Introduction

Leaders facilitate work engagement: a study on frontline employees in a Danish retail bank

Co-creating new meaning: towards the patient-centric hospital?

The Counterproductive Effects of Role-Conflict Management: The Challenges Facing Managers in Transitions to Stigmatized Roles

Testing the OLI model: Is Entry Mode Choice Important for Non-financial and Financial Performance?
3  Introduction

7  Leaders facilitate work engagement:
   A study on frontline employees in a Danish retail bank
   Renata Mellepe, Bettina Gribby and Jeanette Lemmergaard

23  Co-creating new meaning: towards the patient-centric hospital?
    Mette Rosendal Darmer, Søren Boesgaard, Pernille Preisler, Lene Vibe Høyer,
    Mette Kynemund and Christian Bason

43  The Counterproductive Effects of Role-Conflict Management:
    The Challenges Facing Managers in Transitions to Stigmatized Roles
    Mette Lund Kristensen

57  Testing the OLI model: Is Entry Mode Choice Important for
    Non-financial and Financial Performance?
    Jesper Wulff
This issue of the Danish Journal of Management & Business contains four different papers. They all try to answer important questions, and their conclusions are all based on original and carefully crafted empirical work. Hence, the papers show the value of empirical approaches ranging from single case studies to large scale questionnaire surveys.

In the first paper titled “Leaders facilitate work engagement: A study on frontline employees in a Danish retail bank”, Mellupe, Gribby, and Lemmergaard answer the question: How much of the variance in work engagement scores can be explained by the job resources directly provided by the immediate supervisor? Employees’ job resources directly provided by managers include such things as autonomy, performance feedback, and opportunities for development (Mellupe et al., 2015).

Mellupe et al. have collected survey data in a Danish retail bank among frontline customer service employees and use these data in their empirical tests. Their study shows that 19% of the variance in employee work engagement scores can be explained by intrinsic job resources (inherent in the job activity itself) provided by immediate supervisors. It is worth noting that employee perceptions of job resources are not only influenced by immediate supervisors but can be influenced by many other organizational factors, and work engagement also depends for example on job characteristics and personal resources. Mellupe et al. mention that one of the practical implications of their results is that organizations in their training of leaders and in their leader performance evaluations could focus more on leaders’ promotion of intrinsic job resources and work engagement among employees. They also suggest that the responsibility for many job resources located outside the job activity is allocated to human resource management departments and that immediate leaders should focus on intrinsic job resources.

In the second article, “Co-creating new meaning: Towards the patient-centric hospital?” by Darmer et al. (2015) the authors describe a co-creation experiment at The Department of Cardiology at the Heart Centre at Rigshospitalet, Copenhagen University Hospital. The co-creation experiment took a starting point in patient experiences
and interviews with patients and put focus on issues such as patient time versus the time of the employees. The authors describe how doctors, nurses, secretaries, service employees, and managers came up with development ideas and sketched the benefits for patients, the benefits for the organization, and organizational aspects related to implementation, e.g. who should drive the change project. Among the project specific advantages that are mentioned in the paper are the development of a focus on patients’ subjective experiences and patients’ time, and the recognitions that employees are significant for generating future innovations, and that all actions must ultimately create value for patients.

The authors conclude that such a user-centered and employment-driven type of innovation process can indeed be applied as a management tool to generate a change of meaning among professional staff. As such the approach and the different steps described in the paper can probably be applied more broadly in organizations that seek more customer-oriented changes and innovations, and hence it may be an inspiration to agents seeking to generate employee-driven innovation ideas.

In the third article “The Counterproductive Effects of Role-Conflict Management: The Challenges Facing Managers in Transitions to Stigmatized Roles”, Mette Lund Kristensen and Jeanette Lemmergaard report the results from a single case study where a manager is challenged because she has to change her leadership style. More specifically, the manager is in charge of leading a project, but she has problems stimulating commitment among her subordinates. Therefore, she has to abandon the distributive role and instead undertake an authoritative manager role. The authors find that this role transition results in a “vicious circle of negative causalities in which transition strategies designed to help her cope with role strain has counterproductive effects”. The authors emphasize that a one-sided praise of a specific management style may make it difficult for managers to change management style when this may be required.

In the fourth article titled “Testing the OLI-model: Is Entry Mode Choice Important for Non-financial and Financial Performance?”, Jesper Wulff (2015) uses survey data from 396 Danish, Norwegian, and Swedish entries in foreign markets to test the relationships between a large number of variables and the results from equity and non-equity foreign entry mode. Wulff’s article differs from existing literature by using the OLI-model developed by Dunning (1988) as a theoretical starting point, by having performance as the dependent variable, and by correcting for endogeneity. Empirically, Wulff finds that investment risk is significantly negatively related to performance and reported market potential is significantly positively correlated with financial and non-financial performance for both equity and non-equity entry modes. Experience and legal restrictions do not seem to explain performance differences. Firm size is highly positively correlated with the choice of equity mode, but it is unrelated to performance
differences. Based on the results, Wulff suggests that the OLI-model may not be the best model to guide managers, and instead they may want to consider other models such as transaction costs or real options models when choosing foreign entry mode.

References
Renate Mellupe
Research Assistant
Strategic Communication & Management
Department of Marketing & Management
University of Southern Denmark
Campusvej 55
DK-5230 Odense M
e-mail: reme@sdu.dk

Bettina Gribby
Apollon Beach Gardens 2, house 4
Faros Avenue
CY-7560 Larnaca
e-mail: bgribby@gmail.com

Jeanette Lemmergaard
Associate Professor
Strategic Communication & Management
Department of Marketing & Management
University of Southern Denmark
Campusvej 55
DK-5230 Odense M
e-mail: jla@sdu.dk
Leaders facilitate work engagement:
A study on frontline employees in a Danish retail bank

Renata Mellupe, Bettina Gribby & Jeanette Lemmergaard

Abstract
Recent research focuses on the influence of positive leadership styles on employee perceptions of job resources as mediators of the relationship between the former and work engagement. This cross-sectional survey study explores the contribution of job resources provided by the immediate supervisors in explaining the variance in employee work engagement scores. The uniqueness of this study lies in that we differentiate the contribution of the immediate supervisor by compiling the measure tapping the specific construct. The study shows that 19.6% of the variance in employee work engagement scores can be explained by intrinsic job resources provided by immediate supervisors.

1. Introduction
Nowadays, particularly in knowledge-based organisations, employees tend to view their identities as attached to their education and realisation of their professional goals rather than to the organisations they work for (Larsen, 2009). This alters the nature of demands placed on leaders and calls for a focus on motivational constructs.

Although leadership and work engagement research has been flourishing (Bakker, 2011; Yukl, 2012), questions remain about the leader’s role in facilitating work engagement (Bakker et al., 2011). Recent studies investigated job resources (JR) as mediators of the link between specific leadership styles and work engagement (Breevaart et al., 2014; Tuckey et al., 2012). However, since employee perceptions of JR can be influenced by many organizational factors, we argue that it is important to explore how much of the variance in work engagement scores can be explained by JR directly provided by the immediate supervisor.

The paper is structured as follows: First we present theoretical and methodological aspects of the study; then we report and discuss the findings as well as implications for theory and practice. A conclusion closes the paper.
2. Theoretical perspective

Work engagement is defined as a »positive, fulfilling, work-related state of mind that is characterized by vigour, dedication, and absorption«. We adopted this definition for the following reasons. First, it views engagement as a construct of its own. Second, it offers a pre-established work engagement measure – the Utrecht Work Engagement Scale (UWES; Schaufeli & Bakker, 2004; Schaufeli et al., 2006). Third, the construct has been tested in a number of studies (e.g., Bakker et al., 2007; Hu et al., 2011; Llorens et al., 2007).

According to the Job Demands-Resources (JD-R) model (Bakker & Demerouti, 2007, 2008), work engagement is a function of the interplay among several factors, i.e. job demands, JR, and personal resources. Job demands are requirements posed by the job involving physical, emotional or mental effort, and can lead to exhaustion (Demerouti et al., 2001), whereas JR (e.g., Bakker & Demerouti, 2007; Bakker & Demerouti, 2008; Crawford et al., 2010; De Lange et al., 2008) and personal resources (Mauno et al., 2007; Xanthopoulou et al., 2009a) are predictors of work engagement. JR refer to the aspects of the job that help to achieve job goals via reducing demands or stimulating personal growth (Demerouti et al., 2001). They can be extrinsic to the job (i.e. located outside the job activity) or intrinsic to the job (i.e., inherent in the job activity itself). Personal resources are »aspects of the self that are generally linked to resiliency« (Hobfoll et al., 2003, p. 632); they interact reciprocally with JR and affect work engagement (Xanthopoulou et al., 2007, 2009a).

Although both JR and personal resources are predictors of work engagement (Bakker & Demerouti, 2008; Xanthopoulou et al., 2009a), JR are arguably more identifiable in an organisational setting. Therefore, we chose to focus on JR, and in particular, intrinsic JR. Specifically, we chose autonomy, performance feedback, and opportunities for development, due to their strong motivational potential (Bakker et al., 2003).

2.1. Leader’s role

While interest in mechanisms underlying leaders’ role in fostering work engagement is not new (e.g., Bakker, 2011; Salanova et al., 2011), many questions remain (Bakker et al., 2011). One way of explaining processes behind leaders’ influence on followers is through employee perceptions of their jobs. Indeed, job characteristics (i.e., skill variety, task identity, task significance, autonomy and feedback) indirectly increase intrinsic motivation (Hackman & Oldham, 1980), and thus are likely mediators of the process. In fact, job characteristics conceptually resemble intrinsic JR (Bakker et al., 2003; Demerouti et al., 2001) which this study focuses upon.

Leaders’ influence on employee perceptions has been investigated empirically. Griffin (1981) showed that employee perceptions of job characteristics can be explained by their leaders’ behaviour. Piccolo and Colquitt (2006) found higher levels of perceived
job characteristics were found among employees managed by transformational leaders. Similarly, role clarity and opportunities for development were shown to mediate the link between transformational leadership and employee well-being (Nielsen et al., 2008). These studies indicate that leaders can influence perceptions of job characteristics of their followers.

Other studies focused on the link between leadership styles and work engagement with JR and job demands as mediators. Breevaart et al. (2014), found that autonomy and support mediated the relationship between transactional and transformational leadership and daily work engagement. Tuckey et al. (2012) showed that cognitive demands and resources acted as mediators between empowering leadership and work engagement. The findings suggest that JR can be influenced by different leadership styles and account for variance in followers’ work engagement.

It is, though, arguable that employee perceptions of JR are influenced by a variety of factors, so that managerial practices can only explain some variation in employee perception of JR. Furthermore, focusing on specific leadership styles may result in leaving out other indicators of leadership potentially playing a role in the process. Therefore, it is relevant to examine the unique contribution of JR provided by the immediate supervisor in explaining the variance in work engagement scores; and in doing so to focus on the immediate supervisor as the source of JR as opposed to a leadership style. Thus, the research question addressed here is: how much of the variance in work engagement scores can be explained by the JR directly provided by the immediate supervisor?

Distinguishing the unique contribution of the immediate supervisor as a provider of JR is important, because it is conceivable that the same JR are available to employees from a variety of sources other than the immediate supervisor. For instance, the degree of autonomy at work can be dependent on the job description. Similarly, opportunities for development can be provided by an organization uniformly to all incumbents of a certain job. Similarly, performance feedback can be part of a standardized organizational practice, e.g., customer feedback is reported to the respective employee. Consequently, sources and perceptions of JR will vary depending on the organizational context. The immediate supervisor, however, can be seen as a constant source of JR for employees. As a result, discriminating the immediate supervisor’s contribution can tell us more about how to allocate JR in an organization to achieve higher work engagement.

2.2. The organizational setting

The data were collected in a Danish retail bank among frontline customer service employees. There are several reasons for focusing on this employee group. First, frontline staff are an important sources of organizational value creation (Barnes & Collier, 2013)
and service quality (Malhotra et al., 2013). Moreover, engagement levels of service employees are positively related to business unit performance (Xanthopoulou et al., 2009b). In retail banking, these employees are responsible for customer service and sales, and are, therefore, essential in terms of organizational performance. This makes their work engagement a significant consideration for the industry.

Furthermore, job descriptions of the surveyed employees are highly similar, and they are employed with the same organization characterized by high level of procedure standardization. Therefore, it is assumed that the study population is a homogeneous occupational group. Thus, it can be argued that JR available to the employees from other sources than the immediate supervisor are highly comparable.

The next section will outline methodology employed in the study.

3. Method
This study is based on cross-sectional data from two surveys. 250 private and personal client advisors were approached for participation in the first survey and 80 for the second survey. The target population amounted to 1,735 ($N = 1,735$), 678 were men and 1,057 were women. Age ranged from 23 to 67 ($M = 43.9; SD = 12$). A stratified random sample ($n = 250$) was drawn to keep proportions of the sample and the target population similar. The flow of participants through the study is displayed in Figure 1.

3.1. Procedure
In both surveys, respondents received an e-mail with a link to the electronic survey. First, work engagement was measured (response rate of 72% with 179 usable questionnaires). Then the obtained scores were used to assign the respondents into two non-equivalent groups: 40 respondents with the highest work engagement scores were assigned to the ‘highly engaged group’ and 40 respondents with the lowest scores – to ‘the less engaged group’. Second, the survey measuring perceptions of JR provided by the immediate supervisor were administered to the two groups (response rate of 85% with 68 usable responses – 34 from each group). The scores obtained by the groups were explored in relation to work engagement scores. Additionally, the two groups were compared to examine whether they differ in the perceptions of JR. This strategy allowed examining whether the variation in perceptions of JR provided by the immediate supervisor is substantial and can act as an important factor explaining variance in work engagement, given that other factors might also influence work engagement. A unique employee code was used to match the data from both data collections.

3.2. Measures
Work engagement was measured with the Utrecht Work Engagement Scale (UWES-9) tapping the three dimensions of work engagement (vigour, dedication and absorption).
Leaders facilitate work engagement

UWES-9 is a nine-item scale with response categories ranging from 0 (never) to 6 (always) (Schaufeli et al., 2006). The composite work engagement score was used for analysis.

Employee perceptions of the specific JR (autonomy, feedback, and opportunities for development) provided by their immediate supervisor were measured with a nine-item survey compiled for this purpose. As recommended by Churchill (1979), a multi-item measure was developed. First, we specified the domains of the construct and their operational definitions; then we generated items sampling these domains (see
Appendix A). To increase validity and reliability of the measure (Sudman & Bradburn, 1982), the items were adapted from previous studies. The response categories were ranging from 0 (not at all) to 6 (to a very great extent). The surveys were back-translated to Danish as suggested by Prieto (1992).

The content validity of the second survey was assessed with the procedure similar to the one described by Hinkin (1998) and MacKenzie et al. (1991). A focus group of four were asked to match the items with the operational definitions (see Appendix A). An »unclassified« domain was provided for the items not corresponding to any of the domains. The focus group accurately matched all items with the domains.

3.3. Strategy of analysis
Since JR are assumed to predict work engagement (Bakker & Demerouti, 2007), regression analysis, specifically linear regression, was used to explore the relationship between work engagement and employee perceptions of JR provided by the immediate supervisor (Bryman & Cramer, 2011). In order to test for significant differences between the groups t-test for independent samples was used.

4. Findings
Mean values, standard deviations and reliability statistics for both data collections are presented in table 1.

| Table 1. Mean values, standard deviations, and Cronbach’s α of the study variables |
|---------------------------------|----------|----------|----------|----------------|
| Variable                        | N        | Mean     | SD       | Cronbach’s α  |
| Work engagement                 | 179      | 4.86     | 0.83     | .92           |
| Work engagement                 | 68       | 4.71     | 1.15     | .96           |
| JR provided by the immediate supervisor | 68       | 4.25     | 1.01     | .94           |

Work engagement level ($M = 4.86; SD = 0.83$) was found to be high (Schaufeli & Bakker, 2004). The scores are generalizable to the target population, because the characteristics of the respondents were compared to the parameters of the target population, and no significant differences were found.

