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Table of Contents

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Page

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The journal is an invaluable support to academics and researchers in the field, and to all those charged with setting policies and strategies for business and social organizations.

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Journal Index

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Editorial

The papers presented in this issue of *the International Journal of Business & Applied Sciences* (*IJBAS*) reflect the results of excellent scholarship in a diverse array of topics related to business and applied sciences. Articles in this issue of the Journal focus on influence of sustainable development and competitiveness on place loyalty of residents from a Vietnamese context; multicultural diversity in the corporate public relations industry in Brazil; Volkswagen and the outcome of its moral hazard scandal; and business youth organizations and their role in the United Nations 17 SDGs.

The *IJBAS* continues to attract high quality scholarly works that are not only cross-disciplinary and offer important practical and theoretical implications, but add significant dimensions of international perspectives. This issue of the Journal features four scholarly papers and a book review.

The first paper is by Huong L. Nguyen, Huan Q. Ngo, and Quan H.M, "The impact of sustainable development and competitiveness on loyalty: An empirical examination in Vietnam." The authors conclude that competitiveness and sustainable development have a positive impact on place loyalty of Vietnamese resident. The results also suggest that demographic characteristics affect the impact of competitiveness and sustainable development on loyalty. While the impact of competitiveness on loyalty is high among males, youth, and high-income groups, the impact of sustainable development on loyalty is high among females, young and low-income groups. One implication of the finding is that local authorities can build place loyalty by promoting competitiveness and sustainable development and creating specialized policies to specific resident groups.

The second paper by Jamila A. Cupid and Barbara B. Hines entitled "Black Consciousness and Multicultural Diversity in a Brazilian Public Relations Agency" focuses on whether and how the corporate public relations industry in Brazil is incorporating multicultural diversity. The authors interviewed Afro-Brazilian practitioners and White Brazilian senior executives and found some evidence of discrimination as well as the notion and practice of inclusion of all practitioners, regardless of race and ethnicity. They further build a case for diversity and inclusion suggesting that the agencies need to set objectives on how to combat racial discrimination internally and externally among their clients in order to attract and maintain diversity in their companies and the industry. The authors also suggest that multicultural practitioners bring with them cultural insight, through their cultural background, experiences, knowledge, identity and opinions and encourage agencies and organizations to hire and promote multicultural practitioners.

The third article is by Shani D. Carter, Donald Crooks, Ian Wise, and Spencer Beyer, "Volkswagen - The Failure of Perfection and Moral Hazard: What Price Victory." This paper provides a detailed description of aspects of moral hazard theory and apply the theory to Volkswagen employee behaviors. The authors also report Volkswagen's financial performance for the three years prior to and one year subsequent to the scandal, disclosure of the emissions cheating. Some of their recommendations for managers include creating a safe space for employees to question authority without fear of retribution and losing status as ingroup members; structuring compensation programs which reward the process of producing work, not just company revenue and profit; and making decision transparently and sharing detailed meeting minutes company-wide to the extent possible.

The final article is contributed by George L. De Feis entitled "Youth Groups Needed to Achieve the United Nations 17 Sustainable Development Goals (SDGs). This article presents an overview of existing business youth organizations, their work towards the United Nations 17 SDGs, and proposes a concept for a new organization called "Business Youth for Sustainable Development (BY4SD)". The author argues that the establishment of BY4SD can accelerate the UN's achievement of its 17 sustainable development goals.

To conclude, I hope you will find these articles and book review presented in this issue interesting and worthwhile. *I would like to take this opportunity to thank* all those who submitted manuscripts for this issue. I also thank all the reviewers for providing insightful and constructive feedback to authors.

I hope you will consider submitting your works to *IJBAS* in the future.

Sincerely,

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The Impact of Sustainable Development and Competitiveness on Loyalty: An Empirical Examination in Vietnam

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Abstract
Attracting and retaining talented residents are paramount to the success of any district, city, or province in a country. This paper explores the impact of sustainable development and competitiveness on loyalty of residents. The authors interviewed 12 experts and surveyed 688 residents living in Binh Duong province, one of the most successful industrialized provinces in Vietnam. The results show that sustainable development and competitiveness have a positive impact on loyalty. In addition, differences in demographic characteristics such as gender, age, income are found to have an effect on the relationship between competitiveness, sustainable development and loyalty of the population.

Keywords: Competitiveness; Loyalty; Sustainable development; Vietnam

1. Introduction

All social classes, from manual to high skilled laborers, from proletarians to wealthy investors, contributed to the formation and the development of their residence (Kotler et al., 1993; Ward, 1998). According to Royce (1908), residents will be loyal to their place when they decide to live there permanently. They consider it as their home and are willing to do many things to make their place more spacious and sustainable. Thus, the loyalty of residents is a valuable resource that a place needs to maintain and strengthen. However, the topic of place loyalty has only been researched since 2010 with the limited amount of available papers (e.g., Florek, 2010; Gilboa & Herstein, 2012; Jaafar, 2012; Pappu & Quester, 2010; Phu, 2015). Previous studies identified several components which contribute to place loyalty, such as consistency of behavior (Florek, 2010), happiness and respect (Gilboa & Herstein, 2012), life satisfaction and place image (Phu, 2015), and satisfaction (Jaafar, 2012), and the attachment (Florek, 2010; Jaafar, 2012; Phu, 2015). However, there has been very few studies on the impact of competitiveness and sustainable development on place loyalty even though these two factors are critical to the decisions of place selection.

As a result, this study is conducted in order to examine specifically the impact of these two factors on place loyalty. It also studies the impact of several demographic variables including gender, age, education and income on these relationships between these two factors and place loyalty. Binh Duong province, one of the most successful industrialized provinces in Vietnam, is selected as the site of this study. This study is significantly important since it is among the first studies, if not the first, conducted in Vietnam, a new research site. In addition, Vietnam is an emerging economy where many industrialized provinces may have to face the challenge of retaining their residents for economic growth purposes.

2. Literature Review

Place Loyalty

The concept of loyalty appears from the beginning of 20th century through Royce's study (1908). Throughout the 1940s, more studies have been conducted on a variety of loyalty concepts such as brand loyalty, customer loyalty, and store loyalty (Brody & Cunningham, 1968; Brown, 1952; Churchill, 1942; Cunningham, 1956). Gilboa and Herstein (2012) link place attachment with place loyalty. Strowski (2002) believes that places are fluid and changeable contexts of social interactions and places of reference for memories. Researchers believe that place attachment describes a positive emotional bond between individuals or groups and their environment (Altman & Low, 1992; Budruk, 2010; Jorgensen & Stedman, 2001; Williams et al., 1992).

In-depth research on place loyalty has only been conducted since 2010, therefore, the definition and scale of place loyalty are still underexplored. Pappu and Quester (2010) identify place loyalty as a trend which people become loyal to an area, as evidenced by the intention of purchasing products from this area as their primary choice. Based on You and Douthu (2001)'s brand loyalty concept, Gilboa and Herstein (2012) defined place loyalty as "an inhabitant's choice to continue living in a designated place over all others." (p.143) Phu (2015), also based on Royce's (1908) perspective of loyalty, states that "loyalty is the willing and practical and thoroughgoing devotion of a person to a cause" (Royce, 1908, p. 17) and "a cause may be one's home, neighborhood, club, university, company, and/or country." (p.4). By referring Royce's (1908) perspective, place loyalty should be interpreted as "the willingness, reality and dedication of one person to a place" (Chen & Gursoy, 2001; Yoon & Uysal, 2005). Manifestation of loyalty towards a place is acquired through picking long-term residencies in a desired area, contributing to the community's development, speaking highly of the community, and encouraging friends and family to move to the community (Royce, 1908). Researchers confirm that there is a correlation between length of residency and community attachment (Goudy, 1982; Sampson, 1991), as well as the sense of belonging (Carson et al., 2010; Puddifoot, 2003) and the sense of community (Prezza et al., 2001). Individuals who feel they are living in high-status communities tend to feel loyal to those communities (Gilboa & Herstein, 2012).

Competitiveness

Despite the importance of competitiveness in economic development, researchers have not come to a common definition of competitiveness (Buckey et al., 1990; Lee, 2009). There can be multiple levels and scales of this concept. Competitiveness, at one level, can equate to the performance of an economy and at another level, it can relate to city competition (i.e. cities undercutting their rivals or offering better values for their consumers money), meaning competitiveness is used to secure or defend market-share (Begg, 1999).

At the country level, the World Economic Forum (WEF, 2013) defines the competitiveness as the combination of institutions, policies, and factors affecting the prosperity of the nation. The Institute for Management Development (IMD, 2014, p.502) defines the competitiveness as "the ability to create and maintain an environment that sustains more value for its business and more prosperity for its people."

At the place level, Newall (1992) argues that in order to build competitiveness, the place needs to focus on human development, while also focusing on the development and improvement of the quality of life. Lengyel (2007) proposes a three-tiered pyramid model to determine the competitiveness factors that affect the quality of people's lives; business development, innovation, and the adaptability of the economy. So and Shen (2004) evaluate the urban competitiveness through a number of criteria that impact on economic development, the quality of life, and sustainable development. Webster and Muller (2000) emphasize the drivers of economic development in which four main groups are determined as economic structure, territorial resources, human resources and institutional environment.

In order to improve place competitiveness, the economic environment of that place needs to be effective and sustainable with improving labor quality and sufficient labor forces (Lengyel, 2007; Newall, 1992; So & Shen, 2004). People expect to have a prosperous, high quality of life. A city's competitiveness depends on its attributes such as the location and the strengths and weaknesses of companies and other economic components (Begg, 1999). There are systematic differences in the attractiveness of cities which transcend relative cost differentials (Cheshire & Hay, 1989). Researchers have noticed that the competitiveness between cities is primarily between investments and promoting themselves (Cheshire & Gordon, 1995; Jensen-Butler et al., 1997). The increase in spatial competition is explained through a wide range of policy areas which all point to facets of cities that affect performance and competitiveness (Jensen-Butler, 1997). Gordon and Cheshire (1998) suggest that "territorial competition may be conceived of as involving attempts by agencies representing particular areas to enhance their locational advantage by manipulating some of the attributes which contribute to their area's value as a location for various activities." Competitiveness is also accepted as a concept at the level of the firm which seeks to outdo their rivals through positive gains in market share (Begg, 1999).

Sustainable Development

According the World Commission on Environment and Development (WCED, 1987), sustainable development is development without harming the developmental capability of future generations. The United Nations Conference on Environment and Development (UNCED, 1992) identifies that sustainable development must be considered by three dimensions: society, economy and environment. The United Nations Conference on Sustainable Development (UNCSD, 2000) adds institution as the fourth dimension in emphasizing the important role of institutional measurement in ensuring the sustainable development.

Social sustainability and the sustainable community is reinforced by factors such as social equity and social justice (Dempsey et al., 2011). These communities provide settings for long-term human activity and interaction that is relatable (Dempsey, et al., 2011). Social sustainability is a multi-dimensional concept that poses the question of what the social goals of sustainable development are with no agreement to how the goals are defined (Hopwood et al., 2005; Littig & Greissler, 2005). Sustainable development has become more defined in the role of cities due to growing urban population (Darlow, 1996). Sustainability of community involves social interaction between community members "the relative stability of the community, both in terms of overall maintenance of numbers/balance (net migration) and of the turnover of individual members; the existence of, and participation in, local collective institutions, formal and informal; levels of trust across the community, including issues of security from threats; and a positive sense of identification with, and pride in, the community" (Dempsey, et al., 2011). This is linked to social capital and social cohesion as concepts that incorporate social networks, norms of reciprocity, and facets of social organization (Coleman, 1988). Social networks and social interaction are important aspects of social capital (Forrest & Kearns, 2001). Without this communication amongst people in a given area, the community would no longer be described as a community and would simply be a group of individuals living separate lives; with no sense of community, pride, or place attachment (Dempsey, 2006).

The relationship between competitiveness, sustainable development and place loyalty

Previous studies have shown that enhancing place competitiveness would lead to place economic development and a prosperous, high quality life for residents (IMD, 2014; Lengyel 2007; Newall

1992; So & Shen 2004). This is the basis for people to feel comfortable living in the place, thereby building up and strengthening their place loyalty.

Phu (2015) concludes that the improvement of a country's specific attributes, such as traffic and environmental elements, could have positive effects on country attachment, life satisfaction, and country loyalty. Jenes (2012) demonstrates that country image with competitiveness as an influential factor has positive impacts on country loyalty. Mechina et al. (2010) state that the effect of competitiveness on visitor loyalty varies amongst visitors. With that being said, the authors propose the following hypothesis:

H1: Place competitiveness has a positive impact on place loyalty

In the globalized environment, strategic locations always attract a fierce competition. Information systems and socio-cultural developments and the like make a difference in the perception of superior places. Place authorities are under great pressure to continuously invest in creating a good place image to maintain and improve their competitive advantages and their customers' loyalty (Gordon & Cheshire, 1998; Jensen-Butler, et al., 1997). However, to be successful, the place has to offer values that must be truly sustainable so the residents can believe in its sustainability enough to put their trust and their attachment to the place. Kotler et al. (1999), and Zenker et al. (2009) believe that sustainable development is an aspect to improve the quality of life, especially in terms of the environmental aspect. Kotler (2001) concludes that "the most successful places are where they can form and maintain a sustainable value." (p. 90). Zenker et al. (2009) confirm that the environmental sustainability and the planning sustainability impact the of residents' satisfaction. Crouch and Ritchie (2000) argue that a competitive destination must bring happiness to people regarding the sustainability of economy, culture, society, ecology, and politics to attract and retain visitors successfully. With that being said, the authors propose the following hypothesis:

H2: Sustainable development has a positive impact on place loyalty.

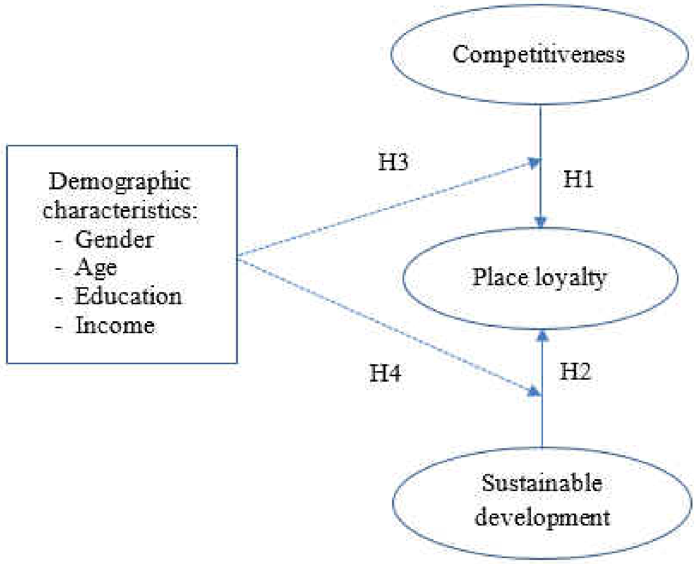
The impact of demographic characteristics on the relationship between competitiveness, sustainable development and place loyalty

By using the MARS model, McShane et al. (2004) determine that demographic characteristics have indirect impacts on individual behaviors. Several studies show that gender, family status, age, and education could influence people's perception, the evaluation of competitiveness, and sustainable development (Baloglu & McCleary, 1999; Harahsheh, 2009). Jenes (2012) suggests that personal attributes could influence the destination loyalty of a country through the recognition of country image. Baloglu and McCleary (1999) state that the destination image is influenced by psychological and social factors (age, education, etc.). In other words, the destination image embodies the elements of competitiveness and sustainability. With that being said, the authors propose the following hypotheses:

H3: Demographic characteristics like age, income, gender, education can influence the relationship between competitiveness and loyalty.
H4: Demographic characteristics like age, income, gender, education can influence the relationship between sustainable development and loyalty.

Figure 1 shows the conceptual model of this study.

Figure 1: Conceptual Model



3. Methodology

Data Collection Procedures and Sample

The survey was conducted in Binh Duong, a province in Southern Vietnam, one of the most successful industrialized provinces in creating a dynamic business environment (VCCI, 2017) and successfully attracts and retains their labor forces (GSO, 2013; 2017). Since 2006, the province has introduced many policies to attract high quality human resources and a lot of amendments and actions have been done to implement these policies (People's Committee of Binh Duong Province, 2006; 2011; 2014). Target audience was Vietnamese people who are 17 years old or more and have lived and worked full-time in Binh Duong over 3 years. 688 out of 1000 surveys were received and used for data analysis. The study used a convenient sampling method with the assistance of two faculty members from local universities and 3 social work groups in the province to collect data. The useable sample included 302 males (43.9%) and 386 females (56.1). 270 came from the 18 to 30 years age group (39.2%); 280 people from 31 to 45 years age group (40.8%); and 138 people from 46 to over 60 years age group (20%). In terms of education, 262 people completed intermediate education level (38%); 306 people achieved college degrees (44.5%); and 120 people finished a master's degree (17.5%). Regarding income, 205 people had a monthly income of 5 million VND or less (29.8%); 364 people had a monthly income of 5-10 million VND (52.9%); 98 people had a monthly income of 10-18 million VND (14, 2%); and 21 people had a monthly income of 18 million VND or more (3%).

