and Ahold also had worldwide centers of excellence (SSCs) (Krumm, 2001). IBM was the first example in the Netherlands, in the mid-1990s, which went for IFM form of governance. The service provider was Johnson Controls. Many authors consider cost control to be an important task of facility managers and some define FM as an economic function concerned with ensuring an efficient use of physical resources by controlling cost (Duffy, 2000; Grimshaw, 2003). History shows that a business environment that was focused on an adequate return on capital had impacted the practice of FM towards cost control and outsourcing over time (Duffy, 2000). For instance, a Dutch study (cited in Van Wagenberg, 1997) on outsourcing (Groeneweg, 1996) indicates that cost

reduction was the main motive for outsourcing. Similarly, one of the objectives of FM is to facilitate work in an efficient way and to contain cost (Wagenberg & Vogel, 1993). The benchmark studies also reinforce the perspective of financial control because one of the major purposes of benchmarking is to compare costs and take appropriate actions to reduce cost and become efficient.

PHASE-3 (2000-2009)

The outsourcing grew in this decade. The outsourced market size was 63% in 2009 as compared to 57% in 2000 and the outsourced market growth index shows a growth of 8% during these 9 years (Gijsbers, Van der Kluit, & Spijker, 2010). This last phase (2000-2009) shows that cost reduction pressures and financial crises strengthened the financial control perspective. For instance, according to Netherlands FM market report of 2010, 61% of the facility managers got average cost reduction targets of 10.5% from their managements. The organizations were often looking for ways to rationalize the non-core and enhance shareholders' value. The pressure to enhance profitability included pressure to reduce costs (Krumm, 2001). The IFM decisions of initial (IBM) and later ones were dominantly driven by the logic of financial control. The FM market report of 2010 suggests that the criteria for selecting the service providers had become tougher in terms of more focus on price (cost savings) (Gijsbers et al., 2010, p.68,74,100). The governance forms that were present during the last phase included FM department, SSC, IFM/TFM and finan-

cial control logic underpinned all these forms of organizing. During this decade many companies were adopting IFM / TFM form of governance, for instance, Dutch Railways (NS), KPN, Philips and KLM. The proponents of all forms of organizing FM claimed efficiency or cost savings to be a major objective. The multinational and big national organizations were more inclined towards IFM. Small companies, government and non-profit organizations did not consider IFM to be an appropriate choice and they preferred other forms. A consultant explained it as follows:

“For the last couple of years (3 to 4 years) most of the large corporate companies are interested in this way (IFM) of organizing FM. So they all do studies, they all outsource; they all are looking for parties. It's not popular for the smaller one, for the government and educational facilities. It's only the private sector.”

The dominance of a logic of financial is consistent with the observation that the organizations themselves are the main drivers behind the development of FM (Wagenberg, 1997). The big multinational organizations, in most cases, come in contact with different fields and logics (Greenwood & Suddaby, 2006) and the logic of financial control is acceptable to and is compatible with the market and corporate logics. That is why such organizations are often looking for ways to rationalize and enhance shareholders' value. The logic of financial control is connected to the broader societal logics of market (shareholders' value) and corporation (profitability).

Logic Of Financial Control

The analysis of the data suggests that the logic of financial control has been dominant in the field of FM in the Netherlands. Table 3 gives a summary of the characteristics of the logic of financial control.

All the actors in the field subscribe to the logic of financial control. The institutional logics of markets are complementary to the goals of corporations (Thornton, 2002). The logic of financial control has also helped the FM profession to grow and innovate. The pressures to rationalize and reduce cost and become flexible have led to innovative approaches to managing the

facilities that support the business (Alexander, 2003). The severe commercial and competitive pressures on business have in a way increased the practical relevance and significance of FM to the organizations because the organizations have to realize cost savings and have to focus on the core to be competitive (Pathirage, Haigh, Amaratunga, & Baldry, 2008; Sullivan, Georgoulis, & Lines, 2010). While at the one hand the focus is on core and reducing cost, at the other hand the facility services are no longer of marginal significance (Pathirage et al. 2008). The logic of financial control dictated by the economic environment has also helped the professionalization

TABLE 3: CHARACTERISTICS OF THE LOGIC OF FINANCIAL CONTROL

<ul style="list-style-type: none">- Efficiency and economies of scale- Financial control and cost containment- Benchmarking- Transparency- FM as a business- Increasing profits- Building a competitive position- Capital committed to market return- Market as a control mechanism- Reduction in headcount- Shareholders' value- Profitability
--

of FM. The logic of financial control remained dominant and became stronger due to financial crises in 2008. The service providers of IFM and consultants claimed that they were professionalizing the field of FM by implementing the logic of financial control. For instance, a service provider explains how they are professionalizing the field of FM:

“The field has changed because of the pressures from the top management in organizations and because of the role of the consultancy organizations. They started to benchmark and they benchmarked the outsourced clients compared to in-sourced facility management and said, ‘hey you can achieve 50% lower cost and look what’s happening.’ It’s our core business as service providers. We are developing tools and systems on a very higher level with very fast development. We have to, because we want to be successful. So we developed a fully automatic system of what you call Facility Scorecards for our clients and a single client could not ever invest that amount of money with that kind of knowledge to develop something like that. And if they had developed this it was already old because we develop these things for 150 clients and implement it and the lessons are learnt. So there is a continuous improvement. Not only on the level of cost but especially on the level of professionalism of FM. The service providers develop themselves and their profession quite fast”

Discussion And Conclusions

The paper aims to explore the change in governance of FM in the

Netherlands by drawing upon multiple sources of data. Unlike other professions FM is relatively young and developing profession. The analysis of the data reveals that the logic of financial control has been the dominant logic. In this logic the role of FM function is to promote efficiency and economies of scale, financial control and cost containment, transparency, reduction in headcount, shareholders’ value, increasing profits, etc. There have been some concerns to include non-financial aspects in the governance of the FM. For instance, FM is a profession which focuses on a broader context where there is an ethical use of knowledge (Alexander 2003) and social responsibility to meet the needs of all stakeholders (Grimshaw 2003) instead of only shareholders. Similarly, FM adds to whole supply chain (Alexander, 1999) and value addition is about optimization instead of only cost cutting (Roberts, 2001). Users’ needs and interest are important and cost cutting should be put in the context of greater effectiveness (Duffy 2000). There have been suggestions that corporations should go beyond sheer operational efficiency and the decisions regarding an in-house department or external service providers should be made on the basis of best services delivered. It is about effectiveness, users’ interests, social and ethical responsibility and better living and working conditions. A rigidly controlled work place exhibits a lack of professionalism. FM is under-researched and is at an early stage of its development (Nutt, 1999; Ventovuori, Lehtonen, Salonen, & Nenonen, 2007). In academic terms, FM is a comparatively new subject area; a

field that has grown out of diverse interests from different subjects. It is not an academic discipline in a conventional sense (De Bruijn, Van Wezel, & Wood, 2001). However, dominance of financial control has sustained over time.

The research findings indicate that in all forms of organizing FM the objective is to impose financial control over facility services/operations. The field of FM has traditionally been ruled by financial control logic which is connected to broader logics of shareholders value and profitability. Financial control perspective has been buttressed by the competition and financial crisis over time. Emergence of different theories on organizing business activities supported the financial logic and shaped the field. For instance, the theory of the value chain, concepts of core competence and theories on outsourcing have been influential in shaping the understanding of the people and organizations towards rationalization. Service providers and consultants consider implementing financial control is a professional way of handling facilities services.

This study also adds to the institutional theory by illustrating that new practices may emerge and develop

without a substantial change in the dominant institutional logics. This provides counterpoint to most of the research on institutional logics (e.g. Lounsbury, 2008; Lounsbury & Crumley, 2007; Thornton & Ocasio, 1999). The logic of financial control had been dominant since 1980s but still new forms of governance emerged over time till 2010. The forms of governance emerging over time were the centralized FM departments, SSCs and IFM/TFM. One possible explanation is that the institutional environment in the FM is quite specific (FM is a support function) and the origins of the concept/idea and practice of FM in 1980s as a solution to controlling costs (in 1980s) were driven by the logic of financial control. Further, the institutional environment has been financially stringent and service providers and client organization have been acting strategically to cope with the institutional pressures of reducing costs. The strategic actions of the service providers and client organizations, especially international ones, resulted in the emergence of new forms of governance over time.

Future research may be conducted to explore the further developments in the field of FM and their implications for neoinstitutional theory and practice variation.

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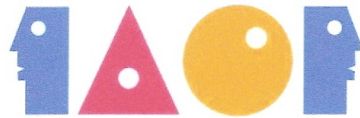
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Appendix A: Overview Of Field Documents

Sr.	Name	Description
1	2010 De Nederlandse Facility Management Markt- Een overzicht van cijfers, trends en ontwikkelingen by Ellen Gijsbers, Arne van 't Spijker & Jelle van der Kluit	2010 FM Market in the Netherlands—a joint publication of Twyndstra Gudde, Adviseurs & Managers (consultants) and FMN (Facility Management Nederland)—a professional association.
2	2008 De Nederlandse Facility Management Markt- Een overzicht van cijfers, trends en ontwikkelingen by E. Gijsbers & J.P.C van der Kluit.	2008 FM Market in the Netherlands—a joint publication of Twyndstra Gudde, Adviseurs & Managers (consultants) and FMN (Facility Management Nederland)—a professional association.
3	Facility Management in the Netherlands- Market Analysis 2006, by Manon van Herk, Corrina van Diepen-Knegjens, Jelle van der Kluit & George Maas.	Twyndstra Gudde, Adviseurs & Managers (consultants).
4	De markt van Integraal Facility Management in Beeld Gebracht- Een verkennend onderzoek naar de stand van zaken 2009 by Richard Lennartz & Rob Veeke	A joint publication of Significant-advies- en onderzoekbureau (consultants) and FMN (Facility Management Nederland)—a professional association.
5	The view of Facility Managers about Integrated Facility Management 2008 by Ellen Gijsbers.	Master thesis.
6	Responsiveness of Total Outsourcing of Facility Management, 2007 by T. Bendsdorp BSc.	Master thesis jointly supervised by two academics and a manager from a renowned service provider firm.
7	FM Market Size in Europe by Sven A. Teichmann MBE, issue 11, September 2009.	Published in EuroFM Publication called European FM Insight. This is a practitioners' magazine.
8	Demand Management- Changing the way Organizations Acquire Goods and Services.	A publication by a consultant named AT-KEARNEY.
9	Trends in FM practice and academic research from a Dutch perspective.	A PowerPoint presentation by Professor Dries van Wagenberg, Endowed Chair Facility Management, Directeur Centrum Facility Management, browsed from internet.
10	Integrated Facility Management.	A presentation by a consultant.
11	What is FM?	A presentation by a consultant.
12	almanak 2009- De informatiecatalogus voor alle le-	A publication by FMN. It contains the informa-

	den van Facility Management Nederland.	tion about the members of FMN.
13	Geschiedenis van Facility Management- van zoetelaar tot facility manager by Wessel Ytsma & Michiel Ytsma.	A publication by FMN. It is about the history of FM in the Netherlands.
14	The past, present and future of facility management in Europe by Graves, Hitch, Armstrong and Becker.	Browsed on 08-03-2011 at EuroFM website at the following web address http://www.eurofm.org/about-us/what-is-fm/
15	EN 15221-1	A presentation about European definition of FM by EuroFM- European Facility Management Network.
16	The paradigm shift to the demand organization by Iwan Liem.	A PowerPoint presentation by a member of F-MEX Foundation (an association of facility managers).
17	De facility manager regisseert 2009- Positie, verantwoordelijkheden en bloning in een veranderend werkveld by Heleen Ruys, Henk Visser & Marijke Wiedemeijer.	A joint publication of Kluwer, Hospitality Interim, FMN and Facto Magazine.
18	The outsourcing monitor	A publication by a consultant.
19	De Toekomst van Facility Management in Nederland, 2011, by A.F. van Wagenberg.	A publication by FMN
20	Nederlandse Facility Costs Index Coöperatie U.A.	An independent authority which gathers costs data, based on NEN 2748, from its members to calculate the costs indices / benchmarks for costs of facility services within the Netherlands.
21	NEN-2748 (Nederlandse Norm-2748)	A Dutch standard for Terms for facility- Classification and definition.



A STUDY ON THE EDITING FREQUENCIES TRENDS FOR FILMS EMOTION CLIPS

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Abstract

This paper focuses on explore of editing frequencies trends of emotion clips in films. Clip is an important aspect in film making process, as well as the last recreation step for films. Films not only convey emotions to the audiences though images and soundtracks, but also use editing frequency to help the audiences share the emotions expressed therein. Film-related art is changing with time and the development of science and technology, so does film editing. The author builds on the montage theory to make a data-based analysis of editing frequencies. With film clips selected from the past decade or so, the author tries to identify variation in the editing frequencies of emotion clips, looks at film editing from a development perspective, so as to provide reference data and theoretical analysis for editing of emotion clips in the latter stage of film making.

Key words: emotion clip, editing frequency, trend.

Introduction

Editing is an important link in film making, as well as the last recreation step for films. During the one hundred plus years since the birth of the film, social development and science and technology progress have resulted in the constant changes and innovations of film editing ideas and techniques, ranging from non-editing at the beginning stage to re-shooting of film clips, to the attempt of Edwin S. Porter to switch time and space, to the seamless

editing by D.W. Griffith, and to the montage theory of Sergei Eisenstein. As time went by, the editing frequencies of emotion clips also changed gradually. Have the editing frequencies of emotion clips changed significantly in the past decade? If so, what are the change trends of editing frequencies in emotion clips?

Related Research

“Film editing means breaking down and assembling the images and soundtracks of films. Large quantities of film clips are sorted, selected, bro-

ken down and assembled to create a work with consistent and smooth progress, clear meaning, outstanding theme, and artistic influence.” Through editing of clips, the film generates a rhythm to motivate the audience’s emotions and achieve premium visual and audio effects. Rhythm is an orderly synergy of organizing variables to create a consistency. Rhythm fully showcases the aesthetics of art, and film art is no exception in this regard. During the editing of a film, deciding the lengths of clips can also generate a sense of rhythm. Such treatment can enhance the artistic expression and influence of the film.

Walter Scott Murch, the most respected film editor and sound designer in the modern cinema, put forward the Rule of Six for editing and prioritized them: 1. Emotion, 51%; 2. Story, 23%; 3. Rhythm, 10%; 4. Eye-trace (the position and movement of the audience’s attention focus in the image frame), 7%; 5. Two-dimensional plane of screen (such as axis line), 5%; and 6. Three-dimensional space of action (the positions of characters in space and their relative relations), 4%. The percentile distribution is just an example, but it shows that the most important job of editing is to motivate the audience’s emotions, because the ratio of emotion is higher than the sum of the rest 5 items. In emotion-conveying clips, the rhythm of editing plays a critical role. Such rhythm is none other than the editing frequency. And editing frequencies vary in different emotions, which is elaborated in another article “Editing analysis on emotional expression of film” by the same author.

Throughout the history of film, the editing frequency has been getting

higher on the whole. This is closely related to the pace of life and the development of film techniques. From the debut of film to the era of digital technologies, from the *L'arrivée d'un train à La Ciotat* produced by Lumière brothers in 1895 to the American film *Whiplash* in 2014, the rhythm of film has changed greatly. From the audience’s perspective, the quantities of received visual and audio information are increasing, and the receiving speed is also getting faster. In order to accurately convey message and attract the full attention of the audience, the overall rhythm of film has quickened, and the editing frequency became higher accordingly.

Some scholars reckon that: “...When such frequency reaches a peak and transcends the audience’s reception capacity, it will no longer get higher and may even decline..... It is very likely that the editing frequency of film will reach a peak in the future and decline abruptly back to an average level.”^② Certainly, this is an assumption by some scholars. We should realize that though editing frequency is related to techniques, the decisive factor is the physiological and psychological reactions of the audience. The society is progressing and lifestyle is changing, so the audience’s reaction upon receiving information changes too. When expressing different emotions, therefore, the change of editing frequency should also vary.

Experiment and Analysis

The author selected four kinds of most commonly seen emotion clips from well-known films in 2004 and 2014: joy, anger, sadness and fear. There are altogether 16 clips. The edit-

ing frequencies of emotion clips ten years apart are compared.

The 8 emotion clips in 2004 are as follows:

..As shown in Figure 1, clip of “A Moment to Remember”: Two persons in love are emotionally tortured by memory loss, and they sadly pour out their agony. The clip lasts 4 minutes 23 seconds and includes 55 editing points.

..As shown in Figure 2, clip of “The Butterfly Effect”: Evan Treborn grieves upon hearing the suicide of Kayleigh Miller. The clip lasts 59 seconds and includes 10 editing points.
 ..As shown in Figure 3, clip of “The Day After Tomorrow”: Survivors are full of rebirth-like joy after the disaster. The clip lasts 1 minute 30 seconds and includes 24 editing points.

..As shown in Figure 4, clip of “Hawking”: Stephen Hawking dashes off the train to joyfully share his great discovery with his friends. The clip lasts 1 minute 58 seconds and includes 29 editing points.

..As shown in Figure 5, clip of “Shutter”: Thun senses the abnormality in the room, and inadvertently takes a photo to discover the horrifying truth.

The clip lasts 2 minutes 48 seconds and includes 57 editing points.

..As shown in Figure 6, clip of “Koma”: Socialite Ching wakes up to find that somebody is lurking in her house, her mind filled with fear. The clip lasts 4 minutes 43 seconds and includes 47 editing points.

..As shown in Figure 7, clip of “Taegukgi”: Soldiers have disputes, angrily quarrelling and fighting one another. The clip lasts 2 minutes 36 seconds and includes 58 editing points.

.. As shown in Figure 8, clip of “Crash”: The television producer angrily beats up the car thief after being treated unfairly. The clip lasts 3 minutes 55 seconds and includes 113 editing points.

The number of editing points and duration in Table 1 show that: Clips showing joy generate an editing point every 3.91 seconds, while clips showing anger generate an editing point every 2.38 seconds in average. Clips showing sadness generate an editing point every 5.34 seconds, while clips

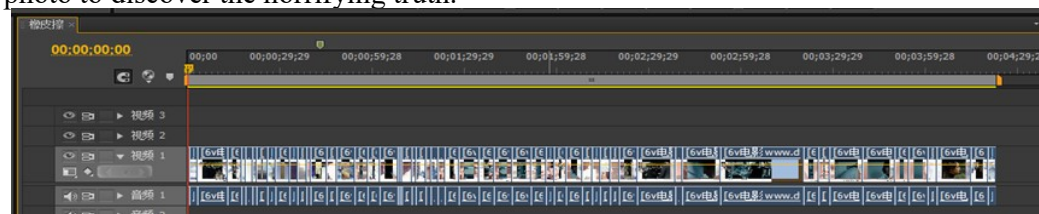


Figure.1 Clip of movie “A Moment to Remember”

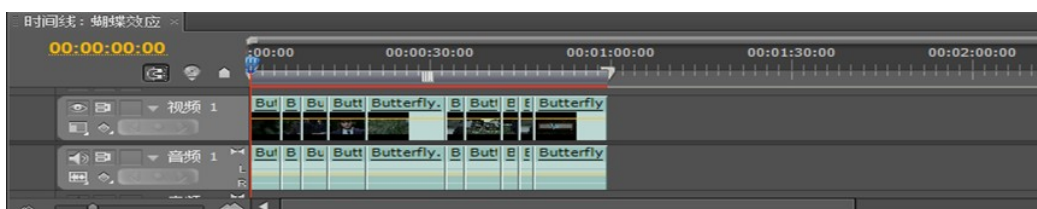


Figure 2, Clip of movie “The Butterfly Effect”

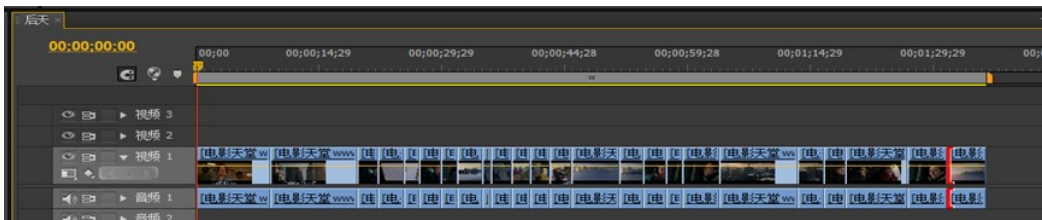


Figure.3 Clip of movie “*The Day After Tomorrow*”

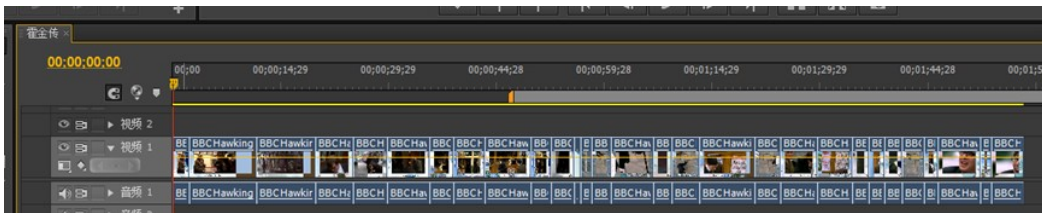


Figure.4 Clip of movie “*Hawking*”

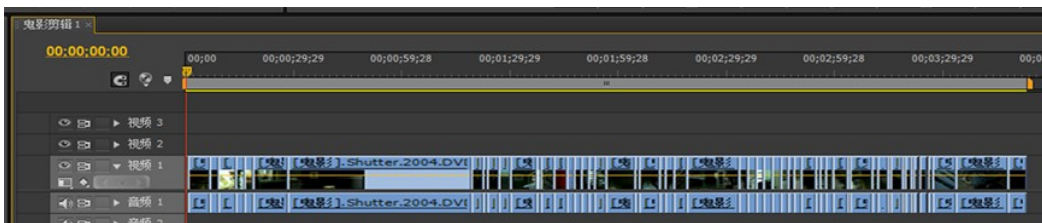


Figure.5 Clip of movie “*Shutter*”

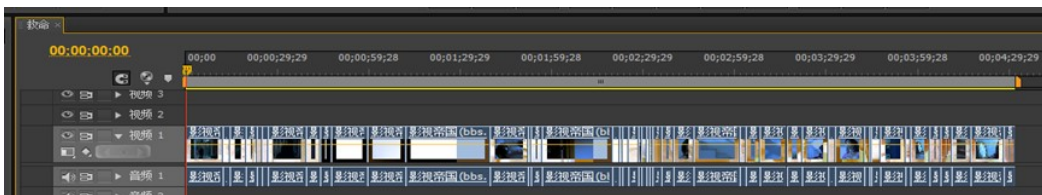


Figure.6 Clip of movie “*Koma*”

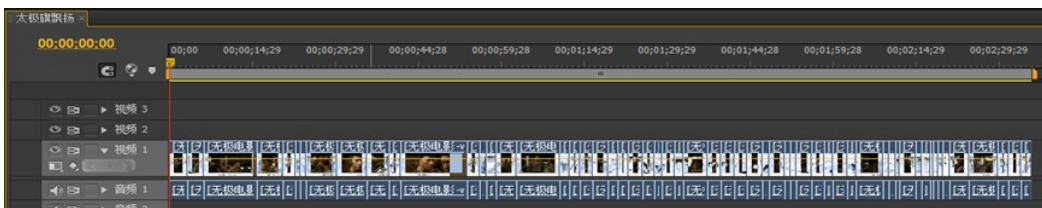


Figure.7 Clip of movie “*Taegukgi*”

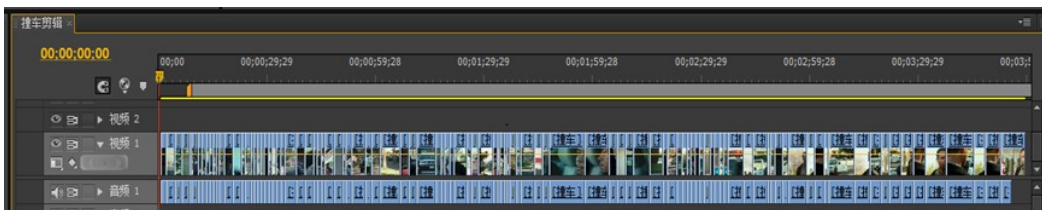


Figure.8 Clip of movie “*Crash*”

Table 1. Average duration.