Generalizability of the results of the second data collection is limited due to a non-probability sampling method. Descriptive statistics for work engagement and employee' perceptions of JR in the two groups are presented in table 2.
Leaders facilitate work engagement

Table 2. Descriptive statistics for work engagement and perceptions of JR in the two groups

<table>
<thead>
<tr>
<th>Variable</th>
<th>Groups</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>Min.</th>
<th>Max.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work engagement</td>
<td>The highly engaged group</td>
<td>34</td>
<td>5.76</td>
<td>0.18</td>
<td>5.56</td>
<td>6.00</td>
</tr>
<tr>
<td></td>
<td>The less engaged group</td>
<td>34</td>
<td>3.66</td>
<td>0.61</td>
<td>1.89</td>
<td>4.44</td>
</tr>
<tr>
<td>JR provided by the immediate supervisor</td>
<td>The highly engaged group</td>
<td>34</td>
<td>4.61</td>
<td>0.85</td>
<td>2.45</td>
<td>6.00</td>
</tr>
<tr>
<td></td>
<td>The less engaged group</td>
<td>34</td>
<td>3.90</td>
<td>1.04</td>
<td>1.22</td>
<td>5.78</td>
</tr>
</tbody>
</table>

Work engagement scores were high in the highly engaged group ($M = 5.76$; $SD = 0.18$). The less engaged group had lower scores ($M = 3.66$; $SD = 0.61$), with a greater variation in responses. High JR scores were observed in the highly engaged group ($M = 4.61$; $SD = 0.85$), while the less engaged group showed lower scores ($M = 3.89$; $SD = 1.04$). Significant positive correlation between work engagement and the JR scores ($r(66) = .44$, $p < .01$) was found (see Table 3). Since the data were treated as interval data, Pearson’s correlation coefficient was employed (Bryman & Cramer, 2011).

Table 3. Correlation among study variables (n=68)

<table>
<thead>
<tr>
<th>Variable</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Work engagement</td>
<td>1</td>
<td>.44*</td>
</tr>
<tr>
<td>2 JR provided by the immediate supervisor</td>
<td>.44*</td>
<td>1</td>
</tr>
</tbody>
</table>

*P < .01

The regression analysis (Table 4) showed that 19.6% of variability in work engagement scores can be explained by employee perceptions of JR provided by the immediate supervisor, hereby indicating that the former can be predicted by the latter.

Table 4. Regression analysis for work engagement and JR (n=68)

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.44*</td>
<td>.196</td>
<td>.184</td>
<td>1.038</td>
</tr>
</tbody>
</table>

$P < .001$. Predictors: (Constant), JR provided by the immediate supervisor. Dependant Variable: Work engagement

Next, the highly engaged and the less engaged groups were compared in their perceptions of the JR provided by the immediate supervisor, and significant differences between the two groups were found (Table 5).

Table 5. t-test for independent samples

<table>
<thead>
<tr>
<th>Variable</th>
<th>Group mean values</th>
<th>t</th>
<th>df</th>
</tr>
</thead>
<tbody>
<tr>
<td>JR provided by the immediate supervisor</td>
<td>Highly engaged group</td>
<td>4.611</td>
<td>3.096</td>
</tr>
<tr>
<td></td>
<td>Less engaged group</td>
<td>3.898</td>
<td></td>
</tr>
</tbody>
</table>

*P < .003
This finding strengthens the results of the regression analysis. It indicates that albeit there many factors influencing the variance in work engagement scores (Bakker & Demerouti, 2007, 2008), the unique contribution of JR provided by the immediate supervisor is an important factor explaining this variance.

5. Discussion
We found that a significant amount of the variance in work engagement scores can be attributed to employee perceptions of specific intrinsic JR provided by the immediate supervisor. The finding is discussed in more detail in the following, and we start with elaborating work engagement scores.

5.1. High work engagement scores
High work engagement scores can be explained by the presence of JR, personal resources or both (Bakker & Demerouti, 2008; Xanthopoulou et al., 2007). Due to the extent of perceived JR provided by the immediate supervisor among the respondents, an assumption that high work engagement scores result solely from personal resources or JR available from other organizational sources can be excluded. Therefore, personal, other job resources and the three JR provided by the immediate supervisor are likely to co-occur.

5.2. Job resources provided by the immediate supervisor
It was found that 19.6% of variance in work engagement scores can be explained by employee perceptions of JR provided by the immediate supervisor (see Table 4). Although the JR measured were those provided by the immediate supervisor, this result agrees with the premises of the JD–R model (Bakker & Demerouti, 2007, 2008), and is in line with other empirical studies suggesting that JR are common antecedents of work engagement (e.g., Balducci et al., 2011).

Furthermore, significant differences were found between the highly engaged and the less engaged group in employee perception of JR. According to the JD–R model, it is expected that higher work engagement scores co-occur with higher JR scores whereas lower work engagement scores coincide with lower JR scores (Bakker & Demerouti, 2007, 2008), which is also observed in this study. Another explanation of the result might be the reciprocal relationship between personal resources and JR (Xanthopoulou et al., 2007, 2009a). Specifically, respondents from the highly engaged group could possess more personal resources and/or JR available from organizational sources other than the immediate supervisor; this in turn would boost employee perceptions of JR provided by the immediate supervisor. Correspondingly, the less engaged group might include respondents with fewer personal resources and/or JR available from alternative
organizational sources, and, hence, less perceived JR. However, the absence of measurement of personal resources and other types of JR denies any conclusions in this regard.

The JD-R model, however, offers only partly explanation of the differences found between the two groups. It is, therefore, interesting to attend to the given organizational setting. The homogeneous nature of the population presumes that job content as well as general characteristics of the working environment are alike. This allows for an assumption that JR obtainable from organizational sources other than the immediate supervisor are highly comparable among the respondents. This can, in particular, be argued in the context of intrinsic JR addressed here. For instance, job descriptions of the respondents were similar; and considering rules and procedures guiding decision-making in retail banking (Finanstilsynet, n/d), it is arguable that the level of autonomy in the job is equal among the respondents. Likewise, opportunities for development and growth offered by the job are comparable within the occupational group. Also, performance feedback available via performance management practices or from the job is argued to be highly similar. Along this line of argumentation, it can be suggested that the two groups differing in their work engagement scores are highly similar in terms of the JR provided by the organization and the job. In a similar vein, the homogeneous occupational group is facing same job demands. Thus, while within the JD-R model variation in work engagement scores can be viewed as a function of a complex interaction among JR, job demands, and personal resources (Bakker & Demerouti, 2007, 2008; Schaufeli & Taris, 2013), the JR and job demands are alike within the given occupational setting. Consequently, the significant difference found between the two groups in perceptions of the JR provided by the immediate supervisor strengthens the prominence of the contribution made by the immediate supervisor in providing these resources to employees. This finding is important because it shows that the JR provided exclusively by the immediate supervisor are vital and make a significant contribution to work engagement of the employees given that other JR and job demands are similar. If the differences between the groups were not found, that would be an indication of that other variables play more important role in explaining the variance in work engagement scores.

6. Implications for theory and practice
Although many factors can impact employee work engagement (Bakker & Demerouti, 2007, 2008), this study shows that the intrinsic JR provided by the immediate supervisor can explain a significant variance in employee work engagement scores. Previous research has predominantly been focusing on leaders’ influence on job characteristics acting as mediators between specific leadership styles and work engagement (Breevaart et al., 2014; Tuckey et al., 2012). This study, however, is unique as it dis-
tistinguishes the contribution of JR provided directly by the immediate supervisor to employee work engagement.

Given similar job demands and JR among employees, leaders’ role in providing intrinsic JR to employees is essential and can be leveraged to stimulate work engagement. For instance, leaders’ can be trained to pay attention to and offer intrinsic JR to followers. Furthermore, leadership behaviours promoting intrinsic JR among employees could be encouraged by organizations via implementing these in leader performance evaluations. Additionally, given the findings of this study it would be reasonable to allocate the responsibility for many extrinsic JR to human resource management departments, whereas leaders could focus more on intrinsic JR and attend to the needs of individual employees.

Future research should include intrinsic and extrinsic JR available to employees from both, the leader and other sources, to assess the comparative contribution of the former and the latter.

7. Limitations
First, use of self-administered questionnaires can increase measurement error due to reliance on subjective responses (Sudman & Bradburn, 1982) and common method variance (Podsakoff et al., 2003). Second, lack of control for other factors, e.g., job demands and personal resources, poses threat to validity of the findings as their impact on the measures cannot be estimated. Third, cross-sectional data does not allow for making inferences about the direction or causality of the relationship between the variables.

8. Conclusion
This study addressed the question of how much of the variance in work engagement scores can be explained by employee perceptions of JR solely provided by the immediate supervisor. While previous research explored how positive leadership styles impact work engagement via employee perceptions of job resources (Breevaart et al., 2014; Tuckey et al., 2012), uniqueness of this study is in that we distinguished the contribution of employee perceptions of JR provided solely by the immediate supervisor to explain variance in employee work engagement.

To do so, two surveys were administered to frontline employees in a Danish retail bank. First, work engagement was measured. Based on work engagement scores respondents were assigned into two groups, i.e. highly engaged group and less engaged group. Second, the employee perceptions of the JR provided by the immediate supervisor were estimated by the measure developed to tap the construct. The scores were compared between the groups.
We found that 19.6% of variance in work engagement scores can be attributed to the employee perceptions of the intrinsic JR provided by the immediate supervisor. Furthermore, significant differences were found between the two groups. Together, these findings suggest that while many factors contribute to work engagement (Bakker & Demerouti, 2007, 2008), the unique role of the leader should be viewed as vital in achieving an engaged workforce.

References


### Purpose of the questionnaire
To estimate employee perceptions of the extent to which job resources are provided by their immediate supervisor.

### Total number of items
9

### Number of subscales
3

### Number of items per subscale
3

### Scale type used
Likert-type item unipolar summative scale

### Number of response categories
7

### Response category labels
Ranging from 'not at all' to 'to a very great extent'

### Language administered in
Danish

### Domain
#### Autonomy provided by the immediate supervisor
Autonomy is the degree of employee's decision authority in accomplishing their work tasks provided by their immediate supervisor (adapted from Xanthopoulou, Bakker, Demerouti, & Schaufeli, 2012, p. 493).

1. My closest supervisor gives me freedom in carrying out my work activities (adapted from Schaufeli, Bakker, & Van Rhenen, 2009).
2. My closest supervisor allows me opportunities to make my own decisions in my job (adapted from Balducci, Schaufeli, & Fraccaroli, 2011; Karasek, 1985).
3. My closest supervisor ensures that I have a say in my work (adapted from Karasek, 1985).

#### Performance feedback provided by the immediate supervisor
Performance feedback is the information employees receive from their immediate supervisor about their past behaviors with respect to established standards of behaviors and results (adapted from Aguinis, 2009 as cited in Aguinis, 2012, p. 105).

1. I receive feedback about the quality of my performance from my closest supervisor (adapted from Demerouti, Nachreiner, Bakker, & Schaufeli, 2001).
2. I receive information about the results of my work from my closest supervisor (adapted from Schaufeli & Schaufeli, 2008).
3. My closest supervisor lets me know how well I am doing on my job (adapted from Demerouti, Bakker, & Fried, 2012).

#### Opportunities for development provided by the immediate supervisor
Development is a process of employee's growth and advancement in their job provided by their immediate supervisor (adapted from Collin, 2010, p. 241; development, 2013).

1. My closest supervisor provides me opportunity to learn new things at my work (adapted from Bakker, Demerouti, & Verbeke, 2004; Schaufeli, Bakker, & Van Rhenen, 2009).
2. My closest supervisor offers me possibilities to grow and develop in my job (adapted from Van den Broeck, De Cuyper, Luyten, & De Witte, 2012).

### Table A1: Development of the questionnaire tapping job resources provided by the immediate supervisor

<table>
<thead>
<tr>
<th>Domain</th>
<th>Operational definition</th>
<th>Items</th>
<th>Items - Danish translation</th>
<th>Number of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autonomy provided by the immediate supervisor</td>
<td>Autonomy is the degree of employee's decision authority in accomplishing their work tasks provided by their immediate supervisor (adapted from Xanthopoulou, Bakker, Demerouti, &amp; Schaufeli, 2012, p. 493).</td>
<td>1. My closest supervisor gives me freedom in carrying out my work activities (adapted from Schaufeli, Bakker, &amp; Van Rhenen, 2009).&lt;br&gt;2. My closest supervisor allows me opportunities to make my own decisions in my job (adapted from Balducci, Schaufeli, &amp; Fraccaroli, 2011; Karasek, 1985).&lt;br&gt;3. My closest supervisor ensures that I have a say in my work (adapted from Karasek, 1985).</td>
<td>1. Min nærmeste leder giver mig frihed under udførelsen af mine arbejdsopgaver.&lt;br&gt;2. Min nærmeste leder lader mig tage mine egne beslutninger i mit job.&lt;br&gt;3. Min nærmeste leder sikrer, at jeg har medbestemmelse i mit arbejde.</td>
<td>3</td>
</tr>
<tr>
<td>Performance feedback provided by the immediate supervisor</td>
<td>Performance feedback is the information employees receive from their immediate supervisor about their past behaviors with respect to established standards of behaviors and results (adapted from Aguinis, 2009 as cited in Aguinis, 2012, p. 105).</td>
<td>1. I receive feedback about the quality of my performance from my closest supervisor (adapted from Demerouti, Nachreiner, Bakker, &amp; Schaufeli, 2001).&lt;br&gt;2. I receive information about the results of my work from my closest supervisor (adapted from Schaufeli &amp; Schaufeli, 2008).&lt;br&gt;3. My closest supervisor lets me know how well I am doing on my job (adapted from Demerouti, Bakker, &amp; Fried, 2012).</td>
<td>1. Jeg modtager feedback fra min nærmeste leder om kvaliteten af min præstation.&lt;br&gt;2. Jeg bliver informeret af min nærmeste leder om resultaterne af mit arbejde.&lt;br&gt;3. Min nærmeste leder lader mig vide, hvor godt jeg klarer mig i mit job.</td>
<td>3</td>
</tr>
<tr>
<td>Opportunities for development provided by the immediate supervisor</td>
<td>Development is a process of employee's growth and advancement in their job provided by their immediate supervisor (adapted from Collin, 2010, p. 241; development, 2013).</td>
<td>1. My closest supervisor provides me opportunity to learn new things at my work (adapted from Bakker, Demerouti, &amp; Verbeke, 2004; Schaufeli, Bakker, &amp; Van Rhenen, 2009).&lt;br&gt;2. I receive possibilities to develop myself at work from my closest supervisor (adapted from Bakker, Demerouti, &amp; Verbeke, 2004).&lt;br&gt;3. My closest supervisor offers me possibilities to grow and develop in my job (adapted from Van den Broeck, De Cuyper, Luyten, &amp; De Witte, 2012).</td>
<td>1. Min nærmeste leder giver mig mulighed for at lære nye ting i mit job.&lt;br&gt;2. Jeg får muligheder af min nærmeste leder for at udvikle mig på arbejde.&lt;br&gt;3. Min nærmeste leder giver mig muligheder for at vokse og udvikle mig i mit job.</td>
<td>3</td>
</tr>
</tbody>
</table>
Leaders facilitate work engagement
Mette Rosendal Darmer
Vicedirector
Finsen Center
Copenhagen University Hospital,
Rigshospitalet
Blegdamsvej 9
DK-2100 Copenhagen Ø
e-mail: Mette.Rosendahl.Darmer@regionh.dk

Søren Boesgaard
MD, Head of Department of Cardiology
Copenhagen University Hospital,
Rigshospitalet
Blegdamsvej 9
DK-2100 Copenhagen Ø

Pernille Preisler
Head Nurse at Unit of Cardiology
Copenhagen University Hospital,
Rigshospitalet
Blegdamsvej 9
DK-2100 Copenhagen Ø

Lene Vibe Hoyer
Head Nurse at Unit of Cardiology
Copenhagen University Hospital,
Rigshospitalet
Blegdamsvej 9
DK-2100 Copenhagen Ø

Mette Kynemund
Principal
Virum High School
Fuglsangvej 66
DK-2830 Virum

Christian Bason
CEO
Danish Design Center
Frederiksholms Kanal 30
DK-1220 Copenhagen K
Co-creating new meaning: towards the patient-centric hospital?

Mette Rosendal Darmer, Søren Boesgaard, Pernille Preisler, Lene Vibe Høyer, Mette Kynemund & Christian Bason

Abstract
The Department of Cardiology at the Heart Centre at Rigshospitalet, Copenhagen University Hospital, has conducted a management experiment in collaboration with MindLab, a Danish governmental innovation unit. The experiment may be characterised as a user-centred and employee-driven innovation process involving an interplay between qualitative research and user involvement; a directed co-creation process involving continuous learning through the measurement of outcomes and value.

The paper concludes that this type of innovation process appears to be a powerful management tool for generating a change of meaning among professional staff members. In the present case, new insights were generated through systematic confrontation with the patients’ voices. This confrontation catalysed changes in the professionals’ perceptions of themselves, of their concept of professionalism and of the patients. The process triggered the development of a new governance model with a focus on taking seriously the patients’ subjective experiences and the time they spend. Rigshospitalet developed a shared language to describe innovation that will serve as a new, shared approach to developing professional practices and processes. It became clear that all management and staff actions must ultimately create value for patients. Furthermore, the Department of Cardiology’s management and staff came to understand that innovation comes from the people in the organisation, not from the organisation itself. This triggered an important recognition of professional leadership as it made the management team realise the employees’ significance as a future innovation resource in the Department’s organisation and work processes.

