Journal of the Global Business Research Symposium

St. John's University
The Peter J. Tobin College of Business

Southern New Hampshire University
School of Business

Fall 2023, Volume 3, Number 1

ISBN #978-0-9978326-3-1

AFFILIATED WITH THE ANNUAL CONFERENCE - GBRS

Global Business Research Symposium

ABOUT
JGBRS

The *Journal of the Global Business Research Symposium* is an online publication made available from the Global Business Research Symposium and its affiliated sponsors.

For more information about the *Journal of the Global Business Research Symposium,* the annual international conference, or the affiliate organizations, please go to http://www.gbrsconference.org

SYMPOSIUM STAFF:

Igor M. Tomic, Founder GBRS
St. John's University, Retired

Hilmi Elifoglu, Co-Director, Editor GBRS
St. John's University

David Chan, Co-Director, Editor GBRS
St. John's University

Ivan Abel, Proceedings Editor GBRS
St. John's University

Biagio Pilato, Treasurer GBRS

JGBRS ONLINE JOURNAL CO-EDITORS:

Michael T. Tasto
Southern New Hampshire University

Gregory M. Randolph
Southern New Hampshire University

Robert F. Salvino
Coastal Carolina University

Hilmi Elifoglu
St. John's University

David Swain
Southern New Hampshire University

CONTACT INFORMATION:

Michael T. Tasto, Co-Editor
m.tasto@snhu.edu
(603) 668-2211 x3327
http://www.gbrsconference.org

David Swain, Co-Editor
d.swain@snhu.edu

Table of Contents:

Introduction

We are pleased to bring you this collection of research articles and case studies covering multiple business disciplines and offering a global perspective. For this and future issues, we welcome theoretical, applied, and empirical papers, as well as case studies in all areas of business, including accounting, finance, banking, management, marketing, business law, ethics, economics, real estate, technology, emerging markets, and cultural issues.

Articles in this journal have been submitted through a process of peer review after presentation at the Symposium's annual conference, the Global Business Research Symposium. We have made every attempt to match reviewers with articles according to discipline expertise in an effort to provide meaningful and timely feedback to help ensure a quality final manuscript for publication in this journal.

As a conference journal, we take this opportunity to make you aware of our annual international conference held each summer. The Global Business Research Symposium facilitates a friendly scholarly environment across all business disciplines.

We would like to extend our thanks to the symposium staff and our editorial review board for timely and constructive reviews. If you are interested in attending the conference or submitting a paper, please see our conference "Call for Papers" at http://www.gbrsconference.org.

Our mission is to encourage scholarly investigation and expression of important issues facing business in an ever-changing world. Thank you for your interest in the *Journal of the Global Business Research Symposium* and enjoy the first issue. We hope to see you at the next conference!

Sincerely,

The Editors

Investing in the Future: Exploring Industry-Supported Schemes to Expand Access to Higher Education

Garfield R. Benjamin
St. John's University

Abstract

The enterprise of higher education depends on multiple sources of funding to ensure that resources and quality education is continuously available to students in order to supply them with the tools needed to successfully function in their chosen industries. The tangible product of the business of higher education is the student who contributes to the future workforce. Unfortunately, for students, there is a level of privilege associated with pursuing a college degree, and a dilemma that lies in the issue that increasingly, college is becoming a prerequisite for obtaining many jobs that in the past did not require a college degree.

This paper will discuss this issue and will explore plausible solutions that shift the responsibility from individual students to those who benefit most from the university education, industry. Specifically, this paper proposes a dedicated federal tax on industry – large, medium, and small - that is exclusive, and directly funds educational opportunities at the associate and baccalaureate levels. The United States provides various indirect tax benefits for educational purposes through various tax schemes. This direct dedicated tax will mitigate, and possibly eliminate, the indirect tax benefits currently available, to support a dedicated tax for post-secondary education. These funds could cover the costs of industry research and resources, lowering the costs on the institutions, and can contribute to student funds, lowering the need for loans and granting scholarships to those most in need, thus increasing access to education.

Keywords

Education, Industry, Students, Access

Introducing the dilemma

There are many factors that contribute to a student's professional development. In order to succeed academically students, need resources including educational materials, campus space, residence, health and wellness resources, access to quality internet, etc. Access to these resources is key to provide a safe and conducive learning environment with the outcome of producing good citizens that will contribute to innovation and growth in global industry and economy across sectors. Also, increasing access to these resources increases the likelihood of securing jobs upon graduation.

Higher education has the important task of coordinating the integration of the workforce with global industry by delivering quality education, and developing students to innovate and think critically, while at the same time teaching the transferable skills required for students to enter their chosen fields. Often, these skills are determined by industry leaders who impress their needs on university leadership, who in turn, evolve education to meet the ever-changing demands of industry. The issue of concern is that the financial responsibility is placed on the student and unarguably, industry benefits the most.

In a simple, more traditional sense, a business receives payment from a customer for a service or product and the customer then benefits from their payment by either having the service completed or by owning the product. Students pay universities to learn skills and obtain credentials needed to work in different levels of industry, but who really benefits from the skills that are taught? Are the students learning for the sake of expanding their knowledge on a given subject, or is the motivation really to appear attractive to companies looking to benefit from the skills that students learn?

For students, universities and colleges facilitate the transition to the workforce. Students make large capital investments in their education with hopes that they can become decision-making contributors to their chosen fields. There are serious issues of access and equity embedded in the business of higher education that prevent many from being able to engage in the pursuit of higher education and subsequently reach levels of desired economic success. The strain of not being able to pay for education and finding ongoing financial support during the duration of college studies, present barriers that requires students to work at a job to support themselves. This often causes distress which distracts them from their educational pursuits.

The Sectors Involved in Shaping the Dilemma

In his article, "Why New York's Free College Program is Still Costing its Students," Michael Waters reports that 35 percent of new jobs require a college degree at minimum. Those who, for whatever reason, may have previously entered the workforce directly after completing high school now must explore options and earn college credentials to be able to support themselves and their families. This makes access to higher education a "proxy for economic inequality" (Waters, 2020), which results in a dilemma wherein the student is tasked with trying to learn while at the same time trying to secure funds to manage the personal and institutional cost of education.

This dilemma involves several key sectors that play integral roles in shaping the issue. First, and most obviously, the Higher Education sector. Colleges and Universities are at the center of this issue as they are providing the product and are charging money for the product.

Colleges and Universities are charged with providing the education needed for students to move into their future areas of industry. The product that colleges offer is competent graduates. Students take what they learn and use it to inform their decision-making and innovation in their fields upon their degree conferral. For many students, a college education represents a major step in the transition to the workforce. Students make large investments in their education with hopes that they can become decision-making contributors to their chosen fields, but for many there are unsettling barriers that preclude this dream from becoming a reality. There are issues with access and equity embedded in the business of higher education that prevent many from engagement and participation in the pursuit of higher education with hopes of achieving reasonable levels of economic success. The strain of not being able to pay for education often presents a barrier that often requires the student to work or causes distress that distracts from educational pursuits. In her article “New Research Finds Private Colleges Pay Off More Than Public Colleges—but It’s Complicated,” Abigail Johnson Hess reports that, “Earning a college degree is one of the most expensive investments Americans make. Each year, millions of students pay thousands of dollars and take on piles of debt with the understanding that their investment will pay off” (Hess, 2019). The issue here is that higher education is very expensive. The high costs associated with college degrees often make the pursuit of higher education an unattainable dream for many who: 1) may not be able to afford the high costs, 2) may not be able to take on the debt of student loans, and/or 3) may need to work now and therefore cannot afford to give up the time to earn money.

This dilemma is also heavily influenced by the demands of industry. From the perspective of educational institutions, business is responsible for predicting the continuously changing needs of industry. This directs college and university academic units to develop and grow their curricula to train for innovation in industry’s growth areas. Industrial and business advisory boards put high demands on educational institutions, charging them with growing innovators and leaders for the future workforce. In their article, “Multiple Perspectives on the Challenges for Knowledge Transfer between Higher Education Institutions and Industry,” Nigel Lockett, Ron Kerr, and Sarah Robinson note that the transfer of knowledge between higher education institutions and industry “will encourage the dissemination and assimilation of knowledge and stimulate engagement between wider society (including business, government and public) and the research community” (Lockett et al., 2008). Further, this knowledge transfer between industry and higher education institutions is helpful in multiple ways. “One is that the university and academics are in contact with industry and therefore they have knowledge and understanding of what is needed out there. It is very important... in planning their research activities, and the second thing of course has to do with exploitation and with income (G/A)” (Lockett et al., 2008). This contributes heavily to competitiveness between educational institutions with the goal of providing the best education, best access to resources, and ultimately, the best outputs (job placements). The competitive nature, of course driven in-and-of itself by capitalistic competition, propels the cost of the education as it costs the institutions more money to provide the better resources and quality of education demanded by the industry-led advisory boards. “But unlike other major investments, such as buying a house or a car, students are often left without crucial information about how much a degree from any given school will pay off, making it difficult to decide where to study and how much to pay” (Hess, 2019). According to Hess, there remains “significant differences in the value of degrees earned from different kinds of universities, such as for-profit, nonprofit private and nonprofit public universities” (Hess, 2019). This, in turn, brings us back to the question of who benefits most from higher education. Industry is also central in the dilemma because it demands a product from colleges and universities, and it uses this product to grow business in their given areas, but it does not pay for the cost that goes into developing the contribution to its business.

Media contributes in several ways to this dilemma. First, advertisements and commercials for non-traditional programs at schools like Capella University, Southern New Hampshire University, University of Phoenix, Everest College, and ICDC College seem to promote that they offer a solution to issues with access and affordability. The commercials often feature a black male or a working mother and offer a "change-your-life" slogan with the goal of inspiring people to take part in their "life-changing" opportunities. These images provide viewers with socially constructed ideas that: 1) people who identify with certain intersections, are likely to need these services, and 2) their product will propel a person's life chances. Although some of these programs are relatively inexpensive compared to many traditional programs, and they are more accessible through online platforms, they market a solution that serves as more of a "band-aid" for an issue that purports to address the more superficial issues of access and affordability. Systemically, there is a group of people that are left without opportunity. In her article, "The Cost of Private vs. Public Colleges" Emma Kerr reports that tuition cost is increasing "across the board at both private and public colleges. U.S. News data shows that over 20 years, tuition at national universities increased by 168% at private colleges, 200% at public colleges for out-of-state students and 243% at public colleges for in-state students" (Kerr, 2019). While private colleges are offering an average of historically high tuition discounts to students, the "cost of tuition and fees is typically higher at private colleges, and these institutions…have reputations of only educating the wealthiest students" (Kerr, 2019).

Possible solutions to address issues with funding and access in higher education

Currently, there are a number of programs that offer possible solutions to this dilemma. One initiative that attempts to takes on this issue is the New York State Excelsior Program. This program makes undergraduate education at State University of New York (SUNY) and City University of New York (CUNY) schools free for New York State residents pursuing up to 30 academic credits per year, and whose families earn less than $125,000 per year. Programs like this are important in shifting the dial towards equity in opportunity because it allows those who need and who might have barriers to access education, to access quality education, thereby making more jobs available to them. This is a great step forward, but this initiative is government funded, meaning that ultimately this initiative is costing taxpayers. It is also exclusive to public New York institutions, excluding access to private institutions. Considering equity and access, it is important that students have options. "Degrees from private nonprofit colleges typically have a higher return on investment when measured in the long-term" (Hess, 2019). Students who need the Excelsior program to be able to pursue higher education would not have these options.

In addition to programs like Excelsior, I would propose a dedicated federal tax on industry – large, medium, and small - that is exclusive, and directly funds educational opportunities, at the associate and baccalaureate levels, especially for industries that require college education. The United States provides various indirect tax benefits for educational purposes through various tax schemes, this direct dedicated tax mitigates the indirect tax benefits currently available, to support a dedicated tax for post-secondary education. These funds could cover the costs of industry research and resources. Lowering the costs on the institutions and can contribute to student funds, thereby lowering the need for loans, and granting scholarships to those most in need, subsequently increasing access to education.

This tax would: 1) provide access to those who may have issues with affordability, allowing them to pursue the important college education required to access lucrative jobs, and 2) lessen the impact of student tuition cost on university cost. This would result in the amount of funds available for the university to use towards building resources and robust offerings through academic programs would remain competitive so that industry-influenced education would come from industry, rather than tuition costs, so as to lower the financial responsibility on the students.

