

**Current Issues in Consumer Privacy Policies**      4

*In November 2000, the Financial Services Modernization Act, also known as the Gramm-Leach-Bliley Act, became law. It eased state and federal restrictions on affiliations among financial institutions. Almost immediately, privacy issues arose, since affiliated institutions naturally would want to share customer information. The law allows sharing of nonpublic information for a number of specific purposes and situations. Consumers must be notified of an institution's privacy policy and be given a chance to "opt-out" of information sharing with nonaffiliated third parties. How well does this work? A three-year longitudinal study of over 100 institutions looking at five elements of privacy statements found widespread compliance with existing privacy laws and extensive fine-tuning of privacy statements over the period. Nevertheless, it also confirmed that much nonpublic information is legally shared among joint-marketers and affiliated institutions, which may be a cause for concern and future legislation.*

**Donna K. Peeples, Pamela Stokes, and Leon Dube**

**A Factor Analytical Study of Perceived Organizational Hypocrisy**      13

*Intuition and common sense suggest that hypocrisy in management – "do as I say and not as I do" – will have negative effects on employees. The same goes for inconsistencies between the organization's stated mission and values and management's actual behavior. Can these effects be measured? A statistical study based on 396 responses (out of 500) uncovered three key factors or constructs affecting perceived organizational hypocrisy: perceived management actions, perceived culture, and perceived rewards. Overall, a perception of organization hypocrisy correlated positively with an employee's intention to leave. Other results examined the separate effects of the three factors on two groups of employees—those intending to stay and those intending to leave.*

**Thomas W. Philippe and Jerry W. Koehler**

**Organizational Commitment Among Married Dual-Career Employees: Traveling Commuter Versus Single Residence**      21

*Once a rarity, commuter marriages among dual-career couples are increasingly common. Many choose to maintain separate residences instead of living in hotels. Employers sometimes worry that such arrangements will hurt their employee's organizational commitment. They shouldn't. A study of 82 commuters and 39 noncommuters in dual-career marriages found that traveling employees in commuter marriages have higher levels of "affective" organizational commitment — the desire to be identified with an organization — than those residing with their families. They also work longer hours. Evidence suggests commuter employees reward organizations that give them the understanding and flexibility needed to maintain family ties.*

**Dyanne J. Ferik**

**A New Look at Harassment by Supervisors: Focusing on Partitioning Damages Rather Than Assigning Liability**      28

*From 1998 to 2003, the murky area of legal responsibility for harassing behavior by supervisors was shaped by two U.S. Supreme Court decisions: Burlington Industries Inc. v. Ellerth, and Faragher v. City of Boca Raton. These found that employers could be held liable for such behavior, but also created a possible defense for them. In 2003, in State department of Health Services v. Superior Court ("McGinnis"), the California Supreme Court provided a new template by closing the door on employers seeking to avoid liability but, at the same time, offering a way to apportion damages between employer and victim and establish an upper limit of damages for the employer, depending on the circumstances. The authors believe this model should prevail over the Ellerth/Faragher precedents.*

**James F. Morgan, Glenn M. Gomes, and James M. Owens**

## **Profiting From Past Triumphs and Failures: Harnessing History for Future Success 36**

*Dismissing past events with a “that’s history” attitude can be costly to managers and their organizations because a thoughtful examination may save future mistakes. Ironically, past successes are not as instructive as mistakes, since success may hide a company’s vulnerabilities and exposure to changing business environments. Instead of either ignoring past mistakes or enshrining past successes, managers should pursue Schumpeter’s philosophy of “creative destruction,” realizing that a past mistake may or may not be a mistake in the future, just as a past success may or may not be a guide to future success. Careful analysis of the past can help with forward-looking, innovative decisions for the future.*

**John A. Parnell, C. W. Von Bergen,  
and Barlow Soper**

## **Evaluating Internal Operations and Supply Chain Performance Using EVA and ABC 45**

*Most firms know that the performance of their supply chain partners directly affects their own performance, and vice versa. Nevertheless, most analytical tools are focused internally. By combining dyadic economic value added analysis (EVA) with activity-based costing (ABC), it is possible to analyze operations decisions so they can be aligned with supply chain objectives. This novel framework allows managers to trace the financial and nonfinancial effects of decisions, even those affecting the shop floor, on their own operations and those of their supply chain partners. These partners must be persuaded to perform a similar analysis. While the analysis has some shortcomings, it should help assure that decisions will result in the highest value-added for the end customer and superior competitive positions for the firms involved.*

**Terrance L. Pohlen and B. Jay Coleman**