Introduction
In Denmark and globally, healthcare systems are being challenged. At Rigshospitalet, there is awareness that future patients will expect even higher levels of care and individualisation; and simultaneously costs are continuously being reduced to increase
productivity. Even if these demands may seem contradictory, key actors at Rigshospitalet, specifically the team running the Department of Cardiology, have come to consider this a more or less permanent condition. Essentially, from a managerial point of view, the thinking is that the best approach may be to accept the contradictory demands as a premise rather than trying to fight the inevitable. However, choosing a path that seeks to reconcile potentially highly conflicting demands requires that we reflect on our professional and organisational actions and priorities (Schön, 1983). A key question raised in the project, which is also addressed in this paper, was whether patients may help us with this reflection. Could they help us to think innovatively without compromising on professionalism or patient safety? The question, then, is whether a user-centred, employee-driven innovation process might be a way forward.

The Department of Cardiology, the Heart Centre, at Rigshospitalet, Copenhagen University Hospital, is a highly specialised unit with around 350 employees. The department has traditionally been able to balance its budget; and over a period of several years, it has improved its internal working processes to meet a required average annual productivity increase of 2%. The department expected that coming years would be marked by continued budget cuts and demands for more productivity increases, and the Department’s management team felt that it would not be tenable to continue exclusively on the previous path aiming to implement efficiency improvements if the department was to maintain a dedicated staff and provide highly professional and experienced-based quality for patients and their families. The aim of the project was, therefore, to introduce a process of innovation that would also potentially serve as a new management tool at the Department and subsequently to analyse the experiment in the context of Karl E. Weick’s theory of sense-making (Weick 1995).

**Theoretical framework**

We apply two main theoretical frameworks in our analysis. 1) Innovation – drawing on Christian Bason’s ‘Leading public sector innovation’ (2010), which has as a basic premise that the generation of value for citizens is, ultimately, the public sector’s raison d’être. Additionally, Bason emphasises that the systematic creation of new ideas in the public sector must be management-driven, but carried out in practice by employees. 2) Sense-making – drawing on Karl Weick’s extensive work on sense-making in organisations (Weick, 1995) and his description of seven key elements for sense-making. Weick is a social constructivist, and his research focuses on how sense is made and re-made, both within organisations consisting of individuals, and within individuals. Leadership, in Weick’s perspective, means creating meaning in social processes and thus influencing how employees come to make sense of their professional practices. Sense-making is thinking that creates action, and vice versa.
In this analysis, we take our point of departure in the notion of user-centred and employee-driven innovation because the ‘*user perspective is essential in any form of innovation, especially in the public sector*’ (Jensen et al. 2010:33). In the specific project analysed in this paper, user-centred innovation becomes the framework in which polyphonic sound clips of patient experiences initiate and catalyse the innovation generated by the professional staff.

**Public innovation** as defined by Jensen et al. (2010) and Bason (2010) concerns the development of new and better practices that are implemented to provide measurable value for citizens and society. The innovation process is essentially experimental, because it starts with a ‘What if...’ question that enables new thoughts and ideas, and which is ultimately concerned with the creation of value. In an innovation perspective, public value (More, 1995) can be understood as shifts in the value of a public organisation’s activities along four dimensions: productivity, service experience, outcomes and democracy (Bason, 2010). According to Jensen et al. (2010) and Bason (2010), ‘*people driven innovation*’ is a key starting point for a process of discovering potential new value because it can provide insights into user experiences and thus provide a basis for both concept development and implementation with and by the employees. Alternative terms for this approach may be *human-centred design or co-creation*.

**Co-creation** in design can be viewed as a shared creative process among managers, employees and users, largely informed and driven by collaborative design approaches (Sanders & Stappers, 2008). At Rigshospitalet, and more generally in healthcare and in the public sector as such, there is a tradition for developing new initiatives based on professional insights, knowledge from the academic literature, and a rational, analytical approach that is largely driven by professionals. According to Bason (2010), it is important that the manager sees him-/herself as responsible for the innovative process, not as someone who solves the problems (as usual), but rather as someone who gives others the strength and courage to be solution-orientated by displaying trust, confidence and recognition. One might also argue that public managers need to approach the innovation process with a particular human-centred attitude or mind-set (Bason, 2012).

Co-creation is a learning and change process consisting of four main elements: knowledge, analysis, synthesis and creation (see figure 1). We have used the Model of Co-Creation (Bason 2010:175) as a framework for the innovative process, which is briefly described here.
**Knowledge** concerns the collection of rich, in-depth qualitative data through field research, e.g. to explore the experience of being a patient. Data are typically gathered by means of ethnographic methods such as participant observation, shadowing and open-ended interviewing (Corbin & Strauss, 2008). Qualitative data focusing on the user experience are deemed to be critically important as they facilitate an outside-in perspective on the results achieved through the organisation’s efforts. Bason (2010) suggests that it may be particularly impactful to ensure that data are not only recorded in written media, such as field notes or interview transcripts, but also captured as audio, photo and video media to facilitate a more visceral experience when connecting with it and to generate ‘professional empathy’. Often, there is more going on, and more is at stake in the interactions between users and public systems, than professionals and managers assume. This poses a fundamental challenge related to the perceptual lenses through which employees and management see the world.

**Analysis** brings an inductive approach to the co-creation process. Qualitative data are carefully structured, categorised and described as emerging thematic patterns. Selected bits or ‘snippets’ of data connected with the thematic categories are then presented, e.g. in the form of polyphonic audio clips. The purpose at this stage is not immediately to judge or interpret the significance of the material. Rather, the participants should allow themselves to be surprised/disturbed by the raw expressions of user
experiences – such as the narratives told by hospital patients. The emotional connection with audio-visuals paves the way for new insights, which in turn inspire potential new courses of action. The thematic material comes into play along with tacit and professional knowledge and everyday life experiences and is transformed into a common body of knowledge – a set of shared reference points.

**Synthesis** denotes the processes of idea generation, concept development and selection of ideas. A very large quantity of ideas is required to bring out a few that are deemed potentially valuable (Ulrich, 2009). The generation of many ideas is facilitated on the basis of the analytical insights, which give thematic direction to the process of brainstorming and ‘ideation’. One such approach, which was used in the present project, is ‘brain-writing’, in which participants iteratively draw on each others’ ideas for inspiration. Like in most brainstorming approaches, the principle is that quantity is given a higher priority than quality in order to avoid restricting the generation of the largest possible number of ideas.

This part of the process focuses on actions and what the organisation can control. Boundary conditions may include what is, e.g., realistic in financial, political, strategic and practical terms. Constraints are often a useful driver of innovation (Jensen et al. 2010:111-120, Bason 2010:86-191). In a group setting, it is thus the task of the facilitators to help the participants see opportunities and to provide tools and templates that may help them explore potentials for change. Workshops involve the use of specific tools, such as a prioritisation matrix, which is essentially a two-by-two grid used to arrange ideas to facilitate systematic selection.

Subsequently, it is necessary to develop nuanced and more subtle descriptions of ideas, including considerations about solutions, actions and benefits based on one of two fundamental processes: 1) an opportunity-driven process (looking at new ways to explore one’s own world) and 2) a problem-driven process, which is a very specific and more traditional approach (Snowden & Boone, 2007). The type of problem or problem area is essential in determining which approach to take. Co-creation involves an outside-in process where participants seek to redesign systems, services and products that may signify new meaning in the new context. Concept development is thus a further expression of the contents of selected ideas (prioritisation). Concepts denote who is responsible and how a new approach may benefit both the users and the organisation.

**Creation** considers the process of prototyping, ‘rehearsing’ new ways of managing, organising and working; these new approaches are represented graphically or enacted in a relatively raw form (Halse et al., 2010). The purpose is not to shape a refined ‘solution’, but to manifest a concept in ways that may be tested through direct engage-
ment with users. A prototype is an embodiment of an idea that one wants to apply in an unfinished form. Its shape and direction thus sets the stage for the idea to be tested, modified, re-tested and potentially implemented – if the idea seems to work and to be valuable to users and to the organisation.

In order to analyse the utility of this innovation method in the specific context of Righospitalet’s Department of Cardiology, we formulated the following research themes and associated questions based on the model:

Knowledge: Do we find that the citizen’s experience sets the direction for the innovation work? Do the employees reflect on inconsistencies between the organisation’s values and the actions that are carried out? Do the employees see their professional roles from an external perspective?

Analysis: Do the employees allow themselves to be disturbed by the users’ experiences? Does this generate new insights? Is new shared knowledge created among the employees through the connection of their own everyday experiences with the patterns emerging from the qualitative data?

Synthesis: Does the material contain examples of new ways of thinking? Is the complexity of everyday life reflected in the empirical data as represented by an emphasis on opportunity-driven rather than problem-driven approaches? Does the systematic approach of co-creation as an innovation method provide new opportunities for the development of ideas? Do we find that new approaches – new ways of working – are being explored?

Creation: Is there a willingness among the participants – including management, professionals and support staff – to redesign the specific organisational processes?

Sense-making
Sense-making is concerned with giving or creating meaning and takes place in individual as well as organisational processes. It is a process that has no start and no end, since sense-making goes on continuously. We cannot avoid making sense, and the sense we make is bound to be adjusted or transformed. Sense-making is described by Weick as reflection and intention (1995:6) and may be described as an individual and organisational process of co-creation that involves understanding, explaining and creating. Sense-making may be understood as a process that collectively underlines organisational identity and is characterised by seven qualities: 1) Grounded in identity construction, 2) Retrospective, 3) Enactive of sensible environments, 4) Social, 5)
Ongoing, 6) Focused on and by extracted cues, 7) Driven by plausibility rather than accuracy (Weick 1995:17).

According to Weick, it is a prerequisite for human action that we transform risky or problematic situations into something that makes sense – and it is exactly this process we are seeking to explore here.

**Method**

The co-creation experiment was facilitated by MindLab (www.mind-lab.dk/en), a cross-governmental innovation unit, and the management at the Department of Cardiology, Heart Centre, Rigshospitalet. The MindLab team first conducted a pre-study where they briefly observed the work of doctors and nurses, interviewed one patient and the department management. The team presented these early observations to a selected working group; and on this basis, a very open and explorative focus was formulated: *What is the meaningful patient experience in the Department?* A loosely structured interview guide was prepared (Kvale 1997:133-39) around basic questions such as, Can you tell me about your hospital stay? Describe what it was like. Who did what? What did you have to do? etc.

Patients were asked verbally about participation and informed in writing that they would be guaranteed full anonymity. Patients were invited to participate whenever MindLab’s team was present at the hospital, and the participants were thus selected randomly.

Twenty patients were interviewed over a period of two weeks; the dialogues were recorded digitally as audio files. The material was subsequently reviewed by MindLab, classified by topic and edited into selected audio clips on the basis of a careful categorisation of the patterns that emerged from the data.

The working group (doctors, nurses, secretaries, service employees managers) participated in a workshop where the thematic audio clips from patient interviews were played. Each clip was introduced by MindLab’s team with a short elaboration on the character and contents of the theme. Based on the thoughts and feelings that the audio clips elicited, the workshop participants articulated their immediate reactions and thoughts; What did they hear, experience, feel, think? These responses were written down on Post-it notes, put up on a board and briefly discussed at the workshop. The process was repeated through playback of one audio clip for each of the identified themes – seven in total. The staff were then divided into three groups, which were asked each to formulate three development issues for each audio clip, based on the reactions they had formulated.
The next part of the process was to ‘brain-write’ – a collaborative process aimed at generating a wide range of ideas – on the development themes that had been identified. Each participant wrote down an idea for each development issue; the next idea would then be inspired by the first; and against this background, the participant would come up with his or her own idea, and so on. This process generated a large number of ideas.

The next step was to prioritise and select ideas. Each person was asked to choose what he or she thought was the best idea and place it in a system of coordinates with ‘ambition’ on the y-axis and ‘importance for patients and citizens’ on the x-axis. An idea was then selected from the upper right part of the system of coordinates in each working group. Subsequently, the group attempted to expand on the idea by describing it in terms of benefit for patients, benefit for the organisation, and by describing who would be driving the change, who would be running the day-to-day operation, and by presenting arguments in favour of the change in relation to management. This material was used to prepare a concept poster.

Results
Below, the results of this process are described as follows: First, the thematic sound clips; next, development issues; and finally, concept posters and the longer-term results that flowed from the co-creation process.

Results based on the focus question ‘What is a meaningful patient experience?’
Thematic audio clips
The interview material was analysed and edited into seven themes related to patients’ experiences of being admitted to the cardiology ward: 1) Discretion, waiting time, noise. 2) Clarifying expectations. 3) Ward rounds. 4) Physical conditions. 5) Atmosphere 6) Cleaning. 7) Home.

Here is an example of a patient quote for the theme ‘Clarifying expectations’: ‘You come in the morning, well, then you’re admitted, so I actually think that, no, now I have to be careful what I say. No, I actually think that it may be a bit of a mess, because you are already there at 07.00, and it seems like there is someone there who is about to go home, and there is someone who is about to come in just then. You arrive right in the middle of the shift handover, so I think it’s odd that you can’t wait until, say, 08.00, when the morning shift has arrived. But you are taken good care of, there is no doubt about that.’
Another example: ‘The staff, I can hear they’re actually extremely busy, I actually feel slightly sorry for them. They’re very good at helping each other, taking care of that. They help each other, you can hear that.’

Listening to the audio clips affected the participants emotionally. The staff felt that they might not be doing their jobs well enough, especially with regard to being the patient’s advocate. The audio clips generally reflected a high level of satisfaction and quality in the unit, but they also showed that professionals tend to act on the basis of internal disciplinary sets of logic and interests. The patients have considerable understanding for the actions of the staff and how busy they are, but they are also widely mystified as to why they do what they do. See Fact Box 1 for examples of development issues (selected from two main themes):

<table>
<thead>
<tr>
<th>Thematic sound clips</th>
<th>Development issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarifying expectations</td>
<td>How can we: Make sure that the patient feels expected and welcome? Minimise waiting time and clarify expectation about inevitable delays? Talk about the dilemma of ‘our time versus the patient’s time’?</td>
</tr>
<tr>
<td>Ward rounds</td>
<td>How can we: Create a ward round that simultaneously makes sense for the patient, the doctor and the nurse? Define patient-doctor contact in an accelerated patient pathway? Together with the patient, define what type of ward round he or she needs?</td>
</tr>
</tbody>
</table>

Based on the development issues, an idea generation process was conducted, and some 210 ideas were formulated, some of which overlapped, and which had a rather wide variation in quality. The following six ideas were ultimately selected, as they were deemed to be characterised by a high level of ambition and high significance to the patients: 1) I-day, 2) From ward rounds to admission/registration agreement, 3) Do the patients expect that they will have to participate in ward duties – clarification of the distribution of responsibility, 4) All new patients must have a room/bed and be admitted by their nurse within five minutes of their arrival, 5) No waiting time for scheduled patients, 6) Patients should participate in working groups on discharge models.

See Fact Box 2 for examples of concept posters; 1) ‘I-Day’ (from the audio clip on clarifying expectations and 2) ‘From ward round to admission/registration agreement’ from the audio clip ‘ward round’.
Fact Box 2: Concept posters, an example

<table>
<thead>
<tr>
<th>Describe the idea:</th>
<th>Benefits for the patient:</th>
<th>Change leadership:</th>
<th>Arguments in relation to management:</th>
</tr>
</thead>
<tbody>
<tr>
<td>A patient pathway figure to guide the conversation between patient and nurse, including different types of ward rounds and patient participation</td>
<td>A greater sense of control in the hospital situation</td>
<td>Team management Clinical nurse specialist</td>
<td>Better patient pathway</td>
</tr>
<tr>
<td>Task slippage from nurse to patient</td>
<td>Experience of having a right to speak</td>
<td></td>
<td>Higher patient satisfaction</td>
</tr>
<tr>
<td>Possible ward rounds:</td>
<td>Clarifying expectations</td>
<td></td>
<td>Time-saving</td>
</tr>
<tr>
<td>- History taking</td>
<td>Possibility of planning question and time of conversation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Discharge conversation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Follow up on test results</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits for the organisation:</td>
<td>Time-saving</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Better patient pathway</td>
<td>Clarity about the patient’s expectation in relation to the professionals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Day-to-day leadership:</td>
<td>Doctors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nurses</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The innovation project led to the immediate results displayed above, but also had other types of impact over the next two years. The Department has now developed a new governance model, which is concerned with how the notion of ‘quality’ is perceived and defined. Good ‘quality’ not only pertains to objective treatment aspects as defined by the doctors and nurses, but also includes the patients. Quality, then, is also the patient experience, the logistics the service pathway. This fundamental insight has led to two major changes.

The first change is a complete physical re-design of a ward section in the Department. The Department was able to attract funding for an innovative renovation project. In this project, sound clips and concept posters were used as inspiration for collaboration with an architectural firm and other relevant stakeholders (professionals, hygiene specialists, the catering unit, the fire department and others) to create a redesign based on the metaphor of ‘a hospital-free zone for patients’. The physical redesign was evaluated through follow-up interviews, which found that the patients experienced the new space as supportive of relaxation and peace of mind; the interviews also indicate how important it is for the patients to be able to choose whether they should be included in social interactions.