Measures

The paper used a five-point Likert scale to measure all items with 1 being “strongly disagree” and 5 being “strongly agree.” For Competitiveness, the authors measured through 21 observed variables, separating into 4 sets of components: infrastructure (CSHT), human capital (VNL), quality of life (CLCS), and management capacity (NLL). The scale was based on WEF (2013), IMD (2014), Webster and Muller (2000), Lengyel (2007), and So and Shen (2004). For Sustainable Development, the authors measured through 17 observed variables, separating into 4 sets of components: society (DTXH), economy (DTKT), environment (DTMT), institution (DTTC). The scale was based on Lee (2002), Zenker et al. (2013), UNCSD (2000), Lee & Rhee (2008), and Jaafar (2012). For Loyalty

(TT), the authors measured through 5 observed variables. The adjusted scale was based on Gilboa and Herstein (2012), Jaafar (2012), and Royce (1908).

4. Data Analysis

Collected data was evaluated by using Cronbach' Alpha method, Exploratory Factors Analysis EFA, Confirmed Factors Analysis CFA and SEM were used to validate the measurements and the conceptual model.

Measurement Validation

The Cronbach's Alpha test indicates that these scales met the requirement of scale reliability (>0.7). The components of DTXH had the lowest factor loading (0.718) and the components of DTTC had the highest factor loadings (0.813). All items have a variable coefficient of over 0.3.
EFA results of 38 independent variables receive an acceptable fit to the data: KMO=0.946>0.5 and Sig=0.000; eight of them were removed at a break point of 1.011 with a total deviation of 57.547>50%. It also indicates that the scales were satisfactory to explain over 50% of all variables of the data. Seven variables were deleted due to their low weight (<0.4), including CLCS6, DTXH1, DTXH5, DTXH2, CSHT5, CSHT1, VNL4.

EFA test of 5 variables for loyalty evaluation receives KMO=0.818>0.5 and Sig. =0.000. One component was removed at a break point of 3.310 with a total deviation of 59.420>50%. Hence, the scales met the requirement to explain over 59% of all variables of the data. All variables have factor loadings from 0.735 to 0.825 (>0.4).

CFA results for scale verification show CMIN/DF=2.325; TLI=0.920; CFI=0.928; RMSEA=0.044. In addition, the scales were a standardized weight of over 0.5 and were statistically significant ($p<0.05$); Correlation coefficients between conceptual components and conceptual pairs were not 1 and statistically significant ($p = 0.000$); the composite reliability and the categorical deviation of concepts were substantial (CR≥0.6; AVE≥0.5). Thus, the scales are satisfactory with the requirement of the convergent validity, discriminant validity, aggregate reliability, and total deviation.

Model Validation and Hypothesis Testing

Evaluating the effects of competitiveness and sustainable development on loyalty

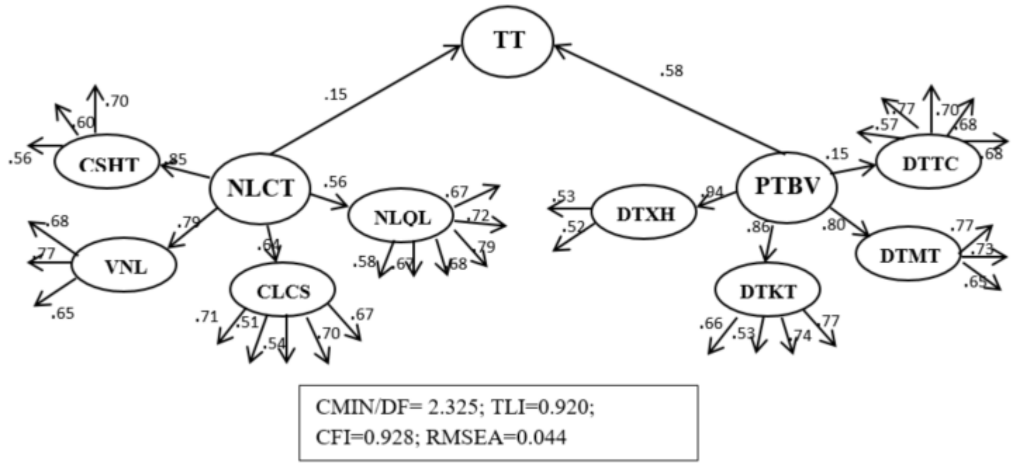
SEM results show that conceptual model received an acceptable fit to data: CMIN/DF= 2.325; TLI=0.920; CFI=0.928; RMSEA=0.044. Table 1 shows the unstandardized structural coefficients and Figure 2 illustrates the standardized structural coefficients. Results indicate that NLCT positively affect TT and thus, H1 was supported. The results also show that PTBV were found to be positively associated with TT ($\gamma = 0.58$). Thus, H2 was supported.

Table 1: Unstandardized Structural Coefficients

Paths			Estimate	S.E.	C.R.	P-value
NLCT	→	CSHT	1.498	.164	9.153	***
NLCT	→	VNL	1.125	.126	8.950	***
NLCT	→	CLCS	1.009	.119	8.462	***
NLCT	→	NLCT	1.000			
PTBV	→	DTXH	1.023	.074	13.808	***
PTBV	→	DTKT	.938	.067	13.933	***
PTBV	→	DTMT	.912	.077	11.918	***
PTBV	→	DTTC	1.000			
NLCT	→	TT	.210	.080	2.617	***
PTBV	→	TT	.557	.062	8.918	***

***:p<0.001

Figure 2: Structural Result (Standardized Estimates)



Evaluating the effects of demographic characteristics on loyal relationships

The study applied a SEM analysis to test the effect of demographic characteristics on loyal relationships. Each demographic variable will be divided into two specific groups, i.e., gender groups with male and female groups, age groups with young (under 35 years old) and older groups (35 years or more), income levels with low income (5 million VND or less) and higher income groups (5 million VND or more), education levels with undergraduate and graduate groups. The invariance was applied to both loadings and regression weights between constructs (Bollen, 1989).

As seen in Table 2, the difference in terms of gender was found to be statistically significant: $\Delta\chi^2 = 61.777$; $\Delta df = 35$; $p = 0.003$. The impact of competitiveness on male loyalty was higher than females ($\lambda_{male} = 0.177$, $p = 0.01$, while $\lambda_{female} = 0.129$, $p = 0.029$). However, the impact of sustainability on female loyalty was higher than male ($\lambda_{female} = 0.632$, $p < 0.001$; $\lambda_{male} = 0.531$ ($p < 0.001$).

The difference in terms of age groups was also found to be statistically significant: $\Delta\chi^2 = 50.473$; $\Delta df = 35$; $p = 0.044$. While the impact of competitiveness on the older group was not significant ($p = 0.114$), it was significant in the young group ($\lambda_{young} = 0.196$, $p = 0.002$). The impact of sustainable development on loyalty of young groups was found to be higher compared to the older group (λ_{young} =0.627, p<0.001 and λ_{older} =0.549, p<0.001).

In term of education levels, the difference was not significant: $\Delta\chi^2$ =44.245; Δdf =35; p =0.136(>0,05). Therefore, the difference in term of education does not affect the relationship between competitiveness, sustainable development and loyalty.

In term of income levels, the difference was within-boundary significant: $\Delta\chi^2$ =49.483; Δdf =35; p =0.053 (p=0.053≈0.05). The impact of competitiveness was found to be significant in the higher income group ($\lambda_{higher\ income}$ = 0.187, p<0.001). However, this impact was not significant in the low income group (p=0.983>0.05). The impact of sustainable development in the low income group was higher than the higher income group ($\lambda_{low\ income}$ = 0.746, p < 0.001; $\lambda_{higher\ income\ PTBV}$ = 0.529, p < 0.001).

Table 2: The Standardized Estimates of the Model Based on Multi-Group Analysis

Paths	Male				Female			
	λ	**S.E**	**C.R**	**P**	**Λ**	**S.E**	**C.R**	**P**
NLCT→TT	0.177	0.147	2.565	0.010	0.129	0.063	2.185	0.029
PTBV→TT	0.531	0.094	6.565	***	0.632	0.065	8.003	***
	Young				Older			
NLCT→TT	0.196	0.084	3.169	0.002	0.105	0.088	1.580	0.114
PTBV→TT	0.627	0.081	7.825	***	0.549	0.069	6.449	***
	Low income				Higher income			
NLCT→TT	0.002	0.076	0.021	0.983	0.187	0.094	3.354	***
PTBV→TT	0.746	0.090	6.300	***	0.529	0.069	8.158	***

***: p<0.001

Thus, examining the impact of demographic characteristics shows that gender, age, and income have a significant impact on the relationship between competitiveness, sustainable development and place loyalty. Therefore, H3 and H4 were supported.

5. Conclusion and Research Implications

The research has achieved its goal in exploring the relationship between competitiveness, sustainable development and place loyalty and examining the impacts of demographic characteristics on these relationships in Vietnam. The results show that both competitiveness and sustainable development have a positive impact on place loyalty of residents. However, the impact of competitiveness on place loyalty is much lower compared to the impact of sustainable development on place loyalty. This result may reflect the long-term orientation of Vietnamese people (Nguyen & Pham, 2015). The study identifies that demographic characteristics such as gender, age, and income can affect the relationship between sustainable development and loyalty. The impact of competitiveness on loyalty is high in the male, youth and high-income groups. The impact of sustainable development on loyalty is high in the female, young and low-income groups.

The study contributes to the theory extension of place loyalty by examining the relationship between sustainable development, competitiveness and place loyalty in the context of Vietnam. The results show that the impact of sustainability is much higher compared to the competitiveness for place loyalty. The study allows local authorities identify key policies that build the loyalty of residents, thereby promoting sustainable place economic development. The findings suggest to build place loyalty through improving the competitiveness and sustainable development of the place in order to receive the contribution of residents for place development. In order to ensure the sustainable competitiveness, local authorities must identify the improvement of the place image as a regular and never-ending task. Apart from paying attention to infrastructure development, improving the quality of life of residents and investing human resource development, the places need to improve their administrative capacity such as shortening administrative procedures and supporting residents when they need. To achieve sustainable development, besides obtaining sustainable development on three aspects: society, economy and environment, local authorities need to pay attention to the institution aspect as it ensures the development. Finally, due to the impact of demographics characteristics on the relationship between competitiveness, sustainable development and loyalty, retaining specific resident groups requires a specialized policy to attract and retain those residents effectively.

6. Limitations and Future Research Direction

Despite some contribution the study offers to theoretical framework and practical value, the research still has a number of limitations. First, there is an interference between theoretical systems of competitiveness and sustainable development, so it is comparative as grouping different variables and this may also influence the results of the study. Second, the study used a convenient sampling method, only conducted in one province in Vietnam so the results are only partially accurate and cannot be generalized to other provinces in Vietnam in particular and other countries in general. In order for other places to utilize an effective strategy to build place loyalty, it is necessary to expand the scope of research and invest in further research. Third, the study only analyzed the impact of two factor groups: the impact of competitiveness and sustainable development on loyalty. In order to have an overall picture of the influence of factors affecting loyalty, it is necessary to explore and develop additional elements in future studies. Finally, the process of studying the loyalty of residents shows that this is still a new issue, and also important for place development. Consequently, researching on place loyalty still needs to be continued. The future research can explore more deeply about the loyalty of the whole population or explore the factors that affect the loyalty of strategic groups that the places want to attract and retain.

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Black Consciousness and Multicultural Diversity in a Brazilian Public Relations Agency

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Abstract

This study focused on whether and how the corporate public relations industry in Brazil is incorporating multicultural diversity, through in-depth interviews with Afro-Brazilian practitioners and White Brazilian senior executives in an agency. It is contextualized within Brazilian Black consciousness and governmental policy changes on affirmative action. While this study found evidence of discrimination, there was also evidence of the notion and practice of inclusion of all practitioners, regardless of race and ethnicity, which parallels the general practices of inclusion within the social class structure of Brazilian culture. The findings also indicate that agencies and their clients could benefit from hiring and promoting multicultural practitioners, because they bring with them cultural insight, through their cultural background, experiences, knowledge, identity, and opinions. The importance of recognizing and practicing multiculturalism is becoming increasingly important as markets and target audiences are becoming increasingly global.

Keywords: international public relations, Brazilian public relations, diversity and inclusion, multiculturalism, Afro-Brazilian

1. Introduction

Brazil is a multicultural nation that has been experiencing an ongoing social movement, a Black consciousness movement, which has induced government implemented social changes that are restructuring the country's race relations. Scholars, like Chinyere Osuji (2013) and Jan Hoffman French (2009), have documented this increase in Black consciousness and activism in urban and rural regions of the country. Social mobilization around the consciousness and government initiatives has been impacted by the global community, largely stemming from the nation's participation in the 2001 World Conference on Racism in Durban, South Africa (Htun, 2004). The effort to address racial inequality through both antiracism activism and governmental policies changes still continues today (da Silva, 2015). One of the many sectors in which one can distinctly observe these developments is the public relations industry.

Brazil serves as home to a rapidly and largely expanding corporate public relations industry that is constantly striving to target and build relationships between the agencies, the clients, and the vast multicultural publics. Brazilian public relations agencies and industry, as a whole, have been slow in responding to the social changes regarding racial inequality and injustice in their society; and therefore, they still do not include a representative number of multicultural practitioners to reflect the demographics of their society. Certain terms are used, in this study, when describing these factors to establish consistency and clarity.

Definition of Terms

In this study, the term multicultural refers to the race and ethnicity of people or groups other than the dominant or White race. Multiculturalism refers to not only diversity, but especially to the inclusion, acceptance and equal treatment of, as well as the respect for different cultures, ethnicities, races, languages, and classes. Diversity, in this study, focuses specifically on the presence of differing races and ethnicities in the workplace. The term race is used to define a biological and genetic characteristic, marking skin color and genotype. The ethnicity of a group is defined by distinct characteristics established through its culture, religion, education as well as by biological inheritance and kinship. Afro-Brazilian refers to people identified as “Negro/a” (Black) or “Pardo/a” (mixed with Black), which are terms used to identify Brazilians of African descent.

2. Social Change in Brazil

It is over the past two decades that many Brazilians have come to admit racism does exist and it is an issue within the country. A major shift took effect when the Brazilian government finally admitted racism exists in the country in 1995. Since that time, there have been legislative and political changes that gradually seeped into the nation’s public opinion altering the perspectives on race and anti-blackness.

In da Silva’s exploration of black consciousness and present-day antiracist activism, he states that in recent times, “the Brazilian government has taken its sharpest turn yet toward positive actions against racial exclusion and racial discrimination, including the controversial implementation of racial quotas at all public universities, an ambitious slavery reparation program granting titles to occupied ancestral lands, and a federal law that requires schools throughout the country to teach African and Afro-Brazilian history and culture.” (da Silva, 2015: p. 50). For example, in order to foster cultural awareness and sensitivity, Brazilian Federal Laws 10.639/2009 and 11.645/2008 were created to make it mandatory to teach Afro-Brazilian and indigenous history and culture in schools (Guimarães, 2015). The government has been addressing such issues of racial discrimination against Blacks in society for some time now. Former President Luiz Inácio “Lula” Da Silva worked to build programs and initiatives enforcing affirmative action policies and quotas in federal agencies, as well as to encourage public universities and organizations in varied sectors of the society to adopt these policies. This social change, along with an antiracism discourse, has emerged in Brazilian society out of a new consciousness and recognition of racial injustice against Afro-Brazilians. The new level of consciousness at which the government has arrived is still in its developmental stages and has not been adopted by all Brazilians. Although the government is not able to influence individual thought on racial matters, it is able to influence the institutions which are extensions of the society it governs. Government agencies have begun to hold organizations accountable for their advancement toward racial diversity and equality. As a result, Brazilian organizations and their public relations agencies are now faced with the challenge of adapting their operations to the demands brought on by both a shift in the social order and an increasingly race-conscious multicultural society.

Even with these developments, many Brazilians, of all races, do not want to address or deal with the issues of racial discrimination in their society. In addition, many people do not want to be identified as Black because of the stigma long associated with the term. According to Guimarães (2007), the concept of race consciousness in Brazil faces strong resistance because many people of mixed race do not identify as Black by self-definition, but instead by discriminatory treatment from Whites. In an effort to combat these social issues, the government has worked to develop affirmative action policies in society, beginning with institutions of higher education. Also, issues of racial discrimination are being discussed in the different media, even though, in many cases, the perspectives of the messages are one-sided.

3. Diversity in Public Relations

It is imperative that the diversity in a society is reflected in the multiculturalism of that society's public relations industry, because, as described by Cutlip, Center, and Broom (2001), public relations is the management function of establishing and maintaining mutually beneficial relationships between an organization and the publics on which its success and failure depends. Observations by various scholars and findings from different studies over the decades have been used to build a case for diversity and inclusion that includes multicultural representation.

