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 Marriott Student Review

Marianna Richardson
Brigham Young University, mariannari@hotmail.com

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Utah’s tech sector is booming, and BYU’s Tech Club is perfectly poised to help students prepare for employment.

Look before you leap

Four ways to ensure women find their ideal career.

Obamacare: Under the Knife

Obamacare is on the congressional operating table right now. MSR analyzes what this means for US healthcare.
Editor-in-Chief:
Marianna Richardson

Editorial Board:
William Adams
Owen Barrott
Kempton Cox
Karson Fronk
Matthew Fudge
Tanner Hafen
Krista Johnson
Lisa Love
Hannah Morse
Annie Pond
Kylan Rutherford
Matthew Stradley
Jacob Thorpe
Ian Whatcott

Contact us:
mariottstudentreview@gmail.com

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To the MSR Reader:
The power of words is evident in our business lives:

- Brilliant words in an interview can change our future employment;
- Angry words can lose a job;
- Encouraging words can improve our work environment; and,
- Charismatic words can land a deal.

Words matter in this inaugural issue of Marriott Student Review on Scholar Archive. The editorial board has focused their articles on your concerns, especially as a business student.

For example, Kylan reviews how the possible changes to Obamacare will affect your insurance premiums.

William explains why the BYU Tech Club has enjoyed amazing support from Marriott students and tech industry leaders.

Hannah suggests four questions that all women should ask their future employers.

Lisa’s and Hannah’s interviews of business managers will increase your understanding of inclusion in the workforce.

Ian and Karson explore the truth about violent rhetoric in business.

Owen gives his opinion as to whether self-help books really help.

We will be including a series of regular features with each issue:

Industry Spotlight - This section will focus your attention on an aspect of business that is HOT right now.

Buzz Words – Five industry buzz words will be defined and used in a sentence, so you can be in the KNOW.

Insights from Professors – Marriott School professors will share their views on current topics.

Unsung Hero – Many people who serve you in the Marriott School are not professors. And, many of these people are amazingly COOL. Learn about the poet-scholar who keeps the Tanner Building grounds looking so beautifully manicured.

Professor Spotlight – Do you have a FAVORITE professor? Do you want to know what music your professors like to listen to? Every issue will spotlight a different Marriott School professor so you can know them as people.

Book Reviews – Every issue, we will review three to five business books that you may want to add to your business library.

Enjoy this issue of MSR.
Don’t forget to tell your friends, too.
Sincerely,
Marianna Richardson, Editor-in-Chief

Contact us at: marriottstudentreview@gmail.com
www.marriottstudentreview.com
In Defense of the Self-Help Book

Editorial by Owen Barrott

My dad is an avid collector and reader of management and success books. I have many memories of growing up listening to the fiery seminars of Tony Robbins while driving in the car. As most kids do, I tried to emulate my dad. While my friends were still watching Power Rangers, I was reading everything from Stephen Covey to Napoleon Hill. From How to Win Friends and Influence People to The Magic of Thinking Big.

I’ve since gone to college and become far more of a skeptic — largely thanks to the Internet and my degree in the “dismal science” of economics. But, I still have a soft spot for the infectious enthusiasm of success literature. I believe that even when success books don’t portray objective reality, these books can have a positive impact on those who are inspired by them. In fact, it may not even matter if people apply the exact principles of success books; just believing that they’ll be more successful may be enough to cause a positive change.

As an Example

For a recent business communications assignment, I read Good to Great by Jim Collins. Good to Great is one of the truly famous books on management and has been touted by business leaders, consultants, and entrepreneurs since it was published. This book has sold millions of copies, and has become a worldwide phenomenon. I chose this book specifically because my dad had several copies lying around and I knew I wouldn’t have to buy my own. (I’m a broke graduate student, don’t judge.)

In preparing to write the book, Collins and his team studied numerous companies in various industries to identify companies that
transitioned from “good” companies to “great” ones. Collins defines “great” companies as ones that persistently and significantly outperformed the market and competitors in stock growth. His team compiled a list of 11 companies that exemplified the “good to great” model. The remainder of the book then explains the principles, policies, and practices which set them apart from the companies that failed to make the transition to “greatness.”