This would make higher education more affordable for those who struggle to afford tuition costs. This is risky as it might induce a paradigm shift in industry because the increased responsibility on industry to pay for training for their future workforce might force industries to consider changing their educational requirements and their viewpoint on the practical value of a college degree on their workers' ability to grow in the workforce. It is possible that industries might move away from the college-educated prerequisite to a more tiered model which would allow people to enter the workforce at different educational levels, grow in work experience and possibly offer-supplementary education throughout a worker's career where college courses and certificates can be offered while the person is working. This would not impose the cost of a full degree program on the worker.

It is important that the reception of this proposed tax be considered because the affordability, palatability, and feasibility would play a large role in how this idea is received by industries. The foundational premise of this idea is that industries are investing in the growth of their businesses. While the tax would cost them more in the short term, investing in the growth of their future workers will help their businesses grow in ways that the current model, which creates competition amongst college students to seem attractive to industry, does not. The support that this tax will provide is access to higher education and would allow for many more students to be students of the field, learning, growing, challenging current ways of thought, as well as innovating.

Why this issue is important

Pierre Bourdieu's theory on cultural and social reproduction highlights issues in schooling as a system that is used to continue ideas that support the "privileged position of the dominant or upper class." Bourdieu discusses status reproduction in terms of four types of capital: economic, cultural, social, and symbolic or human capital. Economic capital refers to a person's wealth. Cultural capital refers to generational values and knowledge that are passed along. Social capital refers to the larger social network, or collection of social circles that a person belongs to. Symbolic capital refers to a person's level of recognition or the education a person carries. They are all linked in that one's economic capital might be tied to their cultural capital, and one's cultural capital might influence their symbolic capital, and their educational levels might impact their social capital.

Considering Bourdieu's theory, achieving higher levels of education gives a person a higher status in their symbolic or human capital. Subsequently, this would allow status mobility, boosting a person's social capital. However, pursuing higher education comes with the burden of paying high tuition costs. This issue reinforces the exclusive nature of higher education which leaves people who are unable to afford the costs of higher education with fewer opportunities. For students, the biggest issues in achieving higher levels of education are tied to access. Even those who may be able to swing the costs of higher education, whether that means taking loans, or receiving aid, may need to work to cover living expenses beyond the costs of school which may not allow them the time needed to complete their schoolwork.

The liaison role that colleges and universities play in this relationship also serves as an obstacle. The more that industry is involved in the funding, the more demand there might be for industry to control learning objectives. While it is very important for industry to work with colleges and universities for the sake of continuous revision in order to keep curricula relevant and timely, the influence from the industry might force the institutions into a role where they serve as more of ‘training program’ than a place where students grow in ways where they learn to challenge current thoughts and develop new ideas. It is important that colleges and universities keep their status as institutions of education as this will forge ideas and innovation, ultimately, pushing new ways of thinking across areas of industry. For industry, the largest obstacle might be the receptiveness of the idea of an additional tax, but it is important for industries to keep in mind that they are funding their future.

References

Bourdieu, P., Passeron, J.-C., Nice, R., Bourdieu, P., & Bottomore, T. B. (2014). *Reproduction in education, society, and culture*. Sage.

Hess, A. J. (2019, November 14). *New research finds private colleges pay off more than public colleges-but it's complicated*. CNBC. https://www.cnbc.com/2019/11/14/new-research-finds-private-colleges-pay-off-more-than-public-colleges.html

Kerr, E. (2019, June 25). *The cost of private vs. public colleges*. U.S. News & World Report, Education. https://www.usnews.com/education/best-colleges/paying-for-college/articles/2019-06-25/the-cost-of-private-vs-public-colleges

Lockett, N., Kerr, R., & Robinson, S. (2008). Multiple perspectives on the challenges for knowledge transfer between higher education institutions and industry. *International Small Business Journal: Researching Entrepreneurship*, *26*(6), 661–681. https://doi.org/10.1177/0266242608096088

Stanford Center on Poverty and Inequality. (n.d.). *Cultural Reproduction and Social Reproduction*. Inequality.com. https://doi.org/10.4324/9781351018142-3

Waters, M. (2020, February 5). *Why New York's free college program is still costing its students*. Vox. https://www.vox.com/the-highlight/2020/2/5/21113890/new-york-free-college-excelsior-tuition

Creating an Urgency for Early Childhood Financial Literacy: A Case Study of Lily the Wealth Builder

RoHiKa Hardas,
St John's University

Rev. Brittany Isaac
United Methodist Church

Elena Bantovska
United States Tennis Association

Abstract

Each year entrepreneurs launch approximately 600,000 new businesses with approximately 51 percent lasting beyond five years (Small Business Statistics, 2018). The purpose of this paper is to share the successes and challenges in the formation of a startup business, Lily the Wealth Builder LLC, whose goal is to create a long-term impact through teaching students ages 4-11 basic concepts in financial literacy.

Keywords

Financial literacy, Schools, Children, Education, Business, Money

Introduction

I (RoHiKa Hardas) am a double graduate of St. John's University, a Division I tennis player, and an entrepreneur. My MBA at St. John's in Finance changed my life as it gave me the confidence to take risks and start looking at myself as an entrepreneur. It also taught me about making investments. Of all the businesses I started, Lily the Wealth Builder has been the closest to my heart. Although I was taught in business school to be clinical and look at the business in a non-emotional way, a combination of emotional decisions and circumstances beyond my control caused this business to struggle.

The Origin of the Concept

A few years ago, I had brain surgery. It was a simple procedure, however as we all know nothing is simple when it comes to the brain and my recovery took much longer than expected. Prior to surgery, I was an extreme extrovert, an ENTJ with ambition, confidence, and a high-profile career, knowing I was on a great career track. I had many friends and even more acquaintances.

After surgery I felt disconnected and struggled to relate to people. I realized that I had lost most of my confidence and felt like a different person. Being an athlete, I knew I had to push myself to get back together. I needed to work hard towards healing so that I could go back into the world. I just did not know how to do so. At that time, I had a rather impressive real estate portfolio and once I started to realize the changes in me post-surgery, I made the decision to consolidate my business.

A highlight of hospital visits were the flowers and plush toys I received from friends. One such toy gifted to me was a penguin, I named her Lily. She was tiny, cute, and made me smile. The penguin looked very damn sure of herself. Her confident look caused me to spend a lot of time with the toy. In fact, everywhere I went, I carried the penguin, when I walked in the park, took the subway, went to church, and ate at restaurants. She also accompanied me as I traveled extensively to consolidate my real estate portfolio. Lily became my constant companion in the airport and on flights if there was a space open, she had her own seat and was sure to put on the seat belt. As I attended brokers meetings and scouted real estate, somehow Lily's presence gave me the confidence to go back into the world. She was my emotional support penguin, and I carried her all the time.

At a bank meeting in Florida the manager asked me why I was carrying the toy. Naturally I said Lily is my penguin, and she is helping me with all these real estate deals. In fact, she just bid on a strip mall. The manager replied how fantastic it would be if Lily could teach children about money. She shared that she has kids and was worried because they did not understand financial concepts. She went on to say that she sees customers day in and day out who have no clue how to manage debt. Maybe Lily could make it fun and help them with basic banking concepts and learning to save. I thought it was a great idea. After all, she was empowering me to move around the globe conducting business, and it would be amazing if I could share this with other people.

With that idea planted in my mind, I traveled to Kenya to visit my family where went to an elephant sanctuary in Nairobi. I saw a baby elephant and I thought how great it would be if this elephant and Lily were a team. My imagination started running wild and I began thinking of ideas and stories about how these two animals could relate to kids and teach them finance. Children would be able to connect easier since the characters were toys. Because of my previous success, I understood that now it was my time to give back. I had suffered a setback, but maybe my next step was to use my knowledge and add value to the community. What would it look like for a penguin and an elephant to have adventures together while learning about money concepts?

Review of Consumer Debt

These ideas percolated in the backdrop of the rising personal debt crisis in the United States. In 2017/2018 the average credit card debt was over $15,000. The average mortgage was over $170,000, the average loan on an automobile was over $25,000, and student loans were over $45,000 with the total student debt being $1.36 trillion. Total consumer credit card debt climbed to $905 billion. Including mortgages, auto loans, and student loans our consumer debt topped out at $12.96 trillion and an average household debt of over $132,000 (El Issa, 2017).

Table A: 2017 Average USA Household and Consumer Debt		
Type of debt	**Total owed by average U.S. household**	**Total debt owed by U.S. consumers**
Credit cards	$15,733	$905 billion
Mortgages	$174,867	$8.74 trillion
Auto loans	$27,807	$1.21trillion
Student loans	$46,831	$1.36 trillion
Any type of debt	$132,090	$12.96 trillion

Source: Il Issa (2017)

Table A: Household and Consumer Debt

Furthermore, student debt was soaring with no relief in sight (Lindsay, 2018). As my ideas were forming, the conversation about debt and lack of personal financial education in America was gaining a lot of attention (RTSWS, 2019). Finance gurus and professionals were interviewed across the spectrum of media to discuss the current issues. News outlets including NBC and CBS featured experts urging America to teach children about money. WSJ, CNBC and Market Watch headlined articles of employees struggling with student debt years after graduation. The more nuanced articles identified women holding most debt while entering the job market to earn less than their male counterparts. Furthermore, black women take on more debt than others (Nova, 2018).

In response to the crisis the market became flooded with books, videos, and seminars to teach this necessary life skill, however the focus of the financial experts was adults. Absent from the conversation was education and engaging resources for children. In one of our initial meetings with the largest K-12 publisher, Follette, we found out there was one publisher out of 6,000 who had a book on financial literacy for children. From a parent perspective, we searched Amazon to discover three resources: a book on needs and wants, the *Financial Peace Junior Kit* by financial literacy pundit Dave Ramesy, and *Cash Flow*, a very expensive board game by Robert Kiyosaki.

Founding Team

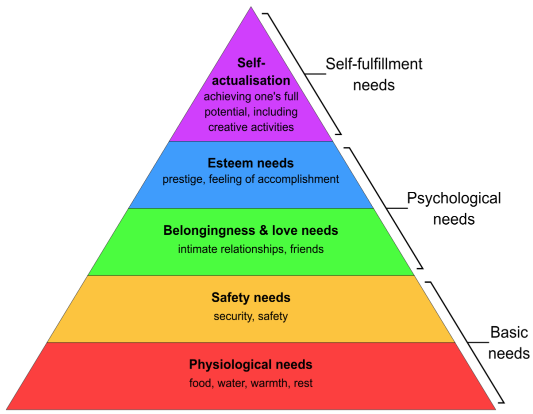
When this idea first came to me, I realized, unlike my real estate business, I would need a team to get this off the ground. To begin, I teamed up with one of my dearest friends and doubles partner from St. John's University, Elena Bantovska. She loved the idea and welcomed another opportunity to create impact. Elena had experience working with kids at a non-profit tennis and education organization and was passionate about growing money and helping young children. She threw herself into the research and learned what the business needed to create the products. Elena managed the day to day operations in the country. We met our other business partner, Brittany Isaac, on one of our first trips to Chicago. Brittany's background as a former teacher and parent to a young child put her squarely in the demographic that we were trying to attract. In addition, the operations experience she gained as a Starbucks store manager, and her experience of starting a non-profit made her a great addition to the team. She was instrumental in creating connections with local schools and politicians as she focused on Chicago operations and company communications. Our team also included illustrators, designers, editors, printers, sales people, and curriculum specialists.

Business Description

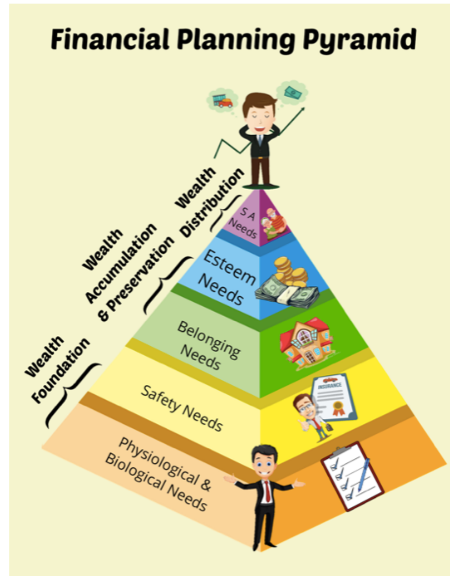
Lily the Wealth Builder is an early financial literacy brand with a mission to empower and inspire financial independence one child at a time. To accomplish this vision, we focused on directly teaching students financial literacy and creating support systems for the larger community. While other companies focused on writing finance books to educate and guide adults, we prioritized introducing simple financial concepts to children in a fun and engaging way. The stories come alive through two characters: Lily, a sassy Penguin from Brooklyn, NY who loves talking about money, and Mbengu, a patient elephant from Nairobi, Kenya. Lily’s and Mbengu’s personalities shine as they teach kids the most important and basic financial concepts.