Emotion Duration (Seconds/Time)	Joy	Anger	Sadness	Fear
<i>The Day After Tomorrow</i>	3.75			
<i>Hawking</i>	4.07			
<i>Taegukgi</i>		2.69		
Crash		2.08		
<i>The Butterfly Effect</i>			5.9	
<i>A Moment to Remember</i>			4.78	
<i>Shutter</i>				2.94
<i>Koma</i>				6.02
Average Value	3.91	2.38	5.34	4.48

showing fear generate an editing point every 4.48 seconds in average.

The 8 emotion clips in 2014 are as follows:

..As shown in Figure 9, clip of “Coming Home”: After going through untold sufferings, Lu Yan returns home to see his beloved wife. The clip lasts 4 minutes 35 seconds and includes 37 editing points.

..As shown in Figure 10, clip of “Dearest”: Despite a close range, mother and adopted daughter fail to reunite, crying sadly. The clip lasts 2 minutes 2 seconds and includes 28 editing points.

..As shown in Figure 11, clip of “Forever Young”: Six young people are

playing at the sea side, full of joy and vision. The clip lasts 3 minutes 16 seconds and includes 32 editing points.

..As shown in Figure 12, clip of “Transformers”: Age of Extinction: Optimus Prime comes back to life and reunites with his fellow Autobots, who are jubilant. The clip lasts 2 minutes 21 seconds and includes 39 editing points.
..As shown in Figure 13, clip of “Wolf Creek 2”: The traveler runs into a pervert killer on the way. The clip lasts 5 minutes 23 seconds and includes 144 editing points.

..As shown in Figure 14, clip of “Hungry Ghost Ritual”: Zong Hua runs into an ugly and ferocious ghost on his

night trip. The clip lasts 1 minute 42 seconds and includes 32 editing points.

..As shown in Figure 15, clip of “Banlieue 3”: Lino burns with anger when seeing Laura pulled out at the end of a chain. The clip lasts 50 seconds and includes 22 editing points.

..As shown in Figure 16, clip of “Overheard 3”: Uncle Nine makes trouble and forces Aunt Jiao to sell her land. Cho fights back in anger. The clip lasts 1 minute 53 seconds and includes 48 editing points.

A.

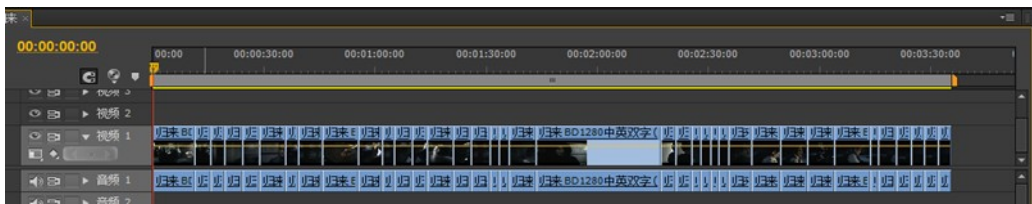


Figure 9, clip of “Coming Home”

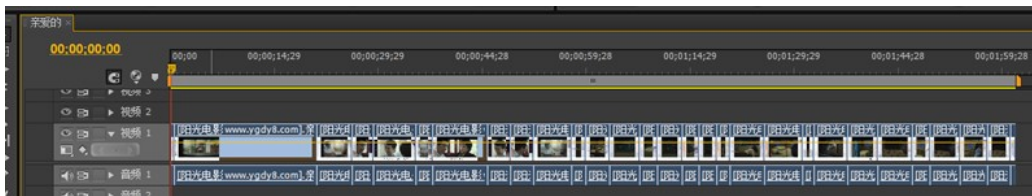


Figure 10, clip of “Dearest”

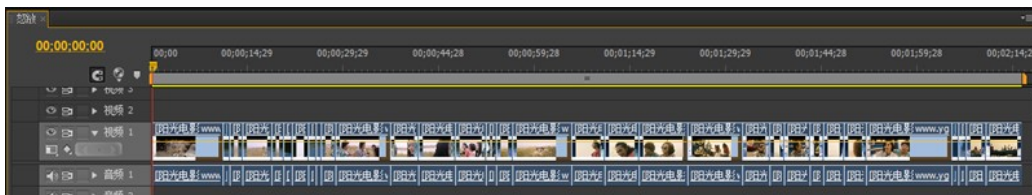


Figure 11, clip of “Forever Young”

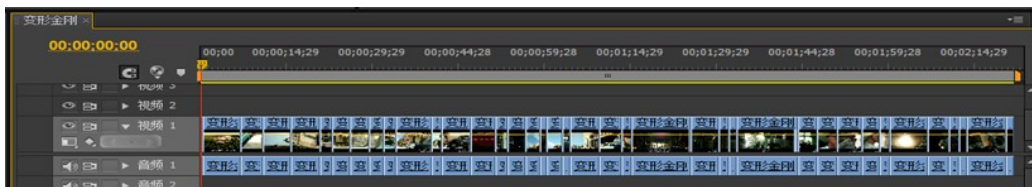


Figure 12, clip of “Transformers”

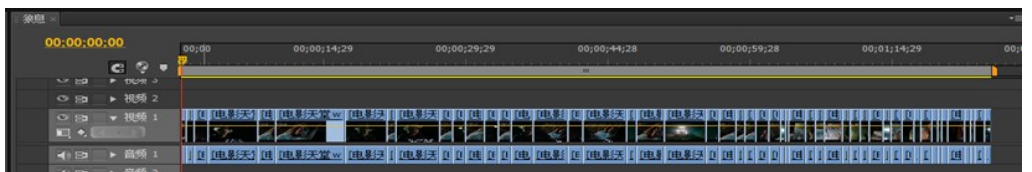


Figure 13, clip of “Wolf Creek 2”

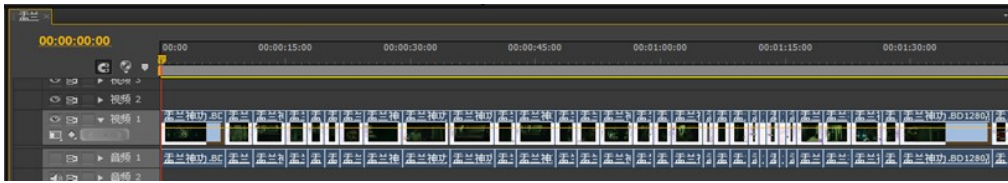


Figure 14, clip of “Hungry Ghost Ritual”

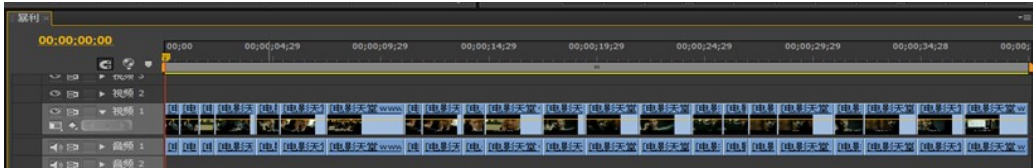


Figure 15, clip of “Banlieue 3”

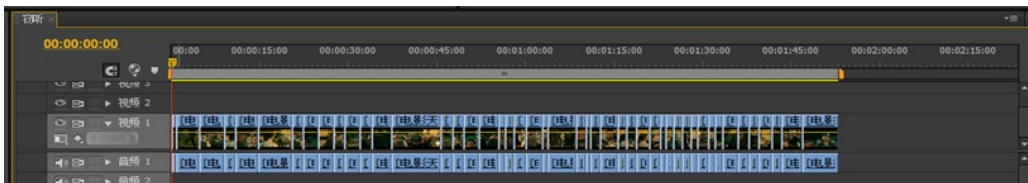


Figure 16, clip of “Overheard 3”

The number of editing points and duration in Table 2 show that: Clips showing joy generate an editing point every 4.87 seconds, while clips showing anger generate an editing point every 2.31 seconds in average. Clips showing sadness generate an editing point every 5.90 seconds, while clips showing fear generate an editing point every 2.71 seconds in average.

Conclusions

By comparing the average values of emotion editing in 2004 with those in 2014, we can see that: The editing frequency of anger clips remains the highest; it gets a little higher but without much change. The editing frequency of fear clips increases significantly, with the average time for generating an editing point being shortened from 4.48 seconds to 2.71 seconds. While the editing frequency of joy clips decreases, with the average

time for generating an editing point being lengthened from 3.91 seconds to 4.87 seconds. The editing frequency of sadness clips remains the lowest and declines a little, with the average time for generating an editing point being lengthened from 5.34 seconds to 5.90 seconds. Data show that not all the editing frequencies increase in the past decade. When expressing different emotions, the changes of editing frequencies vary. The change trends of editing frequencies for emotion clips are divided into two categories: higher and lower.

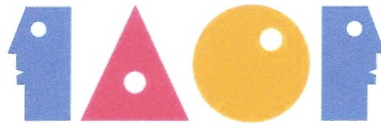
Table 2. Average duration.

Emotion Duration (Seconds/Time)	Joy	Anger	Sadness	Fear
<i>Forever Young</i>	6.12			
<i>Transformers: Age of Extinction</i>	3.61			
<i>Banlieue 3</i>		2.27		
<i>Overheard 3</i>		2.35		
<i>Coming Home</i>			7.43	
<i>Dearest</i>			4.36	
<i>Wolf Creek 2</i>				2.24
<i>Koma</i>				3.18
Average Value	4.87	2.31	5.90	2.71

Editing is a job integrating sensibility and rationality, emotions and techniques. Appropriate editing can not only better express the contents of the film, but also accentuate the theme. Showing the editing frequencies of emotion clips in data will visualize the sensible part of editing work to a certain degree. Basing on reference data, we can understand the development direction of edition in a more accurate manner, and provide more bases for editing theories and practices.

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EFFICIENCY OF THE HEALTHCARE SYSTEM IN TAIWAN: AN
ILLUSTRATION WITH MULTIDIMENSIONAL SCALING AND
DATA ENVELOPMENT ANALYSIS

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Abstract

This study aims to explore the efficiency of healthcare resource allocation under the guidance of 23 city and county regional governments in Taiwan. The data envelopment analysis (DEA) method was used to compare the relative technical efficiency between counties and cities during the period from 2000 to 2009. In addition, the multidimensional scaling (MDS) method was applied to examine the allocation of healthcare resources in the Taiwan health system. The DEA results showed that some counties and cities had a long history of low relative technical efficiency, and the MDS results indicated that healthcare resource allocation was palpably unbalanced and of low relative efficiency. The results of this study will provide policy-makers with some insight into the efficiency of current healthcare resource allocation, and prioritise improvements for the counties and cities that show long-term low relative efficiency.

Keywords: efficiency; health care; data envelopment analysis; multidimensional scaling.

Introduction

Performances regarding healthcare resource allocation have been a significant issue in Taiwan. In fact, the Taiwanese government guides the ma-

jority of the development of all healthcare policies and the overall health service system. This type of government-led mode creates a variety of issues, however, and in consequence the Taiwanese government needs to instigate new healthcare transformational activities every few years in order to

modify previous errors. In addition, funds disbursed for healthcare expenses are also restricted by limited government budgets. Thus, governmental policy-makers should make full use of the limited budgets and try their best to achieve the optimum allocation of healthcare resources (Wu et al., 2008). As measuring efficiency is one of the basic methods for assessing healthcare resource allocation (O'Neill et al., 2008), and the evaluation of healthcare service efficiency is based on the analysis of cost-effectiveness, efficiency and productivity are, therefore, the major measured targets (Parkin and Hollingsworth, 1997).

Since a model was devised by Charnes, Cooper and Rhodes (CCR model) in 1978, the DEA has become a technique for assessing achievement and efficiency via decision-making units (DMU) and there are a considerable number of studies on applied technology combined with a DEA. For instance, Lozano and Gutiérrez (2011) combined a DEA and MDS to analyse the efficiency of EU-25 in terms of tourism. Garcia-Lacalle and Martin (2010) applied both DEA and MDS techniques in researches on the healthcare service, comparing the achievements of rural hospitals in Spain with those of urban ones in terms of efficiency and perceived quality. The

combination of DEA and MDS can help clarify the distribution situation of the perceived map drawn by each observation point on the MDS, by which the relationship between each viewpoint can be understood much more clearly.

The policy on healthcare entitles the government to investigate hospital operational efficiency, and makes the reassessment of the efficiency and utilisation of resources a must for many hospitals. Thus, a very special opportunity arose in Taiwanese hospitals to re-examine the relationship between operation and efficiency (Chang, 2004). It is only when the government can ensure the optimum efficiency of healthcare resource allocation that it can maintain the health, rights and interests of all citizens. On the basis of the above literature, this study was developed in the following two stages. First, a DEA was applied to assess the efficiency of healthcare resource allocation across 23 counties and cities of Taiwan. The multivariable analysis technique was then utilised to analyse the distribution situation and relationships on a map designed to assist the government with its budget allocation, provide an assessment of achievements, and offer solutions in terms of resource allocation.

Literature Review

Taiwan's Healthcare System

When national health insurance was implemented in Taiwan, the government played a very important role in the allocation of healthcare resources. Except for the control of the examination of the healthcare budget, decision-makers were also responsible for supervising the operation of hospitals. One reason for the Taiwanese government's leading role in healthcare is that the Bureau of Health Insurance launched a smart card for national health insurance in 1999. Every citizen applying for national health insurance is required to use the card when going to a hospital, and when the card is activated the patient's data are sent back to the Bureau of Health Insurance so that the government can record, control and manage the utilisation of healthcare resources. In Taiwan this kind of smart card has become an important part of the development of healthcare planning. For the moment, the system continues to be strengthened, with related applications under development, and it is estimated that the efficiency and quality of medical services will be improved (Yang, 2009).

Although the national health insurance scheme has promoted health, it

has also led the government into financial deficit. Consequently, in July 2002, the Bureau of Health Insurance changed the payment plan to a global budget system as a financial solution. Subsequently the Bureau also examined hospitals' cash requirements, and refused to pay claims that did not conform to the health insurance payment rules. Thus, hospitals found ways to improve funding and reduce the claims rejected by the Bureau of Health Insurance (Tung and Yang, 2009). Apart from the global budget system and the individual examination system, however, healthcare resources should be allocated in relation to efficiency, as this is the only way in which the huge waste of resources can be effectively reduced.

Efficiency of Health Care

Since the increase in healthcare expenditure is an inevitable trend, assessment of the efficiency of health care will become more and more important (Cassel and Brennan, 2007). In the United States, the poor management of healthcare resources has led to an excessive waste of money and materials; some 75% of American adults believe that the American health insurance system needs to be reconstructed and the costs controlled (Bush, 2007). The low efficiency of the healthcare

system is also apparent in Europe where welfare and resources need re-adjustment and reallocation to avoid serious impact on the overall economy (López-Valcárcel, 2010). Furthermore, Australia also needs to improve healthcare resource allocation and utilisation as a result of ineffective fund disinvestment (Elshaug et al., 2008). In Asia, Taiwan and South Korea are confronted with the problem of an increase in medical costs. The Taiwanese government pays more attention to the healthcare budget, thus treating the assessment of healthcare resources as paramount. The Korean government, however, has avoided the method in order to demonstrate its faith in the medical profession (Kwon and Chen, 2008). The Taiwanese government's changes to and control of the budgetary system indicate that it places great emphasis on healthcare budgets. Thus, the assessment of healthcare resources is important.

In terms of the assessment of efficiency, the DEA serves as one of the optimal ways to analyse it via decision-making units (Aksezer and Beneyan, 2010). In addition, since more and more public resources have been put into healthcare, it is necessary to assess the utilisation of resources so that any ineffectiveness of healthcare performance can be quickly identified

and remedied. Hussey et al.'s (2009) systematic review on the efficiency of healthcare shows that a DEA is the choice of many researchers in the assessment of healthcare. According to the above-mentioned literature, it is clear that using a DEA to assess the efficiency of healthcare is the optimal and most effective method. The reason is that a DEA compares the relative utilisation rate, and the analytical results can easily serve as a reference index for the solutions to practical problems.

Research Method

The research design for this paper was based on both a DEA and an MDS, as Garcia-Lacalle and Martin (2010) suggested that the analysis of the efficiency of healthcare should be performed in two phases. In the first phase, using the healthcare data from 23 Taiwanese counties and cities for the ten years from 2000 to 2009, a DEA was applied to assess the relative technical efficiency of the inputs against the output variables. Then, in the second phase, a multivariable technique was utilised to examine the data matrix from the DEA analysis. The perspective map, created by an MDS, was the main channel for understanding the distribution of these 23 counties and cities, as well as the relationships be-

tween them, which together with a cluster analysis can explain the implication of the MDS perspective map and the relationship between the observed objects. The framework of this paper is shown in Figure 1.

Measurement of the Efficiency of Healthcare Technology

Owing to the utilisation of the input-oriented mode and the constant return to scale (CRS) conforming to

the standard observed by most DEA studies and literature on healthcare (O'Neill et al., 2008; Garcia-Lacalle and Martin, 2010), a CCR mode, which is a mathematical programming mode developed by Charnes, Cooper and Rhodes (1978) from Farrell's (1975) concept, was applied to assess the efficiency of the healthcare. Having many input and output variables,

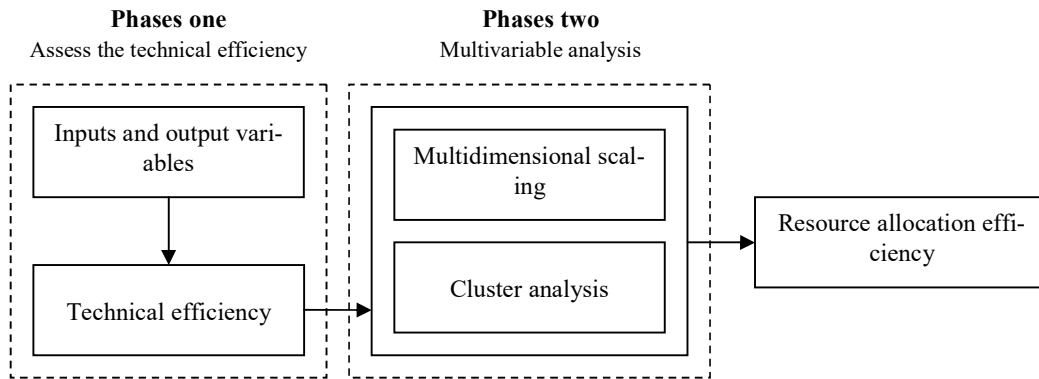


Figure 1. Research framework

the CCR mode measures the technical efficiency of each DMU on the assumption that the return to scale is constant. Therefore, according to the mode, if the technical efficiency value of DMU is equal to one, the DMU is said to be relatively effective; if the value is less than one, the DMU is said to be relatively ineffective.

The selection of the input and output variables is very important for

the development of the DEA mode. According to the literature the input and output variables suitable for health care are chosen from the variables used in previous, related researches. In the present work, some commonly used input and output variables were selected from 79 articles provided by O'Neill et al. (2008) on the application of a DEA to the classification of healthcare efficiency. For example, the input variables included the number of

hospital beds, medical personnel, and costs, etc. Meanwhile, the output variables consisted of other common variables, such as the number of patients, length of hospitalisation, and number of services. Furthermore, this study compared the healthcare efficiency in different areas, not between individual hospitals. Therefore, the variability of compared areas must be taken into consideration in terms of the input and output variables. If a DEA is applied to analyse the efficiency of health care between different counties, cities and areas, the healthcare budgets and the number of medical facilities should be considered as input variables (Wu et al., 2008). If the efficiency of healthcare systems in different areas and countries is to be assessed, the public expense appropriated by the local government, areas, or countries is an evitable variable (Hadad et al., 2011). Liu (2012) also holds that when the efficiency of healthcare facilities in different areas is assessed, the number of healthcare facilities is a variable item that must be taken into consideration.

