

# GLOBAL

0.0

SOLVING POLITICAL  
AND CIVIL CONFLICT  
THROUGH THE  
MODERN LENSES  
OF CONTEMPORARY  
PHILOSOPHY AND  
SOCIOPSYCHOLOGY

BLOCKCHAIN  
TECHNOLOGY AND  
AUDITING

A NARRATIVE ENQUIRY  
OF STUDENTS' IDENTITY  
CONSTRUCTION IN  
MULTICULTURAL HIGHER  
EDUCATION

*"You may have to fight a battle more than once to win it."*

Margaret Thatcher

# **ON RESEARCH**

Journal of EU Business School

Vol. 4. (May 2020)



ON RESEARCH is a peer-reviewed open access journal of EU Business School

Copyright © 2020 ON RESEARCH

ISSN: 2624-7844 (Online)

**Frequency:** 2 Issues per year (Spring/Fall)

**Fourth Issue:** May 2020

**Third Issue:** November 2019

**Second Issue:** May 2019

**First Issue:** September 2018

**Copyright Policy:**

The published contributions contained in this journal and the copyrights therein are held jointly between the author(s) and ON RESEARCH. No part of this publication can be used by third parties for resale or for commercial purposes without the express permission of the members of the Editorial Board. The contents of this publication can however be reproduced in whole or in part for educational, academic, and non-profit pursuits without the specific permission of the members of the Editorial Board. However, proper acknowledgement of the source must be made.

**Disclaimer:**

The opinions expressed in the published contributions are solely of the author(s) therein and do not reflect the opinions and views of the members of the Editorial Board of ON RESEARCH or the EU Business School.

**Visit Us**

**Website:** [onresearch.ch](http://onresearch.ch)

**Contact**

**Email:** [research@euruni.edu](mailto:research@euruni.edu)

# A SPECIAL MESSAGE FROM THE ADVISORY BOARD

It is far too early to theorize on what might be the results of the current crisis for our society and economy, but this much is clear: there will be a change. In times like today many companies are forced to reset their strategies and look for new solutions and tools for managing uncertainty and building resilience. Never have the topics of remote leadership, resilience or change management been as prominent as nowadays. The extent to which companies and individuals will be capable to adapt to the fast-changing world and lead and inspire followers and teams will define the imminent success or failure. As much as it is a global crisis, Covid-19 pandemic also presents opportunities. Leaders who can effectively manage remote teams and address increasing uncertainty and anxiety will be able to maintain momentum and seize the new opportunities presented by the new world order after the pandemic will end.

Established business models will no longer be successful in many sectors of economy, including higher education. Covid-19 pandemic will bring us fundamental changes, accelerating dynamics of digitalization, making higher educational institutions more open, more flexible, and driving the necessity for classic academic institutions to catch up technologically with the leaders of private education. Implementation of not only new pedagogical and digital tools, but also new management models that are based on creating virtual engagements and unity, have already become critical for business education.

EU Business School being at the forefront of online education and applied learning was able to offer students innovative solutions in a very short span of time, and continue delivery of all its' programs. However, together with the industry and the entire world, we are still at a starting point of recognizing and adapting to a new state of mind and new the *Global 0.0*.

**Luc Craen**

*Vice President & Managing Director,  
EU Business School*

## FOREWORD

To correctly postulate that the first quarter of 2020 has been anything short of an *annus horribilis* would be an understatement. From the raging bushfires in Australia, the failed impeachment trials of the President of the United States, to averting another catastrophic world war, nothing prepared our common humanity for the ultimate *black swan* event manifested in the ongoing global Covid-19 pandemic. This phenomenon has resulted in unprecedented social, economic and political strife, and has sent ripples of uncertainty regarding the prospects and the prognosis of our everyday lives. Most discomfotingly, it has disrupted our behavior. The global pandemic has not only resulted in untold misery, loss and anxiety, it has exposed the fragility and the fallibility of our institutions, systems and values that we hold most dear. As we write this, more than half of the global population is under some form of isolation never witnessed in generations. As we scramble to find a lasting solution to the current conundrum, we yearn for normalcy to return. However, there lingers a deep unspoken fear that things may never revert to the same. In fact, it is the very likelihood of an uncertain future and uncomfortable changes in our lives that is causing us most distress.

While we may remain *stoic* and prevent ourselves from controlling what is beyond our faculties, we should also usher the possibilities of new and innovative ways of conducting our lives, businesses and societies. The current obstacle demands that we are not parsimonious about hope, kindness and faith in the human spirit. *Global 0:0* aptly captures the frailty of the state of the world today. However, it also provides us with an opportune moment to introspect, debate and rethink our lives and activities. At ON Research, we intend to continue this free conversation through our various platforms and events throughout this year. A *New Deal* is being heralded, for which leadership, innovation and trust-building will be even more important. We will be part of this conversation.

The conversation must continue!

**Suddha Chakravartti**

*Editor-in-Chief*

## EDITORIAL BOARD

### EDITOR-IN-CHIEF

**Dr. Suddha Chakravartti**

*Head of Research, EU Business School*

### MANAGING EDITOR

**Dr. Svetlana Elinova**

*Professor, EU Business School*

### CONTENT EDITORS

**Ugochukwu Ikpeazu**

*Research Associate, EU Business School*

**Margaryta Pugach**

*Journal & Web Design, EU Business School*

## REVIEW BOARD

**Dr. Eugene Michaels**

*FHEA, Senior Lecturer in Economics,*

*Derby Business School University of Derby, UK*

**Dr. Gonzalo Wandosell y Fernández de Bobadilla**

*Dean of the UCAM Law and Business Faculty,*

*Universidad Católica de Murcia*

*Guadalupe, Murcia, Spain*

**Dr. André P. Slowak**

*Head of Postgraduate Taught Programmes &*

*Principal Lecturer, Roehampton Business School*

*University of Roehampton, UK*

**Dr. Michael Williams**

*Dean, School of Business and Management*

*Thomas Edison State University Trenton,*

*New Jersey, USA*

**Dr. Basel Natsheh**

*Chair of Business Division, Assistant Professor,*

*Higher Colleges of Technology,*

*Abu Dhabi, UAE*

## ADVISORY BOARD

**Mr. Luc Craen**

*Vice President & Managing Director,*

*EU Business School*

**Prof. Stef de Jong**

*Academic Dean, EU Business School,*

*Swiss Campuses*

**Prof. Isabel Salvat**

*Academic Dean, EU Business School, Barcelona*

**Dr. Olivier Brenninkmeijer**

*Academic Dean, EU Business School, Munich*

**Dr. Jose Lamas**

*Professor, EU Business School*

---

# TABLE OF CONTENTS

## ON RESEARCH Vol.4

---

1. Next Episode, Next Market: Social Media Marketing for SVOD, The Case of Netflix – <i>Elisa Paz Pérez</i> .....	8
2. Blockchain Technology and Auditing – <i>Romny Ly</i> .....	14
3. The Rise and Rise of Debt in Developing Economies – <i>Oliver Okello</i> .....	25
4. What is the European Union’s Data Theft and Data Fraud Policy and How Can it Be Improved? – <i>Delini Jayatilaka</i> .....	31
5. Can Multiculturalism Be an Opportunity or a Pitfall for Business Ethics? – <i>Sofia Bakirli</i> .....	42
6. Cross-Cultural Marketing in the 21st Century: Why Any Future Scope Needs to Look at Information and Communication Technologies – <i>Marc Perelló-Sobrepere</i> .....	51
7. Why Companies Should Embed a Growing Immigrant Mindset in Their Culture? – <i>Zaira Pedron</i> .....	60
8. <b>Book Review:</b> Driving Performance Through Learning: Develop Employees Through Effective Workplace Learning by Andy Lancaster – <i>Bill Morrison</i> .....	69
9. Solving Political and Civil Conflict Through the Modern Lenses of Contemporary Philosophy and Sociopsychology: Investigating the Repercussions of Digital Consumption Vanity in the 21st. Century – <i>Robert S. Green</i> .....	72
10. A Narrative Enquiry Of Students’ Identity Construction In Multicultural Higher Education – <i>Antonia Koumproglou &amp; Konstantinos Biginas</i> .....	81

---

---

# NEXT EPISODE, NEXT MARKET: SOCIAL MEDIA MARKETING FOR SVOD: THE CASE OF NETFLIX

---

*Elisa Paz Pérez*

**ABSTRACT:** *Media consumption has evolved toward SVOD services through which people can choose what to watch, when and where to watch it, and share their experience through social media, which is known as social television. The key player in this scenario is Netflix, which has established itself as the industry referent. Considering this new context, how these services engage with users on different platforms is essential to their marketing strategy, since it allows for a two-way communication, increases awareness and positioning of the brand, and maintains loyalty. This article analyzes social media accounts of Netflix in the United States, which is where the headquarters of the company are, and Spain, which is one of the last countries to which the company has expanded. This allows for a clear analysis of how the company engages with users, a comparison between established and relatively new social media strategies and assessing if different cultural contexts impact strategy. In order to do so, data from Netflix US and Spain social media accounts is retrieved and analyzed following a content analysis method. Preliminary results show that both cases show signs of brand marketing presenting a consistent identity and there is a strong focus on the company's own-produced content. However, there is also significant difference between both territories. While accounts of the United States tend to embrace UGC more often than Spanish ones, specific cultural context has a greater impact on Spanish accounts, which could imply a stronger effort to engage users when adapting to new markets.*

**KEYWORDS:** SVOD, social media, social television, marketing, Netflix

---

## CONTEXT: SVOD CONSUMPTION AND SOCIAL TELEVISION

**A**s media evolves, the ways viewers watch, interact with, and talk about that media changes too. In the contemporary digital and technological world, the consumer engages with media and media products in a very different way than 50 years ago. Traditional forms of broadcast implied having and planning a rigid schedule of daytime and primetime programs



which consumers viewed and discussed with people from their environment. This has drastically changed in both aspects: consuming and sharing.

As to the first one of this aspects, contemporary media consumers are used to having access to a lot of media and streaming content for them to watch when and where they see convenient. There has been a shift from traditional live broadcasts or shared consumption, which are, of course, still available, to individual watching and subscription video on demand services (SVOD services). These services offer a wide catalogue of media products to which viewers have access 24/7 on television as well as several mobile devices (smartphones, tablets, laptops...). This allows for a more independent and mobile form of consumption as a result of the technology available: the options for devices through which you can access this type of content have multiplied, and the speed available for guaranteeing the best possible quality is also a concern for both the industry and consumers.

Besides, this new form of consumption has further impacted viewing habits of society introducing a new term formerly reserved for drinking and eating, which is *binge-watching*. Binge-watching refers to the practice of watching several episodes of the same television show in one sitting (Jenner, 2014; Matrix, 2014). This new viewing habit has shaped the preferences of consumers in terms of content and how to watch it, and the industry has reacted to that. For instance, the industry's reference company for SVOD services, Netflix, has added a "skip intro" button for allowing consumers to rapidly access the content of the show that they are binge-watching. Also, the platform automatically starts playing the next episode a few seconds after the one that you are watching is over, so the viewer does not have to move or click any button to keep watching. This facilitates the practice of binge-watching, which is usually associated with Netflix itself (Matrix, 2014).

As aforementioned, the shifts in consumption implying more individual watching and SVOD services and all they entail, it is also pertinent to have a look at the new ways of sharing these experiences, which is usually done through social media platforms.

### **Social networks on the spotlight: sharing the experience**

In relation to this new form of consumption, the expansion and role of social media sites acquires a renewed interest and perspective. These platforms were once conceived as a way of connecting people, family and friends keeping in touch through technology (Humphreys, 2012; Wellman, 2004). Nowadays, social networks are used for far more than that: you can follow celebrities, brands, companies, strangers who share the same hobby as you, you can use them to keep yourself up to date with current issues, political matters, organize events, expose your work, search or offer professional opportunities... In this sense, a new social concept has arisen: social television.

Television has always had a social dimension to it, whether by sharing the experience with more people or as a popular source of conversation (Nathan et al., 2008; Wohn & Na, 2011). With new technologies available, this social dimension has moved from bars and home spaces to the internet and social media platforms (Guo, 2018; Quintas-Froufe & González-Neira, 2014). Through these platforms, especially Twitter, both industry stakeholders and viewers gather around hashtags and posted content to share their impressions about what they are watching, ask questions, interact with one another, trying to attract more viewers or simply voice one's

experience. From an industry perspective, broadcasters and SVOD services try to control the conversation and be at the center of the social discussion that is taking place (Delgado, Navarro, Garcia-Muñoz, LLuís, & Paz, 2018), while consumers try to share their viewing habits with their followers, their impressions about the content, create or consume humorous content, or engage with the production and acquire more information (Pena, 2015; Wohn & Na, 2011).

In this sense, social networks have become one major element for media production companies to communicate with their prospects and clients using media-related language (Fernández-Gómez & Martín-Quevedo, 2018). This is of significant relevance regarding SVOD services since the viewing habits of consumers are shifting towards this model of consumption. Besides, these platforms also make an interest use of new technologies for offering their services, hence, assessing whether they are as successful taking care of their digital communications can offer richer insights.

## **METHODOLOGY**

In the particular case of this case study, the social media marketing strategy of Netflix is addressed in two different markets: the United States, on one hand, in which the company has been successfully established for several years, and the Spanish market, on the other hand, which is one of the latest markets of expansion for the company.

This allows for a clear analysis of how the company engages with users, a comparison between established and relatively new social media strategies and assessing if different cultural contexts impact strategy. In order to do so, data from Netflix US and Spain social media accounts is retrieved and analyzed following a content analysis method.

Facebook has been excluded from the sample due to restriction for accessing the American profile of the company. Hence, the main social network accounts that have been retrieved are Twitter and Instagram although the first one of them is usually more regarded as a second-screen platform (Bruns & Burgess, 2011). However, this project is not as focused on the social discussion, in spite of acknowledging that it exists, but rather focused on how the company uses its social networks and if this aspect differs from one market to another.

In order to assess that, a content analysis is carried out to distinguish the type of content posted on different social media accounts (if it is original content or user-generated as well as the type of content itself, this is, (1) promotional, (2) informative, (3) culture-related, or (4) external) and the intention of this content (which can be (1) to inform, (2) humorous, (3) call-to-action).

The content analysis focuses on a period of three months (from November 2019 to January 2020). The most popular content posted on both platforms has been analyzed. For Instagram, the top 90 posts from each account have been collected, in terms of likes. The same logic has been applied for Twitter, with over 3,000 tweets from both accounts being retrieved. In the latter case, the criteria excludes retweets and number of likes, and rather focuses on original tweets posted by the account and retweets, which imply a higher level of engagement than likes in this particular platform.

## RESULTS

### Type of content (promotional, informative, cultural, external)

In general, both accounts mainly post promotional content in similar percentage and a similar use of platforms can be observed, with this type of content being overwhelmingly present on Instagram's posts. There are no significant differences to be highlighted in terms of platform, in spite of the existing differences between Twitter and Instagram.

Quantitatively, the main difference that can be highlighted in terms of territory is that the Spanish account of Netflix engages more in cultural content than the North American account, both on Twitter and Instagram.

Besides, the nature of the content also seems to differ from one country to another on Instagram. On this platform, the Spanish account posts screenshots from their Twitter account quite often, whereas the United States' account is more focused on posting interviews and original videos featuring actors who appear on their streaming catalog.

*Table 1: Type of content posted on Twitter*

	US	Spain
<b>Promotion</b>	66,7%	60%
<b>Information</b>	15,5%	17,8%
<b>Culture</b>	17,8%	22,2%
<b>External</b>	0%	0%

*Table 2: Type of content posted on Instagram*

	US	Spain
<b>Promotion</b>	77%	82%
<b>Information</b>	22%	16%
<b>Culture</b>	0%	2%
<b>External</b>	1%	0%

### Intention of content (inform, humor, CTA)

As abovementioned, the differences that can be found between platforms is not very significant. However, there is a relevant distinction between both accounts as to what is the intention of the posted content.

In both cases, Twitter and Instagram posts, Spanish accounts show a tendency of being dominantly humorous (60% of the times on Twitter and 51% on Instagram), as well as trying to engage and interact more with users through calls-to-action (5,6% on Twitter and 9% on Instagram).

*Table 3: Intention of content posted on Twitter*

	<b>US</b>	<b>Spain</b>
<b>Inform</b>	61,1%	36,7%
<b>Humor</b>	36,7%	60%
<b>CTA</b>	2,2%	5,6%

*Table 4: Intention of content posted on Instagram*

	<b>US</b>	<b>Spain</b>
<b>Inform</b>	60%	40%
<b>Humor</b>	40%	51%
<b>CTA</b>	0%	9%

## **DISCUSSION AND CONCLUSION**

The fact that both accounts use their platforms to predominantly share promotional content indicates great efforts towards a strong brand marketing strategy, presenting a consistent identity through different social network platforms. Besides, there is a strong focus on the company's own-produced content. This is common for the social media strategy of both the account in the United States and the one operating from Spain, as well as having a creative approach to promote and inform about series through social media language, such as hashtags and visual resources (Fernández-Gómez & Martín-Quevedo, 2018).

However, there is also significant difference between both territories, particularly in terms of intention when posting this content. While accounts of the United States tend to be more informative about the content that they post (usually releasing premiere dates for their content), Spanish accounts share more content with the intention of being humorous. This difference happens on both Twitter and Instagram, although in the latter platform is even more highlighted. Besides, specific cultural context has a greater impact on Spanish accounts, which could imply a stronger effort to engage users when adapting to new markets, at least in this particular case.

The general conclusion that can be drawn from this study is that although brand marketing is the strategy guiding both accounts, which predominantly share promotional content, the one in the United States performs more of an informative role while the Spanish strategy revolves more around humor and calls-to-action.

Future studies can include a more extensive sample or more in-depth methodological study to build on this study's current literature and discoveries about corporate marketing strategies on social media, which is a field of study of the utmost relevance in contemporary research.

## BIBLIOGRAPHY

1. Bruns, A. & Burgess, J. (2011) *The Use of Twitter Hashtags in the Formation of Ad Hoc Publics*. Proceedings of the 6th European Consortium for Political Research (ECPR) General Conference. Reykjavik.
2. Delgado, M., Navarro, C., Garcia-Muñoz, N., LLuís, P. & Paz, E. (2018) *TV news and social audience in Europe (EU5): On-screen and Twitter Strategies*. Observatorio (OBS\*), 12(4). <https://doi.org/10.15847/obsOBS12420181317>.
3. Fernández-Gómez, E. & Martín-Quevedo, J. (2018) *La estrategia de engagement de Netflix España en Twitter*. El Profesional de La Información, 27(6), 1292–1302. <https://doi.org/10.3145/EPI.XXXXXXX>.
4. Guo, M. (2018) *How Television Viewers Use Social Media to Engage with Programming: The Social Engagement Scale Development and Validation*. Journal of Broadcasting & Electronic Media, 62(2), 195–214. <https://doi.org/10.1080/08838151.2018.1451856>.
5. Humphreys, L. (2012) *Connecting, Coordinating, Cataloguing: Communicative Practices on Mobile Social Networks*. Journal of Broadcasting and Electronic Media, 56(4), 494–510. <https://doi.org/10.1080/08838151.2012.732144>.
6. Jenner, M. (2014) *Is this TVIV? On Netflix, TVIII and binge-watching*. New Media & Society, 18(2), 257–273. <https://doi.org/10.1177/1461444814541523>.
7. Matrix, S. (2014) *The Netflix Effect: Teens, Binge Watching, and On-Demand Digital Media Trends*. Jeunesse: Young People, Texts, Cultures, 6(1), 119–138. <https://doi.org/10.1353/jeu.2014.0002>.
8. Nathan, M., Harrison, C., Yarosh, S., Terveen, L., Stead, L. & Amento, B. (2008) *CollaboraTV: Making television viewing social again*. In UXTV08 - Proceedings of the 1st International Conference on Designing Interactive User Experiences for TV and Video (pp. 85–94). New York, New York, USA: ACM Press. <https://doi.org/10.1145/1453805.1453824>.
9. Pena, L. (2015) *Breaking Binge: Exploring The Effects Of Binge Watching On Television Viewer Reception*. Dissertations - ALL.
10. Quintas-Froufe, N. & González-Neira, A. (2014) *Active Audiences: Social Audience Participation in Television*. Comunicar, 22(43), 83–90. <https://doi.org/10.3916/c43-2014-08>
11. Wellman, B. (2004) *Connecting Communities: On and Offline*. Contexts, 3(4), 22–28. <https://doi.org/10.1525/ctx.2004.3.4.22>.
12. Wohn, D. Y. & Na, E.-K. (2011) *Tweeting about TV: Sharing television viewing experiences via social media message streams*. First Monday, 16(3). <https://doi.org/10.5210/fm.v16i3.3368>.

Elisa Paz Pérez, PhD candidate, is a lecturer in Media and Marketing  
at EU Business School, Barcelona Campus.

---

# BLOCKCHAIN TECHNOLOGY AND AUDITING

---

*Romny Ly*

**ABSTRACT:** *Blockchain technology has increased its interest in various industries, be it law and business or IT and finance. It was considered to be behind cryptocurrencies such as bitcoin technologies. This technology, however, is far more than a cryptocurrency backbone. This makes peer-to-peer transfers between participants without any trust and can affect a variety of sectors. The purpose of this study is to illustrate possible consequences for the fields of audit and assurance of the application of blockchain technology. Accordingly, the assurance would have to be corrected if such a new accounting system were implemented. It is believed that the idea of blockchain-based assurance will improve audibility, offer almost real-time security by using smart controls and simplify the most manual tasks for the auditors. Consequently, because of the complexity of the topic examined, there is no clear and unambiguous way of answering the research question. More work is therefore suggested.*

**KEYWORDS:** blockchain, bitcoin, crypto-currency, auditing and assurance, accounting, finance.

---

Throughout various industries, including law and economics, information technology and banking, the blockchain technology raises attention. Blockchain is known for being a crypto-currency technology like Bitcoin. Nevertheless, this platform is more than cryptocurrency's backbone. This can interrupt not only several places but also allow peer-to-peer transactions without any legitimacy between participants.

Of course, one important method is to rely on centrally agreed data recording processes for the present generalized economic activity to ensure that the government and registration authenticity depend on responsible third parties (banks, firms or government agencies). However, blockchain has proved in recent years to have the potential to facilitate transactions and to disseminate confidence without a trusted third party. Blockchain received considerable attention due to the disruption of the Bitcoin marketplace.

Will this development impact the experts who have worked for centuries as a trustworthy broker between the business and the market and the country? Can the audit and assurance processes be automated as well? This article is, therefore, intended to examine how the implementation of blockchain technology may affect auditing and assurance.



## METHODOLOGY

This research uses a method of exploratory research based on a review of the literature. Exploratory research does not provide full and conclusive solutions to queries but examines problems in varying degrees of profundity. It is noted that “exploratory research is the initial research, which forms the basis of more conclusive research. It can even help in determining the research design, sampling methodology, and data collection method” (Singh, 2007, p.64). In comparison, the report deals with the use of secondary evidence, including scholarly, peer-reviewed, and research papers.

## AUDIT

The audit began in the 19th century in the United Kingdom and the United States, and was initially designed to check businesses. Furthermore, the auditor at the time had to be an independent intermediary between the government and the enterprise. The audit process at that time focused on the transaction process and the transaction itself. Then, when the law changed in the 20th century, audits began to focus more on the fairness of financial statements. Finally, as the size of the company grew, and the number of transactions became unmeasurable, the auditor’s function changed significantly as time and resource constraints made it impossible to track every single transaction (Monk, 2017). The Big Four Accounting Firm is a commonly used term describing the four largest accounting enterprises in the world consisting of Deloitte, EY, KPMG, and PwC.

These businesses are the result of the constant convergence of small businesses, and, due to their current scale, they are the only organizations that can provide the best service to global business enterprises. More precisely, for the absolute majority of US public companies and listed companies in Japan, and for the top 100 UK public companies which the Big Four has provided audits. Therefore, as a result of this process, it has been given a cartel industry in which Big Four companies set prices for services and standards (Brooks, 2018).

Corporations must have audits by law in most countries. However, the Big Four is working to maintain its clients and the revenue stream to showcase its clients to the public as well as to government in the best possible way, rather than provide government and public with accurate data describing the actual reality of the company. For example, tax loopholes or financial crimes that could profit the company could be detected, and the managers could, therefore, extract cash via bonuses, and the audit firms could be assured that the customer will remain.

The above starts to feel like a strange loop of interest. On the one side, the auditors are to be neutral intermediaries between the government and the client. The audit – the arrangement between the customers – on the other hand, when one charges a specific to verify that the financial statements are honest. On the third, the nature of such accounting firms as in Big Four, where they maximize profits and also provide an accurate, independent audit report (Brooks, 2018).

Such an ambiguity raises the question of how can it even exist? As usual, the government interferes in such situations because it would not be a legal practice. However, it does not interfere with the process because the government needs the auditors to cheque the companies. Furthermore, the investors rely on the information provided by the auditors when making decisions because the latter are perceived as an independent source of information. As mentioned earlier, however, the auditors, particularly the Big Four, are certainly not so independent since they generate information beneficial to the customer in the majority

of cases. The client appreciates these kinds of activities, as they still prefer one of the big companies as an audit service provider (Whittaker, 2019).

### **Defining financial audit**

We will start by defining an external financial audit. As Oxford Dictionary notes, it is a method of reviewing the finances of an agency, typically undertaken by an independent body, in general, to undertake an audit. Besides, an academic member further explains that the auditing process can be defined as a single one if the evidence collected and evaluated by competent, independent people is a report that is finally passed on to the person concerned (Basu, 2009). In fact, by looking at a classification of one of the Big Four (generally accepted as EY, KPMG, PwC, and Deloitte) in the field of audit (the idea of four major auditing firms worldwide), it says that the audit process generally consists of an assessment of the issue to communicate an opinion on the matter's fairness, whether it is an audit of the financial statements, or internal control of financial reporting or even a conformity audit (Pwc.com, 2013).

In summary, the main objective of the financial audit is the structured financial reporting processes and adequate transparency in published reports (Brody et al., 1998). Nevertheless, we will know that audit is one kind of security once we explore a little deeper. It is essential to distinguish between the most relevant: fair compliance commitments (i.e., historical financial information audits), restricted compensation commitments (i.e., analysis of historical financial information, mostly empirical processes) and commitments not requiring verification (i.e., compilation agreements, financial information collection and negotiated procedures) (Bagshaw, 2013).

Besides all the above, when considering assessments of financial statements as a result of journal entries, it is crucial to take into account the value of auditing. There are two forms of journal entries – the regular journal entry, which comes from a term, where an individual reports usual or repeated activity, (i.e., sales, orders, payments), and a non-standard journal entry. Lastly, the risk of material mistakes is generally known to be higher (DeVries and Kiger, 2004).