**Good to Great to Ehh...**

*Good to Great* came out in 2001, and unfortunately many of the companies on Collins’s list would no longer qualify as “great.” Just reading over the list today, you can pick out some companies that have become infamous for a variety of reasons. Fannie Mae, Circuit City, and Wells Fargo all made the “great” list. Circuit City is gone. Fannie Mae had some huge problems with the US government, — ahem 2008 global financial crisis. And, Wells Fargo has been featured as the news media’s most recent corporate scandal.

In fact, only Nucor and Phillip Morris could be said to have retained their “great” status. To Collins’ credit he has addressed some of these “no longer great” companies’ struggles in his recent book, *How the Mighty Fall*. (I assume so at least, I only read some of the Amazon reviews.)

**The Past Does Not Equal the Future**

Please don’t misunderstand me; I believe the management principles outlined in *Good to Great* are fantastic. Jim Collins is a management guru and you would be extremely foolish to just wave off his advice because the companies on his list abandoned the principles that made them great. His book is a great guidebook for any manager or employee looking to improve their business and career.

The problem is that books like *Good to Great* are very effective at looking into the past and telling us what led to current success. The analysis of the principles followed, policies enacted, and decisions taken by companies is clear and most likely correct. However, after describing the past effectively, most success literature proceeds to make the implicit (or sometimes explicit) claim that these same principles will lead to success in the future. This is both a huge logical fallacy, as well as the main selling point of these books. It’s the reason why success literature is a multi-billion dollar industry.

The crazy thing is that the accuracy of success books may not even matter for people who believe that they work. Enter behavioral economics.

**Loss Aversion**

Behavioral economics is a beautiful field that relaxes the assumption that people are always perfectly rational. (Not a hard thing to believe!) To understand how success literature may work, let’s look at two findings from the field of behavioral economics: loss aversion and the optimism bias paradox.

Economic theory tells us that you should be willing to pay the same amount to gain 20 dollars or to keep from losing 20 dollars. Rational people should be indifferent between the two. Obviously, most people don’t feel this way. You only have to try to take something from someone to realize that people tend to spend far more energy protecting what they already have, rather than giving up something for a possible gain.

This willingness to spend more energy to protect what is already yours is what behavioral psychology calls “loss aversion.”

Many behavioral economists have even found that professional golfers are more likely to sink a shot when the difference is between a par and bogey, rather than a birdie and par even when correcting for all other factors, such as distance from the hole. Golfers view a bogey as losing 20 points because it adds plus one to the golfer’s score while a par is just seen as maintaining the status quo.

Most people are inherently loss averse and this affects the decisions they make. However, entrepreneurs seem to be sewn from a different cloth which makes them almost impervious to the same level of fear that most individuals experience when thinking about business decisions. This bias towards optimism and lack of loss aversion may be part of the reason they are successful.

**The Optimism Bias Paradox**

The optimism bias paradox is an interesting idea that comes from behavioral economics and basically has three premises:

1. Optimists tend to overestimate the amount of success they’ll actually achieve.
2. Pessimists tend to accurately estimate the amount of success that they'll achieve.

3. Optimists tend to have much more success than pessimists.

The reason behind this outcome is quite simple. Optimistic people are much more willing to take big risks than pessimists, and they don’t get beaten down when they fail. Optimists keep at it over and over again because they don’t understand or don’t respect probability. While the pessimist looks at a failure and says “yep that figures,” optimists continue onward. In an interesting twist, the mere belief that they’ll be successful causes optimists to rise above those who are more skilled or more intelligent than they are.

Why Success Literature Matters

I respect success literature. Any reading that can inspire people to think outside the box, innovate, and work harder will naturally increase a person’s chances of success. People don’t even need to follow the exact principles in a book. One of the reasons Good to Great is so successful is that it teaches that anyone can be an effective manager. It tears down the idea that great managers are born not made. It tells you that there are practical skills and principles that you can follow that will enable you to become a good manager. Even if you didn’t follow the principles, but just believed that you can be a more effective manager, you’re already more likely to succeed.

My dad is the perfect example of the optimistic entrepreneur. He has made some crazy business decisions in his life. He has lost tons of money and has had many projects completely fail. However, he has never lost faith. He has gone forward with the conviction that he had a heavenly mandate fueled by a wealth of success literature ranging from the Bible to The Millionaire Next Door. He never stopped believing that success was right around the corner, and judging by the quality of my little sister’s new car, it’s safe to say that he made it.