The improvement of patients' health is the most important indicator for hospitals' output variable, however. As it is very hard to measure the state of health, another feasible method suggested is the direct measurement of a hospital's level of service (Kao et al.,

2011). According to the above-mentioned literature, and with reference to the input and output variables chosen by other related researches, four input variables and four output variables were determined for the present study. The definition of the variables are shown in Table 1. below.

Results of the DEA and Multivariate Analysis

Uniting the technical efficiency after a DEA analysis with an MDS can not only explore competitive advantages, but also check the contribution of the input and output variables to the overall efficiency (Wang et al., 2011). When a DEA was applied to analyse the efficiency value of the input and output variables, the MDS helped to reveal the relationship between the research objects (Lozano and Gutiérrez, 2011). As a method that can change dimensions into attributes, an MDS presents another perspective map by means of two dimensions. Thus, an MDS itself is adequate for research related to healthcare. Watcharasriroj and Tang (2008) applied the MDS method to assess healthcare providers' opinions and experience on the healthcare mode.

Table 1 The definition of the input and output variables

Category	Definition
Inputs variables	
Healthcare budget outlay	The total expenditure of local governments a year in healthcare
Medical facilities	Number of public and non-public hospitals and clinics
Hospital beds	Hospitals and clinics, the number of general hospital beds and special beds
Medical personnel	Number of various types of physicians, nurses, and other government approved practicing medical staff
Output variables	
Outpatient amounts	The total number of outpatient visits a year
Emergency treatment amounts	The total number of patients receiving surgery a year
Operation amounts	The total number of inpatient and outpatient surgeries within a year
Discharge	The total number of patients discharged a year

The perspective map is mainly based on the data matrix of the DEA's efficiency value. The statistical software alternative least-square scaling (ALSCAL) was utilised as a program analysis measurement to change encoded data into Euclidean distance, whereby the distances between observation objects were worked out. The observed value then served as the coordinate for constructing a perspective map. Additionally, a cluster analysis often works with an MDS to explain the perspective map (Crenshaw et al., 2011).

Empirical analysis

Selection of variables

DEA and MDS methods were mainly applied in the study to assess the relative efficiency of healthcare resource allocation of 23 counties and cities in Taiwan from 2000 to 2009. The research data can be found in *The*

Operating Report of Medical Institutions and the Hospital Medical Services in Taiwan, published by the Statistical Division of Taiwan Health Department from 2000 to 2009. In line with the related literature (see Table 1), four input variables and four output variables were selected for the calculation of the relative technical efficiency of each DMU. The descriptive statistics of the input and output variables from 2000 to 2009 are shown in Table 2. Pearson correlation coefficient analysis was used to test the strength of the relationship between input and output variables and the results are shown in Table 3.

Because of the data span of ten years, the standard deviation of the input and output variables appeared to be much greater, even very close to the average value, as shown in Table 2. During those ten years, the four input variables showed a growing trend year by year. The output variables displayed

no specific variation trend, however, except that the maximum value of the number of emergency treatments, operations, and hospital discharges all occurred in 2009. A positive correlation was observed between the input

and output variables, as shown in Table 3. An increase in some inputs will lead to an increase in some outputs, and that is consistent with the assumptions of constant returns to scale.

Table 2. The descriptive statistics of the input and output variables

	Mean	Std. Dev.	Min.	Max.
Inputs variables				
Healthcare budget outlay ($X1$) ¹	33,215,635	33,388,435	5,882,542	246,662,184
Medical facilities ($X2$)	833	746	70	3,045
Hospital beds ($X3$)	6,172	4,891	463	23,781
Medical personnel ($X4$)	7,243	7,205	457	38,155
Output variables				
Outpatient amounts ($Y1$)	4,202,149	4,308,668	277,341	22,419,015
Emergency treatment amounts ($Y2$)	285,694	235,547	23,337	1,183,156
Operation amounts ($Y3$)	72,349	75,605	1,535	377,301
Discharge ($Y4$)	122,536	110,000	6,754	555,424

¹ Per 1,000 New Taiwan Dollars

Table 3. Correlation coefficients between variables

	$X1$	$X2$	$X3$	$X4$	$Y1$	$Y2$	$Y3$	$Y4$
$X1$	1							
$X2$	0.851	1						
$X3$	0.877	0.915	1					
$X4$	0.894	0.923	0.982	1				
$Y1$	0.912	0.876	0.960	0.975	1			
$Y2$	0.894	0.918	0.981	0.975	0.967	1		
$Y3$	0.882	0.859	0.964	0.973	0.986	0.970	1	
$Y4$	0.868	0.867	0.977	0.975	0.983	0.969	0.986	1

Measurement of Efficiency

According to the CCR mathematical programming mode proposed by Charnes et al. (1978), the relative

technical efficiency of the DMU was worked out on the assumption that the returns to scale for the input and output variables were stable. In order to present a much clearer perspective map,

Table 4. The technical efficiency of the healthcare system in Taiwan

	Code	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Taipei City	A1	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Kaohsiung City	A2	0.873	0.891	0.925	0.920	0.902	0.949	0.910	0.942	0.930	0.924
Keelung City	A3	1.000	1.000	1.000	1.000	0.992	1.000	1.000	0.989	1.000	1.000
Hsinchu City	A4	0.992	1.000	0.969	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Taichung City	A5	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Tainan City	A6	0.761	1.000	0.823	0.830	0.835	0.817	0.797	0.835	0.820	0.831
Chiayi City	A7	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Taipei County	B1	0.763	0.793	0.830	0.753	0.671	0.611	0.741	0.756	0.738	0.750
Taoyuan County	B2	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Hsinchu County	B3	0.976	1.000	1.000	0.944	0.881	0.756	0.749	0.704	0.733	0.715
Yilan County	B4	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Miaoli County	B5	1.000	1.000	1.000	1.000	1.000	0.980	0.956	1.000	1.000	1.000
Taichung County	B6	0.916	0.947	0.987	0.961	0.975	0.901	0.878	0.904	0.932	0.955
Changhua County	B7	1.000	1.000	1.000	1.000	1.000	0.973	0.938	1.000	1.000	0.909
Nantou County	B8	1.000	0.840	0.816	0.821	0.807	0.850	0.874	0.846	0.978	0.967
Yunlin County	B9	0.930	0.899	0.883	0.892	0.887	0.831	0.861	0.786	0.857	0.845
Chiayi County	B10	0.829	0.817	1.000	1.000	1.000	1.000	0.961	1.000	0.936	0.953
Tainan County	B11	1.000	1.000	0.885	0.821	0.738	0.841	0.849	0.823	0.885	0.879
Kaohsiung County	B12	0.909	1.000	0.885	0.850	0.783	0.834	0.847	0.832	0.888	0.862
Pingtung County	B13	0.940	0.947	0.983	0.963	0.943	0.941	0.899	0.834	0.843	0.900
Penghu County	B14	0.724	0.856	1.000	1.000	1.000	0.919	0.940	1.000	0.939	1.000
Hualien County	B15	0.925	0.987	0.908	0.958	0.939	0.947	0.900	0.898	0.861	0.905
Taitung County	B16	0.900	0.882	0.903	0.918	0.892	0.959	1.000	0.997	0.941	1.000

23 counties and cities were encoded. Table 4 shows the codes and the relative technical efficiency of the healthcare systems for the 23 counties and cities in Taiwan from 2000 to 2009. The result of the measurement of relative efficiency in Table 4 shows that the relative technical efficiency for three cities and two counties from 2000 to 2009 was one whereas for one of the other cities and another five counties during these ten years it was less than one. The relative technical efficiency for one of the cities and another five counties during the period only reached one just once or twice, however. Therefore, a multivariable

analysis was carried out to assess the allocation efficiency of these 23 places and their relationship with each other.

Multivariable Analysis

An MDS and cluster analysis were applied in the multivariable analysis, and a data matrix analysis based on the technical efficiency of the healthcare system in Taiwan from 2000 to 2009 was performed. In the process of the MDS, the stress coefficient proposed by Kruskal (1964) served as the major referent indicator for the stability of the perspective map. When the stress coefficient was close to zero, indicating a high degree of adaptability, the point coordinates on

the perspective map were a better representation of the original data matrix.

In the process of cluster analysis, Ward's method, a hierarchical clustering method, was applied to the classification. The cluster analysis was

based on the data matrix produced by the analysis of the technical efficiency of the healthcare system in Taiwan. Table 5 shows the results of the cluster analysis and the coordinates on the perspective map after MDS calculation.

Table 5. The category and coordinates of the perspective map

Code	Group	<i>X</i>	<i>Y</i>	Code	Group	<i>X</i>	<i>Y</i>
A1	One	1.249	-0.063	B6	Two	0.142	-0.037
A2	Two	-0.139	0.249	B7	One	0.929	-0.272
A3	One	1.193	-0.014	B8	Three	-1.133	0.643
A4	One	1.185	0.034	B9	Three	-1.153	-0.162
A5	One	1.249	-0.063	B10	Two	0.750	0.901
A6	Three	-1.748	0.331	B11	Three	-1.240	-0.623
A7	One	1.249	-0.063	B12	Three	-1.208	-0.323
B1	Three	-3.728	0.037	B13	Two	-0.242	-0.334
B2	One	1.249	-0.063	B14	Two	0.609	1.165
B3	Three	-1.844	-1.540	B15	Two	-0.072	-0.142
B4	One	1.249	-0.063	B16	Two	0.353	0.531
B5	One	1.101	-0.126				

The results of the MDS analysis show that when the stress coefficient was 0.061 and the value of the R-squared was 0.988 the coordinates for

the 23 counties and cities presented much greater stability and conformability on the perspective map. Figure 2 is arrived at by combining the results of the cluster analysis with the perspective map from the MDS.

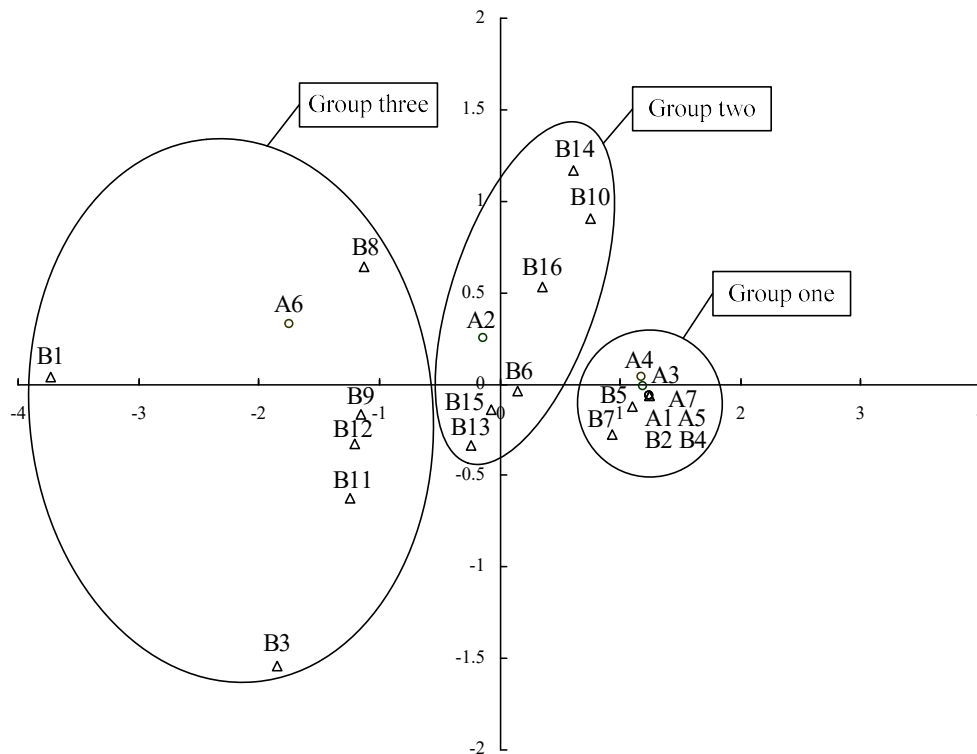


Figure 2. The perspective map for Taiwanese healthcare resource allocation efficiency

The cluster analysis was based on the data matrix produced by the analysis of technical efficiency of the healthcare system in Taiwan. The 23 counties and cities were divided into three groups. Group one consisted of nine counties and cities that had optimal relative efficiency; group two constituted seven counties and cities with an average relative efficiency value that was lower than that of group one, but a little greater than 0.930 of the overall average relative efficiency value; group three included seven counties and cities with the lowest av

erage relative efficiency value that was, of course, lower than the overall average relative efficiency. The classification of the cluster analysis indicated that group one, comprised of four counties and five cities, gave the best performance with an average relative efficiency of 0.997. Additionally, the MDS perspective map also revealed that group one had a higher concentration than the other groups in terms of the distribution of point coordinates on the MDS perspective map.

The average relative efficiency value of group two, consisting of six

counties and one city, was 0.932, which was a little higher than the overall average relative efficiency value. In terms of the distribution of point coordinates, however, group two was much more decentralised than group one. Group three, comprising six counties and one city, had the lowest relative efficiency among these three groups; its average relative efficiency value was 0.844, which was lower than the overall average relative efficiency. In addition, the point coordinates of this group were scattered on the perspective map, which implied that a greater degree of variation existed in the counties and cities of group three than in those of the other groups.

In addition to the direct observation of figures, the distance formula of point coordinates in the space can also be utilised to work out the distance between point coordinates from which the distribution of point coordinates can be decided. According to the coordinate table (see Table 5) for each county and city, those counties and cities with an relative efficiency of one from 2000 to 2009 shared the coordinate (1.249, -0.063) which served as the central coordinate. Then, the distance from the other coordinates to the central coordinate was calculated to find the difference between the counties and cities. The distance from the

coordinates for other counties and cities to the central coordinate (1.249, -0.063), referring to the counties and cities with optimal relative efficiency, is shown in Table 8.

In Table 8, the greater the distance shown, the greater the discrepancy between the two point coordinates. In other words, the counties and cities represented by the greater point distances should take priority in the improvement of resource allocation efficiency of the healthcare system. The perspective map from the MDS revealed that the space length for the Y axis was between 1.5 and -1.5, whereas that for the X axis was between 4.0 and -4.0. Thus, a long and narrow graph took shape. Counties and cities with better relative efficiency were heavily concentrated together whereas those with lower relative efficiency were decentralised on the map. This means that there was a different allocation efficiency of resources in these 23 counties and cities, which indicates that the healthcare resources in Taiwan have unbalanced allocation efficiency.

Table 8. The distance between the points coordinates

Code	Distance	Code	Distance	Code	Distance	Code	Distance
A1	0.000	A7	0.000	B6	1.108	B12	2.471
A2	1.423	B1	4.978	B7	0.382	B13	1.516
A3	0.075	B2	0.000	B8	2.485	B14	1.385
A4	0.117	B3	3.427	B9	2.404	B15	1.324
A5	0.000	B4	0.000	B10	1.085	B16	1.075
A6	3.023	B5	0.161	B11	2.551		

Conclusion

In order to understand the allocation efficiency of healthcare resources in Taiwan, 23 counties and cities of Taiwan were chosen as the research subjects. A DEA and MDS were used to assess the allocation efficiency in the hope of revealing the problems of resource allocation efficiency. DEA analysis can directly determine the relative efficiency value. Additionally, an MDS and cluster analysis can change the results of a DEA analysis into a map explaining the existing problem as fast and as effectively as possible. Furthermore, the distance between the point coordinates on the perspective map obtained from the MDS can help to identify a list of priorities to improve efficiency.

The results of this study also showed that the efficiency of some counties and cities was on the produc-

tion level, as shown by the production frontier in the ten years under study.

Conversely, the efficiency of other counties and cities never reached the production level. Therefore, with regard to the counties and cities with lower efficiency, the government should propose higher budgets and spend more time improving the health service system in Taiwan, which will subsequently raise people's health standards.

Some limitations and difficulties remain in the assessment of health efficiency. The improvement of patients' health should be applied as an indicator to assess health efficiency, but it is very hard to measure the improvement of health with no recognised standard. Therefore, only the service costs can serve as an indicator for the output. Thus, this study suggests that the results of an analysis would convey much practical meaning

if an indicator for the assessment of health was developed and applied in the study of the assessment of health efficiency.

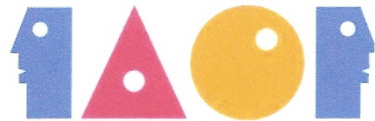
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CITY BRANDING AND PLACE - (UN) MAKING: THE CASE STUDY OF THE TAICHUNG JAZZ FESTIVAL

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Abstract

The previous studies are filled with reflection and criticism of the city marketing strategy, and believe that this mode of quick access to new imagery may cause damage to the local significance. This study selects Taichung Jazz Festival as the subject, traces the history of urban development, clarifies the structural origin of Taichung Jazz Festival and explores the connection between city branding and (un)making of place through revealing the production and consumption process of the festival. The research findings show that the foreign festival, which originally had no local root, has become "new" local traditions after repeatedly "taking-place" in the city. The openness of a place and the initiative of local people can be elaborated by analyzing the funding sources, approaches of investment promotion, ways of organization and performance of tourists in the Taichung Jazz Festival.

Key Words: Urban Entrepreneurialism, City Marketing, Urban Imaginary, Politics of Place, Festival Tourism

Introduction

Confronted with the decline of de-industrialized cities, the European and American governments, turning to entrepreneurialism, started to actively devote themselves to selling places in the 1990s. This is because the city gov

ernments not only play the role of resource allocation, but must think about how they can "market" themselves to ensure the influx of the middle class, tourists and constant capitals (Harvey 1989). Apart from revitalizing the local industries, this can also enhance the land value and substantially increase

the fiscal revenues of the governments. In the era featured by cutting-throat global competition, city branding and place marketing have become the administration priorities of the city's officials. How to highlight the characteristics of a place through city branding has become one of the core strategies of ruling. In this process, all cities rack their brains to join this competition of remaking architecture and urban lifestyle, and make unremitting efforts in bringing forth new festivals and cultural events. As we have seen, the "art" and "culture" activities with least profit-seeking feature begin to play a central role of adding the value of urban land and attracting capitals and talents (Paul 2004; Miles and Paddison 2005; Eshuis and Edwards 2013; Plaza et al. 2015). There are numerous "successful" cases in European cities for the investigation and worship of less advanced East and Southeast Asian cities, including Glasgow, Athens, Brussels and Amsterdam. These cities employ the strategy of developing arts, culture and entertainment to shape a new imagery of the city and as the surest way to assist the city's industrial transformation and to attract foreign investment. This trend blowing from the western countries to the eastern countries has now become the criteria for redevelopment of Asian developing countries and cities or socialist countries, which sincerely accept the cultural consumerism. Cities in Taiwan are also included.

Former Taichung Mayor Jason Hu served as the Taichung Mayor from 2001 to 2015, and committed himself to boosting the attractiveness of Taichung (Taichung City Government 2011) when confronted with the outflow of manufacturing capital to mainland China in the 1990s, heavy blow of the 921 Earthquake to the industries and central Taichung and real estate market as well as poor urban image. Jason Hu administered Taichung for 13 years, and is crucial to the planning of development direction and path of Taichung over the years. Clarifying his governance logic helps to understand the characteristics of contemporary urban development in Taichung City. When coming to power, Jason Hu expressed that the former New York Mayor Rudy Giuliani was his idol and he was impressive about the mayor's ways to save the stagnant economy of New York. Perhaps this rendered him determined to adopt entrepreneurialism. It is not surprising that Jason Hu had such a demand coupled with his abundant international experience in the past. In order to enhance the visibility of the city, he believed that cultural expressions must be used to connect Taichung with foreign countries and tried to let Taichung City keep abreast with Vienna so that the citizens can enjoy a show as they turn around (Ke 2014).

Jason Hu displayed a government of urban entrepreneurialism partly by intense city marketing and by helping

Taichung City to make great debut with International culture. Since the inauguration of Jason Hu till now, the most heavily used city marketing in Taichung City is Taichung Jazz Festival. Taichung is not the only city holding Jazz Festival in Taiwan, but it is the only city which holds the largest festival for 13 years in a row. This festival has become the subject for pilgrimage of all jazz fans in Taiwan, and its scale and global visibility of performance bands are thought highly of. This activity has gradually become a typical cultural festival in Taichung, as proved by the increasingly severe traffic congestion problems in the surrounding areas of the event field. Additionally, even though new mayors of different political parties terminate or change lots of the former mayors' decisions, Taichung Jazz Festival is still observed, indicating that Taichung Jazz Festival has become a "new" tradition of Taichung City.

The exhibition of Taichung Jazz Festival has always been subject to tons of questions and criticism. Especially from 2012, relevant negative news saw a significant increase, including expensive booth food and the strange phenomenon that cuisine overrides music (United Daily News 2013). Also, it is questioned why Taichung Jazz Festival, rather than pop music festival or rock festival, is held? What is the relationship between jazz and Taichung City? If the Taichung Jazz Festival lacks the support of local culture, why and how

the festival becomes the new imagery of Taichung? What are the reasons that such an activity can last for up to 13 years, with larger scale and increasing number of participants? Also, what are the importance and significance of Taichung Jazz Festival to Taichung City? A myriad of studies question and criticize the city branding, and believe that under the umbrella of branding, lots of contradictions and conflicts had emerged in the process of top-down implantation (Jamieson 2004; Johanson 2012). This study attempts to respond to the opinions of these literatures and clarify the relationship between city branding and place making through the exploration of Taichung Jazz Festival.