### **Assurance process**

We will now focus on explaining the stages of the insurance cycle in order to understand the idea of financial audit better. The assurance process itself has four main steps, namely acceptance and planning, risk assessment, thorough understanding of the nature of the business process, evidence collection, and reporting.

For the phase of acceptance and planning, before assurance, professionals must ensure that they are ethically compliant (i.e., that they are independent from the company to which are investigating and qualifying for engagement) and that quality control (i.e., that they carry out their commitment following company professional standards and methodologies) is required. In this step, the engagement and allocation of resources are also planned, and a suitable level of fees is negotiated.

The second phase is about risk evaluation by understanding the nature of the company. Also, each undertaking includes risk assessment. A specific risk analysis related to internal controls is provided where appropriate for due compliance obligations. However, for limited insurance undertakings, only the potential areas that could include significant errors are identified. The risk assessment is carried out.



Thirdly, collect evidence to conduct the interaction procedures. With minimal policy obligations, the evidence collection approach focuses on the proven risks associated with substance errors by approaching them with tests and other practical approaches. Risks are covered by a variety of control tests and other substantive procedures for reasonable insurance commitments (including a detailed test and analysis process).

Finally, the management of the company must provide evidence that the auditors have been supplied with all necessary information and that potential incidents are identified in the final stage. The auditor in control of the agreement explains his opinion on the subject of the pledge and offers either the right or the opposite viewpoint on how the company's financial statement is "true and fair" (Bagshaw, 2013).

### **Audit limitations**

While the evaluations are useful to organizations by ensuring that the reports are accurate and fair and by providing potential information into how procedures and systems can be strengthened (Pwc.com, 2013), they also should be aware of possible shortcomings.

For example, when selecting, performing, and evaluating procedures, these limitations could include a human error. It is also important to note that because of time and resource constraints, it is unable to perform a 100% testing of controls and processes (Bagshaw, 2013).

However, in addition to this, it is essential to realize that an audit is a judgment and does not, in any sense, confirm that the financial statement is fair and true. Management remains liable for fraud in its operations, as stated earlier, which might lead the business to fail (Bagshaw, 2013).

Devries and Kiger (2004) indicated that management had used insufficient journal entries to make the revenue figures appear made much more efficient in many situations. One of the perhaps most famous controversies surrounding financial reporting was Enron Scandal, where, after their inability to torment everyone with false securities and non-bibliographically-based accounting, the corporation announced its bankruptcy (Investopedia, 2019). Nevertheless, Enron's auditor, Arthur Andersen, lost his clients immediately when the company's reputation was so destroyed after Enron began claiming that Andersen would have been forced to conduct "clean" audits in return for even more lucrative Enron consulting contracts.

Scandals like that of Enron led to calls for the auditing functions to be separated from their management advisory activities. PwC and EY also announced their proposals at the beginning of 2019 to remove outsourcing with their audit clients. KPMG has, as of now, already taken steps to reduce the consulting services provided to companies carrying out their audits (Jones, 2019).

## **WHAT IS BLOCKCHAIN?**

Technology not only has transformed our way of dealing, functioning, and doing business but also offered innovative approaches to old issues, undermined traditional business structures, and enhanced human performance. Another such application is Blockchain, the collaborative blocking system. Blockchain has been named one of the ten best-emerging technologies in 2016 at the World Economic Forum (Cann, 2016).

It is merely an accounting system and enterprises to be carried out, which ICAEW defines as a back-office solution to record on-line data and to transfer assets ownership from one user to another without third party monitoring, maintenance, and regulations, all functions being distributed between all participants. Furthermore, a good block-chain has been identified as focusing on timing and cost reduction through the elimination of central parties (Appelbaum and Nehmer, 2017). The original White Paper, published by Satoshi Nakamoto, which is still anonymous in 2008, sparked the development of a forum for peer-to-peer transfers without a financial institution, emphasized transactions without third party conditions and the inherent vulnerability of a confidence base model. The main question raised by financial professionals themselves could this white paper philosophy suddenly change the financial sector.

The Blockchain concept was designed to bridge the digital confidence gap. The “Byzantine General Issue” is overcome by science, which is the last thing on the Web (Wu, 2018). Many enthusiasts think the missing piece of blockchain technology will enable companies to operate entirely online. The system helps to reshape the trust by effectively rendering frustration more complicated by capturing pertinent information in public space.

There are numerous sites on the Blockchain network and tokens like Bitcoins, Ethereum, and many others, but Bitcoin is the most commonly utilized research project at that period with the largest market capitalization.

## **HOW DOES THE BLOCKCHAIN FUNCTION?**

Blockchains embrace most ancient technology that civilization uses. In the form of secure communications, cryptography and methods of payment are, for example, combined in a crypto-monetary manner. The concept of money also becomes an online presence with the ability to securely transform the value of the trade through a token. Digital currencies are different from traditional fiat currencies because they are not controlled or controlled by government issues.

According to Tapscott and Tapscott (2017), there are six qualities of blockchain. First, there is no central database accessible to hack and disable every blockchain, such as that used by bitcoin, on machines operated by volunteers around the world. Second, it also codifies Blockchain: it uses public and private keys for virtual security with heavy-duty encryption. Third, Blockchain is made available to the public, that anybody could access it at any time because it lives on the network, and does not exist inside one institution responsible for audits and record keeping. Nobody can hide a transaction so that bitcoin can trace it as cash. Fourth, including cryptocurrency, this ensures that everybody can invest in the new mobile economy without paperwork to be trusted. Fifth, it is invisible to Blockchain. Both transactions are reviewed, approved, and deposited in a block attached to the previous block, forming a chain, within minutes or seconds. Through block must be valid for the previous block, which stops anybody from modifying the ledger. Lastly, the technology is distributed and represents a networking agreement for all transactions that have ever taken place.

Consider a scenario where 3 Parties conduct the standard transaction, the payee(A), the payee(B), and the issuer(intermediary), where the principal task of issuers is to verify and ensure the transaction between A and B is valid. The idea of the blockchain does, however, propose a triple accounting scheme whereby all participants are guaranteed to have the same data in real-time, which eradicates power reliance on one

hand (Simoyama et al., 2017).

Whenever a user performs a transaction on this platform, time is stamped, and recorded on a block, where each block is linked to the previous one utilizing a cryptographic algorithm (hash) and all transactions are chained up and down and synchronized in real-time across all user laptops, so there is a high degree of security in the data-shared and encrypted transaction. It can be used to process payments, to establish an audit trail for verified purposes and also to register and transfer digital equity such as inventories and bonds (Ey.com, 2016).

The transactions take place in a block every ten minutes when users struggle to check the transaction within this block, and a 12.5-bitcoin incentive is paid to anyone who “resolves the big problem of the mathematical system.” For the first time, there is “a financial system where there is financial incentive to ensure security ... and it does not belong to the system — Bitcoin’s Lifeblood” (Smith, 2016). A very straightforward principle is appended to the blockchain, described by the World Economic Forum as a train where Bitcoin is the train car, and one can go anywhere that one like and anywhere with unlimited possibilities (Smith, 2016).

### **SMART CONTRACTS FOR AUDITING BLOCKCHAIN**

Ethereum, a rival of Bitcoin, has become popular in debates about the blockchain technology’s potential (Buterin, 2013). Ethereum Blockchain Network offers consumers the ability to create and implement complex, intelligent agreements as a more general application of Bitcoin Blockchain Network. A smart contract is a software application, which executes on the user’s behalf acts on pre-determined terms (Szabo, 1994).

This refers to the code protocol which facilitates the process of entering into contractual agreements, including the implementation, verification, and execution of contract terms (Szabo, 1994) and is distributed to the participating node under the blockchain supervision authority of the contracts (Dai and Vasarhelyi, 2017). Blockchain technology revitalizes the concept of smart contracts and thus paves the way for the application of smart contracts as smart auditing procedures.

Smart audit protocols for an outside auditor operating a blockchain could be used to enhance auditing efficiency and monitoring in comparison to the diversity of internal and external audit data that the customer’s blockchain can become a more reliable form of audit-proof. Blockchain smart contracts are not confined to digitizing rules, because they can be useful in other ways, including auditing and accounting (Dai and Vasarhelyi, 2017; Chou et al., 2019). This can transform smart contracts into smart audit procedures. These smart auditing procedures are virtually autonomous software programs performing audit procedures based on pre-defined blockchain parameters. The smart procedures for auditing can imitate the role of software agents who have the ability, on behalf of the auditor, to analyze audit evidence (Kozlowski, 2016). Rozario and Vasarhelyi (2018) are proposing to reprogram smart audit procedures into IF-THEN rules and load them into a ledger generated by the external auditor.

Figure 1 shows an illustration of a smart analytical method that addresses the risk of sales material error. This example transforms the audit logic into the code software, which is the smart audit mechanism, then loaded into the external audit database set up by the audit firm. Each blockchain customer to whom the audit firm has exposure can then check the outcomes of the smart audit procedures.

In the following two ways, the management of significant objects found by smart audit procedures could be performed. The auditor first could examine the unusual items manually. Alternatively, a smart audit follow-up procedure can be programmed to prioritize records requiring further investigation. The description above illustrates a sophisticated analysis; however, simplified methods can be carried out.

A smart control mechanism may, for example, be represented as a simplified rules-based system, ensuring that the purchase order, delivery records, and invoicing fall into the correct order. If there are variations such as standard auditing methods, auditors will inform managers and perform more tests to ensure that the discrepancies do not signify technical mistakes. Therefore, smart audit follow-up procedures could be pre-programmed to manage the crucial items found through other smart auditing procedures.

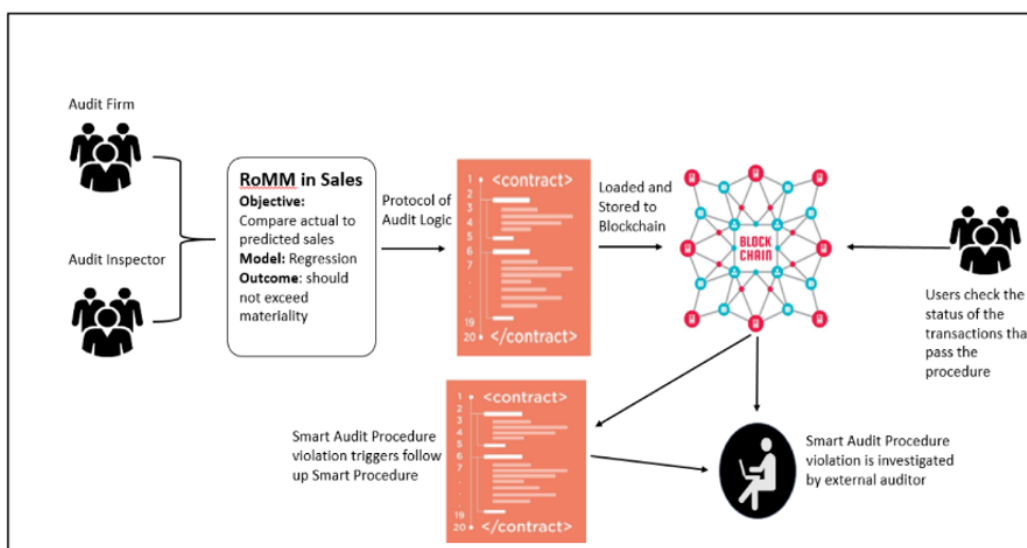


Figure 1. Smart audit procedure for sales. Source: Adapted from Rozario and Vasarhelyi (2018).

### THE VIEWS OF PROFESSIONALS

Studying “Blockchain technology and its potential impact on the audit and insurance industry” prepared by the Canadian Chartered Professional Accountants (CPA Canada) and the American Institute for CPA (AICPA) reveals many prospects for the growth of auditing and insurance careers in the technological advancement of blockchain. Four new possible functions are being proposed (although they emphasize the imaginative side of things because the list should be “only illustrative and not entirely inclusive”) for auditors to use if blockchain technology is to be widely accepted (Bible et al., 2017).

The principle of smart auditing contracts is included in the discussion first. Once procedures are standardized, the contracting parties could want to ensure that the use of a smart contract is designed according to business processes and that no unintended mistakes or other flaws are found. Also, the Bible et al. (2017) views that in addition to the comprehension of the features of blockchain, auditors would need to gain precise knowledge of specialized programming languages.

Secondly, the idea of a consortium blockchain service auditor appears on the list. A potential need for a

company to independently review current blockchain-based goods until subscribing would be the main idea behind this kind of auditor feature. In order to ensure the effectiveness of private blockchain controls, a third party might be needed on an ongoing basis (Bible et al., 2017).

The position of a system administrator would be the third chance for auditors. This is the role of auditors for granting users access to a blockchain-based system, for example. The information needs to be reviewed by the administrator to verify the identity of users. It could protect confidence in the blockchain network as a reliable third-party auditor (Bible et al., 2017).

Finally, in cases where complex business arrangements lead to conflict auditors as arbitrators, the problems can be solved. Particularly to the blockchain-based application consortium, participants whose contract terms can be again required to enforce by a trusted third party. This role will need more considerations according to the research.

Generally, it must be noted that, even if blockchain ensures that the chain is not changed following the submission of the information into the chain, it still could not be credible information when speaking about the confidence in the transaction information entered in a blockchain. Such data could be usually not allowed, false, or even unlawful, as examples shown in analysis, or could be connected to a side agreement (such as the so-called off chains agreement), or exist among the related parties.

Another study carried out on a similar subject explores the possible impact of the above technologies on the function of the auditors (Ortman, 2018), describes in an interview with Bible, a Deloitte partner specializing in audit innovation, in his article. Bible expresses concern about capturing blockchain transactions, especially in large corporations, according to the abovementioned interview. He claims that in many significant companies, the financial processing systems are all too mixed into the traditional ERP and CRM frameworks and it may be complicated to kick-start a transition. He suggests that the most significant gain on investment companies would be to reduce the audit cost, which in many situations is not the mainline of expenditure if this system is changed. Therefore, Bible views big companies have no rush to change their legat structures (Ortman, 2018).

Again, Bible states that even if the blockchain were implemented, both funds must be processed concurrently in two locations, which creates inefficiencies and is represented as wasteful, taking into account the current environment. It would also allow an organization to completely overhaul the legacy systems and remove redundancies that are highly improbable, again because of cost limitations. Bible also states why businesses do not improve their auditors' schemes. Then, companies create strategies to meet their needs. Therefore, it is the responsibility of the auditors to learn and respond to the company climate, taking into account that the audit practice is predominantly customer service. There will be companies operating on blockchain from the outset, and it would only be fitting to talk about changing accounting systems in those situations.

## KEY FINDINGS

Discussion has been made on what is a financial audit, conceptualized the idea of blockchain, and looked at some research that examined the potential of blockchain implementation in audit and security areas.

Firstly, the study illustrated that ensuring that the financial reporting systems are in order and that the accounts published are trustworthy enough is an essential point of audit. Besides, four steps of the

assurance process: acceptance and planning, risk assessment by understanding the nature of businesses, evidence-raising for engagement and finalization and reporting were stated. Therefore, the study also identified potential shortcomings in the financial audit, in particular, human error in the collection, execution and assessment of procedures and time and money limits that are typically not 100 percent testing practicable. Finally, the possible events of management using the Enron scandal as an example with the help of auditors to try to disguise the real financial situation of the company was mentioned.

Blockchain is far more than the foundation of an established cryptocurrency. In the technical sense, it has said that blockchain essentially puts a series of blocks linked through hash algorithms and that this cannot be reversed after the block is in the chain. The blockchain framework is defined as being decentralized, anonymous, constant, and auditable. It then examined what smart contracts are – computable electronic contracts that automatically carry out the terms and conditions of the contract when they are fulfilled. Moreover, the study pointed out that this type of smart contracts can eventually make contractual transactions with the trusted third party unnecessary.

Blockchain technology and its potential impact on the audit and insurance industry is then analyzed because it analyzes how a technological advance such as blockchain can develop the auditing and insurance profession and thus suggests that auditors can take on new possible functionalities-smart contract audits, consortium blockchains, system administration, and arbitrators.

## **CONCLUSION**

As can be seen from the above research, there is no clear unanimous opinion as to whether or not blockchain would benefit society when implemented in the fields of audit and assurance. Secondly, it is the automation of manual processes for the collection of data required to carry out the research as well as the speed and scheduling that we have described before. We do have a whole series of challenges and problems on the other side, though, which slow down processes.

All things fresh are normal to at first look untrustworthy. Because auditors are known as trustworthy intermediaries between the business and the market and government, at some stage, it may be difficult to explain that there would be a sophisticated electronic monitor in effect for these accounts instead of a traditional manual review. Time needs to pass for people to adapt to the fact that blockchain is something and that once can trust them and their new solutions.

Last but not least, the security problem. There were talks regarding the creation of various types of blockchain systems-authorized and unauthorized. The first one is available to a limited number of approved users only, and the other is open to anybody. The government would, for example, positively want to control what kind of dealings firms make with each other. Furthermore, it would make the government's work easier to organize findings so suspicions in that situation.

It is therefore essential to note that, given the constraints of this research, further research on the subject of blockchain implementation into audit and insurance is highly encouraged, because this sector has many potentials.



**BIBLIOGRAPHY**

1. Appelbaum, D., and Nehmer, R. (2017) *Designing and Auditing Accounting Systems Based on Blockchain and Distributed Ledger Principles*. Feliciano School of Business.
2. Bagshaw, K. (2013) *Audit and Assurance Essentials for Professional Accountancy Exams*. John Wiley & Sons Incorporated.
3. Basu, S.K. (2009) *Fundamentals of Auditing*. Pearson Education, India.
4. Bible, W., Raphael, J., Taylor, P. & Oris Valiente, I. (2017) *Blockchain Technology and its Potential Impact on the Audit and Assurance Profession*. Aicpa.org.
5. Brody, R.G., Golen, S.P. & Reckers, P.M. (1998) *An Empirical Investigation of the Interface Between Internal and External Auditors*. Accounting and Business research, 28(3). pp.160-171.
6. Brooks, R. (2018) *The Financial Scandal No One is Talking About*. The Guardian. <https://www.theguardian.com/news/2018/may/29/the-financial-scandal-no-one-is-talking-about-big-four-accountancy-firms> (Accessed: 8 Jan. 2020).
7. Buterin, V. (2013) *Ethereum White Paper: A Next-Generation Smart Contract and Decentralized Application Platform (2013)*.
8. Cann, O. (2016) These are the Top 10 Emerging Technologies of 2016. *World Economic Forum*. <https://www.weforum.org/agenda/2016/06/top-10-emergingtechnologies-2016>.
9. Chou, C., Hwang, R., Wang, T., & Li, C. (2019) *Using Smart Contract to Establish Decentralized Accounting Standards: An Example of Revenue Recognition*.
10. Dai, J. & Vasarhelyi, M.A. (2017) *Toward Blockchain-based Accounting and Assurance*. Journal of Information Systems, 31(3). pp.5-21.
11. DeVries, D.D., and Kiger, J.E. (2004) *Journal Entries and Adjustments—Your Biggest Fraud Danger*. Journal of Corporate Accounting & Finance, 15(4). pp.57-62.
12. Ey.com (2016) *How blockchain could introduce real-time auditing*. [https://www.ey.com/en\\_us/assurance/how-blockchain-could-introduce-real-time-auditing](https://www.ey.com/en_us/assurance/how-blockchain-could-introduce-real-time-auditing) (Accessed: 9 Jan. 2020).
13. Investopedia. (2019) *Enron Scandal: The Fall of a Wall Street Darling*. <https://www.investopedia.com/updates/enron-scandal-summary/> (Accessed: 8 Jan. 2020).
14. Jones, H. (2019) *PwC, EY Join KPMG in Banning Consulting for Audit Customers*. <https://www.reuters.com/article/us-britain-accounts/pwc-ey-join-kpmg-in-banning-consulting-for-audit-customers-idUSKCN1PO1RC> (Accessed: 8 Jan. 2020).
15. Kozlowski, S. (2016) *A Vision of an ENHanced ANalytic Constituent Environment*. ENHANCE
16. Monk, A. (2017) *A Brief History of Auditing*. [online] Audit Monk. <https://auditmonk.wordpress.com/2017/05/12/brief-history-of-auditing/> (Accessed: 8 Jan. 2020).
17. Nakamoto, S. (2008) *Bitcoin: A Peer-To-Peer Electronic Cash System*. <https://bitcoin.org/bitcoin.pdf> (Accessed: 9 Jan. 2020).

18. Simoyama, F.D.O., Grigg, I., Bueno, R.L.P. & Oliveira, L.C.D. (2017) *Triple Entry Ledgers with Blockchain For Auditing*. International Journal of Auditing Technology, 3(3). pp.163-183.
19. Singh, K. (2007) *Quantitative Social Research Methods*. Sage.
20. Smith, J. (2016) *There Is More To Blockchain Than Moving Money. It Has The Potential To Transform Our Lives - Here Is How*. World Economic Forum. <https://www.weforum.org/agenda/2016/11/there-is-more-to-blockchain-than-moving-money/> (Accessed: 9 Jan. 2020).
21. Szabo, N. (1994) *Smart Contracts*. <http://www.fon.hum.uva.nl/rob/Courses/InformationInSpeech/CDROM/Literature/LOTwinterschool2006/szabo.best.vwh.net/smart.contracts.html> (Accessed: 9 Jan. 2020).
22. Tapscott, D., and Tapscott, A. (2017) *Realizing the Potential of Blockchain. A Multistakeholder Approach to the Stewardship of Blockchain and Cryptocurrencies*. World Economic Forum.
23. Ortman, C. (2018) *Blockchain and the Future of the Audit*. CMC Senior Theses. 1987. [https://scholarship.claremont.edu/cmc\\_theses/1987](https://scholarship.claremont.edu/cmc_theses/1987) (Accessed: 8 Jan. 2020).
24. Pwc.com (2013) *Understanding A Financial Statement Audit*. <https://www.pwc.com/gx/en/audit-services/publications/assets/pwc-understanding-financial-statement-audit.pdf> (Accessed: 8 Jan. 2020).
25. Rozario, A.M. & Vasarhelyi, M.A. (2018) *Auditing with Smart Contracts*. International Journal of Digital Accounting Research, 18.
26. Whittaker, J. (2019) *Big 4 Accounting Firms – Everything You Need to Know*. <https://big4careerlab.com/big-4-accounting-firms> (Accessed: 8 Jan. 2020).
27. Wu, L. (2018) *Blockchain Smart Contracts In Megacity Logistics*. Master Thesis. <https://etda.libraries.psu.edu/catalog/15054lvw5264> (Accessed: 9 Jan. 2020).

Romny Ly, MBA, is a senior lecturer in Business Administration at Cambodian Mekong University.



---

# THE RISE AND RISE OF DEBT IN DEVELOPING ECONOMIES

---

*Oliver Okello*

**ABSTRACT:** *The rise in excessive borrowing and debt accumulation in developing countries has become a matter of concern and raises focus on debt sustainability issue. The past decade has seen slow growth in emerging and developing economies while there has been increase in debt accumulation. Total debt in emerging and developing economies was at almost 170% of GDP by 2018, which is a 54% increment of GDP from 2010 (Kose et al., 2020). Increased borrowing has been experienced in emerging and developing economies rather than in the advanced economies. In general borrowing can assist economies especially for development and investment initiatives, however significant risk arises from high debt accumulation that can result to adverse impact especially with the current growth slowdown in the world economy. Over dependency on debt undermines economic growth and may lead to a financial crisis. Excessive reliance on borrowing contributes to account deficits, results to payment crises and macro-economic instability in the economy. Excessive borrowing can lead to debt crisis which can cause a challenge to social progress and result to adverse effects on sustainable development. Developing countries should address the challenges of existing debt burdens and find alternative paths to economic growth that are less credit intensive. There is need to adopt an effective approach that will ensure sustainability of debt in the developing countries. This article focuses on developing economies, discusses debt sustainability and how developing economies can evolve to reduce over dependence on debt. It is time for developing economies to consider alternative approaches to mobilize resources for economic development other than overdependence on borrowing. This shift is essential for developing economies to experience sustainable growth pattern.*

**KEYWORDS:** developing economies, debt sustainability, economic development.

---

The past decade has witnessed an alarming rate of debt accumulation in emerging and developing economies which has raised questions on debt sustainability. Increase in borrowing has been experienced in emerging and developing economies rather than in the advanced economies. Debt accumulation in emerging and developing economies reached levels of almost 170% of Gross Domestic Product (GDP) by 2018, which is a 54% increment of GDP from 2010 (Kose *et al.*, 2020). There has been rise in debt accumulation in the mist of slow growth prospects. This article focuses on developing economies, first it explains the reasons for

the growing debt levels. This forms the background to understand the debt accumulation and the changing nature of debt in developing economies. Secondly it discusses the issue of debt sustainability, highlighting measures to address the challenges of existing debt burdens and ensure sustainability of debt in developing economies. This article then discusses how developing economies can evolve to reduce over dependence on debt and find alternative paths to economic development that are less credit intensive.

### **WHY THE DEBT ACCUMULATION?**

Several factors can be attributed to the rise in debt accumulation in developing economies. Hawkins *et al.*, (2019) suggests that after the global financial crisis of 2007/2008, the mechanism developed by the global financial system escalated the indebtedness of developing countries. A large proportion of unused and available credit in developed economies was directed to speculative markets and the developing countries became attractive destinations for capital flows. The untimely accessibility to global financial markets contributed to the financial stress in developing countries. The rise in borrowing for developing countries in the last decade has been possible because of easy access to credit.

For the past decade global economic growth has been supported and fueled by growing amount of debt which poses significant risk. While borrowing can assist economies especially for development and investment initiatives, significant risk arises from high debt accumulation that can result to adverse impact especially with the current growth slowdown in the world economy. Over dependence on debt undermines economic growth and excessive borrowing can lead to debt crisis which can cause a challenge to social progress and result to adverse effects on sustainable development. Kose et al. (2020) analyzed the four significant debt waves since the 1970 in emerging and developing economies, it is noted that the first three waves resulted in financial crises and that the largest, broadest and fastest wave debt started in 2010 and has gotten to \$55 trillion in 2018. The low global interest rates have contributed to the accelerated levels of borrowing in the emerging and developing markets. There has been an accelerated rise and growing debt despite the slow economic growth in emerging and developing economies. Concerns have been raised about the loans not being used productively and the borrowed funds being diverted from long term investments.