Let’s face it, skepticism is easy. The Internet can provide the cynic with an endless list of reasons for why principles don’t work, companies fail, and efforts go unrewarded. A growing set of people routinely revere the dispassionate critic while waving off the successful believer as being merely “lucky.” We need to change this trajectory. Belief is not weakness. Following through on convictions requires strength, dedication, and courage. Belief is not ignorance. I’m not advocating for a return to the blind faith of the pre-Information Age. I no longer accept every tenet of the various success books I read, but I don’t let their faults prevent me from inspiring me to action. Don’t be afraid of the irrational success. Don’t let the average pessimist dissuade you from your passions. And as Jim Collins recommends, don’t let “good become the enemy of great.”

Notes


POST-TRUTH

Describes appeals to emotions or beliefs as more influential than objective facts in shaping public opinion. Post-truth entered the scene on a large scale during the 2016 U.S. presidential election. It even was coined Word of the Year by Oxford Dictionaries.

UNICORN

A private company, usually a tech startup, that has a value of $1 billion. These company valuations are usually questionable because it seems almost too good to be true for investors. Companies such as Uber and Pinterest are considered unicorns, and Facebook has even hit the status of “Super Unicorn” for this decade.

INTRAPRENEUR

A position that uses entrepreneurial skills within a larger company. This word made its debut in the 1970’s and has re-emerged to highlight the necessity of thinking outside of the box. In a 1985 Newsweek article, Steve Jobs stated, “The Macintosh team was what is commonly known as intrapreneurship… a group of people going, in essence, back to the garage, but in a large company.”

SOCIAL MEDIA INFLUENCER

People who use their influence on social media to promote a product. Companies have eagerly taken hold of social media influencers from blogs, YouTube, and other sites. Gap’s Stylid by campaign experienced huge success when using different social media influencers ranging from bloggers to singers outfitted in Gap’s fashion and then promoted across social media.

DISRUPTIVE TECHNOLOGY

A new technology innovation that shakes the already-established market and industry. The Cloud is considered a disruptive technology to other memory-storing devices such as memory cards, flash drives, etc.
Barack Obama is on the congressional operating table right now, and Republicans are eager to start cutting. Hours after Trump took office, the first incisions were made to tear down the law. However, the recent failure to pass an alternative has stalled efforts to build something to put in Obamacare’s place. Instead, it appears that the President and Congress will let the Affordable Care Act (ACA) bleed out. The diagnosis for Obamacare is grim, and the doctors aren’t stitching.

Why Repeal Failed

Congress started surgery on Obamacare with a hand tied behind their backs. Republicans hold a majority in the Senate, but they do not have enough seats to end a filibuster and move to a vote. Their solution was to redefine their changes to The Affordable Care Act as “reconciliation.” This classification limits what can be manipulated, but allows for a simple majority vote, which Republicans thought they could gather. However, several of the votes they were counting on wanted more drastic changes, which reconciliation can’t tackle. Collusion failed, and this initial push to get something passed crashed in defeat.

Congressional rules only allow for reconciliation legislation to be passed once a year. Health Care reform was going to be filed, through some technicalities, under 2016. This keeps 2017 open for tax reform, another Trump campaign promise. A quick push was crucial to squeeze in two reconciliations, and this initial loss all but closes the 2016 window. Forced to choose one, Trump has evidently opted for tax reform, meaning any health care reform will be significantly slowed. Until Republicans can muster enough support in the Senate for a proper replacement, all they can do is stab more holes in The ACA in hopes that the legislation’s death will force compromise.

Obamacare’s Diagnosis

Several forces are already causing the ACA to lose blood. The more pressing issues for insurance companies and consumers are the state of the following three issues:

1. The mandate that all have health insurance
2. The guaranteed issue of health insurance, regardless of pre-existing conditions
3. The governmental fund set up by the Obama administration to save insurance companies from a death spiral

The Mandate

Currently, Obamacare dictates a mandate requiring every American to hold health insurance or be subject to a penalty fee. Despite this, many individuals have opted to pay the fee rather than insurance premiums. Additionally, hours into his presidency Trump issued an executive order urging federal agencies to be much more lenient on penalizing those without health care, and has indicated the administration won’t pursue enforcement of the mandate.