Methodology

In order to understand the necessity of Taichung's city branding and the role played by the Taichung Jazz Festival, this study first cleared up the transition bottleneck faced by the urban development of Taichung City and the city leaders' ideas about the purposes of holding the festival. Then through the analysis of program changes and funding sources of the Taichung Jazz Festival, this paper explained how the Taichung Jazz Festival shifts from a transplanted and copied global festival to a localized activity. The method to carry out above objectives was using qualitative survey, which included activity observations, in-depth interviews, graphic and electronic newspapers and

magazines and sorting out activity conclusion reports. The observations included participation in the 2013, 2014 and 2015 festivals and records of the festival atmosphere, vendor category and business and tourists' activities. The main interview subjects were organizers of public departments in order to understand the problems encountered in holding the activity and the corresponding solutions. In terms of newspapers and magazines, Taichung Jazz Festival was used as a keyword to search for relevant coverage in the past 13 years and the contents of the city leaders' interviews with magazines, so as to figure out the evolution of the Taichung Jazz Festival, public evaluation and attempts of city leaders. Finally, the activity conclusion reports over the years were used to collect information about the sources of funding.

Result

Faced with the Difficulties of Taichung's Indecent Urban Imagery

Due to the changes in increase of population, the Taiwan Provincial Government adopted the "Enforcement Rules of Equalization of Land Rights Act" in 1964, Taichung City set out urban land re-planning in accordance with this rule (Liu and Chen 1996; Lai 2009). It was since this period that land speculation in Taichung kicked start. The urban development of Taichung City started late and had a smaller scale, so lots of farmland surrounding

the city can be included into the urban land re-planning to expand urban space. But this also led to the imbalance that land development speed exceeded the demand of urban development in Taichung City. After 1986, Taichung City started to face serious outflow of manufacturing capital to mainland China. In spite of the increasing unemployment, the real estate market was still thriving. In the period of soaring real estate prices in Taiwan in 1989, the increase in land prices of Taichung City even took the first spot. The statistics in 1991 showed that 90 percent of the annual real estate advertising in Taiwan came from Taichung City. Over time, Taichung City had the city image of serious land speculation and numerous upstarts, and was even referred to as a "speculative city" (Lai 1997).

After the 1990s, a lot of land in the re-planning districts purchased by developers could not be developed, so the land was used in other ways. Especially in the 7th re-planning district where the new Civic Center is located, after the owners of department stores and other businesses put forward plans of setting up outlets, large KTV, motels, night clubs, beauty salons and other entertainment venues were opened with great fanfare. Viewed at distance, the flashing neon lights became a unique landscape of the 7th re-planning district. Since the people visiting such venues have complex backgrounds, significant cases such as firing with submachine guns in night clubs once

happened (United Daily News 1999; 2000a; 2000b; 2000c). The city image of Taichung City started to be closely linked to speculation, upstart, sex and violence, making Taichung City become the city with the worst security in Taiwan. Since then, the urban imaginary of "Indecent City" and "Violent City" of Taichung City lingered.

City Branding Reconstructs New Urban Imagery

When the Mayor Jason Hu took office in 2002, witnessed the worst performance of real estate in Taichung. In the Annual Adjustments and Changes in Present Value in Land Announcement of Taichung City, the period between 2001 and 2004 saw a significant decrease in land prices. Confronted with the dilemma of insufficient state taxes and limited local allocations, Jason Hu believed that the government must turn to the ways of corporate management. In an interview in 2003, he once said that "a good city must combine the following three elements: [show me the money]. Only when the city can make money can economic development and quality life be pursued in [prosperity and progress] and [ideal home]." (Yang 2003) In 2004, he also remarked that "the government is supposed to earn money. For instance, budget investment is made in a certain place and is planned to earn it back within 5 years. This is a good government. Otherwise, where is the money for development?" (Liu 2004).

To make earth-shaking changes in Taichung, substantial landscaping and improvement of public security are, undoubtedly, important, but to achieve all these first needs sufficient funds. In other words, priority should be given to soft city marketing. Keenly aware of the need for strong city marketing, Jason Hu was determined to attract investment, new immigrants and tourists through the transformation of urban imagery. The Taichung City's stigma as an "Indecent City" is a grim reality, so how to confer Taichung a new position and cultural packaging has become an urgent issue of place marketing. After having taking office, Jason Hu proposed the slogan of "Culture, Economics, and International City" and particularly stressed international cultural taste and creative atmosphere were important traits of the city. Taichung City started to organize Taichung Jazz Festival in 2003, aiming to connect the image of Taichung City with the international community and to enable Taichung City to become an international jazz city by means of the Western jazz and performance of foreign orchestras.

Taichung Jazz Festival with the Number of Participants Hitting New Records

There is little connection between jazz and Taichung City. Saxophone industry in Houli District is relatively closely related to jazz, but when Taichung Jazz Festival started to be

held, Houli Township in Taichung County was not part of Taichung City. In fact, the connection of Taichung City and jazz can be dated back to station of the US military in Taiwan. At that time, there were some jazz bars in Meicun Road beside Calligraphy Greenway. Yet, throughout the history, jazz fans in Taichung City remain minor, and the relevant industries are extremely limited. Then why jazz was chosen as the theme of the event? Official statement is as follows:

This is due to the choice and demand of people -- We can find from the echo of "Strolling on the Music Walkway" organized for 9 years in Taichung City that people are more enamored with jazz than other kinds of music. This is perhaps because jazz is most capable of crossing the West and the East, satisfying the demand of the young and the old to listen to music, and fits best the leisurely urban atmosphere of Taichung City. (Cultural Affairs Bureau of Taichung City Government 2011:2)

The similarity between musical attributes and urban pace has become the primary reason for choosing jazz. In respect of the number of participants, Taichung Jazz Festival can count as a great success. Figure 1 is the graph showing the annual changes in the number of participants, suggesting that the number of participants registers a new high each year. The soar in the participants in 2010 is associated with

the different statistical methods of organizer. Nevertheless, overall, the trend of rising participants is for sure. Starting in 2013, the festival was even attended by more than one million people. Repeatedly hitting a record high also suggests the increasing popularity of the festival.

Stage Changes in the Connotations of Taichung Jazz Festival

The 13-year Taichung Jazz Festival experiences stage changes in space theme, venue and main activities. Table 1 shows the changes in the field contents of the Taichung Jazz Festival. Initially, the venues of holding the festival were relatively scattered, mainly concentrating in Fengle Sculpture Park of Taichung City. Also, a few performances were staged, but the theme focused on jazz music. Since 2005, the festival has been generally held in Ching-Kuo Green Parkway and People's Square. In terms of the site arrangement, new themes and activities are added each year. We can find that as time goes by, Taichung Jazz Festival has gradually changed from a mere concert form to a large-scale activity generally held in the well-known scenic spot of Taichung City -- Calligraphy Greenway. Apart from increase in performances and expansion of event space, the role played by the food booths is increasingly pivotal.

Table 1 Stage Changes in Spatial Connotations of Taichung Jazz Festival

Time	2003-2004	2005-2009	2010-2015
Space theme	Festival space with the core of jazz music	Music plus special cuisine space	Music, upscale cuisine and creative market space
Venue	The performance venues are scattered, mainly concentrating in Fengle Sculpture Park	Locations: Ching-Kuo Green Parkway and People's Square	Location: Mid-section of the Calligraphy Greenway, CMP Block Museum of Arts and People's Square, so the scope is further expanded
Main activities	Jazz performance combined with bear makes the festival a jazz and beer festival	Prolonged activity time; Increased musical performances and food booths	Increased large-scale performances; Increased food stalls, expanded scope, prolonged business hours, all high-priced and well-known hotel restaurants and booths

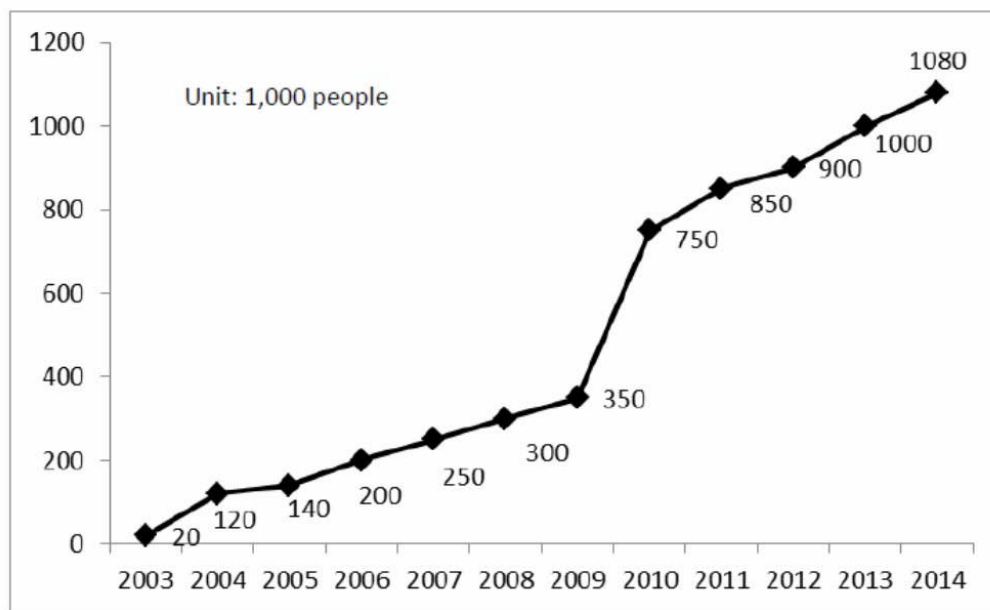


Figure 1 Annual Number of Participants in the Taichung Jazz Festival

Source: Cultural Affairs Bureau of Taichung City Government (2008, 2009, 2010, 2011, 2012, 2013, 2014)

Taking Calligraphy Greenway as the venue of Taichung Jazz Festival is highly critical to the booming of this Festival. The reason is that the Calligraphy Greenway is a tourist spot which

Taichung City has actively developed and promoted over the past decade. Moreover, upscale hotels, restaurants and bars can be countless nearby. Also, it is the gathering place for high-end

housing. Although the newspaper in 2012 and 2013 described the site of Taichung Jazz Festival as "night market (Apple Daily 2012; United Daily News 2013)", in fact, the booths here are radically different from the general night markets. For example, the booths in Splendor Hotel are manned with professional bartenders to mix wine (alcoholic beverages are virtually a must sold commodity in each booth). However, the exotic food booths of these upscale hotels and exquisite restaurants are impossible to be present in general night markets. Additionally, many restaurants also sell meal tickets and accommodation tickets on the field, giving rise to an alternative travel fair.

The changes in the connotations of Taichung Jazz Festival are closely related to the sources of funding. The Taichung Jazz Festival introduced from foreign countries lacks direct support from the local well-capitalized companies. But if admission tickets are sold, this will inevitably reduce the willingness of people to participate. Therefore, the subsidies from public departments become an important source of funding. Take the years 2009 to 2013 as examples (as shown in Figure 2), the subsidies peaked in 2010, but the scale of annual performances following 2010 still keep increasing, and all invited performance groups enjoyed international fame (such as Kaori Kobayashi, Anne Ducros, etc.).

The Sources of Funding Affect the Performance of Taichung Jazz Festival

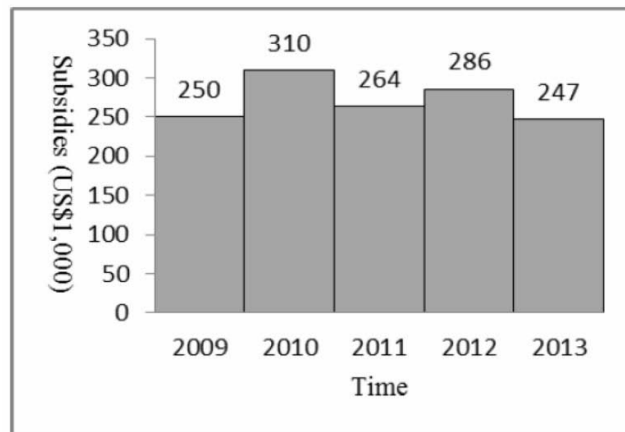


Figure 2 Annual Subsidies from Public

Source: Cultural Affairs Bureau of Taichung City Government (2008, 2009, 2010, 2011, 2012, 2013)

How can the funds be obtained for the constantly increasing scale under

the circumstances of no increase or even decrease in the subsidies? The an-

swer is sponsors and investment promotion. According to the undertakers of the Cultural Affairs Bureau of Taichung City Government, it was incredibly difficult to obtain direct donation, and only small numbers of manufacturers would make direct donations on account of the Mayor, but the donation was little. Wine manufacturers are most willing to make direct sponsorship, so that their brands can appear on the billboards on the field, but the amount is small. Compared with direct funding, other forms of sponsorship are various, such as providing free accommodation, hotel discounts, tour package promotions, air ticket discounts and the like. The undertakers expressed in frustration that relatively important way of financing is still investment promotion.

What are the related industries? For Taichung City, I think catering is a related industry. The vendors of instruments was very difficult to recruit, even the rent is low, because they believe no profits will be made...To be honest, there are no related industries. However, organizing activities needs money, but sponsorship is far from easy to invite. (undertaker of Cultural Affairs Bureau of Taichung City Government 2013/10/8)

The so-called investment promotion refers to the businesses setting up booths on the site. Table 2 demonstrates changes in the number of booths, rents and business hours of the Taichung Jazz Festival for years. Since

2011, the booth rents saw a dramatic increase, and the business hours of booths are also prolonged (Cultural Affairs Bureau of Taichung City Government 2011). It was in 2011 that the central government stopped subsidies. The surge in booth rents prevents insignificant vendors from entering the site of Taichung Jazz Festival. It was since this year that the surrounding booths of well-known restaurants and hotels became one of the characteristics of Taichung Jazz Festival. While the number of performance groups invited by the festival and performances in 2013 registered new highs, the number of vendors also skyrocketed, with the booths totaling 80. Except 15 cultural and creative reserved booths, most booths were about catering (Cultural Affairs Bureau of Taichung City Government 2013). The food booths in 2013 were excessive and the festival was questioned as a food festival. As a result, the number of food booths was cut in 2014, but the booth rent was raised to ensure sufficient funding for the activities (Cultural Affairs Bureau of Taichung City Government 2014). Despite the expensive rents, since high-end restaurants and upscale restaurants were highly concentrated near the Ching-Kuo Green Parkway of Taichung City, for businesses, this is a good opportunity to place advertisements and undertake promotion. Therefore, their willingness to participate is great, becoming a unique highlight of the Taichung Jazz Festival. The

Table 2 The Total Number of Booths, Rent and Business Hours of Taichung Jazz Festival Each Year

	2010	2011	2012	2013	2014
Total number of booths	31	35	51(16*)	80(15*)	40(5*)
Booth rent (USD)	62	217-249	2330-4660	2330-4660	4660-5591
Business hours	Just holidays	9 consecutive days	9 consecutive days	9 consecutive days	9 consecutive days
The values in the * means the number of cultural and creative booths and the rent is US\$ 187. Source: Cultural Affairs Bureau of Taichung City Government (2010,2011,2012,2013,2014)					

booths truly related to jazz are the saxophone industry of Houli District. However, each year, it only sets up one booth in the Taichung Jazz Festival. The demand for raising activity funds specifies the ground for Taichung Jazz Festival to develop into a high-end night market.

Discussion

City Branding and City Marketing

In the governance of urban districts, the urban regeneration programs and branding are very important issues (Jones and Evans 2012; Eshuis and Edwards 2013). For the city government, the important goals include how to improve the visibility and recognition of the city and how to fight for exposure in the information explosion era of media dissemination. This branding process of city imagery can endow the places in recession with alternative positive significance. In addition to attracting specific target audience (often more affluent elites), the city can be furnished with more competitive imaginary (Jamieson 2014). Therefore, place branding can be seen as a good

tool to change the image of regenerated areas.

Nonetheless, after the start of this trend for over one decade, many scholars started to question this place branding projects void of local characteristics. Many noted that these festivals had caused counterproductive effects and resulted in the crisis of breaking away from local characteristics (Quinn 2006; Wu and Wang 2011). Johansson (2012) re-examined the meaning of branding by the concept of imaginary. He advocated that the concept of imaginary had focused on regarding brand as a fictional and narrative tool in order to project the desired future. The place branding strategy ideally should close the gap between what an area really is and how the location wants to be known in the outside world (Hospers 2004). But in fact, in this process, brand is often the results of special interest formation of a certain actor or a group of actors (Messely et al. 2014). Therefore, city branding is actually a kind of political practice. Such a city and place are in fact imaginary and utopia. In this context, festivals and activities have become an imagineering

technology to promote unique cities. In this era of global competition and mutual imitation, the advocacy of a festival city has become the dominant logic of urban space and life. Jamieson (2014) further pointed out that shaping the city's image through festivals and culture had become a new incarnation of post-industrial urban identity, but this was actually the presupposition of management elites. He was especially critical of the Creative Cities Network established by UNESCO in 2004, since it reduced creative city as a certification index and completely materialized the relationship between the city and the artistic performances. Glasgow--The city of music, owns its international music festival, while the city of design Dublin has its international design festival. All imaginary cities need to create an imaginary temporary festival space of the management elites through administrative practice, but this tends to replace a vast array of culture meanings of places and streets. However, will these festivals led by the urban elites surely break away from local characteristics? Is the possibility of creating significance of place and local residents doomed to be excluded in the temporary space created by the festival?

The Concept and Meanings of Place

A city is not just a space unit used for branding and marketing -- it is a place, so it has broader meanings. Agnew (1987) once defined three major implications of a place as: location

(a specific point on the earth), sense of place (people's subjective feelings of a place, including the role played the place in individual and group identity), and locale (the setting and scale of people's daily activities and interactions). Sack (1993) also considered a place included such elements of "nature", "society" and "meaning", which also could be found in self. Self and place are constituted of each other. Cresswell (2014) regarded materialities, meanings and practices as three components of a place. The opinions of the above scholars on place are consistent, and clearly analyze different meanings of the complex concept of place -- that is, a place is composed of the three connotations -- Truth, Virtue and Beauty. Therefore, the grasp of the concept of place needs to be comprehensive. If the attention is paid to place imaginary or sense of place only, other connotations are often neglected. The evaluation of a place needs to take the three connotations into account.

Myriad discussions about place are often obsessed with Authenticity of the place, which is yet questionable, for from any connotation of place, a place is by no means closed, fixed and stable. Rather, it is changing at any time and is often regarded as a process. If the place was regarded as location, it is porous; if as sense of place, it often showed "global" identities; if as locale, it was affected by global forces and local response (Castree 2009). However, it is unreasonable to only see the place as

flow and connection, since the past of a place is also of great importance to the present. As a result, a place had both vertical and horizontal dimensions -- the former can be likened to the root, whereas the latter to the route (Cresswell 2014). Both the root and route of a place are exceedingly significant. Besides, different places have different ways of composition, and are closely associated with the politics of place.

The city is a place. Therefore, in order to understand the issues pertaining to the city, we must have a clear understanding of the concept of place. Place can be seen as a kind of assemblage consisting of a mixture of different people and non-human components. Their entirety is only a temporary agglomeration. Besides indicating that place has contingent, emerging and changeable characteristics, this also underlines the future political and moral possibility of place.

The Implication of the Case Study

Taichung Jazz Festival is the festival in which the Mayor Jason Hu was mostly actively involved during his service. He directly used foreign culture as the theme of city branding, intending to connect the city with the international community and to create brand new cultural taste and imagination. Yet, the practice process of this up-down management imaginary differs from the original idea -- that is, the

restaurants and catering industry adjacent to the venues become an integral part of common participation and performance in Taichung Jazz Festival. Does this mean that city branding is ineffective? Or will city branding will eventually lead to the loss of local characteristics?

Taichung Jazz Festival has become one of the important activities of many local residents in late October each year. According to the surveys, approximately 70 percent of the participants were local residents, mainly young people in their twenties and thirties (Cultural Affairs Bureau of Taichung City Government 2013). They invite their friends to sit together on the prairie, drinking, eating the food bought from the vendors next to them and listening to jazz. This practice is heavily criticized and the music of Taichung Jazz Festival is believed to be reduced to a supporting role. By contrast, food and wine overshadow music, and become the most attractive part. However, from another point of view, this also reflects the localization and life between Taichung Jazz Festival and people. Findings of Chung (2015) showed that jazz did not become cultural assets of Taichung City. When mentioning Taichung City, outsiders would not think about Taichung Jazz Festival and foreign tourists would not pay a special visit. Perhaps the Taichung Jazz Festival has not yet reached the original goal (for instance, allowing Taichung City to become an

important international city of jazz, or attracting tons of foreign tourists). However, this festival copied from foreign countries also finds the special way of survival in Taichung City. Investment in hotels and restaurants are made. Coupled with local specialties, the festival attracts lots of local people, showcasing the Taichung Jazz Festival considerably different from other cities. Meanwhile, continuous media coverage contributes to high visibility and new image of Taichung City -- green Ching-Kuo Green Parkway, People's Square and casual atmosphere of the city become the representatives of the romantic image of Taichung City.

The characteristics of a place, apart from its distinctive "uniqueness", also included the "specificity" connected to other places (Ho 2005). The Taichung Jazz Festival in Taichung City is not the only festival, and may not have much common ground with the past of the place. Nevertheless, a place or the shaping of a place itself is a dynamic process, during which how this place is connected with the outside world is also an important link of forming local characteristics. The above case discussions comprehensively show the openness and flow characteristics of a place -- from the substantial dimension of a place, it is penetrable, from the significance of a place, it is both external and internal, global and local; from the social interaction and practice of a place, it is affected by the forces of globalization, but meanwhile, it also

has the energy of response. By means of top-down decisions, the festival from outside the place has its specific development path. Taichung Jazz Festival has obviously become a "new" tradition of Taichung city -- the route of the past may be the root of the future.