Ellmers (2016) describes the evolving nature of debt in the developing countries. The most notable is the change in debt composition and debt instruments used in developing economies. Bonds have replaced loans and new countries have begun to issue bonds in the global financial markets. There have been new creditors from emerging markets and increase in domestic borrowing. Also shift to private lenders from the official creditors such as the International Monetary Fund (IMF) and the World Bank. This has resulted to an increasing amount of debt that is unregulated and thus creating a regulation gap. The private sector has substituted the public sector as the leader borrower resulting in a new lending and borrowing boom. Therefore, the current debt outlook necessitates development of a new approach and solutions to addressing debt burdens in developing economies.

## **WHAT ARE THE MEASURES TO ENSURE DEBT SUSTAINABILITY?**

The International Monetary Fund (IMF) provides a description on the term debt sustainability describing it as a situation in which the borrower is expected to service its debts without large future correction to the balance of income and expenditure. Sustainability includes the aspect of solvency and liquidity. The rise in excessive borrowing and debt accumulation in developing countries has become a matter of concern and raises focus on debt sustainability issue. Over dependence on debt undermines economic growth and may lead to a financial crisis. Excessive reliance on borrowing contributes to account deficits, results in payment crises and macro-economic instability in the economy. A key agenda of Financing for Development since the Monterrey Consensus has been on controlling public debt and addressing debt crises. In order to keep up investments related to the Sustainable Development Goals given the current challenging context of debt and debt sustainability, policy actions will be required at both the national and global levels which entails measures to improve debt management, debt transparency, and debt sustainability assessments (United Nations, 2019). The Addis Ababa Action Agenda, 2015 acknowledged the importance of helping developing economies achieve long-term debt sustainability. This can be attained using measures that promote debt financing, debt relief, debt restructuring and solid debt management principles.

There are frameworks developed for assessing debt sustainability and debt management. These frameworks provide information to borrowers and lenders and assist in making sustainable debt decisions. This include the following, The International Monetary Fund (IMF) and the World bank designed the Debt Sustainability Framework, United Nations Conference on Trade and Development (UNCTAD) designed the Principles on Promoting Responsible Lending and Borrowing, The United Nations (UN) Human Rights Council has adopted the Guiding Principles on Foreign Debt and Human Rights.

## **HOW CAN DEVELOPING ECONOMIES OVERCOME DEPENDENCY ON DEBT?**

Development of countries can be categorized and measured based on statistical indicators such as gross domestic product (GDP) per capita, gross national income (GNI), and Human Development Index (HDI). The term economic development entails a broad concept and covers both qualitative and quantitative aspects of the country. In general borrowing can assist economies especially for development and investment initiatives, however significant risk arises from high debt accumulation that can result in adverse economic and financial impact. Over dependency on debt undermines economic growth and may lead to a financial crisis. Excessive borrowing can lead to debt crisis which can cause a challenge to social progress and result to adverse effects on sustainable development.

The fundamental principle to overcoming the debt burden of developing economies is by addressing the root cause of the problem. It is important for developing economies to address the conditions that cause the countries to borrow and make them dependent on debt. Developing economies should consider alternative approaches to mobilize resources for economic development. This shift is essential for developing economies to experience sustainable growth patterns. Outlined below are some of the areas that can assist developing economies.

### **Tax Revenues to Fund Government**

Developing economies often face difficulty in generating enough revenue from tax collections to fund government spending hence the need to borrow to finance budget deficits. These countries should seek to improve efficiency in tax collections to fund government expenditures. Tax revenues can boost government revenues if they are efficient systems in place for tax collection. Developing economies should address the challenges in the tax collection including tax evasion and strive to strengthen institutions in charge of tax and tariffs revenue collection.

### **Diversity Exports to Boost Trade**

Trade provides a key source of government revenues. In order to correct the balance of payment deficits in most developing economies it is important for the countries to diversify their exports. Most developing countries depend on commodities as their main source of exports. This comes with the high risks of falling commodity prices in the global markets. It is time for developing countries to consider other exports apart from commodities to diversify the export structure. This may include investing in technologies, developing expertise to build and grow local industries to improve capacity for global competitiveness. (Hawkins, et al., 2019) explains that support is required at the global level for developing economies to access foreign demand and reliable export markets to promote domestic growth and investment to pay back external debt.

### **Mobilize Domestic Resources to Finance Development**

Developing economies should take advantage and utilize domestic funds to achieve development. This includes public-private partnerships and resources from private sectors to fund development. Efforts should be made to promote impact investments from the domestic sector towards development. The United Nations Sustainable Development Goals (SDGs) Agenda provides opportunity for developing economies to direct investments towards improving living standards, increase income levels to reduce poverty and achieve economic development.

### **Reallocation of Government Expenditure**

Governments should prioritize long term investments expenditures and reduce current expenditures. The current available government revenue should be allocated to productive sectors that will promote economic growth and social benefits to the country. Efficient allocation of resources is required and directing capital towards long term investments. This will boost growth and generate more revenue for the government in the long run. Dioikitopoulos and Koutsampelas (2015) explains that allocation of available government revenues to higher productive sectors can boost growth without creating more debt, increasing taxes or reducing expenditure.

### **Efficient Management of Public Resources**

A significant proportion of revenues and resources in developing economies are not efficiently managed. There are widespread cases of corruption and misappropriation of public resources. The government loses a significant amount of revenues that could be directed towards development. Efforts should be made towards better managing resources, reducing inefficiencies and curbing corruption. Developing countries should promote policies and reforms that encourage accountability and transparency in managing public resources to protect the revenues available for development.

## CONCLUSION

There has been an accelerated rise and growing debt despite the slow economic growth prospects. It may not be possible for developing economies to eliminate debt completely because debt is still useful in achieving economic development as it can assist economies especially for development and investment initiatives. However significant risk arises from high debt accumulation that can result in adverse impact, undermining economic growth and may lead to a financial crisis. Excessive reliance on borrowing contributes to account deficits, results to payment crises and macro-economic instability in the economy. Developing economies should consider alternative approaches to mobilize resources for economic development. The fundamental principle to overcoming the debt burden of developing economies is by addressing the root cause of the problem, addressing the conditions that cause the developing countries to borrow and lead to increasing over dependency on debt. This shift is essential for developing economies to experience sustainable growth patterns.

## BIBLIOGRAPHY

1. Ellmers, B. (2016) *The Evolving Nature Of Developing Country Debt And Solutions For Change*. A Eurodad Discussion Paper: <https://eurodad.org/files/pdf/1546625-the-evolving-nature-of-developing-country-debt-and-solutions-for-change-1474374793.pdf>. (Accessed: 12 Feb 2020).
2. M. Ayhan Kose, Nagle P., Ohnsorge F. & Sugawara N. (2020) *Global Waves of Debt: Causes and Consequences. Advance Edition*. World Bank. Washington, D.C. License: Creative Commons Attribution CC BY 3.0 IGO.
3. Berensmann, K. (2019) *Poor Debt Management, Low Government Revenues. Why Developing Countries Are Facing A Renewed Debt Crisis*. German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE). [https://www.die-gdi.de/uploads/media/German\\_Development\\_Institute\\_Berensmann\\_11.02.2019.pdf](https://www.die-gdi.de/uploads/media/German_Development_Institute_Berensmann_11.02.2019.pdf). (Accessed: 6 Feb 2020).
4. Dioikitopoulos, E. & Koutsampelas, C. (2015) *Growing The Economy Without Debt: Possibility Or Wishful Thinking?* <http://www.ekathimerini.com/203507/article/ekathimerini/comment/growing-the-economy-without-debt-possibility-or-wishful-thinking>. (Accessed: 12 Feb 2020).
5. Hawkins, P., Blankenburg, S. & Kozul-Wright, R. (2019) *Current Challenges To Developing Country Debt Sustainability*. United Nations Conference on Trade and Development.
6. International Monetary Fund (2002) *Assessing Sustainability*. <https://www.imf.org/external/np/pdr/sus/2002/eng/052802.pdf>. (Accessed: 6 Feb 2020).
7. United Nations (2015) *Addis Ababa Action Agenda of the Third International Conference on Financing for Development*. United Nations, New York: 2015. [https://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA\\_Outcome.pdf](https://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf). (Accessed: 4 Feb 2020).
8. United Nations (2019) *Inter-agency Task Force on Financing for Development, Financing for Sustainable Development Report 2019*. United Nations, New York: 2019. <https://developmentfinance.un.org/fsdr2019>. (Accessed: 6 Feb 2020).

9. World Bank (2019) *Debt Sustainability*. <https://www.worldbank.org/en/topic/debt-sustainability> (Accessed: 12 Feb 2020).
10. World Bank (2020) *Global Economic Prospects, January 2020: Slow Growth, Policy Challenges*, World Bank. Washington, DC: DOI: 10.1596/978-1-4648-1468-6. License: Creative Commons Attribution CC BY 3.0 IGO.
11. World Bank (2020) *Global Growth*. <https://www.worldbank.org/en/news/press-release/2020/01/08/modest-pickup-in-2020-amid-mounting-debt-and-slowing-productivity-growth> (Accessed: 12 Feb 2020).

Oliver Okello is a current DBA candidate at EU Business School, Geneva Campus.



---

# WHAT IS THE EUROPEAN UNION'S DATA THEFT AND DATA FRAUD POLICY AND HOW CAN IT BE IMPROVED?

---

*Delini Jayatilaka*

**ABSTRACT:** *This paper is about the European Union's data theft and data fraud policy and how it can be improved by examining and analyzing the European Union's (EU) General Data Protection Regulation (GDPR) policy and its implementation through the European Union Data Protection Supervisor (EDPS). The paper identifies the issue, scale and cost of data theft and data fraud, potential gaps in the GDPR, and proposes technology and non-technology (legal and process) solutions and recommendations to help further strengthen the GDPR. The data protection recommendations and solutions include comprehensive data encryption of computer databases and transmitted data, and providing EU citizens with the legal mechanisms and software tools to assist them with the ability to identify and delete retained data being held unlawfully on them by public and private institutions.*

**KEYWORDS:** data theft, data fraud, GDPR, data protection, data encryption, EDPS.

---

The World Economic Forum identified in its 2019 global risk landscape report that data theft<sup>1</sup> and data fraud<sup>2</sup> as the 4<sup>th</sup> most likely risk to occur and the related risk of cyberattacks<sup>3</sup> as the 5<sup>th</sup>; bringing technology risk issues into prominence as global risks (WEF, 2019: 3).

Both risks are assessed as high global impact with data theft and fraud as the 8<sup>th</sup> most impactful resulting in a breakdown of critical information infrastructure; and cyberattacks as the 7<sup>th</sup> most impactful resulting in large cybercrime<sup>4</sup> (WEF, 2019: 3).

---

<sup>1</sup> Definition of Data Theft – the deliberate stealing of personal, company or government data for fraud, misuse or monetization through unlawful means.

<sup>2</sup> Definition of Data Fraud – the theft of data through computer hacking, email worms, or phishing to gain the personal, company or government data to conduct a fraud for monetization of the data or stealing of financial or online assets.

<sup>3</sup> Definition of Cyberattacks – usual high impact attacks over the internet or large computer networks that deploy malware, computer viruses, DOS attacks – Denial of Service attack, or DDOS – Distributed DOS that incapacitates private or public internet and telecommunications infrastructure in a country, geographic region or globally.

<sup>4</sup> Definition of Cybercrime – the stealing of valuable data of millions of people, their money, and other financial assets, where the theft of the data can result in fraud such as identity theft

As data theft and fraud is a critical global risk issue that has a high impact on critical global information infrastructure which often results in many global cyberattacks and cybercrimes; this risk needs to be analyzed with its whole end-to-end data protection mechanism and process in mind (WEF, 2019: 3).

The European Union (EU) and its European Commission (EC) has GDPR – General Data Protection Regulation - considered by many to be the gold standard with global best practices for tackling the global risk of data theft and fraud with a strong data protection policy and legislation (EDPS, 2019).

Hence, this paper will examine and analyze the GDPR policy and its implementation, identify the potential gaps, and propose recommendations and solutions to strengthen it, by proposing the question, “What is the European Union’s data theft and fraud protection policy and how can it be improved?”, with regard to the data theft and fraud risk identified in the WEF Global Risk Report 2019 (WEF, 2019: 3).

### **RESEARCH TITLE AND TOPIC**

This section consists of the main research title and topic, “*What is the European Union’s data theft and fraud protection policy and how can it be improved?*”, with the following detailed research questions posed to help flesh out, illuminate and answer the main research topic:

- What are some examples of data theft and fraud and what is the scale of the issue?
- What exactly is the EU’s data theft and fraud protection policy called GDPR; where does it reside?
- Who is responsible for GDPR and what is their authority?
- What are GDPR’s investigation, prosecution and enforcement processes?
- What is the the supportive legislation, tools, and software for GDPR?
- What and where are gaps in the EU’s data theft and fraud protection policy – the GDPR?
- What are the areas for improvement at an individual citizen level, a government, security services or government bodies level, and a large publicly listed or private company including Multi-National Company (MNC) and Trans-National Company (TNC) level?

### **SUMMARY OF EU’S DATA THEFT AND FRAUD PROTECTION POLICY**

The EU’s main protection policy to combat data theft and fraud risk is the GDPR – a comprehensive policy to provide data theft and fraud protection to EU citizens and its 28 member countries (EDPS, 2019). GDPR is rooted in specific EU legislation created from 2 fundamental distinct human rights laws - the freedom and right to be free and the right to privacy – when the European Union was created in 2001 (EDPS, 2019).

The specific GDPR legislation was created in 2016 in the European Parliament to strengthen its citizens’ rights, and to control the privacy of their own personal data (EDPS, 2019). The GDPR is a



comprehensive policy that resides in and is embedded within the European Commission Migration & Home Affairs Director-General organization<sup>5</sup> with its own department and authorized EU wide supervisor specifically for data theft and fraud protection (EDPS, 2019).

The EDPS operates within a larger framework to combat Cybercrime with a separate Cybersecurity strategy, tools, software, technology research unit and an investigation and enforcement process to support its endeavors (EDPS, 2019).

**The Scale and Examples of Data Theft and Fraud**

At least 80% of European firms have experienced at least 1 cybersecurity theft of their data or trade secrets, according the PwC information security study (PwC, 2017). There are numerous examples of significant data breaches that have resulted in very large data theft and fraud. (Armerding, 2018)

**Table 1** below lists the most significant and largest data breaches to date (Armerding, 2018). The most notable for its scale and breath are:

1. Yahoo, had 3 billion accounts breached by a suspected state actor between 2013 to 2014
2. Equifax, one of the world’s largest credit bureaus had 143 million accounts including credit history stolen in 2017
3. Marriott International had 500 million client accounts breached with personal data and passport information stolen between 2014 to 2018, but not discovered until 2018
4. US Office of Personnel Management had 22 million current and former US federal employees data stolen

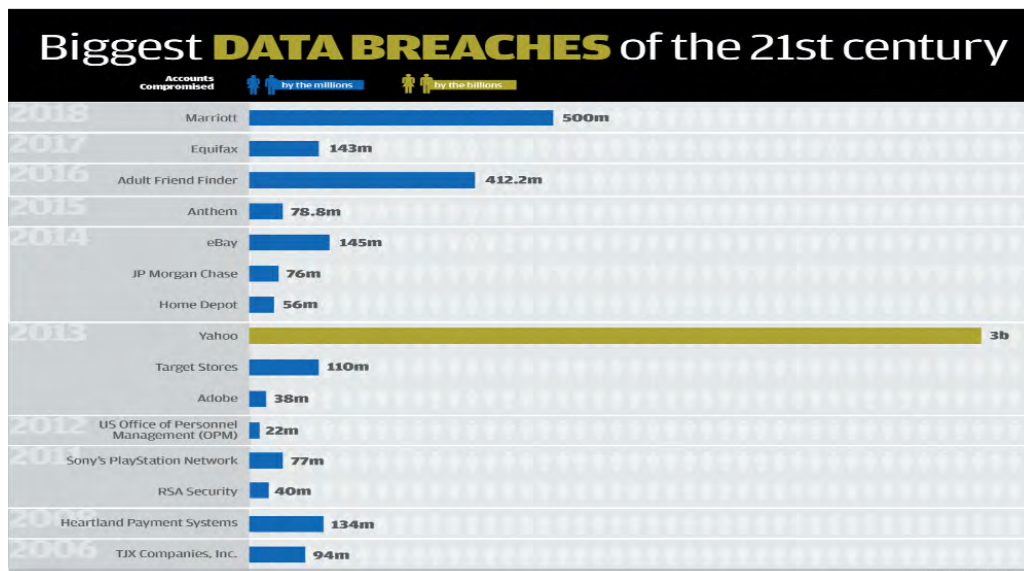


Figure 1. Largest Data Breaches of the 21<sup>st</sup> century Source: Armerding, 2018, CSO/IDG Communications.

<sup>5</sup> Director General of the EC in charge of policy area known as the ‘Migration & Home Affairs’ whose policies are on all activities necessary for economic, cultural, and social growth of the EU. The EDPS sits as a department within this organization structure reporting to the Director General. (EDPS, 2019)

### Economic Cost of Data Theft and Fraud

To demonstrate the economic costs of data theft and fraud in the form of data breaches, the Ponemon Institute for IBM studies data breaches across 17 industries and 16 geographies in over 500 organizations (Ponemon Institute, 2019). The study found that the average cost of a data breach across the organization was on average US\$ 3.92 million, with the United States having the highest cost at US\$ 8.19 million (Ponemon Institute, 2019).

The average number of data records breached was 25,575. The data breaches result in “devastating financial losses and affects the reputation for years to come” with the “loss of business to regulatory fines to remediation cost and has far reaching consequences” for the organization (Ponemon Institute, 2019).

### Examples of the Scale of Regulatory Breaches and Fines

According to DLA Piper, there have been an estimated of 59,000 data breaches reported in Europe under GDPR since its inception from May 2018 to February 2019, with the Netherlands, Germany and United Kingdom, logging the most data breaches (DLA Piper, 2019). There have been 91 GDPR fines during the abovementioned period with Google being fined 50 million Euro by France’s data protection authority, GNK for processing personal data without the knowledge of its users (Bank info security, 2019). The scale of the data breaches is illustrated in Table 2 below (DLA Piper, 2019).

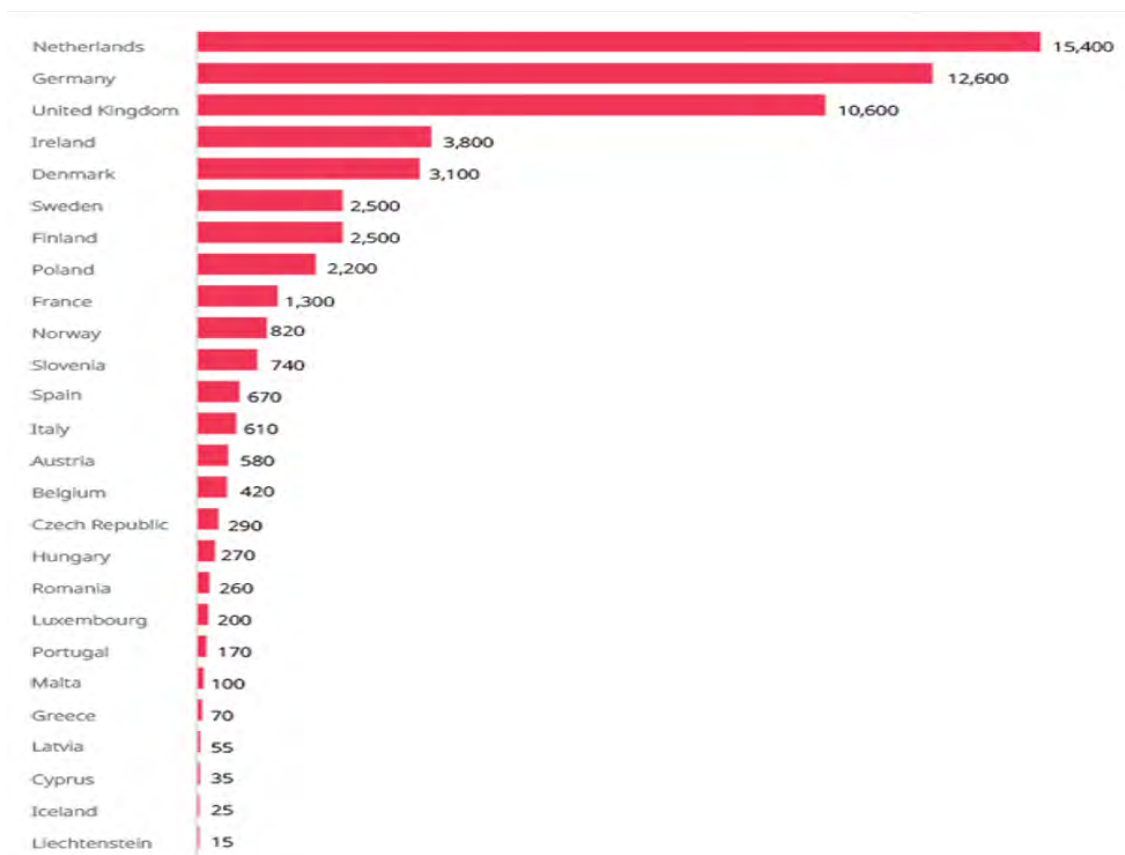


Figure 2. Number of Data Breaches in Europe between May 2018 to Feb 2019. Source: DLA Piper count estimate of GDPR data breaches.

**What is the GDPR – EU’s Main Data Theft and Fraud Policy?**

The GDPR “is the most comprehensive and progressive piece of data protection law legislation in the world”, that was adopted by the “EU as a new legal framework in April 2016, along with the Data Protection Directive for the law enforcement and policing” and is in response to the realities of the global ubiquitous presence of data in the internet (EDPS, 2019). The GDPR includes legal protection for individuals citizens and for organizations processing the citizens’ data, and is “applicable to organizations and companies not only in the EU but also outside the EU if it provides goods and services to the EU” (EDPS).

The GDPR has the following key pieces of legislation:

1. A regulation on data protection (679/2016), named GDPR that came in law on on May 25th, 2018. (EDPS, 2019)
2. A directive (680/2016) for data protection for police and justice that came into effect on 6th May, 2018. (EDPS, 2019)
3. EU regulation (2018/1725) on what EU institutions can do with regard to retaining and processing its citizens data and the creation of the legal authority and office of the European Data Protection Supervisor (EDPS, 2019)
4. ePrivacy Data 58/EC regulation on how internet and telecom companies must handle data (EDPS, 2019)

To illustrate the readiness of the GDPR by country and the extent to which much is still to be done; Table 3 below shows a global map of it (Cisco, 2019: 4).

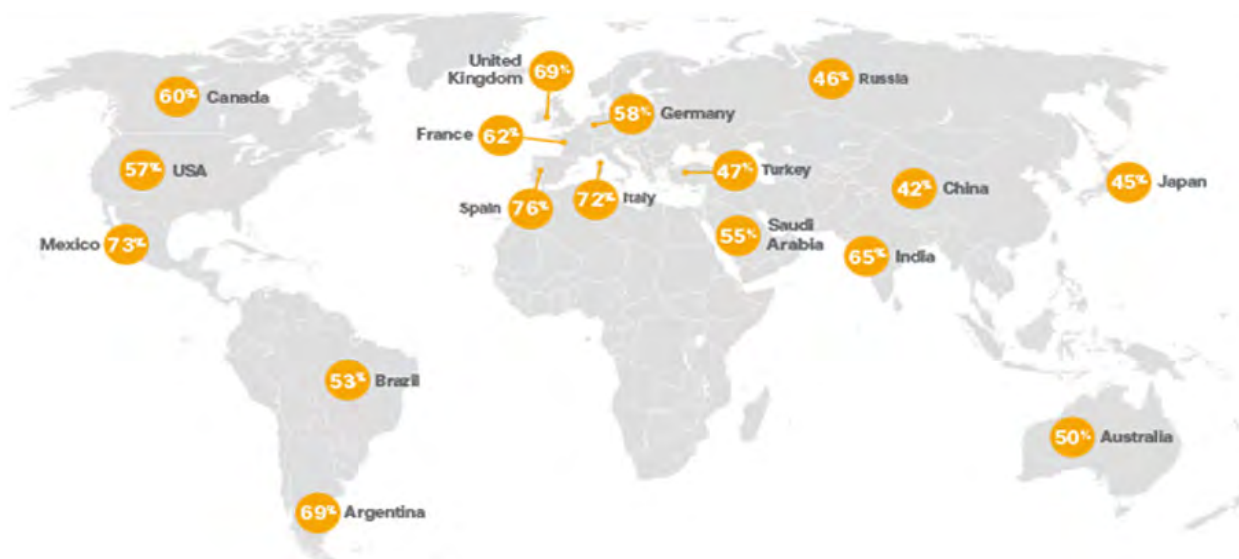


Figure 3. Data Privacy Benchmark Study - Readiness. Source: (Cisco, 2019: 4)

### **EU's Authority - European Data Protection Supervisor (EDPS)**

The European Union's legal authority on data protection and privacy, the EDPS, is "responsible for data theft and fraud protection with budget resources and a high-level policy framework to combat cybercrime" (EDPS, 2019). The EDPS has supervisory authorities and independence legislated in law, deals with and provides international data protection, and has to balance the legal rights of its citizens between security, privacy and data protection (EDPS, 2019). According to the EDPS, data protection is about protecting an individual living person's personal data – name, date of birth, photos, videos, email, telephone number, IP address and communication and the transmission of that data (EDPS, 2019).

GDPR includes how precisely data is used and stored and that everyone has a right to privacy (EDPS, 2019). According to the EDPS, the main data protection issues are:

1. Data Quality – not to process more personal data than is necessary and only what is required
2. Right of information – in anti-fraud procedure, the accused must be able to access their data and know how it is being processed
3. Right of Access – citizens rights to access their data that is processed
4. Retention of data – law says its not lawful to keep information indefinitely
5. Data Security – proper protection for personal data

### **Record GPRP fines to date**

The record GDPR fines to date for the 2 largest breaches were levied by the country specific data protection commissions, part of the EDPS, are as follows:

- British Airways for 205 million Euros or 1.5% of its worldwide revenue in 2017 for 500,000 customers personal, passport and credit card data being stolen (CMS Legal 2019).
- Marriott International for 110 million Euros for 30 million European Union's citizens data being stolen (CMS Legal, 2019).

### **Software Tools for EDPS**

Besides providing legal and supervisory authority, the EDPS developed 'website evidence collector' software that received the Global Privacy & Data Protection Award for innovation (EDPS, 2019). This software developed by EDPS IT Policy Unit is to support the EDPS inspectors of EU websites and consists of open source software tools to gather evidence on personal data operations on internet websites (EDPS, 2019). Other parties can use the software to carry out their own website inspections. It allows the collections of evidence relating to cookies, the secure transfer of data, requests of third-party companies and employing a method that is a valuable tool and allows the EU data protection supervisors to approach enforcement (EDPS,2019).