Health insurance is a way to alleviate the risk of unforeseen medical costs in the future. Insurance companies predict the risk associated with each client, calculate the total risk of their pool of clients, and then charge a premium that adds up to enough money needed to cover predicted medical costs with each client sharing that burden; everyone pays some, regardless of how sick they get, but no one is left with a full bill. In theory, a mandate leads to more healthy people buying insurance, which should produce lower premiums for everyone involved. But that did not happen. Uncertainty generated by such a drastic growth in the pool of clients, combined with complex regulations, actually caused insurance premiums to go up instead of down. Reducing enforcement of the mandate will compound this effect, and could generate major issues in other areas of the legislation.

Guaranteed Issue

Insurance companies discriminate; if someone smokes, they will pay more for health insurance because they are more likely to get sick. Before Obamacare, insurance companies could discriminate against individuals with preexisting conditions and deny them coverage.

Obamacare imposes “guaranteed issue,” dictating that companies cannot refuse health care to anyone based on preexisting conditions. Through this policy, Americans with preexisting conditions have access to more health care options and can anticipate lower premiums. Healthy individuals end up sharing the cost, but the mandate was intended to offset any increase in their premiums. Without the mandate, not enough healthy people will buy insurance to keep guaranteed issue profitable. Discrimination provides a viable way for an insurance company to avoid failure and keep rates lower, but guaranteed issue takes this strategy away from them.

The Death Spiral

Instead of tightening restrictions on which individuals they insure, companies either have to rely on government aid to stay solvent, or close their doors. This path to closure is often referred to as the death spiral. There are three ways that insurance companies can die.

1. Adverse selection. Insurance companies struggle to accurately predict rates because clients are incentivized to misrepresent their condition. Thus, costs are higher than revenue, and the company must raise premiums, reject clients, or close.
2. Moral hazard. When an individual becomes insured, their potential financial costs of an unhealthy lifestyle decreases, thus their risk of sickness rises. Similar to adverse selection, this can weaken or destroy an insurance company’s profitability.
3. The death spiral. As insurance premiums continue to rise, only the very sick will choose to buy health insurance. At some point along this spiral, insurance companies will die, as losses add up.

To prevent a death spiral, Congress made government funds available for use during what was called the “Risk Corridor.” Because of the drastic change in who participated in health care markets (a big increase in clients), accurate pricing became effectively impossible. The Risk Corridor Funds were intended to shore up insurance companies that priced too low and incurred losses.

Insuring the insurance companies in this way created an additional moral hazard; almost all the companies underpriced. With the promise of tax dollars to bail them out if they lost money, they had no motivation to price correctly. A death spiral was avoided, but moral hazard racked up a hefty bill, now up to around 8.3 billion dollars. If Republicans choose to stop bailing out companies, the insurance market may again face a death spiral risk.

Letting Obamacare decay will cause another period of uncertainty, and Congress and the President have to decide how they will proceed. Promising a “bailout” of sorts will generate security for insurance companies and individuals who rely on them, but the past shows such a bailout will not be free. Without funds to shore up potential losses, companies will be forced to predict more accurately, but the tendency will be to price high rather than low. More companies will likely fail.

The Bottom Line

No matter what happens in Congress, someone is going to pay for health care. Don’t expect a replacement to Obamacare anytime soon, but do expect continued weakening of its infrastructure. Republicans have already started pulling plugs on the legislation, and the health insurance industry’s resilience will be tried, with no guarantee of any bailout. Obamacare, Congress’s patient, has a lot of preexisting conditions, and it doesn’t sound like anyone wants to give it insurance.

Notes:

By William Adams

Almost a decade has passed since Josh James christened the area connecting Salt Lake and Utah Counties as Silicon Slopes. James, the founder of Omniture and Domo, originally chose the nickname as a nod to the technology metropolis of Northern California and as a bit of a marketing ploy to garner attention for Utah’s own nascent tech scene.1

Since that time, Silicon Slopes has kept Utah’s press corps busy and propelled its business community to lead the nation in economic growth.2 The few original acres surrounding Thanksgiving Point have expanded to include most of the Wasatch Front, comprising dozens of startups and even spawning four unicorns.3 As the proliferation of tech companies has continued, businesses have turned to local universities to fuel their growth. For Brigham Young University, the response to such explosive growth is the formation of what some have called “the newest, hottest club on campus”: the BYU Tech Club.