Conclusion

Like many parts of the world, Taiwan has a wealth of traditional festivals derived from the rhythm of nature, religious belief and local customs, and a vast variety of political festivals arising from special historical and political factors. Over the years, the festivals gradually kept pace with the trend of the world, with some new festivals for city marketing. But the themes of these festivals seem lack of profound association with a place. Many studies believe that place branding only meets the imaginary of the elites, but divorces from the local culture. However, this study maintains that if a new festival (such as Taichung Jazz Festival) can be organized continuously for a long time, this means that this seemingly unexpected foreign festival unrelated to a place may take root in the place and develop new local meanings. The openness and active forces of a place can be proved by analyzing the funding sources, approaches of investment promotion, ways of organization and involvement performance of tourists.

The original intent of those in power is to change the negative image

of a place and to transform the place into a global city with international cultural capital through using and copying the well-known foreign theme festivals. However, if this theme festival cannot receive the sponsorship of related industries due to breaking away from a place or receives support from selling tickets, the less related but relatively developed local industries will step forward and become the most important sponsors of Taichung Jazz Festival.

Moreover, the practices and performances of people in a place is one of the key elements of wonderful and funny festivals. In this process, the content and meaning of the festival obtains the significance with local characteristics. Although the organization of the festival may not attain the effects claimed by the public departments, this does not prevent this festival from becoming a new local tradition after glocalization.

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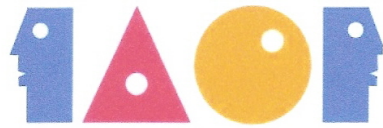
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COMPETITIVE DYNAMICS IN FAHP MODEL – LISTED AUTO-
MOBILE COMPANIES IN TAIWAN AS AN EXAMPLE

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Abstract

This paper constructs a competitive dynamics FAHP model (CDFM) to resolve the issues associated with fuzzy measurements and resources similarities in the analysis of competition between organizations. The calculation of resource similarity is incorporated into the CDFM, with fuzzy inputs regarding of the importance of different resources, in order to facilitate objective resource analysis. The empirical study of the automobile companies listed in Taiwan is based on the similarity of three different resources, and analysis with CDFM. The research findings can serve as a template for competitive actions and strategies. CDFM facilitates analysis of different resources in order to perceive, detect, or respond to competitive dynamics. The calculations and modeling of competitive dynamics, as based on fuzzy cognitions in this paper, are a new academic approach.

Keywords: Competitive Dynamics, FAHP, CDFM

Introduction

It is essential for companies to understand and respond to competition. Strategic planning depends on subtle and accurate perceptions and analysis of competitive dynamics. Many studies suggest that corporate

resources have inherent multiple facets. The assessment of statistics of different dimensions leads to different strategic decisions. The fuzzy cognitions of different resources form the basis for various strategic actions and responses. Therefore, it is important to establish an overall picture of resource similarity by considering the

fuzzy cognitions and perceptions of decision makers.

Literature suggests that resources are presented in different forms, such as human resources (Schler and Jackson, 1987), strategic assets (Amit and Schoemaker, 1993), knowledge-based competences (Teece et al., 1994) (e.g. skills, knowledge assets, and goodwill), and tangible assets (Jeremy, 2005), regarding the importance and market implications of firm resources on strategies. The evaluation of single resources leads to different strategic actions and responses to competition. In fact, fuzzy cognitions are required in the comparison and assessment of different resources with different weightings. Therefore, it is necessary to consider the fuzzy cognitions of decision makers by combining competitive dynamics and FAHP modeling in CDFM.

It is possible to gain an understanding of resource allocations by analyzing current assets and fixed assets (Hall, 1992; Jeremy, 2005). The distribution between current assets and fixed assets sheds light on firm profitability (Graham et al., 2005). Both current assets and fixed assets in financial reports are company resources (John and David, 2012). The FAHP method can facilitate decisions based on multiple assessment criteria for different resource dimensions, and is a systematic approach to process highly complex issues by decomposing and quantifying such issues into different levels. CDFM is the modeling of different resource dimensions and criteria with the FAHP techniques in order to produce priorities and weight-

ings of multiple dimensions, as well as the criteria based on fuzzy logic. This approach allows analysis and comparison of statistics regarding resources similarity.

The presumption of the competitive dynamics models marks a break from market commonality, and assumes resources similarity, i.e. varying levels of importance for different resources. This paper calculates resources similarity, as based on different resource dimensions, and employs the CDFM method to evaluate three resources, i.e. current assets, fixed assets, and sales locations. The empirical study on automobile companies listed in Taiwan is based on multiple resource dimensions and criteria, and CDFM is developed to identify the weightings of such dimensions and criteria for the industry. Resources similarity is benchmarked according to resource heterogeneity, priorities, weightings, and strategic considerations. The competitive landscape is constructed with competitors' positioning, market forecasts, resources, and weighted assessments. The analysis suggests that the evaluation of a single resource (i.e. current assets, fixed assets or sales locations) paints a different picture of key competitors. The CDFM analysis on competitive dynamics helps to formulate strategic considerations for different resources.

Cheng (1996) points out the potential issues associated with resources similarity in the analysis of competitive dynamics, which are due to the lumping of resources in different forms. This paper focuses on the holistic measurement of resources by considering fuzzy factors. The

CDFM approach employed by this paper integrates different resources in the competitive landscape in order to understand the overall market and measure resource weights. Chapter 2 of this paper conducts literature review regarding competitive dynamics, the theoretical foundation of FAHP, and different resource dimensions. Chapter 3 describes the research methodology and constructs CDFM with different resource dimensions and criteria. Chapter 4 examines the CDFM statistics and performs competitive analysis according to the positioning of the focus companies in the Taiwanese automobile industry. Chapter 5 summarizes the research findings, offers conclusions, and presents suggestions for follow-up studies. The application of CDFM to process resources similarity is the research focus and contribution of this paper.

Literature Review

Competitive Dynamics theories describe market commonality and resources similarity. Most scholars examine competition by multiple anchoring points (Karnani and Wernerfelt (1985); Gimeno (1994); Smith and Wilson (1995)) emphasized the importance of market shares and strategies. Some studies are centered on resources-base views (Barney, 1991; Petteraf, 1993; Coner, 1994) by differentiating companies with strategies or resources. This analysis is typically conducted on the market or a company. Other studies (Amit and Schoemaker, 1993; Poter, 1991) sought to establish robust theories by stressing the importance of both internal resources and external markets. According to the dynamic competi-

tion theory, as developed by Chen (1996, 2007), assessments of the same competitors may lead to different perceptions of the competitive landscape. Chen's theory is backed up with the views and images regarding competitors, and the resulting attacks and responses in the US airline industry. Tversky (1977) conducted a study on similar attributes and demonstrated that the commonly accepted symmetry axiom underlying the metric distance function is not valid for capturing the concept of similarity. That is, $d(a, b) \neq d(b, a)$. Statements of similarity are directional, as they depend on which element of the comparison is the "subject" and which element is the "referent". In illustrating this concept, Tversky further pointed out that "A is like B" is not the same as "B is like A" (1977:328). In other words, focus companies may evaluate competitors in the light of market commonality and resources similarity.

Resources-Based Theory

The resource-based theory may be an inside-out strategic analysis of companies (Penrose (1959); Wernerfelt (1984); Rumelt (1984); Barney (1986a, 1991)) or an outside-in strategic consideration of an industry (Porter (1980, 1985, 1992)). The underpinning concept of the resource-based theory, i.e. heterogeneous resources, is an extension of the unique competences, as mentioned by strategy scholars (Selznick, 1997; Chandler, 1962, 1977; Ansoff, 1965; Barnard, 1970). According to Hoskisson et al., (1999), Barnard explored the organization and functioning mechanisms of companies in his book "The Functions of the Executive".

Scholars have varying perspectives and opinions of resource issues that consider different external environments, where the ultimate goal is to examine how companies maximize profits. In sum, resource-based views examine how companies obtain and maintain competitive advantages on the basis of the resources they own. It is an approach different from industry economics, which is centered on external environments.

Wernerfelt (1984) was the first scholar to offer the concept of the resource-based view for companies. He suggested the use of a resource-based view, instead of the products-based view in the analysis of companies, as companies accumulate resource advantages through proper resource utilization and management efficiency. Such resource advantages are unique and form the basis of lasting competitive advantages. Grant (1991) was the first scholar that used the resource-based theory to replace the resource-based view, and highlighted the importance of this theory in the academic world. Barney (1986b) extended the basis of Wernerfelt, and argued that different companies create different values due to different strategic resources. Economic performances of companies are the results of market competition and firm-specific resources. Therefore, companies should analyze their own unique resources (including technologies and competences) in reaching strategic decisions. Scholars have determined various definitions and classifications of firm-specific resources. Penrose (1959) was the first scholar to consider resources as the most important factor influencing the behavior of

companies. Companies are essentially a system comprised of different resources, and they seek growth by effectively utilizing their resources. Coyne (1986) described organizational resources as the capabilities of having and doing. Hamel and Prahalad (1994) indicated that core competences in the short-term are reflective of current product prices and performances. Over the long-term, core competences are the ability to launch cheaper products faster than competitors. Grant (1991) believed that resources are the foundation of a firm's profitability, as well as the basis of organizational capabilities. According to Grant, the resource-based theory focuses on the identification, clarification, nurturing, development, and protection of the core or unique resources of an organization. Hill and Jones (1992) indicated that efficiency, quality, innovation, differentiation, cost reductions, value creation, and capability to respond to customers, all stem from the ownership and utilization of organizational resources. In sum, resources are the foundation for sustainable competitive advantages. Core resources enable value and profitability creation.

Academic studies classify resources into tangible and intangible (Jeremy, 2005; Hall's, 1992, 1993). Tangible resources include financial assets (Grant, 1991) and physical assets (Grant, 1991), as described in financial reports (Wyatt, 2002; Jeremy, 2005). Current assets and fixed assets are also tangible resources. Rauscher and Wheeler (2012), Chong, Liu, Klein (2012) analyzed firm resources by focusing on current assets; while Basu & Vasudevan (2013), Ellwood & Garcia-Lacalle

(2012), Berger & Black (2011), and Conneely (2009) emphasizes fixed assets.

Competitive Dynamics

Competitive Dynamics is about the evaluation and analysis of competitors in the context of market commonality and resources similarity, in order to understand the motivations of competitors and forecast their next moves. It is a feedback loop system of the analysis of capabilities and performances, as well as a response to competitive actions. The two-dimensional competitive landscape is a pair-wise comparison of market commonality and resources similarity. The mapping locations of individual companies illustrate the relative positions of competitors, making it easier to visualize and foresee competitive strategies. It is worth noting that, market commonality is a stronger predictor than resources in forecasting competitive actions and responses (Cheng, 1996, 2007).

Market commonality:

$$M_{ab} = \sum_{i=1}^{2000} [(P_{ai}/P_a) \times (P_{bi}/P_i)] \quad (1)$$

M_{ab} = market commonality between airline industry b and focus airline practitioner a

P_{ai} = number of customers served by airline practitioner a in airline i

P_a = number of customers of airline practitioner a in all airlines

P_{bi} = number of customers of airline practitioner b in airline i

P_i = all customers in airline i

Equation (1) measures market commonality in order to gain an understanding of products and markets for the focus of manufacturers and competitors. The greater the market

commonality, the fiercer the competition; hence, the less likely competitive actions, the more drastic competitive responses (Chen, 1996, 2007) become.

Resources Similarity:

$$S_{ij} = \sum_{m=1}^n [(A_{im}/A_i) \times (A_{jm}/A_m)] \quad (2)$$

S_{ij} = resource significance of manufactures of airline companies ij

A_{im} = total number of m-type airplanes operated by airline company i

A_i = total number of airlines operated by airline company i

A_{jm} = total number of m-type airplanes operated by airline company j

A_m = total number of m-type airplanes operated by all airline companies

m = type of airplanes operated by both airline company i and airline company j

Equation (2) measures resources similarity in order to gain an understanding of the available resources to focus manufacturers and competitors. The difference in resources similarity is manifested in the difference in competitive strategies. The greater the resources similarity, the less fierce the competition, but the more likely the competitive responses (Chen, 1996, 2007) become. In brief, dynamic competition is the mapping of competitors in terms of market commonality and resources similarity. There are four possible competitive actions and responses (Chen, 1996):

Proposition 1a: The greater B's market commonality with A, the less likely A is to initiate an attack against B, all else being equal.

Proposition 1b: The greater A's market commonality with B, the more likely B is to respond to A's attack, all else being equal.

Proposition 2a: The greater B's resource similarity with A, the less likely A is to initiate an attack against B, all else being equal.)

Proposition 2b: The greater A's resource similarity with B, the more likely B is to respond to A's attack, all else being equal.

FAHP

The analytic hierarchy process (AHP) was first developed by Saaty (1971), and is a systematic analytical tool. Fuzzy information as a research tool dates back to 1965, when Zaheh, a professor at Berkeley University, published a paper called "Fuzzy Sets" in the journal "Information and Control". The FAHP concept of a membership function, instead of a crisp value, was used in the traditional AHP approach. This allowed experts

to get a good grip of the issues in an intuitive manner, and determine judgments accordingly. The pair-wise comparisons of the evaluation framework help to generate weightings with FAHP and fuzzy algorithms. The FAHP procedures in this paper are set out, as follows:

1. Clarification and description of research issues;
2. Establishment of hierarchical structures;
3. Construction of pair-wise matrix in fuzzy logics;
4. Calculation of fuzzy weightings;
5. Linkage across hierarchical levels;
6. Solutions to fuzzy sets;
7. Ranking.

Method

Literature review suggested that the resources of an organization are expressed as multi-faceted. This paper selects three resource elements, i.e. current assets, fixed assets, and sales locations in the CDFM framework for automobile companies listed in Taiwan (Figure 1).

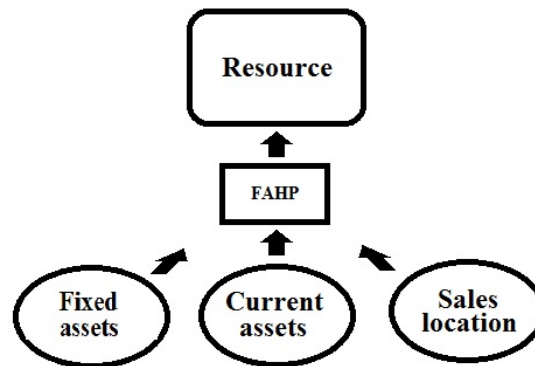


Figure 1. Resources Similarity for Different Resource Dimensions

This paper conducts analysis on the established resource dimensions. The three resource dimensions of the

automobile companies listed in Taiwan, i.e. current assets, fixed

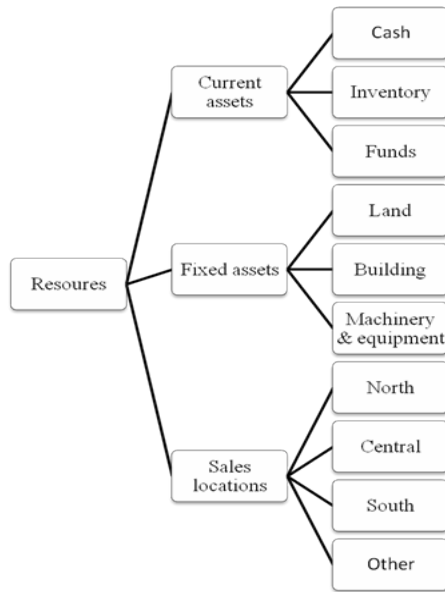


Figure 2. FAHP resource dimensions and criteria of automobile companies listed in Taiwan

assets, and sales locations, are further segmented into three criteria. Figure 2 shows the weightings W_k , as derived by the FAHP method.

The third step is to apply the CDFM framework to integrate different resources by using Equation (3) on the basis of resources similarity, followed by analysis of competitors. The CDFM equation for resources similarity is, as follows:

$$S_{ij} = \sum_{k=1}^n W_k \times S_{ij}^k \quad (3)$$

- S_{ij} = CDFM resources similarity between Company i and Company j
- W_k = Weighting of Resource k
- S_{ij}^k = Resource K similarity between Company i and Company j

In contrast with the conventional approach to dynamic competition,

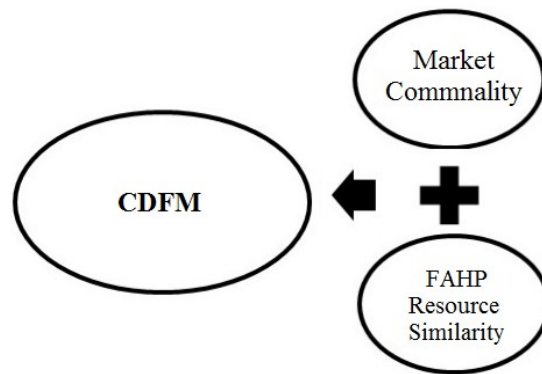


Figure 3. CDFM

CDFM integrates different resources to maximize resources similarity (Figure 3 CDFM).

The automobile companies listed in Taiwan are either assemblers or distributors. This paper samples the 2012 data of these companies, and summarizes the collated numbers into three resource dimensions (i.e. current assets, fixed assets, and sales locations) and ten criteria, followed by the measurement of resources similarity under the CDFM framework, the establishment of competitor mapping, and analysis of competitive actions and responses.

Example

Table 1. Market Commonality

	Yulon Motor	China Motor	Sanyang Motor	Hotai Motor
Yulon Motor		0.1324	0.0952	0.4776
China Motor	0.3078		0.1175	0.4193
Sanyang Motor	0.2966	0.1574		0.4169
Hotai Motor	0.2574	0.0972	0.0721	

Resources similarity is defined according to Mondey et al. (1987), Taneja (1989), Chen (1996) and Pei, Li, & Tan (2015). This paper analyzes the numbers of distribution points in the five regions in Taiwan, i.e. northern, central, southern, eastern, and off-islands. Table 2 shows

Competitive Dynamics

The first step of empirical study is to define the market commonality of listed automobile companies, as based on Karnani and Wernerfelt (1985), Gimeno (1994), and Chen (1996). This paper classifies the market into four segments according to piston displacements registered for car plates in Taiwan (Pei, Li, & Tan, 2015). Table 1 shows the market commonality calculated with Equation (1). If Yulon Motor is benchmarked as the focus manufacturer, its market commonality is the highest at 0.4776 with Hotai Motor, followed by that of China Motor at 0.1324, and Sanyang Motor at 0.0952.

the resource similarity of sales locations calculated with Equation (2). If Yulon Motor is benchmarked as the focus manufacturer, its resource distribution resource similarity is the highest at 0.3489 with China Motor, followed by that with Hotai Motor at 0.2582, and Sanyang Motor at 0.1721.

Table 2. Distribution Network Resource Similarity

	Yulon Motor	China Motor	Sanyang Motor	Hotai Motor
Yulon Motor		0.3489	0.1721	0.2582
China Motor	0.2191		0.1734	0.2571
Sanyang Motor	0.2178	0.3496		0.2575
Hotai Motor	0.2178	0.3455	0.1717	

Table 1 indicates the market commonality computed with Equation (1). Table 2 shows the resources similarity estimated with Equation (2). Figure 4 illustrates the mapping

of competitors. The focus manufacturer on the upper left is Yulon Motor, on the lower left is Sanyang Motor, on the upper right is China Motor, on the lower right is Hotai Motor.

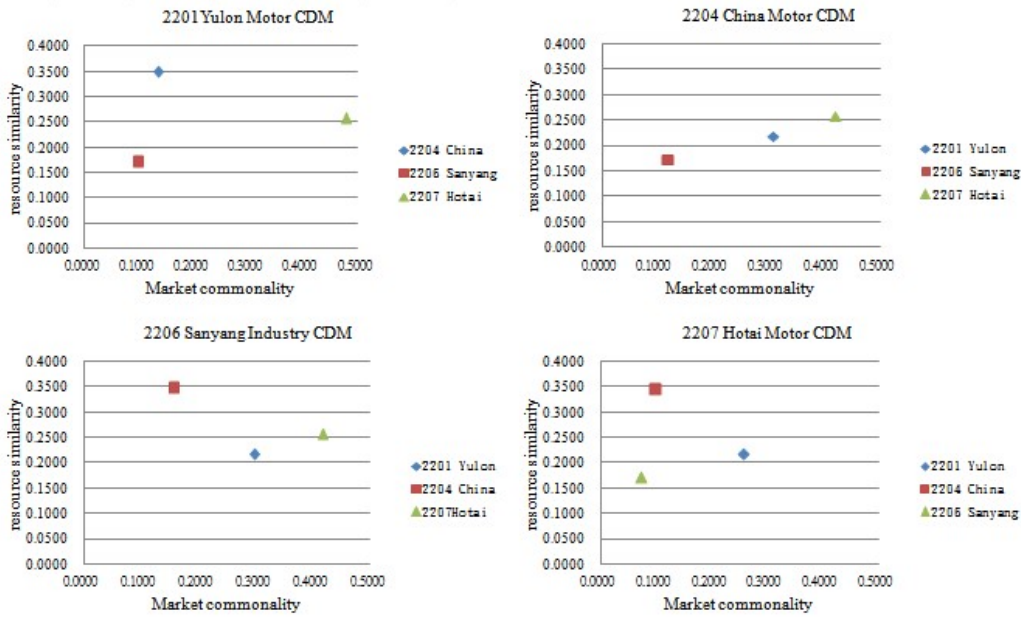


Figure 4. Competitive Mapping for Yulon Motor

Figure 4 illustrates the competitive mapping for Yulon Motor, whose market commonality is the highest with Hotai Motor and resources similarity is the highest with China Motor. Yulon Motor and Sanyang Motor are quite different in terms of markets and resources. The major perceived competitor is Hotai Motor. The greater the market commonality, the more pronounced the competitive responses, and the less likely the competitive actions. The greater the resources similarity, the less likely the competitive actions, but the more drastic the competitive responses.