According to Weick's (1979) requisite variety perspective, diversity inside of the organization should mirror that of the population on the outside for the organization to effectively reach and build relationships with critical stakeholders and members of the targeted publics. This is necessary because diversity in public relations enhances the effectiveness of the organization and its operations (Weick, 1979). Grunig (1992: p. 4) states that "Public relations is the management of communication between an organization and its public." Based on this understanding of public relations, it is necessary for public relations agencies and practitioners to assist its client organizations in building successful relationships with their publics in order to effectively operate. Building such relationships in diverse societies would mean some of the key publics that organizations must dedicate efforts toward include their multicultural publics. In order to sustain successful relationships with multicultural publics, it is critical for people of those publics to be integrated and active in the organizations, including the public relations agencies that serve to build relationships between the two. As found in a study on public relations diversity issues by Hon and Brunner (2000, p. 335), participants reveal that "diversity plays a key role in communicating with multicultural audiences, enhancing the organization's image, serving customers, and recruiting the best employees and talent."

A 2015 study provides the recommendation that race and ethnicity should be viewed as valuable aspects to be recognized in a young public relations professional of an under-represented group. Furthermore, the research suggests that public relations industry leaders should pair equal opportunity for professionals with cultural appreciation and awareness (Appelbaum, Walton and Southerland, 2015). It is evident that diversity, inclusion and multiculturalism can propel an organization into the type of optimal performance that benefits the organization and its various stakeholders. In a recent study on diversity and inclusion in public relations, participating organizations that are members of the Arthur W. Page Society expressed that diversity in recruitment and retention of under-represented groups is closely tied to their business success (Jiang, Ford, Long and Ballard, 2016). Herein exists an opportunity for all parties to find success when diversity and inclusivity are practiced, because it benefits not only the organizations and their publics, but also the organizations' employees.

The consideration of these major factors unearthed foundational questions upon which this research was developed and sought to answer in effort to contribute to the discourse on multicultural diversity and inclusion in the field of public relations.

4. Research Questions

As a result of the aforementioned climate within the Brazilian society and practices of the Brazilian public relations industry, the research questions explored in the study are as follows:

RQ1: A. To what extent do Afro-Brazilian public relations practitioners identify with the Black consciousness movement?
B. How do they apply this consciousness in their work?

RQ2: In what ways does perceived discrimination affect the role that Afro-Brazilian practitioners play in the public relations agency?

RQ3: What structural changes do the Afro-Brazilian practitioners perceive would enhance diversity in the agency's practices?

RQ4: To what extent does the public relations agency meet the standards for corporate social responsibility in relation to multicultural public relations?

The questions were used to guide the research and fulfill the purpose of the study, which is to examine the experiences of multicultural practitioners of African descent (both Negro/a and Pardo/a) in an effort to discover (1) how they identify with the new consciousness due to recent societal shifts, such as the racial discrimination law and affirmative action policies, and (2) what their perceptions are of how these changes are being applied within their agency, as well as how they affect these practitioners.

5. Theoretical Framework

Corporate Social Responsibility

Corporate social responsibility theory posits that a company has an obligation to its community or stakeholders (van Leeuwen, 2005). The responsibilities include delivering social, economic, and environmental benefits. Corporate social responsibility theory was applied to this research because the fourth research question of this study investigated the selected agency's standards of corporate social responsibility as they relate to the social and economic aspects of multicultural public relations. The Brazilian government has initiated social change addressing racial injustice that has called for different social institutions to adopt affirmative action and quota policies. Due to the government's actions, different sectors of society, including the corporate sector, are gradually being held to a new standard of social responsibility in terms of racial equality. With the government holding the organizations accountable, corporate social responsibility is a significant issue at this point in Brazilian history.

Social Interpretive Theory for Multicultural Public Relations

The social interpretive theory for multicultural public relations asserts the social interpretive view that interaction through communication is how people construct social reality (Banks, 2000). The social-interpretive theory for multicultural public relations has been used to explain how and why multicultural public relations should be practiced, based on elements of human voluntarism, social construction of reality and knowledge, the centrality of symbolic codes and culture, the subjective nature of research and practice, and the importance of identity (Kim, 1988).

In this study, there is a strong focus on the case for multicultural practitioners to help agencies engage in communication within a cultural context that includes their multicultural publics. Therefore, the theory and its assumptions provide a solid basis for examining the practitioners' views on their experiences with regard to multicultural public relations or the lack of it.

6. Methodology

The qualitative methodology chosen for this research is informed by ethnographic methods. Ethnography is the study of people or events *in situ*, that is, within their naturally occurring context, through a process of participant observation, background research, and face-to-face interviews with informants. As an interpretive method, ethnography is used to provide an understanding of human experience in particular settings (e.g., community or organizational) through a set of inter-subjective processes, such as those aforementioned, which are designed to elicit the meanings that participants associate with the practices and culture of the community or organization (Prus, 1995). Through an interpretive inquiry, this modified ethnographic method was used to examine the practitioners' and managers' experiences within the public relations agency selected for examination. The researcher's observations regarding the physical and organizational environment add contextual description to information gathered from participants. Data from participants and the researcher's observations were then considered within the overall climate of social change taking place in Brazil with regard to race relations shaped by the Black consciousness movement.

Background research, in-depth interviews and participant observation are the three ethnographic methods that were employed with the goal of discovering the existing dynamic as it pertains to race. To prepare, the researcher studied in Brazil one year in advance, gathering background information on Brazilian culture and race relations. In addition, background information on the agency was collected through the examination of key agency documents on the mission of the organization, personnel data, and organizational structure (among other things) from different informants. Participant observation was conducted by the researcher over a period of three weeks at the agency in order to observe and gain a sense of the overall work environment, layout, and daily routines of employees. The third method was conducted through both formal and informal face-to-face interviews with informants. Personal, in-depth structured interviews took place with a total of 14 individuals: nine practitioners and five top level executives.

Table 1: Demographics of Study Respondents

Name (Pseudonym)	Gender	Race	Age Group	Years at Agency
Practitioner 1	F	Mixed	40-49	10-15
Practitioner 2	F	Black	Under 21	Less than 1
Practitioner 3	M	African descent	25-29	1-3
Practitioner 4	F	Mixed; All races	30-39	4-5
Practitioner 5	F	Black	30-39	10-15
Practitioner 6	F	Black	25-29	1-3
Practitioner 7	F	Black	40-49	1-3
Practitioner 8	M	Black	30-39	6-9
Practitioner 9	M	Mixed	25-29	1-3
Executive A	F	White	50+	More than 15
Executive B	F	White	40-49	10-15
Executive C	F	White	40-49	6-9
Executive D	F	White	40-49	10-15
Executive E	F	White	30-39	10-15

Selection Process

The participants in the study were selected from among a group of self-identified Afro-Brazilian (Negro/a and Pardo/a) practitioners, their directors and vice president, who were all employed by the public relations agency in São Paulo, Brazil. The participants were selected through a non-probability sampling method, in which only professionals who were willing to participate and volunteered to respond were included. This sampling method was chosen to minimize risks that might affect the participants' jobs or careers. The public relations agency was selected based on its location inside a large metropolitan and multicultural city, which is recognized as the financial capital or centre of the country. The agency is substantive in size, with an estimate of 225 employees at the time that the research was conducted. The agency is an affiliate of a major public relations agency in the United States and serves many clients on a local, national and international scale. Considering these factors, it is evident that the agency operates in an urban, multicultural setting and, in many cases, targets multicultural publics.

Analytical Procedure

The respondents' answers were categorized according to the coding scheme developed by the researcher. The researcher aggregated the responses of all participants and examined them for commonalities and contrasts. The unit of analysis used for the interview responses in this study is the dominant theme contained in each respondent's overall response to an interview question. The dominant themes were defined based on the emergence of two or more of the practitioners' responses that were in agreement. The units of analysis used for the participant observation notes were a) observed activities occurring two or more times, and b) information that emerged two or more times. The information used as units of analysis came from informal interviews and the agency literature collected while conducting participant observations.

The participants' responses were separated into two data sets in order to address the two-pronged problem of the *practitioners' experiences* and the *agency's commitment to corporate social responsibility*. The first data set consisted of the Afro-Brazilian practitioners' responses to Research Questions One to Three. The second data set consisted of the information garnered from agency documents together with the responses to Research Question Four given by the top level management.

The responses were discussed to explain the findings and then the researcher associated each of the interview questions from Parts II and III with a research question. Table 2 shows the correlation between each research question its respective interview question(s).

Table 2: Research Questions and Interview Questions Correlation

Research Questions	Interview Questions
RQ 1A: To what extent do Afro-Brazilian public relations practitioners identify with the black consciousness movement? RQB: How do they apply it in their work?	15. How have you responded to the black consciousness movement? And how have you expressed this perspective at work?
RQ 2: Does discrimination affect the way in which Afro-Brazilian practitioners participate in the public relations agency?	16. Have you ever experienced discrimination because of your race or ethnicity while working at this agency? If so, in what way(s)? 16a. (Probe) Why do you think you are not in a director position or higher?
RQ3: What structural changes do the Afro-Brazilian practitioners perceive would enhance diversity in the agency's practices?	13. What are the top three barriers to your agency's efforts to attract diverse practitioners?
RQ4: To what extent does the public relations agency meet the standards for corporate social responsibility in relation to multicultural public relations?	11. How would you describe the agency's efforts and policies for creating and maintaining a more culturally and racially diverse work environment? 12. How would you say the agency has responded to the introduction of quotas and affirmative action policies in society? 14. Do you feel comfortable in your work environment? Why or why not?

7. Findings

Black Consciousness and Identity

Research Question One was addressed by asking whether participants responded to the Black consciousness movement and how they expressed this perspective at work. Three of the Afro-Brazilian practitioners do not acknowledge the Black consciousness movement or that it even exists. The Afro-Brazilian practitioners who identify with the Black consciousness movement, identify in different ways, ranging from racial identity to choices in physical appearance, to perspectives on improvement of Blacks in society. However, none of the Afro-Brazilian practitioners respond to the movement or identify with the movement as active, official activists or members of the movement. It is noteworthy that only one of the Afro-Brazilian practitioners at this agency applies her response to the movement at work, initiating discussions related to the movement and attempting to make others conscious.

These results become more interesting when viewed within the larger context in which the contemporary Black consciousness movement has been growing across Brazil and causing social change for more than 20 years. During this time the movement has gained national and international attention, charging the government to action, to create laws to improve the education of Blacks and policies to enforce affirmative action throughout different sectors of society. Growing out of the movement in São Paulo, Black activists and leaders have formed NGOs such as Geledés – The Institute for Black Brazilian Women, established in 1990, and later the Center for the Study of Racial Inequality in the Workplace (CEERT) formed (Telles, 2004). Also as a result of Black activism, the University of Zumbi dos Palmarães Citizenship, the nation's first predominantly Afro-Brazilian university was founded in São Paulo, in 2004. It is a step in the direction of providing more opportunities and access to higher education for Blacks, similar to the establishment of Historically Black Colleges and Universities in the United States. This is notable, because once more Afro-Brazilians can matriculate at universities, there will be more opportunities for them to enroll in public relations programs and other programs for fields that have traditionally been out of reach due to lack of training.

In comparing the findings of this study and the literature on the Black consciousness movement, the Afro-Brazilian public relations practitioners have distanced themselves from the movement occurring in their own backyard. For those who acknowledge, support or identify with the movement to some extent, the agency central to this research does not provide room for such expression at the workplace. It is probable that the divide between the Black public relations practitioners and the Black consciousness movement exists, not only because of the culture of their work environment, but also because some of the rhetoric and principles of the movement are considered controversial and problematic. Sansone (2004) points out that the problematic language and tenets of the movement, and the government's willingness to accept them, does not encourage alignment with the movement or build a large force against racism. This claim, along with the findings, suggests a display of involvement with Black activism will conflict with the beliefs of the majority of the population and the employers. These factors considered, the Afro-Brazilian practitioners may not find it beneficial to associate themselves with the Black consciousness movement or convey their support of it at the agency.

Roles and Barriers of the Afro-Brazilian Practitioner

To address Research Question Two, practitioners were asked if they have ever experienced discrimination due to their race or ethnicity at the agency, and if so, in what ways. The interviewer probed further with the question of why participants think they are not in an upper level management position. These questions were asked to find out whether the respondents participate in the agency as professional practitioners, if they participate in the same activities as other practitioners, and if racial/ethnic discrimination prevents them from participating as practitioners. Three themes emerged from the responses to these questions: 1) the agency is to be credited for the racial equality and lack of discrimination, 2) the individual is to be credited, and 3) neither the agency nor the individual is to be credited. Notably, regarding this question, all of the practitioners conveyed that the responsibility or reason they do not hold the positions of director, vice president, partner or president is in some way their own doing.

To determine the answer to Research Question Three, participants were asked: What are the top three barriers to your agency's efforts to attract diverse practitioners? Based on the responses, the three themes that emerged here were: 1) the pool of potential multicultural PR practitioners is limited; 2) there is a lack of opportunity and access in the field for multicultural PR practitioners; and 3) there are no barriers.

Although all of the practitioners claimed discrimination in this agency is nonexistent, four of the participants pointed out there is a need for structural change, due to issues such as discrimination in hiring processes towards Blacks with higher education throughout Brazil, a lack of equal opportunity employment and advancement, and lack of paid internships at the agency which most Blacks cannot afford to accept.

Emerging from the researcher's observations was a stark contrast between the participants' responses and the observations regarding racial discrimination. Only two individuals saw themselves as playing a significant role in impeding discrimination within the agency. Four participants diverted the problem and responsibility of racial discrimination from the agency and focused them on the government, emphasizing that Brazil is in need of affirmative action policy and the government needs to improve the educational system for Blacks. Four participants addressed the lack of access and opportunity for Blacks to attain higher education. Research supports the participants' claims concerning education, revealing that Blacks still face problems in completing primary education and moving on to secondary schooling. Also, there has been a significant gap between the 25.1% of Whites who have completed secondary education and the 18.3% of Blacks who attained the same educational level (Osório, 2008). In this study, it was found that even after Blacks were able to acquire secondary education, the degrees tended to not benefit them to the same extent as their White counterparts who received higher income pay-off for the same level of education (Osório, 2008).

One of the important observations throughout these interviews is the difference between how the respondents discuss the role of discrimination in general – as in when speaking about government programs and affirmative action – versus how they describe their own experiences. While the respondents spoke from both personal and vicarious experience about discrimination issues in the larger society, as discussed above, none admitted experiencing any form of discrimination or racial issues within their current work experience. At this juncture, exists the contradiction between the participants' claims that discrimination is not present in the agency and the fact that professional development and upward mobility for Blacks is non-existent up to this point.

The obstacles Blacks face in the agency were not discussed by the participants. The hurdles they face surpass Brazil's educational system and begin to approach the systematic discrimination of the agency. The Afro-Brazilians in this agency holding positions ranging from account assistant to account manager or coordinator have all attained a secondary education, with one who earned a graduate degree. So, for them, lack of opportunity or access to secondary education is no longer the main issue. Yet, observations revealed that none of the Afro-Brazilian practitioners hold top executive positions and none of them are near entering positions of that level. Most of the practitioners blame this on their lack of skill. However, the agency is not currently providing the professional training and development that is necessary for the practitioners to reach that stage. For instance, the agency's outsourced English language tutorial services are not being provided for any of the Negro/a or Pardo/a practitioners. The lack of professional development will surely impede the upward mobility of Afro-Brazilian practitioners in this agency.

Corporate Social Responsibility and Multicultural Public Relations

Although the practitioners' responses were examined to answer Research Question Four, the main focus was on the responses of the five top level managers and their official pronouncement on their philosophies behind the agency initiative of corporate social responsibility and racial diversity. The focus was placed on those in management positions, because they are the decision makers who address issues of corporate social responsibility within the agency and several of these persons initially raised the topic of corporate social responsibility during informal discussions.

Five of the practitioners expressed that there was low representation of Blacks in the agency. Four of the respondents directed the need for quotas and affirmative action away from the agency, relieving the agency of the responsibility to create structural changes to enhance multicultural diversity, by holding others responsible. This group also expressed that the agency does not need such policies. It was found that all nine of the practitioners reported that they feel comfortable carrying out their responsibilities or duties at the agency. Of the nine, seven believed the agency is egalitarian in its practice. Of this group, several expressed that they regularly interact with their coworkers as well as the agency's executives.

The researcher found all of the Afro-Brazilian practitioners, as well as the directors of the agency strongly express that the agency provides and encourages a culturally diverse environment. The Afro-Brazilian practitioners' claims that they are comfortable around coworkers are also supported by other observations made around the office. There is a comfort and affection between employees that reflects Brazilian culture.

The department dedicated to studies and research at the agency launched a quality measurement product, which was to include measures for social responsibility. The researcher was present for the office-wide launch meeting and observed that although upper level management said they were in the process of writing diversity into agency literature, the topic of multicultural diversity was not discussed as part of the presentation. The researcher also reviewed all of the promotional literature on the other tools and services provided by this department and found that the topic of multicultural diversity was not addressed. This finding is significant because of the low percentage of multicultural practitioners reported in the agency's human resources statistics, as portrayed in the following tables.

