

**Too Intelligent for the Job?      4**  
**The Validity of Upper-Limit**  
**Cognitive Ability Test Scores**  
**in Selection**

*Employees must often evaluate large pools of applicants. Given the high costs associated with new hires that don't work out, employers may seek to narrow applicant pools. Since cognitive ability is an excellent predictor of future job success, low limits on such tests have been used to eliminate applicants. Now upper-limit scores are also being used on the theory that over-qualified candidates may not be satisfactory. This practice survived a legal challenge in 1999, but managers should carefully consider the short- and long-term pros and cons before ruling out potentially over-qualified applicants.*

**Karen South Moustafa and Thomas R. Miller**

**Five Critical Challenges in      15**  
**Strategy Making**

*An organization's decision-makers should think through the following basic questions when formulating strategy: Is strategy-making an art or science? Should a strategy be publicized or kept largely secret? Is consistency or flexibility more important? Should risk be embraced or avoided? Should the planning process be top-down or bottom-up? Answers may not be as black-and-white as the questions, but addressing these basic issues should help managers fit a strategy to a particular endeavor and environment.*

**John A. Parnell**

**Temporary Employment:      10**  
**An Emerging Alternative for**  
**College Graduates**

*Employers facing rapid changes in the business environment and college graduates facing a tough job market can each benefit from temporary employment services. No longer is temporary work primarily secretarial or administrative; professional positions are increasingly available. Based on survey results, temporary agencies could recruit college graduates more effectively by taking certain steps: harnessing the internet; reinforcing positive perceptions about temporary work; offering flexible work option; providing in-house computer training opportunities; and becoming more involved in college career-services activities.*

**Thomas W. Gainey, Laura Barnett, Charity Davis, Michell T. Bell, and Bill Curvino**

**Perceptions of Environmental      23**  
**Consciousness in U.S. Small**  
**Businesses: An Empirical Study**

*Does it pay to be "green"? Many large corporations think so and try to be environmentally conscious. But research is scant on the relationship between small businesses and environmental concerns. A survey of 100 small businesses indicated positive correlations between their level of environmental concern and efforts and between their efforts and the effects on their performance (efficiency, profit, and public image). Top management attitudes are critical, and there was no difference between manufacturing and service businesses regarding key variables.*

**Douglas W. Naffziger, Nazim U. Almed, and Ray V. Montagno**

## **The Internet: Motivations, Deterrents, and Impact on Supply Chain Relationships** 33

*Just how pervasive and beneficial is the internet in a business supply chain, and what are the barriers to its use? A survey of manufacturers, distributors, and industrial customers turned up a mixed bag of responses. Overall, e-commerce was perceived as having a slightly positive impact on supply chain relationships but did not affect the selection of supply chain partners. Customers focused on the potential benefits of reducing costs, while manufacturers and distributors tended to emphasize the impact of e-commerce on customer-related issues. All groups cited a lack of standards and technical know-how as potential barriers to e-commerce. Managers should carefully weigh potential costs and benefits before adopting or expanding an e-commerce strategy.*

**Gail M. Zank and Robert J. Vokurka**

## **Managing the Institutional Environment: Challenges for Foreign Firms in Post WTO China** 41

*The impact of China's new membership in the World Trade Organization is much debated, but most agree that inflows of foreign direct investment will pick up. Foreign firms will have unprecedented access to geographic regions and economics sectors but must contend with China's general lack of codified laws, the regional diversity of "legal systems" and practices, and the absence of case precedents. A literature survey and in-depth interviews with business and legal experts in China make it clear that firms entering China must be fully aware of these challenges and quickly establish the personal connections and procedures needed to operate successfully.*

**David Alhstrom, Michael N. Young, Anil Nair, and Peter Law**

## **The Relation Between Employee Perceptions of Stakeholder Balance and Corporate Financial Performance** 50

*The standard corporate mission is to maximize stockholder value, but doing so successfully may involve also attempting to maximize satisfaction among stakeholders — employees, customers, and the public. A survey drawn from the top 75 publicly held firms in North Carolina (by market capitalization) showed that those whose employees felt their employers were less committed to them than to customers and stockholders had lower sales, net income, and market value (capitalization) than companies whose employees perceived a more balanced commitment.*

**Sheri Bridges, William Marcum, and J. Kline Harrison**