Lily the Wealth Builder is focused on laying the foundation for children to build wealth. Parallel to Maslow’s hierarchy of needs (Mcleod, 2022), we believe there is also a pyramid of financial needs with the base of the pyramid focused on wealth foundation (Mehta 2022). In order to accumulate wealth as an adult, it is helpful for children to develop positive relationships in their primary years.

FIGURE 1 Maslow’s Hierarchy of Needs **FIGURE 2 The Financial Planning Pyramid**



Source: McLeod (2022)



Source: Mehta (2022)

Figure 1: Hierarchy of Needs

Figure 2: Financial Pyramid

Because fundamentals are formed at a very young age, we directed our efforts on making an impact on the youngest age group 4-11 years, believing conversations about money should be an integral part of the early educational curriculum. The subject should be taught parallel to learning about days of the week, names of animals, holidays in a year, and colors of the rainbow. We understood that the earlier we lay the foundation of financial concepts, the larger impact and influence we can make on kids. The goal is to understand the importance of money management and use that knowledge to make smarter financial choices that can lead to wealth.

Target Demographic

Our target demographic is preschool and elementary school children (age 4-11) in the United States but because they are not the one to make the purchase, we focused our efforts on parents and educators. Parents have the most important role in building a child's character and the school lays the foundation of academic learning. Therefore, early childhood financial literacy would need to come from both school and home. This meant we had many conversations with decision makers in the field of education - superintendents, principals, and influencers. Our goal was to inspire and influence every decision maker so that they could introduce financial education to the youngest audience.

Product

Our products are an educational tool that introduces financial literacy to children using engaging and fun money concepts. The core product entitled "*Lily the Wealth Builder*" is a series of books. Topics include needs and wants, going to a bank, learning about currency, opening a checking account, and counting money. These books are illustrated, have an index, an appendix, and include engagement exercises. We also offer teachers' guides for the schools, and a series of parent's workshops on financial literacy.

As a professor who teaches financial literacy to 18–22-year-olds, I do a survey at the beginning of my classes with the question, "how do you feel about money?" Most students, regardless of socio-economic background, say they feel fear and anxiety. A primary value of Lily the Wealth Builder is that money concepts can be discussed in a way that is fun, engaging, and easy to learn. The books lay the groundwork for children to have a positive association with money so that they can feel confident in making future financial decisions.

Further merchandise has been envisioned for trademark and production of stuffed toys, t-shirts, and piggy banks. We also see the potential for animation and an app. We were able to have some preliminary conversations with an animator and even recorded the voiceover, however we realized that this would be implemented in phase two of our development.

Product Development and Testing

Initially, this was just about one book that was visualized and created from RoHiKa's imagination. Once the prototype was printed, we shared it with various schools to test in class and provide feedback. The reception was very positive, and we received an invitation to present in front of the children at the schools. Teachers and principals indicated financial literacy was needed in schools and the books were the perfect way to deliver it.

Our relationships were predominantly in New York and Illinois, states that contain some of the highest curriculum standards. Through conversations with principals, teachers, literacy specialists and superintendents, the process of designing the books improved and the product was enhanced continuously. Based on feedback and requirements we refined the books, developed further stories, and created additional products.

During an early presentation, school administrators were very enthusiastic about the first book and made a request to create a series of books and build on the concept. This meeting was a turning point to begin to think of the business beyond one book. Soon we launched *Lily the Wealth Builder* as a series of financial literacy books with a mission to inspire and empower financial independence one child at a time.

An important addition to the books were a table of contents and a glossary. Further conversations with a Superintendent in Illinois led us to measure and include the Lexile reading level so the books could be used as supplemental material in a reading group. We also realized the need to hire curriculum specialists to assist with vocabulary building words, and to create teachers' guides to support the delivery of the content in the classrooms. The teachers' guides allowed us to connect the book to the Common Core, the set of high-quality academic standards for mathematics, reading and language arts (Common Core State Standards Initiative, 2009). Though not adopted nationally, the Common Core has been adopted by forty-one states. So much emphasis is put on the Common Core that while everyone understands the importance of financial literacy, if we were not able to integrate it into these standards, there was less probability for the material to be taught during the school day.

In our first stage of implementation, we insisted on giving a book to each child so that they could take it home and share with their families. The students were very excited to talk at home about what they learned in school from the penguin and elephant. However, in some cases the parents did not even have a bank account and expressed curiosity to learn more about banking. Within a few weeks, the administrators asked us to create additional products for the parents. Though we knew the market was inundated with adult financial literacy, we understood supporting the parents in their growth and understanding of finances as symbiotic to the work the children were doing in the classroom. As mentioned earlier parents should be part of the team to support and help educate the youngsters. Furthermore, it was another opportunity to promote our branding and increase awareness for financial education.

We printed an initial 2,000 copies of the first book, *Lily Goes to the Bank* and simultaneously continued working on the creation, design, and editing process for the other books. We also created pilot programs to introduce the books in class and measure performance. During the pilot a team visited the school to introduce the children to the author. She the read the book and engaged the children in conversation and questions related to the content. At the end, each child was given a book that they could take home. We tested the children's knowledge of basic financial concepts with a pre and post assessment. The schools we targeted were based in the Bronx, NY - the poorest congressional district in the United States and Rogers Park, Chicago, IL a community with a high poverty rate. At the same time, we were able to test the product in some private preschools. The books were very well received in both demographics though our biggest take away was that students in the affluent schools were more familiar with money concepts. This reinforced our assumption that wealthy people have more conversations with their children about money (Elkins, 2015). We realized that our product made the most impact in the underserved districts and schools. In total our pilot programs introduced the book to approximately 1200 students and provided us with data to further strengthen the case that financial literacy is a need.

Price

The pricing of our product was determined considering many factors (Priyadarshini, 2018). We made sure that all our production and operation costs were covered and included a profit margin. We met with various school publishers and sales consultants who worked with the New York Department of Education (DOE) schools. Additionally, we evaluated the existing competition and conducted surveys with potential customer base.

We spoke with multiple school publishers and sales consultants that were allowed to introduce books in the DOE schools. After evaluating the production cost, conducting focus groups, and researching comparative pricing for similar products in schools, we priced an individual book at $9.99. Additionally, we offered a sizable discount if the schools ordered the entire series.

Place

As we thought about the launch, we had to determine which regions to focus on for sales. While the target market of this product was children, they would likely not purchase the book. A decision had to be made on whether to focus on selling to the schools or directly to parents.

To focus on parents would mean that we would heavily engage social media and would do most of our sales through our website and Amazon, though we were concerned by the amount they charged and the difficulty of navigating the site (Hsiao, 2020). Additionally, we would likely network with independent books stores and hoped we could get a contract to distribute with a big box store like Barnes and Noble or Target.

To focus on schools meant that we would need to become certified vendors in the school districts we wanted to sell. Furthermore, we would need to demonstrate how the books connected to the Common Core as well as how the teacher could use this product within their limited instructional time for supplementary subjects. If we focused on the schools, we had the potential for a much larger impact. Children whose parents would likely not speak to them about money would have the benefit of being exposed to the subject and therefore have the potential ability to shape a stronger financial future.

From the perspective of impacting the community, we knew we wanted to focus on schools; however, we needed to determine if the financial model worked. We analyzed the numbers for potential sales by calculating the number of enrolled students in kindergarten through third grade across the country and broke this up into regions we wanted to target. Our research indicated that selling to schools allowed for the greatest social impact while also generating revenue. At the same time, we did not want to completely ignore the parent sales market. We added limited resources on social media accounts for visibility and to draw parents to our website.

Once the decision was made to market to school districts, we began focusing on the New York Department of Education and Chicago Public Schools for several pragmatic reasons. First, in both cities we had a personal network of educators, and parents that we could connect with to introduce the books in schools. Second, the census report shows the Bronx, New York and Rogers Park, Chicago as low socio demographic areas in the United States. We felt we could make a tremendous impact in these neighborhoods. Finally, New York and Chicago are the first and third largest school districts in the United States. (Sawe, 2017). If we were able to successfully enter into their systems, there was potential for high social impact and sales.

While our scope for sales focused on the United States, we also knew there was potential for Lily the Wealth Builder books to be adapted for other countries. Financial debt and lack of financial education for young children is an issue across the globe (Klapper, 9). While we focused on building connections and networking in the US, we came across people from different backgrounds that shared the same concern and passion about the need for financial literacy products. We received inquiries from educators and banks in Brazil, UAE and Canada. We determined phase II would be working with organizations in those countries to license these education materials and offer them to the local market.

Promotion

Early Financial literacy is a latent need; therefore, we had to create the market even before we sold the first book. To do this we sought out like-minded people who felt as passionate about financial literacy as we did. Our promotion included the pilot program/author events, neighborhood events such as picnics, contracting sales consultants, and direct mail.

In addition to gathering data, the pilot programs also introduced our books to principals and literacy consultants in schools. We were able to point to the test results that demonstrated students were engaged and able to learn basic money concepts through the content of the book. The pilot program allowed us to get our foot through the door to many schools and lay the groundwork to sell the product especially as the administrators witnessed the children's engagement with the characters and concepts.

To increase awareness about financial literacy, conversations were held with local council and city politicians. The goal was to underline the importance of teaching financial literacy in schools and eventually include the material in the curriculum. These strong connections with politicians and school administrators led to being invited to summer picnics and back to school events where we met many children and parents in New York and Illinois.

The festivals and events we attended in the community were closely connected to the pilot program. We created an Instagram frame by professionally printing one of the pages of the book on foam board with a cut out of Mbengu’s face. This allowed children to place their face in the hole so their parents could take a picture and post on social media with suggested hashtags. We created temporary tattoos and coloring pages to create engagement and excitement for the books and the characters. Additionally, we gave away the first edition of book one.

From the start of this project, we thought about scalability and growth. Though we had some initial contacts in New York Schools and Chicago Public Schools, we knew that we did not have the time, capacity, and prior knowledge to effectively sell in school systems. Furthermore, each state and school district operate differently. Given these challenges we used LinkedIn to find and contract independent sales consultants for New York, Mid-Atlantic area, South Carolina, and Texas. Though Chicago Public Schools was part of our target, we were not able to hire a consultant there because the state had a different system. The consultants were experts and had tremendous knowledge about the educational system, as well as the needs and preferences of the schools. They understood how regions were broken down in the US. This strategy spread us thin operationally, however the sales consultants financial model worked well. The sub set of consultants worked on commission and the more consultants we recruited the potential for a product expansion and sales grew.

Another effort we made was a direct mailing to the Superintendents. We knew that they have a lot of influence on the curriculum. We designed packages that included the books, the teachers’ guide, a brochure of products available and a strong cover letter advocating the need for financial literacy. These were shipped to all the Superintendents in the five boroughs.

Finally, we created social media advertisements, registered at book conventions and expos in the east and Midwest targeting the elementary school markets.

Operations and Organization

The business was established as an LLC called Lily the Wealth Builder. The focus was to create the products needed in the current environment. In 2019, due to operations growth we were advised to create a parent publishing group. This new company, Herald Education LLC, allowed us to have more flexibility and expansion of our products. Lily the penguin and Mbengu the elephant were perfect characters to teach young children, however as the children grew older, they would connect with more mature characters. Similarly, the financial literacy class for parents would likely not feature Lily the Wealth Builder.

This new company also handled registration and copyright of the books, trademark of the characters, ISBN assignment, and international logistics that allowed us the flexibility to operate in other educational markets. Additionally, applications were submitted and accepted for Herald Education to become a New York Department of Education and Chicago Public Schools certified vendor. Herald Education is also certified by the city and state of New York as a Women and Minority Owned Business. This is a huge achievement for the business, and it opens many vendor opportunities and helps us position ourselves in the market.