Table 3: Color/Race of Employees - Year 1

Total Employees	N = 215
Color/Race	
White	80.93%
Black	4.65%
Mixed (with Black)	5.12%
"Yellow" or Asian	2.33%
Indigenous	0.47%
No Information	6.50%

Source: The agency's human resources internal report

Table 4: Color/Race of Employees - Year 2

Race	Quantity	Percentage
White	189	85.52%
Black	8	3.62%
Mixed (with Black)	11	4.98%
“Yellow” or Asian	6	2.71%
Indigenous	1	0.45%
No Information	12	5.43%
Total	227	102.71%

Source: The agency’s human resources internal report

Based on the data in Table 4, in year two, Afro-Brazilians (including both Negro/a and Pardo/a) made up the largest group of multicultural employees with a mere 16 out of 227 employees. That is, in year two Blacks accounted for 8.4% of the agency’s employees, yet Blacks accounted for 49% of the country’s population. Also, Table 3 and Table 4 depict that the amount of Blacks employed by the agency dropped from 9.77% in year one, even though the amount of employees increased in year two. By year two, the multicultural groups made up only 11.45% of all employees.

According to Utting (2005), corporate social responsibility theory dictates that private enterprise can regulate itself through corporate self-regulation and voluntary initiatives, with regards to social, labor, and environmental standards. The executives at the agency under study suggest that it has the ability to regulate its multicultural diversity, drawing from the Brazilian social standards of affirmative action policy and the establishment of quotas. Based on the researcher’s findings, the agency has not taken any specified or documented steps, thus far, to commit to corporate self-regulation or voluntary initiatives, in terms of multicultural diversity.

The company’s data on employees is not indicative of an organization that is advanced in racial/ethnic diversity of which is reflective of the diversity within its society or among all of its stakeholders. On this issue, the agency falls short of the recent recommendations to demonstrate cultural awareness and to value the races and ethnicities of underrepresented groups as an attribute (Appelbaum et al., 2015). This shortcoming is of significance because the agency has an affiliation with a United States public relations agency and operates within major metropolitan cities with largely diverse communities, all of which contain substantial Black and multicultural populations that include stakeholders of the agency and its clients. During the directors’ meetings, top level executives and upper level management discussed their culturally and racially diverse clients, such as the domestic Chinese and Japanese populations, as well as the different countries where their client accounts exist, including Canada, the United States, Germany, Chile, Mexico and other Latin American countries, and St. Martin in the Caribbean. Some of these clients have operations in several different countries, increasing the breadth of diverse stakeholders for the agency and its clients. Yet, no discussions about multicultural diversity within the agency occurred in any of the directors’ meetings.

On the other hand, as examined through social interpretive theory for multicultural public relation, despite the lack of documented self-regulation of multicultural diversity, the agency has created an environment in which its multicultural practitioners are comfortable and feel they are treated equally in comparison to their White counterparts. In accordance with statements made by the practitioners, no overt racism or discrimination was directed at the Afro-Brazilian practitioners. The Black practitioners interacted with their coworkers, the directors, and at times the executive staff with ease and in the same manner as the White practitioners.

The answers to the research questions addressed in this study could be used by the agency to improve its cultural diversity, the status and contribution of its Afro-Brazilian practitioners to the agency and its clients, and the overall practice of the agency. The Afro-Brazilian practitioners portray a high level of consciousness of their Black identity. Certain practitioners are also aware of the goals of the Black consciousness movement. These practitioners understand the need for affirmative action policies in Brazilian society as a whole and they are in tune with the many difficulties that Black Brazilians face in education and other institutions of society. They are educated, skilled and competent. The agency would benefit from having these practitioners in decision making positions when it comes to addressing the needs of clients, such as the international corporation that required diversity research and training or the national organization that held a sizeable conference on the state of education. An Afro-Brazilian director, promoted from among the pool of practitioners who were interviewed, would have great insight into such issues and could successfully cater to the clients. With the rate of Afro-Brazilians graduating from universities increasing over the past three decades, from 2.6% to 18.3%, the agency would also benefit from hiring more Afro-Brazilian employees who could offer a broader variety of perceptions on social issues that the agency and its clients are facing. Based on the findings of the recent study by Jiang et al. (2016), such an increase in the hiring of Afro-Brazilian practitioners would contribute to the success of the agency's operations in multicultural environments.

8. Conclusion and Implications

Data from this study suggests it is evident the agency, like many others throughout the world, is competing on an international level in multicultural societies. An increase in cultural diversity would benefit the agency's status in the global market. As demonstrated with this agency, globalization is challenging the organizations to meet the demands of operating within cultural diversity of great magnitudes. The need for organizations to successfully function in the international market or within their own multicultural societies depends heavily on the ability of the corporate public relations industry to assist them in building relationships and reaching stakeholders. It is necessary for the public relations agencies to interlace multicultural public relations into their own structure and practice.

It is beneficial for the public relations agencies to achieve the propositions of multicultural public relations. As related to the issues of race discussed in this study, two of the propositions are of particular importance, 1) all public relations communication proposes identities of participants; and 2) social and personal assessment of values in public relations communication is culturally conditioned (Banks, 2000). If the agencies are committed to these propositions, not only would the agencies' clients benefit, but so too would the communities in which they operate.

When the public relations communicators have a better understanding of their roles and influence in society they will become better equipped to lasting, trustworthy, mutually beneficial relationships for their clients and their clients' stakeholders. Of equal importance is the need for agencies to hire multicultural public relations practitioners to foster a culturally diverse approach to the implementation of the above propositions, and effectively operate and compete in the increasingly global and multicultural market. As supported by Parkinson and Ekachai (2006), when dealing with different cultures as target publics or stakeholders, it is important to exhaustively investigate the culture and learn what issues are most important to the group. Multicultural practitioners can contribute immensely to this process.

The results of this study indicate that multicultural practitioners bring with them cultural insight, through their cultural background, experiences, knowledge, identity and opinions, that can benefit agencies and their organizations. This point was demonstrated in the responses of the Afro-Brazilian practitioners on issues concerning Brazil's Black population. An increase in the number of practitioners in public relations agencies, from the different cultures among the targeted publics, brings about the opportunity for greater cultural knowledge and sensitivity to enter the industry. In addition, the agencies need to set objectives on how to combat racial discrimination internally and externally among their clients in order to attract and maintain diversity in their companies and the industry.

In this case, public relations agencies and their clients would then be placing themselves in positions to self-regulate according to their needs and those of the surrounding community, fulfilling a higher standard of corporate social responsibility. It is likely that such a social obligation to the community could help to strengthen the community, and in possibly propelling a cyclical effect, a strong community is positioned to sustain an environment in which the organizations can thrive.

It is established in this research that Afro-Brazilian public relations practitioners still face the challenges of limited opportunities and access to the field of public relations. However, the inclusive culture found inside each level of the Brazilian social strata, which was also prevalent in the agency used in this study, suggests that once Afro-Brazilians and other multicultural people increasingly graduate with degrees in public relations and/or journalism, they will gain entry into the industry, be welcomed by other practitioners upon entry, and should be able to gradually move up the ladder to obtain executive positions. With the help of federal programs, industry awareness, agency and organization initiatives, and the open-mindedness of professionals, there is a chance that multiculturalism in public relations can grow and thrive to the benefit of all stakeholders.

In an increasingly global world, the importance of recognizing and practicing multiculturalism is progressively becoming more important. The future of multicultural public relations lies in the hands of corporate executives, professional organizations, multicultural practitioners, and legislators, when necessary. It is the actions of all parties involved in the corporate public relations practice and industry that will guide the progression of multicultural public relations and the impact that it can have throughout all facets of society. This study offers insight into the best practices that will support the ultimate success in this endeavor and provides a glimpse of potential barriers which can be dispelled through organized and concerted efforts.

9. Limitations and Future Research

The study was conducted by a researcher from the United States, whose perspective might have influenced the analysis and reporting of the findings. Also, her status as an outside investigator could have caused a lack of trust between the participants and researcher, possibly inhibiting the candor of the participants. In order to address and control the effects of this limitation, the researcher spent a year building relationships with executives and practitioners at the agency, as well as five months immersed in Brazilian culture and scholarship.

There were few participants in this study. This is a result of the small number of Afro-Brazilian public relations practitioners in the industry as well as in the agency under study. To control this limitation, the investigator also held interviews with members of upper level management.

The intention for conducting future research on this topic is to interview multicultural practitioners from various public relations agencies or departments in order to increase and diversify the sample. An additional consideration is to replicate the study in another country, where the practice of multicultural public relations and its impact have not been examined extensively. Exploring diversity, inclusion, and multicultural public relations in various cultural contexts allows for advancements in the effective practice of public relations to benefit both the organization and its stakeholders.

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Volkswagen - The Failure of Perfection and Moral Hazard: What Price Victory?

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Abstract

In the year 2015, it became publically known that Volkswagen employees created and deployed software designed to thwart emissions testing equipment, and in this paper, we use moral hazard theory to explain the causes of employees' motivation. Volkswagen employees' high internal locus of control and high elasticities of behavior to rewards were united with executives' low expectations of disclosure and high expectation of rewards to create strong incentives to use deceitful emissions systems. Employees' engaging in utilitarian, moral hazard based behaviors succeeded in increasing revenue for many years. Subsequent to disclosure of the deceit, Volkswagen's short-term and long-term financial performance were negatively impacted. Volkswagen's goal to be the largest automobile supplier in the United States was unattainable by ethical means, but employees' nevertheless pursued that goal which ultimately led to a significant decrease in company performance as measured by stock price and market capitalization.

Keywords: Volkswagen, moral hazard, market capitalization, stock price, emissions

1. Introduction

On September 3, 2015, Volkswagen admitted to United States' Federal Regulators that some of its diesel vehicles contained software that was designed to mislead admissions tests (Storbeck, 2015). Since then, a great deal of information has emerged regarding the scandal, and a Google search on the term "Volkswagen emissions" yields more than 14 million references.

Research on Volkswagen and on moral hazard has focused on single aspects of the inputs (i.e., the psychological reasons for the behavior) and occasionally on the broad outcomes of the behavior, such as a company bankruptcy. In the current paper, we focus on multiple psychological causes of the behavior, from employee egos to corporate culture, and we examine longitudinal financial outcomes including share price, market capitalization, and trading volume.

We first begin the paper with a detailed description of aspects of moral hazard theory (e.g., Ingroup, locus of control, disclosure), and, second, explain how the theory applies to Volkswagen employee behaviors. Third, we examine Volkswagen financial performance for the three years prior to and one year subsequent to the disclosure of the emissions cheating. We conclude the paper with recommendations for managers and suggestions for future research.

2. Moral Hazard

The theory of moral hazard posits that eliminating or reducing the negative consequences of behavior (or having the costs of the behavior be borne by others) either encourages actors to engage in that behavior or reduces actors' efforts to eliminate that behavior (Baker, 1996; Braynen, 2014; Ehrenberg & Smith, 2000; Rowell & Connelly, 2012).

Some researchers posit that using moral hazard to make decisions is not necessarily due to a lack of morality or a moral failing, but rather is due to a utility calculation (Rowell & Connelly, 2012). For example, moral hazard theory is used regularly in calculating experience-rating of insurance premiums (e.g., auto, fire, flood, health, unemployment, retirement) as a means to embed negative consequences for consumers into the premium price in order to decrease consumers' moral hazard (Rowell & Connelly, 2012). Other researchers posit that using moral hazard is based on morality because it requires redistribution of positive and negative outcomes, and the redistribution requires moral justification (Braynen, 2014).

2.1 Moral Hazard in Practice

While it is well known that insurance companies use moral hazard theory in setting premiums and that it is considered ethical for them to do so, companies in other industries have engaged in moral hazard behaviors in ways designed to harm their customers. For example, from 1976 to 1992, General Electric knowingly sold coffee makers that could cause fires (Brown, 1991). For a second example, from the 1930's to the 1980's, manufacturers sold asbestos-containing products, and from 1970 onward, the Asbestos Information Association promoted the safety of asbestos despite the existence of extensive research proving exposure to asbestos causes fatalities (Markowitz & Rosner, 2016). A third example is the 2007 to 2012 difficulties faced by "too big to fail" financial firms which engaged in risky behavior because they expected to be rescued by the United States federal government (Grunwald, 2009).

2.2 Components of Moral Hazard

There are many components of moral hazard that impact the extent to which an actor is likely to engage in risky behavior. We begin with a discussion of these components then apply these components to the behavior of Volkswagen employees.

Ingroup, Respect for Authority, and Purity (IAP)

The conservative norms of Ingroup, Respect for Authority, and Purity (IAP) drive people to engage in behaviors that promote welfare (Quigley, 2015). At Volkswagen, Ingroup and Respect for Authority values underpinned the moral hazard behavior of the Volkswagen employees. Although engaging in moral hazard behaviors is not necessarily an indication of immorality, in the case of Volkswagen, it can be argued that moral failings, combined with high ambition, led to the moral hazard behaviors. For example, numerous Volkswagen employees indicated the Volkswagen culture became tolerant of rule-breaking (Ewing & Bowley, 2015; Ewing, 2015). This rule-breaking culture was supported by employees due to their desire to be Ingroup and due to their Respect for Authority. Further, it can be argued that employees saw nothing improper in rule-breaking because sometimes people believe human beings are inherently immoral, and they consequently limit the moral demands they are willing to accept, thus making rule-breaking an acceptable behavior (Smilansky, 2010). It is possible that Volkswagen employees were engaging in utilitarian behaviors, defined as being willing to engage in any behaviors, even dishonest behaviors, if that leads to the best outcomes (Jamieson, 2007).

After disclosure of the emissions cheating, Volkswagen showed a propensity to refuse to accept responsibility, first by denying there was a problem (Ewing & Bowley, 2015) and later by challenging United States jurisdiction over the issue (Tabuchi, 2016). The Volkswagen denial was indicative of employees' desire for the company to have a reputation of Purity. Volkswagen's refusal to accept the findings of wrongdoing mirrors its refusal to accept findings of wrongdoing in the earlier airbag recall problem (Krisher, 2016).

Self-Efficacy and Internal Locus of Control

Engaging in moral hazard behaviors requires actors to have self-efficacy and an internal locus of control. Actors must have self-efficacy to believe they can control their behavior so they can act in their own best interest (Baker, 1996). Actors also must have an internal locus of control to believe their actions will impact outcomes (Colquitt, LePine, & Wesson, 2015).

At Volkswagen, in 2005, engineers believed they had the ability to circumvent United States emissions testing, and they began to plan how to circumvent United States emission laws because they knew they were unable to manufacture vehicles that would both abide by the emissions guidelines and also have the high gas-mileage that Volkswagen desired (Ewing & Bowley, 2015). For this reason, in 2007, Volkswagen abandoned its use of Mercedes-Benz and Bosch emissions technology due to its size and weight so that Volkswagen could design a smaller and more lightweight technology (Hakim, Kessler, & Ewing, 2015). Volkswagen engineers were successful in creating their own technology, and all post-2008 model years containing the 3.0-liter diesel engines also contained the deceptive software (Russell, Gates, Keller, & Watkins, 2016).

Elasticities

In regard to moral hazard, elasticity refers to the strength of the motivation to engage in moral hazard behaviors in response to an expected reward. For example, high elasticity indicates an increase in expected reward would induce behaviors that would generate greater-than-expected reward, which was found to be the case with workers' compensation insurance (Guo & Burton, 2010). Specifically, when potential payment amounts increased, workers' injury rates increased to a greater extent than expected so that payments received were higher than expected.

At Volkswagen, executives had an increasing desire to excel, and in 2011, they set the goal of being the largest global car manufacturer by 2018 (Hakim, Kessler, & Ewing, 2015). Their goal was to triple sales in the United States and to overtake Toyota in sales. Volkswagen executives' goal to increase sales exponentially served as the impetus to engage in moral hazard behaviors. The investigation of the fraud committed by Volkswagen reached upper management, including the ex-CFO and chairperson of the advisory board, Hans Dieter Pötsch. Under investigation for the orchestration of this case, Mr. Pötsch faced intensifying criticism from investors seeking answers. The addition of Mr. Pötsch to the investigation helped uncover the elements of a corporate culture that potentially created the idea of committing the fraud (Ewing, 2016a).

Volkswagen engineers engaged in moral hazard behaviors to gain rewards for themselves such as approval and promotions (Ewing & Bowley, 2015). Volkswagen engineers also understood that the success of Volkswagen directly impacted the German economy because approximately 14% of German workers were directly or indirectly employed in the automobile industry (Hakim, Kessler, & Ewing, 2015). Further, the Volkswagen culture was tolerant of rule-breaking (Ewing, 2015).