The story of BYU’s Tech Club begins in late 2014. John Koelliker was a sophomore on an investment banking recruiting trip in San Francisco. Amidst the stops to different financial institutions, the group paid a visit to Facebook’s corporate headquarters. A light bulb went on in John’s head: “We should be placing more top students at tech companies in Silicon Valley!”

Returning to school, John couldn’t find an organization specifically designed to help students from every major learn more about tech and get connected to opportunities at companies like Google or Apple. “There were several niche clubs trying to
The Bottom Line:
In the last decade, Utah has seen unprecedented growth in the high-tech space. BYU’s new Tech Club is the university’s response. With a dedicated group of students and the interest of local professionals, the club is out to help you land the job of your dreams.

The following schoolyear (2015) John and a group of students and the interest of local professionals, the club is out to help you land the job of your dreams. BYU's new Tech Club is the university's response. With a dedicated team. (And for the record, those hours the following summer on Uber's strategy team. (And for the record, those hours were not my idea off the ground, but without a network—and no experience in the industry—the logistics proved to be too much. “So I went back to the drawing board. I spent hours and hours calling alumni, sending emails to anyone in tech. I flew out to Silicon Valley. I applied for every position I could find online.” The hustle paid off; John landed an internship the following summer on Uber’s strategy team. (And for the record, those hours mastering how to connect with professionals paid off too: John has accepted a full-time offer with LinkedIn. Feel free to endorse him for “networking” next time you view his profile.)

Back at school the following semester, John swapped notes with his friend Landon Eyre. Landon had spent the summer interning with Google. “My boss told me he had tried to open the pipeline with BYU, but the Marriott School said it would have to put Google through the verification process before the company could post any job openings on the school’s recruiting website,” Landon explains. “It wasn’t a lack of interest; the school simply didn’t have the infrastructure to take on the daunting task of getting business students without technical skills into technology giants like Google and Facebook.”

The two assembled a team with a few other interested students and agreed upon a threefold purpose:

1. Inform. Create awareness for students about opportunities in tech.
2. Prepare. Build the necessary skills to be successful in various roles within tech.
3. Place. Help students of all majors receive internships and full-time offers from tech companies of their dreams.

With the help of a few enthusiastic information systems professors to help the team navigate to paperwork, the club was officially formed.

Will building relationships with companies in Utah inhibit the Tech Club from making in-roads in Silicon Valley?

“I think it is important to keep a long-term perspective when we talk about the relationship between Silicon Slopes and Silicon Valley. We want to help students land jobs where they want to land jobs and we plan to show them all their options. With so many incredible companies in our backyard, many students will feel like staying in Utah is the best option. Others might want to get out of Utah and try something new. However, regardless of where these students go upon graduation, many of them plan on returning to Utah. When they leave Utah, they will be able to spread the good news about Silicon Slopes and then bring back talent to Utah that otherwise might never have come. It is an endless cycle that helps everyone.”

–John Koelliker

“Now in its first semester as an official BYU organization, the Tech Club has seen growth mirroring that of the surrounding startups within the valley. From the original team of five students, the club has exploded with 170 students attending the club’s kickoff and over 100 participating in its SQL training night.” But the club’s aim is higher than good turnout to its meetings. “While it’s exciting to see so many students get involved for our activities, our real measure of success will be how many students within our club actually get internships and job offers as a result of our events,” says Erika Mahterian, the club’s VP of Member Experience.

The club is starting to see success in its placement efforts. One student, for example, came to the club’s kickoff with a casual curiosity in technology. After meeting with a club member who had worked at Amazon, the student applied to the company and ultimately accepted a summer internship.

The leadership team sees a bright future for the club, and central to that vision is the continued growth of Silicon Slopes. As Lauren Todd, VP of Communications, puts it, “Through the Tech Club, BYU has the potential to become for Silicon Slopes what Stanford is for the Bay Area—a pipeline for the university’s best students to work in their same geographic area and build camaraderie between businesses and the school.” Such a symbiotic relationship is already underway, given that many of the companies trace their roots to BYU, yet Lauren wants to further streamline the connection. “I see the relationship becoming stronger between the two as the club grows and places more students at companies in Silicon Slopes. I see great relationships budding from the events we will hold with the businesses in Utah Valley, and a lot of job opportunities for students in the BYU Tech Club.”