## CRITICAL ANALYSIS OF GDPR AND OBSERVED GAPS IN GDPR

While GDPR is really world class and provides the best data protection for its EU citizens, it is really a 1<sup>st</sup> step of the EU and governments trying to deal with the vast amount of data being collected and retained for commercial use and monetization. Current technology enables non-Government entities – large and small public and private companies - the ability to conduct unprecedented surveillance of EU citizens by collecting and retaining all sorts of data, mostly for monetization of this data without any real tools or processes for EU citizens to prevent the vast collection of data by these firms or the even the state, despite the GDPR providing strong legal human rights law and data protection for EU citizens. In light of this, here are some observed gaps and potential pitfalls with the current legislation and implementation of the GDPR as follows:

1. A top down policy approach rooted in legislation of ancient rights of freedom and privacy and not bottoms up approach to address specific critical issues and crimes such as identity theft.
2. Steeped in law and regulation that is recent, but is behind the technology mega caps like Google, Apple, Facebook and Amazon who are much more advanced in their use of personal data, tracking, surveillance, storage and monetization of a person's data.
3. Being proposed to be updated in 2019 with new enhanced regulation and legislation to provide more data protection and privacy but is not yet adopted by the EU (EDPS, 2019).
4. Will need to continually evolve rapidly as technology accelerates exponentially at an ever increasing rate for huge realtime data collecting technologies such as Artificial Intelligence (AI), Internet of Things (IOT), 5G – new technologies that will have a massive real-time ability to track, surveil, limit and terrorize its citizens all while collecting and storing large amounts of data forever.
5. Is not citizen centric as it does not have a useful or practical way to assist its citizens as it does not provide a mechanism or process for them to find out what data is stored about them, where, and how are they able to get it deleted in a central process or place or even if they have the legal authority to do so.
6. Appears to be in conflict with what many of the states in the EU do to collect and retain on its citizens - by its governmental departments, and megacap tech firms such as Facebook and Google, and its laws have not been fully tested in the courts yet by its citizens against their government departments, private and public companies and public institutions.
7. A policy, regulatory and legal framework developed based on human rights laws and convention, GDPR does not have a technology, process, or practical and pragmatic approach to assist individual citizens to navigate to find out what data is being retained, how is it being used, and how to request it to be deleted in large global tech companies such as Facebook, Google, Apple, their own government entities, large public and private firms or public institutions. The EU citizens also have no way of knowing what, how and where the data about them are being made available to 3<sup>rd</sup> parties, thereby increasing the potential for their data to be more hackable in the hands of 3<sup>rd</sup> parties entities from the lack of advance technology solutions such as lack of proper encryption of the electronic transportation or communication of the data, and lack of proper encryption of the actual data in the computer database.



8. A narrow tunnel vision approach with an enforcement, policy, law approach with only a software tool to assist on website collecting data but no software tool or website to help EU citizens to navigate the illegal retention and selling of their data by companies large Tech companies – which then also buys data available from 3<sup>rd</sup> parties on the citizens – property location, their work data – to build a picture of the citizens that they use for advertising thereby monetizing the EU citizen's data
9. GDPR has no rights or acknowledgement that data is a valuable asset owned by the citizen with a right to demand compensation for the retention and selling of their data by the firms that are collecting the data and also from 3<sup>rd</sup> parties who gather it and sell the data commercially to monetize and profit from it
10. GDPR has not stopped major cybercrime or cyberattacks enabling criminals to steal the EU's citizens' data because the regulation does not prescribe technology standards of encryption of the data to protect the data while being stored in the computer databases, or while being transfer through the telecommunications and internet infrastructure, nor limit the use and retention of the data making it near impossible for individual citizen to actually have control of their privacy, life and data about themselves held in vast computer systems, and databases worldwide

### **RECOMMENDATIONS – HOW CAN THE EU'S GDPR POLICY BE IMPROVED?**

The table below summarizes the recommendations on how the EU's GDPR can be improved and further strengthened. The recommendations looks at the 3 key stakeholders – Individual EU citizens, large public organizations such as governments, and government bodies, and large publicly listed and private firms such as MNCs, TNCs, and the global megacap tech firms such as Apple, Amazon, Google, Microsoft, Facebook - to identify the most relevant data theft or fraud issues associated with each stakeholder.

It then identifies what the gap is with the current GDPR for the identified issue and proposes technology and non-technology solutions to cover the gap and strengthen the GDPR.

Table 1: Recommendations to strengthen the GDPR

Stakeholder	Data Theft or Fraud Issue	Gap with GDPR	Proposed Technology & Non-Technology Solution
<p>Individual Citizen</p> <ul style="list-style-type: none"> <li>• Personal Data held by Government or government bodies</li> <li>• Consumer data held by public or private company</li> <li>• Data held by governmental and non- government public institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Collection of too much data</li> <li>• Collection of unnecessary data</li> <li>• Storage or retention of too much data</li> </ul>	<p>No easy method of citizens to know what, how much and where data is held by the various organizations and for how long</p>	<ul style="list-style-type: none"> <li>• Clear and simple Freedom of Information (FOI) mechanism and process for citizen to find out what and how much data is withheld so that the ‘Right to be Forgotten’ can be easily implemented</li> <li>• Mandated software or App provided by large private, public and governmental organization to simplify the request to delete the data or enable the right to be forgotten</li> </ul>
<p>Individual Citizen</p>	<ul style="list-style-type: none"> <li>• Theft of Data</li> <li>• Identify Theft as a result of stealing data</li> <li>• Fraud through Phishing or Email Worm</li> </ul>	<p>GDPR does not prevent the theft of data or identity theft, or fraud through various technology entry points of Data Phishing, Email Worms</p>	<ul style="list-style-type: none"> <li>• GDPR needs to strengthen the regulation and require technology solutions that encrypts the data in the actual database and during electronic communications to minimize the ability of cyber criminals, unfriendly state actors and other 3<sup>rd</sup> parties to illegally access the data, modify or delete the data from government, public and private companies and institutions</li> <li>• GDPR to mandate anti-virus, anti-spyware, data encryption, and data protection software on every electronic device sold and for the electronic transmission of all data through public, private, local and international telecommunication networks and internet service providers</li> <li>• GDPR to outlaw and mandate Data Phishing, Email Worms are criminal activity</li> </ul>

Table 1: Recommendations to strengthen the GDPR (cont.)

Stakeholder	Data Theft or Fraud Issue	Gap with GDPR	Proposed Technology & Non-Technology Solution
<p>Large Public &amp; Private Organizations as follows:</p> <p>Governments, Government Bodies</p> <p>Large public listed &amp; private companies – MNCs, TNCs</p> <p>Global Megacap Tech firms - Google, Facebook, Amazon, Apple, Microsoft</p>	<ul style="list-style-type: none"> <li>• Stolen data</li> <li>• Hacking</li> <li>• Worms</li> <li>• Phishing</li> <li>• DOS (Denial of Service) or Distributed DOS attacks</li> </ul>	<p>GDPR does not prevent the theft of data or identity theft, or fraud through various technology entry points</p>	<ul style="list-style-type: none"> <li>• GDPS and EDPS to mandate mandatory computer, IT and electronic encryption standards and technology to minimize hacked and stolen data</li> <li>• EU to fund research into new technologies and processes to counter stolen and hacked data, Email Worms, Phishing, DDOS cyberattacks</li> </ul>
<p>Large Public &amp; Private organizations as follows:</p> <p>Governments &amp; Government bodies</p> <p>Large publicly listed and private companies</p> <p>Large MNCs and TNCs</p> <p>Megacap Tech companies like Google, Amazon, Apple, Facebook, Microsoft</p>	<ul style="list-style-type: none"> <li>• Biometric data</li> <li>• Facial Recognition</li> <li>• Online and location surveillance of PCs and mobile phones and other devices</li> <li>• 5 G</li> <li>• Internet of Things</li> </ul>	<p>Does not address these data technologies or how to tackle the safety of data it retains</p>	<ul style="list-style-type: none"> <li>• GDPS and EDPS to adopt minimum electronic encryption standards and how long this data is to be retained and define ownership of this data. Recommend that data must be deleted after 5 to 7 years similar to financial data and records</li> <li>• Determine EU citizen’s right to benefit and monetize their data</li> <li>• EU to fund research into new technologies and processes to counter misuse of realtime massive surveillance of its citizens and their data</li> </ul>

**CONCLUSION**

In summary, the European Union has the world’s most advanced and comprehensive data protection and fraud policy – the General Data Protection Regulation (GDPR) that it launched in May 2018 - to combat the very serious global risk of data theft and fraud.

Inspite of GDPR’s comprehensiveness, there are significant gaps with its lack of required anonymizing of data and its lack of required encryption for personal data retained in computer databases and via electronic transmission of this data. There is also no central process, EU wide department or any software to help EU citizens with the ability to identify, seek out and delete the data held unlawfully by hundreds of companies. This paper recommends that these gaps be closed as quickly as possible by strengthening and improving GDPR by mandating the encryption of all retained and transmitted data.



With an eye on the evolving technological and big data landscape, this paper also recommends that GDPR be rapidly updated to combat the commercial and technology monopolistic activities of the world's global megacap tech firms of such as Google, Facebook, Amazon, Microsoft and Apple, one of which has already violated the GDPR with record fines imposed.

### BIBLIOGRAPHY

1. Armerding, T. (2018) *The 18 biggest data breaches of the 21st Century*. CSO/IDG Communications. <https://www.csoonline.com/article/2130877/the-biggest-data-breaches-of-the-21st-century.html> (Accessed: Nov 1 - 5, 2019).
2. Cisco Cybersecurity Series (2019) *Data Privacy Benchmarking Study*. p 4. [https://www.cisco.com/c/dam/en\\_us/about/doing\\_business/trust-center/docs/dpbs-2019.pdf](https://www.cisco.com/c/dam/en_us/about/doing_business/trust-center/docs/dpbs-2019.pdf) (Accessed: Nov 1 -5 , 2019).
3. CMS Legal (2010) <http://www.enforcementtracker.com> (Accessed: Nov 1 -5, 2019).
4. DLA Piper (2019). *Bank Info Security*. Available at: <https://www.bankinfosecurity.com/gdpr-data-breach-reports-to-eu-exceed-59000-a-12006> (Accessed: Nov 1 - 5, 2019).
5. Bank Info Security (2019) <https://www.bankinfosecurity.com> (Accessed: Nov 1 - 5, 2019).
6. European Data Protection Supervisor (EDPS) (2019) <https://www.edps.europa.eu> (Accessed: Oct 19 – Nov 5, 2019).
7. European Economic & Social Committee (2019) <http://eesc.europa.eu> (Accessed: Oct 19 – Nov 5, 2019).
8. Ponemon Institute (2019) *IBM Security Cost of a Data Breach Report*. <https://www.ibm.com/security/data-breach> (Accessed: Nov 1 - 5, 2019).
9. PwC (2017) *The Global State of Information Security Survey 2017*. Available at: <https://www.pwc.com/gsis2017> (Accessed: Nov 1 - 5, 2019).
10. World Economic Forum (2019) *The Global Risks Report 2019: The Global Landscape of 2019*, 14<sup>th</sup> Edition, pp. 3-4.

Delini Jayatilaka is a current DBA candidate at EU Business School, Geneva Campus.

---

# CAN MULTICULTURALISM BE AN OPPORTUNITY OR A PITFALL FOR BUSINESS ETHICS?

---

*Sofia Bakirli*

**ABSTRACT:** *Multicultural workforce and business ethics are interconnected. Due to globalization, employees' mobility has been increased and international companies must tackle issues related to ethical behaviour. Models of national culture provide the framework for cultural dimensions among different regional clusters and describe the effects of culture on the society members. However, to understand in depth the impact of the multicultural labour force on workplace and on business ethics, it must be explored the behaviours in the work environment and the developed by the corporate management ethical strategies. This article argues that the work experience affects the multicultural workforce to decide and behave ethically. It concludes that the multicultural workforce influences the ethical strategies designed by corporate management.*

**KEYWORDS:** multicultural workforce, business ethics, corporate management, national culture, strategies.

---

In our globalized communities, people move from one country to another, under different socio-political and economic circumstances (Collins, 2005; Stone, 2005). The labour force as a decisive production factor brings into the host countries its own cultural characteristics, which by extension are being transferred into the workplace. Expats and immigrants create the global pool of candidates, recruiters in the tech sphere look for the most suitable candidates regardless of the country of origin but based on competences, and the challenges in business ethics are topical phenomena worldwide.

According to Bingham *et al.* (2000), major global competencies such as local responsiveness and appreciation of diversity refer to global mindset and cross-cultural leadership, both connected on how to influence others. Multicultural companies, like Procter & Gamble, Novartis, and McKinsey, create computerized talent inventories to support their talent development in emerging markets like China, India, or Eastern Europe (Fitzsimmons, 2013). The scope is to attract high-potential employees and to increase their profitability when at the same time they look for the right balance between global standardization and local implementation (Eddy *et al.*, 2006).

Multicultural individuals develop unique skills and abilities, and multiculturalism is more than

a cognitive phenomenon (Lücke *et al.*, 2014). Regarding their ethical behaviour at a workplace, the arising question is if the level of integration remains one of the factors for unlucky perceived beliefs. Studies show that employees with internalized multiple cultural identities and a variety of abilities turn to have expanded behaviour repertoires, better developed social interactions, and power dynamics in the group (Lücke *et al.*, 2014). Additionally, wage satisfaction, organizational commitment, opportunities for future development, and cultural identity model the ethical framework for moral reasoning (Peterson, 2003; Husted *et al.*, 1996).

## MULTICULTURAL WORKFORCE AND CODE OF ETHICS

In multicultural business communities, individuals value tolerance and they demonstrate social interaction. In cross-cultural communities, there is reaching across boundaries, people build bridges of relationship and are open to share and change. The deeper models of communities are called intercultural. In this model, the daily interactions are defined by mutuality, respect, equality, reciprocity, diversity, and acceptance. Additionally, in intercultural communities, co-workers promote ethical behaviour based on culture (Robinson, 1985).

Ethics is a code of behaviour that society considers moral and appropriate for guiding relationships with one another. Ethics involve judgments as to good or bad, right and wrong, and what should be done (Mondy & Martocchio, 2015). Business ethics are the accepted principles of right or wrong governing the conduct of businesspeople (Mondy & Martocchio, 2015). It is a quite often phenomenon the existence of ethical dilemmas in the workplace, with some of them to end up in a scandalous situation due to unethical decision-making. What is *ethical* in business for an Egyptian, but *unethical* for a German (Sayed *et al.*, 1997)? How do companies deal with different perspectives on morality and how do they do business internationally?

One of the latest ethical scandals is Facebook's case (The Guardian, 2018). In 2018, much of the platform's personal information was harvested by Cambridge Analytica without authorization by the users. The public was demanding answers from the owner and vacillating over whether to characterize the situation an unethical behaviour. On top of that, Facebook was often accused of violating religious principles and human rights (Lehavot *et al.*, 2012)

There are many cases related to business ethics, with employees from all over the globe, a major influence on social media, and examination from different perspectives (Hoffman *et al.*, 2014). The challenge in ethical issues in companies with a multicultural workforce is to see through the cultural lenses and apply the best suitable multiculturalist tactic.

One way to understand ethical behaviour in business across cultures is to see how different people resolve ethical dilemmas, which is similar to problem-solving processes. As for understanding and measuring the ethical workplace culture, it is required to assess the culture's building blocks, fairness, motive-based trust in managers, compliance, and the ethical working self-concept (Kaptein, 2009).

## THE IMPACT OF NATIONAL CULTURE

The elements of culture are language and communication, religion, dress, food and feeding habits, time consciousness, relationships, values and norms, learning processes, and work habits (Hofstede & Usunier, 1999). According to the Iceberg model, the norms and values are the invisible part of one's cultural background; like the iceberg's part below the surface of the sea (Schein, 2004). In the work environment, even though the colleagues and clients are able to recognize cultural differences or similarities among each other, related to behaviour or dress code or customs, they are not able to understand and decode the beliefs and perceptions among them. That implies improved interpersonal and cultural skills.

Hofstede's theory illustrates the differences between cultural clusters and presents the cultural dimensions of the national culture. Employees coming from individualistic or collectivistic countries, from countries with a long-term or a short-term orientation, with high or low level of power distance, masculine or feminine culture, a restrictive or an indulgent nation, a society comfortable to understand newly occurred situations or not (Hofstede *et al.*, 2010). These six dimensions refer to the independence of members, the notion of preparing any plans, the level of which people accept the unequal distribution of power in society, the competitiveness, the freedom in life, the tolerance for uncertainty. In the case of immigrating to a new country, which has familiar dimensions with one's home country, there will be less struggle to understand the new norms and beliefs. In a different case, individuals strive to integrate themselves both in the local community and workplace due to the cultural differences. These differences are potentially responsible for unethical behaviour, for the difficulty in composing a code of business ethics, for decision-making and negotiations (Ergeneli, 2005). The impact of national culture is unconscious, but its investigation brings into the proscenium the basic elements that shape the business ethics (Schein, 2004).

A research study reports that managers, who better understand the links of national culture to ethics management, can build more effective corporate ethical strategies. And this is due to the extent to which the less powerful members of organizations within a country expect and accept that power is distributed unequally (MacNab *et al.*, 2007). A research analysis of 2700 companies in 24 countries found out that the governance of bribery and corruption, the human rights policies and the code of ethics in firms, are significant factors in the employees' ethical behaviour at a multicultural environment (Scholtens & Lammertjan, 2007). Companies which pursue knowledge on cultural ethics appear to be better equipped in establishing an effective agenda of corporate social responsibility, when referring to employees in diverse national business environments (Kirkman *et al.*, 2006; Lee & Peterson, 2000).

## INTERNATIONAL WORK EXPERIENCE AND ETHICAL BEHAVIOUR

International experience has a multifaced nature depending on different dimensions, like cultural or domain tasks (Selmer, 2002). Studies have shown that control variables, such as gender, age, individual values, and management experience, have an impact on ethical behaviour in any workplace (McCabe *et al.*, 2006; Forte, 2004; Sullivan, 2004).

Despite the little empirical research on the relationship between international experiences and

ethical behaviour, there is evidence on how international experiences change one's social-cultural adaptivity (Townsend & Wand, 2007), extroversion, foreign language ability (Isoda, 1999), and enhanced growth in moral reasoning (Dermberry & Thoma, 2000). Vincenti's study (2001) discovered that international students or employees with intercultural experiences have increased understanding and acceptance of other cultures, respect to colleagues, and they become progressively more service oriented.

Research conducted on managers with multicultural experiences demonstrated a high level of their moral development in the workplace (Lin, 2009). Potential ethical issues involve human rights, corruption, employment policies and practices, environmental regulations, and moral obligations, which might lead to ethical dilemmas or corporate scandals.

An empirical study on international business students showed a correlation between ethical perceptions and business ethics. Age, religion, gender, education level, and years of working experience are significant variables (Ho, 2010; Ho, 2011). It is interesting to investigate further the reasons behind this linked relationship, which are the cultural values that shape the ethical understanding.

### **ETHICAL BUSINESS STRATEGIES IN MULTICULTURAL COMPANIES**

Ethics impact various aspects of management and operations, including marketing, human resources, research and development, and corporate strategy. Management practices differ from culture to culture and local communities influence the relationship between employees and employers. Multicultural companies are called to handle local customs and values, to respond well to the needs of a diverse workforce. Organizations that ignore diversity are likely to face lawsuits and deal with demotivated employees (Lieber, 2009). Multiculturalism increases a firm's competitive advantage, productivity, and performance (Friedman, 2005), impacts on organizational sustainability (Lewis, 2002), and boosts creativity (Schwartz, 1999; Ferraro, 2001). On the other hand, a daunting challenge for the organization is the demand for quick adaptability and new work relationships, updated skills, experiences, and backgrounds (Flatley *et al.*, 2012).

The quality of a company's corporate social responsibility and ethical standards is tightly related to managerial ethics (Muller & Kolk., 2010; Chapple & Mon., 2005). Managers with international experience, the so-called returnees, demonstrate higher engagement in ethical strategies and corporate practices (Nonaka, 1994; Khan *et al.*, 2013; Gianetti *et al.*, 2015). Moreover, the relationship between the returnees' performance and ethical responsibility becomes even more significant when the company belongs in a competitive industry, and the manager has pursued academic studies (Stevens & Fleckenstein, 1999; Aguilera *et. al.*, 2006; Boulouta & Pitelis, 2014).

The obligation to provide customers with the product they're expecting, to deal honestly with customers, to ensure reasonable levels of workplace health and safety, to make an honest effort to build long-term share value, and to comply with environmental laws and industry best practices, are ethical obligations that also apply to multicultural environments (Hartman *et al.*, 2013). Furthermore, the variation of ethical management practices is attributed to the national legal system, as well as to the crucial role of the leaders/managers. The last ones are to be considered a base for dialogue and inspiration for the labour force's ethical performance. Additionally, managers contribute to the organizational codes of conduct, in the case of national firms that



create their corporate code of conduct. On the other hand, multinational companies follow a global code of conduct of external nature, due to business globalization, to address issues such as employee discrimination, bribes, intellectual property, gratuities, and proper use of company assets (OECD, 2018).

## CONCLUSION

The code of ethics in each company should not be myopic in how it addresses ethically oriented problems and opportunities when a large proportion of the workforce are foreigners in many financial centres in the world. Towards a global mindset, incorporating values and ethics in the employees' thinking, research, and practice stands crucial.

Fundamental ethical issues derived from ethical dilemmas negatively affect the overall organization on a long-term basis (DuBrin, 2008; Pleter, 2005). Examples related to corruption or to employment practices can differ between western and non-western countries. However, and despite the difficulties, the managers of transnational corporations ought to respond with alternative strategies without disrespecting the diversity of multiculturalism. The role of personality structure should not be also underestimated as an influential factor within the framework of a diverse business cultural context.

Research in the field of global business ethics can only benefit all involved sides, stakeholders, industry, human and labour capital, by providing insights and alternatives. It has the potential to become the motivator for the managers to reconsider their ethical strategies and, where necessary, to upskill their workforce. In that way, they could refer to economic growth within the framework of social justice and corporate social responsibility. Additionally, they will contribute to the improvement of understanding the role of multiculturalism in business ethical issues. As for the employees, this could trigger their motivation to upgrade their skills related to cultural awareness.

## BIBLIOGRAPHY

1. Aguilera, R. V., Williams, C. A., Conley, J. M. & Rupp, D. E. (2006) *Corporate Governance and Social Responsibility: A Comparative Analysis of The UK and the US*. *Corporate Governance: An International Review*, 14(3). pp. 147–158 [https://www.researchgate.net/publication/311946318\\_Doin\\_g\\_Good\\_Business\\_by\\_Hiring\\_Directors\\_with\\_Foreign\\_Experience](https://www.researchgate.net/publication/311946318_Doin_g_Good_Business_by_Hiring_Directors_with_Foreign_Experience) (Accessed: 16 Feb 2020).
2. Bingham, C. B., Felin, T. & Black, J. S. (2000) *An Interview with John Pepper: What it Takes to be aGglobal Leader*. *Human Resource Management*, 2(3). pp. 287–292.
3. Boulouta, I. & Pitelis, C. N. (2014) *Who Needs CSR? The Impact of Corporate Social Responsibility on National Competitiveness*. *Journal of Business Ethics*, 119(3). pp. 349–364 [https://www.researchgate.net/publication/311946318\\_Doin\\_g\\_Good\\_Business\\_by\\_Hiring\\_Directors\\_with\\_Foreign\\_Experience](https://www.researchgate.net/publication/311946318_Doin_g_Good_Business_by_Hiring_Directors_with_Foreign_Experience) (Accessed: 11 Feb 2020).
4. Chapple, W. & Moon, J. (2005) *Corporate Social Responsibility (CSR) in Asia: A Seven-Country Study of CSR Website Reporting*. *Business and Society*, 44(4). pp. 415–441. [https://www.researchgate.net/publication/311946318\\_Doin\\_g\\_Good\\_Business\\_by\\_Hiring\\_Directors](https://www.researchgate.net/publication/311946318_Doin_g_Good_Business_by_Hiring_Directors)

[with Foreign Experience](#) (Accessed: 16 Feb 2020).

5. Collins, H. (2005) *Flexibility and Stability of Expectations in the Contract of Employment*. *Socio-Economic Review*, 26(4).
6. Derryberry, W. & Thoma, S. (2000) *The Friendship Effect: Its Role in the Development of Moral Thinking in Students*. *About Campus*, 5(2). pp.13-18.
7. Donaldson, T. & Dunfee, T. W. (1994) *Toward a Unified Conception of Business Ethics: Integrative Social Contracts Theory*. *Academy of Management Review*, 19(2). pp. 252-284.
8. DuBrin, A. (2008) *Essentials of Management*. Cengage Learning, Inc., Boston, USA.
9. Eddy, J., Hall, S. J. D. & Robinson S. R. (2006) *How Global Organizations Develop Local Talent*. *McKinsey Quarterly*, 3. pp. 6-8.
10. Ergeneli, A. (2005) *A Cross-Cultural Comparison of Ethical Behaviour in Business Related Dilemmas: A Comparison among Turkish, Egyptian, Kirghiz and Kazak Marketing Employees. Problems and Perspectives in Management*, 3(2). <https://pdfs.semanticscholar.org/1d9d/d08afea2f4b8ff8c1a55d671bafefe7cd739.pdf> (Accessed: 03 Feb 2020).
11. Ferraro, G. P. (2001) *Global Brains: Knowledge and Competencies for the Twenty-First Century*. NC: Intercultural Associates, Inc.
12. Fitzsimmons, S. R. (2013). *Multicultural Employees: A framework for understanding how they contribute to organizations*. *Academy of Management Review*, 38(4). pp. 525-49.
13. Flatley, M., Rentz, K. & Lentz, P. (2012) *Business Communication*. (2nd ed.). New York: McGraw-Hill.
14. Forte, A. (2004) *Business Ethics: A Study of the Moral Reasoning of Selected Business Managers and the Influence of Organizational Ethical Climate*. *Journal of Business Ethics*, 51(2). pp. 167–173.
15. Friedman, T. L. (2005) *The World Is Flat: A Brief History of the Twenty-First Century*. New York: Farror, Straus and Giroux.
16. Giannetti, M., Liao, G. & Yu, X. (2015) *The Brain Gains of Corporate Boards: Evidence from China*. *Journal of Finance*, 70(5). pp. 1629–1682.
17. Hartman, L., Deslarding, J. & MacDonald, C. (2013) *Business Ethics: Decision Making for Personal Integrity & Social Responsibility*. (3rd edn.). New York: McGraw-Hill Education. Ch. 2,5.
18. Ho, Y-H. (2010) *Ethical Perception: Are Differences Between Ethnic Groups Situation Dependent*. *Business Ethics: A European Review*, 19(2). pp. 154-182. [https://www.researchgate.net/publication/227789069\\_Ethical\\_perception\\_Are\\_differences\\_between\\_ethnic\\_groups\\_situation\\_dependent](https://www.researchgate.net/publication/227789069_Ethical_perception_Are_differences_between_ethnic_groups_situation_dependent) (Accessed: 01 Feb 2020).
19. Ho, Y-H. (2011) *An Empirical Study on the Association between International Experiences and Ethical Perceptions*. *Journal of economics and behavioural studies*, 3(2). pp. 76-82. [https://www.researchgate.net/publication/268269262\\_An\\_Empirical\\_Study\\_on\\_the\\_Association\\_between\\_International\\_Experiences\\_and\\_Ethical\\_Perceptions](https://www.researchgate.net/publication/268269262_An_Empirical_Study_on_the_Association_between_International_Experiences_and_Ethical_Perceptions) (Accessed: 01 Feb 2020).