Cheng (1996, 2007) referred to fleet structures as resources similarity in the airline industry. Fleet struc

tures are characterized by airplane types and numbers, and analysis on resources heterogeneity and similar

ity is conducted. The traditional approach to dynamic competition focuses on a single resource dimension per resource-based theory, as different resource facets may paint a different picture of competitive dynamics.

CDFM

This paper applies the FAHP framework and designs a questionnaire with three resource dimensions (i.e. current assets, fixed assets, and sales locations) and ten criteria. A total of 15 questionnaires were issued to the sampled listed automobile companies and 14 questionnaires

were recovered. Two questionnaires were eliminated due to a low consistency index falling below 0.25. A total of 12 questionnaires were sampled, with a C.I. of 0.0017 and a C.R. of 0.0029. Regarding the three dimensions, C.I.'s were 0.027, 0.001, and 0.065, respectively, and the C.R.'s

were 0.047, 0.001, and 0.073, respectively, which all indicate sufficient consistency. Working capital (mainly cash) is the most important dimension, followed by sales locations and workshops, and then, fixed assets (weightings as shown in Table 3).

Table 3. CDFM Summary

Dimension	AHP	FAHP	Criteria	AHP	AHP	FAHP	FAHP
	Weight	Weight		Weight	Order	Weight	Order
Current assets	0.4779	0.4756	Cash	0.3312	1	0.3269	1
			Inventory	0.1016	4	0.1021	4
			Financial investments	0.0452	7	0.0465	7
Fixed assets	0.1468	0.1488	Land	0.0981	5	0.0980	5
			Building	0.0222	10	0.0232	10
			Equipment	0.0264	9	0.0276	9
Sales services	0.3753	0.3757	Northern	0.1948	2	0.1919	2
			Central	0.1036	3	0.1045	3
			Southern	0.0497	6	0.0509	6
			Eastern & off-shore islands	0.0273	8	0.0284	8

According to the generally accepted accounting principles in Taiwan, assets are acquired via transactions or other means, can be measured monetarily and are expected to provide future economic benefits. Table 4 compares the current asset items, i.e. cash, financial investments, and inventories, and shows the calculated resources similarity.

Fixed assets include land, buildings, and equipment. Table 5 shows the estimated resources similarity.

Table 6 Summarizes the resources similarity calculated with Equation (3) in the CDFM framework.

Table 4. Current Assets – Resources Similarity

	Yulon Motor	China Motor	Sanyang Motor	Hotai Motor
Yulon Motor		0.1051	0.0905	0.4034
China Motor	0.3822		0.1131	0.3424
Sanyang Motor	0.3794	0.1303		0.3582
Hotai Motor	0.4047	0.0944	0.0857	

Table 5. Fixed Assets – Resources Similarity

	Yulon Motor	China Motor	Sanyang Motor	Hotai Motor
Yulon Motor		0.2661	0.2157	0.2985
China Motor	0.1646		0.2038	0.3489
Sanyang Motor	0.1814	0.2772		0.3339
Hotai Motor	0.1513	0.2859	0.2011	

Table 6. CDFM Resources Similarity

	Yulon Motor	China Motor	Sanyang Motor	Hotai Motor
Yulon Motor		0.2202	0.1395	0.3335
China Motor	0.2890		0.1491	0.3113
Sanyang Motor	0.2897	0.2342		0.3168
Hotai Motor	0.2974	0.2168	0.1349	

Table 1 shows the market commonality estimated with Equation (1). Table 6 summarizes the CDFM resources similarity computed with Equation (3). Figure 4 illustrates the CDFM mapping of competitors. The

focus manufacturer on the upper left is Yulon Motor, on the lower left is Sanyang Motor, on the upper right is China Motor, and on the lower right is Hotai Motor. The main competitor to Yulon Motor is Hotai Motor.

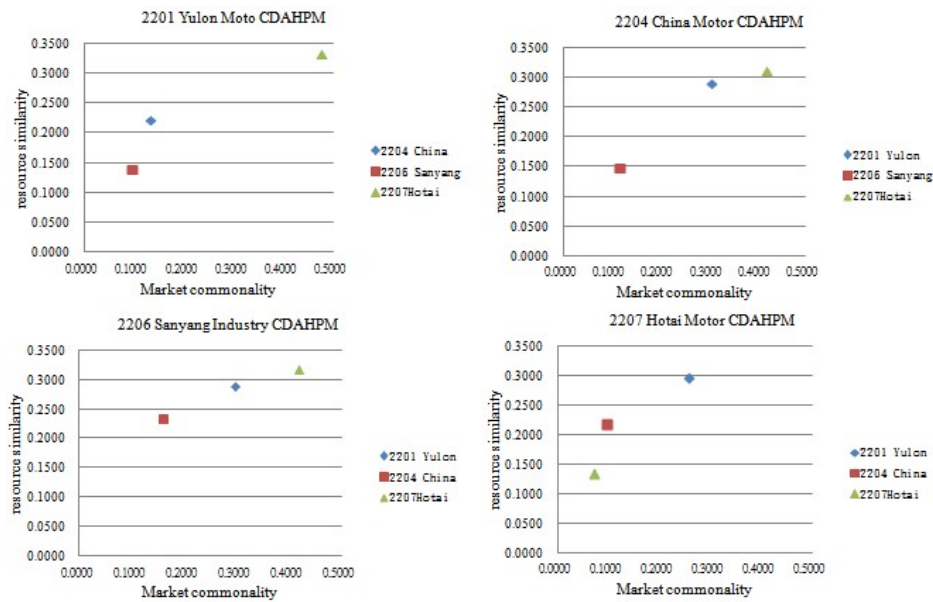


Figure 5. CDFM Competitor Mapping

Table 7. Resource Dimension Comparison

Resources dimension	Yulon Motor	China Motor	Sanyang Motor	Hotai Motor
Current assets	Yulon Motor	0.1051	0.0905	0.4034
Fixed assets	Yulon Motor	0.2661	0.2157	0.2985
Sales locations	Yulon Motor	0.3489	0.1721	0.2582
CDFM		0.2202	0.1395	0.3335

According to CDFM competitor mapping, as based on resources similarity shown in Figure 5 and Table 8, there are four outcomes for Yulon Motor:

- (1) In terms of sales locations and workshops as a resource dimension (Table 2), Yulon Motor is in even competition with China Motor. Regarding funding resources (Table 4) and fixed asset resources (Table 5), Yulon Motor's closest competitor is Hotai. Different competitors are identified

for the focus of manufacturers under different resource dimensions.

- (2) According to the calculated CDFM resource dimensions (Figure 5), Hotai Motor is the main competitor of Yulon.
- (3) The CDFM framework allows accurate judgement and perceptions by synthesizing resources similarity.
- (4) The empirical results highlight the importance of the FAHP method regarding the integration of different resource dimensions.

Discussion and Conclusion

Competitive Dynamics is a two-dimensional measurement based on market commonality and resources similarity, which allows the establishment of a competitive landscape with the details regarding the features and locations of competitors. This gives color to the market commonality and resources similarity of the focus manufacturers in relation to competitors, and helps to describe and forecast competitive actions or responses.

Studies indicate that resources come with different dimensions. The measurement of a single dimension may generate different competitive landscapes and profiles. The empirical study in this paper integrates multiple resource dimensions and establishes a complete picture of competitive dynamics. This paper adopts the CDFM framework by considering different resource dimensions, weights, fuzzy factors, and market commonality in the analysis and forecasting of competitive actions or responses.

The conventional approach to dynamic competition is based on products. As previously mentioned, the focus on any single resource is likely to yield a different competitive landscape. This paper employs FAHP techniques to resolve the issues associated with the integration of multiple resources, and when combined with dynamic competition analysis, will result in a more robust mapping of competitors.

In summary, this paper adopts the CDFM framework to present and measure multiple resource dimensions. Different from the analysis of conventional competitive dynamics, this strategic analytical tool addresses various issues, such as market commonality, resources similarity, weights, and fuzzy cognition.

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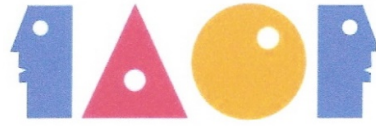
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WHY CAN'T MEDICAL SCHOOLS CURE THEIR OWN
DEADLY DISEASES: AN APPLIED STUDY OF
A MAJOR MEDICAL SCHOOL

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Abstract

A well-known school of medicine and health sciences located in a North American metropolitan area suffers from organizational ailments that if left untreated, would result in failure to comply with the Liaison Committee on Medical Education (LCME) guidelines, loss of accreditation, and loss of new students. When measured according to Jaques methodology of time span, this medical school should be operating at a level 5 stratum of work, focusing on a time horizon of 5-10 years. In actuality, the school is operating at level 2. This incorrect work stratum is symptomatic of their failure to work towards long term future.

According to Deming's methodology, this medical school also suffers from lack of constancy of purpose and performance evaluations. In order to develop new products and services, we recommend that this medical school plans long-term tasks and adds real work at levels 2 through 5. Performance evaluations should be replaced with on-going coaching and leadership.

Key Words: Management, Elliott Jaques, W. Edwards Deming, Organizational Study, Leadership, Levels of Work, *Deadly Diseases* in Management

Introduction

Many higher education institutions struggle to balance best academic and business practices. We have chosen to study a well-known school of medicine and health sciences in a North American metropolitan area that embodies this academic organizational struggle.

Many things go into the development of academic products and services. Medical education administration is responsible for supporting medical faculty in their courses, acting as liaison between students, faculty, and directors, and providing faculty development opportunities. Administrators are also responsible for managing curriculum design, and evaluations of the curriculum and teachers.

The school of medicine and health sciences currently has 720 students enrolled in the undergraduate medical program with nearly 3,000 faculty members. This does not include the hundreds of staff that are employed to support the faculty, students, and administration. The school has been striving to develop new products and services by rolling out an entirely new curriculum. However, this change has not been constant, which has caused contention, unrest, and even accreditation probation.

Despite this recent development of new services, the school of medicine continues to struggle with *deadly diseases* (Deming, p. 97) that commonly afflict organizations, and is having difficulty managing its many different working parts in an effective way.

In 2008, the school came under accreditation review, which all medical schools undertake every eight years. The Liaison Committee on Medical Education (LCME) deemed the school in danger of not meeting satisfactory standards, and as a result, placed the medical school under probation. LCME gave the school two years to rectify substandard curriculum design, administrative framework, and infrastructure, such as student lounge and study areas.

Accreditation review periods are designed to be transparent and to provide clear standards for medical schools to uphold. How then can a highly ranked medical school fail to comply with a set of standards? This failure is indicative of poor organizational practices.

The aim of this paper is to explore the processes at work and analyze the issues that are hindering the medical school from being successful. This analysis also tries to lay out a foundation that could foster better success in the future.

Deming's *Deadly Diseases*

Starting the 2014-2015 academic year, the school has rolled out an entirely new curriculum. One indicator that the school of medicine has been suffering from the deadly disease of *constancy of purpose* is that the only reason why a change in the curriculum was made was because of accreditation probation (Deming, p. 98).

The medical school had not been innovating and progressing with the industry, but merely remained the same while trying to churn out medical

doctors. In a scrambling effort to restore their accreditation's good standing, the school has undergone an overhaul of courses, organization, and even the length of coursework. In an effort to set them apart from other schools, the school has condensed its previously two-year pre-clinical coursework into one-and-a-half years to be able to include an additional semester of clinical practice. The hope was that students would be more attracted because they would have less coursework and more time in a clinical setting to better understand what specialty to choose.

This shortened curriculum seemed like a good idea in theory, but was not adequately researched and prepared. It was discovered three quarters of the way into the first year that there would not be enough spaces in hospitals and clinics in the area to support the additional second year students looking for clinical practice. Students had to be informed that they would not be gaining as much clinical time as they were originally led to believe they would receive.

This is a glaring example of the failure to continually improve processes, products, and services. The medical school succeeded in reaching short term goals to admit more students, but because of poor planning, this has hurt its reputation in the process, which may affect the caliber of students applying in the future.

In an attempt to develop new products and services, the medical school is also looking for new technological platforms to provide course material to students to help them be successful in their classes, including, but not limited to, recordings of lectures,

access to online textbooks, and portfolio sites (Deming, p. 98). How successful or well-thought out this may be is dubious.

For example, the school has begun using the flipped classroom method where students watch a pre-recorded lecture and then go over case questions to demonstrate learning and deep understanding. Whether this method improves or diminishes learning is unclear, though potentially, it may cut costs in the future by replacing competent professors with a video-tape.

Although the school has been trying to revise its curriculum and services, they are failing to develop innovative products and services of their own. The school merely copies other higher education institutions and does not develop cutting edge teaching techniques or medical school curriculum of their own. Using current research about medical education has been beneficial, but in order for the school to remain competitive and profitable, it needs to innovate and pilot something of their own.

The school also emphasizes *short-term profits*, another management disease (Deming, p. 99). They are concerned how to get more students, how to keep accreditation, and how to keep up with other schools. Ivanov (2011, 2012, 2013, 2014, 2015) calls this paradigm *Feararchy*, in which most decisions stem from a phobia, a reactionary mode.

The school is so pressured to push out a new curriculum to comply with the standards given by LCME that they did not give faculty adequate time to write material, or develop new proc-

esses. Some teachers do not know what they would be teaching the day before they give their lecture, while others use the exact same material from previous years instead of adapting to the new curriculum structure.

The school's management does not have any long term planning to accomplish large projects, or a management structure that encourages employees to own their output to improve the quality of their work, a set of other deadly management diseases identified by Deming and Jaques (1996, 1998, 2002). The result of this lack of management control is that the school is producing a product (lectures/ curriculum) that is low in quality and not engaging. The faculty are given little guidance how to be effective in their jobs, and are not compensated based on teaching, and therefore, are not motivated to be exceptional. Students complain about disorganized and unprepared faculty members, and are often unsatisfied.

Another disease that the school exhibits is the *disease of the performance evaluation*, merit rating, or annual review (Deming, p. 101). Evaluations are given to the faculty after every session they teach. Students evaluate them based on their experience with the coursework, classroom setting, and assistance from staff.

Not only are faculty concerned with their immediate ratings, but they are not evaluated on all aspects of their work. Instead of providing useful feedback, these evaluations cause fear and alienation among the employees.

In addition to poorly executed evaluations, the medical school faculty

are rewarded based on their clinical practice and biomedical research contributions and not on their teaching. This provides no incentive for them to perform well and cooperate with the vague standards set by management.

Trainings that is offered to faculty is rarely mandatory and most faculty members rely on support staff for technical execution of class lectures. Faculty are not held accountable for poor performance and often support staff are blamed for poor execution of a lecture or the course. Management's attitude is "our troubles lie entirely in the work force," which causes not only ineffective faculty, but also disenfranchised staff (Deming, p. 134).

Application of Elliott Jaques' Theory

Reviewing the school using Jaques' timespan methodology, any school of this size and scope should be operating at a stratum five with a time horizon of 5-10 years. Perhaps the reason why this school is failing to innovate or even meet industry standards is because the executive management team members, who are supposed to be working minimum at stratum 5, are not using the advanced declarative, cumulative, or serial mental processes required to adequately prepare for the future of the organization (Jaques, 1996, 1998, 2002), (Ivanov, 2011, 2013, 2015).

It is possible that if the dean of the school had been focused on the future, and development of new products and services, that the school would not be in the predicament it is in today.

Going forward, it would also be useful to survey management in order

to see if they perceive the control of quality to be on them or on their subordinates. If management does not have a plan to encourage increase of quality, then they are failing to accomplish their leadership responsibilities.

In summary, the school focuses on short term profits, struggles with constancy of purpose, and uses performance evaluations that cause fear and inaccurate representations of actual performance.

Recommendations

The school of medicine can take steps to eradicate many management diseases and create an organizational system that has appropriate work strata for its scope and size. First, the school's management needs to gain an understanding of their leadership responsibilities. Management needs to stop reacting to the loss of accreditation and take time to understand the reasons why this has occurred in the first place, and then work towards a future without such mistakes.

To help upper management gain understanding of their responsibilities, they need to time span each role in the administrative, student, and faculty department. This would help identify if there are redundancies in management or a manager and supervisor are in the same timespan-work level, for example. Any anomalies like these could create competition and hinder clear communication and development of ideas.

Overall, the school is working on a level that is far lower than where they should be. For example, an assistant dean planned an entire day long mandatory student event and gave as-

signments to support staff with less than three weeks' notice. An assistant dean should be operating at work level 4 with a five-year time horizon (Jaques, 1996, 1998, 2002), (Ivanov, 2011, 2012, 2013, 2014, 2015), (Clement, 2013, 2015).

Thus, more people should be working at work levels in between work strata 2 and 4. This would allow the deans to focus on longer term projects and tasks, the school's future. This would also prevent curriculum mishaps, such as not planning enough clinical space for new students, and a sudden loss of accreditation.

Creating more work space in the organization for long-term thinking would also allow upper management to explore new programs, products, and services that are vital to any organization for long term success (Ivanov, 2011, 2012, 2013, 2014, 2015).

Lastly, the present school of medicine should focus less on immediate evaluations of faculty and their lectures and more on continued coaching and feedback from management. Investing in training would contribute to increased performance and student satisfaction. Focusing on training, development, and coaching would reduce fear and conflict within departments.

As this study shows, the school has a lot of areas for improvement. All of these improvements are doable and achievable.

If it does not change its ways, it may lose its accreditation for good and eventually lose its foothold in the market. By reevaluating its management practices, the school could change its

course, overcome current difficulties,

and become successful.

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STRATEGIES TO IMPROVING CORPORATION X:
PRACTICAL APPLICATION OF *ABILENE PARADOX* THEORY OF
JERRY B. HARVEY AND LEADERSHIP THEORY OF
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Abstract

This paper is a case study of a small corporation in Washington, DC metropolitan area. In this study, the authors evaluate the organization against management theories and principles specified by two management theorists, Jerry B. Harvey, and W. Edwards Deming. The study shows that the organization and business would be more profitable if the owners recognized some of the organizational issues uncovered by this study, and addressed them. Some of these issues are ineffective management, short-term focus, management by results, and a potential environment of *feararchy*, discovered by Ivanov in 2011-2015.

Key Words: Abilene Paradox, Case Study, Organizational Study, Jerry B. Harvey, W. Edwards Deming, Leadership, Leadership in the Enterprise

Introduction

Corporation X is a real business entity that has nine franchise stores in the Washington, DC metropolitan area, which consist of Washington DC, Maryland, and Virginia locations. This corporation is in the fast food-dessert

industry. It started as one shop in Washington, DC twenty years ago and grew to nine shops operating today.

Three owners form the partnership that owns this corporation. Only one of the owners is directly involved in the day to day operations of the

business. Each store has managers and supervisors. Between all of the stores there are about one hundred employees, fluctuating depending on the season. During the spring and summer, there can be up to one hundred and fifty employees.

This organization has been successful during the years but there are some organizational issues that could prevent it from greater long term success. After evaluating the company for over a year, there were several issues that we compared against the management theories:

- 1) Is the company in *Abilene*?
- 2) Does the company focus solely on short-term thinking?
- 3) Is the company managed strictly by results?

Abilene Paradox

The Abilene Paradox is a management paradox first identified by management consultant and Professor Jerry B. Harvey in 1974. When in Abilene, an organization or group frequently “take actions in contradiction to what they really want to do and therefore defeat the very purpose they are trying to achieve” (Harvey, 1988).

Harvey first came across the paradox when he, his wife, and parents-in-law agreed to take a one-hour trip from Coleman, Texas to a dinner in Abilene on an extremely hot day in a 1959 Buick with no air conditioning. After returning back home “hot and exhausted” the group found out that no one wanted to go in the first place. Individually they all agreed that it was too hot and that they should just stay home, but they made false assumptions

about the desires of the others and ended up doing the exact opposite of what everyone wanted.

Jerry Harvey states that “the inability to manage agreement, and not the inability to manage conflict, is the essential symptom that defines organizations caught in the web of the Abilene Paradox” (Harvey, 1988).

According to Harvey, people caught in the web of Abilene avoid speaking up because of fear of separation from the group, being fired or demoted, and of losing face.

After watching Company X for a while and talking to the owner and employees, I discovered that they indeed were in Abilene. One of the authors was allowed to sit in a meeting with the owner, the manager, and assistant manager from a particular store. They were discussing different issues and ideas. They then got to the subject of employees. The owner asked the manager and assistant manager what they thought about promoting a specific employee to a supervisor position. The manager said “I think that is a good idea” and looked over to the assistant manager and asked him what he thought. The assistant manager said “yeah I think we should do it.” From previous conversations with both managers, I knew that they both have had complaints about that specific employee.

The employee was promoted to supervisor and it was a complete disaster. Some good employees quit because of the supervisor’s actions. Months later, the owner and managers met again. They all knew that it was a mistake to promote that employee. The

owner asked the assistant manager why the employee was promoted. The assistant manager said, "I knew it was a bad idea, but you guys seemed like that is what you wanted and I didn't want to go against both of you." The manager spoke up and said, "I didn't think that employee was supervisor material, but I thought that is what you guys wanted." The owner then told the two managers that he didn't think that employee was ready, but he just mentioned it because he thought that the two managers wanted to promote that employee.

What happened at Company X was a classic example of an organization being in Abilene. The problem was the inability to manage agreement. Everyone agreed that the employee was not ready to be promoted to the supervisor role, and therefore should have been kept at the position he was in. But because of making false assumptions about the desires of the others, they did the exact opposite of what they wanted. The result was losing good employees because of the supervisor's actions.

Short-Term Thinking

Another issue with Company X is short-term thinking. Short-term thinking is emphasis on immediate results and short-term profit. Management thinker Dr. W. Edwards Deming said, "short-term solutions have long-term effects" (Deming, 1992, 1993). In the case of Company X, many of their short-term solutions to save money created long-term problems for the company.