Summary of Findings

We understood that data would be helpful, so we developed pre and post assessments in order to understand the impact of the books. The educators at the schools collaborated in helping us design these assessments. Through trial and error over the course of surveying the 1200 students we determined the most helpful questions to ask and the best format to use. For example, initially we had teachers read the book aloud and then ask questions. While this gave us a general sense of how the whole class grasped the concepts being presented, it did not provide us with clearly measurable data to track the individual student's growth.

We finally settled on a simple selection of words in one column and definitions in the other column. Students only needed to draw a line connecting them or write the corresponding letter. Teachers administered the pre assessment before we arrived for the author event. Following the book reading, the students were given the post assessment. In our test markets, we found an increase in overall knowledge and understanding of simple money concepts such as bank, coin, piggy bank, and growth. Based on these results both teachers and parents expressed interest in Lily the Wealth Builder being integrated into the school community.

In late February of 2020 we collected data from approximately 200 Chicago children. A similar tour was planned for New York in late March but unfortunately Covid interrupted these plans. This data sample demonstrates that one reading of the book allowed the children to improve their understanding of 5 vocabulary words. For COIN they grew by 33%, PIGGY BANK increased 25%, BANK increased 30%, SAVE grew 18% and their understanding of GROW increased 20%. Further testing would have allowed us to get larger samples thus creating statistically valid data.

Table B: Pre and Post Comprehension for 3 Chicago Schools

Vocabulary Word	COIN		PIGGY BANK		BANK		SAVE		GROW	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post	Pre	Post
School A	69%	77%	48%	59%	37%	51%	44%	40%	63%	59%
School B	51%	75%	57%	73%	33%	91%	33%	85%	30%	75%
School C	27%	85%	18%	66%	27%	43%	18%	45%	16%	44%

Total	**45%**	**78%**	**40%**	**65%**	**32%**	**62%**	**31%**	**49%**	**34%**	**54%**

Table B: Chicago Tour Assessment Results

Through the networking we established and based on early results of our data collection, January and February of 2020 brought the first school sales in New York with more verbal contracts coming. A month later, when Covid-19 shut down in-person learning, school sales came to a halt.

Obstacles

As any startup, we faced challenges, some we had anticipated and some, like COVID, were beyond conception. The largest obstacle for this business is that financial literacy is a latent need. Although we have a robust economy only 57% of adults are financially literate (Klapper, 25). There is a great need for adult financial literacy (Lusardi, 2019) and an even larger market for children as just over one-third of states require high schoolers to take any sort of financial literacy (Council for Economic Education, 2018). A 2022 review of Amazon found that there are more financial literacy books targeted at children than in 2017, however there is still a long way to go, especially in inserting financial literacy into the educational curriculum.

We had a learning curve with operations and finances. We had to learn the publishing business, which included overseas operations and shipping, warehousing, understanding copyright law, editing, trademarking and distribution channels. There was also a learning curve for navigating school systems locally and statewide in order to learn who the decision makers were as it relates to purchasing products. For example, to become a vendor with Chicago Public Schools we had to have two principals or Superintendents sign on as support, and teachers did not have the ability to purchase materials on their own. In New York to sell to Department of Education schools we had to go through a completely different application process. While teachers could purchase materials online, they could only influence administrators to include financial literacy as a part of the curriculum. Without a national curriculum standard, we also had to learn which states used the Common Core and which did not.

We had a hard time navigating local politics. While we were able to get some connections into schools from the politicians, spending time in the bureaucracy of politics and not understanding the big players cost us a lot of time, energy, and money.

Finally, the largest obstacle was the COVID-19 Pandemic in March 2020 that shut down most public schools in America. While many schools returned to in person learning early in the pandemic, the two school districts that we had built the strongest relationship with, New York and Chicago, spent the most time during the pandemic in online learning.

In a startup business, we recognize that it is important to pivot quickly. When the pandemic hit, we were stretched thin as most of our financial resources went into printed books. We did not have the capital to quickly pivot and convert to a digital format, which was necessary at that time. What we thought would be a couple weeks out of school turned into months and years. Schools redirected spending towards the online educational materials helping teachers struggling to conduct class online. Across the nation, due to redirected budgets, printed material sales declined and most of our sales consultants were out of a job.

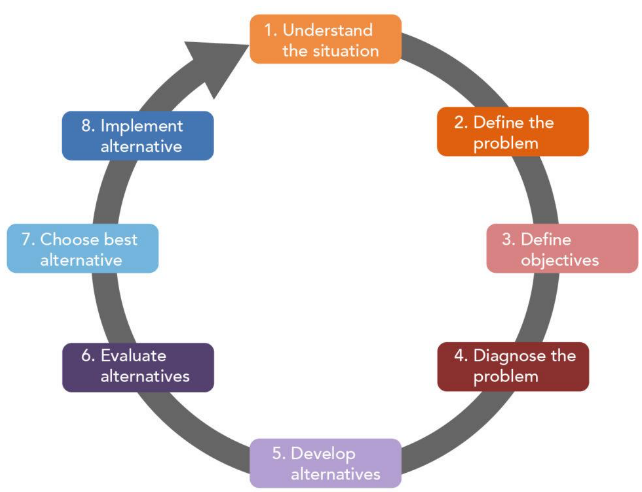
Additionally, during this time of great uncertainty, educators were understandably not comfortable expanding their curriculum to include financial literacy. Teachers were pivoting from in person teaching with paper material to online presentations and scrambling to create virtual classroom content to be used in the home environment. They were more focused on getting kids access to the internet, understanding online learning and making sure kids are not falling behind in reading, math and language arts than introducing a latent need.

Future

As an entrepreneur it is natural to continually evaluate the business. The COVID-19 Pandemic halted all progress and we found ourselves back at the beginning of the Decision-Making Process of understanding the new situation that was before us (LumenWaymaker, 2022).

Through the Decision-Making Process, we are finding a way forward following the 8 steps outlined in Figure 4. Before the pandemic we had focused on creating a tangible product mainly for schools and targeting underserved children and families. We understood the need and we had the opportunity to create a Blue Ocean Strategy in the untapped market of personal financial education.

FIGURE 3 The Decision-Making Process



Source: LumenWaymaker (2022)

Figure 3: Decision Making Process

- Understand the situation–The publishing industry has been showing signs of struggle and it accelerated during covid. The demand for our physical paper product ceased during covid. Now schools are reopening but online learning platforms have accelerated across school districts.

- Define the problem–All of our capital is invested in thousands of books. Most of our sales team is out of work. We have no real digital footprint.
- Define objectives–We would like to sell 80% of our stock.
- Diagnose the problem–Though schools may use less paper books, families still read to their children from books. We may need to refocus our efforts on parents instead of schools.
- Develop alternatives–Fundraise more capital to develop online tools. Fundraise to create an app game featuring Lily and Mbengu. Go back to LinkedIn and recruit a new sales team. Continue to focus on education but through homeschooling. Use Shopify to build a new website that will integrate social media campaigns that could drive sales. Reduce the price of the book. Visit some independent bookstores to see if they will sell. This could include an author event.
- Evaluate alternatives–We have already spent enough capital on this business that we do not want to do more fundraising to create an app. Reducing the price is a possibility along with using Shopify and connecting into the homeschool market.

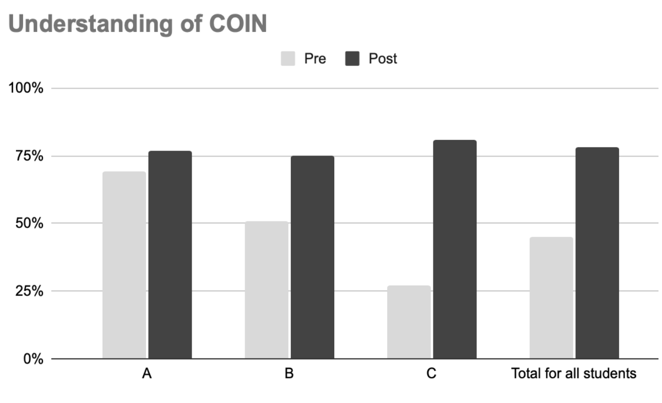
During the pandemic we planned next steps by exploring the possibility of moving to our phase two development of an app with structured lesson plans. We have had some preliminary conversations of creating animated videos and releasing stories on YouTube and TikTok. We ran a cost benefit analysis to determine feasibility for these products. Since most of the online content is free, we determined that while it would contribute positively to our brand, the cost of these products would not contribute to our bottom line.

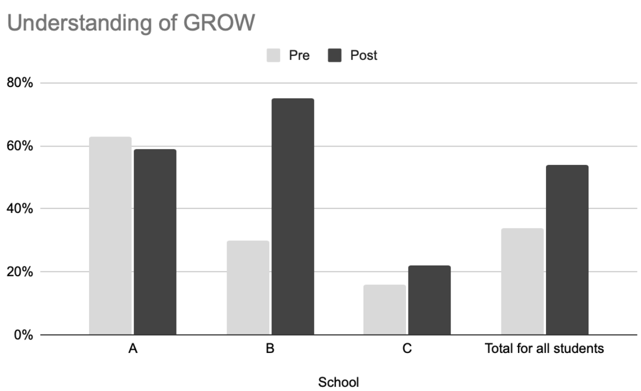
We started attending conventions to connect with schools and parents as we realized that a new market for us is home schooling. Author events at independent bookstores in the tristate area have the potential to garner new sales and create publicity. We are working at increasing our presence on social media and connecting with people online. As Covid restrictions are lifted and visitors are allowed back in schools we may be able to return to scheduling author events with students.

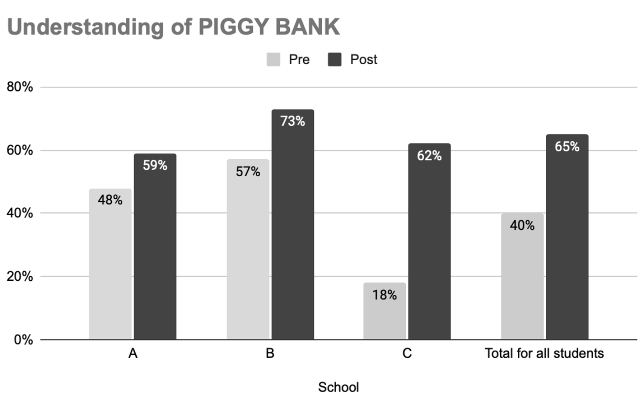
With our objective to sell 80% of our stock, we also believe an option for us is to cut pricing to get the books out to retailers such as Ingram and Follett. Ingram might be equipped to ship this across the country. Simultaneously, we are exploring partnering with established online companies that could produce curriculum including structured sessions outlining all concepts in the books via videos and online presentations.

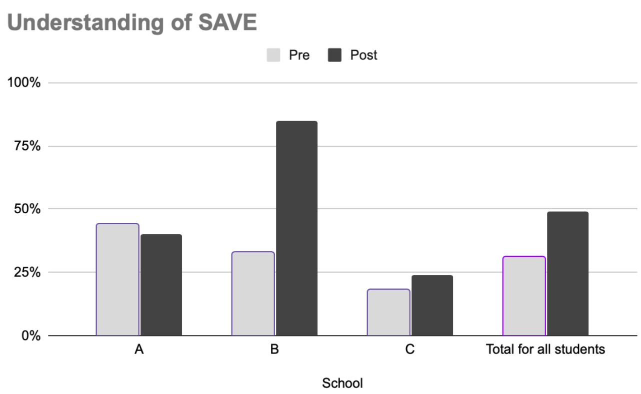
Appendix

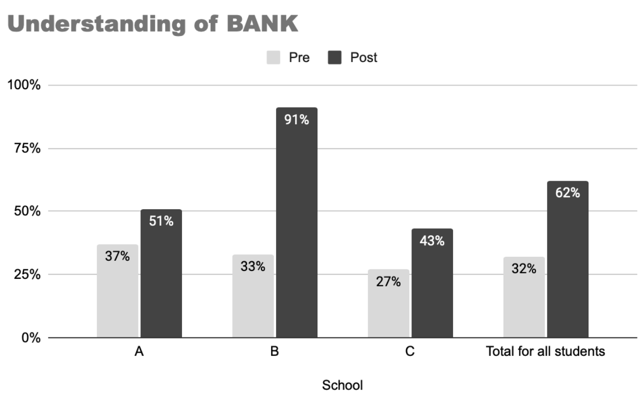
Chart of Vocabulary word knowledge pre and post assessment








Understanding of SAVE
Pre
Post
100%
75%
50%
25%
0%
A
B
C
Total for all students
School


Understanding of BANK
Pre
Post
100%
75%
50%
25%
0%
37%
51%
33%
91%
27%
43%
32%
62%
A
B
C
Total for all students
School

References

Common Core State Standards Initiative (2009). About the standards | Common Core State Standards Initiative. *Corestandards.org*, www.corestandards.org/about-the-standards/.