20. Hoffman, W.M., Frederick, E. R. & Schwartz, S.M. (2014) *Business Ethics. Readings and Cases in corporate morality*. (5<sup>th</sup> edn). John Wiley & Sons, Inc.
21. Hofstede, G. & Usunier, J-C. (1999) *Hofstede's Dimensions of Culture and their Influence on International Business Negotiations*. In: Ghauri, P. and Usunier, J-C. *International Business Negotiations*. Amsterdam: Pergamon. pp. 119–30.
22. Hofstede, G., Hofstede, G. J. and Minkov, M. (2010) *Cultures and Organizations*. (3<sup>rd</sup> ed). New York: McGraw-Hill.
23. Husted, B. W., Dozier, J. B., McMahon J. T. & Kattan, M. W. (1996) *The Impact of Cross-National Carriers of Business Ethics on Attitudes About Questionable Practices and Form of Moral Reasoning*. *Journal of International Business Studies*, 27(2). pp. 391–411.
24. Isoda, T. (1999) *A Study of Personality Change and English Proficiency: A Report on Japanese College Students in a One-Month English Intensive Program in America*. *Annual Review of English Learning and Teaching*, 4. pp.51-62.
25. Kaptein, M. (2009) *Ethics Programs and Ethical Culture: A Next Step in Unravelling their Multifaceted Relationship*. *Journal of Business Ethics*, 89. pp.261-281.
26. Khan, A., Muttakin, M. B. and Siddiqui, J. (2013) *Corporate Governance and Corporate Social Responsibility Disclosures: Evidence from an Emerging Economy*. *Journal of Business Ethics*, 114(2). pp. 207–223. [https://www.researchgate.net/publication/311946318\\_Doing\\_Good\\_Business\\_by\\_Hiring\\_Directors\\_with\\_Foreign\\_Experience](https://www.researchgate.net/publication/311946318_Doing_Good_Business_by_Hiring_Directors_with_Foreign_Experience) (Accessed: 16 Feb 2020).
27. Kirkman B.L., Lowe K.B. & Gibson C.B. (2006) *A Quarter Century of Culture's Consequences: A Review of Empirical Research Incorporating Hofstede's Cultural Values Framework*. *Journal of International Business Studies*, 37(3). pp. 285-320.
28. Lee S.M. and Peterson S.J. (2000) *Culture, Entrepreneurial Orientation, and Global Competitiveness*. *Journal of World Business*, 35. pp. 401-416.
29. Lehavot, K., Ben-Zeev, D. & Neville, E. R. (2012) *Ethical Considerations and Social Media: A Case of Suicidal Postings on Facebook*. *Journal of Dual Diagnosis*, 8(4). pp 341-346. DOI: [10.1080/15504263.2012.718928](https://doi.org/10.1080/15504263.2012.718928).
30. Lewis, J. (2002) *From Culturalism to Trans culturalism*. *Iowa Journal of Cultural Studies*, 1. pp.14-32. DOI: <https://doi.org/10.17077/2168-569X.1003>.
31. Lieber, L. (2009) *The Hidden Dangers of Implicit Bias in the Workplace*. *Employment Relations Today*, 36(2), 93. DOI: <https://doi.org/10.1002/ert.20254>.
32. Lin, C.Y. (2009) *Multicultural Experiences and Moral Development: An Empirical Study of Purchasing Managers*. *Social Behaviour and Personality: An International Journal*, 36(9). pp.1213-1222.
33. Lücke, G., Kostova, T. & Roth, K. (2014) *Multiculturalism from a Cognitive Perspective: Patterns and Implications*. *Journal of International Business Studies*, 45(2). pp.169-90.
34. MacNab, B., MacLean, J., Brislin, R., Aguilera, G. M., Worthley, R., Ravlin, E., et al. (2007) *Culture and Ethics Management: Whistle-Blowing and Internal Reporting within a NAFTA Country Context*. *International Journal of Cross-Cultural Management*, 7. pp. 5–28.

35. McCabe, A. C., Ingram, R. & Dato-on, M.C. (2006) *The Business of Ethics and Gender*. Journal of Business Ethics, 64(2). pp. 101–116.
36. Mondy, W. and Martocchio, J. (2015) *Human Resource Management*. (14<sup>th</sup> international edn). Pearson Education Limited.
37. Muller, A. & Kolk, A. (2010) *Extrinsic and Intrinsic Drivers of Corporate Social Performance: Evidence from Foreign and Domestic Firms in Mexico*. Journal of Management Studies, 47(1). pp. 1–26. [https://www.researchgate.net/publication/311946318\\_Doin\\_Good\\_Business\\_by\\_Hiring\\_Directors\\_with\\_Foreign\\_Experience](https://www.researchgate.net/publication/311946318_Doin_Good_Business_by_Hiring_Directors_with_Foreign_Experience) (Accessed: 11 Feb 2020).
38. Nonaka, I. (1994) *A Dynamic Theory of Organizational Knowledge Creation*. Organization Science, 5(1). pp. 14–37.
39. Organization for Economic Co-operation and Development (2018) *Guidelines for Multinational Enterprises*. <http://mneguidelines.oecd.org/guidelines/> (Accessed: 11 Feb 2020).
40. Peterson, M. F. (2003) *Culture's Consequences: Comparing Values, Behaviours, Institutions, and Organizations Across Nations*. Administrative Science Quarterly, 48(1). pp. 127–131.
41. Pleter O. T. (2005) *Business Administration*. (2<sup>nd</sup> edn). University Book Publishing House, Bucharest.
42. Robinson, G. L. N. (1985) *Cross Cultural Understanding*. Oxford: Pergamon.
43. Sayed, M., Elsayed, E. and Buda, R. (1997) *A Cross-Cultural Comparison of Value Systems of Egyptians, Americans, Africans and Arab Executives*. International Journal of Commerce and Management, 7(3). pp.102-119. DOI: <https://doi.org/10.1108/eb047358>
44. Schein, E. H. (2004) *Organizational Culture and Leadership* (3rd ed.). San Francisco: Jossey-Bass.
45. Scholtens, B. and Lammertjan, D. (2007) *Cultural Values and International Differences in Business Ethics*. Journal of Business Ethics, 75(3). pp. 273-284. <http://people.exeter.ac.uk/db309/Ethics/Journal%20of%20Business%20Ethics%20%20Cultural%20Values%20and%20International%20Differences%20in%20Business%20Ethics.pdf> (Accessed: 5 Feb 2020).
46. Schwartz, S. H. (1999) *Cultural Value Differences: Some Implications for Work*. Applied Psychology: An International Review, 48. pp. 23-47.
47. Selmer, J. (2002) *Practice Makes Perfect International Experience and Expatriate Adjustment*. Management International Review, 42. pp. 71-87.
48. Stevens, B. & Fleckenstein, A. (1999) *Comparative Ethics: How Students and Human-resources Directors React to Real-life Situations*. Cornell Hotel and Restaurant Administration Quarterly, 40(2). pp. 69-75.
49. Stone, K.V.W. (2005) *Thinking and Doing: The Regulation of Workers' Human Capital in the United States*. Socio-Economic Review, 26(4).
50. Sullivan, G. R. (2004) *Enhancing Public Trust in the Accounting Profession Using Professional Judgment Rather than Personal Judgment in Resolving Accounting Ethics Dilemmas*.

Dissertation, Regent University, Virginia Beach, VA, AAT 3141547.

51. The Guardian. (2018). *Cambridge Analytica – Facebook*, 17 March. <https://www.theguardian.com/news/2018/mar/17/cambridge-analytica-facebook-influence-us-election> (Accessed: 16 Jan 2020).
52. Townsend, P. & Wan, C. (2007) *The Impact of Multicultural Experience in the Development of Socio-Cultural Adaptation for International Business Students*. *International Journal of Educational Management*, 21(3). pp.194-212.
53. Vincenti, V. B. (2001) *Exploration of the Relationship Between International Experiences and the Interdisciplinary Work of University Faculty*. *Journal of Studies in International Education*, 5(42). pp. 42-63.

Sofia Bakirli, MA, is Student Mentor at the University of Roehampton,  
and Adjunct Lecturer in Human Resources Management  
at EU Business School, Munich Campus.

---

# CROSS-CULTURAL MARKETING IN THE 21ST CENTURY: WHY ANY FUTURE SCOPE NEEDS TO LOOK AT INFORMATION AND COMMUNICATION TECHNOLOGIES

---

*Marc Perelló-Sobrepere*

**ABSTRACT:** *Cross-Cultural Research is a topic that combines the best of many disciplines: Cultural Studies, Communication, Anthropology, Sociology, Economy and Marketing, to name a few. Due to this broad and varied theoretical framework, any perspective on the issue of Cross-Cultural Marketing, presents a very interesting challenge. Many authors specializing in Cross-cultural Research would agree that the latest three decades (1980s to 2010s) have posed a great challenge for this discipline like never before – even greater if we consider that most of the studies of Cross-Cultural Analysis are decades old. We consider the importance of media technologies as one of the aspects that might be determinant in evaluating Cross-Cultural Research in the 21st Century.*

**KEYWORDS:** cross-cultural communications, marketing across cultures, globalization, business, media technologies.

---

Three authors are renowned for being experts in Cross-Cultural Research and their work is quoted most often in this field: Edward T. Hall, Geert Hofstede and Fons Trompenaars – These authors are analyzed further in the next section. While their findings still drive most Cross-Cultural Research today, there is doubt whether their findings are still applicable in the context of the 21<sup>st</sup> Century. The backdrop of Cross-Cultural Analysis in our century is a very complex one: Globalization. By understanding that globalization is a process that has been evolving for many decades and has many faces, it would be naïve to attempt to summarize all of the effects it has had on populations but we could probably agree that some its most notorious and most recent characteristics are: firstly, the increase of the economic and technological capacities of countries (Wang *et al.*, 2011); secondly, the contribution to new ecosystems and migration processes (Aide & Grau, 2004) and thirdly, a complete change of social courses (Buchholz *et al.*, 2009). For some people, Globalization has been a synonym for freedom and economic expansion but for others, it has represented the precipitous impoverishment of its population and a greater distance between classes (Buchholz *et al.*, 2009). If you add the new information

and communication technologies (ICTs) in between, the cocktail that you get forces quite a big rethinking of the Cross-Cultural analysis techniques for the 21<sup>st</sup> Century.

### **CROSS-CULTURAL ANALYSIS: THE MAIN THEORISTS**

Edward T. Hall is one of the first scholars to address Cross-Cultural differences. His contribution to Cross-Cultural Analysis comes primarily from the study of languages, therefore his research into Cross-Cultural theories relies, for the most part, on Communication studies (Nam, 2015; Hart, 2002). Hall's theory introduced the High-context (HC) and Low-context (LC) analysis techniques, based on communicational differences between cultures (Hall & Hall, 1990). On one hand, High-context (HC) cultures are those in which non-verbal communication is almost essential, to enable understanding of a message being transmitted from one person to another. For instance, the Japanese and Arab cultures would be HC. On the other hand, Low-context (LC) cultures rely exclusively on verbal communication and the message that is being conveyed is implicit in that verbal communication. North American and Australian cultures are often described as LC. Despite the lack of empirical evidence to support his findings, Hall's studies remain extremely popular today (Cardon, 2008).

Geert Hofstede's research into Cross-Cultural studies focuses on six different dimensions (Minkov & Hofstede, 2012) each one based on two opposing variables: High versus Low Power Distance Index, Individualism versus Collectivism, Masculinity versus Femininity, High versus Low Uncertainty Avoidance Index, Long-Term versus Short-Term Orientation and Indulgence versus Restraint. Once an IBM management trainer, Hofstede based his initial findings on employee opinion surveys that he distributed in over 70 national subsidiaries of IBM around the world (Brewer & Venaik, 2011). The results of this macro-survey allowed him to categorize many countries with his double-sided six dimensions model. To do this, he categorized each of the countries by means of a grading scale from 0 to 100. Hofstede conducted his research entirely on IBM employees, therefore, the sample was not representative of all the social groups within the country (McSweeney, 2002). Though Hofstede has continued to update his method many times to make it more representative and to counteract any criticism (Minkov & Hofstede, 2012; Nakata, 2009; Barrington, 2009), disapproval of his model has remained constant (Kwon, 2012; Wu, 2006). Despite the criticism, Hofstede's work on culture still remains the most extensively quoted Cross-Cultural Analysis technique today (Bond, 2002).

Fons Trompenaars and Charles Hampden-Turner also used a dimension-based approach for their Cross-Cultural Analysis (Trompenaars & Hampden-Turner, 1993). Hofstede had six dimensions, whereas Trompenaars and Hampden-Turner had seven: Universalism versus Particularism; Individualism versus Communitarianism; Neutral versus Emotional; Specific versus Diffuse; Achievement versus Ascription; Sequential versus Synchronous time and Internal direction versus External direction. As with Hofstede, Trompenaars and Hampden-Turner also used survey methodology to assist with Cross-Cultural Analysis (Iles & Zhang, 2013). As opposed to Hofstede, however, Trompenaars and Hampden-Turner did not score countries on any kind of grading scale; they simply classified cultures as being in one or other category in each of the seven dimensions. The main criticism of Trompenaars and Hampden-Turner's model came from Hofstede (1996), who cited that the authors used small and poorly matched samples (Hofstede, 1996, p. 196). It took less than a year for Trompenaars and Hampden-Turner (1997) to respond to Hofstede and to prove him wrong, without entering into the debate of which model was better



or worse. Trompenaars and Hampden-Turner's seven dimensions' model has been widely praised and still enjoys recognition today (Pagell, 2005).

### **HOW TO FACE CROSS-CULTURAL ANALYSIS IN THE 21<sup>ST</sup> CENTURY?**

Cross-Cultural Research is currently a subject of keen interest, as we take our first steps into the third decade of the new millennium. Therefore, the question as to whether the most well-known Cross-Cultural Analysis theories are still valid today, is certainly a matter of interest. The question itself, on how to properly address Cross-Cultural related issues in the 21st Century, is not new among scholars. Authors such as Levine *et al.* (2007), and Orr and Hauser (2008), among many others, have concluded that despite extensive Cross-Cultural Research to date, international businesses are still unable to tackle the most modern challenges with which they are faced. The premise for making such a statement appears to be based on the methodologies used by some of the authors: questionnaires and surveys. While the most recent studies on Cross-Cultural Marketing for Businesses still center around the use of surveys to draw conclusions (Lombardo *et al.*, 2019; Beuthner, Christoph *et al.*, 2018), doubts are raised as to the validity of the survey method. Author John B. Ford (2020) proposes a rather interesting example of how different survey behaviours may affect the outcomes, when comparing the different ways in which Eastern and Western cultures respond to grading scales:

*“Eastern cultures are trained not to stand out in egoistic ways, and this can translate into survey behavior when respondents from Asian countries/cultures use 3 or 5 on 7-point scales to show their feelings rather than the 1s and 7s that would be more often used by Western cultural respondents. The difficulty here would be that straight mean comparisons would show automatic significant differences, but if profile analyses are done placing the responses of the two cultures on top of each other, it may become obvious that the pattern of responses is actually the same, and the only difference is the intensity of the response” (Ford, 2020).*

If correct, Ford's hypothesis could call into question not only the studies by Hofstede and Trompenaars but many other investigations based on surveys across multiple countries. Questionnaires and surveys also pose another problem: the conclusions that you can draw from the respondents' answers will be limited to the sample that you used. As each survey method projects the results of the sample onto an entire society, we know this cannot be an infallible method. We just need to look back at the inability to predict the outcome of the US Presidential Election in 2016 (Valentino, 2017). More recently, in 2019, in Spain, The Organization for Economic Cooperation and Development (OECD) reported that Spain's reading data for the PISA Report were not going to be published due to questionable statistics. PISA tests assess the reading, Maths and Science skills of 15-year-old students in 79 countries. For the first time in many years, researchers could not validate the data obtained in Spain. In some cases, the students completed the tests too quickly, in just 25 seconds; the response patterns were also called into question, with respondents either answering 'yes' to every question, 'no' to each question or alternating between the two. This example, along with Ford's (2020) come to show the weakness and unfairness of questionnaires if these are not properly addressed.



A quick glance through the most established Cross-Cultural Research highlights another significant bias: if we look at the age of the respondents, most Cross-Cultural Research is based on a segment of the population known as the Silent Generation (born 1928 to 1945); fewer of this studies address Baby Boomers (born 1946 to 1964); and even less investigate Generation X (born 1965 to 1980). Millennials, also called Generation Y (born 1981 to 1995) are yet to be taken into consideration; not to speak of Generation Z (born 1996 to 2012) and Generation Alpha (born 2013 onwards). Consideration must also be given to the fact that these generations have lived through many social, economic and political changes (Wood, 2013) which have had a major impact on how they view issues like management, teamwork and leadership, among other business-related terms (Berkup, 2014). The later generations (Generation Y and Generation Z) have also experienced social relationships, civil rights and cultural frameworks in a very different way from that of their predecessors. Moreover, the cognitive processes related to the continued use of technology has also changed the way they think and interact with the world around them (Carr, 2010). Hence, if we were to attempt a multi-generational research of any kind, the results would probably be affected by the different lifestyles of each of these generations – therefore, probably, the best option would be to conduct different researches, and draw conclusions individually. If the different generations do indeed have different takes on cultural, social and personal factors (Berkup, 2014; Singh and Dangmei, 2016) we would have to greatly rethink the evaluation of Cross-Cultural analysis techniques, and its application to business.

The technological advances embraced by the Millennials or Generation Y already differ greatly from those embraced by Generation Z (Turner, 2015), without considering the attitudes of Generation Alpha to technological advancement, which are even greater (Tootell, 2014). Acknowledging the effects that technology has had on the previous generations, demonstrates, that any attempt at analysing Generation Alpha and beyond will be even more complex and challenging than any Cross-Cultural Research conducted before. How is it possible to establish behavioural patterns within a segment of the population which is constantly changing its behaviour? This not only applies to Alpha but also to the later Millennials and of course, Generation Z. This adds more complexity to the challenges already discussed and necessitates a complete re-evaluation of the methods used in Cross-Cultural Analysis.

## **NEW TECHNOLOGIES OF COMMUNICATION AND INFORMATION**

Vlatko Vedral (2018), a University of Oxford physicist and one of the most renowned and quoted authors in his area, said that the entire universe is a massive flow of information; he is not without reason! If you think about it, we are able to observe because of light; without light, despite the infallible information flow, we would be in complete darkness, both literally and metaphorically. The same principle can be applied to all the other senses. Hence, without information transmitted by our senses, we would be floating inside a massive black hole! As we are now aware that knowledge is based on information and by extension, on communication, shouldn't we be interested in the technologies that transport these communications and understanding how these affect our cultures?

We must consider media technologies as way more than just communication channels. Many authors, like McLuhan (1964), Angus (2000), Castells (2011) and Benkler (2006), have already assessed the importance of understanding and further research on the new technologies of

communication and information. They believe that these technologies have a strong capacity of changing the socio-cultural context of countries. Authors DeLuca *et al.*, (2012) on this matter stated:

*“[A medium] contributes to change environments. In its introductory stage, a medium is just a tool for specific tasks within an environment created by other media and cultural practices. So, for example, that was the case for mobile phones in the early 1990s and smartphones around 2005. If diffusion accelerates enough, however, the medium reaches saturation and a tipping point and moves from being a tool within an environment to helping create the environments within which we operate” (DeLuca et al., 2012).*

It must be recognised that these scholars were not the first to propagate this theory? Harold Innis, the first author to construct a hypothesis around media and socio-cultural contexts, suggested that media technologies are far more than just tools to transmit information. He added (Innis, 1972), that media technologies actually created and changed societies at a continued pace. He stated:

*“The significance of a basic medium to its civilization is difficult to appraise since the means of appraisal are influenced by the media, and indeed the fact of appraisal appears to be peculiar to certain types of media. A change in the type of medium implies a change in the type of appraisal and hence makes it difficult for one civilization to understand another” (Innis, 1972).*

Let's apply this reasoning to the 21<sup>st</sup> century world, the dominating media in our lives: mobile phones (We are social, 2019), and the dominating applications: social media platforms. It is evident that the Internet and the social networks are changing the relationship between companies and consumers (Fondevila Gascón, 2013). From the very beginning of its origin, social media have been anticipated to be the tool allowing people across the world to connect and conduct numerous activities (Shirky, 2011). These especially include social engagements involving current affairs, politics, entertainment, economy or even, civil unrest and activism (Perelló-Sobrepere, 2017, 2018). The communication field, especially the companies involved in advertising, public relations and marketing, strives to take advantage of the numerous features of the Internet to attract attention and excite the consumers. In fact, because of social media, online communication surpasses the offline ones. Also, competition exists within the social media platforms. As Instagram surpasses Facebook in the number of active people category by 15%, the former is primarily chosen to develop branding and engage in marketing strategies (CECABLE, 2019).

The influence of media technologies on our daily communications (including management processes, among others) is quite apparent? Interactive communication has changed the spectrum of social relationships across the world (Serrano, 2012). New media or digital media (as you prefer) have also redefined the concept of frontiers, allowing for transnational operations to take

place (Valderrama, 2013). It is also said that “only through global communication competence can people from different cultures communicate effectively and productively in the globalizing society” (Chen & Starosta, 1996, 2005). Globalization “not only demands an integration of cultural diversity in the global community, but at the same time also reflects people’s needs to develop a strong self or cultural identity(ies)” (Chen & Starosta, 2000a, p. 5). Thus, can we really talk about cultures as being monothematic? It seems we cannot. Moreover, we also know that people tend to adjust their behaviour or demeanour when interacting with different segments of the world’s population (Peterson, 2007).

Besides, we are aware of the possibility of emotions spreading from one person to another (Hatfield, Cacioppo and Rapson, 1993) through media technologies. It has been observed that the same effects also take place over the Internet: the auditory cortex is activated according to the emotional level of the stimulus (Plichta *et al.*, 2011). Depending upon the degree of perception, the emotion varies in intensity (Keil *et al.*, 2005). Therefore, we can not only investigate the use of media technologies, but also the way our emotions get settled in the brains. Understanding emotions as one of the biggest parts in cross-cultural analysis should be studied further explored. The advances in neuroscience and the study of human reactions on external stimuli are notable, especially due to the incorporation of new research methods, tools and technologies, such as functional magnetic resonance (fMRI), Electroencephalogram (EEG), ocular monitoring and Electrodermal activity (EDA). These allow studying more about the brain activities and the influence on behaviour and relationships. It is, therefore, evident that we cannot ignore media technologies while doing cross-cultural research, as the effect of media technologies in the cultures under study will certainly affect the research outcomes.

If we are well-aware of the power of technologies at shaping our societies, particularly in the business and management fields, why is this not one of the main topics being observed by cross-cultural marketing researchers? It is because of this that we believe that one of the most valuable features for the upcoming Cross-Cultural researches should be analysing the information gathered through smartphones and smartwatches: locations, purchases, social media usage, etc. Also, blockchain technology can prove to be very valuable regarding privacy issues. By combining all this data, interesting outcomes relating to cross-cultural patterns and behaviours can be established that may further be applied to many fields: business, psychology, law and media studies, among many others. What if we find out that cultures are inter-relatable depending on the media technologies they use? We have some interesting data, some of which are mentioned in this article. For decades, we had based our research methods on questionnaires and surveys, where the results were subsequently projected statistically. In this process, we do not consider the media technologies that created these cultural environments. However, it now seems that the most effective way of analysing people and marketing across cultures is conducting individual analysis of the data of millions: one by one, so that we can gain real data and absolute numbers, instead of statistical projections.

It is safe to conclude that, in the 21<sup>st</sup> century, cross-cultural researchers will have to start considering media technologies as one of the main sources to understand, not only cross-cultural marketing in particular, but cross-cultural studies in general. New methodologies will have to be taken into consideration as well, and probably differ from the usual questionnaire-type of research. Given the many advances in neuroscience, this field could prove very valuable as a potential ally for cross-cultural research. An eye will have to be kept as well in media psychology,

an area of knowledge in between psychology and media studies, that has for long warned about the effects of the everyday use of technology, potentially shaping our emotions and our reasoning, and therefore, our system of values and beliefs within a multi-national cultural environment. For years to come, Cross-Cultural research has an exciting path ahead.