A study of corporate deviance that was committed by commercial banks in India found that high-status companies do whatever they can to remain high-status, and companies that have the most to lose do so, as well (Krishnan, 2015). "The research posits that the sense of security enjoyed by elite organizations has been greatly overestimated. Many are so eager to maintain their reputations that they will engage in deviant behaviors – even acts of illegality – out of fear that they may not be able to meet the expectations of associates and shareholders" (Hansen, 2016). The study of India-based banks compared its findings to the Volkswagen scandal and noted there is the potential that the Volkswagen scandal stemmed from the actions of a few immoral employees who were driven by self-interest. Therefore, companies should remove motivation and emotion from decision making, and instead "employ specific management practices … designed to put a stop to the undesired behaviour, such as investing time and effort in multilevel goal-setting, frequent goal achievement reviews, inter-unit communication and higher 'visibility' of top management" (Hansen, 2016).

Disclosure

Motivation to engage in moral hazard behaviors is increased if knowledge of one's self-protective motivations and actions is undisclosed to others (Castillo & Leo, 2010). Within the business ethics field, this concept is known as The Disclosure Rule (Steiner & Steiner, 2012).

The extent of risk of disclosure is impacted by the extent of monitoring of outcomes of actors' behavior. Specifically, if there is minimal or random monitoring, or if the timing and amount of monitoring is known, then actors can alter their behavior during monitoring to prevent detection, which would increase moral hazard behaviors. Monitoring is not cost-free, however, and buyers may not be willing to pay extra costs to increase monitoring to discourage moral hazard behaviors to ensure a pure product (Starbird, 2005).

Volkswagen evidently believed its deception would not be disclosed to the public based on its experiences in Europe, where government officials knew that Volkswagen 's and other manufacturers' diesel engines exceeded pollution limits but took no action against Volkswagen (Hakim, 2016). In Europe, when random testing was done with portable testing devises on the road, emissions levels were found to be higher than when testing was done in a laboratory (Hakim, 2016). In the United States, automobile emissions are tested by states at a single, known time, either annually or biannually, which allowed Volkswagen to design software that could be used intermittently to deceive the emissions tests. Further, after the United States Environmental Protection Agency filed claims against Volkswagen, Volkswagen employees spent at least three days deleting documents related to emissions tests in an effort to decrease the risk of disclosure (Pleasance, 2016).

2.3 Causes of Moral Hazard at Volkswagen

The upper management of Volkswagen would have had to know of and approve of such a large-scale manipulation of software and its potential rewards and or consequences in order for the manipulation to have been conducted successfully. Volkswagen was driven to be the largest automaker, once the realm of General Motors and, more recently, Toyota. Volkswagen has always been known for, and embraced, its German heritage and engineering prowess, a proud and enduring selling point, and Volkswagen's desire to maintain this reputation for quality could have been a motivation to engage in moral hazard behaviors.

2.4 Executive Compensation and Risk Taking Propensity

Senior executive pay packages are incentive based, using several metrics ranging from profit margin per unit, stock price, overall units sold and surpassing established benchmarks in all metrics. Executive compensation is frequently ephemeral and mercurial because the majority of the package is based upon the achievement of the company-wide goals that are sometimes difficult to control, such as profit and stock price. Increases in sales that are translated into rising stock prices have a multiplier effect on executives' compensation because compensation from previously-awarded stock options increases in value with subsequent stock price appreciation. It is advantageous for executive compensation for company sales to be progressively higher year over year, and executives will do everything within their power to push inventory movement to achieve sales growth.

Another aspect of moral hazard is the impact of executive bonuses on the level of risk taking. Most senior executives can benefit from bonuses if they reach certain predetermined goals. Typically, the goals are based on increases of the stock value and are paid in stock options. The objective of using stock options as bonuses is to incentivize executives to produce improved stock performance. There is usually no decrease in compensation if the goal of higher stock price is not achieved, so the opportunity to obtain the bonus will cause executives to take greater risks to achieve the goal than they would if negative consequences were attached to decreases in stock price. Therefore, when compensation is in the form of stock options, there is a strong incentive to meet the goal and there is no financial loss if the stock options expire worthless.

Yu (2014) stated CEO'S might have a high or excessive level of confidence in themselves, and CEO overconfidence explains some CEO behavior. For example, former Enron President Jeffrey Skilling was so confident in his own intelligence that he believed he could systematically manipulate reports without detection. Hannes and Tabbach (2013) showed that in, the United States, taking excess risk would be more attractive to an executive than even manipulating the stock price.

In some cases, CEO's who fail to meet goals would not only fail to receive the bonus, but would also be fired. In many cases, however, contractual termination benefits mitigate the loss to an executive who loses her job, thus decreasing the negative consequences of risk-taking behaviors.

At Volkswagen, Chief Executive Martin Winterkorn was the driving force behind the ambition of Volkswagen to become the world's largest carmaker, surpassing Toyota. Winterkorn was a demanding boss who didn't like failure; indeed five former Volkswagen executives described Winterkorn's style as fostering a climate of fear and authoritarianism that went unchallenged partly due to the company structure (Cremer & Bergin, 2015). As Volkswagen grew in size, largely due to sales in China, Winterkorn's compensation also grew rapidly and, in 2011, his compensation nearly doubled to €21 ($23 million USD), making him the highest paid CEO among 30 companies in the German DAX index (Reuters, 2012).

When the emissions scandal was uncovered in September, 2015, Winterkorn resigned, but denied knowledge of the scandal. He remained, however, eligible for €5.9 million ($7.1 million USD) in performance pay for a year in which the stock price fell by 30% (Snyder & Jones, 2015). That is, Winterkorn received significant rewards, and little negative consequences, due to the emissions scandal. There was a subsequent examination of Winterkorn's bonus, with €3.4 million ($3.8 million USD) of outstanding bonus having been "frozen" in 2017 (Campbell & McGee, 2016). Nevertheless, Winterkorn became a retiree of Volkswagen and was entitled to annual pension payments of €1.1 million ($1.2 million USD), (Murphy 2017).

The controversy over payments to Winterkorn has had a sobering influence on Volkswagen (Reuters 2017), and subsequently Volkswagen has capped pay to its CEO at €10 million ($12 million USD). Further, eligibility for bonuses will be tightened under the new system, which will allow for up to 30% increase in fixed salary. Managers will lose annual bonuses if the operating profit is below €9 million ($10 million USD), which is increased from the current threshold of €5 million ($6 million USD). Long-term bonuses will track share price performance in line with Germany's corporate governance code. Thus, Volkswagen has recognized that incentive compensation programs which reward excess risk taking while mitigating failure with contractual "golden handshakes" present a clear moral hazard and Volkswagen has changed executive compensation programs accordingly.

Quality Management

Part of Volkswagen quality management is a very mindful thought process of how to manage profit margins (Volkswagen *Board of Management, 2016).* Volkswagen most likely used very strict and overriding manufacturing benchmarks and checkpoints all along the assembly process to identify and eliminate errors, thereby reducing rework. The focus on quality drives the operating profit margin, currently 2% up from a recent 1.5%, due in part to a very concentrated effort that began when the scandal became public, as Volkswagen began the struggle to reclaim its longer-term historical profit margin of 6% (Hetzner, 2016).

Industry Commonalities

Mitsubishi also was under scrutiny in April 2016 when it was discovered it had been manipulating fuel-economy data in multiple vehicle lines. Although the Mitsubishi scandal was revealed after the Volkswagen scandal, both companies were seeking the same goal: presenting their cars as being better than they were (Smith, 2016). Both Mitsubishi and Volkswagen also have histories of poor corporate governance, where employees could easily have engaged in utilitarianism due to the perception that a "bit of rule-bending would be tolerated as long as the results were OK" (Smith, 2016). Another commonality between Mitsubishi and Volkswagen is the length of time that these companies produced sub-par products. Mitsubishi was not caught until 20 years after it started manipulating gas mileage data, while Volkswagen was not caught until nine years after it started installing faulty emission systems. It is unknown whether the length of time indicates the companies hid it well or that people looked past the defects until an emerging pattern started to be noticed.

Chevrolet, General Motors, and Buick were also accused of falsely advertising fuel economy ratings that were higher than how the cars functioned. GM claimed the problem was due to improper calculations, but GM lost approximately €89.5 million ($100 million USD) as a consequence of the false advertising (Sorokanich, 2016). Since the Volkswagen scandal was uncovered, Audi also has come under scrutiny by German authorities for some of its sport utility vehicles behaving "differently during tests than they did on the road" (Ewing, 2016b).

Cost – Benefit Analysis

Many companies engage in moral hazard behaviors to stay or get ahead when they see a high reward-low risk opportunity, with the reward usually being financial gains. Often, it takes great effort to devise a plan to cheat without getting caught (DuBois, 2012). At Volkswagen, engineers had to write and install the code into the software, as well as design and manufacture the engine components to implement the code, while managers had to approve these parts and installations, and upper management had to believe there was a positive result of cost-benefit analysis of not correcting the problem.

When any new, major initiative or project is being considered, there are many things to consider, including why, how, and the amount of financial resources that must be employed. Almost every large division or entity will employ a Monte Carlo-type simulation to create accurate predictions of all possible outcomes under varying conditions. For Volkswagen, the questions would have covered costs and benefits, including the following questions:

Benefits

- Will the software to create false emissions readings work?
- Will the software result in increased sales and, if so, by how much?
- What is the profit margin per unit and will it be affected by increased software development costs?
- How much will the increased unit sales add to company profit and is the increase sufficient to make a difference in the share price of the company stock?
- How much could the results affect executive compensation?
- How much could the results affect stock option amounts as part of compensation?

Costs

- Is the software detectable by outside monitors?
- How much and for how long will sales be hurt if the software is detected?
- How much and for how long will the shareholders bear the burden of declining stock prices?
- Taking all into account, what will be the total cost of lost revenue, punitive damages, repercussions, cost of fixing the software, including buying back affected vehicles?
- How much will consumer confidence be affected?

3. Volkswagen's Financial Performance

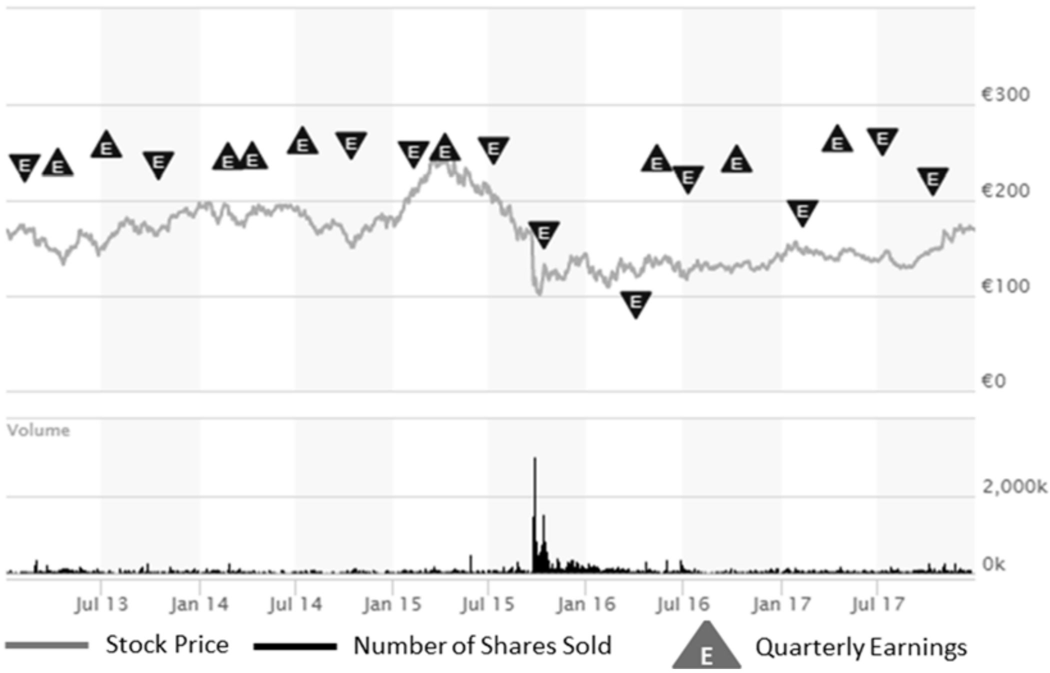
Volkswagen, being a publicly-traded company, faced significant negative financial consequences from its owners (i.e., shareholders) when the scandal became public. Immediately following the story becoming public, millions of shares were sold, leading to a precipitous decline in share price and market capitalization.

Stock Prices

From a purely financial perspective, it can be surmised that Volkswagen management did not believe the negative consequences would be significant, if indeed the software were discovered, which is what ultimately came to pass. The brand has suffered, but the following statistics and charts indicate that the initial decline that occurred to the company's stock price was short lived because after the initial free fall, the stock price rose slightly and stabilized somewhat, such that it was beneficial to management to permit the faulty software to be installed. After the slow and steady increase in stock price, however, the stock still remains more than 20% lower than prior to the scandal, and has a long way to go to achieve past levels.

Chart 1 shows Volkswagen stock price, trading volume, and quarterly earnings from January 2013 to December 2017 (Marketwatch, 2017). The high point of the stock price occurred on April 10, 2015 at €244.80 ($293.72). Over the next five months, the stock price slowly declined 32% to €167.40 ($200.85) on September 17, 2015, an amount closer to its usual average of the past few years, and daily trading volume was low, between 40,000 and 100,000 shares per day. Over the next week, directly after the emissions cheating became public, to October 2, 2015, the stock price declined 39% to €102.80 ($123.34), and trading volume was extraordinarily high, with 2.38 million shares being traded on September 23, 2015 alone. After July, 2016, the stock price increased slightly and stabilized, at a new, lower average, around €130.00 ($155.98). Company earnings were negative in the period directly following the uncovering of the emissions cheating, and remained negative for the following six months. Clearly, disclosure of the scandal caused significant negative consequences for Volkswagen and its shareholders in the short term.

Chart 1: Volkswagen Stock Price in Euro, Trading Volume, and Quarterly Earnings, January 2013 to December 2017



(MarketWatch, 2017).

Market Capitalization

Chart 2 shows data on market capitalization (i.e., total market value of outstanding shares) from January 2013 to December 2017 (YCharts, 2017). On September 15, 2015, prior to the emissions cheating becoming public knowledge, market capitalization was €80.5 billion ($91.01 billion USD) but within four days, to Sept 29, 2015, market capitalization had declined 50.2% to €45.7 billion ($51.07 billion USD). Compared to Toyota's Market capitalization of €168 billion ($187 billion USD) on September 30, 2015, one can easily see the crippling results that Volkswagen shareholders had to absorb.

Chart 2: Volkswagen Market Capitalization from January 2013 to December 2017, in Euros

(YCharts, 2017).

Volkswagen could have decreased the negative consequences of moral hazard behavior on the stock price by working to slow the decline in stock price by entering a short-put strategy to increase cash flow while buying back its own stock at increasingly lower levels. First, using this somewhat bullish strategy, Volkswagen would slow the decline in the stock price somewhat, decreasing the probability of an outright rout, which could have, in turn, resulted in ever-growing class action suits by betrayed stockholders (Morgan & Morgan, 2016). Second, the company would be buying back stock more cheaply than otherwise would be possible and would reap substantial rewards upon a stock price rebound after the furor subsided. This ill-gained profit could help defer some of the legal costs incurred by the emissions cheating scandal, thus further reducing the negative consequences of moral hazard behaviors.

Long-Term Financial Outcomes

In the two years after the scandal was uncovered, Volkswagen stock price remained approximately 20% lower than it was prior to the scandal. There is a significant financial cost to Volkswagen, including a minimum of €12.5 billion ($14 billion USD) of an emergency fund (Volkswagen, 2016) set by Volkswagen to pay to correct the problem, buy back defective cars, punitive fines levied on the conglomerate by foreign governments, such as the United States, possible class action suits by stakeholders, and the possible costs of the approximately 60 deaths that are being attributed to the increased emissions (Tutt, 2015). The total financial cost is difficult to quantify, but surely there will be years of litigation.

4. Conclusion and Implications

The theory of moral hazard and its components could explain the long-term, moral hazard behavior of Volkswagen engineers and executives in planning and executing the development of emissions systems containing software designed to thwart emissions tests. The company set the unattainable goal of becoming the largest automobile seller in the United States, which combined with the corporate culture emphasizing Ingroup importance, respect for authority, preservation of the purity of company reputation, and executive compensation packages, led employees to believe they would receive significant positive outcomes of cheating and very little, if any, negative outcomes. That the faulty software was used for nine years prior to being discovered is indicative of employees' belief that there would be no disclosure of the problem, thus giving further impetus to their engaging in moral hazard behaviors.

There were significant negative consequences for the company due to the precipitous decline in stock price and market capitalization, but the consequences were somewhat short-lived, as these values stabilized and did not reach zero. Several executives faced negative consequences such as termination of employment, but remained eligible for very lucrative retirement packages. Overall, it does not seem the short-run negative consequences for the company or the executives were as significant as the benefits to the company and the executives.