Local companies have also taken note of the gap the Tech Club has filled. “Tech is one of the great opportunities for students coming out of BYU, and yet it’s been underrepresented in certain ways,” says COO of Lucid Software, Dave Grow. “As a result, it has at times been hard [for...
companies) to connect with the students who are definitively interested in pursuing a career in tech (as opposed to other careers like private equity, consulting, etc.) because there hasn’t been one centralized point of contact. He anticipates the club providing real value. “It can help prepare students to understand what to expect in a career in tech and specifically what are the common positions and opportunities that are not typically discussed in curriculum. . . . It’s exciting to see useful skills—like SQL—being taught, since these can make students immediately more valuable in their first job.”

John Mayfield, who previously worked at Qualtrics and Instructure before stepping into his current role at Peak Ventures, shares Grow’s perspective. “The BYU Tech Club could be a phenomenal resource to our portfolio companies through internships and full-time employment opportunities.” The club has already taken steps in this direction. In March the club organized a local tech career fair, hosting over twenty technology companies, many of them startups based in Utah.

While local companies offer exciting opportunities, focusing on the Utah tech community may result in a lack of traction with placement outside the state. On the other hand, devoting most of the Tech Club’s resources towards developing pipelines at tech giants has the potential risk of hindering relationships with firms where natural connections already exist. When asked about the potential for conflicting priorities between catering to Silicon Slopes and Silicon Valley, Koelliker doesn’t foresee a problem. “Even if many of our students leave Utah after graduation, they still carry the BYU brand—a brand intrinsically associated with Silicon Slopes—and will build relationships with people who might eventually be drawn to Utah as well.” To build relationships with companies in both tech hubs, the Tech Club is organizing recruiting trips for the fall of 2017 to San Francisco and along the Wasatch Front, with the possibility of a third trip to Seattle in the future.

As the club continues to expand, its leadership wants the organization to play the role of collaborator, not cannibal. Unlike many clubs that are more role-based, the Tech Club is industry-oriented, giving it a unique position among other student organizations. “The Tech Club is the one spot where any student from any major can get access to top tech companies,” Koelliker says. “There are plenty of clubs with other purposes that have placed some students at tech companies, but their main focus isn’t just tech and their membership base is limited to students with the skill set the club targets.” To this end, the club has already launched an exhaustive effort to partner with student associations and majors across campus, with the goal of promoting one another’s events and coordinating wherever the organizations’ missions overlap. “We’re working with other groups to build strong recruiting pipelines into various companies both locally and around the nation. These companies will know that if they want talent, they can reach out to the BYU Tech Club, and we will give them an audience of highly qualified, hardworking students with diverse backgrounds.”

For more information on the BYU Tech Club, visit its website: http://www.techclub.byu.edu/.

Notes
3. For a definition and examples of unicorns, see the Buzzwords to Know on page .
4. BYU Tech Club Mission Statement, working draft.
5. Internal club data. The SQL night was sponsored by a local training company, SQL Prep, and highlights the club’s ambition to partner closely with top companies.

Does the club’s leadership really not consider Utah companies as stepping stones to the big leagues?

“I never saw my summer internship last year here in Utah as a stepping stone to a ‘more elite’ opportunity elsewhere. Opportunities around Utah are definitely ‘elite’ when the value of some of the companies here is taken into account. I think there will always be students interested in staying in Utah based on their ties to the state, not because they lacked options outside of Utah.” ~Lauren Todd

“Local companies shouldn’t be seen as a stepping stone but rather the goal. The companies in Utah have greater growth opportunities than most and students can often make more of an impact here.” ~Landon Eyre
E-Commerce Spotlight

Industry Spotlight: E-Commerce
By Krista Johnson

Imagine your life without e-commerce. Life without the simplicity of Amazon Prime and one-click ordering or making payments through PayPal. Can you bear the thought?

To live in a world without e-commerce would be unthinkable for the many consumers who have adjusted to the luxury of online shopping and same-day shipping. E-commerce has simplified the way of life and business – for consumers, retailers, and suppliers alike.