## BIBLIOGRAPHY

1. Aide, T. (2004) *ECOLOGY: Enhanced: Globalization, Migration, and Latin American Ecosystems*. Science, 305(5692). pp.1915-1916.
2. Barrington, L. (2012) *Comparative Politics*. Belmont, CA: Cengage Learning.
3. Beuthner, C., Friedrich, M., Herbes, C. & Ramme, I. (2018) *Examining survey response styles in cross-cultural marketing research: A comparison between Mexican and South Korean respondents*. International Journal of Market Research, 60(3). pp.257-267.
4. Bond, M. (2002) *Reclaiming the individual from Hofstede's ecological analysis--A 20-year odyssey: Comment on Oyserman et al.* Psychological Bulletin, 128(1). pp.73-77.
5. Brewer, P. & Venaik, S. (2011) *Individualism–Collectivism in Hofstede and GLOBE*. Journal of International Business Studies, 42(3). pp.436-445.
6. Buchholz, S., Hofacker, D., Mills, M., Blossfeld, H., Kurz, K. & Hofmeister, H. (2008) *Life Courses in the Globalization Process: The Development of Social Inequalities in Modern Societies*. European Sociological Review, 25(1). pp.53-71.
7. Cardon, P. (2008) *A Critique of Hall's Contexting Model*. Journal of Business and Technical Communication, 22(4). pp.399-428.
8. Carr, N. (2010) *The Shallows: How the Internet is Changing the Way We Think, Read and Remember*. Atlantic Books Ltd.
9. Gutterman, A. (2016) *Cross-Cultural Studies: A library of Resources for Growth-Oriented Entrepreneurs*.
10. Hall, E. T. & Hall, M. R. (1990) *Understanding Cultural differences*. <http://www.csun.edu/~sm60012/Intercultural/Key%20Concepts%20-%20Hall%20and%20Hall%20-%201.pdf> (Accessed: 3 Nov 2019).
11. Hampden-Turner, C. & Trompenaars, F. (1997) *Response to Geert Hofstede*. International Journal of Intercultural Relations, 21(1). pp.149-159.
12. Hart, W. B., Mike, Y. & Rogers, M. E. (2002) *Edward T. Hall and the History of Intercultural Communication: The United States and Japan*. Keio Communication Review No. 24.
13. Hofstede, G. (1996) *Riding the Waves of Commerce: A Test of Trompenaars' "Model" of National Culture Differences*. International Journal of Intercultural Relations 20.2. pp. 189-198.
14. Iles, P. & Zhang, C. (2013) *International Human Resource Management: Across-cultural and Comparative Approach*. London: Chartered Institute of Personnel and Development.

15. Kwon, J. (2010) *Does China Have More than One Culture?* Asia Pacific Journal of Management, 29(1). pp.79-102.
16. Levine, T., Park, H. & Kim, R. (2007) *Some Conceptual and Theoretical Challenges for Cross-Cultural Communication Research in the 21st Century.* Journal of Intercultural Communication Research, 36(3). pp.205-221.
17. Lombardo, R., Beh, E. & Guerrero, L. (2018) *Analysis of Three-Way Non-Symmetrical Association of Food Concepts in Cross-Cultural Marketing.* Quality & Quantity, 53(5). pp.2323-2337.
18. McSweeney, B. (2002) *Hofstede's Model of National Cultural Differences and their Consequences: A Triumph of Faith - a Failure of Analysis.* Human Relations, 55(1). pp.89-118.
19. Minkov, M. & Hofstede, G. (2011) *The Evolution of Hofstede's Doctrine.* Cross Cultural Management: An International Journal, 18(1). pp.10-20.
20. Morain, G., Hall, E. & Hall, M. (1991) *Understanding Cultural Differences: Germans, French and Americans.* The Modern Language Journal, 75(1). p.135.
21. Nakata, C. (2009) *Beyond Hofstede.* Basingstoke: Palgrave Macmillan.
22. Nam, K. A. (2015) *High-Context and Low-Context Communication.* In J. M. Bennett (ed.), The SAGE encyclopedia of intercultural competence. Sage Publication, Inc. pp.377-381.
23. Orr, L.M, & Hauser, W.J. (2008) *A Re-Inquiry of Hofstede's Cultural Dimensions: A call for 21<sup>st</sup> Century Cross-Cultural Research.* Marketing Management Journal. 18, (2). pp.1-19.
24. Pagell, M., Katz, J. & Sheu, C. (2005) *The Importance of National Culture in Operations Management Research.* International Journal of Operations & Production Management, 25(4). pp.371-394.
25. Perelló Sobrepere, M. (2018) *The Use of New Media and ICT by Social Movements in Contemporary Processes of Political Activism* (Doctoral dissertation, Universitat Ramon Llull).
26. Perelló-Sobrepere, M. (2017) *Building a New State from Outrage: The Case of Catalonia.* In Handbook of Research on Citizen Engagement and Public Participation in the Era of New Media. IGI Global. pp. 344-359.
27. Peterson, M. (2007) *The Heritage of Cross Cultural Management Research.* International Journal of Cross Cultural Management, 7(3). pp.359-377.
28. Serrano Casado, E. (2012) *New Technologies, Social Networks and Media: Spanish Revolution.* Romanian Journal of Journalism & Communication/Revista Romana de Jurnalism si Comunicare-RRJC.
29. Shirky, C. (2011) *The Political Power of Social Media: Technology, the Public Sphere, and Political Change.* Foreign affairs, 28-41.
30. Soares, A., Farhangmehr, M. & Shoham, A. (2007) *Hofstede's Dimensions of Culture in International Marketing Studies.* Journal of Business Research, 60(3). pp.277-284.
31. Starosta, W. J. & Chen, G. M. (2003) *"Ferment," an ethic of caring, and the corrective power of dialogue.* International and Intercultural Communication Annual, 2., pp. 3-23.



32. Starosta, W. J. & Chen, G. M. (2005) *Intercultural Listening: Collected Reflections, Collated Refractions*. International and Intercultural Communication Annual, 28. pp. 274-285.
33. Trompenaars, F. & Hampden-Turner, C. (1993) *Riding the Waves of Culture : Understanding Cultural Diversity in Business*. 2nd ed. Nicholas Brealey.
34. Valderrama, Lorena B. (2013) *Jóvenes, Ciudadanía y Tecnologías de Información y Comunicación. El movimiento estudiantil chileno*. Revista Latinoamericana de Ciencias Sociales, Niñez y Juventud 11, no. 1.
35. Valentino, N., King, J. & Hill, W. (2017) *Polling and Prediction in the 2016 Presidential Election*. Computer, 50(5). pp.110-115.
36. Vedral, V. (2018) *Decoding Reality: The Universe as Quantum Information*. Oxford University Press.
37. Venaik, S. & Brewer, P. (2013) *Critical Issues in the Hofstede and GLOBE National Culture Models*. International Marketing Review. 30(5). pp. 469-482.
38. Wang, H., Zweig, D. & Lin, X. (2011) *Returnee Entrepreneurs: Impact on China's Globalization Process*. Journal of Contemporary China, 20(70). pp.413-431.
39. Wu, M.-Y. (2006) *Hofstede's Cultural Dimensions 30 years Later: A Study of Taiwan and the United States*. Communication Studies. 15, 33–42.

Marc Perelló-Sobrepere, PhD, is a lecturer in Management at EU Business School, Barcelona Campus.



---

# WHY COMPANIES SHOULD EMBED A GROWING IMMIGRANT MINDSET IN THEIR CULTURE?

---

*Zaira Pedron*

*“One can choose to go back toward safety or forward toward growth. Growth must be chosen, again and again, fear must be overcome again and again.”*

— Abraham Maslow

**ABSTRACT:** *With increasing globalization and ever-changing business environment, the ability to positively and effectively deal with uncertainty, volatility, ambiguity and failure is vital for organizations and individuals. Self-development and life-long learning have become a necessity, namely a part of an individual's personal and professional life, as well as the ability to manage setbacks and thrive in times of adversity. How can companies make sure to recruit suitable personnel that will successfully cope with this current disruptive fast-paced changing arena? This article argues if employers should recruit talented candidates or rather applicants with a growing immigrant mindset - which of them are more likely to thrive? Besides that, an “immigrant mentality” can represent a competitive edge. Immigrants, having come out of their comfort zones and being used to facing challenges on a daily basis, are used to dealing with “discomforts”. Immigrants tend to perceive adversity as an opportunity rather than a crisis. They embrace change and failures, and “think outside the box and find a way”. Lastly, because of necessity, they are more likely to develop “life skills” and become “resourceful when there are no resources”: the reason is that they see their environment with fresh eyes (Keuilian, 2017). Organizations like Microsoft are implementing a growth mindset talent policy (Dweck, Hogan, 2017). Should other companies change their talent management strategy as well?*

**KEYWORDS:** immigrant mentality, growth mindset, life skills, self-development, talent management

---

*“Comfort zones are most often expanded through discomfort”*

— Peter McWilliams

Which traits should employers strive to uncover in their recruits and identify in their talent reviews? Some innate talents, or rather a certain attitude? What predicts success? Matthew Syed, author of the book “Bounce: the myth of talent and the power of practice” states: “the secret of success does not lie in talent, but in hard work, will and opportunity” [...] What if talent itself is not just a meaningless concept, but a corrosive one, robbing ourselves and our children of the incentive to work hard and excel?” (Syed, 2011).

According to Dr. Britt Andreatta (2017), success is a combination of talent and practice. Indeed, to be successful, a certain attitude is needed to nurture natural talent and make it growth in the long run. Hence, for companies to rely on employees blessed only with great capabilities alone would be a trap. Undoubtedly, cleverness is a great starting point, but must be combined with persistence, practice, and continuous efforts in order to reach its full potential. This attitude is called a “growth mindset”.

### **THE TWO MINDSETS**

Dr. Carol Dweck, Professor of Psychology at Stanford University, who conducted numerous studies regarding human motivation, coined the concept of a “growth mindset”, and the factors related to success (and failure). She found that among the controllable success factors, mentality played a powerful role in fostering success: in fact, attitude was found to be a better predictor of success than IQ. Her research on mindset psychological traits led to the development of the “two mindsets theory” (Dweck, 2007). According to her, mindset is belief that each individual has about their own abilities, people attitudes fall into two categories: a “growth” and a “fixed” mindset.

People with a “growth mindset” believe that their present talents can be developed over time with efforts and practice aimed at improving daily. Coming out of their comfort zone represents for them an exciting opportunity to learn and advance, which never ends. In contrast, individuals with a “fixed mindset” believe that their traits and aptitudes are innate gifts and, therefore, unchangeable, that achievements are, in fact, the natural expression of their natural capabilities. Consequently, they do not put any efforts into striving to improve their “deep-seated” talents. However, when they face something that seems to be more than they can cope with, they feel powerless and overwhelmed (Bradberry, 2015).

The “fixed mindset” undermines flexibility since individuals prefer to keep doing what they are already good at. Individuals with this mindset are likely to get defensive and, having an external locus of control, tend to blame others for their failures instead of taking responsibility (Andreatta, 2017). On the contrary, individuals possessing a “growth mindset” hold an internal locus of control, which makes them perceive life’s events -good or bad- as controllable. The individual has power over outcomes: pivotal will be preparation, attitude and efforts.

Furthermore, “growth mindset” personalities continuously look for opportunities to progress and to cultivate their qualities through effort. Likewise, they embrace challenges: setbacks and mistakes are seen as “wakeup calls” to do better next time. These kinds of people seek feedback proactively as it represents opportunities for development. As a result, they demonstrate their flexibility and subsequent ability to adapt to a changing environment.

A core hallmark of growth mindset individuals is, indeed and without doubt, the way they deal with setbacks and succeed in converting failures into future successes. Dweck (2007) states: “in the growth mindset, failure can be a painful experience. But it doesn’t define you. It’s a problem to be faced, dealt with, and learned from. [...] Failure is information—we label it failure, but it’s more like, ‘This didn’t work, and I’m a problem solver, so I’ll try something else’”. This approach, called resilience, is extremely powerful for a leader and for the team spirit and performance.

While a leader with a “fixed mindset” would tell his/her team: “we cannot solve it” or “we do not have the resources (or the competences) to accomplish it”, a leader with a “growth mindset” would reply: “we did not solve it yet”. As Dweck (2007) states, the wording *yet* gives “a path into the future”.

That “growth mindsets” tend to achieve more than “fixed mindsets”, even at work, seems to be confirmed by the copious research of Dr. Dweck. In fact, these different mentalities determine how individuals perceive the environment they live in, see efforts, obstacles, and criticisms and, lastly, how they behave. Even the perception of the success (and failure) of others is influenced by the type of lens they wear.

“Growing personalities”, affirms Travis Bradberry, coauthor of the “Emotional Intelligence 2.0” and President at TalentSmart, “outperform those with a fixed mindset, even when they have a lower IQ” (Bradberry, 2015). Dr. Dweck’s studies show just how powerful attitude can be. The opinion we have about our talents, our personality, and ourselves comes, indeed, from our beliefs, whether consciously or subconsciously. Self-beliefs augment confidence, which, in turn, increases the probability of achieving goals. These thoughts determine “what we want and whether we succeed in getting it” (Anonymous, 2015).

## **THE IMPORTANCE OF GROWTH MINDSET IN BUSINESS**

Having said that, individuals with a “growth mindset” seem to definitely possess the attributes the business world is presently looking for in its future leaders. Within our volatile, uncertain and fast changing global arena, organizations need to recruit and develop core skills that will allow them to move forward and thrive in current competitive markets. Willingness to take risks, comfortably dealing with uncertainty, solving problems “outside the box”, and a “see around the corner” attitudes are some of the core skills of the 21st century.

Thanks to their attitude, leaders with a “growth mindset” encourage and support change and inspire their team members to leave their comfort zones. They stretch abilities and create high performing teams through “trials and errors” and tolerance for mistakes. These types of leaders stimulate continuous development and creativity, and foster flexibility and problem solving skills in their fellows. In addition, they build trust by incentivizing self-initiative, and emphasizing delegation and ownership. Essentially, these types of leaders transmit their powerful attitude to others by encouraging, empowering and inspiring them. They leverage the talent and commitment of others to achieve challenging objectives and to stick to them. “This is the mindset that allows people to thrive during some of the most challenging times in their lives” (Dweck, 2007).

As opposed to growth mindset leaders, “fixed-mindset leaders, like fixed-mindset people in general, live in a world where some people are superior, and some are inferior. They must

repeatedly affirm that they are superior, and the company is simply a platform for this” (Dweck, 2007). Because of their belief that qualities like intelligence and talent are fixed traits, they aren’t good people developers. They tend to blame others and become defensive when facing criticism and change. Furthermore, fixed-mindset leaders are likely to be abusive and controlling bosses who prioritize their personal reputation over progression and growth.

Dr. Dweck describes the impact of fixed-mindset personalities on the culture of an organization: “when bosses become controlling and abusive, they put everyone into a fixed mindset. This means that instead of learning, growing, and moving the business forward, everyone starts worrying about being judged. It starts with the bosses’ worry about being judged, but it winds up being everybody’s fear about being judged. It’s hard for courage and innovation to survive a companywide fixed mindset” (Dweck, 2007).

### **The Immigrant Mindset**

The growth mindset attitude is also called “immigrant mindset”. Indeed, we can draw an analogy between immigrants and individuals with a growing personality.

Immigrants are individuals who, having moved out of their comfort zone, naturally realize that discomfort is an essential ingredient for growth and success. Through their life experiences immigrants have developed the ability to seek out opportunities and be imaginative when no resources are available. As with growth mindset individuals, even immigrants manage to reframe difficulties into advantages. Immigrants are more likely to experience adversities in life than other individuals, and thus, they become stronger. Indeed, failures create stronger individuals and leaders, and boost creativity.

Glenn Llopis, Chairman of Glenn Llopis Group, a Californian business strategy consulting firm, highlights the entrepreneurial side of the immigrant mindset: “seizing opportunities to build relationships, advance commerce, and improve humanity is a survival mechanism for many immigrants. Career advancement must be approached with this same hunger for survival” (Llopis, 2012: 1). Momchil Kyurkchiev, the Co-Founder and CEO of Leanplum, states: “my experience as an immigrant set me up for entrepreneurial success”. He explains that one the most crucial life skills an immigrant acquires is “the sense of perspective” (Kyurkchiev, 2017). In fact, being an immigrant means to gain a broader perspective, and to be able to see things differently. This in turn leads to welcoming innovative ideas and the embracement of progress. According to Kyurkchiev, the USA became an epicenter of entrepreneurial innovation because “many of America’s most innovative entrepreneurs have this ‘immigrant’ mindset. Steve Jobs was the son of an immigrant. Elon Musk, founder of Tesla and SpaceX, Sergey Brin, co-founder of Google, and Pierre Omidyar, the founder of eBay, are also immigrants” (Kyurkchiev, 2017).

Similarly, Nataly Kelly, VP of International Operations and Strategy at HubSpot, writes about her personal experience with employees having backgrounds involving immigration: “Immigrants know what it feels like to be an outsider. Throughout my career, I have noticed that the people on my teams who have either immigrated to a new country or spent extensive time living abroad are highly sensitized to the fact that others might not feel included. They tend to be more inclined to promote an inclusive way of working than employees without this experience. They are also more aware that others might contribute different experiences from their own. So, they tend to be more

willing to hear voices that might otherwise go unheard in a business environment. Because they have experienced what it's like to be different first-hand" (Kelly, 2018).

Thus, individuals with immigrant and growth mindsets seem to be better employees and better leaders and possess the necessary traits to play in the front line of the present competitive market.

### **DEVELOPING A GROWTH MINDSET**

But then, are we born with a particular mindset? The answer is no: mindset it's not part of our genetics, but instead the result of our experiences in life. Education in the first years of a child's life plays a pivotal role in determining which mindset an individual will develop. Undeniably, the way parents, teachers and sport trainers deliver feedback and praise children is decisive. "The problem with praise such as 'you're so clever' or 'you must be so talented' is that it doesn't tell students what they need to do next time"- affirms psychologist Bradley Busch, author of *Release Your Inner Drive* and director at InnerDrive. By contrast, "by praising their effort and the strategies they used, we give students a template of behaviour to follow" (Busch, 2018).

A mindset developed during childhood can, however, change. It's remarkable to note that mindset can, and does, evolve in life. Interestingly, individuals might have a growth mindset when it comes to sports, and conversely, a fixed mindset when it comes to learning a new language. Though ultimately, mindsets are like habits that can change overtime.

In his column titled "Adopt an Immigrant Mindset to Advance Your Career," Glenn Llopis (2012: 1) writes: "You may not think of yourself as an immigrant. But you can still learn to think like one. [...] If you want to remain relevant and advance your career in today's global marketplace, you need to serve as an enabler of business growth and innovation. One of the best ways to do this is to adopt an 'immigrant mindset.'" The leaders of tomorrow, the same as immigrants who moved away from their home country, must see that "opportunities are everywhere, every day, and that they need to make the most of those that cross their paths" (Llopis, 2012: 1). Further, they need to anticipate and manage crises, and hold an entrepreneurial way of thinking, just like an immigrant.

Lastly, Julian Hayes affirms: "succeeding in business starts with a proper mindset. With that said, an immigrant mentality can propel you to more success. [...] While I'm not an immigrant, I feel that the benefits of adopting an immigrant mentality will prove to be beneficial both personally and professionally as it leads to a more grittier and resourceful individual" (Hayes, 2017).

### **GROWTH MINDSET COMPANIES**

Having said that, how do these considerations affect organizations and their development strategy? Can companies embed the growth mindset features into their culture? A five years research conducted in Fortune 1000 companies by academic professors of distinguished universities in collaboration with Senn Delaney, the culture-shaping firm of Heidrick & Struggles, studied the correlation between a "growth mindset" culture of development and positive conduct within businesses.



This study is the first empirical research that investigates in what way the nature of companies' mindsets impact "collaboration, innovation, creativity, risk taking and ethical behaviors" of employees and leaders. The growth mindset "culture of development" versus the fixed mindset "culture of genius" were explored. The outcomes indicated that "company-wide beliefs influenced workers' satisfaction, as well as their perception of the organization's culture: the level of collaboration, innovation and ethical behavior that was embraced in each company" (Senn-Delaney, 2014). Individuals employed in companies with a "culture of development" showed a greater sense of ownership and trust in their organizations scoring "47% higher agreement with statements about trust" (Senn-Delaney, 2014). Furthermore, employees in growth-mindset firms displayed a higher commitment (+ 34%) and were more likely to engage in citizenship behaviors. In contrast, employees in fixed-mindset companies were considering leaving their workplace for another.

The fact that "culture-of-development companies" trust and support human capital's growth makes their employees feel supported when taking risks, setting innovation and creativity free. Workers in culture-of-genius companies not only don't feel this way, but instead, believe that their companies have more unethical behaviors. The empirical study highlights, moreover, that in "culture of development" organizations leaders had a better perception of their employees. As Carol Dweck and Kathleen Hogan explain, "managers see far more leadership potential in their employees when their companies adopt a growth mindset — the belief that talent should be developed in everyone, not viewed as a fixed, innate gift that some have and others don't". (Dweck & Hogan, 2016)

Besides, the organizational mindset reflects massively on the succession planning decisions of a company. William Craig, founder and president of WebFX, observes: "one of the primary differences between a growth-minded company and one with 'static ambitions' is that the former tends to promote from within and the latter tends to pursue outsiders when they have upper-level positions to fill" (Craig, 2017).

## CONCLUSION

We can also conclude by saying that "growth-mindset" companies' cultures and leaders have engaged and resilient teams and are more attractive workplaces. With these considerations in mind, organizations should rethink their talent strategy, and how to tackle and unleash development. They now have a great opportunity to instill a culture of growth in their workforce and to hire open minds, instead of full ones. In order to stay competitive and make the difference, businesses should certainly base their hiring decisions on potential instead of "pedigree". As Dr. Dweck says, for companies "focusing on pedigree...is not as effective as looking for people who love challenges, who want to grow, and who want to collaborate" (Anonymous, 2014).

Some pioneering companies like Microsoft and Google, have already started to build a growth-mindset culture of development throughout their organization. Employees are involved in annual hackathon initiatives where they are encouraged to "step outside their day jobs and develop leadership skills like collaborating across disciplines and advocating for ideas" (Dweck & Hogan, 2016). Job rotations, work exchange programs, international experiences, and involvement in risky projects are all part of the program. "Risks are encouraged and rewarded" -even if employees



fail- as long as they contribute somehow to thrive the business forward (Dweck & Hogan, 2016).

Moreover, instilling optimism in their employees, fostering “a shared sense of inspiration and belonging in the larger world” by encouraging global travel, and realizing “how other workplaces and communities do things differently” is key for organizations. These initiatives will, in fact, enable individuals and their leaders “to develop into thoughtful drivers of company growth who don’t let setbacks wear them down” (Craig, 2017).

This turnaround will unfold great potential throughout an entire organization and, undoubtedly, will create an authentic competitive edge when attracting new people. Adopting a growth mindset culture of development is a long exciting journey. However, the benefits are worth all the time and effort: agility and innovation will bloom in an environment where learning, growth and continuous improvement are the driving factors.

“Once your mindset changes, everything on the outside will change along with it”.

— Steve Maraboli

## BIBLIOGRAPHY

1. Andreatta, B. (2017) *Creating a culture of Learning*. LinkedIn Learning.
2. Anonymous (2018)? *What are Life Skills and Why Teach Them?* British Council. <https://www.britishcouncil.gr/en/life-skills/about/what-are-life-skills>.
3. Anonymous (2018) *World Health Organization Explanation of Life Skills*. Special Learning Inc. <https://www.speciallearning.com/article/world-health-organization-explanation-of-life-skills>.
4. Anonymous (2016) *Carol Dweck on Creating a Growth Mindset in the Workplace*. Farnam Street Media Inc. <https://fs.blog/2016/11/workplace-mindset/>.
5. Anonymous (2015) *Carol Dweck: A Summary of The Two Mindsets And The Power of Believing That You Can Improve*. Farnam Street Media Inc. <https://fs.blog/2015/03/carol-dweck-mindset/>.
6. Anonymous (2014) *How Companies Can Profit from a “Growth Mindset”*. Harvard Business Review. <https://hbr.org/2014/11/how-companies-can-profit-from-a-growth-mindset>.
7. Kaufman, B. (2018) *The Role of Luck in Life Success Is Far Greater Than We Realized*. *Scientific American*. <https://blogs.scientificamerican.com/beautiful-minds/the-role-of-luck-in-life-success-is-far-greater-than-we-realized/>.
8. Bradberry, T. (2015) *Why Attitude Is More Important Than IQ*. LinkedIn. Available at: <https://www.linkedin.com/pulse/why-attitude-more-important-than-iq-dr-travis-bradberry/>.
9. Brammer J. (2017) *Life Experience Trumps Uni Degree for Business Success, Says Bankwest Study*. The West Australian. <https://thewest.com.au/business/leadership/life-experience->

[trumps-uni-degree-for-business-success-says-bankwest-study-ng-b88603991z.](#)

10. Busch, B. (2018) *Research Every Teacher Should Know: Growth Mindset*. The Guardian. <https://www.theguardian.com/teacher-network/2018/jan/04/research-every-teacher-should-know-growth-mindset>.
11. Cabrera, Á. (2000) *What Being Global Really Means*. Harvard Business Review [https://hbr.org/2012/04/what-being-global-really-means?referral=03759&cm\\_vc=rr\\_item\\_page.bottom](https://hbr.org/2012/04/what-being-global-really-means?referral=03759&cm_vc=rr_item_page.bottom).
12. Craig W. (2017) *These 5 Company Characteristics Are Linked To A Stronger Growth Mindset*. Forbes. <https://www.forbes.com/sites/williamcraig/2018/07/17/these-5-company-characteristics-are-linked-to-a-stronger-growth-mindset/#46ab77276292>.
13. Dweck, C. & Hogan, K. (2017) *How Microsoft Uses A Growth Mindset to Develop Leaders*. Harvard Business Review. <https://www.fmucenterofexcellence.org/bestpractice/dweck-c-hogan-k-2016-october-7-how-microsoft-uses-a-growth-mindset-to-develop-leaders-retrieved-february-14-2017-from-harvard-business-review/>.
14. Dweck, C. (2007) *Mindset: The New Psychology of Success*.
15. Gillett, R. & Baer, D. (2016) *25 Scientific Ways Your Childhood Influences Your Success as an Adult*. Independent. <https://www.independent.co.uk/news/science/25-scientific-ways-your-childhood-influences-your-success-as-an-adult-a6865296.html>.
16. Hayes, J. (2017) *Want to Get More Done and be More Successful? Adopt an Immigrant Mentality*. <https://www.inc.com/julian-hayes-ii/want-to-get-more-done-be-more-successful-adopt-an-immigrant-mentality.html>.
17. Hotze, C. (2018) *The Immigrant Mindset: Looking at Opportunities as if You Were New to this Country*. LinkedIn. <https://www.linkedin.com/pulse/immigrant-mindset-looking-opportunities-you-were-new-country-hotze/>.
18. Kelly, N. (2018) *Research Shows Immigrants Help Businesses Grow. Here's Why*. Harvard Business Review. <https://hbr.org/2018/10/research-shows-immigrants-help-businesses-grow-heres-why>.
19. Kerr, P. S. & Kerr, W.R. (2016) *Immigrant Entrepreneurship*. Harvard Business School. [https://www.hbs.edu/faculty/Publication%20Files/17-011\\_da2c1cf4-a999-4159-ab95-457c783e3fff.pdf](https://www.hbs.edu/faculty/Publication%20Files/17-011_da2c1cf4-a999-4159-ab95-457c783e3fff.pdf).
20. Keuilian, B. (2017) *The Immigrant Edge: How Immigrant Millionaires Succeed in Business*. Entrepreneur. <https://www.entrepreneur.com/article/303544>.
21. Kyurkchiev, M. (2017) *How Being an Immigrant Helped Me Become A Better CEO*. Huffington Post. [https://www.huffingtonpost.com/entry/how-being-an-immigrant-made-me-a-great-ceo\\_us\\_59273b94e4b065b396c06b4c?guccounter=1](https://www.huffingtonpost.com/entry/how-being-an-immigrant-made-me-a-great-ceo_us_59273b94e4b065b396c06b4c?guccounter=1).
22. Lebowitz, S. (2016) *A Stanford Psychologist Explains What Managers Can Learn from a Baseball Team's Interviewing Process*. Business Insider International. <https://www.businessinsider.de/carol-dweck-explains-how-to-hire-people-with-growth-mindsets-2016-1?r=US&IR=T>.
23. Llopis, G. (2015) *The Immigrant Perspective Defines Success for 21st Century Leaders*. Forbes. <https://www.forbes.com/sites/glennllopis/2015/03/19/the-immigrant-perspective-defines->

[success-for-21st-century-leaders/#5bfa0966424a](#).