Council for Economic Education (2018, February) Survey of the states: economic and personal finance education in our nation's schools. https://www.councilforeconed.org/wp-content/uploads/2018/02/2018-SOS-Layout-18.pdf

El Issa, Erin, (2017). American household debt study. *NerdWallet*. www.nerdwallet.com/blog/credit-card-data/household-credit-card-debt-study-2017/.

Elkins, Kathleen. (2015, September) A self-made millionaire studied 1,200 wealthy people and found they teach their kids something the rest of us don't. *Business Insider*. www.businessinsider.com/rich-people-teach-their-kids-to-be-rich-2015-9.

Hsiao, Aron. (2019, May 20) Major problems with selling on amazon and advice for new sellers. *The Balance Small Business*, www.thebalancesmb.com/amazon-vs-ebay-for-selling-1140405.

Iacurci, Greg. (2019, March 2) Financial literacy: an epic fail in america. *Investment News*, www.investmentnews.com/financial-literacy-an-epic-fail-in-america-78385.

Klapper, L., Lusardi, A., Oudheusden, P. (2014). Financial literacy around the world: insights from the Standard & Poor's ratings services global financial literacy survey. https://gflec.org/wp-content/uploads/2015/11/3313-Finlit_Report_FINAL-5.11.16.pdf?x74722.

Lindsay, Tom. (2018, May 24) New report: the u.s. student-loan debt crisis is even worse than we thought. *Forbes*, www.forbes.com/sites/tomlindsay/2018/05/24/new-report-the-u-s-student-loan-debt-crisis-is-even-worse-than-we-thought/?sh=2910b3dce438.

Lumenwaymaker. Module 12: the decision-making process, Organizational Behavior and Human Relations Retrieved May 25, 2022, from https://courses.lumenlearning.com/wm-organizationalbehavior/chapter/the-decision-making-process/.

Lusardi, Annamaria. (2019, January 24) Financial literacy and the need for financial education: Evidence and implications." *Swiss Journal of Economics and Statistics*, vol. 155, no. 1, https://sjes.springeropen.com/articles/10.1186/s41937-019-0027-5.

McLeod, Saul. (2022, April 4) Maslow's hierarchy of needs. *Simply Psychology*, https://www.simplypsychology.org/maslow.html

Mehta, Jinal. (2020, September) Maslow's theory of "hierarchy of needs" and the financial planning pyramid. *Journal of Financial Planning in India*, https://india.fpsb.org/wp-content/uploads/2022/07/IndiaJournal_Sept2020.pdf

Nova, Annie. (2018, June 6) Women have $890 billion in student loan debt, the country's biggest share. *CNBC*, https://www.cnbc.com/2018/06/06/why-women-hold-the-majority-of-student-loans.html

Priyadarshini, Lydia. (2018, June 20) 7 Quick Steps of Product Pricing (the Right Way). *PayU Blog*, https://payu.in/blog/product-pricing-strategy/?utm_source=medium&utm_medium=cross_promotion&utm_campaign=product_pricing_blog

RTSWS. (2019, April 3) 10 financial illiteracy statistics and the story they tell about the current crisis. *Rock the Street, Wall Street*, https://rockthestreetwallstreet.com/10-financial-illiteracy-statistics-and-the-story-they-tell-about-a-coming-crisis/?gclid=CjwKCAjws8yUBhA1EiwAi_tpEXLrJdx-Mt6vuCknrFvUz9mVYeku2IU-5wmPdjMc4NQkNsU6sANvoxoC754QAvD_BwE.

Chamber of Commerce Team, (2018) Small business statistics | Chamber of Commerce. *Chamberofcommerce.org*, 2018, www.chamberofcommerce.org/small-business-statistics/

Sawe, Benjamin Elisha (2017, February 17) Largest school districts in the United States. *World Atlas*, https://www.worldatlas.com/articles/largest-school-districts-in-the-united-states.html

Acknowledgment

We gratefully acknowledge the schools that participated in our pilot program allowing us to collect valuable data and further perfect our products books: PS155, PS132, PS196, PS55, PS212, Total Child Preschool, Gale Math & Science Academy, Mary Crane Center, Cruz K-12 After School Program, and New Field Elementary.

An Examination on Whether Leader-Member Exchange Type Relationships Can Exist in Short-Term Training Programs

Niall Hegarty
St. John's University

David Olson
California State University-Bakersfield

Yanni Ping
St. John's University

Abstract

This research was conducted in order to examine if Leader Member Exchange (LMX) type relationships can arise in a short training program with the view to advising practitioners on its exploitation to improve learning. This article does this by investigating whether individuals self-esteem has an impact on their relationship with an instructor in a training program. 131 individuals of college age in a five-day human resources training program were given the Rosenberg Self Esteem Scale to complete as well as the Student Instructor Relationship Scale (SIRS) to examine both self-esteem and connectedness to an instructor. Self-esteem was then measured against connectedness to explore the existence of a relationship. Self-esteem was deemed important in terms of interaction with a trainer in front of peers and thus was considered an important aspect of study in LMX. The results indicate that there is no relationship between self-esteem and whether an individual feels connected or disconnected from a trainer in a short-term training program. The article concludes that self-efficacy of trainees is key in the success of short-term training programs.

Keywords

Human Resource Management, Leader-Member Exchange Theory, Training Programs

Introduction

Given the increasing reliance on a knowledge-based economy, the importance of education for the work force cannot be overemphasized. The rapid rate of change in so many ways necessitates ongoing training that must occur away from traditional academic formats. In the modern economy, then, training programs exist to facilitate a quick method of transferring new useable knowledge and skills to the workforce. Training programs exist to impart new useable knowledge to trainees. In every effort to promote learning all avenues must be explored in terms of maximizing the retention of material in training programs. This article acknowledges that leaders use LMX theory to advance organizational goals by seeking to establish positive relationships with employees in order to increase returns from those in the in-group. LMX theory simply states that in organizations there are in-groups and out-groups; those in the in-group receive preferential treatment from the leader and increase their efforts in support of the leader. If such theory were also applied to individuals in a training group would the returns in terms of learning be greater? Accepting that self-esteem impacts learning as well as the perceived rapport with a trainer this research sought to explore if the creation or existence of a LMX situation would improve learning.

The purpose of training is to make employees more effective in their positions and return a competitive value to the organization. Competing organizations produce very similar items in terms of purpose. Organizations to improve can basically invest in two things: assets and people. Physical assets are easily replicable from company to company, however, the difference between organizations therefore are its people. Thus the investment in people as game changers is key to organizational development. So, while massive amounts of money are spent in developing employees and often with very little return it is understandable why companies continue to pour money into training in the hope that somewhere along this spectrum huge returns are realized when a competitive advantage or distinct competency is institutionalized within a company.

Within this context this article addresses a number of issues including self-esteem and trainer/trainee rapport. However, the underlining tenet of this research is examining if LMX can promote or trigger better retention from training programs to the benefit of organizations. Firstly we examine the extant literature on self-esteem in learning of which there is plenty. However, we are more focused here on self-esteem in short training programs of just a few days in length which returns very scant research.

In the earlier years of the industrial revolution, Frederick Taylor and the Gilbreth's used time and motion studies to develop routines and train employees to perform efficiently. In this way, the worker was viewed as just another input in the production process. Tasks needed to be performed in a particular and repetitive manner and it was important to find the right person to do a particular task and teach them exactly how to do it. Training, then, was simply a matter of mechanizing the human inputs to the latest line process of output (Westgaard, 1993). It followed that leadership could also be identified based on the one best set of traits needed to organize, train, and control all of the followers.

In the period since World War II, Skinner and others have advanced the practice of having even the training becoming automated (Cook and Mechner, 1962). Over time, organizations have sought to make training more convenient and accessible to employees by growing their Knowledge Management System platforms which facilitates asynchronous training. In this way individual employees can grow their knowledge on topics on an as-needed basis such as when problems are encountered, thereby side-stepping formal training programs which may not prove effective for each particular employee (Goodman and Schieman, 2010; Wiśniewska and Wiśniewska, 2016).

In the product-centered economy of 60 years ago that was dominated by assembly lines and efficiency goals, treating people as generic inputs provided high efficiency. However, as we have moved toward a service-based economy and environmental conditions have become more abstract and unpredictable, the role of the human element of the economy has changed. As work has gone from being hand-centric to head-centric, leadership models have become more dynamic. Beginning with Fiedler's Contingency Theory of Leadership, the relationship between leader and followers has been explored and advanced. Similarly, training has become more focused on the relationship and understanding between the leader and follower as well as self-training (Carr, 1992; Wang, Hinrichs, Prieto, and Black, 2010; Gomede, Gaffo, Briganó, de Barros, and Mendes, 2018). So, to this end, we explore if a positive relationship exists, and is relevant, between trainer and trainee in a short training program.

LMX Theory

Beginning in the 1960's and 1970's, Homans (1964) and others developed an approach to human interaction that has come to be known as social exchange theory (Emerson, 1976). Built upon the micro-economic principles of cost-benefit maximization and psychological theory of reinforcement, social exchange simply suggests that interactions between any individuals will moderate based on the results of historical interactions and the expectations for any future interactions. Expectations, then, vary across any potential pairing of individuals and even with the same pairing across time.

Leader-Member Exchange (LMX) theory of leadership is built upon this social exchange theory. LMX has evolved over the decades since its inception by Dansereau, Graen and Haga in 1975 when it was originally termed the Vertical Dyad Linkage Theory and emphasized the leader being aware of the nature and development of their relationships with subordinates and how this affects people's performance. Significant research by Scandura and Graen (1984) showed how a leadership intervention can improve low LMX and contribute to increased performance while studies by Gerstner and Day (1997) have confirmed the impact LMX has on performance, commitment, role satisfaction, and turnover intention. The characteristics of a follower, the leader, their relationship, and contextual elements such as organizational climate (Gonzalez-Roma, 2015) will together determine the expectations and outcomes for each party and for the institution. With LMX, the transactional leader recognizes that followers have their own needs and desires such as pay and better work conditions which the leader must satisfy in order to extract appropriate behavior towards organizational goals (Evans, 1974). The theory also goes beyond tangibles to include intangibles such as friendship, increased time with the leader, and increased participation in decision making.

According to LMX, the relationship between each leader and follower will be unique (Dansereau et al., 1975). High expectations between leader and follower lead to high LMX relationships which in turn provide more access to resources and support and more responsibility for the follower (Gerstner and Day, 1997), and better communication and loyalty between follower and leader (Liden and Maslyn, 1998). These, in turn, lead to higher job performance (Graen and Scandura, 1987) and commitment (Cogliser et al., 2009) from the employee, and levels of organizational citizenship between followers and the institution (Bagger and Li, 2014). Indeed, organizational citizenship could be considered the end game of leadership where all employees are vested in the organization and therefore once trained always act in a way that promotes organization well-being. However, organizational citizen also has its risks in terms of perceptions from fellow employees of those exhibiting overly-enthusiastic pro-organizational behaviors (Bowler, Paul, and Halbesleben, 2019).