More often than not, large corporations prefer to put strife behind them rather than face unending negative publicity. The executives at Volkswagen must be some of the most intelligent and driven professionals in the world, so one must wonder what was the ultimate driving force behind such an egregious act. We will only know from future "whistle blower" books that will emerge.

Implications for Industry and Managers

We can only speculate regarding why the leaders of one of the world's top automakers would allow or facilitate this fraud. Recent findings have demonstrated that the amount of carbon dioxide emitted by all (not just Volkswagen) diesel engines far exceeds that which standard testing indicates, and this pollution is linked to more than 38,000 premature deaths globally (Anenberg, et al., 2017; Weston, 2017) indicating that other automakers may be engaging in behavior similar to that in which Volkswagen engaged. Indeed, the BMW German headquarters was raided recently by police who were investigating faked exhaust emission tests (Reuters, 2018). Companies in other industries also have recently been investigated for moral hazard behaviors (i.e., partnerships with data brokers at Facebook and other firms (Ghosh 2018); use of a mystery partner in energy contracts in South Africa by McKinsey & Company (Bogdanich and Forsythe, 2018), indicating the practice is ongoing across the global economy.

Given that the unethical behavior has occurred across many industries, managers should take steps to ensure their subordinates do not also succumb to these behaviors. First, managers should create a safe space for employees to question authority without fear of retribution and without fear of losing status as ingroup members. Second, compensation should be structured to reward the process of producing work, not just company revenue or company profit, because a focus on profit might encourage Machiavellian behaviors. Third, decision making should be transparent, and detailed meeting minutes should be shared company-wide to the extent possible.

Limitations and Future Research

The primary limitation of this study is the secondary nature of the data on Volkswagen employees. While it is doubtful Volkswagen employees would agree to be interviewed or would complete surveys regarding the corporate culture or emissions systems due to fear of legal repercussions, future research could make use of trial transcripts and other legal documents to discern the underlying cause of the emissions system cheating.

Future research also can examine the long-term financial outcomes of organizations that engage in wrongdoing and compare it to the long-term financial outcomes of organizations that do not engage in wrongdoing. This analysis could demonstrate the extent to which wrongdoing affects shareholders and provide a further incentive for managers to behave ethically.

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Youth Groups Needed to Achieve the United Nations 17 Sustainable Development Goals (SDGs)

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Abstract

The quest to achieve "sustainable development" has been a quixotic, long-term goal for all people. Sustainable development has been defined as "meeting the needs of the present without compromising the ability of future generations to meet their own needs." Could it ever be accomplished? Starting with the three main pillars of "sustainability": 1) social, 2) environmental, and 3) economic, which are often referred to as "people, planet, and profits," a strategy will be proposed here. Some achievements have been made, but there is no larger initiative to face the planet than achieving "sustainable development" in a globalized way. The largest untapped force to achieve the mega-goal is Youth. After discussing more formally the three parts of sustainable development, the UN's 17 goals of sustainable development, a proposition will be proffered which focuses on the energy of youth to be harnessed to achieve the UN's 17 sustainable development goals (SDGs). This article will present an overview of existing business youth organizations, their work towards the United Nations 17 SDGs, and proposes a concept for a new organization: Business Youth for Sustainable Development (BY4SD). The establishment of BY4SD can accelerate the UN's achievement of its 17 sustainable development goals.

Keywords: civic engagement, corporate social responsibility, haves, have-nots, globalization, personal social responsibility, service-learning, sustainability, sustainable development goals, United Nations

1. Introduction

The concept of "sustainable development" has been discussed for many years, but the conception of the term was put forth in 1987 by the Brundtland Commission, formerly known as the World Commission of Environment and Development (WCED), which issued their magnum opus, *Our Common Future*. The term has come to mean, "Meeting the needs of the present without compromising the ability of future generations to meet their own needs." *Our Common Future* was this UN body's assessment -- after much analysis, synthesis, expert testimony from industrialists, scientists, NGO representatives, and the general public -- of the dismal future within our commonality. In other words, the world is on an unsustainable path.

This 1987 work led to the 1992 Earth Summit, formerly known as the United Nations Conference on Environment and Development, in Rio de Janeiro. The result of the Rio meeting was "hugs and kisses" for all who attended from 172 countries, with 108 heads of state, and a final document: Agenda 21. Agenda 21 set forth the uniform marching orders to reverse the unsustainable path being taken with current development practices.

The 1996 Kyoto Protocol on climate change followed, with less participation then the Earth Summit -- the United States did not participate for fear that participating would lead to a "reduction" it its way of life. The Protocol's result was agreement that mandatory targets on greenhouse-gas emissions for the world's leading economies were set and accepted, though not by the United States, and there was the much less hugging and kissing.

An Inconvenient Truth (2006), "Rio + 20," and *An Inconvenient Sequel* (2017) followed -- all striving to accomplish the elusive goal of "sustainable development." This goal may have been set forth by senior colleagues, who may all agree what the goal is, but cannot achieve said goal without the concerted effort of all individuals and from all classes of people. The "haves," "have-nots," industrialized, non-industrialized, senior folk, junior folk, man and woman, and must involve "youth." In fact, the United Nations put forth its "17 Sustainable Development Goals (SDGs)," all of them need the input of "youth." The concept introduced here is the development of "business youth" programs, worldwide, to achieve the sustainable development needs which have been sought.

2. Youth Movement

For each of the SDGs there are international (and domestic) youth groups that address each SDG with gusto. Youth and youth groups are important to create a "change in life." Remember, driving in the 1970s and before? No seat belt was required, but in 1984, New York become the first state to require the wearing of seat belts. Within a short amount of time, with the regular encouragement of youth to promote safety for mom and dad in automobiles, all got used to fastening them. Remember the commercials, which promulgated the "stop smoking" movement, and youth were employed effectively to encourage older folk to stop. Youth -- in numbers -- are powerful. Recently, the tragic event at Marjory Stoneman Douglas High School in Parkland, Florida, resulted in a mega student (youth) response to the Valentine's Day 2018 shooting, which got the world's attention.

Many youth programs exist -- ENACTUS, Future Business Leaders of America, Junior Achievement, Operation Enterprise, United Nations Youth Unit – all striving towards the United Nations 17 Sustainable Development Goals (SDGs), which include: quality education (No. 4), industry innovation and infrastructure (No. 9), and partnerships for the goals (No. 17). Perhaps there could be no greater facilitator in this realm than the creation of a nonprofit organization, called *"Business Youth for Sustainable Development"* (BY4SD). An international business youth organization will have the energy to get it done by assembling the youth at business schools, state organizations, regional organizations, national organizations, international organizations, which could help "shift the paradigm" for all. The concept of "sustainable development" was re-born in 2012 at the "Rio + 20 Convention" in Rio de Janeiro, where it was "christened" twenty years before at the 1992 Earth Summit. The concept, though, was born to the world in the 1987 book, "Our Common Future" by the United Nations World Commission on Environment and Development (WCED).

3. Three-Legged Stool of Sustainable Development

The confluence of the three needed constituent parts of the sustainable development include: social, environment, economic. Some look at this as the "triple bottom line" (3-P's): people, planet, profits of sustainability -- Social/People; Environment/Planet, Economic/Profit.

All three parts of the "triple bottom line" are needed in equal portions to accomplish sustainability. Anything less is not lasting, as that may lead to either bearable, equitable, or viable result, but not a sustainable result. If it is social and environment, but not economic, it is only bearable or livable. If it is social and economic, but not environment, it is only equitable. If it is environment and economic, but not social, it is only viable. All three parts are need to cover sustainability.

Environment Component

The *environment* component has been known for years and years and years, from Thomas Robert Malthus, who wrote, "An Essay on the Principles of Population," published in the 1800s to Teddy Roosevelt and John Muir and our national parks, the environment has been considered greatly. The author, having just returned from the environmental sanctuary of Muir Woods in January 2018, one can only imagine what the world would look like if our focus was on sustainable development for life, from infancy to youth to adulthood. Eyes were opened with some landmarks events: Silent Spring (Rachel Carson, 1962); Three Mile Island (1979); Love Canal (1980); Chernobyl (1986); Exxon Valdez (1989); and BP Oil Spill (2010). The world's environment is very considered and always current.

The Malthusian Theory of Population shows that while food production and resources grow at sort of an arithmetic rate, the population is growing exponentially. What will happen when the needs of the population outpace the availability of food production and resources? Some say it has. Will conflict, violence, and wars become inevitable? Some say they have. A famous quote of Malthus from 1798:

> *"The power of population is so superior to the power of the earth to produce subsistence for man that premature death must in some shape or other visit the human race. The vices of mankind are active and able ministers of depopulation. They are the precursors in the great army of destruction, and often finish the dreadful work themselves. But should they fail in this war of extermination, sickly seasons, epidemics, pestilence, and plague advance in terrific array, and sweep off their thousands and tens of thousands. Should success be still incomplete, gigantic inevitable famine stalks in the rear, and with one might blow levels the population with the food of the world."*

Malthus was not the kind of person to invite to a summer party for levity and a good time. When the needs of the population exceed the available resources, trouble results.

Social Component

The *social* element came home to roost clearly with the advent of the Internet and advanced modern technology: Facebook, Twitter, and Instagram. Facebook is indeed recognized as a force when causes of the Arab Spring are discussed. With the "shrinking of the world" due to social media, ending of the Cold War, which enabled many countries (and their people) to bond together in trade: EU, NAFTA, ASEAN. Hence, the *social* element is addressed.

The social part is still growing, led by youth, and people are making significant headway in all sorts of realms, from the LGBTQ area to the Donald Trump Presidency to the 2018 "Me Too" movement.

Economic Component

The *economic* component, which includes *business*, has not yet been as advanced as it should be. The fact is that: Someone has to pay, and it will take time to get there. Differences between haves and have-nots, developed and lesser developed, individualist and collectivist, and more remind people of differences which will take years to decipher. Thus, *business* and *business youth*, who have the time and longevity ahead, will have a key role to play.

How to get business youth involved?

4. Youth Programs for Achieving the United Nations 17 Sustainable Development Goals (SDGs) Amidst Globalization

There is no larger initiative to face than "Global Sustainable Development" and no greater project than the creation of a nonprofit organization, called **"Business Youth for Sustainable Development"** (BY4SD). Nonprofits and social enterprises, which are not profit driven, are hence much more balanced in doing what is right, are at the heart of this project.

A youth organization will first assemble the youth at business schools, first locally then state-wide, then regionally, then nationally, into a knowledgeable and then action-oriented cadre of cogs in the wheels grinding towards achieving sustainable development. The outcomes will be many, but here are a few:

- New business courses, highlighting "sustainability" to advance schools and differentiate schools from other business schools,
- New articles and books co-written by students and faculty,
- New financial support, attracted through grants, to advance "BY4SD" to become a "sustainable" part of the business community.

The topic of sustainability interested the world's diverse interests in a multitude of standpoints -- the haves and have-nots, collective interests and individual interests, long-term vs. short-term, etc. **"BY4SD"** will engage youth (students), who want to "DO," and engage in *service-learning* and make an impact in managing our collective efforts towards achieving sustainable development. The functions and concepts of the POLC of management are the same - planning, organizing, leading, and controlling - but the mode is very different. Getting individual youth and students involved and energized through service-learning will introduce the topic of *"personal social responsibility"* (PSR), in addition to CSR (corporate social responsibility), whose challenges will be addressed by individuals. CSR is more well-known and involves the corporation. PSR could rightly be a component of organizational behavior, which focuses on individuals within organizations. The corporate social responsibility and personal social responsibility components were based on the growing interest in Eugene Lang's vision of "service-learning and civic engagement," which is absolutely imperative for our growth in the globally-interconnected world of the 21st century (Lang 2005).

This concept will consider integrating and raising awareness of the issues around scarcity of resources, environmental costs (contingent liabilities, potential taxes on emissions), markets in environmental attributes (carbon credits, wetlands rights, air pollution rights), employee morale (many employers believe that sustainable practices are important to the generation of new hires), and green marketing (separating authentic brand equity in sustainability form claims based on little evidence). Sustainability, like ethics, is best understood from a business perspective by integration into the basic disciplines.

Various pedagogical models have not been successful for this topic. Indeed, how sustainability is dealt with in a business context and how it would be most relevant for students is critical. The following list illustrates some of the key influential players:

- United Nations Environment Programme (UNEP)
- United Nations Development Program (UNDP)
- United Nations-Department of Economic and Social Affairs, Division for Sustainable Development
- Environmental Protection Agency (EPA)
- Environmental Advocates of New York

- Environmental Defense League
- Nature Conservancy
- Citizens Campaign for the Environment
- Center for Clean Air Policy (NY), and
- Earth Justice (NY)

Much more needs to be done, though, if the youth movement is to take hold and progress towards the 17 SDGs is to be achieved.

Globalization Considerations for Youth

First of all, the issues that abound because of globalization, starting in earnest with the creation of the Internet and the end of the Cold War (De Feis, Grunewald, De Feis, 2016) and the diminishment of communism and its effects must be discussed. Surely, even China, which in the 1970s was referred to as “Red China,” indicating extensive communism, is more or less “red, white, and blue China,” now, with entry into the World Trade Organization in 2002, and the for-profit entrepreneurial success of Alibaba, for instance. But how are the benefits of globalization shared by the industrialized versus the non-industrialized world, leading to arguments for and against, posed emphatically by Bhagwati (2004) and Stiglitz (2002, 2006). Needless to say there are some adverse impacts of globalization on countries that do derive positive benefits. Still some countries fail to benefit, but youth will play a specific role.

Globalization is all around and it is here to stay, and it should be taught and understood by the youth of the world, so one must work towards recognizing it as an influence in today’s world. Also, globalization may be one of the moderating variables towards achieving sustainable development, which again is “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (World Commission on Environment and Development, 1987). That is, the more globalization is embraced the better are the chances for reaching the goals of sustainable development. If less globalization (and more protectionism) is supported, youth will suffer, and, indeed, the worse are the chances.

With the fall of communism, culminating with the end of the Soviet Union, with the Soviet leaders voting communism out of existence in 1991; the Berlin wall being dismantled in 1989, further spurring the breakdown of the world’s trade barriers; bonding together of countries (EU, NAFTA, ASEAN); and, now, social media, there have been resulting increases in international business, multinational business, and globalized pursuits. Globalization can be seen as: “global competition characterized by networks that bind countries, institutions, and people in an interdependent global economy” (Deresky, 2017). It is the youth today who will reap the bigger and more sustained benefits of the fall of communism.

But the question is: *Will the benefits of globalization for the industrialized and non-industrialized world aid in the ultimate quest to achieve “sustainable development”?* Long before the present day, the world was very simple and very static; now the world has become very complex and very dynamic. Customers are no longer neighbors of the local community, but instead customers come from all over the world. Suppliers, too, are from all over the world. If one thinks about the external environment -- task (industry) environment, general (societal) environment, and natural environment -- and the impacts that globalization has had on all aspects of life, one can see why it is the ubiquitous calling of our day.

Youth will see it through, as youth will be around for eternity, in a sense. When communism fell in the 1990s, and the world moved more towards a free-market realm, it was the older folk who yearned for the return of a “planned economy.” Since it will take years for the vast benefits of a free-market mentality to take hold, the older folk do not have years to spare, so the older folk prefer the "cradle to grave" guarantee, albeit there are the hardships of reduced freedoms.

The general (societal) environment has elements in it like technological issues, demographics, economic issues, and globalization -- yet globalization impacts all of the other forces. Globalization and technological issues affect countries classified as 'haves' and the countries that are 'have-nots,' brought together ever more forcefully with the Internet and the open communication of social media. Globalization and demographics, with changing population (less domestic and more global and international), changing desires (less homogeneity, more heterogeneity), and changing attitudes toward religions, cultures, and peoples. Globalization and economic issues, with supply and demand issues, money supply issues, and currency exchange rates tie countries together like no time before.

Trading blocks around the world are now common: European Union, NAFTA (North American Free Trade Agreement), ASEAN (Association of Southeast Asian Nations), Mercosur (Southern Market), CARICOM (Caribbean Market), and others. Barriers are being broken down along the way, with the efforts of the WTO (World Trade Organization), and its predecessor GATT (General Agreement on Tariffs and Trade), the International Monetary Fund, World Bank (2017), and even the United Nations leading the way. Ever since the decline of communism and the rise of democratic, free-market reforms globalization has become part of the way of life.

In the task (industry) or specific environment, where customers exist, who are now global, and suppliers, who are now global, and competitors, who are now global, but is this a good thing? Globalization, apart from economic activity, refers to other aspects of life. The circulation and distribution of information mainly through the Internet and the facilitation of communications among people from different corners of the earth (e.g., social media) are simple examples, which validate the globalization concept. This international communication network allows the transmission of political and cultural ideology, the spreading of fashion trends, and the dissemination of ideas worldwide (Bitzenis 2004). However, globalization and related issues such as outsourcing are hotly debated topics, as there are perceived costs and benefits (pros and cons) (Langenfeld and Nieberding 2005). Indeed, globalization is here to stay and the reduction of trade barriers will yield a more peaceful existence for everybody. Perhaps.