24. Llopis, G. (2012) *Adopt an Immigrant Mindset to Advance Your Career*. Harvard Business Review. <https://hbr.org/2012/08/adopt-an-immigrant-mindset-to>.
25. Llopis, G. (2012) *The Immigrant Perspective on Business Leadership*. Glemm Llopis Group, LLC. <http://www.glennllopisgroup.com/pdf/Immigrant%20Perspective%20Whitepaper.pdf>.
26. Senn-Delaney Leadership Consulting Group, LLC (2014) *Why Fostering A Growth Mindset in Organizations Matters*. [http://knowledge.senndelaney.com/docs/thought\\_papers/pdf/stanford\\_agilitystudy\\_hart.pdf](http://knowledge.senndelaney.com/docs/thought_papers/pdf/stanford_agilitystudy_hart.pdf).
27. Smith, R. (2014) *Skill, Effort Or Luck: Which Is More Important For Success?* Forbes. <https://www.forbes.com/sites/ricksmith/2014/08/18/skill-effort-or-luck-which-is-more-important-for-success/#4d4faecb49ba>.
28. Syed, M. (2011) *Bounce: The Myth of Talent and the Power of Practice*. Fourth Estate.

Zaira Pedron, MBA, is HR Manager at Kautex Textron, Germany.

## BOOK REVIEW

---

# DRIVING PERFORMANCE THROUGH LEARNING: DEVELOP EMPLOYEES THROUGH EFFECTIVE WORKPLACE LEARNING

*Book by Andy Lancaster*

Kogan Page, 1st Ed. (2019): ISBN-10: 1789660297: ISBN-13: 978-1789660296

<https://www.koganpage.com/product/driving-performance-through-learning-9780749497439>

---

*Review by Bill Morrison*

---

Few leaders could disagree with the idea that one of the most difficult challenges they face is to equip their people with the skills required to deal with constantly changing business environment. At a time where many employees are already saying they are over-stretched and we hear regular reports that people lack engagement in their day-to-day jobs, how can organizations drive improvements in performance through providing learning to their people?

In this new book by Andy Lancaster, we are given an encyclopedic overview of what to do, and what to avoid, in terms of helping people learn how to keep ahead.

The author has good grounds to put himself forward as having some answers. As Head of Learning at the Chartered Institute of Personnel and Development (CIPD) in London, he has doubtless seen the best and worst of what the corporate world has done in its attempts to impart new expertise to an already struggling workforce.

Squarely in his sights, as something that needs to be confronted, is the default approach for most leaders of sending employees on conventional training courses. He is not the first to point out the mass of evidence indicating the very poor track record of most training. Harvard Business School's *The Great Training Robbery* being probably the most accessible work on the subject.

His approach to tackling the apparent lack of relevance of so much training to the needs of

business is to build on three foundations: Diagnosing needs, designing responsively and tracking impact. This is a book about impact, not education.

If the need for employee education is increasing, but the default option is failing both organizations and their people, what is the answer?

Not surprisingly, there is no single magic bullet, but there is a clear path that anyone with experience in the domain will be forced to agree with. Re-thinking the diagnosis of learning needs, designing solutions that address the problems of changing mindsets and leveraging digital learning are all tackled as essential foundations for a new paradigm of workplace learning. The real step-change comes when Lancaster moves onto the topics of creating learning communities that are driven by employee self-direction. Shifting workplace learning from something that is designed behind closed doors by management and then imposed on the staff, to something that leadership facilitates is a key part of the revolution Lancaster feels is needed.

For those who would say that it is easy to point out problems but harder to identify solutions, Lancaster provides some excellent practical guidance. In the case of creating learning communities he offers twelve concrete, though challenging, development ideas. This is a pattern he follows throughout the book. The problems he identifies and the challenges he sets are addressed with both a practical checklist of ideas and frequent guidance on topics for reflection. Despite this book's wide range and intellectual depth, it does not duck the need to create practical methods to implement his ideas, neither does it avoid the implied criticism of the world of learning and development that more reflection and thought is required.

At the core of the author's message is the need to move the world of employee learning from centrally mandated, standard training courses run in a classroom to a situation where learning is heavily integrated into people's daily working lives and which is driven by the participant's desire to consume new learning through multiple forms of media.

This itself is not without its challenges. If the frequent statements published about the low levels of employee engagement are to be believed, it could be hard to accept the idea of staff willingly taking ownership for their own professional development. If significant numbers of your team don't care enough about their day-jobs, are they really going to search out and use training materials or take part in team learning sessions?

Anyone who has ever been involved in training large groups of people will be familiar with the experience of creating a beautiful learning program, that people failed to engage with. This is where the author develops his ideas on embedding coaching into the workflow of the leadership conversation and is, perhaps, the most radical element of Lancaster's book.

His chapter on *Embedding Coaching* makes it clear that coaching, both from supervisors and from peers, is an essential foundation for skills development, and that any program for performance improvement that does not encompass it will find it hard to succeed. Again, he gives no shortcuts or quick fixes, but outlines no less than six of the most common coaching models in use in organizations today. To help turn these models into practical programs, he gives twelve key factors that underpin success and, more than this, he pulls together a bank of forty key coaching questions that should prove to be the basis of a coaching toolkit for most leaders.

The idea of conversation is central to the ideas of this book, it leans heavily on the idea that teams, leaders and whole organizations need to learn the art of active dialogue. Anyone with the responsibility for skilling-up a workforce should use this book as a resource and a roadmap.

### **BIBLIOGRAPHY**

1. Beer, M., Finnstrom, M. & Derek Schrader (2016) The Great Training Robbery. Harvard Business School Working Paper 16-121. [https://www.hbs.edu/faculty/Publication%20Files/16-121\\_bc0f03ce-27de-4479-a90e-9d78b8da7b67.pdf](https://www.hbs.edu/faculty/Publication%20Files/16-121_bc0f03ce-27de-4479-a90e-9d78b8da7b67.pdf).
2. Lancaster, A. (2019) *Driving Performance through Learning: Develop Employees through Effective Workplace Learning*. Kogan Page. 1<sup>st</sup> Ed. Print.

Bill Morrison, PgD, is Managing Director of Sandler Training EMEA.



---

# **SOLVING POLITICAL AND CIVIL CONFLICT THROUGH THE MODERN LENSES OF CONTEMPORARY PHILOSOPHY AND SOCIOPSYCHOLOGY: INVESTIGATING THE REPERCUSSIONS OF DIGITAL CONSUMPTION VANITY IN THE 21<sup>ST</sup> CENTURY**

---

*Robert S. Green*

**ABSTRACT:** *In a book of his teachings entitled ‘Out of Your Mind,’ renowned philosopher Alan Watts provided a unique perspective, declaring that in life people are essentially playing a game, and how involved they become in that game lends a great deal of reasoning as to how they perceive themselves and the world around them. While Watts was not necessarily attempting to decipher all possible reasons as to why people think the way they do at a certain given time, his words strongly relate to the current era, where many societies around the world are in dire need of solutions to impending economic, political and civil struggles. To effectively address (and potentially eliminate) some of these problems however, it is necessary to analyze some of the primordial socio-psychological factors per se that may come into play, forces that, though oftentimes overlooked or deemed obsolete, may lead to a greater understanding of the state of contemporary media landscapes and their close-knit affiliations with human sociological and psychological issues.*

**KEYWORDS:** socio-psychological factors, civil-conflict, contemporary philosophy, digital, mass media.

---

## INTERPRETING THE ROOT CAUSES OF CONSUMPTION VANITY

The current waters and sentiments felt and experienced around the world today have been strongly shaped by traditional economic practices and models that, while having undoubtedly evolved and improved along with humanity and technology over the past several hundred years, continue to engulf societies with seemingly unassuming tendencies toward negative business practices and harmful lifestyles that are not only unsustainable, but threaten to permanently dismantle the entire ecological sanctity of the planet. A vast amount of the problems nations are facing today stems from business models developed during the industrial revolution which had, notably in the first half of the 20<sup>th</sup> century, revealed prospects of shorter work weeks and a sense of greater overall well-being made possible by enhanced product efficiency resulting in a goods surplus supply slowing demand for repeated purchases.<sup>1</sup> Technological innovation was advancing at a pace unheard of throughout written history.

While many analysts would be right in declaring that the crash of 1929 and emerging depression of the 1930's inevitably led to drastic measures in handling economic turmoil, one figure stood out, assisting corporations and big business in the United States by shifting American (and later a multitude of other countries throughout the developed world) mentalities away from purchasing based solely on utilitarian needs to a culture of wants and desires. Edward Bernays, nephew of Sigmund Freud and "father of Public Relations" was coined for having successfully reframed the word *propaganda* to a more euphemistically acceptable term that would allow businesses to center their practices around the customer through influential (and at times aggressive) advertising practices targeting unconscious human tendencies and desires. His efforts, combined with production concepts revealed in a 1932 paper by Bernard London entitled *Ending the Depression Through Planned Obsolescence*, strongly invigorated today's currently unsustainable, yet evidently inescapable, economic business practices most companies rely on for profitability; design, manufacture, and sell as great a multitude of goods and services as possible and make them have cheaper and shorter (hence less efficient and quality-driven) lifecycles in order to ensure repeat purchases.<sup>2</sup>

Naturally, times such as the great Depression make it easy for one to rationalize the benefits of offering cheaper products and services, given the increased percentage of unemployment and low-income citizens. Additionally, the post-industrial revolution goods surplus, made possible through machine application in manufacturing, was something that had never been seen throughout the history of mankind, allowing analysts to warrant the otherwise abnormal steps taken to revitalize and boost economies worldwide. What does not suffice however is that a vast majority of business practices in the 21<sup>st</sup> century appear unobtrusive and even content with perpetuating the same habits, knowing that there exists today a plethora of scientific evidence as to the residual effects of the behavior and attitudes of what now can be perceived as prehistoric, quasi-makeshift advancements in societal evolution, specifically thanks to digital technology and the emergence of the internet in the latter 20<sup>th</sup> and early 21<sup>st</sup> centuries.

---

<sup>1</sup> Film Documentary Narrator Peter Joseph's take on the current waters of Consumption Vanity Disorder spreading across the world.

<sup>2</sup> One of the most notable examples occurred in Geneva, Switzerland. See the Phoebus Cartel controlling incandescent light bulb efficiency from 2,500 hours to only 1,000 hours.

## LEVERAGING SUSTAINABLE PRACTICES IN BUSINESS

### What Management Can Learn from The Ocean Cleanup

Contemporary innovators such as Dutch citizen, Boyan Slat have brought about ideas that not only counter the traditional economic practices mentioned but are now contributing actors as the saving grace for humanity. His project, the Ocean Cleanup, and its efforts to begin cleaning up the great pacific garbage patch<sup>3</sup> reflect a greatly needed response and wake-up call to businesses around the globe. In essence, Slat exemplifies the fact that it is high time for finding new ways to replace profitability, by way of development of low-grade products and shabby service sales alone, with more intelligent and robust economic models that may allow businesses to both be financially solvent and transparently responsive to environmental impacts that have come about, in large part, as a result of a habitual desire to mass produce products and packaging that are thrown out more rapidly due to poor quality and planned obsolescence, oftentimes for no other reason than sheer greed and allure on the part of shareholders, investors, and managers themselves to forecast future repeated sales.

Delving deeper into the rabbit hole, Slat also represents an issue that is far more pervasive and rooted in societies around the world. His care for engineering, and later, dealing with environmental problems came about during childhood and early adolescence,<sup>4</sup> raising the question as to what sort of education and guidance the young entrepreneur had and whether or not it had differentiated him from the path so many are encouraged to follow, either founded on cultural heritage, public and/or private education, parental/opinion-leader upbringing, or other force that tends to sway children to, as Picasso elegantly put it, *grow out of being artists as they get older* (Robinson, 2006).<sup>5</sup> This, by no means, implies that all people should become artists or avoid general rules and traditional education mandated by elders, but it does give rise to the fact that there has historically been a biased over-emphasis across the globe, contending that pursuit of subjects fundamentally related to math and sciences stand to offer greater financial opportunities later in life in terms of better remuneration via related profession. So, a good follow-up question to this contention may involve more profound discourse into what stage children's minds should be liberated to think outside the box, unhinged from their traditional heritage and, at times, reinvented wheel of education.

Analyses of pedagogical systems and more open investigation into childhood development are two ways that may assist in providing an answer to the question of why several developing and emerging countries around the world remain in contempt when faced with the task of preparing newer generations of learners to follow a different course in their careers from their families and the generations that have preceded them. While it may be true that, in light of cultural studies made by figures such as Dutch social psychologist Geert Hofstede, some countries are allotted a "get-out-of-jail-free card" to adapt to change because of scoring high on *Uncertainty Avoidance*

---

<sup>3</sup> Environmental disasters such as the Great Pacific Garbage Patch, an estimated 80,000 metric tons of plastic exemplify waste from packaging, products, and trash irresponsibly or, in an uneducated manner, discarded throughout the past 150 years.

<sup>4</sup> See more on Boyan Slat via Wikipedia and his website at: [https://en.wikipedia.org/wiki/Great\\_Pacific\\_garbage\\_patch](https://en.wikipedia.org/wiki/Great_Pacific_garbage_patch), <https://www.boyanlat.com>

<sup>5</sup> In reference to Sir Ken Robinson's 2006 TedEx discourse on whether Schools kill Creativity. Picasso's actual quote: "Every child is an artist. The problem is how to remain an artist once he grows up."

(Hofstede *et. al*, 2010),<sup>6</sup> it is no longer adequate to continue educating youth to simply learn and grow in the same business practices that have been, in great measure, responsible for contributing to the current environmental situations bolstered by greed and superficial wealth in exchange for ecological responsibility. Moreover, traditional educational hierarchies have blockaded learning to the point [for some] that a person's ability for critically thinking is frequently perceived as a threat to archaic value systems and, hence, thwarted and even suppressed by many nations around the world.

One of the backdrops of reliving and repeating the same values and practices is that minds stop developing original, unbiased ideas and progressive innovation comes to a halt. Furthermore, while characters such as Edward Bernays and Bernard London may be culpable for providing the template for their ideas regarding strategies businesses should operate within to attain greater profitability, the mass media must assume its grandiose part in the spread and dissemination of trends, wants, and desires that inevitably have systematically served to influence and remind reactive audiences of what they should be purchasing or focusing their attention on. The collateral effect of strategic business developments from baby boomer generations, all the way up to millennials today entering the workforce, is that the negative practices attributed to several of those strategies have had eight decades to mature processes to the point of having become ingrained in societal habits and lifestyle practices. When applied to political agenda-setting in the contemporary landscape, one would be accurate in referencing renown American poet and philosopher Allen Ginsberg's words, "whoever controls the media, the images, controls the culture."<sup>7</sup>

## **MEDIA AND THE ROOT OF EGO DEVELOPMENT FROM EARLY CHILDHOOD**

### **Building Identities through Extrinsic Reward Systems in Biased Educational Values**

One of the standing fortifications preventing societies from breaking through the contemporary media landscape today could be summed up as poor judgment calls in terms of public policies, agendas, and purchasing decisions fueled by an extrinsic reward system that has brainwashed youth from early childhood development spanning into full-blown adulthood. This system has been touted by a vast number of economists, executives, politicians, and institutional leaders and is most notably articulated by the largest mass media news agencies around the world. All one need do is turn on their local television during prime time and observe the issues governing precisely what the public should be most concerned with, namely (and first up on the menu) violence pertaining to global friction (generally of most economic importance for first-world governing powers), big business and trade (status quo production and services practices should ring loudly here), and Meteorology, followed by whichever brand of sports is deemed most popular (and financially lucrative) for that area, region, or "cultural" tradition.<sup>8</sup> The extrinsic reward system

<sup>6</sup> Uncertainty Avoidance (UA) contextualizes and rationalizes a country or culture's tradition to disregard new concepts or ideas in exchange for maintaining familiar customs and ways of living. For some, Hofstede's work presents an inoffensive discourse for perpetuating positive as well as negative habits under the guise of cultural tradition and norms.

<sup>7</sup> Much of Allen Ginsberg's work, notably during the 1950's Beat Generation and 1960's counter culture movement, usefully paraphrase relevant content and topics occurring today.

<sup>8</sup> Sports as a mass media complex has been compared to a "toy department" of the media world, a critical investigation perspective that serves to address the rooted connection between culture and civil society paired with their influence by media and economy. See David Rowe's article on Sports Journalism.

in place here leans on recognizing most those whose involvement in these topics (apart from Meteorology) is most severe, beginning at an early age and reaching its highest climax when choosing a profession or specialization which best coincides with the media-dominant subjects and content matter. For children and early-adolescence youth following due course, sports trophies, medals, certificates, photographs, and autograph signings with more famous celebrity sports stars serve as initial rewards that may strengthen determination in further prepping career moves.<sup>9</sup>

Educational institutions further validate these youth programs in sports/team development by making available added financial incentives and support in the form of scholarships and grants, provided the student(s) choose from a selective curriculum emphasizing subjects that statistically will yield greater monetary reward as long as there is an assertive commitment demonstrated by students to achieving satisfactory grade point average marks, coupled with a contractual agreement to act as poster boys/ girls for garnering further support from institutions and linked professions. In products and services sectors, merchandising alone for the large media sports complex plays a large role in helping to further define, inspire, and condition youth identities, allowing advertising to extend its influential grip by linking the most profitable big businesses who act as sponsors, firmly establishing and rooting a one-track mentality into the minds of a majority of world citizens as they pass through the educational ranks and enter into the global workforce. Notable (and unsurprisingly related) media magazines such as Forbes even announced that the sports market worth in North America alone is expected to reach \$73.5 billion by 2019 (Heitner, 2015).<sup>10</sup> Author Donna Desrochers of the Delta Cost Project at American Institutes for Research drew up an excellent example of what is happening by relating that, while there are numerous forms of spending and investment in furthering academic education for students, in the United States (and a growing trend in other countries worldwide), Desrochers (2013) points out that “athletic departments spend far more per athlete than institutions spend to educate the average student- typically three to six times as much.” Embellishing the premeditated defense rationale many analysts would argue, she explains how “advocates of college athletics are quick to point out the nonfinancial benefits of college sports programs... [improving] name recognition and institutional prominence.”

The importance of Desrochers’s points cannot be overstated. The closer one looks at the way educational opportunities are so often dependent on the interests and availability of financial resources and investment donors for programs, the more parallels can be found between the economic engines driving most societies around the world today and the media landscape holding up the sports complex on a pedestal as one of its dominant epicenters. Upon paying even closer attention to contemporary consumer purchasing and spending habits, particularly in buying technological gadgets and fashion-based merchandise influenced by the dominant, media-generated topics of the current era (sports, video games, television, etc.), the link with how the general public behaves, as consumers as well as world citizens, is able to be further dissected. In its

---

<sup>9</sup> Psychologist, Writer, and Lecturer Vera Sonja Maass employs compelling insight from her research into the socialization of individuals during childhood *via* competition and fear of failure.

<sup>10</sup> Forbes financial figures serve as a brief comparison of growth in the sports market from 2014 to 2019. While net worth forecasts obviously are subject to change year-to-year, the point of this data is to provide speculative insight into the waters of investment and shed light on the mass amounts of capital driven into the media sports sector verses virtually any other in academia, with the exception of technology, which plays a substantial role in the ability to effectively disseminate sports media in the first place.



totality, some may even argue that the ‘consumer vanity disorder’ running rampant in developed countries, where youth and adults alike tend to enjoy the fruits of being able to compulsively spend due to extended credit and purchasing power, leads directly back to two specific casts of characters influencing 20<sup>th</sup> century business practices and economics, Edward Bernays and Bernard London.

In light of all of the “semiotics” in existence today that allow analysts and academics alike to find and connect the nodes of business, economics, media, education, and childhood development, it is dismally irresponsible to overlook the deeper impact that all of these sectors, enacted together, have had on the increasing rate of socio-psychological dysfunctions intensifying among adolescents (as well as adults) as a result of an over-emphasis on one’s own ego; self-inflicted on the surface, but rooted in the values the society in which a person grows up in has (somewhat unintentionally) so encouraged, and even forced upon their younger generations to comply with. Knowing how to identify oneself only through what is most popular and reiterated in the media, while deeming anything immediately unprofitable to be obsolete or unworthy of equivalent necessity for understanding undoubtedly reinforces an environment of stagnant, unoriginal ideas. In terms of technological addiction, it has unleashed a habitat for social degenerates and stripped creativity and a ‘will to think for one’s own sake’ from the human developmental equation. Repetitious marketing of the same product and content through virtually every digital service provider and news agency dismisses the importance of innovation and the same rule applies to positioning educational opportunities in the same manner. Most notably, the advertisement strategies used to dig into the public’s unconscious desires (and hailed by many PR executives) in order to convince them to compulsively buy as much as possible, while selling with those products or services the illusion that people will feel immeasurably better about themselves after the purchase, is increasingly becoming perceived as repulsive in consideration of scientific inquiries aimed at maintaining the balance of humanity with nature. These archaic processes not only have failed to factor in the ecological waste of manufacturing and selling for the sake of sales profit alone, but have demonstrated that keeping consumers glued to screen time with lowest common denominator entertainment and advertisements pertaining most to their respective cross-media marketed industries and institutions has led to a strong disconnect and disregard for humans as intelligent, living, conscious beings.

## **POLITICAL AND CIVIL CONFLICT UNDERSTOOD IN A BROAD CONTEXT**

### **The Business World’s Watergate**

When reassessing the political landscape and economic pressures affecting the world today, there seems little to be surprised about given the behavior that has persisted among so many industries, specifically since the rise of digital computer technology. It has affected how children are raised, what they choose to believe and how they believe, what they are able to learn about, what issues should govern most attention and importance from them, what supposedly creates a model citizen and society for whom they should strive to become or be like, how they dress, what they buy, and most importantly, what they hear, not only audibly, but when they are, as late philosopher Martin Heidegger put it, *Being in the world* with others (Heidegger, 1927).<sup>11</sup> Whether the issue involves

<sup>11</sup> Martin Heidegger suggests the various facets of a person’s circumstantial being as they are a Human Being born of the world. In light of his philosophical insight, how someone behaves or the decisions they make become a relevant point of reflection when inundated by the sheer amount of media, devices, and channels collectively differentiating very little in the way of content.



bickering over global warming and climate change or the decentralization of governments and countries in favor of self-governance on smaller scales to acquire better (or worse) economic benefits, choosing to cover up or ignore root causes and models of civil and political conflict will not solve issues that threaten the future sustainability of the planet. One of the inherently positive impacts of digital technology relates to the fact that due to the same ability to spread information, as has been used to perpetuate repetitious, unhealthy business processes, it is also becoming increasingly difficult to keep under wraps emerging ideas and business concepts that not only shy away from old, unsustainable strategies, but inspire greater awareness of issues that far surpass 'Trump talk' and fake news, focusing instead on how to build a better future for new generations. These efforts commence by first acknowledging and exposing the underlying workings that have proven to be counterproductive, even if it involves seriously addressing the necessity to change some of the bad habits that have collectively contributed to a great deal of societal unrest today across the globe. In this regard, the need for changing outdated business practices and reassessing what values are truly important for the world at large could be synonymous with exposing a *neo-Watergate*, though as opposed to involving only a few politicians, the *Business World's Watergate* exposes the exorbitant waste and systemic problems protruding across the public, business, and educational sectors.

## CONCLUDING RESOLUTIONS

### PIAT- Putting It All Together

One of the most pertinent elements towards understanding and solving problems involves looking at the sum of the parts from a different lens. As with many complex issues and conflicts, there is not only one specific correct answer or party at fault. Even more so, looking into the past and pointing the finger at opposing perspectives, or playing the blame game, tends to only prolong conflict and pour more salt on the wound rather than assist in finding productive solutions to mitigate problems.

There is a great need to harness the advantages new technologies have been able to offer in terms of assisting humanity to explore practical solutions by aggregating data sets from disparate industry sources and finding new ways to leverage that data so that it may provide clearer and better answers to issues and help to avoid future catastrophes. This requires true leaders, teachers, head masters, politicians, and social activists to pick up the torch and change course from the direction where an impending collision seems highly probable. Although philosophy alone may not serve to heal all of the damages around the globe, the words of ancient Chinese philosopher Lao Tzu (n.d) eloquently warn humanity that "if you do not change direction, you may end up where you are heading."<sup>12</sup>

Ultimately, it will prove very difficult to formulate a sustainable response towards improving the world when minds in leading positions choose to remain content with a business-as-usual approach and fail to see the array of opportunities that may very well exist for companies and institutions whom take on the challenge to devise newer economic systems that help in cleaning up the ecologically threatening disasters facing the planet and strive to lead *up-and-coming*

---

<sup>12</sup> Lao Tzu's writings in Tao te Ching are echoing reminders that no matter how advanced humanity evolves technologically, failure to observe common mistakes in our own sights may lead to horrendous catastrophe. In other words, old proverbs can still carry deep intellectual meaning.

generations to an optimistic dawn, where higher plains of intellectual forethought from the top encourage governments, companies, institutions, and public sectors to begin dealing with the fact that we, as a human race can (and should) do much better than we have been in operating. Open minds transcend open eyes.