History & Growth
The e-commerce industry has been growing since its creation. Many consider “the beginning” to be the founding of Amazon and eBay in 1994. Over the years, sales have continually increased. In 2016, e-commerce sales in the U.S. were at $322.17 billion. According to Statista, sales are projected to continue to increase by 50 percent over the next five years.\(^1\)

Major Players
The obvious leader in e-commerce is Amazon with its sales at $79,268 million, and 74.1 percent of its share of total sales in e-commerce.\(^2\) In fact, Amazon accounted for 53 percent of U.S. e-commerce growth in 2016.\(^3\) Most of the other leaders in e-commerce sales are more traditional brick-and-mortar retailers that have focused their efforts on increasing their online presence including Walmart, Macy’s, Nordstrom, and Target.

A New Trend in E-Commerce
The term “e-Commerce” brings various thoughts to mind: the internet, Amazon, online shopping, etc. However, a more unfamiliar term - “dropshipping” - seems to be making its way to the forefront of many e-commerce retailers’ minds.

Dropshipping is redesigning the traditional e-commerce retail model. Rather than warehousing and managing the physical inventory themselves, dropshipping allows retailers to simply order from their supplier and have the product shipped straight to their end customer.

Retailers experience various benefits by utilizing the dropshipping model. Meshell Long, a former employee of Overstock.com and currently the vice president of marketplace success at Doba (a dropshipping solutions company), states that “many of the larger e-commerce players are moving to a majority drop-ship model to cut costs and keep their assortment fresh.” She continues, stating that it is much easier for retailers to connect directly with the supplier. No “middle-men” involved. The traditional method requires the retailers to handle the logistics of both acquiring and shipping the products themselves. Thanks to advanced technologies, all parties within the supply chain are enabled to stay better-connected and make smarter decisions such as implementing a dropshipping model.\(^4\)

As thousands of retailers are able to conduct business in a way that is more simplified than ever before, opportunities are arising. The e-commerce industry is constantly growing. Opportunities to improve processes and to develop new systems are continually becoming available. No matter what your area of expertise might be, it would be smart for all of us to keep an eye on the e-commerce industry and how we can ride its wave of growth.
LOOK BEFORE YOU LEAP
4 Questions Every Woman Should Ask While Job Searching

By Hannah Olvera

Every woman wants to find her ideal career. However, an ideal career isn’t just a great position with competitive pay; people leave jobs like that all the time. An ideal career is both a perfect fit for the position and within the organization, which might seem like a lofty goal for those who are job searching. The solution? Research. Research a lot.

Unfortunately for women, however, they disproportionality report dissatisfaction due to a lack of fit with the company, despite extensive preparation and research. According to 1,565 surveys conducted by Crain’s Chicago Business, 42 percent of women voluntarily left their jobs due to lack of opportunities, 43.6 percent believe their compensation is less compared to their male peers, and only 50.4 percent believe their companies have a fair family leave policy.

While it is difficult to completely predict fit within a company, women should ask a couple of key questions to better evaluate gender equality in a company’s culture. This process will increase likelihood of personal career success. It will also create a concerted effort to kick start more companies to create equality in the workplace, enabling more women to have more potential in the work place.

1. What does the company look like right now?

Look at the stats, they don’t show everything, but they do measure many women are currently working for the company and how many women are in leadership positions. It’s no surprise that Texas Health Resources, which made the top of Fortune’s 100 Best Workplaces for Women in 2016, 77 percent of employees and 66 percent of executives and managers are women.

2. What kind of growth opportunities exist for me?

According to a Crain’s Report from 2016, pay predictability is the largest determining factor for staying or leaving. In fact, Crain found that 42 percent of the 1,000 women surveyed left positions because they “didn’t feel recognized and didn’t see opportunities for advancement.” Women can avoid disappointment and frequent job changing by looking for companies that have the mentality to grow their employees and, more importantly, have structured leadership and mentoring programs.

Take Goodyear for example: Goodyear is known for their value “buy in early and build,” a clear evidence of a growth mentality. Coca-Cola developed a mentoring program to empower their new minority hires. They found that 80 percent of mentored employees “climbed at least one rung in management” within five years.

Another important indicator of a company’s investment in you is the extent to which they assist its employees in pursuing higher education. Many companies, including Google and Boeing, are dedicated to reimbursing their employees’ academic pursuits and give them time off.

3. What degree of flexibility does the company offer?

Flexibility is great for everyone, and that’s why employers are striving to create more flexible work schedules for the new workforce—especially women. Whether maternity/paternity leave is a priority or not, it is a good indicator of how progressive a company’s culture is. For example, researchers from the University of Connecticut found that 33 percent of women leave their jobs within 12 months of having a baby (a rate that has remained constant for over two decades). Those who stayed reported feeling that management passed them by for advancement opportunities. Following management’s lead, their coworkers thought them less competent and dedicated.