At many Company X's shops there is only one cash register. Regis-

ters are expensive, but necessary. Instead of buying a second register, Company X relies on just one cash register, which in the short-term saves the company the expense of another register. In the long-run the company is losing sales.

There are times that the line in the store is so long that customers leave. Many of these customers will not come back because the shop looks like it is unprepared and not well-managed. There are other times where the cash register malfunctions, and everything has to be done by hand which takes forever and again Company X loses customers.

Company X also has a lot of old equipment that needs to be replaced. Instead of buying new equipment, the company chooses to pay for maintenance and many times goes to the cheapest maintenance person that they could find to save money. This is another example of the short-term mindset that the company has. At one of the shops there is a prep bar refrigerator that always malfunctions because it is too old. This equipment is very important because it is where the fruits are kept to make the smoothie-drinks. The company even failed a corporate inspection because the refrigerator malfunctioned the day before the inspection, and the company couldn't get it fixed on time.

When the refrigerator breaks down, the company finds a cheap repair man to fix it temporarily. With the money that they keep putting to fix the refrigerator, the company could have bought a new one already.

At another shop, the equipment that stands out the most is the air conditioning and heating system. This system has been malfunctioning for the last three years. It is understandable that this system is expensive, but not fixing it is just thinking of the short-term.

In the summer it is too hot and in the winter it is too cold, because the system is usually not working. This makes not only the customers uncomfortable, but also the employees who are there all day working in those unbearable conditions. In the short-term the company thinks it saves money by not buying a new system, but in the long-run the corporation loses customers and employees.

When concentrating on short-term solutions and short-term profits, the organization not only sets up for failure in the future, but it also creates fear in the organization. Ivanov (2011, 2012, 2013, 2014, 2015) calls such paradigm *feararchy*.

As an employee, I would start wondering why the company hasn't bought new equipment when the equipment is always breaking down. The first thought that would come to my head is that the company is not planning to stay in business too long. This would definitely create fear and anxiety about my position and future with the company.

Managing by Results

According to Deming, managing by results is "when you take immediate action on any fault, defect, complaint, delay, accident, or breakdown" (Deming, 1992, 1993). When using

management by results, you find an immediate pseudo-solution opposed to identifying the root of the problem. This is also another issue at Company X. We will demonstrate this issue using the "small cup" example.

At Company X there are three main sizes for their desserts: small, medium, and large. The small cup is one flavor, the medium is a two flavor cup, and the large is a three flavor cup. If a customer asks for two flavors, the employee automatically grabs the medium cup. If someone asks how many scoops can get in a small cup, the employee automatically says one flavor.

One of the biggest complaints is that Company X receives at all of its shops is about the small cup. There are many customers who want two flavors in the small cup because they want a mixture. The employee usually tells the customer that if they want two flavors they must get the medium cup.

One day a customer comes in the shop and tells the employee that she understands that a small is one flavor, but that she really wants two flavors but doesn't want a lot. She told the employee that the medium was too much for her. She asked the employee if she could have two half servings in the small cup, but the employee told her that he was only allowed to do one flavor in the small cup and that if she wants two, she has to get a medium cup.

The customer got really mad and wrote a complaint to corporate headquarters, which was then received by the owner. The owner called the manager to contact the customer, apologize, and offer her free dessert.

This was managing by results, just trying to deal with the immediate issue, which was satisfying this particular customer, rather than addressing the root issue that many customers want two flavors in a small cup. Managing by results allowed Company X to focus on the customer immediately and “fix” the problem, but it did nothing to fix it from happening again. Mad customers are not good for business.

What needed to be done was to hold a team meeting. Company X needed to get to the root of the problem so that it wouldn't happen again. The goal shouldn't be putting out fires every single day. During the meeting, Company X should have gone through that particular scenario with all the employees and showed them how to handle it. They should have explained to employees that a small is one flavor, but if a customer specifically asks to mix two flavors in the small cup, they should make it happen. They would still be giving the same amount of dessert, but just doing two half servings. Happy customers bring more business. This would make the customer happy, which in term would make them come back.

After practicing that scenario, Company X should have gone through other scenarios that usually cause complaints. The owner and managers should stop managing by results and work on finding the root causes to issues. Finding the root causes to issues would help avoid problems in the long run.

Conclusion

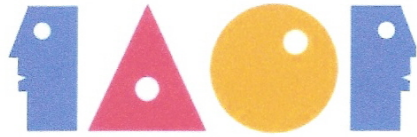
There are many organizational issues in Company X, some of which this paper illuminates. The three issues that stand out the most are Abilene paradox, short-term focus, and managing by results. While looking at these three issues another issue has depicted itself – fear. There is a lot fear that comes from the company's emphasis on short-term goals and profits. These short-term goals make employees fear that the company would not be around for a long time, and that their jobs could be lost.

Company X must create an environment where employees feel comfortable expressing their opinion. They must also work on long-term goals that will eliminate fear and strengthen the overall morale of the organization. Finally, the company must work on fixing the root problem, and not just smoothing out fires as they appear.

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THE IMPACT OF FINANCIAL CONDITION AND CORPORATE
SOCIAL RESPONSIBILITY TO THE AGGRESSIVENESS OF
COMPANY TAX IN JAKARTA ISLAMIC INDEX

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Abstract

Aggressiveness tax is an action of aggressiveness tax which gives a marginal benefit by saving the tax (tax saving) to company. The aggressiveness of this tax is influenced by financial factor and non-financial. Thus, this research is dedicated to analyze some factors, which is influential to the company aggressiveness tax based on perspective of financial condition and corporate social responsibility (CSR).

This research is an empiric study, which uses purposive sampling technique in taking a sample. The data is found by the company that its stock registers in Jakarta Islamic index (JII) period 2010 – 2013. For technique, analyzing is using multiple linear regressions. The result of this research indicates that financial condition is predicted by profitability has a negative influence. Even though, liquidity, leverage and CSR do not have significant influence to aggressiveness tax. Whereas, it indicates that CSR cost is spent by company to give contribution to the society is not as an instrument for doing aggressiveness tax.

Keywords: Financial condition, corporate social responsibility (CSR) and Aggressiveness of tax

Introduction

One of the tax functions is the budgeting function which is indicated to fill in cash state as roles to ob-

tain and being used to cover expense of country, thus it is needed the awareness and the discipline subject to tax for understanding the tax roles. On the other hand, the company assumes as a burden where it will decrease profit of the com-

pany and give effect to the company becomes aggressive in the tax (Chen, et al., 2010).

According to Frank, et. al., (2009); Krisnata and Supramono (2012), aggressiveness is an experimental action in income tax by using tax avoidance or tax evasion. Even though all of the aggressive does not break the rule of company, even though as many as chance which is used by the company, it will more aggressive to the tax. Fatharani (2012) explains that the aggressive tax action will give contribute marginal benefit or marginal cost. The marginal benefit which may get of the tax saving that is significant for the company. But then the marginal cost that is appear where they appear of the tax cost it might be action by getting tax of doubt when is done of investigation, the decreasing price of company's stock, reputational cost, and political cost.

Financial condition of the company can be measured using the ratio of profitability, liquidity, and solvability/leverage (Bambang, 1998). Research on profitability and liquidity ratios are associated with non-compliance tax have been done by Mustikasar (2007), liquidity and leverage ratios against tax aggressiveness (Krisnata and Supramono, 2012), as well as profitability and CSR to tax aggressiveness (Lanis and Richardson, 2012).

The previous studies showed profitability and liquidity company proved that the factor which influence obey of company tax role, it is caused profitability will emphasize the company to report its tax. (Slemrod, 1992; Bradley, 1994 in

Mustikasari, 2007; Siahaan, 2005; dan Aldila, 2012). According to Bradley (1994) and Siahaan (2005) stated the company which has low liquidity indicated undisciplined tax to become survive current company's cash. According Krisnata dan Supramono (2012), the company is might used a debt to fill the operational needs and companies' investment. However, the debt will cause permanent (fixed rate of return) called interest. If the debt is greater, the taxable income will be smaller because of tax incentives on debt interest increases. It will have an implication to increase of purposing debt by the company. The result Showed, it is of Ozkan (2001) mentioned the company that has a high tax liability will have higher debt, so that the company deliberately high owed to reduce the tax burden. It is an action of aggressiveness tax. Besides condition financial indicator, the factor which can influence the aggressiveness of company tax is from corporate social responsibility (CSR). Thus, if the company aware to the important of CSR, the company will be more know the function tax for the society, this research connect with Watson (2011) and Lanis and Richardson (2012).

This research has aimed to integrate some of the previous study and analyzing the influence financial condition which projected profitability, liquidity, and leverage variable, and also the function of CSR to aggressiveness company tax. Another case is in object which is used in this research is a company which listed in Jakarta Islamic index in 2010–2013 period. The object selection research is from company which listed in Jakarta Islamic index. A company which

listed in Jakarta Islamic index is a company which chosen by the company which become expected a model to other company in the operational process, where it is not unsure contain of gambling, money lender (riba) and not produce goods or service which has unsure mudharat as role from syariah supervisor council, so expect the Company which listed in JII as a company which not doing a aggressiveness tax.

Theory and Hypothesis Development

The Influence of Profitability Toward Aggressiveness of Company Tax

Company profitability had proved was a factor which influenced company loyalty in obeying tax role, because of the profitability would emphasized company to report its tax (Slemrod, 1992; Bradley, 1994 in Mustikasari, 2007; Siahaan, 2005; dan Mustikasari, 2007).

A company which has high profitability indicated reporting tax with fair than a company which has lack of profitability. The company has lack of profitability generally realizing financial difficulty and indicating undisciplined tax. (Mustikasari, 2007). Based on the explanation above can be formulated:

H1: the profitability can influence negative effect to aggressive of company tax.

The Influence liquidity toward Aggressiveness of Company Tax

A company which has high liquidity showed high company capability in fulfills short term period debt with valu-

able property. When the ratio is higher than company liquidity it might be good financial condition company, thus, it could be warrant of cost with showed tax (Krisnata and Supramono, 2012).

According to Bradley (1994); Siahaan (2005); and Mustikasari (2007) also gave an evidence that company was difficulty liquidity might not obey the role of tax and indicate avoiding the tax. This action was done by the company for defending its cash. Even though, company which has high liquidity will have lack aggressiveness tax. Based on the explanation above can be formulated as follows:

H2 : the liquidity can influence negative effect to aggressiveness of company tax.

The Influence Leverage Toward Aggressiveness of Company Tax

Ozkan (2001); Choi (2003); Krisnata and Supramono (2012) explained that where a company which has more high burden tax to apply for debt in order to get benefit from the reduction of the interest on the debt so that the taxes paid will be smaller.

According Yoehana (2013), when the company select to pay its operations more with debt, then the company will have a low value CETR. This is because the interest components cost in the loan can be used as a deduction tax. Based on these descriptions can be formulated hypothesis. Below is the hypothesis:

H3: the leverage can influence positive effect to aggressiveness of company tax.

The Influence CSR to Aggressiveness of Company Tax

According to Watson (2011) in their study had proved that CSR activity was done by American company consisted could be limited the aggressiveness company tax. Avi – Yonah (2008) in Lanis and Richardson (2012) stated that company can be correlated with CSR, if the payment tax was done by company had implication to wide society.

Lanis and Richardson (2012) argued that payment of company tax in company should have some consideration values to society and other stakeholder. By some reason, if CSR was higher than the company, it can be might that the company is not aggressive to tax, it will make the company will loss of reputation and positive impact in stakeholder.

Based on the explanation above can be formulated as follows:

H4 : the CSR can influence negative effect to aggressiveness of company tax.

Research Design

Sample Description

The population in this research is a company which listed in Jakarta Islamic index in 2010- 2013 period. The gathering sampling method used purposive sampling method where method to get

sample based on criteria and certain consideration target in choosing the sample. The explanations of those are as follows:

1. The company listed in Jakarta Islamic index (JII) in 2010 – 2013. Based on national syariah supervisor council and BAPEPAM – LLK role no. IX.A.13 about publish of syariah effect. There are four requirements that must be completed by stocks to enter in JII (www.wikipedia.org) :
 - a. Emiten is not operating the attempt gambling and playing which content of gambling or forbidden selling.
 - b. It is not the conventional financial institution which is implement the usury system, including banking and conventional insurance.
 - c. To effort that cannot be done produce, to distribute, selling forbidden food product.
 - d. To not operate the producing business, distributing, and providing goods / services which can make breaking behavior.

In addition, the companies which calculated in Jakarta Islamic Index is selected as follows (www.idx.co.id):

- a. The stocks will be selected based on the Lists of Islamic Securities (DES) was agreed by Bapepam - LK.
- b. Choosing 60 stocks of the Syariah Securities List in order to get of largest market capitalization over the past 1 year.
- c. From 60 stocks, 30 stocks were selected based on the level of liquidity that was the value of transactions in the regular market during in one of year.

2. The company published financial report and annual reports which consistently in 2010-2013.
3. The Company did not realize a loss when did this research past. This is because it will cause the value to be negative CETR so would complicate the calculation (Yoehana, 2013).
4. The company which served the financial report ended December 31, (Yoehana, 2013).
5. The Company which used rupiah as a unit value in its financial report. (Fatharani, 2012 and Yoehana 2013).

Based on the criteria, it was found 30 companies sample during observation (2010-2013) period. Thus, the total of the sample is 52, can be seen in Table 4.1.

Dependent Variable

The dependent variable which is used is the aggressiveness of company tax proxied by Cash Effective Tax Rate/CETR (Y).

Independent Variable

The independent variables that used in this research are profitability (X1), liquidity (X2), leverage (X3), and corporate social responsibility/corporate disclosure (X4).

Base Regression Model

To prove the hypothesis that has been formulated, then used the analysis of regres-

sion. The data Analysis in this research can be formulated as follows:

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e$$

Description :

α = constant

$\beta_1, \beta_2, \beta_3, \beta_4$ = Regression Coefficients

Y = Company tax aggressiveness was measured by CETR.

X1= Profitability

X2= Liquidity

X3= Leverage

X4= Disclosing CSR item company i in period

Results

Descriptive Analysis

The data description in each variable is used in analysis is followed at Table 2.

Based on Table 2 the average value was obtained on the profitability that was proxied by return on assets (ROA) was equal to 0.2407. It showed that the average return on assets (ROA) in the company of samples in 2010-2013 was amounted to 24,07 percent. It means that in every rupiah of the assets were used by companies could generate a profit of IDR 0,2407. The lowest profitability was 2,43 percent and the highest profitability was rate of 53,96 percent.

Table 1. The Operational Definition of Variables

Variable	Definition	Formula
Profitability (X1)	The capability of the company to get benefit. Profitability is proxied by the returning on assets / ROA (Bambang, 1998; Fatharani, 2012; Mustikasari, 2007).	$\frac{\text{Pre Tax Income}}{\text{Total Assets}}$
Liquidity (X2)	The capability of the company has to fill short-term obligations. Liquidity is measured by the current ratio (Bambang, 1998; Krisnata and Supramono, 2012)	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Leverage (X3)	The use of financial resources which has a permanent load (Bambang, 1998; Krisnata and Supramono).	$\frac{\text{Debts Total}}{\text{Assets Total}}$
CSR (X4)	The number of items that was revealing of corporate social responsibility expected a number of 78 items (Sembiring 2005; Lanis and Richardson, 2012).	$\frac{\text{Number of Items Disclosed}}{78 \text{ Items disclosure}}$
Company tax aggressiveness (Y)	Cash Effective Tax Rate (CETR) is the effectiveness of tax payments by the company (Krisnata and Supramono, 2012).	$\text{CETR} = \frac{\text{Total Tax Paid}}{\text{Pre Tax Income}}$

Table 2. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Profitability	52	,0243	,5396	,240763	,1237237
Liquidity	52	,4500	6,9854	2,796271	1,6955451
Leverage	52	,1332	,6813	,335118	,1476762
CSR	52	,3462	,6282	,483481	,0422041
CETR	52	,1273	1,3241	,317514	,1838222
Valid N (listwise)	52				

The average value on the liquidity that was proxied by current ratio was about 2,796. This indicates that the average current ratio of the sample companies which was researched at 2010-2013 period was amount 2,796, or 279,62 percent. It means that in every rupiah of current liabilities was secured by current

assets of Rp. 2,7962. The Lowest liquidity value was 45 percent and the highest liquidity value was 698,54 percent.

The mean of leverage which is proxied by the debt to asset is 0.3351. It indicates that the mean of leverage of the sample company examined in 2010-2013 period is 33.51 percent, it means that 33

percent of funding in the company assets are financed by debt, while the rest is financed by stocks. The lowest leverage is 13.32 percent and the highest leverage is 68.13 percent. Standard deviation is 0.1476 which is smaller than the average is 0.3351, thereby leverage data dissemination is uneven, meaning that there is no difference between high data with one another.

The average value in the corporate social responsibility (CSR) was 0,4834. It indicated that the sample disclosure of company's CSR was analyzed in 2010-2013 was amounted to 48,34 percent. The lowest value of corporate social responsibility (CSR) was 34,62 percent and the highest value of corporate social responsibility (CSR) was 62,82 percent.

The average value of the corporate tax aggressiveness which was measured by CETR was equal 0,3175. It showed that the average corporate tax aggressiveness in the sample company in 2010-2013 was amounted 31,75 percent. The value of lowest corporate tax aggressiveness was 12,73 percent and the value of the highest corporate tax aggressiveness was 132,41 percent.

Classic assumption Test

Normality Test results were obtained by Kolmogorov-Smirnov result was $0,403 > 0,05$, so it could be concluded that the data are normal distributed. Multicollinearity test results were obtained VIF, for each independent variable profitability was 1,085; liquidity was amounted 1,376; leverage was 1,380; and CSR at 1,113 was less than 10. Thus, the tolerance value each independent

variable profitability was 0,922; liquidity was amounted 0,727; leverage was 0,725; and CSR was 0.942 was more than 0.1. Thus, the regression model in this research could be concluded that it was not crash multicollinearity.

Test result of heteroskedisity with Glejser test was obtained of significant value where each independent variable was greater than 0.05, the profitability was 0,016; liquidity was 0,392; leverage was 0,970; CSR was 0,811. Therefore, it could be indicated regression model in this research that it was not indication of heteroscedasticity.

The result of Autocorrelation test with run test was obtained from significance value run test in regression model about $0.575 > 0.05$, then, the regression model where was proposed was not able autocorrelation.

Hypotesis Testing

Hypothesis testing that was proposed by using regression analysis. The analysis result can be seen at Table 3.

Table 3. Regression Test

		Coefficients ^a				
Model		Unstandardized Coefficients		Standardized	T	Sig.
		B	Std. Error	Coefficients		
1	(Constant)	,336	,284		1,183	,243
	Profitabilitas	-,630	,206	-,424	-3,057	,004
	Likuiditas	-,003	,017	-,031	-,201	,842
	Leverage	,006	,195	,005	,032	,975
	CSR	,291	,612	,067	,476	,636

a. Dependent Variable: CETR

From Table 3 the result of processing data with SPSS program 19. It was found the equality of final regression.

$$Y = 0,336 - 0,630 X1 - 0,003 X2 + 0,006 X3 + 0,291 X4 + e$$

Profitability was influential as significant to the corporate tax aggressiveness by negative correlation, this result was evidenced by significant value $0.004 < 0.05$ and the regression coefficient -0.630. Thus, we could be concluded that H1 was accepted and the hypothesis that was assert of negative influence between the profitability to the corporate tax aggressiveness where was accepted.

Liquidity did not significant influential to the outcome of corporate tax aggressiveness. It was evidenced by the significant value $0,842 > 0,05$. It could be concluded that the H2 was rejected. So the hypothesis alleged that the existence

was negative influential effect between liquidity to corporate tax aggressiveness was rejected.

Leverage did not significant influential to outcome of corporate tax aggressiveness. It was evidence by the significant value $0,975 > 0,05$. It could be concluded that the H2 was rejected. So the hypothesis alleged that the existence was positive influential effect between leverage to corporate tax aggressiveness was rejected.

CSR did not have an impact effect to the company tax aggressiveness with a positive connection; the result was evidenced by the significant value $0.636 > 0.05$. It could be concluded that the H3 was rejected, so the hypothesis that the alleged existence of a negative effect between CSR to company tax aggressiveness was rejected.

Discussion

The Influence of Profitability Toward Aggressiveness of Company Tax (CETR)

Profitability could be influence negative toward the corporate tax aggressiveness; it indicated that company had high profitability tended to report their tax honestly than companies which had low profitability. Some Companies that had low profitability usually had experience complication problem financial and it tended to tax noncompliance. As profitable a company, it tended to have a high effective rates and as if the company seem more less tax aggressive than the company less tax less profitable. These results do not support the research Lanis and Richardson (2012); Gupta and Newberry (1997), who explains that profitability positively affect tax aggressiveness, but this result support the research of Mustikasari (2007) and Aldila (2012), which proved that profitability had significant influence and a negative connection toward the company tax aggressiveness.

The Influence of liquidity toward Aggressiveness of Company Tax (CETR)

Liquidity was not influence significant toward the company tax aggressiveness with a negative connection. This condition occurred cause of the company has liquidity where it shared and traded on the JII by high rate, it was an average of 279.62 percent. A company which has good financial condition could be considered that it was a healthy financial and not have a problem with cash flow. So cash flow could be expected the costs that arise as tax and

compare its obligation according to the applicable rules. (Slemrod, 1994 in Siahaan, 2005 and Bradley, 2004).

This result supported Krisnata and Supramono's research (2012), which stated that liquidity was not a significant and negative impact toward the company tax aggressiveness. There was no significant correlation between liquidity and corporate tax aggressiveness; it means that the stock which was sold was similar. It could be proved in the descriptive where the standard deviation value of the company whose shares are traded in the same relative JII. This is evident in the descriptive analysis in which average value of the current ratio (2.79). The average value indicated that had the rate of liquidation of the company that traded congruent in JII.