Corporate Training

Training has been defined as, "a planned learning experience designed to bring about permanent change in an individual's knowledge, attitudes or skills" (Campbell et al, 1970). In the early 1980's organizations were estimated to be spending $30 billion per year on training (Huber, 1985). By 2018, American Society for Training & Development reports that over $90 billion was spent on corporate training. The Association for Talent Development estimates that in 2018, organizations were spending an average of almost $1,300 per employee on training and development. In 1995, the U.S. Bureau of Labor Statistics (BLS) reported that employees were provided an average of 44.5 hours of training between May and October of that year. Yet in 2018 employees annual hours of training for the year is approximately 34 hours. The same BLS report found that 69.8% of all employees had received formal training in the past 12 months. Recent training varied between a low of 50.7% of those 55 years and older to 78.5% of those between 25 and 34 years of age. Within all ages, 95.8% of all employees had received training at their current employer. As of 2020 , employee training expenditures in the U.S. stands at $82.5 billion (statista.com). As a whole, these results portend the importance of corporate training. It also emphasizes that training has changed over the past twenty years to be more impactful for each employee. Such is the size of the training industry, it is bigger than the music industry ($50 billion) and the weight loss industry ($60 billion) in the United States. So, given that the amount and growth of resources that are devoted to training is substantial, that the external environmental change is accelerating, and that Millennials are much quicker to shift from one organization to another than previous generations, there is every reason to believe that training is of utmost importance to a successful organization in terms of challenging and retaining employees. And such is the size of expenditures on training it behooves industry to improve methods to extract a maximum retention of learning as is possible.

Given the importance of training, its effectiveness is often called into question. Many critics (Yeardley, 2011; Tan and Newman, 2012) claim that due to a lack of correct implementation or measurement much of this money is wasted and results in no learning. There is, then, a need to look further into the components of effective training. Porter and Lawler (1968) proposed that job performance in general was a function of abilities, traits, effort, and role perceptions. Trainability, then, is similarly thought to be a function of ability, motivation, and perceptions of the work environment (Noe, 1986). Focusing on motivation, Noe (1986) suggests that trainees must be 1) energized to learn by nature of the program, 2) directed toward learning by their relationship with the trainer, and 3) compelled to maintain a new course of action based on the learned material.

This essentially means that the employee must take responsibility for their training and career development. This ethos still holds true to this day in terms of the development of successful employees. In any case, in acceptance of the difficulty in measurement of realistic long-term outcomes from training programs it behooves the industry to look for possible alternatives to promote learning and retention. One such way is to examine a possible bond between trainer and trainee, even in a short training program, to see if greater learning can be prompted in this way. With the aforementioned information on corporate training in mind we now seek to explore if corporate training can exploit LMX style relationships in an effort to improve training programs.

Short-term Training and LMX

As discussed above, LMX posits that the relationship between leader and follower is developed through interactions (Graen and Scandura, 1987). Because there is a limit to the number and intensity of transactions, only a relatively few close relationships can develop to form the in-group (Abu Bakar et. al., 2009). The remaining relationships must be subject to a lower LMX and these followers become an out-group. It is reasonable to expect that this would become more pronounced the shorter the time frame is for developing relationships. Thus, short-term training provides a test to LMX in that there is a very limited time frame for establishing relationships. Also, of note is that in LMX in-groups are more likely to be established with followers who have higher levels of internal locus of control, need for power, and self-esteem (Judge and Bono, 2001). Yet in a short term training program there isn't sufficient time to establish such rapports.

Therefore, focusing on the self-esteem variable, Ferkany (2008) suggests that self-esteem, or "how a person feels about herself, good or bad, and as manifested in a variety of ways, e.g. in pride or shame, but especially in self-confidence" (U.S. Department of Health and Human Services [US DHHS], n.d.). Among the benefits of self-esteem that may be expected to be associated with training success are a willingness to attempt new challenges and a learning mindset (Ferkany, 2008).

With all this in mind, this article addresses the need for further study of the relationship between self-esteem and trainer/trainee rapport. If LMX can trigger better performance from training programs, how is that benefit moderated by trainee self-esteem? The focus here is on self-esteem in short training programs of just a few days in length. Research by Nicol and MacFarlane-Dick (2006) emphasizes the importance of promoting self-esteem in learners. Self-esteem is highly important and should be optimized where possible so as to provide the trainee with the confidence to engage new learning with the reward of acquiring new skills; its importance in an educational setting has been well documented (Ferkany, 2008). However, Ladany (2004) states that the avoidance of criticism to the learner can actually be counter-productive. Haboush (2003) notes that self-esteem is an individual construct and varies from individual to individual. As such, in a training environment trainers cannot account for self-esteem in individuals, it's simply not their purpose. Hence, of more importance to a trainer is the level of self-efficacy displayed by a trainee in terms of their belief that they can complete a particular task (Bandura, 1997). This gives the trainer a better indication of the competence level of the trainee. Although much research has been devoted to the study of the relationship between self-esteem and performance (Baumeister, R., Campbell, J., Krueger, J., and Vohs, K., 2003) of great importance is the recognition that self-esteem and self-efficacy can exist independently. Overholser (2010) showed that quite often the best trainees have the lowest self-esteem while weaker trainees can show high levels of self-esteem.

Self-esteem provides the foundational platform from where one can engage society without fear. This absence of fear in turn allows openness to new experiences and development. In this research self-esteem is important not only as measure of how you feel about your yourself but rather because in a training setting that feeling shifts to whether you feel you can do something, your self-efficacy. Hence self-efficacy is possibly more important in training than self-esteem because that self-efficacy is built upon previous performance successes. Therefor self-esteem can also be a steppingstone towards confidence and self-efficacy which in turn produces the opportunity for greater performance.

IMPROVED PERFORMANCE!

Accepting that these three are present to a certain extant in all college age students, their combination with LMX is examined as a way to possibly improve performance. And, as self-esteem is the first stepping stone this research seeks to measure its existence.

Methods and Procedure

In this research, two instruments were used to examine for self-esteem, Instructor Connectedness and Instructor Alienation to examine for the possibility of growing LMX relationships in a training session to enhance learning. The instruments were the Student Instructor Relationship Scale and the Rosenberg Self-Esteem Scale.

These two instruments were used in a short training program taken by 131 students studying Human Resource Management at a large metropolitan university in the northeast United States. As opposed to a semester long course where students become familiar with their professor this short training program of a five-day duration was intent on replicating a training environment which could happen across any industry. The purpose of the training program was to examine if the participants would be interested in pursuing further HR study and certification. The students were not familiar with the professor and not familiar to each other.

The Student Instructor Relationship Scale (Creasy, Jarvis, and Knapcik, 2009) was used to measure student-instructor connectedness and anxiety. A 36-item questionnaire, this survey seeks to examine for self-confidence which would lead to more involved and participative learning. A relatively new measurement tool, it was developed in response to the absence of such an instrument to measure instructor student relationships in a learning environment.

The Rosenberg Self-Esteem Scale was administered to gauge the level of self-confidence in individuals. This scale, a 10-item questionnaire is one of the most widely used scales in the measurement of self-esteem and all items are measured on a 4-point Likert scale. It possesses a strong internal consistency ranging from .77 to .88 and has been used across a wide selection of demographics since 1965.

Results

The Rosenberg Self-Esteem Scale returned a mean of 24 where 30 is the maximum. This indicates that the respondents have a strong sense of self-esteem. Also, simple observations of the SIRS shows that the sample had a high degree of instructor connectedness and a low sense of alienation. 68/80 and 10.5/30.

Pearson correlations were then conducted between the Rosenberg scale and the SIRS. There was a low correlation between the Rosenberg scale and instructor connectedness .18 as well as instructor alienation -.12 which may suggest they lack relationship because they both measured the same thing with similar results, i.e. there was limited variance. However, what may be suggested is that those with a high degree of self-esteem also show a high degree of instructor connectedness.

However, when looking inside the SIRS There was a negative coefficient of -0.33 between instructor connectedness and instructor alienation which implies that almost 11% (r2) of the variability in alienation is accounted for by instructor relationship. And while -0.33 would be considered to be a moderate correlation it does indicate that there is a relationship between connectedness and alienation.

The above indicates that both these scales measure what they were purposed to do and returned consistency in reliability and validity. However, the results return that LMX theory relationships did not exist in this short duration training program. To illustrate this the following correlation are shown below in terms of correlations and scatter plots:

Correlation of Rosenberg and IC	0.188953
Correlation of Rosenberg and IA	-0.12683
Correlation of Rosenberg (Low group) and IC	0.123663
Correlation of Rosenberg (High group) and IC	0.123286
Correlation of Rosenberg (low group) and IA	-0.13723
Correlation of Rosenberg (High group) and IA	-0.18117

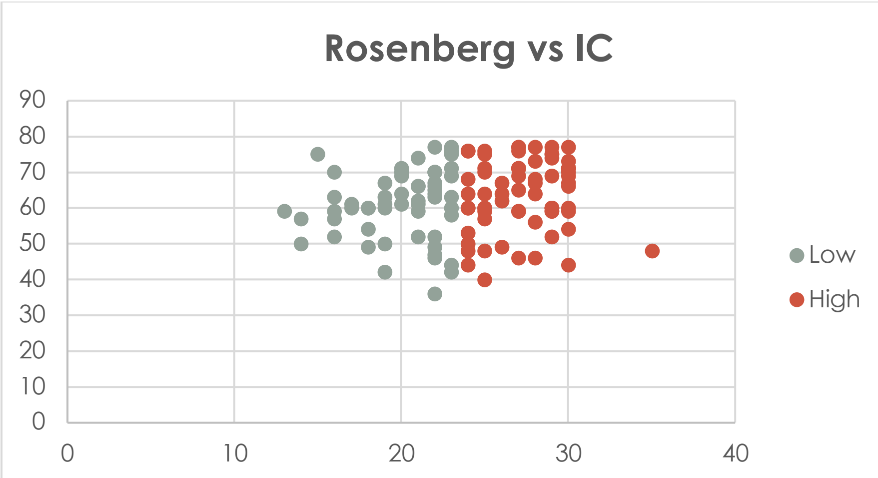


Figure 1. Rosenberg Vs Instructor Connectedness

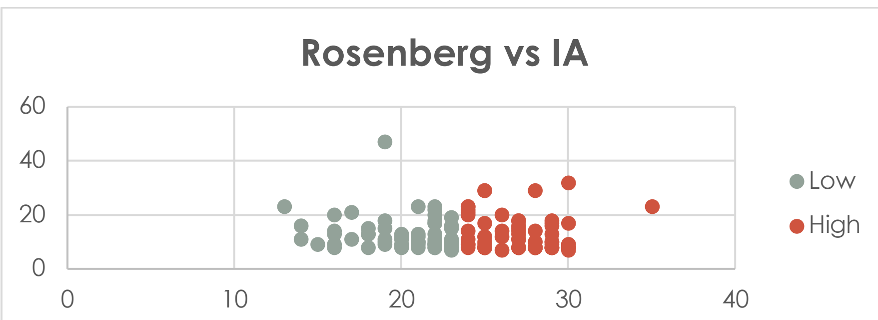


Figure 2. Rosenberg Vs Instructor Alienation

While correlations as well as grouped scatter plots are shown above, the overall correlation between Rosenberg and IC is 0.189 and -0.127 between Rosenberg and IA (neither seems high). When the Rosenberg is coded into 'high' and 'low' groups, the correlation between Rosenberg and IC for high and low group drops to 0.124 and 0.123. And the correlation between Rosenberg and IA for high and low group becomes -0.137 and -0.18.
These results indicate that while there is a correlation the strength of the correlations is not strong enough to indicate a significant relationship.

Discussion and Recommendations

The purpose of this article was to examine if LMX type relationships could exist in short term training programs as a means to establish increased engagement and learning. While the results indicate that such a relationship does not exist they do offer direction for future study. Such direction points at examining self-efficacy in trainees as an indication of how receptive and engaging they may be upon entering a training program. This may return suggestions for the amount of advanced material that could be covered and at what pace. Other suggestions point towards measuring the presence of fear or anxiety in trainees and searching for ways to alleviate such feelings in an effort to promote maximum take away from training: Possibly look at favoritism and its effect on learning, and its promotion in learning. Research by Liden, Wayne, and Stilwell (1993) shows that LMX is organic in nature in that it needs time to grow and show seeds at about two weeks. Hence, a week-long training program is just too short in nature to show signs of LMX. Furthermore, students being accustomed to an academic learning environment may have approached the program with a student-minded approach as opposed to a trainee-minded approach. Also, being accustomed to a learning environment may have contributed to lesser anxiety in comparison to employees in organizations who receive training once a year. These students were also not exposed to being judged by co-workers in a professional setting. These are all factors which may have come into play in this research. Speaking to this point research by Zhao and Mo (2016) explored how self-aware we are about our own approach to learning in optimizing results. Such research illustrates that development of positive LMX alone may not be able to return increased retention and learning as pre-existing conditions are already extant in the learner which will affect what any potential outcome may be. Hence, many uncontrollable factors are in play which could and possibly do affect outcomes.