United Nations: 17 Sustainable Development Goals – The Global Goals for Sustainable Development

In 2015, countries adopted the 2030 Agenda for Sustainable Development, which included the 17 Sustainable Development Goals (SDGs), which are:

Goal 1: No Poverty
Goal 2: Zero Hunger
Goal 3: Good Health and Well-being
Goal 4: Quality Education
Goal 5: Gender Equality
Goal 6: Clean Water and Sanitation
Goal 7: Affordable and Clean Energy
Goal 8: Decent Work and Economic Growth
Goal 9: Industry, Innovation and Infrastructure
Goal 10: Reduced Inequality
Goal 11: Sustainable Cities and Communities
Goal 12: Responsible Consumption and Production
Goal 13: Climate Action
Goal 14: Life Below Water
Goal 15: Life on Land
Goal 16: Peace and Justice Strong Institution
Goal 17: Partnerships to Achieve the Goal

Below each goal is be discussed with examples of how youth groups are making strides towards achieving the particular goal.

Goal 1: No Poverty - End poverty in all its forms everywhere

The target is to "eradicate extreme poverty for all people everywhere, currently measured as people living on less than $1.90 a day" (UN Division for Social Policy and Development Disability website). The need is to take the lead from youth organizations like ENACTUS, which is "a community of student, academic and business leaders committed to using the power of entrepreneurial action to transform lives and shape a better more sustainable world" (ENACTUS website). EN-ACT-US is an acronym from "entrepreneurial, action, and us." For example, an ENACTUS team in Swaziland developed a plan for vegetable production that would meet the local needs and would generate profits.

ENACTUS was founded forty years ago, and now has more than 72,000 student members, over 1,700 college/university programs, in 36 countries. ENACTUS also has 550 corporate, organizational, and individual partners. The SIFE group (Students In Free Enterprise) merged with ENACTUS, and now orchestrates activities all over the world.

Goal 2: Zero Hunger - End hunger, achieve food security and improved nutrition and promote sustainable agriculture

How foods grow, what foods grow, what is transported, and what gets consumed all need to be examined. The national birth of "farmers markets" introduces us to sustainability in agriculture. For example, the author is on the Board of a not-for-profit farmer's market -- AirSoilWater -- founded in Milford, Pennsylvania, right on the Delaware River, which plays its part as a cog on the wheel of progress. Soils, clean water, forests and what is needed to support the increasing population are becoming irreversibly degraded. The lead can be taken from Future Business Leaders of America (FBLA), which was founded in Columbia University in New York City. FBLA, for instance, which is the largest student business organization in the world with 230,000 members. These organizations do positive, creative initiatives for people all around to secure sufficient and sustainable food in entrepreneurial ways.

Goal 3: Good Health and Well-being - Ensure healthy lives and promote well-being for all at all ages

The United Nations Population Fund (UNFPA), which is another youth program, has supported implementation plans geared to reduce adolescent pregnancy of the Caribbean, Ghana, Guyana, Myanmar, and elsewhere, working with UNICEF. UNFPA was created in 1969, as the UN General Assembly declared "parents have the exclusive right to determine freely and responsibly the number and spacing of children." The UNICEF youth program was created over 70 years ago, and now works in 190 countries and territories improving the lives of children and their families defending children's right.

Goal 4: Quality Education - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

The goal of *quality education* is a goal that all youth programs embrace. Quality education is strived for by ENACTUS, Future Business Leaders of America, Junior Achievement, United Nations Youth Unit, recognizing the indisputable positive correlation between education and development. The least developed countries in the world, also hold the lowest educational achievement. It is as simple as that.

Goal 5: Gender Equality - Achieve gender equality and empower all women and girls

The diversity statement of Junior Achievement states: "Junior Achievement is the recognized leader in "empowering young people to own their economic success" through volunteer-led, experiential learning. Dedication to providing a positive, enriching learning experience free of bias is the mantra of Junior Achievement. Junior Achievement welcomes K-12 students, volunteers and potential staff regardless of race, religion, age, gender, national origin, disability, sexual orientation or any other legally protected characteristic."

Junior Achievement boasts that it reached 4,845,904 students; 212,101 classes; 243,756 volunteers; and 21,955 schools in 2016-2017 with a diversity statement (above) that either sex would be proud to have. Thus, youth groups, who all have similar statements and beliefs about equality, must be utilized.

Goal 6: Clean Water and Sanitation - Ensure availability and sustainable management of water and sanitation for all

The Associate Member Forum (AMF) of the Metropolitan Section of the American Society of Civil Engineers (ASCE) has clean water usage and sanitation as its goal. (For one year, 1989-1990, the author served as the president of the AMF of the Met Section.) Youth programs should be tapped for much-needed volunteer work in this area.

Goal 7: Affordable and Clean Energy - Ensure access to affordable, reliable, sustainable and modern energy for all

"Kilowatts for Education" has a mission statement as follows: "Offer a tremendous opportunity for educational institutions through the use of renewable energy projects to offset their power use with a sustainable and responsible resource while educating their students on the benefits of renewable energy." This student (youth) group would be primed to explore a program, which could even be sponsored by a grant-giving foundation.

Goal 8: Decent Work and Economic Growth - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Karen Higgins, PhD, wrote, *"Economic growth and sustainability – Are they mutually exclusive: Striking a balance between unbounded economic growth and sustainability requires a new mindset"* (2013), which talked about present-day society and our dependence on water, oxygen, and other natural elements and the connection between the economy and earth. Obviously, the aspect of sustainability is important, and the long-term reversal of our non-sustainable ways, which requires the masses to retreat from its. When we talk of the masses, a mindset, and aggressive pursuit with energy, it appears that youth are a natural.

Goal 9: Industry, Innovation and Infrastructure

The American Management Association's *Operation Enterprise*, which is its youth program of the AMA -- the author served as executive director for a year and a half -- has wonderful programs for youth, interested industry and entrepreneurship. Through the website of the U.S. Small Business Administration, for instance, entrepreneurs can accomplish new approaches to repair the failing infrastructure of our country. President Trump noted failing infrastructure as one of America's priorities, which has been highlighted similarly by the American Society of Civil Engineers (ASCE).

Goal 10: Reduced Inequality

In the international community, the most vulnerable nations are the least developed with the least education, so their youth have the greatest time here to work towards a reversal. The reversal is not going to come from people in their eighties. While income inequality between countries may have been reduced, the income inequality within countries has risen. So has the resulting conflict between the haves and the have-nots. The three dimensions of sustainable development -- economic, social and environmental -- need to be addressed by young leaders armed with the youth therein.

Goal 11: Sustainable Cities and Communities

Future Business Leaders of America and *Junior Achievement*, with their network of over 470,000 volunteers serving more than 10 million students in over 100 countries, are two of the many national and international youth groups working towards sustainable cities and communities. As the United States developed and evolved throughout history, development grew from the coastal towns (Boston, New York, Charleston) to the internal cities or hubs, as rail and now air travel have expanded inward. At their best, cities have enabled people to advance socially and economically. Such youth programs prepare cities for the challenges they face, whether it be improving resource use, reducing pollution, and curtailing poverty.

Goal 12: Responsible Consumption and Production

The Enactus organization engages in responsible consumption and production, which encourages sustainable resource usage, energy efficiency, minimalist infrastructure, and a better quality of life for all. Once again, Enactus is a worldwide youth organization. Enactus helps to achieve overall development plans, aims to reduce future economic, environmental and social costs, and strives to instill economic competitiveness.

Sustainable consumption and production aims to "do more (and better) with less," increasing net welfare gains from economic activities by reducing resource use, degradation and pollution within product lifecycle, while increasing quality of life.

Goal 13: Climate Action

The Climate Reality Project, whose founder and well-known supporter, former Vice President Al Gore, has a youth movement to excite progress towards sustainable development.

From the Project's website: "Youth movements are emerging all over the world to combat climate change," including Australia, Nepal, Africa, and Canada, among others. Why? Because they are knowledgeable (social media), with time on their side (youth), and they are aggressive. Climate change is affecting every country on every continent, since the world collectively has one climate. Climate change disrupts national economies, affects individual and group lives, and costs people, communities and countries. Look around the world at what has happened recently. Climate change knows no national borders.

Goal 14: Life Below Water

The National Oceanic and Atmospheric Administration (NOAA) in the Department of Commerce has its youth focus too, focusing on lifelong learning to enhance their own knowledge, skills, and competencies from a personal, civic, social, and/or career-related perspective. Rainwater, drinking water, weather, climate, coastlines, sustenance and even the oxygen in the air are all ultimately provided and regulated by the sea. Throughout history, oceans and seas have been vital conduits for trade and transportation.

A very small amount of our water is fresh, clean water -- maybe 2% -- and most of that water is inaccessible (e.g., polar ice caps), so only a fraction of the water on earth (about 0.3%) is accessible and clean. Careful management of this essential global resource is a key to a sustainable future.

Goal 15: Life on Land

The National Forest Foundation has a youth focus to encourage youth to become involved in forest sustainability. Forests cover thirty per cent of the Earth's surface and, in addition to providing food security and shelter, forests are key to combating climate change, of which we just spoke, and protecting biodiversity and the homes of the indigenous population.

Goal 16: Peace and Justice Strong Institution

The promotion of peaceful and inclusive societies for sustainable development activities, the provision of access to justice for all, and building effective, accountable institutions at all levels could involve the American Bar Association and New York City Bar Association, for instance, and their youth groups.

Goal 17: Partnerships to Achieve the Goal

A successful sustainable development program will require partnerships between for-profit, not-for-profit, government, NGOs, public and private sectors. These inclusive partnerships will be built upon principles and values shared by all, and shared goals that place people and the planet at the center. Entities are needed at the global, regional, national and local level.

5. Rationale for BY4SD

Mobilization, redirection, and measurement towards progress are required to unlock the transformative powers of energized people, particularly youth. Thus, a vitally important new organization: *Business Youth for Sustainable Development* (BY4SD) in needed now. This need is alluded to and discussed outright in many recent research venues (Lior, Radovanović, and Filipović, 2018; Forbes 2018).

Furthermore, after an extensive review of all aspects of sustainable development (three-legged stool), the youth movement at work, youth programs amidst globalization, a plethora of youth group examples, the United Nations 17 sustainable development goals, a proposition is proffered below.

Proposition:

> *Achieving sustainable development is a righteous long-term endeavor that can be more readily attained when social, environmental, and economic (business) foci are engaged equally and fully and with the catalyst of an organized business youth movement.*

6. 2030 Agenda: A Plan of Action for People, Planet, and Prosperity

The SDGs just reviewed and their targets for the next fifteen years in areas of critical importance for humanity and the planet become the 5-P's (People, Planet, Prosperity, Peace, and Partnership) of sustainable development:

People – End poverty and hunger.

Planet – Protect the planet from degradation through sustainability.

Prosperity – Ensure that all human beings can enjoy prosperous and fulfilling lives.

Peace – Foster peaceful, just and inclusive societies (free from fear and violence).

Partnership – Mobilize the means required to implement the Agenda through a revitalized Global Partnership for Sustainable Development, with the participation of all countries, all stakeholder, and all people.

It is this last "P" (Partnership), which comes directly from the United Nations Sustainable Development website, that calls "silently" for the establishment of the organization "Business Youth for Sustainable Development" (BY4SD) now.

7. Business Youth for Sustainable Development (BY4SD)

Business Youth for Sustainable Development (BY4SD) will combine the best efforts of the existing youth organizations and could be the answer. Once again, take a look at some of these organizations to see more broadly their focus (agenda) and priorities.

Future Business Leaders of America -- Established 1940.

Future Business Leaders of America-Phi Beta Lambda is a not-for-profit, education association of students preparing for careers in business and business-related fields. The Association has four divisions:

I. FBLA for high school students
II. FBLA middle level for junior high, middle and intermediate school students
III. PBL for postsecondary students
IV. Professional Alumni Division for business people, educators and parents, who support the goals of the Association.

The FBLA-PBL mission is to bring business and education together in a positive working relationship through innovative leadership and career development programs. Business teachers/advisers and advisory councils (including school officials, business people and community representatives) guide local chapters. State advisers and committee members coordinate chapter activities for the national organization.

FBLA-PBL sponsors conferences and seminars for members and advisers are designed to enhance experience initially developed on the local and state level. Among these programs are the Institute for Leaders and the National Fall Leadership Conference.
Junior Achievement -- Established 1919.

In Junior Achievement, the growing number of volunteers, educators, parents, and contributors reach out to 7 million students each year, in grades K-12. Junior Achievement has passionate people behind a movement that seeks to educate and inspire young people to value free enterprise, business, and economics to improve the quality of their lives.

Altogether, Junior Achievement reaches millions students worldwide with their "age appropriate" curricula. Junior Achievement programs begin at the elementary school level, teaching children how they can impact the world around as individuals, workers and consumers. Junior Achievement programs continue through the middle and high school grades, preparing students for future economic and workforce issues to face.

Operation Enterprise (American Management Association) -- Established 1960s

Today companies are constantly looking to do more with less in order to keep up with – and outpace – change and competition. Responsibilities may increase at a moment's notice and require different or greater skills. That is why training and education has never been more critical for advancing careers and achieving organizational success. Ongoing learning enables managers to continuously enhance their professional and personal development and increase their value to their organizations.

AMA/Operation Enterprise provides managers and their organizations worldwide with the knowledge, skills and tools they need to improve business performance; adapt to a changing workplace; and prosper in a complex and competitive business world. AMA/Operation Enterprise serves as a forum for the exchange of the latest information, ideas and insights on management practices and business trends. AMA/Operation Enterprise disseminates content and information to a worldwide audience through multiple distribution channels and its strategic partners.

Language, culture and other barriers may separate global business communities. But every organization, regardless of its location needs one thing: access to the best in management training. That is why the AMA/Operation Enterprise network now extends worldwide—reaching thousands of business professionals in the United States, Canada, Mexico, Europe, Japan, China, Southeast Asia and the Middle East.

AMA/Operation Enterprise develops youth along three (3) paths: Career Guidance, Career Skills, and Career Development, with high school programs, college programs, and customized programs. Operation Enterprise has been a part of the American Management Association since 1963.

United Nations Youth Unit -- Established 1950s

The Youth Unit is a not-for-profit organization (and an NGO – non-governmental organization), and it is the focal point within the United Nations system on matters relating to youth. It has been set up to:

- Enhance awareness of the global situation of youth and increase recognition of the rights and aspirations of youth;
- Promote national youth policies in cooperation with both governmental and non-governmental youth organizations;
- Strengthen the participation of youth in decision-making processes at all levels;
- Encourage mutual respect and understanding and peace among youth.

The focal point within the United Nations system on matters relating to youth issues is the Programme on Youth in the Division for Social Policy and Development, United Nations Department of Economic and Social Affairs. These UN bodies have been set up to:

- Enhance awareness of the global situation of youth and increase recognition of the rights and aspirations of youth;
- Promote national youth policies, national youth coordinating mechanisms and national youth programs of action as integral parts of social and economic development, in cooperation with both governmental and non-governmental organizations; and
- Strengthen the participation of youth in decision-making processes at all levels in order to increase their impact on national development and international cooperation.

The United Nations has long recognized that the imagination, ideals and energies of young women and men are vital for the continuing development of the societies in which they live. The Member States of the United Nations acknowledged this in 1965 when they endorsed the Declaration on the Promotion among Youth of the Ideals of Peace, Mutual Respect and Understanding between

Peoples. Besides youth organizations, professional, social, and even sports organizations should be examined and considered as well.

Professional, Social, and Sports Organizations

Many appropriate professional organizations exist which have a youth component – American Society of Civil Engineers, American Society of Mechanical Engineers, New York Academy of Sciences, Institute of Transportation Engineers, Delta Sigma Pi (established 1907).

Even social ‘club’ or sports organizations, like the United States Chess Federation, United States Backgammon Federation, Boy Scouts of America, Girl Scouts of America, United States Tennis Association, and a slew of organized baseball, football, hockey, and soccer focus on youth.

Professional (technical) societies that focus on sustainable development issues and youth organizations, discussed earlier, must be cohesive and aligned. For example, the Academy of Management and American Management Association, which both focus on management and sustainability, have a natural synergy.

Setting a Uniform Approach to Youth Organizations

1. Set objectives for aligning social and sports youth groups and management with professional (technical) organizations (really, their individual members).

2. Develop strategic alliances between these youth groups, management, and professional (technical) organizations.

3. Bring sustainable development attention to these youth and management groups – the professional (technical) organizations are already aware of sustainable development. For example, write articles, participate on the web, participate in conferences, handout information, etc. – utilizing all available information technology.

4. Let these youth groups and management know that they are the missing pegs.

5. Convene meetings, regularly, between these youth groups and the others who are aware, or who should be aware (i.e., everyone) of sustainable development.

6. Measure results to ascertain progress to sustainable development objectives.

7. First, one must crawl, before one walks, before one runs. Youth will be instrumental to the cause.

The United Nations’ *Principles for Responsible Management Education* can certainly help in this regard.