The second change (which is ongoing) is an organisational re-design based on in-patients’ and out-patients’ experiences. The Department is re-structuring its ward sections from being organised around the kind of procedure (operation) the patient is there to receive to being organised around the patient pathway. In the future, the patient pathway will vary according to whether the patients have an acute condi-
tion, a complex and long-term condition, or whether they come in for a scheduled procedure with a minimum of waiting time. This redesign aims to ensure the optimal patient pathway, drawing partly on the innovation project and partly on input from the professionals based on their assumptions about patient needs. In this process, the Department again uses innovative tools and tests ideas with patients.

Analysis: The significance of the co-creation process

In relation to the dimensions of ‘knowledge and analysis’ in the co-creation process, the participants were clearly surprised and emotionally affected by the audio clips. For the early start-up workshop, there was only one interview and little contextual information, and the same feelings did not come into play as in the final workshop. The focus in the two workshops was different. The first was concerned with agreement about the scope of the project, or the desired focus, and it was based on limited data, which were mainly used for illustrative purposes and to give the management and staff a sense of the proposed methodology. Nonetheless, the participants were enthusiastic and subsequently referred to the project as ‘the exciting project’.

The final workshop was focused on the development of ideas and on redesigning organisational processes. Here, the seven thematic audio clips were essential. At the workshop, MindLab emphasised that the polyphonic sound clips were characterised by data saturation, implying that no new significant analytical categories were emerging (Corbin & Strauss, 2008). For example, one audio clip in which a patient was asked by a nurse to leave the office caused the participants to focus on ‘Who was the nurse?’ – they clearly viewed this as unacceptable behaviour. However, in the process of listening to several similar audio clips, it became impossible to stick to ‘Who was the nurse?’ as a metaphor. MindLab emphasised that the patients showed a high level of general satisfaction. This statement from MindLab could have been exploited by participants to establish that the qualitative data simply represented one-off situations, but they did not, probably because the participants enjoy a high level of professional pride. Nurses and doctors could not accept that patients have bad experiences; it simply was not right. The participants therefore tried to put themselves in the patients’ shoes as a first step towards redesigning the organisational processes. This endeavour might, to reference Bason (2010), be characterised as ‘professional empathy’.

The information used in the innovation process deals specifically with qualitative data. ‘Daring to assume the human subjective experience of public and other elements in their lives as a basis for the innovation work’ (Bason, 2010). The process showed that the participants were open and prepared to challenge their everyday knowledge and together the employees reflected on how everyday interventions are done, and how there could be such a vast difference between their perception and the patients’
experience. As the thematic material was addressed in the light of both professional and everyday knowledge, it was thus transformed into a form of common knowledge. In these processes, the awareness of all participants shifted for the first time, creating new common meaning and thus establishing the precondition for other, more value-creating activities.

The knowledge that was communicated to the participants through the audio clips triggered an emotional response in everyone, but the photographic images also established a focus on patient experiences – highlighting how grim and disordered the hospital can also be. Together, these insights clarified a lack of correlation between formulated and implemented values, which can be characterised as cognitive dissonance (Festinger, 1957), and which determined the scope of the ensuing innovation work. It was not possible to determine whether the participants were given a fully ‘external’ perspective on the organisation or not, but they did obtain an external-internal understanding of their shared work with the patients, which led to reflection.

The first synthesis work in the co-creation process was a brainstorming session during the start-up workshop. Here, the focus was mainly on adjustment and testing of patient letters, and the mood was slightly cautious – perhaps it would be possible to do things differently. The participants were not involved and disturbed in the same way as they were in the final workshop, where the process of formulating the 18 development issues took place. The development issues beginning with ‘How might we...’ illustrate a synthesis of user experiences and everyday knowledge and offer significant insights and potentials. The development issues provided a well-defined focus for continuing the innovative process. Many ideas were produced for each development issue; many of them overlapping and of varying quality. The three selected ones, which were subsequently developed further, are not necessarily the ideas that are the most effective for the patients; they may simply be the ones that participants intuitively agreed to carry forward. The most important part was the testing process, being disturbed and creating a common language of innovation, experiencing the importance of the time constraint and realising that constraint was an advantage, which, overall, shaped a joint innovative approach (and perhaps the beginnings of a new culture).

There emerged a general understanding that transcended the specific development issues and concept posters: ‘What if the patients’ time was more important than ours?’ This is a paradigmatic question that concerns the Department’s fundamental approach to organising its professional work with the patients. It is tempting to say that the patients’ time is not more important than the staff’s, for what about operations and efficiency? Addressing this issue and taking it seriously would imply completely restructured workflows, e.g. ward rounds – what would happen if the ward rounds and
their timing were to be driven by the patients’ needs? Is the ward round done when the doctor makes it his or her priority? Are the contents of the ward round based on the nurse’s needs rather than the patient’s? When is it important for the doctor or nurse, or both, to participate in ward rounds? And why do doctors and nurses not ask patients about their needs and plan accordingly? There were many audio clips concerning waiting time where patients expressed that the staff is not ready for them, and that everything seems to be done for the convenience of the professionals rather than to serve the patients’ needs. These insights created a new understanding within the organisation, particularly in relation to the patients’ time versus the professionals’ time. The clips also produced significant insights concerning the waiting situations as such, including the role of physical spaces and arrangements, mutual expectations and the ways in which the Department involves and justifies the use of time in relation to the patient.

When the Department takes further steps in the innovation process to implement actual changes, and the management and staff create new prototypes for the work, the organisation will need to revisit their emotions and empathy again – the emotions that the professionals experienced when they heard the audio clips at the workshop. They will need to keep an open mind – and stick with it until the new solution or workflow is tested with patients and then implemented. It is probably wisest to choose a single development issue and to repeat the questions ‘How’ and ‘What’ again and again. An essential part of the task is about reconciling manageable values and actions and understanding how an organisation’s actions are perceived. The challenge is to get to the core and to insist on the features and qualities that really have an impact on the lives of patients and their families.

We will now venture a bit deeper into the analysis, using Weick’s seven properties of sense-making (1995:6). According to Weick, there is a close connection between the identity of the employees and the image of the organisation. The polyphonic sound clips used in the project challenged the staff and management’s self-perception because their actions are not always perceived by users the way management and staff think they are. Through the use of ‘emphatic’ material, such as sound clips sharing the patients’ voices, the project participants collectively reflected on the gap between their own and the patients’ perception. This (retrospectively) created a basis for new and different sense-making, and thus for new and more valuable actions. Human beings co-create their environment and act according to their possibilities, and action is critical for sense-making. The sense that emerged from the sound clips, that something is not good enough, led to insights about important patient experiences. These insights created actions, in this case in the form of concept posters, and thus the first steps towards new patterns of behaviour. Through such actions, new interpretations and ex-
expectations emerge based on an expectation of achieving a higher degree of coherence between what the staff think they do, and what the patients experience (enactment).

According to the management, the organisation was characterised by rather common values about patient pathways, but these were challenged when they were found not to be reflected in the patients' voices. This destabilisation created a new starting point, a common need to act differently and the values in a sense thus became stable again. A key challenge here – from an innovation perspective – is to maintain the tone or intent of renewing or redesigning the organisational processes. Expressions such as ‘What if we take the patients’ time seriously’ or ‘How do ward rounds become meaningful to the patients’ can be viewed as symbolic language acts, which demonstrate that the staff is making progress (socially). People are always part of ongoing contexts. One day, the staff treat patients, which involves aspects of practical work, reflection, business and emotional reactions to a patient’s serious condition. The next day, they listen to sound clips and are emotionally disrupted. Their everyday work does not give them the opportunity to step back and reflect on their practices; however, as they listen to the patients’ narratives, they are disturbed as they have to embrace both their everyday experiences and an intent of creating a different future. This is evident not least from the language used in formulating the development or innovation questions, which serve as the basis for the ongoing process.

We will now attempt to connect the analysis to a more general interplay between insights, innovation questions and the contents of the concept posters. The innovation questions have an implicit logic of action, since they all begin with ‘How might we...’, and the contents clearly mirror the insights generated from the patient voices and the paradigmatic question ‘What if we always took the patients’ time seriously?’ The contents of the concept posters did not concern whether the patients’ time is taken seriously, but addressed how the patient might take more control over the time the staff schedules and also the issue of increased individualisation. The staff reported that they found it difficult to develop the concepts. They perceived it as hard, firstly because the suggestions were required to be specific and (potentially) binding. Secondly, the concepts had to show a close correlation between the values reflected in the innovation questions and the daily professional reality of operations, finances, rules and guidelines, etc. The management expects that as the results of implementing the concepts become more visible in the organisation, new cues will be created, which will facilitate the development of a new organisational identity. In this respect, the organisational sense-making will help the organisation find a way to make sure that the objectives – a more meaningful patient experience and patient journey – become natural considerations in everyday practice. A prerequisite for this is that the Department’s management can facilitate processes where complex and uncertain situations
are transformed into something meaningful. This, in turn, influences the cues which the staff use to make sense of their own professionalism.

Discussion and methodological critique

According to Bason’s interpretation, user-centred innovation draws on a range of well-known approaches, among others, participatory design, service design and design management (Parker & Heapy, 2006; Bate & Robert, 2007; Cooper et al., 2011) as well as the wider user-driven innovation field (von Hippel, 2005). These domains suggest a range of methods that have been tested empirically in various public sector contexts and have produced proven results. However, the research-based academic knowledge about the effects of these innovative methods in the public sector remains rather limited.

User-centred innovation also relies on a set of assumptions about how the world is interconnected, and how these assumptions interact with the methods employed and results achieved. In their concrete expression, many of the methods do not differ essentially from the facilitation methods used by HR departments and some consulting firms. The difference seems to lie in the starting point. Reflection and the development of ideas are grounded in qualitative, research-based fieldwork and the insights this brings. The Department of Cardiology chose to put its trust in these methods and processes and decided to test them in the organisation. The experiment that was launched led to action, and this action led to thinking (and sense-making), which in turn led to action, etc. Bason’s co-creation model is not very different from that of Jensen et al. (2010:28), which consists of four steps: analysing and learning, generating possibilities, incubating and prototyping, replicating and scaling up. There is thus some degree of consensus about the approach. Bason describes the methods, which Jensen et al. do not. Both Bason and Jensen argue that the public sector is facing certain challenges related to up-scaling because the public is not effective enough in disseminating new ways of working across organisations (Bason, 2010; Harris and Albury in Jensen, 2010:28-29). Albury emphasises that the public sector is over-focused on the importance of leaders and developers at the top of hierarchies and on best practice instead of ‘next practice’. Thus, innovative thinking does not emerge from outside or from the bottom up. Andersen et al.’s (2012:18) public policy discussion paper supports this and says of the public sector that; ‘we must constantly ask ourselves whether we can make the public sector better by thinking and doing things in a new and different way’. These approaches, largely drawn from Røvik’s (2007) translation theory perspective, relate to ideas or management recipes that are translated during their journeys through organisations. It is a conceptual representation that is transferred, not an idea or a recipe. We argue, therefore, that both Bason and Jensen have a somewhat simplified approach to the problem of scaling up, and thus also to the possibility of implementation. The insights and realisations that were obtained in the
innovation process cannot easily be transferred to other organisations, but the idea can. The process is a circular process of co-creation between disturbances caused by the users’ experiences, insights of employees/managers and the subsequent interaction between the development of ideas and shared opinions. This process, as an idea or a methodology, can be transferred to other organisations as a next practice rather than a best practice. When Bason and Jensen et al. write about innovation processes, they do so to identify new approaches that may create value for the user. The question is whether this concept of value clarifies sufficiently that what is in play here is both the immaterial value experienced by patients or relatives and an added value in the sense of better and more inexpensive ways of working.

Conclusion
The aim of this paper was to determine if the user-centred and employment-driven innovation process may be applied as a management tool to generate change of meaning among professionals. In short, the answer is affirmative. The insights that were created through the voices of patients had considerable impact on the participants and on the organisation. The process changed their perception of themselves as professionals, and it changed their view of the patients. During the process, the emotional impact was important. How far did the process ultimately move the staff towards a change of opinion? This is a difficult question to answer, but the process was effective and has become the platform from which the Department develops the organisation and the patient pathways. The project has contributed to the integration of a new business (or governance) model; a model where quality is defined not only as a high level of professional expertise, but where the individual needs of patients are reflected, where the patients’ time is prioritised, and where the organisation can see new opportunities for change and choose them. The group was disturbed and developed a common language of innovation, a common innovative approach. The paradigmatic question ‘What if the patients’ time was more important than ours?’ is probably too radical for our future innovation work. But the guiding principle has now become, ‘What if we always took the patients’ time seriously?’

‘Organisations don’t innovate, people innovate’ (Bason 2010). This quote has important implications for the management of professionals because we perceive employees as a force driving positive change. The employees can drive innovation if they are sufficiently disturbed in their professional assumptions. When employees take ownership of the process, innovation and implementation become two sides of the same coin – and in the case described herein, managers and employees have taken the first step towards the formulation of critically important development issues.
Perspectives

It seems relevant to consider why an organisation such as the Department of Cardiology, Heart Centre, at Rigshospitalet has not always adopted an innovative and user-centred approach. Why has management not played a significant role in attributing patients the role as a driving force?

Many in the organisation would say that the management was, indeed, already doing this – but the empirical research presented herein shows otherwise. The innovation project – and particularly the polyphonic sound clips – has been a catalyst for redesigning the Clinic’s structure, for fresh thinking, and it has made it easier to introduce leadership initiatives that make sense from the point of view of the staff. Should the management team be stronger and clearer? What about the ‘prima donna’ staff members? Will they be willing to work in a different manner than previously? And what about the project experiment – is it perhaps merely a self-fulfilling prophecy? Will the creation of new meaning simply become part of past experience because the staff does not continue the innovation process? The management team has always sought to create an organisation characterised by high quality and a good use of resources. Time will tell whether the structural changes introduced will ultimately provide a better patient experience. However, the Department can already now document a significant reduction in cost because beds can be closed on weekends and holidays. Such productivity increases are also a part of the management challenge and were, in fact, part of the initial reason why the project was launched. Many conflicting and ever more intensive demands are brought to bear on public managers, creating a need to balance issues of efficiency, use of resources, individual needs and employee needs, etc. Therefore, it is becoming increasingly difficult to find the right management path. The user-centred and employment-driven innovation approach is not in itself a management path, but is part of the professional management toolbox.

In early 2012, a number of prominent Danish researchers published a management policy discussion paper entitled ‘An innovative public sector that creates quality and shared responsibility’ (Andersen et al. 2012). The researchers are; ‘committed to creating an efficient public sector, but specify another way of increasing efficiency which focuses on raising the intrinsic motivation of public employees, promotion of public innovation, better coordination and interaction, as well as mobilisation of the numerous resources found in businesses, citizens and volunteers’ (Andersen et al. 2012:1). The focus here is on diversity rather than uniformity, on trust-based interaction rather than control and on strengthening rather than overriding the knowledge and experience of professionals. The researchers recommend that internal management be reformed to; ‘create meaningful and result-focused management and promote learning, motivation and innovation’ (ibid: 1). The researchers argue that the public sector
needs; ‘new mental models, changed organisational frameworks and management restructuring’ (ibid: 6), where; ‘public innovation is created, and that the innovation becomes a systematic and continuous activity’ (ibid: 7), where citizens are actively involved. They further argue that the role of the professional needs to be redefined; ‘to make it more open, dialogue-based and holistic’ (ibid: 9). The experiment at Rigshospitalet may be seen as a small contribution to changing mental management models, introducing models where the innovative element is a strong user focus – on both the patient and the professional, without placing the patient in the driver’s seat.

As described previously, innovation is a current trend. In 2012-14, a large number of innovation-focused articles were published. Thus, the user-centred approach to innovation employed at Rigshospitalet is just one approach among many, and there is probably a need for many different innovative approaches. In the organisational and professional context of Rigshospitalet, the management sees it as its responsibility to translate the innovation mind-set to make it practical and useful. At the same time, there is a need to be very explicit with respect to those employees who did not take part in this specific innovation process. The question is whether it is possible to understand the process without having participated in it. The thematic polyphonic sound clips used were a powerful empathy-building material of great importance in the creative process.

References
Bate, Paul & Glenn Robert (2007) Bringing user experience to healthcare improvement: the concepts, methods and practices of experience-based design, Abingdon: Radcliffe Publishing.
Co-creating new meaning: towards the patient-centric hospital?


www.mind-lab.dk/en
The Counterproductive Effects of Role-Conflict Management
The Challenges Facing Managers in Transitions to Stigmatized Roles

Mette Lund Kristensen & Jeanette Lemmergaard

Abstract
This article analyzes how a manager's transition to a stigmatized role triggered a vicious circle of negative causalities in which transition strategies designed to help her cope with role strain had counterproductive effects. Based on role-identity and role-transition theory and evidence from a single case study, the article depicts how a required situational shift from distributive to authoritative management caused a self-reinforcing circular process in which attempts to cope with the transition through separation strategies triggered and aggravated the role conflict. Paradoxically, the separation efforts became a constant reminder of the role conflict and role ambiguity. We suggest that a more balanced evaluation of management styles can lessen the psychological burden that might occasionally develop in the undertaking of stigmatized roles, and also prevent counterproductive role-transition work.