The Influence of leverage toward Aggressiveness of Company Tax (CETR)

Leverage has not significant with positive effect of the aggressiveness corporate tax. This condition indicates that the higher of the leverage, the higher of aggressiveness of this tax. This condition is done to feel the operational needs and investment companies, it is possible the company used debt. However, the relationship is not significant because it is according to the criteria of the incoming stocks in the category of sharia in Jakarta Islamic Index (JII) where the total debt does not exceed 45 percent. These results do not support the research Krisnata and Supramono (2012) who explained that leverage give the positive effect on tax aggressiveness.

The Influence CSR Toward Aggressiveness of Company Tax (CETR)

CSR does not significantly influence the tax aggressiveness towards a positive relationship. These results do not support the research Lanis and Richardson (2012) who explains that CSR negatively affect tax aggressiveness, but supports research Watson (2014) which shows that Corporate Social Responsibility (CSR) has positive influence on the aggressiveness of taxes when the lower financial conditions, but the effect disappeared when the financial condition of medium or high.

These results indicate that the higher the aggressiveness of CSR there is a tendency that the higher the tax, but not significant for the taxation laws in Indonesia there are restrictions on CSR activities that can be tax deductible, so the company can not use these loopholes to avoid tax.

Conclusion and Suggestions

Conclusion

Profitability was influence significantly with a negative correlation toward the corporate tax aggressiveness (CETR) it indicated that company had high profitability tended to report its taxes honestly than companies which had low profitability.

Liquidity has no significant effect on the aggressiveness corporate tax (CETR) with a negative relationship. It shows the higher level of liquidity, the aggressiveness of company tax will be lower because the company is not

experiencing difficulty in paying their tax obligations.

Leverage and CSR do not significantly influence to the aggressiveness of corporate tax (CETR) with a positive relationship. It shows higher leverage and disclosure of CSR in a company with the possibility of increasing the aggressiveness of corporation tax but the tax aggressiveness does not significantly increase. This condition indicates that the leverage in accordance with the criteria in the category of shares of sharia. It is also due to the character of the companies listed in JII is a reputable company that is keeping from aggressive action toward taxes because the company does not want to lose reputation in front of stakeholders.

Suggestions

For the company is expected the company do not do aggressiveness taxes because it will be impact the company's reputation. For the government needs to look for the prevention and settlement tax aggressiveness of the company the state will not be harmed. In addition, although JII is level of corporate tax aggressiveness performed on the company whose shares are traded at relatively low JII not even be said to be aggressive tax because the tax aggressiveness average of 31,75 percent is more the effective than tax rate set by the government by 25 percent, therefore it needs to be a review of the criteria for adding company whose shares can go in order not to belong to aggressive tax.

The results of the independent variable coefficient determined in this

research focus on describing the aggressiveness of tax (CETR) 9,7 percent, for further more research can add independent variables, such as the characteristics of ownership, tax reform, and political relations (Sari, 2010; Nugroho, 2011; Lanis and Richardson, 2012). In addition to add characteristic variable governance corporate (Sari and Martani, 2010; Lanis and Richardson 2011, Yoehana, 2013) in order to get better explain the aggressiveness of its tax.

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Appendices

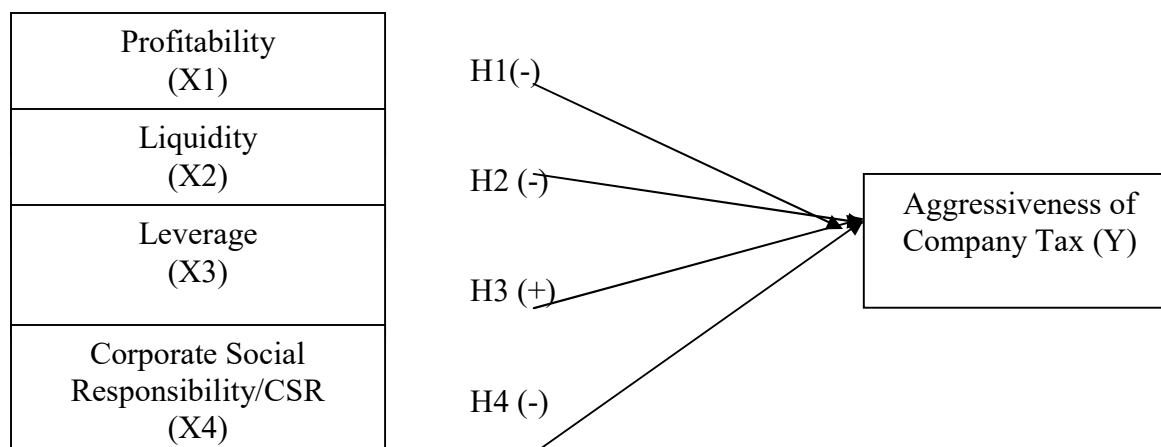
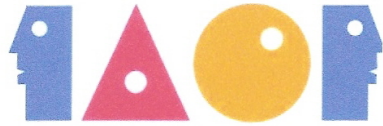


Figure 1. Research Design

Table 4. Distribution Sample

Sample Criteria	The Total of Companies
Companies' stocks which listed in JII (Jakarta Islamic Index) in 2010-2013 period.	30
Companies which stocks are not always traded in JII (Jakarta Islamic Index) 2010-2013 period	(16)
Companies which get of suffer financial lose in 2010-2013 period	(1)
Companies which stocks are always traded in JII (Jakarta Islamic Index) in 2010-2013 period.	13
The total sample of 13 companies x 4 years	52



A STUDY OF IMPACT ON - JOB TRAINING ON JOB PERFORMANCE OF EMPLOYEES IN CATERING INDUSTRY

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Abstract

Perfect services in catering industry rely on people that service staffs in catering industry are the key service providers. The professional competence to complete high-quality services is worth discussion. By distributing and collecting questionnaires on-site, the managers and employees from 9 stores of Thai Town Cuisine are investigated. Total 270 copies of questionnaires are distributed and 227 valid copies are retrieved, with the retrieval rate 84%. Each retrieved copy is regarded as a valid sample. The research findings show significantly positive effects of on-job training on Work Achievement, Work Behavior, and Employee Personality in job performance and remarkable moderating effects of Personal Background on the correlations between on-job training and job performance. From the aspect of workplaces, some suggestions are proposed in this study for the reference of on-job training and staff recruitment in catering industry.

Key words: catering industry, on-job training, job performance

Research Background

Domestic economic prosperity and rapid industrial development in past years have largely changed the social structure. Besides, increasing national income, promotion of living standard, increasing personal leisure time, and convenient transportation have service industries become popular businesses. The opening to tourists from China also booms tourism and catering industries in Taiwan. Perfect services in catering industry rely on people that quality “talents” are the key role in the creation of economic value for a catering business pursuing the best profit. Professional competence of staffs could provide customers with high-quality services, and a restaurant manager should present professional competence on delicious food so as to promote the service quality. Service staffs in catering industry are the key service providers. It is worth discussion about the professional competence to complete high quality services.

Food & beverage management is covered in formal commercial vocational education with the educational objectives of cultivating excellent talents for restaurants, including the continuous production and the integration of production and marketing of bars, restaurants, and kitchen services, as

well as corresponding to the demands for national tourism development. It reveals the affirmation, from experts, of talent cultivation in catering industry. Current research on the professional competence of staffs in international and domestic catering industry is little. Most studies investigate the competence of instructors and students in the departments related to catering industry, but few discuss on-job training and competence contents for staffs from the aspect of workplaces. Ministry of Education has recently encouraged schools in the technical and vocational education system designing school-based curricula to meet industrial demands, i.e. designing curricula based on the competence required for workplaces. For this reason, this study, from the aspect of workplaces, tends to investigate the effects of on-job training on job performance of staffs in catering industry and understand the staff requirements for on-job training to further provide catering industry with the reference for on-job training and staff recruitment.

Literature and Hypothesis

On-job Training

An organization often reinforces or expands the employees’ learning experiences through education, on-job

training, and development (Ang et al., 2013). Education refers to the process and method developing personal valuable and necessary abilities, attitudes, and behaviors in the society (Greene & Heilbrun, 2011). On-job training indicates, based on the demands of enterprises, to enhance the professional competence of employees in daily work, containing knowledge, skills, or behaviors (Horng et al., 2013). Development refers to planned and purposeful learning in a period of time to promote the job performance (Katkalo et al., 2010) and applying the theories or techniques of behavioral science to enhance personal value as the organizational resource. Murphy (2013) proposed that planned learning which could enhance the production of employees and positively contribute to the development of a company could be called on-job training and covered the meanings of education, training, and development.

The importance of on-job training was apparent as on-job training could enhance personal knowledge or skills as well as benefit an organization. Praslova (2010) indicated that on-job training could promote the profitability of an organization, enhance the morale, have the members understand about organizational objectives, build corporate image, and increase productivity

for an organization, enhance personal problem-solving abilities, improve communication skills, and have the employees acquire job satisfaction for an individual, as well as improve the relationship among people, between people and a team, and among teams for better policy communication and execution. Moreover, Ubeda-García et al. (2013) claimed the importance of on-job training for an organization based on following points. (1) On-job training was able to remove insufficient performance. (2) On-job training was able to promote productivity. According to the survey, the profits acquired by employee trainings enhancing the productivity exceeded the cost expenditure. (3) An organization, which increased the flexibility and adaptability to current mobility with on-job training, could enhance the survival and profits by promoting the adaptability. (4) On-job training could enhance the organizational commitment of employees, reinforce the cognition to reduce the turnover rate and absence rate as well as enhance the productivity with the higher organizational commitment. (5) On-job training could reduce accidents and promote work safety. (6) Work attitudes of employees could be improved to promote the job satisfaction.

Wang et al. (2011) mentioned that professional Knowledge about food and beverage, correct working Attitudes and working Skills, as well as dedicated working Habits, as KASH in short, should be arranged in on-job training.

- (1) Professional Knowledge. Domestic catering industry is moving towards professionalization that the employees should enrich the knowledge in such a competitive environment.
- (2) Working Attitudes. Catering industry is full of competition and frustration that the employees could survive in the industry by keeping active attitudes. People are likely to have moods; educational training to continuously encourage and reinforce the mental construction could have the employees keep high morale.
- (3) Working Skills. The employees in catering industry could master the working skills by repeated simulation and practice.
- (4) Working Habits. An employee should be cultivated favorable working habits and the relevant activity management.

Job Performance

Job performance refers to the quality and quantity of tasks being achieved by individuals or teams (Athena et al., 2011), representing all behaviors engaged at work (Guo, 2011). Huang & Weiler (2010) divided job performance into task performance and context performance and indicated that it was the behaviors related to organizational objectives; such behaviors could be measured by individual contribution to organizational objectives. Lloyd & Modlin (2012) regarded job performance as employee behaviors at work contributing to organizational objectives and divided it into efficiency, productivity, and effectiveness. Efficiency was used for evaluating the job performance of employees; productivity was applied to calculate the cost for certain efficiency; and, effectiveness stood for the value of efficiency and productivity. Pineda (2010) considered job performance as engaging in specific movement to achieve work requirements and maintaining or corresponding to the conditions, policies, and procedure in the organizational environment. Ptacek (2010) claimed that job performance was the behaviors of organizational members to complete the organizational expectation, rules, or formal roles. Vorhies et al. (2011) indicated that job performance was the records of employee achievement in specific period. Wei et

al. (2010) regarded job performance as the value of personal work contribution and the work quality or quantity. Wentzell (2010) pointed out job performance as the quality and quantity of an individual or a team achieving a task.

Lloyd & Modlin (2012) classified job performance into three dimensions.

- (1) Work achievement. Evaluation focuses on working outcomes, such as quality of production, cost of production unit, sales volume or sales amount of sales personnel, rather than working methods.
- (2) Work behavior. Work performance which can hardly be measured, such as specialized staff, administrators, or team members, can be measured by work behaviors of employees
- (3) Employee personality. Personal traits, including favorable attitudes, confidence, and cooperation, are covered for the measurement (Huang & Weiler, 2010).

Research Hypothesis

Buted et al. (2014) considered that educational training could enhance profitability and morale, have the members understand organizational objectives, build corporate image, and promote productivity for an organiza-

tion. Horng & Lin (2013) regarded educational training as planned learning which could enhance employee productivity and positively contribute to the company development. Ismail & Abidin (2010) revealed the significant effects of educational training on the performance of sales personnel. Monika & Nimit (2010) found out the remarkably positive correlations between educational training and business performance. Wang et al. (2011) proposed four elements of professional knowledge, working attitudes, working skills, and working habits for educational training. Referring to above points of view, educational training shows positive effects on job performance that the following hypotheses are proposed in this study.

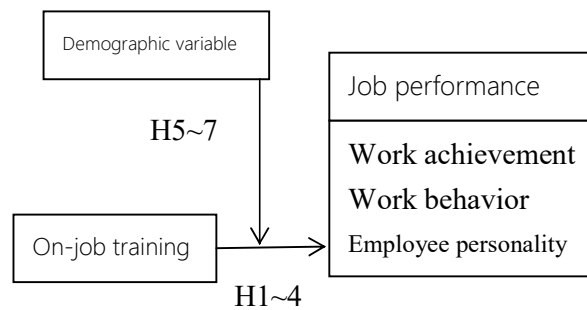
- H1:** On-job training reveals notably positive effects on Work Achievement in job performance.
- H2:** On-job training presents remarkably positive effects on Work Behavior in job performance.
- H3:** On-job training shows significantly positive effects on Employee Personality in job performance.
- H4:** Gender appears significant moderating effects on the correlations between on-job training and job performance.

- H5:** Seniority shows notable moderating effects on the correlations between on-job training and job performance.
- H6:** Age presents remarkable moderating effects on the correlations between on-job training and job performance.
- H7:** Income reveals significant moderating effects on the correlations between on-job training and job performance.

Research Methodology

Research Framework

Summing up the above literatures, a conceptual framework (Figure 1) is drawn in this study to discuss the relationship among demographic variable, on-job training, and job performance.



Research Sample and Data Analysis

Nine stores of Thai Town Cuisine in Kaohsiung and Pingtung are investigated in this study. For high customer satisfaction, the services to each customer and the presentation of each dish in Thai Town Cuisine are based on “truly for you” that the services are presented with hearts and the food is delicious to create the best restaurant for customers. Thai Town Cuisine received several brand/service and

delicious restaurant awards and was awarded 2013 Taiwan Quality Restaurant by Ministry of Economic Affairs for the third time. Thai Town Cuisine therefore is selected as the research subject. By distributing and collecting questionnaire on-site, 270 copies of questionnaire are distributed to the managers and employees, and 227 valid copies are retrieved, with the retrieval rate 84%. Each retrieved copy is regarded as a valid sample. The data are analyzed with SPSS, and the hy-

potheses are tested by Factor Analysis, Reliability Analysis, Regression Analysis, and Analysis of Variance.

Analysis Method

Regression Analysis is applied to realize the relationship between on-job training and job performance, and Analysis of Variance is further utilized for discussing the moderating effects of demographic variables on the correlations between on-job training and job performance.

Research Result and Analysis

Factor Analysis

With Factor Analysis, four factors of Professional Knowledge (eigenvalue=2.462, $\alpha=0.87$), Working Attitudes (eigenvalue=2.142, $\alpha=0.83$), Working Skills (eigenvalue=1.738, $\alpha=0.81$), and Working Habits (eigenvalue=1.351, $\alpha=0.86$) were extracted for on-job training. The covariance explained achieved 76.042%. With Factor Analysis, three factors of Work Achievement (eigenvalue=3.223, $\alpha=0.84$), Work Behavior (eigenvalue=2.617, $\alpha=0.85$), and Employee Personality (eigenvalue=2.281, $\alpha=0.88$) were extracted for job performance. The covariance explained reached 80.923%.

Correlation Analysis Between On-Job Training And Job Performance

- (1) Correlation analysis between on-job training and work achievement in job performance.

Applying Regression Analysis to test H1, Table 1, professional knowledge ($\beta=2.335$, $p=0.000$), working attitudes ($\beta=2.627$, $p=0.000$), working skills ($\beta=1.968$, $p=0.000$), and working habits ($\beta=2.433$, $p=0.000$) showed significant effects on work achievement in job performance that H1 was supported.

- (2) Correlation analysis between on-job training and work behavior in job performance.

Using Regression Analysis for testing H2, Table 1, professional knowledge ($\beta=1.752$, $p=0.023$), working attitudes ($\beta=2.436$, $p=0.000$), working skills ($\beta=2.017$, $p=0.005$), and working habits ($\beta=2.162$, $p=0.000$) appeared remarkable effects on work behavior in job performance that H2 was supported.

- (3) Correlation analysis between on-job training and employee personality in job performance.

Testing H3 with Regression Analysis, Table 1, professional knowl-

edge ($\beta=1.874$, $p=0.023$), working attitudes ($\beta=1.631$, $p=0.034$), and working habits ($\beta=1.532$, $p=0.046$) revealed notable effects on employee personal-

ity in job performance that H3 was partially supported.

Table 1. Regression Analysis of on-job training and job performance

Dependent variable→	Job performance					
	Work achievement		Work behavior		Employee personality	
Independent variable↓	β	ρ	β	ρ	β	ρ
On-job training						
Professional knowledge	2.335**	0.000	1.752*	0.029	1.874*	0.023
Working attitudes	2.627**	0.000	2.436**	0.000	1.631*	0.034
Working skills	1.968*	0.011	2.017**	0.005	1.144	0.036
Working habits	2.433**	0.000	2.162**	0.000	1.532*	0.046
F	13.527		22.498		31.308	
Significance	0.000***		0.000***		0.000***	
R2	0.213		0.277		0.298	
Adjusted R2	0.018		0.025		0.029	

Note: * stands for $p<0.05$ and ** for $p<0.01$.

Data source: Self-organized in this study.

Moderating Effects Of Background Variable

- (1) Moderating effects of gender on the correlations between on-job training and job performance.
- (2) The Analysis of Variance results, Table 3, showed the significant effects of gender on the relationship between professional knowledge

and work achievement, between working skills, working habits, and work behavior, and between working attitudes and employee personality that H4 was partially supported.

- (3) Moderating effects of seniority on the correlations between on-job training and job performance. The Analysis of Variance results, Table

3, presented the effects of seniority on the relationship between professional knowledge, working habits and work achievement, between working skills and work behavior, and between working attitudes and employee personality that H5 was partially supported.

(4) Moderating effects of age on the correlations between on-job training and job performance. The Analysis of Variance results, Table 3, revealed the effects of age on the relationship between working attitudes and work achievement, between working skills and work behavior, and between professional knowledge, working skills and employee personality that H6 was partially supported.

(5) Moderating effects of income on the correlations between on-job training and job performance.

The Analysis of Variance results, Table 3, showed the notable effects of income on the relationship between working attitudes and work achievement, between professional knowledge, working skills, working habits and work behavior, and between working

attitudes, working habits and employee personality that H7 was partially supported.

Conclusion

The research results show notably positive correlations between on-job training and job performance of employees in catering industry on professional knowledge, working attitudes, working skills, and working habits. Apparently, proper on-job training hours, frequency, and contents could effectively clarify personal roles of employees in catering industry and enhance the work efficacy, revealing that more professional knowledge designed in on-job training could provide the employees in catering industry with required knowledge, enhance the working skills, and apply professional knowledge to promote the job performance. Systematic working environments and planning allow the employees in catering industry cultivating favorable working attitudes and working habits and presenting better conformity. In this case, it is suggested that the work system and relevant available resources in catering industry should be regularly inspected in order to provide proper working environments for the employees.

Table 3: Moderating effects of background variables on the correlations between on-job training and job performance

Background variable	On-job training	Work achievement	Work behavior	Employee personality
Gender	Professional knowledge	Significant	Insignificant	Insignificant
	Working attitudes	Insignificant	Insignificant	Significant
	Working skills	Insignificant	Significant	Insignificant
	Working habits	Insignificant	Significant	Insignificant
Seniority	Professional knowledge	Significant	Insignificant	Insignificant
	Working attitudes	Insignificant	Insignificant	Significant
	Working skills	Insignificant	Significant	Insignificant
	Working habits	Significant	Insignificant	Insignificant
Age	Professional knowledge	Insignificant	Insignificant	Significant
	Working attitudes	Significant	Insignificant	Insignificant
	Working skills	Insignificant	Significant	Significant
	Working habits	Insignificant	Insignificant	Insignificant
Income	Professional knowledge	Insignificant	Significant	Insignificant
	Working attitudes	Significant	Insignificant	Significant
	Working skills	Insignificant	Significant	Insignificant
	Working habits	Insignificant	Significant	Significant

Data source: Self-organized in this study

Suggestion

The research results, Table 1, present that the more successful on-job training could better promote job performance. The following suggestions are therefore proposed in this study.

1. To plan complete and continuous on-job training

The research reveals that many employees engage in catering industry right after the graduation. When the social experiences and communication abilities are not smooth, different orientation trainings and courses should be provided for newly recruited employees in catering industry, in order to enhance the competence and clarify the professional role and work contents.

2. Phase training

Each employee in catering industry should be considered the professional background and seniority to set the phase training contents and examine the feedback. The training contents are revised aiming at the opinions so that on-job training could become a two-way interactive platform for assisting the employees in facing the work worries.

3. To devote to working attitudes for the employee competitiveness

Services in catering industry frequently require coordination and com-

munication. The training courses of professional competence and working skills should cover communication skills, interpersonal relationship, emotion control, and psychological consultation in order to make up the mediating function.

4. To establish service systems

Most employees in catering industry independently face customers in the working field. It is critical for the employees offering proper services and reaction at the time as well as reducing doubts in the future services. Even senior employees would appear uncertainty at work. A supervision system, in which a peer team or suitable supervisor is available for discussions, could provide great assistance for the employees in catering industry.

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