Evidence shows that the industrialized world has the economic power to address the world’s environmental problems, but the urgent desire and persistence will be brought to bear by the young people, who have a relatively “longer” standing in the world today (and tomorrow). These are young people from both the industrialized and the non-industrialized world. Haves and have-nots together must uniformly embrace this agenda, which must be embraced into by the young. The young have the energy, long-standing (apolitical) commitment -- if they are allowed to reason through by themselves -- for it is for their children, their grandchildren, and their great grandchildren and so on. For sure, they will be influenced.

8. Conclusion

Sustainable development is built on three pillars: economic growth, ecological balance and social progress (Stigson, 2000). All three pillars relate to globalization as well. Corporations face increasingly intense scrutiny to strive for sustainability, and to contend with this, they will have to enforce a set of globalized corporate values throughout their operations. Corporations must be able to demonstrate that sustainable development is good business, is good for globalization, and is good for the world's economy.

Globalization cuts across all of these three, and yet ecological growth and ecological balance receives the lion's share of attention. Interest in social progress is again growing, helped with the ubiquitous-ness of social media. Corporations must show that with "globalized corporate values," the goals set forth in the sustainable development doctrine will be achieved. Balancing equity amongst the *needs of people, optimal resource utilization, the economy, and the environment* is at the heart of sustainable development. This "four-legged stool" needs to be managed well to achieve the objectives of each facet, albeit with compromise and consensus. By only considering the "needs of people," for instance, one may sacrifice tomorrow for today. By only considering "the environment," one may unnecessarily hinder today's pleasure, while have unneeded excesses tomorrow. When thinking of tomorrow, one needs to facilitate the understanding of and "light a fire" under those who will undertake action tomorrow: *Today's globalized youth.*

Dissection of the Four-Legged Stool

1) Needs of People
The needs of people are what drives innovation today -- without innovating towards these needs people would still be doing math on a slide rule. People are all different -- some individualists, some democratic, some socialist, some collectivist, some free market driven, some government controlled economics, etc. The needs of 7.5 billion people in nearly 200 countries with all different levels of development and mindsets cannot be overlooked.

2) Optimal Resource Utilization
When should one consume -- now or later? Today or tomorrow? This year or next? Well, that depends -- what will it be worth next year? Understand that the opportunity cost is important to our decision. What is better to have: \$10 cash today or \$20 cash next year? If one considers available "slack," how much slack is needed, which will indicate if waiting is better than consuming now.

3) Economy
How is the economy? This question is relative. Compared to what, one would ask. Twenty years ago -- 1997-1998 -- then the economy today is better. Ten years ago -- 2007-2008 -- much, much better. Governments, businesses, and people must understand that to embrace sustainable development fully, there will either be payment now in the form of taxes on individuals (increase in tax revenues) and tax benefits to corporations (decrease in tax revenues); or, payment later in the form of clean-ups (De Feis 1994, 1991). *"There ain't no free lunch"* -- there will be a payment.

4) Environment
"An Inconvenient Truth," authored by former Vice President Al Gore, states that deferring attention on the environment cannot continue. Problems must be addressed now. Just like the decision-makers, largely politicians, who decided not to strengthen or heighten the levies around New Orleans for years and years, knowing the city could not withstand a category 4 or 5 hurricane. Instead, these political types decided funding was needed for schools, job development, housing, and other "squeaky" wheels. Arguing, "If the levies had not faced a category 4 or 5 hurricane in the past 100 years, they could surely hold up until they are out of office." People ultimately learned what happened in 2005 when Hurricane Katrina came knocking.

Youth programs abound, and it is in these organizations that the sustainable development movement must take hold. Many of these groups embrace a management and business mindset, with overtones of community service. The whole aspect of "service-learning" for youth is a good example of what could be accomplished along the way to sustainable development. Accordingly, youth programs should be tapped to participate in the much-needed youth force of the sustainable development process.

9. Summary

Sustainable development is a quixotic quest. To develop in a sustainable way may be foolish for some, since they cannot enjoy themselves to the fullest now, when now is their only and utmost concern. Arguments will astound you. Indeed, there are several legs to the "sustainable development" story, with each playing a different and important role. Therefore, communication, sharing information, through social media and the like is essential. Remember the Arab Spring? Partial credit was bestowed on *Facebook* and the like. For first, the beliefs of "I can't take it anymore!" spread from Tunisia, then to Egypt, then to Libya, then to Iraq, continuing to this day.

Implementation of the vast challenges presents today's world with a great opportunity to manage the process. This author argues: *Key to this quest is to involve youth early.* Also, the role of government is certainly important to coordinate and facilitate the organization of such an immense network of youth, starting now with the organization: *Business Youth for Sustainable Development* (BY4SD). This organization will become more critical and more in need as time advances. If youth around there world are encouraged, mobilized, mentored and lead, the results of the innovativeness, resilience, communication and practicality of youth could achieve the United Nations' 17 Sustainable Development Goals.

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Book Review

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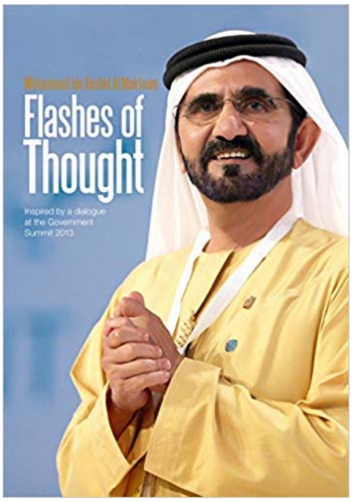

His Highness, Mohammed bin Rashid Al Maktoum, ***Flashes of Thought*** – Inspired by A Dialogue at the Government Summit 2013, Motivate Publishing, Media City, Dubai, UAE, pp. 144, 2013.

The United Arab Emirates' rise to great eminence in the world in a short span since its founding in 1971 by the Emirates of Abu Dhabi, Dubai, Sharjah, Ajman, Ras-al-Khaimah, Umm-al-Quwain, Fujairah, is a very fascinating part of the history of our times, with many a lesson. The UAE's is a 'miracle', which appears to be similar, to the German and Japan Miracles of the post-second world war (1939-45), or even more. A key to understanding of the UAE phenomenon, representing a seeming Arab Renaissance, is provoked by the book under reference-such of which one rarely comes across, by His Highness Sheikh Mohammed bin Rashid Al Maktoum, the eminent UAE Vice President, Prime Minister & Ruler of Dubai, the world-fame principality, as a wonder land.

One feels privileged to Review His Highness's book, full of scholarship, wisdom, experience, fore-and-far sight, human values, concern for women children-orphans and workers, and deep love for young and advancing United Arab Emirates and its patriotic citizenry. It's a rare and noble quality of head-and-heart in a sovereign personality, making His Highness – their pater families/father-figure of the Union. The topics dealt with are quite wide ranging, concerning the Emirates and the broad spectrum of their people, including expatriates. Here is a graceful flow of the language through-out the work, majestically. Nations especially of the Arab world should wish for leaders like Al Maktoum.

In spite of an overflowing population of more than 7 billion, the world today appears to be in leadership 'deficit' and short of leadership 'trust', the global financial crisis of the dimensions of a Great Recession (or Depression') in 2008-09 driving these points home. Pleasantly, the theme of Leadership is the most running one of the work, quite deeply and enlighteningly. The Flashes of

Thought one aim to make the United Arab Emirates an outstanding nation in the world, with the best of educational, health, infrastructural, sports, tourism and public/government services, and law and order, peace, security and stability, to make the people happy, contend and enlightened. It's a new definition of leadership and development. Yet at the same time, the helping hand of the Emirates extends to the extent of 1% of its GDP, 95 % of which is not intended to be recovered, and the aid flows through the lows of the global economy, such as the financial fall of 2008. Increasingly, the impact of the fall upon the well managed UAE appears to be minimal, there being no panic, plight, stimuluses' and bailouts or dole outs. It's business-as-usual.

The book which has foreword words of appreciation and recommendation by His Highness Khalifa bin Zayed Al Nahyan, Hon'ble President of the United Arab Emirates and the Sovereign of Abu Dhabi, flashes through 36 high themes, brilliantly, namely, Achieving happiness is our mission-The government of the future-Positive energy and positive thinking-Development priorities of the UAE –The Victory sign-Burj Khalifa-Spirit of the Union- A day in my life-Number One-Empowering women-Horse racing, poetry and leadership-the Gulf Cup-Endurance-My role model –Time Management –The Arab Spring-Arab Spring and investments – Ideas and creativity –UAE Vision 2021 – Taking risks-Challenges-The impossible-A gathering with business people – Monitoring government performance-Accession Day-The UAE's success –Aid to the world- Our expectations from employees-Motivating teams-one nation –No time to waste –Family tourism – Leadership redefined cabinet reshuffle –A child's dream, and A sound leader in a sound body. The narratives are in question –and-answer forms. Here is quite freshness of thinking in the Notes giving a new understanding of their problems and quite right perspectives on them. The flashes of thought are elevating, and both practical and philosophical and well relevant to the affairs of the United Arab Emirates, which is set to higher levels of achievement by the Golden Jubilee of its establishment in 2021 sure to be a grand occasion.

The author is a remarkable statesman. The first question posed by him is regarding the government's job, the answer to which is to "achieve happiness for people", which sets at rest the for-ever controversy concerning the role of modern governments, of authority of power versus service. It's a democratic definition of government. Far more, the governments of the future are expected to be clock –and-year round. "The government of the future is open for service 24/7, all year round" According to the royal principle of decree, the UAE people have one of the best of governments or the best government in the world. What of the people? They, according to His Highness, need to have 'Positive energy and thinking' of, right mind and attitude for facing the challenges of life and for doing one's duty. "It is your mind and your way of thinking that creates your reality. You choose whether you want to live your life with positive or negative. The citizens need to be quite enlightened and responsive.

After the government' and the people, it is 'Development priorities of the UAE' that attract the royal attention the DPs are Three, namely, Empowerment, Education and Emiratization-3Es., in which it is felt, there is a long way to go. "They also feature prominently in 'UAE Vision 2021', the strategic document that guides our longer-term priorities for the nation". The sovereign-author has great faith in Emirates and their creativity to shape 'their own destiny'. "To be creative is to add something new to life as opposed to being a passive part of it". Personally, the author raises the creative Arab Victory sign of Three fingers-v-fingers plus the thumb-standing for 'I love you'. "We Arabs have a deep rooted civilization, a rich language and immense creativity".

Burj Khalifa (6), 'the tallest building in the world', named after the President of the Union, Sheikh Khalifa, is dealt with most eloquently, as the symbol of the national pride, Arab creativity and the enterprise and the economic strength and stability of the UAE. It's a modern day wonder of the world**.**

"Today, I hope that Burj Khalifa symbolizes the new global changes taking place; a new world where East meets West, where; where civilizations come together and where human creativity reigns with no need to geographic, ethnic or religious boundaries." The creator of the marvels the Burj, the United Arab Emirates, a Union of seven emirates brought into being on 2nd December 1971 by the great visionary leader Sheikh Zayed, is a Union held together by the spirit of oneness. It holds itself a Number One in the world in many respects, and is guided by outstanding leaders like the author of the spirited work, devoted to the Nation, every day (7,8,9), spirit of the Union, A day in my life and Number one.

His Highness feels the empowerment of women (10) a national imperative. He feels that 'women are the soul and spirit of the country'. Women are noted to be 'the very heart' of the country. They, moreover, are held to be at the back of the development of the country, and they are most affectionately addresses as 'sisters'. Provided a proper environment, they are held to "perform nothing short of miracles". These are very elevated views, leading to more than 65 per cent presence of women in the administration of the country, which seems a global record. They are very safe in the UAE.

Individually, there is seen to be an alliance like thing between leadership and indulgences of horse racing and poetry (11). "I am not saying that every leader has to be a poet or a horseman; but every leader should have a passion in life that adds depth, uniqueness and style to his leadership". Football is also a passion of the sovereign of Dubai and his pleasure knows no bounds when he sees the home team winning the prestigious Gulf Cup of Football. It is seen as an assertion of national pride and self-confidence. On the basis of his experience of taking first place at the world *Endurance* (13) Championship in the UK in 2012 knowledge is said to be the shortest path to victory even in sports.

It would be interesting to know the role model or statesman author. Predictably, is Holy Prophet Mohammed, peace be upon him. Next, the Father of the Nation, Sheikh Zayed and the author's father Sheikh Rashid, God bless their souls. The 15th Note is on Time Management, regarding which, His Highness is considered national example or role model and his advice on the matter is quite pertinent. "Manage your time, know your priorities, enjoy life and leave your mark". Time gone is gone for-ever.

On the recent political unrest and changes in some Arab countries "Time is like a flowing river, you cannot step in the same water twice". Indeed, a poetic view of time management.

Arab Springs, there are two very thoughtful write-ups-The Arab Spring (16) & Arab spring and investment (17). The spring was not an unanticipated thing, given the public indifferent governments. They in fact, were warned or the unrest as early as 2004. The UAE's only wish is stability in the region and has no desire to benefit from the unrest in the form of investment flows. The UAE, thanks to its visionary founding fathers, Sheikh Zayed and Sheikh Rashid, has no fear of Arab springs at any time, being akin to islands amidst a turbulent sea. The UAE appears to present an Arab model of governance and development.

Creativity too is a recurring theme in this scholarly royal discourse, as change and improvement is the law of life of individuals and nations. And, for creativity the royal Suggestion is to "…… get accustomed to not getting accustomed". Of all, "UAE vision 2021" (19) is bestowed maximum attention, as by the nation's golden founding year of 2021 the Union through the vision is planned to attain stellar global heights. Following the maxim, that "The future of nations starts in their schools", First rate education is No.1 priority of the Vision 2021, followed by world-class healthcare system, human development, competitive knowledge economy, sustainable environment and integrated infrastructure, and safe, just and secure nation significantly, there is no reference to GDP rate of growth, which of course would be significant, sustainable and environment and people friendly or green. The UAE is described as a small nation of remarkably people whose achievements are 'amazing' No doubt about the creativity and pace of the UAE being most amazing, a development of the world-like projects great governance and others is made known to taking risks, facing formidable challenges and making the seemingly impossible by the founding fathers and those who followed them. "Throughout his life, Sheikh Zayed never failed to rise to a challenge. The greater the challenge, the stronger is his determination". "The impossible cannot be where there is perseverance and faith. There is no impossible in life". That is, taking risk, challenges and the impossible (20,21 & 22) are made to appear as very much on agenda of the UAE.

In "A gathering with business people" (23), three stories are told the Emirates Airlines (1985), Jabel Ali Port (1970s), and Dubai Internet City (1999) to a group of around 500 top business executives gathered in Dubai. Today, these projects stand tall internationally, as symbols of great planning, determination, competition and foresight and they are extraordinary projects.

There is a good governance behind the great economic and business success of the United Arab Emirates. From the narrative 'Monitoring government performance', there seems to be 24/7/365 governance in the Emirates, with proper empowerment and multi-level monitoring and evaluation. It's public-friendly governance.

Accession Day (25) is a description of the dedication of the day of coming to power of His Highness, 4 January 2006, to Orphans, Mothers and general labor of domestic workers, street cleaners and others in 2011, 2012, and 2013, respectively, and the tremendous public response and the joy of it. In the "The UAE Success", the celebrated success is held to be a continuous saga, following the love of the people of UAE for their notion and their excellent team work and dedication.

The Emirates is noted to have extended foreign aid and amounting to $ 48 billion since its inception in 1971, the trend having been set by the generous Sheikh Zayed, which is being continued by Sheikh Khalifa and Philanthropists like Sheikh Fatima bin Mubarak, God bless her, known as the 'Mother of the Nation' or the 'Mother of Giving'. His Highness's expectations from employees are high and exacting, with each expected to be a leader, patriot, passionate, craftsman, and excellent artist. The keys to Motivating teams-government work being mostly working in teams-are held to be three, namely, empowerment, Reward and Happiness. And, "A great leader creates more great leaders". In spite of being a Union of Seven Countries, the UAE is most emphatically asserted to be One Nation (30), notwithstanding its critics. With still great miles to go, the UAE is made known to have 'No Time to Waste' (31), as the "future state today, not tomorrow". An innovation in tourism is Family tourism (32), for the families in the Arab world and elsewhere. Leadership redefined is that which benefit one's society, and is a combination of intelligence, resourcefulness, wisdom, strong personality and aspiration to the greatest of things".

Any much stipulated cabinet reshuffle is held to be for better performance horse racing, a perfect aspiration in any child, calls for the nobility of treating horses with all kindness. The last (36) is sound leader in sound body, calling for making exercise a daily habit, more so by 'busy' leaders, as leadership is also good health.

Simply, it is an overwhelming work, overflowing with learning, experience, wisdom, warmth, high values, Arab culture as well as universality. It is delightful to go through by one- and-all especially in the Arab world. It is business and leadership guide too. For Diplomats, it gives an understanding of UAE on the Rise.

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