1. Introduction
In general, individuals define and perceive themselves not just as individuals, but more importantly as belonging to social categories (Hall, 2004; Jenkins, 2006; Tajfel, 1982; Tajfel & Turner, 1986; Turner et al., 1987), for example being a distributive manager or an autonomous subordinate. Accordingly, role-behaviour patterns are construed on the basis of others' expectations of how an individual should act in a given role, and on the individual's own perceptions of how to act in given positions (Ashforth, 2001; Callero, 1985, McCall & Simmons, 1978; Robbins et al., 2010). Fundamentally, individuals perform institutionalized identity-role categories to nurture their sense of security and self-esteem (Hogg & Abrams, 1990), but sometimes role occupancies involve conflict, tensions, strain, dilemmas and divergence (e.g., Adler & Adler, 1991; Hicks, 2008; Lois, 2006; Settles et al., 2002). This article adds to this line of research.
Building on the literature on role identity and role transition, this article discusses the role-identity challenges experienced by a manager in the transition between two competing managerial roles, i.e. distributive and authoritative management. The case study describes the within-person role ambiguities that such a transition entails. In this respect, the article responds to a request from Paulsen et al. (2005) for more research on the degree of overlap, congruence or conflict between competing role identities. The study relates to work exploring challenges in leadership role changes (Nielsen & Daniels, 2012), psychological investments in stigmatized tasks (Baran et al., 2012), emotional distress resulting from not meeting ideal work-situation preferences (Holmes et al., 2012), and studies of within-person emotional and cognitive challenges (Ouweneel et al., 2012; Xanthopoulou, 2012). The study shows how role-transition management strategies can have counterproductive effects on role-identity ambiguities and inner conflicts when an individual is required to take upon herself a negatively valuated role identity.

2. Role-conflict and transition management

Research suggests that role conflicts can take several forms based on competing demands which are generated structurally, socially or individually (Hicks, 2008; Louis & Sutton, 1991; Sundt & Cullen, 1998, 2002). Being both institutionalized and idiosyncratically constructed (Nippert-Eng, 1996), the very nature of role identity can lead to conflicts between one’s self-perception as a subject and one’s assumption of other people’s perception of oneself (Knights & Willmott, 1989). Role boundaries are important demarcations of who we are and who we are not. The individual’s sense of self, security and dignity is tied to these boundary distinctions (Epstein, 1989). Humans seem to be uncomfortable with what is not reconciled or incompatible. Thus they enact roles and boundaries to create consistency and fall in line with role behaviours and perceptions. Therefore, in micro-transitions (Ashforth, 2001) the creation and maintenance of role boundaries (Nippert-Eng, 1996b) is a critical aspect of role-transition management. Role conflicts seem to be particularly strong when role perceptions and role expectations are in disaccord with the behaviours actually exhibited (Ashforth, 2001).

Role multiplicity is another cause of role conflict. Individuals occupy multiple roles in their professional and private lives, and make daily role transitions that are not even registered. Yet when individuals occupy a role that they themselves or others disapprove of, they experience role conflict. Ashforth (2001) distinguishes between roles with situational relevance and roles with subjective importance. Situational relevance refers to the degree to which a given identity is socially appropriate in a given situation and whether it is considered by others to be legitimately applicable to the situation, and subjective importance refers to the role identity that is preferred by the individual and the social community (Ashforth, 2001). The magnitude of the role tran-
The Counterproductive Effects of Role-Conflict Management

transition is an indicator of the potential for such role conflict: the greater the distance between roles and the greater the disapproval, the higher the level of potential role conflict. Rosenberg (1981) showed how the magnitude of a salient role had individual-level consequences with regard to self-definition and self-evaluation. The larger the magnitude of the transition, the more demanding the boundary work will be. Therefore, by serving to demarcate and strengthen a consistent self-understanding, role boundaries may in some situations work as an obstacle during role entry and exit.

In the literature, scholars use metaphors like »crossing an abyss« (Durkheim, 1915), »taking a cognitive leap« (Zerubavel, 1991), breaking through a »mental fence« (Zerubavel, 1991), »switching cognitive gears« (Louis & Sutton, 1991) and »surmounting boundaries« (Ashforth et al., 2000) to describe the challenges of role transitions. Such metaphors provide an imagery of obstacles, hindrances and problems in transitions and emphasize the extensive cognitive and mental work that is required to shift roles. A central feature in crossing boundaries and facilitating role transition is the signalling of the movement from one role to the other through »rites of passage« (Van Gennep, 1960) or »transition bridges« (Ashforth, 2001). Such signalling is expected to minimize personal distress and organizational and structural role disruptions, and facilitate the fulfilment of the individual’s psychological desires for identity, meaning, control and belonging (Ashforth, 2001). Ashforth et al. (2000) developed a model of the role-transition process. They proposed that role exit is realized through rites of separation and that rites of incorporation facilitate role entry. Separation strategies aim to distance the individual from a role through intensive cognitive and behavioural work, whereas incorporation strategies aim at establishing a more equilibrated and harmonious self-perception for the individual by justifying the emotional investment in the entered role as well as the role’s ideological framework. Researchers have suggested separation strategies such as compartmentalization, reframing, deflection and abandonment of roles as primary methods to decrease feelings of role strain (Becker & Geer, 1958; Haas & Shaffir, 1984; Smith-Lovin, 2007; Stryker, 1980; Thompson, 1991). However, according to Ashforth et al.’s (2000) model, these strategies have primarily been concerned with separation as a role exit strategy.

Based on empirical findings, this article investigates role-transition strategies used in the transition to a socially stigmatized role.

3. Case study
This article studies the role-identity challenges that a middle manager experienced during a transition from a distributive role to an authoritative in a medium-sized Danish financial institution. During the late 1990s this financial institution successfully created a unique work environment based on distributive management for which it
had gained international recognition. A range of initiatives was launched to support distributive management: a recruitment process focusing on selecting candidates who were aligned with corporate values; programmes for training self-management skills; normative disciplining of behaviours; a flat hierarchical structure; and a thorough integration of trust as a core value. The specific transition that this study focuses on took place in 2009 with the initiation of a project that would ultimately influence the working procedures of the entire organization. The middle manager in charge of leading the project was highly experienced and had successfully followed self-managing principles in other projects. Accordingly, her natural and legitimate point of departure in the new project was to stimulate commitment among subordinates across the organization. This was a difficult task because the project was not part of the core business and therefore was not automatically granted top priority among her subordinates. The manager repeatedly experienced that her subordinates did not attend meetings, respond to written requests or keep deadlines concerning the new project. When confronted with this obstructive behaviour, they would refer to time pressure and the fact that the project was not part of the organization’s core business. This led to frustration, as the manager was left with no way to regulate undesired behaviours through reprisals because of the distributive ideology. The manager’s authority was limited to an appeal to the subordinates’ goodwill to be supportive, participative and interested in the project. Further, the project implementation was subject to external stakeholders’ demands and internal executives’ expectations of the project’s completion. Accordingly, the manager saw it as her last resort to undertake a more authoritative manager role, including increased manager initiative, involvement, planning, delegation, responsibility and control. Consequently, she changed her communication style. Whereas core business tasks were managed through dialogue-based communication, tasks related to the new project were primarily based on one-way written communication. Despite the situational relevance of the authoritative role, the manager was hesitant and doubtful about how this would be received in the highly self-managing environment. She questioned her scope of authority and raised existential questions such as »Who am I as a leader?« Her confusion was profound and touched on questions relating to basic assumptions and deeply felt values. As a result, the role ambiguity experienced by the manager in the transition from distributive to authoritative management emerged as an object of study.

3.1. Circumstantial attributes of the transition
The shift between distributive and authoritative management has five circumstantial attributes, signifying a situation with great potential for transition difficulties and role conflict.
First, the two roles are *competitive* (Ashforth, 2001). The manager had to engage in precisely those manager ideals of control and command against which she defined herself. Competitive states increase the distinctiveness of the competitive roles and the potential for conflict in the transition (Ashforth, 2001; Louis; 1980).

Second, the transition involved an *intra-role* transition (Louis, 1980). Even though the authoritative role was only temporary, the negotiation and legitimization of that role severely challenged the manager’s perception of herself as a distributive manager and her basic assumptions about good leadership. This within-person cognitive and emotional work (Hicks, 2008) could only be done by the manager herself. Hence the focus was on what Ashforth (2001) labels micro-role transitions, which concern the psychological transition a person undertakes during a role transition, as opposed to macro-role transitions exploring the conflicts in the transition between roles.

A third attribute concerns the switch between a *permanent* distributive role and a *temporary* authoritative role. The authoritative behaviours were enacted in parallel with the everyday distributive management activities as isolated impacts of command. The separation from ordinary practice and core business activities enhanced the subordinates’ tendency to overhear authoritative orders. The literature indicates that individuals invest less in temporary roles than in permanent roles, and that temporary roles have less impact on other simultaneously held roles (Ashforth, 2001).

A fourth attribute concerns the appropriateness of the roles in terms of their *situational relevance* or *subjective importance* (cf. above). It is well known from social categorization theory (Hogg & Abrams, 1990) that individuals tend to link up with social categories which enhance their self-esteem and are socially validated, and that other people’s evaluation of our actions affect our preferences (Mead, 1934). But as described above, the situation demanded that she assumed a role that went against her own and the entire organization’s management orientation and challenged her deeply felt values and basic assumptions about good leadership.

The stigmatization of authoritative management implied a transition from a role of *positive valence* (i.e., the distributive role) to a role of *negative valence* (i.e., the authoritative role) (Ashforth, 2001). This fifth attribute therefore increased the social and psychological magnitude of the transition.

These five circumstantial attributes had severe effects on the manager’s self-perception and ultimately on her manager role identity, and created the conditions for role conflict and role ambiguity. The negative effects of the attributes on the manager’s role handling and transition management are described in the case analysis below.
However, before going into the analytical details, we shall account for the data-collection process.

3.2. Data collection

Longitudinal data was collected throughout the project implementation, from 2009 to 2012. Data was gathered through informal personal conversations and open-ended interviews ranging from 30 minutes to approximately three hours, allowing for a thorough description of the manager’s feelings and psychological ambivalences (Brown & Humphreys, 2003; Silverman, 1993). Notes were written after each conversation and interview (Hayano, 1982). The face-to-face meetings were supplemented with observations of the manager’s interactions with her subordinates as well as with her executive managers. The overall purpose was to gather knowledge of, for example, feelings, reactions, sense-making and the effects of the role transition (DeWalt & DeWalt, 2002). It is primarily the unique access to the manager’s emotional and personal challenges and considerations and her very honest responses that lend value to this particular case study. This openness and insight into psychological concerns were considered more important than the number of cases and respondents (Johnson, 1983; Watson, 2008). Following Alvesson’s (2011) suggestions of using metaphors in interviews, it was clear that identity work was a prevalent metaphor in the conversations. First, the researcher’s identity changed from being a researcher concerned with the project implementation to being a personal sounding board for the manager. This altered identity categorization had a positive effect on the richness of data because it gave the manager an incentive to be open and honest, since she could benefit personally from the sessions. Moreover, the manager used the interview situations to do role-identity work. Her inner dialogues about inconsistencies and ambiguities concerning the competing roles were overtly expressed and gave the researcher a unique insight into the intra-personal identity negotiation and conflicts.

4. Case analysis

The analytical process of this study was inspired by Ashcraft’s (1999) iterative and inductive approach to data analysis. The circumstantial attributes in this case produced role conflict and role ambiguity. The competitiveness of the roles, the intra-role characteristics, the temporary state, the situational relevance, and the negative valence of authoritative management led us to pay special attention to the manager’s role-transition management, especially her strategies for coping with role conflict.

4.1. Role-transition strategies

In line with the role-transition model developed by Ashforth et al. (2000), it was legitimate to expect that the manager would cope with the entered authoritative role via incorporation strategies, but empirical evidence challenged the model. Instead of
incorporating the authoritative ideology during role entry, the manager clearly distanced and separated herself from the authoritative role upon entry. This evidence challenges role-transition theories which suggest that rites of separation are primarily applied during role exit in order to re-programme the individual’s perception of him- or herself and prepare for a new role entry. The manager made extensive use of the following separation strategies to handle role conflict and role ambiguity upon and after entering the authoritative role: blaming and reframing, abandoning and taking charge, and communicative distancing.

4.1.1. Blaming and reframing
The manager cognitively processed her ambiguous role situation in conversations with the researcher in order to legitimize the authoritative role to herself. By referring to external causes such as the lack of employee commitment, the fast-approaching project deadline, the external stakeholders’ demands for completing the project and the board of directors’ expectations, she sought justification for her authoritative behaviours. She described these causes as being out of her hands and convinced herself that she could not be held accountable for her authoritative role. She found comfort in »blaming« circumstances over which she had no influence and could only comply with. Thereby she disclaimed responsibility for the authoritative role. Through exterior blaming, she was able to cope in a rational way, which helped her convince herself of the inevitability and legitimacy of the authoritative role. She reframed the situation as a »no-choice« and »not-to-be-blamed« situation and her authoritative behaviour as a necessity and a demand, not a personal choice. Thus she distanced herself from authorship and ownership of the authoritative role. Thompson (1991) found that reframing is often an appropriate strategy when a transition is difficult, for instance when there is a strong emotional, cognitive or behavioural investment in one role, or when one role has been held for a long time. In such cases people tend to reframe the meaning of a devaluated or stigmatized role in order to feel more positive about it.

4.1.2. Abandoning and taking charge
The manager was concerned about the aftermath of the project implementation and her future collaboration with her subordinates. She briefly considered abandoning the entire project, thereby evading any requirements of authoritative behaviours. Due to the executive board’s and external stakeholders’ vigilant attention to the project, it was not an appropriate option to abandon the project in its entirety. Instead, she ended up abandoning parts of the project and taking charge of significant other parts. In this way, the number of authoritative episodes was reduced and their salience minimized. However, this meant that she spent a lot of time carrying out the subordinates’ project tasks and implementing instead of coordinating and leading the project. The
time she spent avoiding the authoritative role exceeded the amount of time she spent acting authoritatively.

4.1.3. Communicative distancing
There was a clear change of communication style in the role transition. The previous open face-to-face dialogue and symmetrical communication relations, which had been crucial criteria for successful distributive management, were replaced with written information and asymmetrical communication relations. Whenever the manager had to control or direct, she turned to writing emails, thereby creating a distance between her and her subordinates. This change of communication style marked a clear distinction between the roles, and unintentionally increased her own and her subordinates’ consciousness of the authoritative role because of its physical presence in the form of written orders.

4.2. Counterproductive consequences of transition strategies
The cognitive labour that the manager put into assuming the authoritative role while simultaneously trying to separate herself from it did not resolve the role conflict and ambiguity. The transition’s circumstantial attributes triggered a vicious circle of counterproductive causalities that the separation strategies were not able to mitigate. Rather, the attempts to cope with inconsistency, conflict and ambiguity turned out to be counterproductive to their purpose. Figure 1 illustrates how a set of circumstantial role-transition attributes trigger a vicious circle of counter-productivity whereby attempts to manage role conflict and ambiguity increase the awareness and salience of the stigmatized role, thereby confirming and strengthening the negative feelings of role dissonance and inconsistency.

Given the competitive nature of her roles, her orientation towards distributive management and the subsequent negative valence of the authoritative role, the manager felt a strong cognitive dissonance between her authoritative behaviour and her ideological role orientation. The manager had a hard time legitimizing the role transition to herself, which caused inner conflict and emotional distress. The separation strategies decreased her feelings of cognitive dissonance and role ambiguity at first, but eventually her struggle to separate from control-and-command behaviours and tone it down vis-à-vis the subordinates made her more aware of the authoritative role. The negative atmosphere surrounding the authoritative role caused the manager to intensify her cognitive work on the authoritative role and ask, »How can I act authoritatively without being authoritative?« In other words, »How can I perform a role without making it obvious?« Paradoxically, the strategic separation work shed light on the irreconcilable nature of the two roles, marked out the boundaries and increased the manager’s awareness of the role dissonance. The repair work reminded her of the
negative valence of the entered role and of the competing and conflicting properties of the two roles. Separation intensified the struggle with the negative perception of the authoritative role and renewed the feeling of role-identity dissonance.

Despite the manager’s cognitive attempts to counterbalance negative role feelings and effects with separation strategies, the very application of these strategies paradoxically increased the awareness and salience of the negative role narrative. Hence, the amount of psychological energy spent processing the entry into the authoritative role by separating from it exceeded the time spent actually performing authoritatively to others. The result was that the authoritative role was far more salient to the manager herself than it was to others.
These findings support the conclusions in role-identity research that the magnitude and importance of a role identity to an individual is apparent from the salience it is given by the role occupant (Callero, 1985). By using separation strategies the manager minimized the external salience of the authoritative role; paradoxically, however, this made her even more aware of it and caused a within-person role struggle. Thus this case study challenges theories suggesting that the most salient (Stryker, 1980) or prominent (McCall & Simmons, 1978) role identities are positioned at the top of the hierarchy of role identities, and that the hierarchical structuring of salience is influenced by the role’s importance to the individuals and to their social relations (Callero, 1985). In the case study, the least preferred role became the most salient to the person.

All in all, the role-transition management evolved into a vicious circle of counterproductive causalities, where the manager’s struggle to handle role ambiguity paradoxically aggravated the situation.

5. Conclusion and implications
This article challenges research suggesting that the demarcation of role boundaries improves and preserves the individual’s sense of self and security (Epstein, 1989) and that transition-management strategies like separation mitigate cognitive and psychological distress during role transitions. The article illustrates how actual efforts to resolve role conflict and ambiguity can result in a counterproductive and paradoxical worsening of role distress and ultimately obstruct a productive role transition and role performance. Based on our empirical evidence, we argue that in transitions from a socially approved to a socially stigmatized role, rites of passage risk aggravating role conflict, because they become constant reminders of the role dissonance. More specifically, our findings indicate that the use of separation as a strategy to cope with role conflict and ambiguity can become paradoxically counterproductive and increase the very same distress that it was supposed to ease. The cure becomes the illness.

The circumstantial attributes of the role transition were the main contributors to these negative causalities. The negative valence of the entered role and the situational requirement to make the unwanted role entry especially contributed to the counterproductive effects. Under such circumstances, it is difficult to ease role distress through transition-management strategies. Accordingly, the separation strategy produced a vicious circle of negative causalities, because the very act of separating increased the awareness and salience of the negatively valued role and drew disproportionate attention to barriers and obstacles between the roles. A self-reinforcing circular process therefore evolved whereby strategies to cope with role strain simultaneously mitigated and enhanced role conflict. This series of negative causalities leads us to conclude that when an individual is required to undertake a stigmatized role that is in conflict with
the social and individual preferences and ideological orientation, there is a risk that the application of transition management strategies will have counterproductive effects.

The empirical findings suggest implications for practitioners working with distributive management styles. The widespread articulation and establishment of the superiority of participative and distributive management styles may hinder successful transitions to a more authoritative management style – which may be required occasionally. Therefore, we find it important to highlight the vulnerability of a one-sided celebration or a stigmatization of specific management styles. Without a multifaceted and pluralistic perception and practice, the manager’s latitude is severely restricted and his or her opportunities to be intuitive and adjust to situational requirements are limited. Thus this article contributes to an understanding of the complexity and ambiguities inherent in the practice of leadership.

References


Jesper Wulff
Assistant Professor
Department of Economics and Business
Aarhus University
Fuglesangs Allé 4
DK-8210 Aarhus V
e-mail: jwulff@econ.au.dk
Testing the OLI model: Is Entry Mode Choice Important for Non-financial and Financial Performance?

Jesper Wulff

Abstract
Research on how firms enter foreign markets has long had a descriptive rather than normative focus. This study investigates the importance of theory-driven mode choice on firm performance. Using survey data from 396 Danish, Norwegian and Swedish entries in foreign markets all over the world, this study investigates whether firms that enter foreign markets consistently with the OLI-model outperform firms whose entry is not consistent with the model. I find no support for the hypothesis that OLI-driven mode choice results in higher satisfaction with entry mode performance. Thus, the results from this study suggest that managers from Danish, Swedish and Norwegian firms may be disappointed if they use the classic OLI model for their foreign entry and expect above-average performance.

Research on foreign market entry mode, i.e. the way firms enter foreign markets, has long been focused on descriptive rather than normative analyses. Distinguishing between what firms do and what firms should be doing in order to be successful is crucial as the road to guiding practice efficiently is filled with potential pitfalls (Masten, 1993). In fact, we should be very cautious with prescribing managers »solutions« if most of our evidence rests on the ability of theories to predict entry mode choice and not performance (Shaver, 2013). Even more so, if research in foreign entry mode is supposed to be of interest to managers, it is important that we develop and test models that have the potential to actually improve firm outcomes (Brouthers, 2013). In addition, it is equally important that we help separating the good from bad models to avoid having managers erroneously adopt weakly documented and inferior strategies.

Based on these premises, the present study investigates the importance of mode choice for subsidiary performance. The main question of interest is: Do firms that enter foreign markets consistent with the classic OLI model outperform firms that do not? Using data on a sample of 396 entries of Danish, Swedish and Norwegian firms, I
analyze the importance of theory-driven mode choice focusing on a traditional model taught in many international business courses: Dunning’s OLI model. Following suggestions from recent commentaries (Brouthers, 2013), I analyze whether firms making mode choices consistent with theoretical predictions are more satisfied with the financial and non-financial performance of their foreign entry.

The paper is structured as follows. The next section provides a brief introduction to the OLI model and its connection to both entry mode choice and performance. Next, I describe the data and method of analysis which is followed by a presentation of the results. Finally, the results, their implications and limitations are discussed.

1. Dunning’s OLI Model and Hypotheses

When a firm enters a foreign market, it may choose from a wide range of entry modes. A common way to differentiate between these modes is by discriminating between non-equity and equity modes (Nakos & Brouthers, 2002; Pan & Tse, 2000). Referring to full or partial ownership of foreign investments, equity modes include wholly owned subsidiaries (WOS) and joint ventures (JV). Non-equity modes, on the other hand, involve little or no foreign investment equity and include licensing, franchising, and exporting. This division of entry modes into equity and non-equity types has been common in the testing of the OLI model (Ji & Dimitratos, 2013) and constitutes the dependent variable in this study.

1.1. The OLI model

Dunning’s OLI model consists of three types of advantages: Ownership, location, and internalization advantages. When an entrant has strong OLI advantages, the entrant will prefer equity-type entry modes (Dunning, 1980; Dunning, 1988). Based on previous studies mentioned below, I focus on ownership and location advantages, respectively. Furthermore, I follow previous studies by excluding internalization advantages as a primary part of the model (Clegg, 1990; Pinho, 2007; Terpstra & Yu, 1988). Usually, scholars argue that this third dimension cannot be accurately examined prior to the foreign entry. Be as it may, non-focus factors, like market potential and asset specificity, are still being used as control variables in the analysis as it is custom in most entry mode studies (Brouthers & Hennart, 2007).

Ownership advantages capture firm-specific resources and capabilities. If a firm possesses an ownership advantage, it is more likely to adopt an equity entry. This type of entry provides the firm with protection of its rent-generating assets and secures more efficient cross-border transfer of its firm-specific advantages (Nakos & Brouthers, 2002). For instance, in its foreign market entry into the German emergency ambulance service market, the firm Falck sought to ensure efficient transfer of the complex processes of patient treatment through an equity entry. Even though empirical findings
are inconsistent (Pinho, 2007), some previous studies have found that smaller firms and firms lacking international experience tend to use non-equity modes because equity modes are not an appropriate way to transfer their competitive advantage (Agarwal & Ramaswami, 1992; Brouthers, Brouthers, & Werner, 1996).

Location-specific advantages involve positive or negative impacts of the location itself. In high-investment risk markets, firms seek to minimize their commitment through the use of non-equity modes (Agarwal & Ramaswami, 1992). Conversely, if the risk involved in the investment is low, firms prefer entering through modes involving equity investment (Brouthers et al., 1996). Another location factor that might impact the entry mode choice is legal restrictions. Restrictions may force firms into entry modes without equity ownership (Brouthers, Brouthers, & Werner, 2001). In the case of Falck in Germany, a German market with high potential and a stable economy pulled the firm in the direction of an equity entry.

Internalization advantages involve benefits of expanding through the firm hierarchy instead of the market. When transaction costs arise from dissipation risk from technology leaks, monitoring of product quality as well as the preparation and enforcement of contracts, firms prefer to enter foreign markets through equity modes (Ji & Dimitratos, 2013; Maekelburger, Schwens, & Kabst, 2012). Transaction costs are typically gauged through asset specificity arising from intensive investments in R&D and/or brands. Continuing with the Falck example, the firm had to protect its valuable brand when entering the German market, which was most efficiently done through an equity entry.

1.2. OLI and performance

Previous scholarship suggests that the OLI model may offer a more optimally performing choice of entry mode (Dunning, 1993). It is suggested that the model includes a wide range of costs and risks through its OLI factors. Therefore, firms that make choices consistent with the model should experience higher subsidiary performance. Furthermore, the OLI factors help address the cost/risk trade-off associated with entry mode choice most efficiently (Andersen, 1997; Brouthers, Brouthers, & Werner, 1999).

Very few of the growing number of studies investigating the impact of theory-driven mode choice on performance have looked at the OLI model (Brouthers, 2013). In one of the earliest studies, Brouthers, Brouthers, and Werner (1999) found that entries aligning with the theoretically predicted model lead to higher subsidiary performance. In line with this result, Ogasavara and Hoshino (2007) found evidence to suggest that JVs reported higher gains performance-wise if they possessed ownership advantages measured as firm size and parent experience.
So far, research investigating the impact of theory-driven mode choices on performance seems to indicate that mode choice is important for performance (Brouthers, 2013). This is the case in the resource-based view (Brouthers, Brouthers, & Werner, 2008b) and in transaction cost theory where the latter has been tested alone (Brouthers, Brouthers, & Werner, 2003) and in combination with real options (Brouthers, Brouthers, & Werner, 2008a) or institutional theory (Brouthers, 2002).

However, not all studies support the positive association between mode choice and performance. Kim and Gray (2008) investigated the link between an extended transaction cost model and non-financial and financial performance measures. The authors found that the fit-group did not perform significantly better in financial performance areas while the fit-group performed significantly worse in non-financial performance areas.

As exemplified above, it is not a given that the theoretically ‘right’ entry mode leads to higher performance. Investigating the link between the OLI model and performance is relevant given the scarce number of studies in this field. The present study follows the consensus expressed in the literature and posits the following hypothesis: Firms selecting their entry mode consistent with the predictions of the OLI model perform better than firms that do not select their entry mode consistent with the predictions of the OLI model.

2. Methodology

2.1. Data collection

A structured questionnaire using previously developed scales was used to collect the data. The questionnaire was originally written in English, translated into Norwegian, Swedish, and Danish, and finally back-translated to ensure translation reliability. A pilot test of 10 firms (6 Danish, 2 Swedish, and 2 Norwegian) followed the translation to ensure that the questions were understood in accordance with the theoretical constructs and to verify that the captured information was consistent among countries.

The survey was answered by executives from Danish, Swedish, and Norwegian firms. Such firms are interesting as the vast majority of entry mode research focuses on leading OECD countries, i.e. the US, the UK, and Japan (Canabal & White, 2008). I drew the sample from the Userneeds database. The firms were selected to be representative of firms in Denmark, Sweden, and Norway.

The target population was Danish, Swedish, and Norwegian firms with international activities. A random sample was drawn from the database and online questionnaires were sent to managers at the corporate level. A total of 876 Danish (DK), 1014 Swedish (S), and 1739 Norwegian (N) firms were contacted yielding a total of 3629 firms. After follow-up rounds, 2107 or 58% (656 from DK, 609 from S, and 842 from N)
had responded to the survey. A total of 1420 indicated that they had no international activity, and 332 declined the invitation to participate. This left 146 partial and 250 full respondents, in total 396 respondents.

Comparison tests between early and late respondents revealed no significant differences (Allison, 2002). I followed Rogelberg and Stanton (2007) and performed wave and archival analysis, finding no evidence to suggest issues with nonresponse. Finally, I tested for mean differences in firm size and experience length between the firms in my sample and Larimo’s (2003) sample of Nordic firms, finding no significant differences. Using several ex-ante and ex-post remedies, I found no evidence to suggest that my data should be subject to common method bias (Chang, van Witteloostuijn, & Eden, 2010; Podsakoff, MacKenzie, Lee, & Podsakoff, 2003).

2.2 Data preparation
As noted above, the data contained respondents with construct-level missingness. In the present study, I address the missing data values using multiple imputation by chained equations (Little & Rubin, 1983; Rubin, 1987) through the Stata statistical software package. Methods of list-wise deletion and mean imputation are commonly used in organizational research and lead to biased and misleading results (Cranmer & Gill, 2013; Newman, 2014). When the percentage of partial respondents is 10% or higher, multiple imputation substantially outperforms list-wise deletion or single imputation in terms of reducing missing data bias and error (Allison, 2002; Newman, 2003; Schafer & Graham, 2002).

Multiple imputation creates a posterior distribution for the missing data conditional on the observed data and draws randomly from this distribution to create multiple replications. The analysis is run on each replication. Next, the coefficient estimates are averaged across the imputed data sets and the standard errors are combined using Rubin’s (1987) formula. The data used in this study have a partial respondent percentage of 36%. Following the recommendations in the statistical and research methodology literature (Bodner, 2008; Graham, Olchowski, & Gilreath, 2007; White, Royston, & Wood, 2011), I impute 40 different datasets with 10 iterations between data sets using 100 burn-in iterations before the first data set.

2.3. Variables used in the study
In the present study, two different outcome variables are used: Non-equity vs. equity and performance.

Non-equity vs. equity was measured by asking the firms about their most recent foreign market entry. The respondents could choose between WOS (two different types), joint venture, contractual agreements, and independent exporting. Independ-
ent exporting modes are defined as non-equity, market-based modes where the firm uses entities in the host country to provide their product or service. JVs are modes where the entrant shares the equity ownership of the host country operations with a local partner. WOS are operations where the investing firms hold an equity share of 95% or more (Brouthers et al., 2008a). Following similar studies (Ji & Dimitratos, 2013; Maekelburger et al., 2012; Schwens, Eiche, & Kabst, 2011), mode of entry was treated as a categorical variable: Non-equity entries, notably exporting and contractual agreements, were coded ‘0’, while equity entries, notably JV and WOS, were coded ‘1’.

As in previous studies, Performance was measured in the questionnaire because of the unavailability and cross-country non-comparability of accounting data (J. Hennart & Slangen, 2008). I asked respondents to rate on eight 10-point Likert-type scale aspects of non-financial (market access, distribution, marketing, and reputation) and financial (sales growth, sales, market share, and profitability) performance. The lowest item-item correlation was around 0.67, while the rest exceeded 0.7, thereby forming a reliable scale (Alpha = 0.89 for financial and 0.86 for non-financial). The scores were averaged into two composite indices, and the model specification showed a good model fit (RMSWA = 0.044 (CI: 0.000:0.043, pclose = 0.698), CFI = 0.97, TLI = 0.96, and $\chi^2 / \text{d.f.} = 1.37$) according to conventional standards (Schreiber, Nora, Stage, Barlow, & King, 2006). Previous studies have used similar items to measure performance in an entry mode context (Brouthers & Nakos, 2004; Brouthers et al., 2008a; Luo & Peng, 1999; Nakos, Brouthers, & Dimitratos, 2014) and shown that the items show good correlations with archival performance data (Venkatraman & Ramanujam, 1987).

With regard to the covariates, I followed previous studies and used size and experience to capture ownership advantages (Agarwal & Ramaswami, 1992; Brouthers et al., 2001; Brouthers et al., 1996; Ji & Dimitratos, 2013; Nakos & Brouthers, 2002). Size was the number of full-time employees, while experience was a composite index ($r = .91$, alpha = 0.95) consisting of the number of years the firm had operated internationally and the number of foreign countries in which the firm had made foreign entries.

Location advantages were captured through Investment risk and Legal (Agarwal & Ramaswami, 1992; Brouthers et al., 2001). Investment risk was measured by five 7-point items (alpha = 0.71) asking about (1) the risk of converting and repatriating income; (2) the risk of government taking over the entrant’s operations; (3) the general stability of the political, social, and economic conditions; (4) the attitude of the local government toward the entrant’s industry; (5) and the attitude of the local government toward foreign firms in general. Legal was gauged with a 7-point Likert-scale asking if there were legal restrictions on the entry method at the time of entry (1 = few restrictions, 7 = many restrictions).
Based on previous research, I included several control variables shown to be associated with entry mode and performance. Descriptions of measures and references are available in Appendix (A.1). Because previous research has documented that size (Nakos, Brouthers, & Brouthers, 1998), experience (Dikova, 2009), investment risk (Berry, Guillen, & Zhou, 2010), and legal (Brouthers et al., 2001) are related to performance as well as mode choice, they are included in both equations (Becker, 2005). The correlation matrix is available in Appendix (A.2).

3. Analysis, Results, and Discussion

3.1. Analytic procedure

First, I estimated a logit model regressing the predictors on the choice between non-equity and equity mode. For interpretation of the results, I computed the predicted probabilities, average marginal effects (AMEs) and odds ratios for each main variable. Due to the non-linear logit transformation, interpretative devices were calculated at the mean and at one standard deviation above and below the mean (Wulff, 2015) with standard errors computed using the delta method (Greene, 2003). After estimating the logit model, I followed Brouthers et al. (2008a) and generated a predicted fit variable, $OLI\ fit$, taking the value ‘1’ if a firm had employed the entry mode predicted by the OLI model and the value ‘0’ if a firm had chosen otherwise.

To adjust the OLS estimates for bias induced by endogeneity, I used IV estimation with a binary endogenous regressor (Cameron & Trivedi, 2005). This implies running a first-stage, latent-variable model similar to the probit model. After this model, I generated a correction term ($\lambda$) to be included in the second-stage regression on financial and non-financial performance, respectively. I performed the correction with and without the instrument pre-entry growth as suggested by Shaver (1998).

While multiple imputation solves the missing data issue, the technique complicates the computation of many standard measures, e.g., $R^2$. One standard solution applies Rubin’s (1987) rules when averaging the measure estimates over the imputed data. Because this procedure is sensitive to non-normal and not-symmetric measure distributions, I followed Harel’s (2009) suggestion and used Fischer’s z-transformation to improve normality. A comparison of the results of the two procedures showed that the $R^2$ estimates did not change until the fourth decimal place. Because Fischer’s procedure is more complex and the results did not change substantially, I settled for the standard procedure. To analyze the distribution of the estimates, I furthermore followed Marshall et al. (2009) and looked at the quantiles of the distribution over the imputed datasets.
3.2. Results

3.2.1. OLI results

Table I presents the results from the logit model. Model 1 with only the control variables was not impressing in its ability to explain equity mode choice. The Sweden dummy (p < 0.1) and the family ownership variable (p < 0.05) were significantly negative, which is in line with previous research (Pinho, 2007). Also in line with previous research was the significant and positive association between market potential and equity mode choice (p < 0.1). The overall model showed poor fit with a non-significant Wald test statistic (Wald = 1.367).

The OLI model showed a more convincing fit (Wald = 2.93, p < 0.001) with the added OLI model showing a significant improvement over the control model (Wald = 8.03, p < 0.001). The full results from using various interpretative techniques are available in Appendix (A.3.). In accordance with theory, size was significantly, positively related to equity mode choice (p < 0.001). While a small, average firm with around 10 employees only had a 0.344 probability of entering through an equity entry, a large firm with around 5000 employees had a 0.77 probability of making an equity entry. The AME was significant (p < 0.001) which indicates that an increase in firm size of 1% was associated with a 0.074 increase in the probability of an equity entry. The 90% confidence interval of the AME is [0.05, 0.09], meaning that 90% of intervals of this form will contain the true value. This indicates a modest change in the predicted probability. The results are also interpretable through odds ratios: For every non-equity entry, we expect to see around 2 equity entries for average size firms with about 236 employees, while we expect 5 equity entries for every non-equity entry for large firms.

Also in line with the OLI framework was investment risk with a negative and significant (p < 0.1) coefficient. The predicted probabilities documented a modest drop in probability of equity entries when changing the level of investment risk from high to low. This was confirmed by a negative and significant (p < 0.1) AME of -0.054. The odds ratio interpretation tells us that while we expect 3.6 equity entries for every non-equity entry for low levels of investment risk, we expect the number to drop to around 2 equity entries for every non-equity entry at high levels of investment risk.

The legal variable within the location advantage was non-significant. This was underlined by very tiny differences in probabilities and a non-significant AME. Curiously, the relationship between experience and equity entry mode was negative and significant (p < 0.1) which contradicts the predictions of the OLI model.
Testing the OLI model

Table I. Logistic regression of OLI factors on equity choice

<table>
<thead>
<tr>
<th>Variables</th>
<th>(1) Control</th>
<th>(2) OLI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>0.345***</td>
<td></td>
</tr>
<tr>
<td>Experience</td>
<td>-0.373†</td>
<td></td>
</tr>
<tr>
<td>Investment risk</td>
<td>-0.284†</td>
<td></td>
</tr>
<tr>
<td>Legal</td>
<td>0.050</td>
<td></td>
</tr>
<tr>
<td>Service vs. Manufacturing</td>
<td>0.243</td>
<td>0.443</td>
</tr>
<tr>
<td>Norway vs. Denmark</td>
<td>-0.138</td>
<td>-0.184</td>
</tr>
<tr>
<td>Sweden vs. Denmark</td>
<td>-0.575†</td>
<td>-0.677†</td>
</tr>
<tr>
<td>Cultural distance</td>
<td>0.004</td>
<td>0.081</td>
</tr>
<tr>
<td>Advertising intensity</td>
<td>-0.800</td>
<td>-0.938</td>
</tr>
<tr>
<td>R&amp;D intensity</td>
<td>-0.031</td>
<td>-0.033</td>
</tr>
<tr>
<td>Family ownership</td>
<td>-0.596*</td>
<td>-0.392</td>
</tr>
<tr>
<td>Foreign sales rate</td>
<td>-0.169</td>
<td>-0.567</td>
</tr>
<tr>
<td>Market potential</td>
<td>0.179†</td>
<td>0.090</td>
</tr>
<tr>
<td>Constant</td>
<td>-0.175</td>
<td>-0.094</td>
</tr>
<tr>
<td>Wald Chi-square</td>
<td>1.367</td>
<td>2.930***</td>
</tr>
<tr>
<td>N</td>
<td>396</td>
<td>396</td>
</tr>
</tbody>
</table>

Standard errors in parentheses. *** p<0.001, ** p<0.01, * p<0.05, † p<0.1

3.2.2. Performance results

Table II contains the results from the performance regressions. As described earlier, the covariates were regressed on non-financial and financial performance, respectively, first through OLS estimation (Models 1 and 2), next via IV estimation with no instrument (Models 3 and 4), and finally through an IV regression with an instrument (Models 5 and 6).

The models were significant (p < 0.001) (Table II). The lowest R² was the adjusted measure for financial performance of 0.19 which indicates that the OLI fit model with control variables explains around 19% of the variance in reported performance satis-
faction. This adjusted R² ranged from 0.15 to 0.23 with a median around 0.19 which suggests a narrow distribution. The highest R² was the unadjusted measure for the non-financial measure. This measure had a minimum of 0.21 and a maximum of 0.26 in the imputed datasets with a mean of 0.24. These values compare favorably with previous research. In sum, these results suggest that a reasonable proportion of the performance variation around the mean can be explained by the models.

Many of the control variables included in the models were significantly related to performance with the expected sign. On average, manufacturing firms reported higher

<table>
<thead>
<tr>
<th>Table II. Regression on performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variables</td>
</tr>
<tr>
<td>Size</td>
</tr>
<tr>
<td>Experience</td>
</tr>
<tr>
<td>Investment risk</td>
</tr>
<tr>
<td>Legal</td>
</tr>
<tr>
<td>Service vs. Manufacturing</td>
</tr>
<tr>
<td>Norway vs. Denmark</td>
</tr>
<tr>
<td>Sweden vs. Denmark</td>
</tr>
<tr>
<td>Cultural distance</td>
</tr>
<tr>
<td>Advertising intensity</td>
</tr>
<tr>
<td>R&amp;D intensity</td>
</tr>
<tr>
<td>Family ownership</td>
</tr>
<tr>
<td>Foreign sales rate</td>
</tr>
<tr>
<td>Market potential</td>
</tr>
<tr>
<td>OLI-fit</td>
</tr>
<tr>
<td>λ</td>
</tr>
<tr>
<td>Pre-entry growth</td>
</tr>
<tr>
<td>Constant</td>
</tr>
<tr>
<td>F-test</td>
</tr>
<tr>
<td>Wald Chi-square</td>
</tr>
<tr>
<td>N</td>
</tr>
</tbody>
</table>

Standard errors in parentheses. *** p<0.001, ** p<0.01, * p<0.05, † p<0.1
satisfaction with non-financial and financial performance indicators. As expected, higher investment risk was significantly, negatively associated with performance; and higher reported market potential was significantly, positively related to both non-financial and financial performance across the different models.

<table>
<thead>
<tr>
<th>Table III. R² measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance</td>
</tr>
<tr>
<td>Non-financial</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Financial</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

To investigate the importance of OLI-based mode choice on performance, the coefficient estimates of the fit variable were plotted with their respective confidence intervals in Figure 1. The OLS estimate showed a positive relationship between OLI fit and both non-financial and financial performance. Recall that performance was operationalized as a scale from 1-10. When firms selected their entry mode in accordance with the model, they reported 0.16/0.21 higher non-financial/financial performance, on average. However, this performance difference was non-significant at conventional alpha levels. The 90% confidence intervals were [-.28, .60] and [-.25, .67] which indicates that 90% of the intervals of this form will contain the true value of the coefficients for non-financial and financial performance, respectively. That the intervals included zero and negative values was apparent from Figure 1. In conclusion, the estimates were economically and statistically non-significant, which is not evidence in favor of Hypothesis 1.

When addressing the endogeneity, the coefficient estimates became negative which indicates that firms that fit the OLI model did worse than firms that did not fit the model. The correction behaved in accordance with the expected direction of the bias caused by higher performing firms self-selecting into more optimal modes. As was evident from Figure 1, the uncertainty around the point estimates was considerable: The confidence intervals were [-2.65, 1.28] and [-2.47, 1.78] for non-financial and financial performance, respectively. This suggests the existence of substantial sampling variability. Considering this level of uncertainty, it is not unheard of that the sign of the estimates turn out unexpectedly. Thus, one should not jump to the conclusion that the association between OLI fit and performance was negative after correcting for endogeneity as this result was associated with considerable uncertainty. Regardless, the results did not support Hypotheses 1.
In Models 5 and 6, I instrumented for the OLI fit variable using an instrument similar to the one suggested by Shaver (1998). The association between OLI fit and financial performance became positive, while it remained negative with regard to non-financial performance. As can be seen in Figure 1, the estimates were close to zero and accompanied by very wide confidence intervals. Thus, the hypothesis of a zero relationship could not be rejected at conventional alpha levels. In sum, none of the three models, especially the models correcting for endogeneity, provided sufficient evidence to suggest that OLI-fit firms, on average, report higher non-financial and financial performance than non-fit firms.

### 4. Discussion, Conclusion and Limitation

The results in this study are inconsistent with previous findings that mode choice is important for performance in general and with the findings of especially Brouthers, Brouthers, and Werner (1999) on the OLI model in particular. Some of the possible important reasons for this inconsistency are discussed below.
First, it may cause some concern that the control model including only the control variables performed rather poorly. Even though some of the most central relationships were statistically significant in the expected direction, the model was non-significant overall. However, in previous studies (Brouthers et al., 2008a; Brouthers et al., 2008b; Nakos & Brouthers, 2002) comparable to the present study, control models of this standard are not uncommon. Thus, one should not expect this to be a factor significantly driving the differences in results.

Second, while the full model performed much better, mostly showing the expected results, the association between experience and the propensity to choose an equity entry turned out the opposite of what the OLI model predicted it would. There are at least two reasons why this should not be a concern. The first is that inconsistent results are rather common in entry mode research, even among the most often used variables (J. F. Hennart & Slangen, 2015). Thus, if every relationship had pointed in the right direction, this study would have marked itself as an outlier in comparison with previous studies. The second is that although it is more common to find a non-significant or positive relationship (Brouthers & Hennart, 2007), a negative relationship is not totally unheard of (Wilkinson, Peng, Brouthers, & Beamish, 2008). A negative association may be explained through an ethnocentric argument: Less experienced entrants prefer to have their own nationals in charge of the foreign operation, which is most easily achieved through a full-control equity entry (Anderson & Gatignon, 1986). Consequently, it is possible, but not likely that this unexpected result should be an issue.

Third, this study used largely the same analytical approach as Brouthers, Brouthers, and Werner (1999), but with one important difference: Brouthers, Brouthers, and Werner (1999) did not correct their estimates for endogeneity. Some years after the mentioned study, Brouthers was among the first to follow Shaver’s (1998) suggestions and attempt to correct regression estimates for endogeneity, but as Brouthers (2013) points out, especially earlier studies have failed to take this into account. Furthermore, as this study uses the same performance measures with the same scale as Brouthers, Brouthers, and Werner’s (1999), a few of the regression results should be somewhat comparable. Both studies observe a positive regression coefficient on the fit variable. However, without the proper correction, this OLS estimate is most likely biased in an upward direction. In particular, this study shows that employing IV estimation corrects the estimates downward leading to a negative, albeit non-significant relationship. This underlines the importance of performing the appropriate corrections as the positive relationship we observe may be deceiving.
Fourth, it may be that the normative aspect of the OLI model is weaker than previously assumed. Of course and as with any other scientific result, this conclusion should not be made based on this study alone. Like most other studies of this kind, it may suffer from methodological weaknesses such as imprecise proxies for the theoretical concepts or lack of important control variables. It may also be suggested that important adjustments to the OLI model are missing. For instance, adjusting the model for interactions between the different types of advantages may be necessary in the normative application of the model. Thus, the last word is still far from being said about whether mode choice is actually important for performance. This should only motivate researchers even more to care about this relationship.

In line with Kim and Gray (2008), the present study positions itself as a study that fails to provide support for the normative application of theory-driven mode choice. By examining both non-financial and financial performance measures, this study was able to more broadly capture the consequences of employing a certain entry strategy. Even though it has been documented that subjective and objective performance measures correlate highly, the use of an objective measure both solves the common method variance issue and provides more readily interpretive results: How much, in percentage-points, does mode choice matter for return on assets or operating income? A few studies exploring this issue already exist (e.g. Chang, Chung, & Moon, 2013), but the vast majority of the scarce amount of performance-oriented research that exists remains survey-based and uses subjective measures.

Despite the issues and limitations discussed above, the present study still brings important insight into the entry mode choice of Danish, Swedish, and Norwegian firms; a context that has been neglected by previous scholarship. Furthermore, the study adds to the still limited bulk of research investigating performance implications of mode decisions. Even though its results go against previous conclusions, they underline the need for more research in this area, even if this means revisiting some traditional frameworks.

4.1. Managerial Implications

The study suggests that managers of Danish, Swedish, and Norwegian firms may be disappointed if they use the classic OLI model to help them choose between non-equity (e.g. agents or distributors) and equity (JV or WOS) foreign market entries. While the results suggest that the OLI model does well in explaining how firms select their foreign market entry mode, it does not seem to make a detectable difference in how managers rate their satisfaction with the financial and non-financial performance after having entered the foreign target market. That the model does well in explaining mode choice indicates that Nordic managers may actually already be using the
Testing the OLI model to help them decide how to enter foreign markets. However, the results in this study suggest that Swedish, Danish, and Norwegian managers in charge of their respective firm’s foreign market entry should think twice before using the classic OLI model – that is if their goal is to meet performance expectations. Instead, they may want to consider some of the other models, like transaction costs or real options, that seem to lead to better performing foreign market entries. However, this is with the strong caveat that these models have yet to be tested in a Nordic context. While this study is hardly the last word on the usability of the OLI model for practice, it should raise caution amongst Nordic managers that consider using it as a guide for their foreign market entry – at least until further research has been conducted.

Appendix

<table>
<thead>
<tr>
<th>Control variable</th>
<th>Measure</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>Dummy variable (1 = Service, 0 = Manufacturing).</td>
<td>(Dimitratos, Lioukas, &amp; Carter, 2004; Erramilli &amp; Rao, 1990)</td>
</tr>
<tr>
<td>Norway and Sweden</td>
<td>Nationality dummies (0 = Denmark).</td>
<td>(Brouthers et al., 2008b; Nakos et al., 2014)</td>
</tr>
<tr>
<td>Cultural distance*</td>
<td>Index based on Hofstede’s measures.</td>
<td>(Berry et al., 2010; Kogut &amp; Singh, 1988)</td>
</tr>
<tr>
<td>Advertising intensity</td>
<td>Advertising expenditure relative to total revenue.</td>
<td>(W. C. Kim &amp; Hwang, 1992)</td>
</tr>
<tr>
<td>R&amp;D intensity</td>
<td>R&amp;D expenditure relative to total revenue.</td>
<td>(Brouthers et al., 2001; Dikova &amp; van Witteloostuijn, 2007)</td>
</tr>
<tr>
<td>Family ownership</td>
<td>Dummy variable (1 = Family-owned firm).</td>
<td>(Kuo, Kao, Chang, &amp; Chiu, 2012)</td>
</tr>
<tr>
<td>Foreign sales rate</td>
<td>International sales relative to total sales.</td>
<td>(Brouthers &amp; Dikova, 2010)</td>
</tr>
<tr>
<td>Market potential</td>
<td>Two 7-point Likert-type questions asking about the market and growth potential in the host country.</td>
<td>(Brouthers et al., 2001; Brouthers et al., 2008a)</td>
</tr>
</tbody>
</table>

* Not drawn from the survey.
### A.2. Correlation Matrix

<table>
<thead>
<tr>
<th></th>
<th>Non-equity vs equity</th>
<th>Service vs. Manufacturing</th>
<th>Norway vs. Denmark</th>
<th>Sweden vs. Denmark</th>
<th>Cultural distance</th>
<th>Advertising intensity</th>
<th>R&amp;D intensity</th>
<th>Family ownership</th>
<th>Foreign sales rate</th>
<th>Market potential</th>
<th>Experience</th>
<th>Investment risk</th>
<th>Legal</th>
<th>Non-fin. performance</th>
<th>Fin. performance</th>
<th>Pre-entry growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-equity vs equity</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service vs. Manufacturing</td>
<td>0.03</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Norway vs. Denmark</td>
<td>0.05</td>
<td>-0.07</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sweden vs. Denmark</td>
<td>-0.11†</td>
<td>0.04</td>
<td>-0.52***</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cultural distance</td>
<td>-0.03</td>
<td>-0.10</td>
<td>-0.19**</td>
<td>0.12†</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising intensity</td>
<td>-0.03</td>
<td>0.04</td>
<td>0.03</td>
<td>0.08</td>
<td>-0.02</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R&amp;D intensity</td>
<td>-0.04</td>
<td>0.03</td>
<td>0.07</td>
<td>-0.03</td>
<td>-0.08</td>
<td>0.47***</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family ownership</td>
<td>-0.15*</td>
<td>0.00</td>
<td>0.01</td>
<td>-0.02</td>
<td>0.03</td>
<td>0.07</td>
<td>0.02</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign sales rate</td>
<td>-0.01</td>
<td>-0.11†</td>
<td>-0.09</td>
<td>0.01</td>
<td>0.20**</td>
<td>0.01</td>
<td>-0.03</td>
<td>-0.01</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market potential</td>
<td>0.13*</td>
<td>-0.07</td>
<td>0.01</td>
<td>0.06</td>
<td>0.02</td>
<td>0.17**</td>
<td>-0.03</td>
<td>-0.09</td>
<td>0.18**</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Size</td>
<td>0.40***</td>
<td>-0.14*</td>
<td>0.03</td>
<td>-0.05</td>
<td>0.04</td>
<td>0.01</td>
<td>-0.05</td>
<td>-0.17**</td>
<td>0.28***</td>
<td>0.19**</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experience</td>
<td>0.08</td>
<td>-0.17**</td>
<td>-0.05</td>
<td>-0.05</td>
<td>0.32***</td>
<td>-0.04</td>
<td>-0.14*</td>
<td>-0.07</td>
<td>0.44***</td>
<td>0.11†</td>
<td>0.52***</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment risk</td>
<td>-0.11†</td>
<td>0.04</td>
<td>0.03</td>
<td>-0.07</td>
<td>0.22***</td>
<td>0.06</td>
<td>0.00</td>
<td>0.04</td>
<td>0.10</td>
<td>-0.19**</td>
<td>0.07</td>
<td>0.15*</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal</td>
<td>0.15*</td>
<td>0.02</td>
<td>0.08</td>
<td>0.05</td>
<td>0.11†</td>
<td>0.14*</td>
<td>0.08</td>
<td>-0.11†</td>
<td>0.00</td>
<td>0.09</td>
<td>0.28***</td>
<td>0.10</td>
<td>0.16*</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-fin. performance</td>
<td>0.16*</td>
<td>-0.19**</td>
<td>0.08</td>
<td>0.05</td>
<td>-0.15*</td>
<td>0.19**</td>
<td>0.07</td>
<td>-0.07</td>
<td>0.18**</td>
<td>0.41***</td>
<td>0.12†</td>
<td>0.01</td>
<td>0.25***</td>
<td>0.01</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>Fin. performance</td>
<td>0.15*</td>
<td>-0.18**</td>
<td>0.06</td>
<td>0.09</td>
<td>-0.10</td>
<td>0.24***</td>
<td>0.05</td>
<td>-0.04</td>
<td>0.15*</td>
<td>0.34***</td>
<td>0.15*</td>
<td>0.01</td>
<td>0.16*</td>
<td>0.07</td>
<td>0.81***</td>
<td>1.00</td>
</tr>
<tr>
<td>Pre-entry growth</td>
<td>0.02</td>
<td>-0.16*</td>
<td>0.07</td>
<td>0.05</td>
<td>0.09</td>
<td>-0.02</td>
<td>-0.03</td>
<td>0.04</td>
<td>0.15*</td>
<td>0.04</td>
<td>0.07</td>
<td>-0.17**</td>
<td>0.05</td>
<td>0.05</td>
<td>-0.00</td>
<td>1.00</td>
</tr>
</tbody>
</table>

† p<0.1, * p<0.05, ** p<0.01, *** p<0.001
### A.3. Predicted probabilities, marginal effects and odds ratios

#### Predicted Probabilities

<table>
<thead>
<tr>
<th></th>
<th>Size</th>
<th>Experience</th>
<th>Investment risk</th>
<th>Legal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>0.344</td>
<td>0.626</td>
<td>0.607</td>
<td>0.542</td>
</tr>
<tr>
<td></td>
<td>[0.24,0.44]</td>
<td>[0.54,0.71]</td>
<td>[0.51,0.70]</td>
<td>[0.45,0.63]</td>
</tr>
<tr>
<td>Mean</td>
<td>0.574</td>
<td>0.555</td>
<td>0.558</td>
<td>0.559</td>
</tr>
<tr>
<td></td>
<td>[0.48,0.67]</td>
<td>[0.48,0.63]</td>
<td>[0.48,0.64]</td>
<td>[0.48,0.64]</td>
</tr>
<tr>
<td>High</td>
<td>0.777</td>
<td>0.483</td>
<td>0.508</td>
<td>0.576</td>
</tr>
<tr>
<td></td>
<td>[0.69,0.87]</td>
<td>[0.37,0.60]</td>
<td>[0.42,0.60]</td>
<td>[0.48,0.67]</td>
</tr>
</tbody>
</table>

90% Confidence interval in brackets

#### Average Marginal Effects

<table>
<thead>
<tr>
<th></th>
<th>Size</th>
<th>Experience</th>
<th>Investment risk</th>
<th>Legal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>0.068***</td>
<td>-0.065+</td>
<td>-0.053+</td>
<td>0.010</td>
</tr>
<tr>
<td></td>
<td>[0.05,0.09]</td>
<td>[-0.12,-0.01]</td>
<td>[-0.10,-0.01]</td>
<td>[-0.02,0.04]</td>
</tr>
<tr>
<td>Mean</td>
<td>0.074***</td>
<td>-0.068+</td>
<td>-0.054+</td>
<td>0.010</td>
</tr>
<tr>
<td></td>
<td>[0.05,0.09]</td>
<td>[-0.13,-0.01]</td>
<td>[-0.10,-0.00]</td>
<td>[-0.02,0.04]</td>
</tr>
<tr>
<td>High</td>
<td>0.053***</td>
<td>-0.067+</td>
<td>-0.055+</td>
<td>0.009</td>
</tr>
<tr>
<td></td>
<td>[0.04,0.07]</td>
<td>[-0.13,-0.01]</td>
<td>[-0.11,-0.00]</td>
<td>[-0.02,0.04]</td>
</tr>
</tbody>
</table>

90% Confidence interval in brackets, + p<0.10, * p<0.05, ** p<0.01, *** p<0.001

#### Odds Ratios

<table>
<thead>
<tr>
<th></th>
<th>Size</th>
<th>Experience</th>
<th>Investment risk</th>
<th>Legal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>0.653</td>
<td>4.847</td>
<td>3.608</td>
<td>2.501</td>
</tr>
<tr>
<td></td>
<td>[0.34,0.97]</td>
<td>[0.89,8.80]</td>
<td>[1.19,6.03]</td>
<td>[0.84,4.17]</td>
</tr>
<tr>
<td>Mean</td>
<td>1.924</td>
<td>3.209</td>
<td>2.759</td>
<td>2.719</td>
</tr>
<tr>
<td></td>
<td>[1.05,2.79]</td>
<td>[1.23,5.19]</td>
<td>[1.15,4.37]</td>
<td>[1.17,4.27]</td>
</tr>
<tr>
<td>High</td>
<td>5.763</td>
<td>2.177</td>
<td>2.124</td>
<td>2.974</td>
</tr>
<tr>
<td></td>
<td>[1.89,9.64]</td>
<td>[0.78,3.57]</td>
<td>[0.83,3.42]</td>
<td>[1.22,4.73]</td>
</tr>
</tbody>
</table>

90% Confidence interval in brackets

### References


Cranmer, S., & Gill, J. (2013). We have to be discrete about this: A non-parametric Imputation Technique for missing categorical data. *British Journal of Political Science*, 43(2), 425-449.


Testing the OLI model


Guide for Authors
Danish Journal of Management & Business

The Guide for Authors contains information pertinent to the preparation of your paper. It is essential you consult and follow the instructions in the Guide for Authors. If you have any questions feel free to contact the editors or DJØF Publishing.

Aim and scope of the Journal
The Danish Journal of Management & Business (formerly published in Danish as Ledelse & Erhvervsøkonomi) is a generalist, academic journal covering all management fields. The DJMB aims to present the latest thinking and research on major management topics with relevance for a Danish readership. While meeting high academic quality standards, articles are interesting and accessible to non-specialists.

Articles should be an accessible source of useful information and ideas for practitioners and students. The Journal takes a broad view of business and management and encourages submissions from all disciplines if they contribute significantly to problems considered by Danish managers and specialists. The DJMB is a peer-reviewed journal, with a ‘double-blind’ procedure involving at least two reviewers.

The key focus of DJMB will be on conceptual innovation and practical application to enhance the field of management thinking, practice, and research. The main objective of the journal is to provide a communication medium for all those working in the management field whether from industry, consulting or academic institutions. Contributions will therefore be welcomed from practitioners, academics and professionals working in private, public and non-profit organizations.

The DJM is distributed free of charge to about 12,000 members of DJØF, including student members, and to individual and institutional subscribers. An analysis of the readership indicate that articles are read by up to 4,000 individuals.

Editorial criteria
Articles should take a conceptual or theoretical point of departure and include practical application. Papers will typically be based on research, report a case study situa-
tion, report results from survey, or any combination thereof. The prime requirement for acceptance of an article will be that it
1. Provides new information relevant to the readership
2. Makes a significant original contribution to the field
3. Is relevant for Danish practice or society
4. Bridges the gap between theory and practice
5. Contains elements which have general application
6. Is within the scope of the journal coverage.

Every year a best-paper prize of DKK 40,000 is awarded to celebrate and applaud a well-written paper that combines academic rigor and validity with practical relevance.

The editorial process
Any article submitted to DJMB should be prepared according to the style guide for authors, but should omit any author-identifying references from the title page. Please submit the title page with authors name, title and affiliation as a separate file. Manuscripts should be submitted by email to one of the Editors.

A typical manuscript should not exceed 7,000 words including references, captions, footnotes and endnotes. Authors should include a word count with their manuscript.

Manuscripts submitted will be judged primarily on their substantive content and contribution, but writing style, structure, and length are also considered. A contribution-to-length ratio will be assessed, so contributors should carefully consider the length of their submission in such light. Manuscripts should be written as simply and concisely as possible without sacrificing meaningfulness or clarity of exposition.

Publication decisions by the Editors are facilitated by reviews by qualified reviewers using a ‘double-blind’ review process. Reviewers’ comments are made available to authors. Authors are strongly encouraged to seek peer review prior to submission. Also potential contributors are encouraged to contact the Editors in advance to seek advice if they are in doubt about the appropriateness of the manuscript for DJMB. Manuscripts that are inappropriate or insufficiently developed will be returned to the authors without formal review.

The review process follows international standards and the outcome can be either that the manuscript is accepted for publication in its present form, that revisions are suggested or that the manuscript is rejected. The editors will advise the author(s) how to revise the manuscript in a way that makes the paper appropriate for the readerships of the journal.

Page proofs (as PDF files) will be sent by e-mail to the corresponding author. DJØF Publishing provides authors with PDF proofs, which can be annotated; for this you will need Adobe Reader version 7 (or higher). If you do not wish to use the PDF annotations function, you may list the corrections and return them to DJØF Publishing
in an e-mail. If, for any reason, this is not possible, then mark the corrections and any other comments on a printout of your proof and return by e-mail, or by post. We will do everything possible to get your article published quickly and accurately – please let us have all your corrections within 8 days. It is important to ensure that all corrections are sent back to us in one communication. Authors will receive 25 free copy of the issue in which the article appears.

**Style guide**

The text should be in single-column format. Keep the layout of the text as simple as possible. Most formatting codes will be removed and replaced on processing the article. In particular, do not justify text or hyphenate words. However, do use bold face, italics, subscripts, superscripts etc. Please write your text in good English. To avoid unnecessary errors you are strongly advised to use the ‘spell-check’ and ‘grammar-check’ functions of your word processor.

The title page must include title of the paper, abstract and keywords, but omit any author-identifying references. A separate title page including author names and affiliation should be submitted as a separate file.

Present the author(s) affiliation addresses (where the actual work was done) below the names. Indicate all affiliations immediately after the author’s name and in front of the appropriate address. Provide the full postal address of each affiliation, including the country name and the e-mail address of each author. Clearly indicate who will handle correspondence at all stages of refereeing and publication, also post-publication.

A concise and factual abstract (about 120 words) is required. The abstract should state briefly the purpose of the research, the principal results and major conclusions. An abstract is often presented separately from the article, so it must be able to standalone. For this reason, References should be avoided, but if essential, then cite the author(s) and year(s). Also, non-standard or uncommon abbreviations should be avoided, but if essential they must be defined at their first mention in the abstract itself.

Immediately after the abstract, provide a maximum of 6 keywords. Avoiding general and plural terms and multiple concepts (avoid, for example, ‘and’, ‘of’). Be sparing with abbreviations: only abbreviations firmly established in the field may be eligible. These keywords will be used for indexing purposes.

When preparing tables, if you are using a table grid, use only one grid for each individual table and not a grid for each row. If no grid is used, use tabs, not spaces, to align columns.

Ensure that each illustration has a caption. Supply captions separately, not attached to the figure. A caption should comprise a brief title and a description of the illustra-
tion. Keep text in the illustrations themselves to a minimum but explain all symbols and abbreviations used.

Divide your article into clearly defined and numbered sections. Subsections should be numbered 1.1 (then 1.1.1, 1.1.2, ...), 1.2, etc. Use this numbering also for internal cross-referencing. Any subsection may be given a brief heading. Each heading should appear on its own separate line.

Footnotes should be used sparingly. Number them consecutively throughout the article, using superscript Arabic numbers. Do not include footnotes in the Reference list.

Citations, i.e. identifications of other research, in the text must be in parentheses. If a work has two authors, give both names every time you cite it. For three or more authors use »et al.« in citations. Examples:


Please ensure that every reference cited in the text is also present in the reference list (and vice versa). The reference list should be arranged first alphabetically and then further sorted chronologically if necessary. More than one reference from the same author(s) in the same year must be identified by the letters 'a', 'b', 'c', etc., placed after the year of publication. The reference list should be formatted as indicated by the following guidelines and examples.

Books follow this form: Last names, initials (separated by a space). Year. Title (italic, capitalize only the first letter of the first word and of the first word after a long dash or colon.) City where published: Name of publisher. Example:


Chapters in books follow this form: Authors’ last names, initials. Year. Title of chapter (same rule as above). In Editors’ initials and last names (Eds.), Title of book: Page numbers. City (same rules as above): Publisher. Example:


Periodicals. Follow this form: Authors’ last names, initials. Year. Title (regular type; same single-capital rule as for books). Name of Periodical (italic, title-style capitalization), volume number (issue number, if needed): page numbers. Example:

Unpublished works. These include working papers, dissertations, and papers presented at meetings. Examples:

3   Introduction

7   Leaders facilitate work engagement:
   A study on frontline employees in a Danish retail bank
   Renata Mellupe, Bettina Griboy and Jeanette Lemmergaard

23  Co-creating new meaning: towards the patient-centric hospital?
    Mette Rosendal Darmer, Søren Boesgaard, Pernille Preisler, Lene Vibe Heyer,
    Mette Kynemund and Christian Bason

43  The Counterproductive Effects of Role-Conflict Management:
    The Challenges Facing Managers in Transitions to Stigmatized Roles
    Mette Lund Kristensen

57  Testing the OLI model: Is Entry Mode Choice Important for
    Non-financial and Financial Performance?
    Jesper Wulff
Introduction

Leaders facilitate work engagement:
A study on frontline employees in a Danish retail bank

Co-creating new meaning: towards the patient-centric hospital?

The Counterproductive Effects of Role-Conflict Management:
The Challenges Facing Managers in Transitions to Stigmatized Roles

Testing the OLI model: Is Entry Mode Choice Important for
Non-financial and Financial Performance?