While this study did not show any strong correlations with self-esteem these authors feel that this research directs that future research on short term training programs should pay attention to the self-efficacy of trainees in terms of predicting and measuring success and the promotion of self-efficacy as opposed to leader connectedness. Carnevale, Huang, and Paterson (2019) suggest that exercising humility improves follower identification with the leader. In terms of training programs this could be an avenue of future experimentation to yield greater results from training programs. Consideration could also be given to McCarthy and Milner's (2020) directive in positing that managers take a more coaching mindset in leading which improves employee satisfaction, connectedness, and performance. Quite possibly this could be applicable in training programs whereby the trainer takes a 'same side of the fence' approach to helping trainees assimilate information. Hence, the emphasis should always be on the trainee and what they need in terms of outcomes as opposed to trainer ingratiation and entertainment of the trainee in short training programs.

Conclusion

This article sought to examine for the existence of Leader Member Exchange type relationships in short training programs so as to recommend better approaches for trainers in terms of trainee performance. While we readily accept that trainers in short training programs like to receive positive feedback from trainees what remains as a constant question is whether learning has taken place. We sought to identify if promoting a strong relationship between a trainer and trainees would result in better learning. And while we discovered that such a relationship is not necessary in short training programs our belief in the necessity of self-efficacy amongst trainees in approaching training is of key importance. Therefore, we posit that the key takeaways could be that organizations ensure that their employees are ready for training, that the specific training is the obvious next step in their development, and that the employee feels the training will provide added value to their skill set and have CV building relevance.

References

Abu Bakar, H., Mustaffa, C., & Bahtiar, M. (2009). LMX quality, supervisory communication and team-oriented commitment: A multilevel analysis approach. *Corporate Communications: An International Journal*, Vol. 14(1), 11-33.

Bagger, J., Li, A. (2014). How does supervisory family support influence employees' attitudes and behaviors? A social exchange perspective. *Journal of Management*, 40(4), 1123-1150.

Bandura, A. (1997). Self-efficacy: The exercise of control. New York: W.H. Freeman.

Baumeister, R., Campbell, J., Krueger, J., & Vohs, K. (2003). Does high self- esteem cause better performance, interpersonal success, happiness, or healthier lifestyles? *Psychological Science in the Public Interest, 4*, 1-44.

Bowler, W.M., Paul, J.B. & Halbesleben, J.R. (2019). LMX and Attributions of Organizational Citizenship Behavior Motives: When is Citizenship Perceived as Brownnosing? *Journal of Business Psychology*, 34(2) 139-152.

Campbell, J. P., Dunnette, M. D., Lawler, E. E., Weick, K. E., & McGraw-Hill Companies. (1970). *Managerial behavior, performance and effectiveness*. New York: McGraw-Hill Book Company.

Carnevale, J., Huang, L., & Paterson, T. (2019). LMX-differentitation strengthens the pro-social consequences of leader humility: An identification and social exchange perspective. *Journal of Business Research*, 96, 287-296.

Carr, C. (1992). Smart Training. New York: McGraw-Hill.

Cogliser, C. C., Schiresheim, C. A., Scandura, T.A. & Gardner, W. L. (2009). Balance in leader and follower perceptions of leader-member exchange: Relationships with performance and work attitudes. *Leadership Quarterly*, Vol. 20, pp. 452-65.

Cook, D. & Mechner, F. (1962). Fundamentals of programed instruction. In S. Margulies & L. Eigen (Eds.), Applied Programed Instruction. London: John Wiley and Sons, Inc.

Creasey, G., Jarvis, P., Knapcik, E. (2009). A Measure to Assess Student-Instructor Relationships**.** *International Journal for the Scholarship of Teaching and Learning*, v3 n2. Article.

Dansereau, F., Graen, G., & Haga, W. (1975). A Vertical Dyad linkage approach to leadership in formal organizations. *Organizational Behavior and Human Performance*. 13(1), 46–78.

Emerson, R. (1976). Social Exchange Theory. *Annual Review of Sociology*, 2, 335-362.

Evans, M. (1974). Extensions of the path-goal theory of motivation. *Journal of Applied Psychology*, 59, 172-178.

Ferkany, M. (2008). The educational importance of self-esteem. *Journal of Philosophy of Education,* 42(1), 119-132.

Flickinger, M., Allscher, M., & Fiedler, M. (2016). The mediating role of leader-member exchange: a study of job satisfaction and turnover intentions in temporary work. *Human Resource Management Journal*, 26(1), 46-62.

Frazis, H., Gittleman, M., Horrigan, M, & Joyce, M., (1998). The 1995 Survey of Employer-Provided Training (Sept 95). *Bureau of Labor Statistics*, U.S. Department of Labor. https://www.bls.gov/opub/mlr/1998/06/art1full.pdf

Gerstner, C., & Day, D. (1997). Meta-analytic review of leader–member exchange theory: Correlates and construct issues. *Journal of Applied Psychology,* 82(6), 827-844.

Goodman, N., & Schieman, J. (2010). Using knowledge management to leverage training and development initiatives*. Industrial and Commercial Training*, 42(2), 112-115.

Gomede, E., Gaffo, F. H., Briganó, G. U., de Barros, R. M., & Mendes, L. S. (2018). Application of Computational Intelligence to Improve Education in Smart Cities. *Sensors (Basel, Switzerland)*, 18(1), 267.

Gonzalez-Roma, V. (2015). Leader–member exchange and organizational culture and climate. In T. N. Bauer & B. Erdogan (Eds.), *The Oxford handbook of leader–member exchange* (pp. 311–331). Oxford: Oxford University Press.

Graen, G. B. & Scandura, T.A. (1987), "Toward a psychology of dyadic organizing", in Staw, B.M. and Cummings, L.C. (Eds), Research in Organizational Behavior, JAI Press, New York, NY, pp. 175-209.

Green, H. J. (2011). Skills training and self-esteem: Educational and clinical perspectives on giving feedback to clinical trainees. *Behaviour Change*, 28(2), 87-95.

Haboush, K. (2003). Group supervision of school psychologists in training. *School Psychology International*, 24, 232-255.

Homans, G. (1974). Social Behavior, revised ed. New York: Harcourt-Brace.

Huber, G. P. (1985). Temporal stability and response-order biases in participant descriptions of organizational decisions. *Academy of Management Journal (Pre-1986),* 28(4), 943.

Ilies, R., Nahrgang, J. D., & Morgeson, F. P. (2007). Leader–member exchange and citizenship behaviors: A meta-analysis. *Journal of Applied Psychology*, 92, 269–277

Judge, T. A., & Bono, J. E. (2001). Relationship of core self-evaluation traits - self-esteem, generalized self-efficacy, locus of control, and emotional stability - with job satisfaction and job performance: A meta-analysis. *Journal of Applied Psychology,* 86(1), 80-92.

Ladany, N. (2004). Psychotherapy supervision: What lies beneath. *Psychotherapy Research*, 14, 1-19.

Liden, R. C., & Maslyn, J. M. (1998). Multidimensionality of leader-member exchange: An empirical assessment through scale development. Journal of Management, Vol. 24, pp. 43-72.

Liden, R., Wayne, S., & Stilwell, D. (1993). A longitudinal study on the early development of leader-member exchanges. *Journal of Applied Psychology*, 78(4), 662-674

McCarthy, G. & Milner, J. (2020). Ability, motivation and opportunity: managerial coaching in practice. *Asia Pacific Journal of Human Resources*, 58(1), 149-170.

Nicol, D. & Macfarlane-Dick, D. (2006). Formative assessment and self-regulated learning: A model and seven principles of good feedback practice. *Studies in Higher Education*, 31, 199-218.

Noe, R. A. (1986). Trainees' attributes and attitudes: Neglected influences on training effectiveness. *Academy of Management, The Academy of Management Review*, 11(4), 736.

Noe, R. A. (2009). Employee Training and Development. 5th ed. Boston, MA: McGraw-Hill.

Overholser, J. (2010). Clinical expertise: A preliminary attempt to clarify its core elements. *Journal of Contemporary Psychotherapy*, 40, 131-139.

Porter, L.W., & Lawler, E.E. III. (1968). Managerial Attitudes and Performance. Homewood, Il: Irwin.

Rosenberg, M. (1965). Society and the adolescent self-image. Princeton, NJ: Princeton University Press.

Scandura, T., & Graen, G. (1984). Moderating effects of initial leader-member exchange status on the effects of a leadership intervention. *Journal of Applied Psychology,* 69(3), 428-428.

Statista.com (2020). Total Training Expenditures in the Unites States from 2012-2020.

Tan, K., & Newman, E. (2012). Sales force training evaluation. *Journal of Business & Economics Research (Online),* 10(2), 105.

Training Industry Report 2016. *Training Magazine*, November – December 2016.

Yeardley, T. (2011). Management training: What is going wrong and how to put it right. *Training & Management Development Methods*, 25(5), 343-352.

Wang, L., Hinrichs, K. T., Prieto, L., & Black, J. A. (2010). The effect of followers' behavior on leader efficacy. *Journal of Business and Management*, 16(2), 139-151.

Westgaard, O. (1993). Allow me to introduce...Frederick M. Taylor and the Gilbreths. *Performance Improvement Quarterly*, 6(1), 86-90. Learning Systems Institute, Florida State University, in cooperation with the National Society for Performance and Instruction, Washington, D.C.

Wiśniewska, S., & Wiśniewski, K. (2016). Knowledge Management System with Human Resource Approach. *International Journal of Managerial Studies and Research*, 4(1), 109-116.

Zhao, L., & Mo, S. (2016). The impact of metacognitive awareness on class performance in financial accounting courses. *Academy of Educational Leadership Journal*, 20(2), 78-88

A Historic View of How Amateurism Became Part of the Olympic Vernacular

Robert J. Romano
Collins College of Professional Studies

Abstract

"How do you define the term amateurism?" is a question I frequently ask my students. Typical answers: "Non-professionals", "Players who aren't as good as professionals," with the most frequent reply being, "Athletes who do not get paid." For most of the 20th century, that is exactly what being termed an 'amateur athlete' meant for 'non-professionals' competing in either international or college sponsored sporting events – participation without compensation.

But where did this interpretation originate? The word amateur derives from the Latin word, *amator*, or lover. The French derivation means 'lover of' and in all practicality means a person who does something because he or she loves doing it. It would be logical, therefore, to believe that an 'amateur athlete' would then be someone who devotes his or her talents and skills for the love of sport. But how did this concept develop into an ideology which prescribes that 'amateurs' should not be financially rewarded for their dedication to their trade? And, most importantly, why has this interpretation been allowed to permeate into the sporting vernacular for upwards of a century and a half to the financial detriment of the athletes who compete at the so-called 'amateur' level?

This article provides a historical overview of how over the last 150 years the International Olympic Committee (IOC) has consistently defined, redefined, and redefined again the terms 'amateur' and 'amateurism' in ways that have allowed them, the governing body, to profit substantially off of their athletes' skills and talents – commercially, financially, and otherwise. It will then explore how the concept has been weakened by examining of how 'professionals' played a part in modifying Rule 26 of the International Olympic Committee's Charter.

Keywords

Amateur, Amateurism, Olympics, Olympic Movement, Sport

I. The Origins of the Concept of Amateurism

The Ancient Greek Olympic Games (776 B.C. – 393 A.D.) are often falsely credited with creating this idea of amateurism as sporting competitions without financial reward. However, during the time of the Greek Games, although winning did not necessarily provide a monetary prize, an athlete did receive financial and other rewards upon returning home to his city-state. An event winner could be awarded upwards of 500 drachma for his success at Mount Olympus, an amount which equaled roughly three years wages for a common laborer (Thompson, 1986, p. 146). As Dr. Neil Faulkner stated in his work, *A Visitor's Guide to the Ancient Olympic Games*:

> Ancient Olympic champions invariably became very rich men. They may have left Olympia with only an olive crown, but they could expect ample reward for their efforts at home, and they could earn generous prizes thereafter by appearing at any of some hundreds of local sports festivals (Faulkner, 2012).