### BIBLIOGRAPHY

1. Bernays, A. (1986) *Growing up Rich*. New York: Scribners.
2. Bernays, E. L. (2012) *Public Relations*. Chicago: Snowball Publishing.
3. Bernays, E. L. (2015) *Biography of an Idea: Memoirs of Public Relations Counsel*. United States: Open Road Media.
4. Bernays, E. L. (1928) *Manipulating Public Opinion: The Why and The How*. *American Journal of Sociology*, 33(6), 958–971. <http://doi.org/10.1086/214599>.
5. Bernays, E. L. (1942) *The Marketing of National Policies: A Study of War Propaganda*. *Journal of Marketing*, 6(3), 236. <http://doi.org/10.2307/1245869>.
6. Bernays, E. L. & Cutler, H. W. (1969) *The Engineering of Consent*. Norman: University of Oklahoma Press.
7. Buckley, W. F. (2017) *Firing Line with William F. Buckley Jr.: The Avant Garde*. <https://www.youtube.com/watch?v=vBpoZBhvBa4>.
8. *Century of the Self* (2002) Produced and directed by Curtis, A. United Kingdom, BBC.
9. *Culture in Decline* (2012) Winther, M., Tims, M., Cynthia, Mead, S., Harris, M., Cob, M., ... Fca. <https://topdocumentaryfilms.com/culture-decline-consumption-vanity-disorder/>.
10. Desrochers, D. M. (2013) *Academic Spending Versus Athletic Spending: Who wins?* Delta Cost Project. American Institutes for Research.
11. Heidegger, M. (1927) *Being on Time*. Translated by John Macquarrie and Edward Robinson. 1962-Harper & Row.
12. Heitner, D. (2016) *Sports Industry to Reach \$73.5 Billion By 2019*. *Forbes*. <https://www.forbes.com/sites/darrenheitner/2015/10/19/sports-industry-to-reach-73-5-billion-by-2019/#73fae7d61b4b>.
13. Hofstede, G. H., Hofstede, G. J. & Minkov, M. (2010) *Cultures and Organizations: Software of the Mind*. Maidenhead: McGraw-Hill.
14. Hofstede, G. (2011) *Dimensionalizing Cultures: The Hofstede Model in Context*. *Online Readings in Psychology and Culture*, 2(1). <http://doi.org/10.9707/2307-0919.1014>.
15. Kotecki, P. (2018) *The Massive Ocean Cleanup Device Invented by a 24-year-old is Running into Problems in the Great Pacific Garbage Patch*. *Business Insider*. <https://www.businessinsider.com/great-pacific-garbage-patch-ocean-cleanup-device-spilling-plastic-2018-12?r=US&IR=T>.

16. Kramer, J. (1970) *Allen Ginsberg in America*. New York: Vintage Books.
17. Lao-tzu, (n.d) *Tao Te Ching*. Translated by Feng, G.-fu, & English, J. (1997). New York: Vintage Books.
18. London, B. (1932) *Ending the Depression Through Planned Obsolescence*. New York.
19. Maass, V. S. (2010) *Coping with Control and Manipulation: Making the Difference Between Being a Target and Becoming a Victim*. Santa Barbara, CA: ABC-CLIO.
20. Nicholson, M. (2007) *Sport and the Media: Managing the Nexus*. Oxford: Elsevier Butterworth-Heinemann.
21. Rowe, D. (2007) *Sports Journalism*. *Journalism: Theory, Practice & Criticism*, 8(4), pp. 385–405. <http://doi.org/10.1177/1464884907078657>.
22. Watts, A. (2018) *Out of Your Mind*. S.l: Souvenir Press Ltd.
23. Watts, A. (1989) *The Book on the Taboo of Knowing Who You Are*. Random House Inc. New York.
24. Watts, A. (1971) *Does it Matter- Essays on Man's Relation to Materiality*. New World Library.

Robert S. Green is a lecturer of Media Psychology and Cross-Cultural Communications at EU Business School, Swiss Campuses.

---

# A NARRATIVE ENQUIRY OF STUDENTS' IDENTITY CONSTRUCTION IN MULTICULTURAL HIGHER EDUCATION

---

*Antonia Koumproglou & Konstantinos Biginas*

**ABSTRACT:** *The present study aims to develop an understanding of how university students of diverse social, cultural, and economic backgrounds develop and negotiate their sense of identity in a complex social landscape, complicated further by the strain of the prolonged, economic crisis and the influx of diverse communities of immigrants into several countries over the past years. One of the key aims of the study is to explore the narratives students employ to describe their experiences in the school context.*

*The above objective can be outlined on the basis of the following theoretical assumptions. First of all, identity is conceptualised as an ever-evolving process, formed, constructed, performed and re-constructed in the realm of social interactions; it is thus both complex and context bound. This methodological approach to identity research analysis denies the appropriation of rigid categories of identity formation. On the contrary, what is suggested here is an understanding of social action and social agency in relational, temporal, historically and culturally conditioned terms (De Fina, Schiffirin & Bamberg, 2006). Second, identity is enacted, understood and communicated through language and narrative functions. "Narratives are aspects of situated language use, employed by narrators to position a display of situated, contextualised identities" (Georgakopoulou, 2006). Third, discourse practices are linked with issues of dominance, colonisation, complicity, power-knowledge, and resistance; they are implicated in relations of equality and justice (Giroux, 1992).*

**KEYWORDS:** narratives, identity, multicultural, higher education, university students.

---

Students engage in semiotic activities across multiple discourses, virtual spaces, and communities of practice where they construct/perform what could be called as "identity work". Their engagement with new media is both imaginative and creative; it is also conducive to the expansive new "literacy practices" (Barton, 2012; Bhatt, I., R. de Roock, and J. Adams. 2015). Research has shown the important role of digital literacy and interaction in fostering agency, self-esteem and self-awareness (Vygotsky, 1978, 1986; Ochs & Capps, 1996, 2001). The internet affords users the space to engage in a highly conscious process of enquiry of "self" and "other". The aim

of interactive activities we designed for students was to assist them to understanding the topic in a more engaging way. For example, how business take place in the European Union, what modes of entry are more preferable and what are the most significant factors, need to be taken into serious consideration. This was a highly complex and multifarious as well as technical task, and so making the activity fun, user friendly, interactive and reflective was crucial part of our teaching strategy.

The activities usually last for two to three weeks and on the last day of the activity the students present their portfolio in a group presentation. A whole-class, student led discussion follows the presentations, which revolves around the purpose and future of business in the EU for example, or any other topic that could fit within the proposed framework. We conduct both quantitative and qualitative research to collect student feedback.

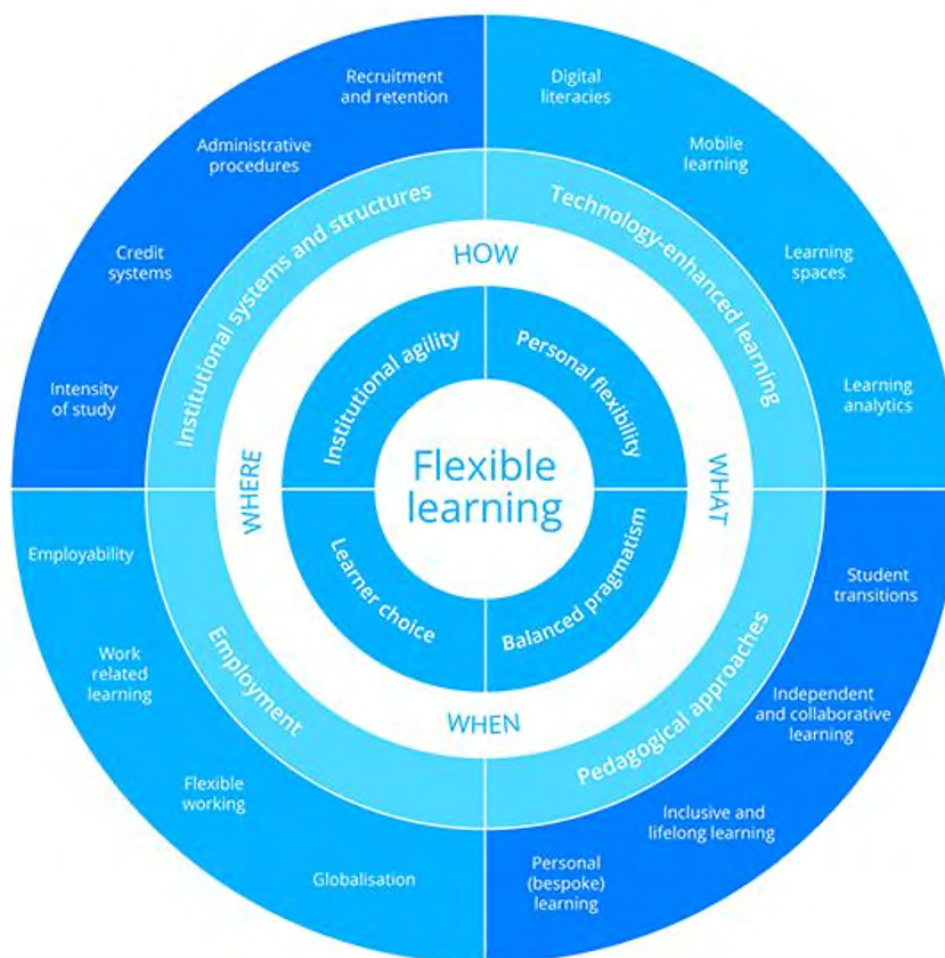
### EVIDENCE OF TEACHING SCHOLARSHIP

The intended impact of the designed activity - which is only one of the cases we seek innovative ways to maximize student engagement, was to create opportunities for creative work through exploration, collaboration and learning “by doing” and through “trial and error”. The environment and space we wanted to create for our students was meant to be student-centered, free and flexible, open to discussions and debates. Students were co-creators of the learning process (equal partners in education), they had a say in the design and implementation of the activity, much of which changed as a direct result of the students’ input and feedback. We used Boyer’s (1990) Four Scholarships framework to structure the activity (please see table below).

Boyer’s Four Scholarships	Theoretical Principles	Practical application of Boyer’s framework
The Scholarship of Discovery	The students were given “freedom of inquiry” and to following, in a disciplined fashion, an investigation wherever it may lead” (Boyer, 1990, p. 17).	Students were given contextual information about doing business in Europe but they could determine the parameters of their inquiry and present their results in digital format.
The Scholarship of Integration	This is “serious disciplined work that seeks to bring new insight to bear on original work” (p. 19).	Student groups came up with their own ideas and findings about how the European Union policy context affects business. We then as a class debated and synthesised new findings.
The Scholarship of Application	“theory and practice vitally interact and one renews the other” (p. 23).	Students engaged in scholarly research to gather evidence which they then used in their digital presentations. So, there was a mixture of theoretical and practical learning.
The Scholarship of Teaching	“work of the professor becomes consequential only as it is understood by others” (p. 23)	My intention was to spark my students’ curiosity in order to ignite independent learning. I think I was successful mainly because students were making choices in their learning based on their own interests and were highly motivated.



## The Student Competency Framework



© Higher Education Academy, 2015

In academia there are various teaching performance objectives that aim to create an engaging teaching environment. We have used the Student Competency Framework (HEA 2015) to fulfil as many performance objectives as we could. Those were our guiding principles for the pre-planning stage of the activity. Starting from the outer objectives, we designed the activity paying particular emphasis on *inclusivity* and *life-long learning*, *globalisation*, *innovation* and *collaborative learning* (taken from the Capability Framework). One of the initial instructions to the students was to make sure they present ideas without bias and prejudice but with sensitivity to socio-political and economic issues (for example when discussing BREXIT or the recent Economic Crisis). Inclusivity was very important for that reason for that reason a leadership rotation mechanism was established. Leadership was distributed and shared among the group members instead of focusing on a single leader. Students were encouraged to share leadership. Despite some initial resistance by some members, this style of leadership was quite successful in the end. One of the qualitative comments in my research corroborated this view “*Antonia and Kosntantinos create a great teaching atmosphere where everyone feels comfortable, everyone gets to act as a leader.*”

### Embracing Innovation and Change

Castells (1996; 2001) has spoken of the profound changes inflicted by the information technology



revolution that will alter our ‘conceptions and experiences of time, space, relatedness, and what it is to know things’. Having in mind the impact of this technology revolution on students’ leisure, literacy practices and their own perception of their position in this world in relations to others, we wanted to explore and work with them on a new vision of literacy practice which will have an immediate, and in some ways very apt effect on their self-concept and their relationship with their peers, with learning in indeed with the world at large. Ambitious as it may sound, this new vision of literacy practice (which by and large is digital) posits a humanistic approach to adult education where the individual is at center stage, making own decisions with social awareness and sensitivity about the impact of their own words, actions and decisions have on others in “real social contexts”. The digital activities the students undertook gave them the opportunity to create hybrid creations in new media forms to generate new text-based social repertoires. They engaged in new communicational styles, and symbolic systems with the aim of accessing and participating in new knowledge and cultural configurations. They had to challenge themselves and their assumptions through research and exchange of ideas and debate. The discussion forum enabled vivid discussions between them outside the traditional confines of the classroom. The students browsed through multiple online sources to investigate the impact of political/economical circumstances of globalization, media convergence and labour market deregulation on business practices. They then created their own subjective viewpoint on these issues using objective, evidence-based supporting materials.

### **UNDERPINNING THEORY OF MULTIMODAL LITERACY PRACTICE AND SOCIAL IDENTITY THEORY IN INCLUSIVE BUSINESS INSTRUCTION**

Since the mid-90s, a generation of literacy scholars contemplated on literacy as one discourse of the many discourses available on today’s communicational landscape. Scholars such as Fairclough (1989), Gee (1996), Giroux (1998), Kress (2013), McDonel (2006), McLaren (2010; 2014) represent just a few of the many scholars who study literacy from a perspective of social linguistics and multiple discourses. Following their approach, the students and tutors in the module researched business practices in historically situated and culturally specific contexts. For example, we investigated the changing EU policy framework for business under the pressures of globalisation, climate change, rising nationalism and scepticism towards the EU project. We engaged in learning practises which are *purposeful and embedded in broader social goals and cultural practices* (Street, 2015).

As far as educational research is concerned, such terminology reflects attempts to explain and understand literacy and learning within changed learning contexts and to establish new learning paradigms. These terms have been constructed around particular pedagogical frameworks of constructive learning and have contributed to developing educational curricula more responsive to the needs of students within the emerging communicational order.

So, literacy is taken up to be studied from different theoretical and practical perspectives, an undertaking that led to the blossoming of a *multidisciplinary study of language and literacy pedagogies* in academia, drawing on a mix of specialists in literacy [(socio)linguistics, critical discourse analysis, critical literacy pedagogy, history, culture (cultural studies, anthropology, sociology), media, media education and communication studies (media studies, education), human-computer-interaction (computer science psychology), and new technologies (information

science, social studies of technology). Theories of semiosis that focus on only one mode or medium do not suffice to describe such phenomena, especially in our times that new forms of discourse create much more complex forms of mediation.

### **Why Encourage Students to Engage in an Online Portfolio? Engaging Students in Digital Literacy Under Higher Education Student Competency Framework.**

Students engaged in traditional forms of content delivery experience learning with the seminar tutor taking a top-down approach to their learning, dictating what information is important to assimilate, and the means and activities to be used for such purpose. In many cases, students struggle with the demanding theories and technical modules, the result being that the majority become increasingly more disengaged with the content and the weekly seminar activities. We observe such issues in class with skepticism and uneasiness. In such cases, the best way to react is to take matters in our own hands and create a multimodal literacy activity that places the student at the center of their learning. So, one might ask why should we undertake a literacy practice in a Higher-Education context?

Our answer would be that digital literacy *supports design*, which is ‘prospective, future oriented’ (Kress, 2003, 2006; 2008) and ‘starts from the interest and the intent of the designer. This perspective is compatible with the Student Capability Framework and the Teaching Excellence Framework (Times Higher Education, 2018).

*Design allows for more creativity* too, since design of multimodal artefacts allows the designer much more latitude in the construction of complex meanings and realities. And unlike traditional forms of covert instruction, where knowledge is dictated to the student, digital literacy projects offer readers the chance to organise the material in whatever way they want.

The lecturer does not impose his / her own ideas, beliefs and concepts on the students, rather the students energetically and decisively explore alternative realities and/or socio-political and economic choices (that maybe economic models, political regimes, diplomatic initiatives on EU level, foreign policy decisions on issues such as the refugee crisis) and critically assess the impact of these alternatives on different groups of people as well as on business.

The above assumptions have significant theoretical and practical implications on the processes and underlying strategy of teaching Business modules in Higher Education context. We utilised and expanded on the new principal pillars of transformative learning prescribed in the new Student Competency Framework to improve our students’ learning experience.

1. **Technical Skills:** While subject knowledge can be represented in different modes and even conflicting logics; *meaning making* is always an act of *approximation*, whether on the part of the sign-maker or the part of the sign-reader, the sign (be it a word, a painting, a video, and so forth) is an object to ‘be filled with content’, so meaning-making both as meaning production or meaning consumption is a transformative process; and so the learning process should be.
2. **Ethical and Sustainable Practice:** Academic discourse is a deeply relational and reciprocal process. The lecturer is the one responsible to lead on and conduct this discourse in a manner that is comprehensive, informative and interesting, and yet is respectful and socially sensitive, allowing for student self-exploration and self-determination. In the context of teaching

particular contemporary business issues ensuing academic discourse and learning “space” co-created by the participating students and tutors, enabled for very interesting, challenging, but also very moving discussions and debates on the purpose and future of the EU in the midst of the changing political climate; the impact of free markets in our globalised world; and the role of business and young entrepreneurs in this fluid and convergent context and other contemporary drivers of change.

3. We also touched upon critical issues such as security, immigration, and national sovereignty in a learning environment conducive to openness, fearless expression of ideas, and constructive debate. These were the elements, and the debates that followed the presentation of the group portfolios was reportedly most enjoyed by the students. In the qualitative feedback we gathered, there were comments on how much they enjoyed these conversations, how much they learned from each other and how this experience got them thinking about the relevant contemporary business issues.
4. **Intercultural and International Engagement:** During seminars, students work in groups to gather resources and create content for their online projects. That transpires that *language* is a very important construct of reality. We discussed how language is never neutral or an objective reflection of truth or reality; on the contrary, language is inherently political embedded in specific power-relations and structures.
5. **Technology Enhanced and Research Inspired Teaching:** The learning resources of a community of practice consist of a bank of shared knowledge and meaning without which human communication would be impossible. Creative agency intervenes in the process creating new meaning potentials and affecting final outcomes. Learning by design involves the use of already existing resources, but it is not a matter of simple reproduction, it refers to *adaptation and modification*. It involves remodelling the available resources to serve the production of something new. This is the essence of constructive, collaborative learning.
6. **Innovation and Digital Fluency combined with Community Contribution and Responsibility:** The need for *new voices*, and new realities to be heard in academia as well as in higher education pedagogy became apparent to us throughout this experience. The students themselves stressed the economic and socio-political realities of their homelands and their experience of living in Europe as young students. They contemplated on a global future anchored in ideals of sustainability and political and corporate responsibility.

## CONCLUSION

Concluding, it should be stressed that teaching and learning is a very complicated and dynamic process, an interplay between existing knowledge and resources available and the contribution of personal agency. According to constructive learning theory, the teacher should act mainly as a facilitator in students’ learning, making all the necessary means and resources available to them. It has been proven time and again that students enjoy thoroughly and thrive in such a creative and dynamic environment. Even through it is hard sometimes to continuously provide such an open and democratic environment for students because of time pressures, lack of institutional support, other teaching priorities and objectives, it is admittedly a very rewarding experience for

any academic to have. We have seen the levels of student satisfaction and engagement during and after the interactive and engaging activities go up. These very positive results have strengthened our will and determination to carry on leading such projects despite the limitations and obstacles that may come along the way.

### BIBLIOGRAPHY

1. Bakardjieva, M. (2005) *Internet Society: The Internet in Everyday Life*. London: Sage.
2. De Fina, A. (2003) *Identity in Narrative: A Study of Immigrant Discourse*. Amsterdam: John Benjamins.
3. De Fina, A., Schiffrin, D. & Bamberg, M. (Eds.) (2006) *Discourse and Identity*. Cambridge, UK: Cambridge University Press.
4. Erikson, E. H. (1968) *Identity: Youth and Crisis*. New York: Norton.
5. Georgakopoulou, A. (2006) *Small and Large Identities in Narrative (Inter)-Action*. In A. De Fina, D. Schiffrin & M. Bamberg (Eds.). *Discourse and Identity*. Cambridge, UK: Cambridge University Press. pp. 83–102.
6. Georgakopoulou, A. (2008) “On MSN with Buff Boys”. *Self- and Other-Identity Claims in the Context of Small Stories*. *Journal of Sociolinguistics*. 12(5). pp. 597–626.
7. Georgakopoulou, A. (2006) *Postscript. Computer-Mediated Communication in Sociolinguistics*. *Journal of Sociolinguistics* 10(4). pp. 548–557.
8. Georgakopoulou, A. (2000) *Analytical Positioning vis-À-vis Narrative Positioning*. *Narrative Inquiry*, 10. pp. 185-190.
9. Giddens, A. (1991) *Modernity and Self-identity. Self and Society in the Modern Age*. Cambridge: Cambridge Polity Press.
10. Hall, S. (1996) *The Meaning of New Times*. In: Morley D, Chen K (eds) 1996 *Stuart Hall: Critical Dialogues in Cultural Studies*. Routledge, London.
11. Higher Education Academy (2018) *Inspiring Student Capability*. Liverpool. John Moores University & Training Attention Ltd.
12. Hoffmann, C. & Volker, E. J. (2010) *Once Upon a Blog ... Storytelling in Weblogs*. In: Christian Hoffmann (ed.), *Narrative Revisited*. pp. 79–108.
13. Kress, G. & Van Leeuwen, T. (2001) *Multimodal Discourse: The Modes and Media of Contemporary Communication*. Vol. 312. London: Arnold.
14. Kress, G. (2009) *Multimodality: A Social Semiotic Approach to Contemporary Communication*. Routledge.
15. Kress, G. (2000) *Multimodality. Multiliteracies: Literacy Learning and The Design of Social Futures*. pp. 182-202.
16. Jewitt, C. & Kress, G. (Eds.) (2003) *Multimodal Literacy*. New York: Lang.

17. Miller, P., Hoogstra, L., Mintz, J., Fung, H. & Williams, K. (1993) *Memory and Affect in Development*. In C. A. Nelson (ed). Minnesota Symposium on Child Psychology, 26. Hillsdale, NJ: Erlbaum. pp.87-114.
18. Ochs, E. & Capps L. (2001) *Living Narrative*. Cambridge, MA: Harvard University Press.
19. Ochs, E. & Capps, L. (1996) *Narrating the Self*. Annual Review of Anthropology, 25. pp. 19-43.
20. Silverstone, R. (2006) *Domesticating Domestication: Reflections on the Life of a Concept*. In T. Berker, M. Hartmann, Y. Punie & K. J. Ward (eds), *The Domestication of Media and Technology*. Maidenhead: Open University Press pp. 229-248.
21. Berker, T., Hartmann, M., Punie, Y. & Ward, K.J. (eds) (2005) *The Domestication of Media and Technology*. Maidenhead: Open University Press pp. 229-248.
22. Vygotsky, L. (1978) *Mind in Society: The Development of Higher Psychological Processes*. Cambridge, MA: Harvard University Press.
23. Vygotsky, L. (1934/1986). *Thought and Language*. Cambridge, MA: Cambridge University Press.
24. Walker, J. (2004) *Distributed Narrative. Telling Stories Across Networks*. Paper presented at *Internet Research 5.0*, Sussex, UK, 19–22 September. <http://huminf.uib.no/~jill/alks/DistributedNarr.html>.

Konstantinos Biginas, MSc, PhD candidate in Strategic Management, University of Hertfordshire, and Antonia Koumproglu, MA, PhD Candidate in Education, University of East Anglia, are lecturers at EU Business School, Online Campus.

# CALL FOR PAPERS

## ON RESEARCH

*(Fifth Edition; Fall, 2020)*

ON RESEARCH is now inviting proposals for its fifth edition, aimed to be published tentatively in November 2020, in the form of empirical and theoretical papers, cases, and book reviews in one of its many focus areas.

ON RESEARCH is the flagship, academic, open-access, peer-reviewed journal, publishing the highest quality of scholastic works in the field of applied business research. The periodic review publishes both scholarly and expository articles on a diverse range of subject and thematic areas for an international and interdisciplinary readership. The periodic review is published on a biannual basis, and invites submissions based on global “call for papers.” The publication accepts submissions from leading experts, industry leaders, academics, and senior students, which meet the blind screening and peer review criterias set forward by the advisory board.

### Types of Contributions

Contributions to ON RESEARCH may be in the form of the following:

1. Original Essays  
(4,000-8,000 words)
2. Short Articles  
(1,500-2000 words)
3. Business Cases  
(upto 3000 words)
4. Book Review  
(1,500-2,000 words)

### How to Submit

Send us your abstract/proposal, which should contain the following information:

- The proposed title of the contribution
- Author(s) name(s). Joint contributions are welcome
- The type of contribution (original essay/short article/case/book review)
- Abstract of 250 words
- Short bio of author(s)
- Contact details of author(s)

All submissions are to be made only in MS Word format, and all questions and queries must be forwarded to [research@euruni.edu](mailto:research@euruni.edu)

**Note:** All manuscripts shall be screened using anti-plagiarism software.

### Deadlines & Key Dates

- Abstract Submission (250 words): **June 30, 2020**
- Confirmation of Acceptance of Abstract: **July 07, 2020**
- Final Manuscript Submission: **September 15, 2020**
- Peer Review Process/Copy Editing: **September 16 – October 16, 2020**
- Expected Date of Publication: **November 02, 2020**





*“Waste no more time arguing what a good man should be. Be One.”*

Marcus Aurelius

**Geneva**

Rue Kléberg  
1201 Geneva  
Switzerland  
T +41 22 779 26 71  
F +41 22 779 26 73  
info.gva@euruni.edu

**Montreux**

Villa Ormond  
Rue du Lac 18  
1815 Clarens-Montreux  
Switzerland  
T +41 21 964 84 64  
F +41 21 964 84 68  
info.mtx@euruni.edu

**Other campuses in:**

**Barcelona**

**Diagonal Campus:**

Diagonal 648 bis  
08017 Barcelona  
Spain  
T +34 93 201 81 71  
F +34 93 201 79 35  
info.bcn@euruni.edu

**Munich**

Theresienhöhe 28  
80339 Munich  
Germany  
T +49 89 5502 9595  
F +49 89 5502 9504  
info.muc@eumunich.com

**Ganduxer Campus:**

Ganduxer 70  
08021 Barcelona  
Spain

**Online**

T +34 93 201 81 24  
onlinecampus@euruni.edu

**Programs in:**

Moscow & Rostov-on-Don (Russian) | Almaty, Astana  
& Aktobe (Kazakhstan) | Taipei (Taiwan) | Hong Kong,  
Shenzhen, Shanghai & Beijing (China) | Kuala Lumpur &  
Kota Kinabalu (Malaysia)

**Partnered with:**



Follow us on:

