

**The Mind of the *Indiana* C.E.O.:
Views on Emerging Business Issues**

Daniel Rutledge, Ph.D.
Associate Professor of Business

Derek Bjonback, Ph.D.
Assistant Professor of Business

Purdue University North Central

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Send correspondence to:

Daniel Rutledge
185 Technology
Purdue University North Central
1401 S. U.S. Hwy 421
Westville, IN 46391
ph: 219-785-5228 em: drutledg@pnc.edu

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Abstract

This study surveys Indiana CEOs to learn their views on a series of business issues seen as emerging in importance in the 2000 decade. The forty issue statements used were generated from the content in the book *The Mind of the CEO* by Jeffery Garten. Results indicate that Indiana executives mostly “somewhat agree” with Garten but also hold several “somewhat disagree” positions. In general, Indiana CEOs were observed more conservative on issues than Garten. This observation holds for comparisons at the state wide level as well as at the business segment level.

The Mind of the *Indiana* CEO: Views on Emerging Business Issues

1. Introduction

The purpose of this paper is to report the results of an opinion survey of Indiana CEOs on a series of business issues seen as emerging in importance in this decade. These controversial issues are based on the interpretations of the authors of this paper from reading the book *The Mind of the C.E.O.* by Jeffery Garten.¹ Our findings indicate that the Indiana CEOs somewhat vary in their opinions from Garten's positions. We also find the results indicate a different path is desirable for resolving these issues versus the solutions suggested by Garten that favors a strong "public-private partnership" approach.

Jeffery Garten, Dean of the School of Management, Yale University, has had extensive exposure to the domestic and international business scene. The opinions he expresses in his book are shaped by his contacts with executives of forty world-leading firms, persons thought insightful about emerging business trends. He postulates that one role for the CEO is to deal effectively with the emerging business environment that is changing at an ever-increasing pace. But the challenge is not only to survive this turmoil -- there is also the challenge of finding new opportunities to exploit if the business firm is to thrive in the future.

Thus our research question is: "Do Indiana CEOs "agree" or "disagree" with Garten on his description of issues?" To answer this question, we administered a survey containing forty statements covering some of these issues (see Appendix A - Survey Questionnaire). Analyses of the results are reported at two levels: at the state-wide level and at the group level for various business segments (*i.e.*, industry type, company size, experience with international trade, etc.). However, agreeing with Garten on issues is one thing; accepting his remedies for resolving these problems is quite another. This distinction between issue description and issue solution is one readers will want to keep in mind as they proceed through the paper.

The paper begins by examining how Indiana CEOs views on emerging issues compare to Garten's viewpoints. We cover his background, work experience and give our perspective of his philosophical leanings as these influence his opinions. Next, book reviews of the Garten work are presented. An explanation is provided of the survey construction and administration and how the issue statements used in the survey were derived. Survey results are discussed based on employing an empirical methodology for analyzing the data. Then observations and discussion of results are covered. Lastly, summary comments and research limitations will conclude the paper.

2. Views on Emerging Business Issues

The authors of this paper believe it can be easily said that Jeffery Garten is a respected observer of domestic and global economic and business issues. His background is diverse: in academia as Dean at Yale University, experience in the financial industry with two Wall Street brokerage firms, Lehman Brothers and the Blackstone Group, and serving as Undersecretary of Commerce for International Trade in the first Clinton Administration. In these positions he has managed to make contacts with CEOs of forty world-leading firms and organizations, affording him to gain a certain perspective about key business issues.

¹ Garten, Jeffery E. (2001), *The Mind of the C.E.O.* (New York, Basic Books).

But why should Garten's viewpoints on emerging business issues be important to Indiana CEOs? While Garten is respected for his background, it is our feeling that he holds a distinct "East Coast" perspective when defining issues and proposing solutions. Additionally, he seems to favor an *intense and necessary* 'public-private partnership' approach when outlining possible solutions. Thus, do Indiana executives share his views and how far does "agree" with Garten also imply accepting his remedies? One inference from an "agree" with position is that it also means tacit acceptance of his solutions and, thus, accepting whatever economic impact these remedies might have on Indiana's economy. Recognizably, the exact impact on Indiana of any particular issue is difficult to say without knowing its specific nature and its proposed remedy. However, based on previous experience with Washington based economic policies, perhaps Indiana has reason for guarded concern.

For example, one primary concern is the income transfer *out* of Indiana. We calculate about \$.95 is returned for every \$1.00 of taxes sent to Washington in 2001 (Internal Revenue Service 2001 and 2002; Indiana MapStats 2003; calculation by authors). At this rate of income transfer in 20 years the equivalent of the entire state's personal income disappears in addition to the loss of \$1,662 state taxes (Mendall 2001) along with local tax revenues forgone on this lost wealth. Such a slant from Washington imposed policies could be at odds with Indiana's long term economic health. Point: what might seem a suitable policy from an "East Coast" viewpoint may not be seen in the same favorable light from an Indiana perspective.

Another example of a government imposed solution (this time the State of New Jersey) involves hiring technology workers on a state government contract (Schroeder, 2003). A bill was passed requiring state contractors to use only U.S.-based employees. The aim of the policy was to hire employees located in the U.S., thus preventing hiring lower cost employees based at a foreign location, in this case in India. Moving nine jobs back to New Jersey meant the state paid an additional \$886,000 above the original \$4.1 million contract, effectively costing the state nearly \$100,000 per job. An argument can be made if the expense of this job-saving development policy so imposed on the contractor was worth the extra taxpayer money.

Garten believes in the thesis that CEOs must take a more active role when developing national and international economic policies. By this he means CEOs should abandon narrow corporate and industry agendas and assist governments in a non-partisan way in developing appropriate national economic policy and international economic institutions to guide economic development.

According to Garten the situation in today's business world as similar to what took place following World War II (Light 2002). At that juncture the business community moved to join with Democrats and Republicans to form the Committee for Economic Development. This action made a major contribution to the analysis of economic issues and the formulation of solutions during the 1950s. Another watershed in world economic development occurred in the late 1960s with the emergence of the economic strength of Japan and Germany and, subsequently, mounting US trade deficits for the first time (Garten, 2003). In 1970, it was President Nixon responding by establishing a commission called "U.S. International Economic Policy in an Interdependent World" that was formed by leaders from business, labor, and academia. This commission focused on reducing non-tariff trade barriers around the world, suggested major trade negotiations, and proposed the need to move towards flexible exchange rates and policy changes; all these actions, Garten notes, were eventually implemented. His proposals for a more proactive business community assisting governments and other sectors of society when setting economic policy appear throughout *The Mind of the C.E.O.*

3. Book Reviews

Several authors have provided book reviews of Garten's work, among these are Mitchell (2001), Blackburn (2001), *The Economist* (2001) and one author of this paper, Rutledge (2002). Additionally, Light (2002) interviewed Garten in an article that further reveals the latter's thinking on the issues discussed in his book.

Mitchell's (2001) review is generally favorable towards Garten's expressed ideas. This review identified four key topics: (1) Internet; (2) globalization; (3) corporate leadership; and (4) relations with stakeholders and stockholders. Rutledge (2002) has added to Mitchell's list by identifying two more topics: (5) setting business strategy and (6) government and regulations. (Later in the paper these six topics are called "summary dimensions" which are formed from the forty statements listed in the survey).

While Rutledge respects Garten's knowledge and experience (and recognizes the many practical limitations of his interview method), some concern is raised about Garten's objectivity. This concern emanates from comments found in the book when Garten defines issues and offers or implies solutions. Garten premises his discussion at points as if based on 'unvarnished truths' (*i.e.*, foreign workers are exploited, global warming is a foregone conclusion), whereas these issues have detractors that hold alternative opinions about their veracity.

Blackburn (2001) and *The Economist* (2001) present more critical reviews. Blackburn is disappointed in the book's content, in part because it promises more than it delivers. He also states that he detects an obvious agenda through the selection of topics. Additionally, he claims that Garten's agenda is what drove the questions asked rather than letting the CEOs talk about what was on their minds. Blackburn also believes that his agenda subsequently helped "color his interpretation" of discussions found in the book.

The Economist thinks that Garten's real objective was to convince CEOs to take a more proactive stance on the global stage. The latter states that the book is not so much what is on the minds of CEOs but what was on Garten's mind -- or what he thinks should be there (this is a point shared by Rutledge).

In Light's (2002) interview a deeper revelation of Garten's ideas is found. Garten speaks of a balance between regulation and free markets and the "urgent need for institutions that can manage the progress of globalization." However, a read of this interview leaves the impression of a certain predisposition, *i.e.*, an activist government institutional approach much favored over a market-based approach. It is not argued that Garten's views are wrong or miscalculated, only that this philosophical leaning should be remembered when examining the content of the book.

Several comments from the Light interview reveal what we believe is Garten's particular leaning. The reader may agree or disagree regarding the accuracy of our observation about his philosophical position, but more important here is the extent to which Indiana CEOs share his views. Some examples from the Light interview are offered to support our observation:

1. "The global economy needs a lot of direction in areas such as free trade, health-care distribution, and environmental and labor standards."
2. "This is a perfect example of a new law -- on campaign-finance reform, in this case -- being a very small part of the solution."
3. "In the international arena, there's a real need for institutions and rules to manage globalization."
4. Garten sometimes talks as if he was a CEO himself: "we'll obtain a more than reasonable level of profitability if we invest in communities and help the government to fashion the right kind of public policies."
5. "On most issues, including global warming, the most effective approach would be for a number of like-minded leaders to get together and move their organizations as a group in a certain policy direction."
6. "Companies are competing for the most educated people, and most of them want to be identified with progressive causes" and "increasing pressure for environmental stewardship and for fair dealings with local work forces."

4. Survey Construction and Administration

A reading of Garten's book reveals a number of interesting yet controversial statements. Again, the comments were based on conversations with guest speakers at Yale University's School of Management seminars where forty chief executives of leading world corporations and organizations were invited to speak, as well as reflections of Garten's own experiences. Some of the comments are straightforward recitals from interviewees, other points are Garten's own interpretations of conversations, while a third source appears to be Garten's injected opinions.

Certainly world leading CEOs have a sharp eye on the changing business environment, making considering and understanding their viewpoints worthwhile. Practical considerations, however, limit the number statements a survey participant could be expected to contemplate. Therefore, forty statements were thought sufficient for detecting any patterns that may exist and allows for combining the statements into summary dimensions. Summary dimension were used to represent a 'broader feel' about major issues which also provides a more convenient way for analyzing the data and discussing the results.

Appendix A - Survey Questionnaire, contains a copy of the survey listing the forty statements and business segment demographic categories used for classification purposes.

Appendix B - Summary Dimensions and Individual Statements, defines the six summary dimensions, lists the number of each statement comprising each dimension, and gives the essence of each dimension.

Appendix C - Segment Profiles, finds descriptions for each demographic segment.

The statements used were written in manner that tried to preserve the essence of the comment as much as possible (based on the interpretations of the authors of this paper). Some statements are nearly word for word, others have minor alterations, while others are abridged to convey a particular thought (the reader will have to bear with us on this point).

After selecting statements for inclusion, a randomized order was generated for placement within the survey. Such a placement forces respondents to take time to read and consider each statement separately. The aim is to minimize the chance respondents will answer statements by rote or giving the identical response because of not fully reading the statement or hurrying through the survey which would affect the data analysis.

Business demographic data was gathered in questions in the second part of the survey. The aim here was to make sure a breadth of business and industry types were represented. This allowed for discovering if differences of opinions exist between groups within business segments and recognizes that alternative viewpoints on issues could be a possible.

Generating a cross-section of business types for a mail survey required a list of names covering the spectrum of businesses in the state. The Indiana Chamber of Commerce allowed the researchers use of their member list, even recognizing that the Chamber list falls short of a full enumeration of business types (the authors accepted this limitation). The original list of 711 was culled to eliminate certain types (educational institutions; physicians; hospitals and health care facilities; companies known to be out of business), reducing the list to 596. The reason for not including these members was because they were thought less likely to be affected by issues raised in Garten's book in the same way that banking or manufacturing companies would be affected (*i.e.*, globalization, taxing Internet sales).

Two mailings were conducted in order to improve the survey response rate. Executives are known to be difficult to engage to answer surveys, thus two mailings would help address the response problem. The first wave of 596 surveys was mailed in July, 2002; fifty surveys were completed and returned; another sixty-six were returned as undeliverable or out-of-business addresses. A second wave of 530 surveys was mailed in early September, 2002; this added twenty-three surveys (46% increase over the first mailing) for a total of seventy-three or 13% of respondents. The top executive at each company was asked to complete the survey. As a check, respondents were asked to indicate their job title in the business demographics section. A look at respondent titles showed that the top executive answered the survey with only a few exceptions.

Survey instructions directed respondents to indicate the extent they "agree" or "disagree" with each statement. The range of possible answers varied between:

- | | |
|-----------------------|--------------------|
| 1 = strongly disagree | 4 = somewhat agree |
| 2 = disagree | 5 = agree |
| 3 = somewhat disagree | 6 = strongly agree |

As an alternative, an 'NR' choice was available if the statement "did not apply" or "no opinion" was an appropriate response. Approximately 2.7% of total responses had an 'NR' answer.

Statistical analyses were conducted at two different levels of focus. The first focus was at the "overall state" level with $n = 73$ respondents in the sample. This level of analyses tested the full forty statements and six summary dimensions for a general picture of the state. Second focus was at the "business segment" level looking at separate groups within each segment; at this level the sample sizes vary depending on segment. Again, the object here is to search for

possible differences within segments that otherwise might not be detected using only "overall state" level data. At the "business segment" level only the six summary dimensions were tested due to obvious data analysis and reporting reasons.

Mean averages and standard errors for each statement and the six summary dimensions are presented in two tables (Table 1 - Statements 1-40: Descriptive Statistics and Comparison to Critical Values of 4 and 5 and Table 2 - Summary Dimensions: Descriptive Statistics and Comparison to Critical Values of 4 and 5). Additionally, T-tests for each statement and each dimension were calculated against the critical values of 4 and 5. Comparing the mean averages to a critical value of 5 indicates "agree" with Garten's opinion; when compared to a critical value of 4, this indicates "somewhat agree" with his view. Holding to a 95% level of confidence, the means were compared versus two standard errors below each critical value.

Interpreting the T-test results follows these guidelines:

Mean value is	Interpretation of position vs Garten
5.36	agree with Garten's view
4.77 to 4.72	agree with Garten's view
4.66 to 3.74	somewhat agree with Garten's view
3.68 to 2.99	somewhat disagree with Garten's view

From Table 1, statements #9, #4 and #30 illustrate these three interpretations:

Statement #9 has a mean of 4.72 and 0.16 standard error for t-statistic = -1.78 at $p \geq 0.079$; it is within two standard errors (~4.68) below critical value of 5.00; interpretation is the mean *is not* significantly different from 5, therefore respondents "agree" with Garten's position.

Statement #4 has a mean of 3.83 and 0.16 standard error for t-statistic = -1.02 at $p \geq 0.313$; it is within two standard errors (~3.68) below critical value of 4.00; interpretation is the mean *is not* significantly different from 4, therefore respondents "somewhat agree" with Garten.

Statement #30 has a mean of 3.60 and standard error 0.15 for t-statistic = -2.68 at $p \leq 0.009$; it is below two standard errors (~3.70) of critical value of 4.00; interpretation is the mean *is* significantly different from 4, therefore respondents "somewhat disagree" with Garten.

5. Survey Results

This section reports the statistical results and analyses performed on the data gathered from the survey. The main purpose is to understand how Indiana CEOs' opinions compare with Garten's thinking on key issues. Using the survey scale, a critical value of 5 indicates "agree" with Garten while a critical value of 4 indicates a "somewhat agree" with position. Three sets of analyses are reported:

1. at the "overall state" level covering each of the forty issue statements;
2. at the "overall state" level covering each of the six summary dimensions;
- and
3. at the "business segment" level covering the six summary dimensions to find if differences exist between groups within business segments.

(Appendix C - Segment Profiles defines the groups in their respective business segment).

Overall State Level by Individual Statement

Table I - Statements 1-40: Descriptive Statistics and Comparison to Critical Values of 4 and 5, reports results at the overall state level, gives a synopsis of each statement, the number of cases, mean averages (by descending order) and standard errors. The means vary from a high for #8 (5.36) to a low for #20 (2.99), a range of 2.37 points or 47% of the five-point range. Also given are the t-statistics and level of significance for each T-test against the critical values of 4 and 5, as these represent varying gradations of agreement with Garten's opinions

Critical value of 5: Only one statement #8 (5.36) exceeds 5, indicating "agree" with Garten that knowing what value the firm brings to its customers is a key to successful business. Two other statements #16 (4.77) and #9 (4.72) are within two standard errors below the value of 5 (approximately a 4.70 cutoff point), also indicating that respondents do "agree" with Garten on these two issues. However, the remaining thirty-seven statements (92%) are more than two standard errors below the critical value of 5, meaning respondents hold views tending towards "somewhat agree" or "somewhat disagree" with Garten's position.

Critical value of 4: Of the total forty statements, twenty-six (65%) either exceed the critical value of 4 or are within two standard errors below (approximately a 3.70 cutoff point; #8 through #19). Conclusion: In addition to the three "agree" statements, respondents tend toward having "somewhat agree" positions on twenty-three other statements, making a majority of statements favoring towards Garten's viewpoint.

Overall State Level by Summary Dimension

Table 2 - Summary Dimensions: Descriptive Statistics and Comparison to Critical Values of 4 and 5, repeats the same statistics and tests on six summary dimensions. The summary dimensions are premised to reflect how respondents hold a 'broader feel' on a topic rather than contemplating each statement individually and then trying to assess what pattern this represents overall. The means vary from 4.36 (Stakeholder Interest) to 3.75 (Management + Leadership), a range of .61 or 12% of the five-point spread.

Critical value of 5: Comparisons show a large negative t-statistic, significant at $p \leq 0.000$ level, indicating each mean is more than two standard errors below the critical value of 5. The summary dimensions indicate that Indiana executives do not "agree" with Garten on issues that make up these areas.

Critical value of 4: Four of the six summary dimensions exceed or are within two standard errors below this value, with a fifth (Government + Regulation) dimension marginally significant at the 0.075 level. Respondents "somewhat agree" with Garten when considering summary dimension as representations of issues. Only one dimension (Management + Leadership) is clearly at a level below the critical value of 4, indicating respondents tend towards "somewhat disagree" with Garten. Conclusion: respondents do not "agree" with Garten's opinions based on a 'broader feel' of the topic but tend towards "somewhat agree" with him, while holding several "somewhat disagree" positions concerning Management + Leadership issues.

Business Segment Level by Summary Dimension

Table 3 - Summary Dimensions: Means and Standard Errors by Business Segment gives analyses for each of the nineteen groups across the six summary dimensions (overall averages are shown for reference only and are not included in the discussion). The purpose of analyses at the "business segment" level is to learn if differences exist between groups within segments that may not be detected at the "overall state" level. Similar to the analyses reported in Table 2 are the means and standard errors for the 114 individual group comparisons. The "vs. value = 4" comment reports if the particular mean is within two standard errors below the critical value of 4; a 'yes' answer indicates a "somewhat agree" with Garten while a 'no' answer indicates a "somewhat disagree" position.

Comparing groups within their business segment (between rows across each dimension) the general pattern is a "somewhat agree" with Garten as few differences are observed between groups. In Table 3, 102 (89%) of the 114 comparisons exceed or are within two standard errors below the critical value of 4. Three groups, manufacturing (industry), north that includes the metropolitan Indianapolis (Location), and favorable (NAFTA Effect), each had two dimensions more than two standard errors below the critical value of 4. These results are insufficient for supporting the proposition that groups within these segments hold different views on issues. Conclusion: groups within segments tend to hold similar views on issues and that they mostly "somewhat agree" with Garten.

Differences of opinion between groups within segments are evident in Table 3 for certain instances. The responses for manufacturing and north location groups indicate "somewhat disagree" with Garten on both the Government + Regulation and Management + Leadership dimensions. The Government + Regulation statements refer to increasing uncertainty about government- business relationships and the specter of imposed additional regulations.

The Management + Leadership issues refer to the increasing uncertainty in terms of changing business and social environments and the ability of CEOs to make effective decisions. Companies experiencing a favorable NAFTA Effect also "somewhat disagree" with Garten on issues related to both Globalization and Management + Leadership dimensions. Globalization issues are the challenges posed by a changing world economy, e.g., European and Japanese challenges to the U.S. economic position, anti-corporate feelings among anti-globalization forces and the necessity for a strong international regulatory framework. Conclusion: CEOs in manufacturing, north location and favorable NAFTA Effect exhibit "somewhat disagree" views more so than for other segments. We conclude that executives within these segments: (1) are confident they can cope with the changing world environments; (2) discount the seriousness of the challenge that Garten believes exists; and (3) appear more upbeat about their ability to meet the new global competition.

Examining each of the six summary dimensions individually (read down each column), only the Management + Leadership dimension shows a definitive pattern. In each of the nine segments at least one group is two standard errors below the critical value of 4 (approximately 3.70 level). A composite description of the hypothetical organization that "somewhat disagree" with Garten is a large manufacturing company, in business over 31 years, located in the north, and has experienced a favorable NAFTA Effect with export business exceeding 6% of sales. Summarizing: at least one group in each segment differs on Management + Leadership issues, most groups "somewhat agree" with Garten on Government + Regulation and Globalization issues, while all groups "somewhat agree" with Garten on issues comprising the Stakeholder Interests, Setting Strategy and Internet Effects dimensions.

The specific analysis here examines the differences existing between groups on the eight individual statements comprising the Management + Leadership dimension. This analysis is found in Table 4 - Management + Leadership Dimension Statements By Business Segment. (The descriptors within the [] indicate the group having the lowest mean for that segment, while the () is the number of statements that a particular group has below the critical value of 4).

First, notice that two distinct groups emerge among the eight statements based on their mean averages. One group indicates respondents either "agree" (#16) or "somewhat agree" (#1, #31, #36) with Garten; these have means ranging from 4.77 to 3.79. These statements also have the fewest number of segments where the groups within display decidedly different views (e.g., #16 has two segments (manufacturing and internet) with means more than two standard errors below the critical value of 5, the "agree" with position; the other seven segments have means all within the lower limit of 4.70. Interpreting this first set of statements: executives recognize the pitfalls of their office (crucial, failure, impossible, beyond) as something that has to be accepted and dealt with on a continuing basis. The essence of these statements:

- # 1: "something very crucial....CEO cannot it allow to be put up to debate."
- #16: "vision is a prerequisite....failure to execute strategy well will get CEO into trouble."
- #31: "trade-offs....impossible to quantify....require unusually high dose of gut instinct";
- #36: "obligations beyond their company....express as personal rather than official";

On the other hand, the second group is comprised of "somewhat disagree" (#13, #27, #32 and #39) with positions. These means range from 3.63 to 3.00; all meet this interpretation as they are well below two standard errors of the critical value of 4.00. Not surprisingly, these statements contain seven to nine segments where the groups within differ between themselves. It is this second set of statements that defines Indiana executives as distinct from Garten: they are confident in their ability to deal with emerging business issues coming in the 2000 decade. Based on the above we conclude: Indiana executives prefer to be self-reliant in dealing with issues, even if Garten believes these issues are beyond the average CEO's domain.

- #13: "companies....solving social problems....before they become scapegoats";
- #27: "demands made on CEOs....preoccupied are they with everyday demands";
- #32: "balancing all these objectives simply may not be possible";
- #39: "forming an 'Office of the Chairman' team is a possible option."

Summary: This analysis points to the idea that Indiana CEOs are confident about their ability to solve emerging problems. These positions (statements #13, #27, #32 and #39) vary from Garten's views substantially and explain why the Management + Leadership dimension is much different than the other five dimensions.

6. Observations and Discussion

Based on the above analyses, a number of observations emerge comparing Indiana CEOs' opinions with Garten's views on key issues. These are discussed at the "overall state" level first, then by "business segment" level.

At the "Overall State" Level: For the most part Indiana executives *hold few* "agree" with positions versus Garten but *tend primarily toward* "somewhat agree" with positions.

At the "overall state" level Indiana CEO views compared to the critical value of 5.....

Observation 1: indicate "agree" with Garten on three of the forty individual statements;
and

Observation 2: indicate an absence of "agree" with Garten on the six summary dimensions.

At the "overall state" level Indiana CEOs views compared to the critical value of 4.....

Observation 3: indicate "somewhat agree" with Garten on 58% of the forty individual statements; and

Observation 4 indicate "somewhat agree" with Garten for five of the six summary dimensions.

At the "Business Segment" Level: None of the groups within business segments hold any "agree" with Garten views, but *predominately* hold "somewhat agree" with positions. In general, *insignificant differences* exist between groups within business segments as they *tend to hold* "somewhat agree" with Garten's views on each of the six summary dimensions. On the other hand, the "Management + Leadership" summary dimension shows *clearly evident* differences between groups within segments for each of the nine categories.

At the "business segment" level groups within business segments compared to the critical value of 5.....

Observation 5: *do not* "agree" with Garten on any of the six summary dimensions.

At the "business segment" level groups within business segments compared to the critical value of 4.....

Observation 6: *hold predominately* "somewhat agree" with Garten positions across the six summary dimensions; and

Observation 7: *consistently show differences* between groups ranging from "somewhat agree" to "somewhat disagree" with Garten on issues comprising the Management + Leadership summary dimension.

Summary: Indiana business executives *tend to hold* positions that "somewhat agree" with Garten's views and *are generally consistent* across groups within the different segments. Only in three instances (8%) of individual statements do Indiana executives definitely "agree" with Garten's views on issues. In *most instance* (58%), they hold "somewhat agree" with positions. However, there *exist a distinct number* (35%) of "somewhat disagree" with Garten views as the expressed opinions. "Somewhat disagree" views are most characteristic in business segments for groups that are manufacturing, publicly held, large, north location, favorable experience with NAFTA Effects. Regarding groups within business segments, they display *few differences* of opinion for five of the six summary dimensions and, thus, groups hold *fairly homogenous* views. Groups *most closely agree* with Garten on issues of Stakeholder Interests (relationships with customers, community, employees) while holding the more *varied* opinions on Management + Leadership issues (role of CEO in the community affairs).

7. Summary Comments and Study Limitations

Study Construction: Opinions were asked of Indiana executives on a series of statements about emerging business issues considered important in the decade of 2000. The origin of the statements came from the book *The Mind of the C.E.O.* (2001) by Jeffery Garten, Dean at Yale University, a recognized astute observer of current business trends, with additional input from CEOs of world leading companies and organizations. Key issues in the survey covered topics involving stakeholder relations, strategy, internet, globalization, government + regulations and management + leadership. A sample of $n = 73$ size was generated from a survey of Indiana Chamber of Commerce members covering three broad industry types (manufacturing, finance, services). Data gathered for forty individual statements were subsequently classified into six summary dimensions (based on a thematic classification scheme) plus business demographic characteristics for segmentation purposes. Statistical analyses were performed at the overall state level and between groups within the various business segments. The analyses compared two critical values that indicated the extent of agreement with Garten's opinions: 5 indicating an "agree" with position while 4 indicates a "somewhat agree" with position.

Results: Indiana CEOs *tend to* "somewhat agree" with Garten on a majority of individual issues but also indicate a substantial number of "somewhat disagree" with positions; only for a few statements do Indiana CEOs "agree" with Garten. We interpret the results as indicating that Indiana executives hold more conservative views, *i.e.*, they favor self-reliance as a principle of management philosophy. Given this interpretation, we conjecture likewise that they are more conservative than Garten regarding how to resolve major issues.

For the most part, homogeneity of opinions prevails within business segments. Where segment group views vary most is the Management + Leadership dimension where persistent differences across all segments. We observe that there are sharp differences between Indiana CEOs and Garten with respect to how they see the complexity of the business environment. In particular, CEOs differ most from Garten regarding their ability to effectively manage in these new environments. Garten asserts the world environment is becoming "a turbulent sea" and "too difficult for most CEOs to successfully handle all at once" (Garten 2001, 277-278). Indiana CEOs, however, "somewhat disagree" with his viewpoint on certain issues and in some cases "disagree" with him outright. Overall: Indiana executives already surmise that the business environment is complex and that the emerging trends of greater complexity of which Garten speaks so readily are already 'business as usual' for them.

Implications for Indiana: We see two main implications emerging from this survey work.

First: Indiana executives appear to hold more conservative viewpoints compared to Garten, in particular, they see management and leadership issues differently. Indiana CEOs are more self-reliant and believe they are capable of dealing with the complexities of a changing global environment. As a corollary, this observation suggests that turning to the public sector for direction for solving problems might be pursued only after careful consideration.

Second: Indiana CEOs generally hold homogenous views on issues as few differences of opinion are evident. This implies that backing efforts through a state-wide business community approach might be possible, thus speeding up and focusing effort on solutions. The advantage of "one mind" is that massed support gets more attention and generates more impact than when different approaches are pursued which dissipates effort.

There are also two additional implications uncovered from examining the segment data.

Third: Particular to Globalization and examining the business segment profiles, about half of Indiana CEOs indicate a favorable experience with NAFTA. Disturbingly, more than half of the respondents have "no opinion" about the effect NAFTA has produced on their business and only

one-third of companies report export sales exceeding the 6% mark. This we consider points out that foreign market development offers potential for Indiana business expansion.

Fourth: Particular to the Internet and business segment profiles, more than two-thirds of respondents indicate the Internet having a favorable effect on their business. This implies that enhancing development of the Internet within the state should be encouraged.

Study Limitations: A few points about this study should be recognized as they potentially color the reported results.

1. The sample of $n = 73$ respondents is smaller than desired which is noteworthy when segment differences are examined.
2. Respondents were all members of The Indiana Chamber of Commerce (the supplier of the mailing list used in the survey) which favors manufacturing and finance firms; a wider range of business types would be more representative of the state's business population.
3. While the statements in the questionnaire cover a range of key business issues, another set of statements covering the same issues could be tried to see if similar results are attained.
4. Indiana CEOs work in smaller companies than the group of executives Garten met and held discussions with about the perceived future trends.

Thus, resources for environmental scanning may be more limited for Indiana executives which also may affect what is considered an important issue (*i.e.*, tax issues).

Future Research: Only the State of Indiana was surveyed in this study. Further research covering a cross section of states, particularly among the Great Lakes area, might reveal if a geographic mind set exists. The same study at a later date would also provide a longitudinal observation. An additional survey would serve to discover if executives' opinions have changed on important issues as time passes -- or if the issues discussed in Garten's book come forefront as the decade of 2000 advances.

Final Thoughts: Will Indiana executives come to a common position for addressing key emerging issues? Will it be along Garten's approach or some other path? Consider Garten's comments: "Public sectors are simply not equipped to do what they ideally should in the midst today's rapidly changing world" (Garten 2001, 15). And he continues by stating: "the future for corporate success....a simultaneous focus on profits and community -- that ought to become the model for big companies" (Garten 2001, 281).

Or will the approach be along *The Economist* (2003) philosophy: "they [businessmen] should be....at arm's length from government. The job of a chief executive is to make a profit for his company....it is not to make public policy." Based on our survey results reporting a mix of "somewhat agree" and "somewhat disagree" with positions, we think the direction for Indiana CEOs is towards self-reliance versus 'public-private partnerships' as Garten favors.

Table 1

Statements 1-40: Descriptive Statistics and Comparison to Critical Values of 4 and 5*

Statement Number and Essence	N =	Mean	Std. Error	Value of 4 t =	Signif. (2-tail)	Value of 5 t =	Signif. (2-tail)
8 key is knowing what value co brings customers	73	5.36	.12	11.53	.000	3.03	.003
16 failure execute strategy puts CEO in trouble	73	4.77	.15	5.10	.000	-1.55	.126
9 if employees proud then company thrives	72	4.72	.16	4.63	.000	-1.78	.079
33 extensive govt regs could hurt economic progress	73	4.66	.16	4.02	.000	-2.10	.040
12 employee knowledge is critical company asset	73	4.59	.13	4.41	.000	-3.08	.003
10 future co focus on both profit and community	73	4.55	.14	4.05	.000	-3.34	.001
17 high CEO pay does not make for employee trust	73	4.52	.14	3.66	.000	-3.37	.001
38 Internet will lead focus new channel/products	71	4.45	.12	3.70	.000	-4.15	.000
22 Internet brings new types of business tools	72	4.36	.13	2.77	.000	-4.91	.000
6 Europe/Japan will again challenge US	71	4.31	.13	2.31	.024	-5.15	.000
5 old command methods will not work in future	73	4.27	.15	1.89	.063	-5.00	.000
37 employee personal values can not be put aside	72	4.25	.12	2.06	.043	-6.17	.000
14 Internet is uncertain bet for winning strategy	73	4.25	.14	1.76	.083	-5.38	.000
29 industry boundaries are blurring	72	4.19	.13	1.51	.137	-6.24	.000
2 CEO not want accountable implement govt policies	68	4.03	.16	0.19	.850	-6.52	.000
15 rapid change means no choice but take risks	72	3.99	.13	-.11	.912	-8.06	.000
24 regulation needed so all benefit from globalization	71	3.99	.13	-.11	.914	-7.85	.000
36 CEO see obligations as personal vs company duty	69	3.94	.16	-.35	.724	-6.46	.000
25 firms held account social aspects of their business	73	3.92	.13	-.62	.540	-8.11	.000
11 governments have confiscatory urge	69	3.88	.15	-.77	.445	-7.34	.000
31 uncertainty means more gut instinct decisions	73	3.88	.13	-.92	.359	-8.40	.000
4 globalization means stronger regulatory framework	66	3.83	.16	-1.02	.313	-7.21	.000
1 CEO allow no debate just to reach consensus	73	3.79	.19	-1.11	.270	-6.52	.000
26 Americans think globalization drags down wages	59	3.78	.15	-1.42	.160	-7.88	.000
18 co becomes scapegoat failure govt econ policies	73	3.75	.15	-1.61	.112	-8.13	.000
19 strategy go wrong because lack of good criteria	72	3.74	.15	-1.78	.079	-8.54	.000
40 enlightened CEO accepts Internet regulations	68	3.68	.14	-2.32	.024	-9.48	.000
7 "implicit contract" between labor/mgt is disappearing	64	3.67	.14	-2.42	.018	-9.79	.000
13 co mission means solving social problems	73	3.64	.14	-2.62	.011	-9.99	.000
27 CEO juggling act job forces focus today's problem	73	3.63	.17	-2.18	.032	-8.08	.000
35 Internet should not escape taxes	71	3.62	.18	-2.15	.035	-7.82	.000
3 foreign co's now realize have to play by US rules	63	3.62	.16	-2.35	.022	-8.51	.000
30 co should hold back til public problem/action is clear	72	3.60	.15	-2.68	.009	-9.34	.000
23 Internet means prices more transparent/competitive	73	3.51	.15	-3.37	.001	-10.22	.000
28 consumers now swayed by image company	73	3.48	.14	-3.73	.000	-10.90	.000
21 CEO resented by anti-global foes	69	3.45	.13	-4.35	.000	-12.26	.000
32 balancing different objectives may not be possible	73	3.34	.17	-3.88	.000	- 9.79	.000
34 New Econ: govt pared down, norms CEO changing	72	3.28	.13	-5.37	.000	-12.81	.000
39 new CEO challenges leads to Office of Chairman	72	3.00	.18	-5.55	.000	-11.09	.000
20 co reassess strategy so often devolves to daily tactics	73	2.99	.15	-6.73	.000	-13.38	.000

* Critical value of 4 is "somewhat agree" with Garten's opinion while 5 is "agree" with Garten's opinion

Table 2

Summary Dimensions: Descriptive Statistics and Comparison to Critical Value of 4 and 5*

<u>Summary Dimension</u>	<u>N =</u>	<u>Mean</u>	<u>Std. Error</u>	<u>Value = 4 t-statistic</u>	<u>Signif. (2-tail)</u>	<u>Value = 5 t-statistic</u>	<u>Signif. (2-tail)</u>
Stakeholder Interests (Q-7,8,9,17,28,37)	73	4.36	.082	4.34	.000	- 7.88	.000
Setting Strategy (Q-5,10,12,15,19,20)	73	4.00	.072	.03	.978	-13.86	.000
Internet Effects (Q-14,22,23,35,38,40)	73	3.98	.075	-.32	.752	-13.67	.000
Globalization (Q-3,4,6,21,24,26,29)	73	3.88	.077	-1.54	.128	-14.51	.000
Government+Regulation (Q-2,11,18,25,30,33,34)	73	3.86	.075	-1.81	.075	-15.14	.000
Management+Leadership (Q-1,13,16,27,31,32,36,39)	73	3.75	.088	-2.84	.006	-14.18	.000
Overall	73	3.96	.061	-.69	.493	-17.04	.000

* Critical value of 4 is "somewhat agree" with Garten's opinion while 5 is "agree" with Garten

Table 3

Summary Dimensions: Means and Standard Errors by Business Segment
(With Comparison to Below Two Standard Errors of Critical Value of 4)

Segment		<u>Stakeh'ld Interests</u>	<u>Setting Strategy</u>	<u>Internet Effects</u>	<u>Global- ization</u>	<u>Govern't+ Regulation</u>	<u>Managm't+ Leadership</u>	<u>Overall</u>
1-Industry								
Manufacturing	$\bar{x} =$	4.13	3.87	3.83	3.79	3.69	3.61	3.82
	s.e.=	.15	.12	.12	.15	.11	.14	.11
	vs. value = 4	yes	yes	yes	yes	no	no	yes
Financial	$\bar{x} =$	4.40	4.00	4.06	3.92	3.94	3.73	3.99
	s.e.=	.11	.13	.13	.11	.12	.15	.10
	vs. value = 4	yes	yes	yes	yes	yes	yes	yes
Services	$\bar{x} =$	4.68	4.23	4.09	3.96	4.03	4.04	4.15
	s.e.=	.14	.10	.11	.15	.15	.16	.10
	vs. value = 4	yes	yes	yes	yes	yes	yes	yes
2-Location								
North	$\bar{x} =$	4.29	3.94	3.94	3.85	3.73	3.69	3.89
	s.e.=	.13	.10	.11	.10	.11	.12	.09
	vs. value = 4	yes	yes	yes	yes	no	no	yes
South	$\bar{x} =$	4.46	4.10	4.04	3.97	3.99	3.83	4.06
	s.e.=	.09	.11	.10	.12	.11	.09	.09
	vs. value = 4	yes	yes	yes	yes	yes	yes	yes
3-Legal Form								
Public	$\bar{x} =$	4.30	3.92	3.90	3.81	3.83	3.68	3.90
	s.e.=	.11	.09	.10	.11	.10	.12	.08
	vs. value = 4	yes	yes	yes	yes	yes	no	yes
Private	$\bar{x} =$	4.43	4.13	4.10	3.97	3.93	3.85	4.06
	s.e.=	.13	.11	.11	.11	.11	.14	.09
	vs. value = 4	yes	yes	yes	yes	yes	yes	yes
4-Employment								
Small	$\bar{x} =$	4.45	4.00	4.09	3.96	3.90	3.88	4.03
	s.e.=	.11	.09	.10	.09	.10	.11	.08
	vs. value = 4	yes	yes	yes	yes	yes	yes	yes
Large	$\bar{x} =$	4.24	4.00	3.83	3.78	3.81	3.57	3.87
	s.e.=	.13	.11	.12	.13	.11	.14	.10
	vs. value = 4	yes	yes	yes	yes	yes	no	yes

s.e.: standard error

vs. value = 4: 'yes' is a mean exceeding or within two standard errors below critical value of 4,
'no' is a mean that is more than two standard errors below critical value of 4.

Table 3 (cont.)

Summary Dimensions: Means and Standard Errors by Business Segment
(With Comparison to Below Two Standard Errors of Critical Value of 4)

<u>Segment</u>		<u>Stakeh'ld Interests</u>	<u>Setting Strategy</u>	<u>Internet Effects</u>	<u>Global- ization</u>	<u>Govern't+ Regulation</u>	<u>Managm't+ Leadership</u>	<u>Overall</u>
5-Sales Size								
Small	$\bar{x} =$	4.37	3.88	4.05	3.90	3.87	3.81	3.98
	s.e.=	.11	.09	.09	.11	.10	.11	.08
	vs. value = 4	yes	yes	yes	yes	yes	yes	yes
Large	$\bar{x} =$	4.37	4.10	3.85	3.89	3.79	3.67	3.94
	s.e.=	.16	.12	.15	.14	.15	.11	.11
	vs. value = 4	yes	yes	yes	yes	yes	no	yes
6-NAFTA Effect								
Unfavorable	$\bar{x} =$	4.24	3.85	3.86	3.82	3.67	3.69	3.84
	s.e.=	.22	.14	.16	.16	.18	.18	.15
	vs. value = 4	yes	yes	yes	yes	yes	yes	yes
Favorable	$\bar{x} =$	4.38	4.04	3.94	3.61	3.81	3.53	3.86
	s.e.=	.15	.15	.15	.13	.15	.21	.11
	vs. value = 4	yes	yes	yes	no	yes	no	yes
7-Foreign Sales								
Small	$\bar{x} =$	4.49	4.07	4.09	3.92	3.91	3.82	4.03
	s.e.=	.09	.08	.08	.08	.09	.11	.06
	vs. value = 4	yes	yes	yes	yes	yes	yes	yes
Large	$\bar{x} =$	4.31	4.03	3.93	3.97	3.87	3.71	3.98
	s.e.=	.12	.13	.12	.16	.11	.13	.10
	vs. value = 4	yes	yes	yes	yes	yes	no	yes
8-Internet Effect								
Unfavorable	$\bar{x} =$	4.40	3.99	4.09	3.82	3.85	4.02	4.02
	s.e.=	.14	.14	.13	.11	.17	.15	.11
	vs. value = 4	yes	yes	yes	yes	yes	yes	yes
Favorable	$\bar{x} =$	4.28	4.01	3.94	3.95	3.86	3.58	3.92
	s.e.=	.11	.10	.11	.11	.09	.11	.08
	vs. value = 4	yes	yes	yes	yes	yes	no	yes
9-Years Business								
New	$\bar{x} =$	4.42	4.23	3.98	4.02	3.88	3.80	4.04
	s.e.=	.20	.15	.13	.19	.17	.17	.13
	vs. value = 4	yes	yes	yes	yes	yes	yes	yes
Older	$\bar{x} =$	4.36	3.99	3.99	3.88	3.86	3.75	3.96
	s.e.=	.09	.07	.08	.08	.08	.09	.06
	vs. value = 4	yes	yes	yes	yes	yes	no	yes

Table 4

Management + Leadership Dimension Statements By Business Segment

Segment	Statement Number								
	Overall	#1	#13	#16	#27	#31	#32	#36	#39
Overall	3.75*	3.79	3.64*	4.77	3.63*	3.88	3.34*	3.94	3.00*
Std.Error vs. Garten	.088	.19	.14	.15	.17	.13	.17	.16	.18
	S-Dis	S-Agr	S-Dis	Agree	S-Dis	S-Agr	S-Dis	S-Agr	S-Dis
Industry (6) [manufacturing]	3.61*	3.55*	3.52*	4.55*	3.17*	3.86	3.17*	3.93	3.14*
Location (4) [north]	3.69*	3.95	3.66*	4.84	3.55*	3.79	3.39*	3.73	2.66*
Legal Form (3) [public]	3.68*	3.67	3.53*	4.81	3.70	3.74	3.23*	3.83	2.95*
Employment (5) [large >375]	3.57*	3.74	3.65*	4.71	3.23*	3.68*	2.97*	3.73	2.93*
Sales Size (4) [large >\$375]	3.67*	3.75	3.96	4.88	3.42*	3.58*	2.88*	3.83	3.17*
NAFTA (4) [favorable]	3.53*	3.19*	3.88	4.75	3.38*	3.88	2.69*	3.73	3.21*
%Foreign (5) [>6% sales]	3.71*	3.48*	3.57*	4.87	3.43*	3.91	3.13*	4.00	3.27*
Internet (7) [favorable]	3.58*	3.60*	3.60*	3.62*	3.33*	3.62*	3.00*	4.00	2.93*
Yrs in Bus. (4) [> 31 years]	3.75*	3.63	3.51*	4.79	3.61*	3.91	3.53*	4.00	2.96*
Number segments 2 s.d. below critical value of 4		4	7	2	8	3	9	0	9

* indicates mean is below critical value of 4 by more than 2 std. errors; $p \leq 0.05$ level
 () indicates number of times segment is below critical value of 4 (not including Overall)
 S-Dis = somewhat disagree with Garten; S-Agr = somewhat agree with Garten
 [indicates group within segment that exerts most influence]

APPENDIX A

Survey Questionnaire

DIRECTIONS: Please indicate the extent to which you agree or disagree with each of the statements below. Use scale of:

1 = strongly disagree

4 = somewhat agree

2 = disagree

5 = agree

3 = somewhat disagree

6 = strongly agree

NR = not relevant to our organization or no opinion.

1. When something is very crucial to the firm and the CEO feels very strong about it, the CEO cannot allow it to be put up to debate in order to reach a consensus. NR 1 2 3 4 5 6
2. Even as good citizens, companies seem uncomfortable with the pressures to go where governments now tread. They do not want to be held accountable for policies they may not be able to implement nor goals they may not be able to achieve. NR 1 2 3 4 5 6
3. Foreign companies have come to realize that to be truly global players and attract the best talent to their industries, sooner or later they would have to play by U.S. rules. NR 1 2 3 4 5 6
4. A more concerted effort to make globalization sustainable would include more support for a strong regulatory framework for cyberspace and the establishment of other international rules and institutions for the global economy. NR 1 2 3 4 5 6
5. Today's CEOs know that the rigidities of the old command-and-control models of management will not work in new world economy companies. NR 1 2 3 4 5 6
6. Competitive pressure from abroad is a cyclical thing. It is inevitable that European and Japanese firms once again will challenge the U.S. the way they did a decade or so ago. NR 1 2 3 4 5 6
7. The "implicit contract" between management and labor has about disappeared in the U.S. and is in the process of substantially loosening up in Europe and Japan. NR 1 2 3 4 5 6
8. The communications revolution is about customers. These days a company has to ask: "What is the real value that we bring to the customer?" NR 1 2 3 4 5 6
9. A core thing with people working for a company, if they are proud, if they are respected, and if they are listened to, then the company will thrive. NR 1 2 3 4 5 6
10. What is required for the future of U.S. corporate success is a simultaneous focus on profit and community, an approach that ought to become the model for big companies. NR 1 2 3 4 5 6
11. Deep down, in a lot of people in government, there is a sort of confiscatory urge. They convince private capital to come in and then grab it and go back to command and control. NR 1 2 3 4 5 6
12. Knowledge is the most critical business asset. Over half of it is in people's heads, so when they walk out the door, that knowledge goes with them. NR 1 2 3 4 5 6

13. The wider mission for major companies should include defining the role they ought to play in solving social problems, and doing this before they become the scapegoats for causing the problems in the first place. NR 1 2 3 4 5 6
14. Companies are making major bets on the Internet. While some people are asking whether a company will make money out of this and when, there is no absolute certainty that this bet is one that companies are going to win. NR 1 2 3 4 5 6
15. When technology is changing so rapidly and the boundaries of the market are expanding, executing strategy often leaves the leader no choice but to take some big risks. NR 1 2 3 4 5 6
16. While having a vision is a prerequisite for being a great CEO, it is the failure to execute a strategy well that will get the chief executive into trouble. NR 1 2 3 4 5 6
17. The issue of outsized CEO compensation packages is relevant to today's employees. If the CEO performs well, this is accepted, but if he fails this does not make for much trust. NR 1 2 3 4 5 6
18. In shoring up the social safety net, companies are failing to deliver. CEOs will become the scapegoats for the failure of the public sector to handle these economic problems. NR 1 2 3 4 5 6
19. Strategic principles should give guidance and should be clear criteria. When things go wrong it is because the company has not established the appropriate criteria. NR 1 2 3 4 5 6
20. In the current environment, a company needs to reassess itself so often that the idea of a strategy threatens to devolve into little more than day-to-day tactics. NR 1 2 3 4 5 6
21. Unless CEOs construe their mandate in a broad social context, they risk becoming targets of resentment by those who see the global movement as a negative trend. NR 1 2 3 4 5 6
22. The Internet could be used to reduce cost of supplies or to reduce inventories. Thus, business fundamentals don't change; only the tools do. NR 1 2 3 4 5 6
23. Because of the Internet, prices are becoming transparent and subject to comparison. This creates a hyper-competitive environment that makes it almost impossible to raise prices. NR 1 2 3 4 5 6
24. CEOs should give attention to the rules and regulations that are necessary for regulating the world economy because these are essential to public perception that globalization is for everyone, not just big corporate interests. NR 1 2 3 4 5 6
25. Even if there is a rise in standards of all types, most firms will be operating in a fishbowl and will be held accountable for every social aspect of their business. NR 1 2 3 4 5 6
26. Based on surveys, most Americans think that globalization drags down wages, 48% thought trade harmed the economy versus 34% those that thought it helped, and 72% thought business had too much influence. NR 1 2 3 4 5 6

27. The juggling act of dealing with varying demands made on CEOs has them not looking too far into the future, so preoccupied are they with the every day demands made upon them. NR 1 2 3 4 5 6
28. Consumers are increasingly swayed in their purchases by the overall image of a company. They see social responsibility as an important part of a company's brand. NR 1 2 3 4 5 6
29. The boundaries of many industries, especially services, are disappearing, blurring within industries as well as across different industries. NR 1 2 3 4 5 6
30. From the corporate standpoint there is logic in holding back until public problems are adequately defined and a course of action is clear and supported by the governments involved. NR 1 2 3 4 5 6
31. This is a world full of tremendous uncertainty, where the trade-offs between courses of action are almost impossible to quantify and require an unusually high dose of gut instinct. NR 1 2 3 4 5 6
32. CEOs recognize the need to enrich shareholders while paying increasing attention to customers, employees, and suppliers. Balancing all these objectives simply may not be possible. NR 1 2 3 4 5 6
33. Government regulation is one of the biggest potential problems on the horizon, enough so that extensive regulation could undermine economic progress. NR 1 2 3 4 5 6
34. In today's New Economy, governments are being pared down as market-oriented policies are gaining ground and the norms for CEOs and their companies are changing. NR 1 2 3 4 5 6
35. Commerce on the Internet should not escape taxation since fees are levied on other types of commerce. But aside from the unfairness, too much essential tax revenue would be lost. NR 1 2 3 4 5 6
36. Some CEOs support the proposition that they have obligations beyond managing their companies. But they express these in personal terms rather than as official corporate duties. NR 1 2 3 4 5 6
37. In the worker generation of today we are seeing a set of values and interest in the environment, poverty and health. Companies will not be able to totally put those concerns aside. NR 1 2 3 4 5 6
38. One thing very clear now is that the on-line world is going to change everything. There will be increasing focus on and need for understanding different distribution channels and matching products and services to these channels. NR 1 2 3 4 5 6
39. With the range of challenges faced by CEOs, today's executive position is too much for one person to be effective. Forming an "Office of the Chairman" team is a possible option. NR 1 2 3 4 5 6
40. As for the Internet, self-regulation and how much government should be involved, an enlightened position for a CEO would be to accept a significant dose of both. NR 1 2 3 4 5 6

Organization Description

The date requested is for classification and comparison purposes only. Please mark the choice that *most closely* describes your organization. Four questions (B,D,H,K) request information to be filled-in by the respondent.

- A. How would this location of your organization be described:
 company headquarters plant location
 division headquarters other type (_____)
- B. What is the zip code for this location: _____
- C. What is the legal format of your organization:
 public corporation partnership
 private corporation proprietorship
- D. How long has your organization been in business: _____ years
- E. What is your organization's main business activity:
 agriculture services insurance
 mining wholesaling banking/finance
 construction retailing real estate
 manufacturing transportation other
- F. What is the number of employees in your organization:
 under 50 101-250 501-1000 2501-5000
 50-100 251-500 1001-2500 5001+
- G. What is the sales level (\$millions) of your organization:
 under \$10 \$51-100 \$251-500 \$751-1000
 \$11-50 \$101-250 \$501-750 \$1000+
- H. Approximately what percent of sales for your organization are attributed to international business: _____ %
- I. Specific to NAFTA, how has it affected your organization:
 definitely negative somewhat positive
 somewhat negative definitely positive
 some negative, some positive neither negative nor positive
- J. Specific to the Internet, how has it affected your organization:
 definitely negative somewhat positive
 somewhat negative definitely positive
 some negative, some positive neither negative nor positive
- K. What is the title of the respondent answering this questionnaire:

Note: If the respondent would like a summary of the results of this survey, please send an email to: drutledg@purduenc.edu

APPENDIX B

Summary Dimensions and Individual Statements

b1 The six summary dimensions utilized in this research are based on the forty statements contained in the survey. The reason for using summary dimensions is to facilitate data analysis and subsequent discussion, and avoids reporting the results for 40 individual analyses.

b2 Each statement was uniquely classified into one of six summary dimensions. A thematic categorization scheme was used to describe each dimension, the statement's content serving as the basis for deciding the statement's placement. Below are the names of the six summary dimensions, a brief explanation of their thematic content and the numbers of the statements comprising each dimension.

Summary Dimensions and Individual Statements

<u>Dimension</u>	<u>Explanation of Summary Dimensions</u>	<u>Statements Included</u>
Stakeholder Interests	Relationships With Persons -- affected by the company's actions, outside and inside the company and its perceived community and social responsibility	#'s 7, 8, 9, 17, 28, 37
Setting Strategy	Decision Making -- that affects the future of the organization, who is involved and how decisions are manifest	#'s 5, 10, 12, 15, 19, 20
Internet Effects	Communications Method -- having the effect of changing the speed and method of business information and actions	#'s 14, 22, 23, 35, 38, 40
Globalization	Worldwide Conditions -- due to close contact with other societies that present market opportunities and competitive challenges	#'s 3, 4, 6, 21, 24, 26, 29
Government + Regulations	Authoritative Environments -- that require interaction with society and impact how business is conducted	#'s 2, 11, 18, 25, 30, 33, 34
Management + Leadership	Role of CEO -- as the main contributor to how the organization functions and sets the general tone of organizational culture	#'s 1, 13, 16, 27, 31, 32, 36, 39

APPENDIX C

Segment Profiles

<u>Segment</u>	<u>Basis</u>	<u>Number</u>	<u>% Split</u>
Industry			
Manufacturing	self-reported	29	40%
Financial	self-reported	28	38
Services	self-reported	16	22
Location			
North*	46XXX zip code	38	54%
South	47XXX zip code	32	46
Legal Form			
Public	self-reported	43	59%
Private	self-reported	29	41
Employment Size			
Small	<375 persons	42	58%
Large	>375 persons	31	42
Sales Size			
Small	<\$375 mil.	39	62%
Large	>\$375 mil.	24	38
	(unreported = 10)		
NAFTA Effect			
Unfavorable	score 1,2,3	19	54%
Favorable	score 4,5	16	46
	(unreported = 38)		
%Foreign Sales			
Small	<6% total	47	67%
Large	>6% total	23	33
Internet Effect			
Unfavorable	score 1,2,3	19	31%
Favorable	score 4,5	42	69
	(unreported = 12)		
Years Business			
New	<31 years	15	20%
Older	>31 years	57	80

n = 73 total; segments significantly less than 73, so noted.

* North includes the metropolitan Indianapolis area.

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