Interestingly, "no reference to amateur athletes and no evidence that the concept of amateurism was even known in antiquity" (Shropshire, 2000, p. 47). "The truth of the matter is that 'amateur' is one thing for which the ancient Greeks never had a word" (Shropshire, 2000, p. 47). The first use of the term 'amateur' in our modern vernacular occurred around the year 1786, when an author for the publication entitled *European Magazine* wrote, "Dr. Percival writes on philosophical subjects as an amateur rather than as a master" (Jennings, 2016). Yet nowhere was it mentioned that Dr. Percival's skills, although less than that of a master, should not be financially rewarded.

By the mid 1800s, sport, being predominately an indulgence of the upper and middle classes, routinely allowed for the exclusion of the lower-tiered, working class, and people of color. This was because the notion of 'classism' was prevalent and was used as a way to prevent the 'common folk' from mixing with the elite and more sophisticated, but also because many believed that the lower classes had no conception of sportsmanship and fair play (Riess, 1984).

It was during the time when 'learned individuals' such as Dr. William Penny Brookes (Founder of the Much Wenlock Olympian Games – a predecessor to the Modern Olympic Games of 1896) were extoling the virtues of sporting men who were not compensated for their athletic performance that this concept of 'amateurism' was created so that the "lower orders and working people, together with people of color, would be excluded from the play of the leisure class" (Jennings, 2016). Therefore, the genesis of amateurism was built around elitism and exclusion in that "those who performed manual labor for pay, whether tied to sport or not, were considered professionals and therefore barred from participating in various (amateur) competitions" (Boykoff, 2016, p. 20). Another way to say that if a person did not have an independent source of income outside of actually working, that is, if they were not independently wealthy, that individual would be excluded from the amateur category (Guttman, 1992, p. 12-13).

This original concept of amateurism came to be known as the 'mechanics clause' since a person would be denied amateur status if he or she were by trade or employment a mechanic, artisan, or laborer (Young, 40). In all actuality this 'mechanics clause' was nothing more than a means of control and exclusion, disguised as a 'moral imperative for sport', allowing the wealthy to regulate working- and lower-class people behind the screen of rhetorical morality (Boykoff, 2016, p. 20).

II. The Concept of Amateurism as Adopted by the International Olympic Committee

In the late 1800s, when the Frenchman, Baron Pierre de Coubertin, called for the restoration of the Olympic Games, a central concern of the predominately white male establishment that formed the initial chapter of the IOC's Executive Committee (OEC) was who should be allowed to participate in this inaugural international competition. Baron de Coubertin insisted that only athletes driven by a "pure love of sport were worthy of entering an Olympic Stadium" – in other words, the wealthy" (The Week, 2015). The OEC, although it initially felt it would be unfair to prevent the working-class from competing merely because they made a living using their hands, it also believed that it would be unfair for a professional to 'square off' with opponents who only competed in sport during their free time (Jennings, 2016).

As the OEC continued debating the eligibility rules for the first modern games, the British delegation held strong to its belief that manual laborers should be disqualified, as only the wealthy could afford to exert themselves without hope of financial gain (The Week, 2015). Other delegations, exasperated by the British steadfast position, gave in since the overwhelming belief was that the costs associated with traveling to and from the games would be enough of a deterrent for any 'working class' athlete from wanting to compete anyway. The issue was put to rest, at least for the initial Olympiads.

Not long afterwards, however, the IOC's Executive Committee, seeking to attract a larger number of better quality athletes to participate, modified the term 'amateur' from its initial 'mechanics clause' interpretation and redefined it to "an athlete who does not gain any material benefit of his (or her) participation in competition" and a professional as "an athlete who directly/indirectly gains benefit by his personal participation in sports" (Boykoff, 2016, p. 22). Under this modified definition, those who profited from playing a sport would be deemed professional, and those who did not receive any financial compensation for their athletic endeavors would be deemed amateur. As noted by sport historian, Alan Guttman, "Through most of the twentieth century amateurism was defended with the argument that fair play and good sportsmanship are possible only when sports are an athlete's *avocation*, never his or her *vocation*" (Redmond, 2014, p. 347).

While on its face this redefining of the term amateurism by the IOC Executive Committee was viewed as a way to not discriminate against the 'lower orders,' in reality it accentuated the fact that those who did not have the personal wherewithal would not be able to support themselves with their sport (Jennings, 2016). This continued the path of elitism, where athletes who had to work a non-sport specific job still had to maintain a rigorous training regimen in order to be competitive (Jennings, 2016).

This separation between competitors who had means and those who did not, is no better exemplified than by Jim Thorpe. In 1912, Jim Thorpe placed first in both the Olympic pentathlon and decathlon, all while wearing mismatched shoes (Jenkins, 2021). No Olympian before or since has ever achieved such accomplishments, therefore, arguably making him one of the "greatest athletes of all times" (Jenkins, 2012). However, the IOC retroactively took away his medals and removed his name from the record books after it came to its attention that Mr. Thorpe earned twenty-five dollars a week playing minor league baseball for the *Rocky Mount*

Railroaders of the Class D Eastern Carolina League – a common practice for college ballplayers at the time (Landers, 2018).

After Baron de Coubertin retired from the IOC in 1925, its new President, Henri de Baillet-Latour, sought to strengthen and reinforce the Olympics' concept of amateurism. The result being the IOC's codification of Rule 26 of the Olympic Charter, which stipulated that any athlete who wishes to participate in Olympic competition, he or she 'must observe and abide by' IOC rules and the rules of 'his or her international federation' and must not have 'received any financial rewards or material benefit in connection with his or her sports participation, except as permitted' by the international federation.

Throughout most of the mid-twentieth century, the IOC stood firmly behind Rule 26 and its codified definition of amateurism. Avery Brundage, the IOC president from 1952-1972, evidenced such in his 1955 speech when he stated, "We can only rely on the support of those who believe in the principles of fair play and sportsmanship embodied in the amateur code in our efforts to prevent the games from being used by individuals, organizations or nations for ulterior motives" (Greene, 2012). The sentiment being that any athlete who accepts financial benefit is to be considered a professional, with the IOC acting quickly to declare anyone who crosses such line as ineligible.

A major issue surrounding Rule 26 concerned the IOC's refusal to distinguish between the economic structures of Western and Eastern Bloc nations and their influence on sports (Litsky, 1986). The Western nations developed private professional sports leagues whose players the IOC precluded from competing in the Games because they were not considered amateurs as defined by Rule 26. At the same time, within the U.S.S.R and the Eastern Bloc nations, sports were 'state sponsored', which, interestingly, allowed their athletes to preserve their amateur status in spite of the fact that the government was covering all of the athletes' living and training expenses.

This split between how Western and Eastern Bloc nations sponsored their Olympic athletes, together with the increased commercialization of the Games leading up to and following the 1968 Summer Olympic Games in Mexico City, led to the feeling by most athletes, spectators, and academics alike, that the concept of amateurism as defined by the IOC was not at all that essential to the overall Olympic Movement.

In the 1980's, the move to redefine Rule 26 to allow professionals to compete grew when U.S. Olympic Committee President, Bill Simon, stated, "We indeed have to remove the contradictions and the hypocrisy that exist. We ought to have an eligibility rule that all 151 nations in the Olympic movement can understand, a simple definition. And that definition should be that an amateur is a person who participates without pay. That's a pretty simple step" (Anderson, 1984).

By 1986 the IOC finally officially relented and amended Rule 26 to where now the various sport federations and governing bodies decided athlete eligibility when it comes to competing in international competition (Andrews, 2018). Some argued that the spirit of the Olympics was lost since the 'professionals' were now allowed to compete but what happened was much more positive and impactful. Allowing the professionals to compete increased the level of competition played during the Olympics, translating to increased viewership and the revenue that follows from added advertisements, commercials, and sponsorships. There is no better confirmation of such than that of the NBA's 'Dream Team' playing in the 1992 Summer Olympic Games in Barcelona, Spain.

III. In Closing

In reality, the concepts of the ‘amateur athlete’ and ‘amateurism’ in the Olympic Games come from Victorian Era England. Specifically, the British elite who enjoyed rowing, winning, and keeping the unwashed, day-laboring masses at arm's length. “Amateurism really started when the people who were rowing boats on the Thames for a living started beating all the rich British aristocrats,” Olympic historian Bill Mallon said. “That wasn't right. So, they started a concept of amateurism that didn't exist in ancient Greece.”

References

Anderson, D. (1984). Sports of the times; the Olympic joke: Charter rule 26. *N.Y. Times.*

Andrews, R. (2018). Push to allow professional athletes took hold in 1968 Olympic Games. *Global Sport Matters.*

Boykoff, J. (2016) Power Games, A political history of the Olympics. *Verso Publications.*

Faulkner, N. (2012). Olympic myth #1 – The amateur ideal. *Yale University Press London.*

Green, B. (2012). What changed the Olympics forever. *CNN.*

Guttman, A. (1992). The Olympics: A history of the modern games. *University of Illinois Press.*

Hruby, P. (2021). The Olympics show why college sport should give up on amateurism. *The Atlantic.*

Jenkins, S. (2021). Why are Jim Thorp's Olympic records still not recognized? *Smithsonian Magazine.*

Jennings, L.A. (2016). For the love of money: A history of amateurism in the Olympic Games. VICE.

Landers, C. (2018). The controversy that took Jim Thorp's Olympic medals also began his Major League career. *Cut 4 by MLB.com.*

Litsky, F. (1986). IOC expected to ease amateur policy. *New York Times.*

Redmond, P. (2014). The Irish and the making of American sport. *McFarland and Co. Inc.*

Riess, S.A. (1994). From pitch to putt: Sport and class in Anglo-American sport, *Journal of Sport History 21(2)*.

Shropshire, K. L. (2000). The erosion of the NCAA amateurism model*, Antitrust* 14(46), 47.

Thompson, J. G. (1986). The instruction of corruption into athletics: An age-old problem. *Journal of General Education, 38(2), 144-153, 146.*

Young, D. C. (1996). The modern Olympics: A struggle for revival. *Johns Hopkins University Press.*

The Week (8 January 2015). The evolution of the Olympic idea. *The Week.com*. https://theweek.com/articles/528997/evolution-olympic-ideal.

How to Submit a Paper

1. Please send your abstract or full paper to **http://www.gbrsconference.org** and follow the instructions.
2. The deadline for the submission of abstracts or full papers is **January 30, each year.**
3. Submitted papers must have **not** been previously presented, published, or accepted for publication.
4. To facilitate the blind peer-review process, remove **all** authors identifying information, including acknowledgements, from the document's text.
5. Title page should include: manuscript title, author(s) name, title, institution, address, telephone number, e-mail address, acknowledgment, and financial disclosure, if applicable.
6. The entire paper (title page, abstract, main text, figures, tables, references, etc.) must be in **one** document created in **MS Word** format.
7. Figures, tables and charts should be placed in the body of the paper—**not** at the end of the paper.
8. The paper should **not exceed 16 pages** single spaced including ALL tables, appendices and references.
9. Use Times New Roman 12-point font, single spaced, and 1-inch (2.5 cm) margin all around.
10. All papers must include a list of references in a standard academic citation style (i.e. APA, MLA, Chicago).
11. **Do not** use footnotes.
12. **Do not** number the pages of the paper.
13. The author or one of the co-authors must be available to present the paper at the conference.
14. **All registration fees and a complete paper must be received by us by March 30, each year**.

GLOBAL BUSINESS RESEARCH SYMPOSIUM BOARD OF DIRECTORS:

Sławomir Smyczek, Ph. D.	University of Economics in Katowice, Poland
Justyna Matysiewicz, Ph. D.	University of Economics in Katowice, Poland
Salvatore Moccia, Ph. D.	University UNIR – La Rioja, Spain
David Chan, Ph. D.	St. John's University, NY, USA
John Angelidis, Ph. D.	St. John's University, NY, USA
Michael T. Tasto, Ph. D.	Southern New Hampshire University, USA
Gregory Randolph, Ph. D.	Southern New Hampshire University, USA
Ivan Abel, Ph. D.	St. John's University, NY, USA
I. Hilmi Elifoglu Ph. D	St. John's University, NY, USA
Homer Bonitsis, Ph. D.	New Jersey Institute of Technology, USA
Igor M. Tomic, Ph. D.	St. John's University (Retired), NY, USA

GBRS
Global Business Research Symposium

For more information about the *Journal of the Global Business Research Symposium,* the annual international conference, or the affiliate organizations, please go to http://www.gbrsconference.org