Fortunately, flexible schedules are on the rise, and some companies are putting extra emphasis on extended maternity leave with the opportunity to work from home once the maternity leave finishes, like Stratosphere Networks.

4. Does the company foster open communication?

“There’s a strong correlation between being able to talk openly with company executives and feeling like a workplace is fair,” said Michael C. Bush, CEO of Great Place to Work. “Traditionally, communication channels with leaders have been less available to women than to men.”

Not only are communication channels less available to women, but studies show that white male executives are hesitant to take young females as their mentees.

Although open communication is harder to measure looking from the outside in, some companies are working hard to create more transparent workplaces. Emilio Castilla, an MIT researcher, discovered that a certain firm maintained pay gaps between white and black employees. To overcome the bias-ridden compensation program, Castilla recommended posting each employee’s name, race, and pay raise where all upper-level management could access the information. Social accountability kicked in and managers were more careful in the future to make all pay raises fair; the present pay discrimination quickly disappeared.

Your research should not be limited to these four questions, rather they serve as a starting point. Job searching may be a long process, but the reward of finding your ideal career will be enough to keep you looking for the right company. Not only will you jumpstart your career and personal fulfillment, but you will join a movement that is actively fighting for gender equality in the workplace. You will pressure companies to be aware of women and their potential in the workplace. You will help them realize that they need to be more proactive in recruiting, and more importantly retaining, top talent for their companies. Your search for your ideal career isn’t only about you; it’s about creating change.

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I have felt like, ‘Well, they don’t want me,’ and it’s not because I don’t have much to give. It’s because they don’t want the image. I’ve accepted that,” said Emily, a lesbian employee in a conservative organization.

And Emily isn’t alone. One in ten gay employees have left a job because of workplace discrimination for their sexual orientation. In fact, Emily asked that we keep her name anonymous, since she’s applying for a promotion at work. She was quick to note the irony – in a discussion about inclusion, she had to exclude herself.

We are sensitive to the fact that there are many diverse perspectives to consider in the workforce. To be inclusive, we need to weigh the values and morals of all team members. In this article, we discuss a narrow aspect of inclusion (the perspective of gays and lesbians), and we encourage readers to go beyond our research and seek their own experiences with diversity.

Method

We asked gay and lesbian employees about their experiences in the workplace, positive and negative, and their advice for Marriott School students. Some of the people we interviewed had management experience and mentioned management principles in their responses. We’ve included references to relevant research in the footnotes.

Our interview groups included four women (two pairs of spouses - Emily and Linda, and Tori and Claire) and one man (James), all openly gay. According to the women we interviewed, being openly gay in the workplace is harder for men. Despite our best efforts, we could only find one man who was both gay and a white-collar professional, and who was out and willing to speak with us.

By request, all names have been changed to protect workplace reputations.

Interview

Have you ever experienced discrimination in the workplace based on your sexual orientation?

Emily - I think there’s a chance that I’ve hit the glass ceiling here, and it’s not because I’m not smart or experienced

and it’s not because I’m a woman. I think because [my bosses] are so conservative, it’d be very hard for them to have to be out at picnics and team building activities with me as part of the leadership, not like my friend just got to be part of her promotion. She’s going to be able to, but she’s got the right kind of family and I … I don’t. I’ve accepted that.

How did that discrimination affect your work?

Linda - The one thing about being gay that’s different from [being] black or female is that when you’re gay you can kind of hide. People can’t really look at you and say, “Oh, you’re gay.” Not usually. When we’re in a meeting together and somebody’s trying to be sensitive about a gender-sensitive issue, they’ll try not to be offensive to a woman. So they’re not going to make a joke or make a comment that’s off-color or anything like that because they can look and say, “I’ve got women in [the] room.” But with the gay population, when you’re all sitting around a table you don’t know who’s gay.

Tori - Or you don’t think there is a gay person.

Linda - Exactly. And so they make those offensive comments and that shuts down trust. Am I going to comment now that someone’s ruined that trust? I might take it personally. I might think that person’s idea is a great idea, but if they’ve just made some kind of a comment that is shameful to my family or who I am, I’m not going to work with that person on their idea. Even though I could agree 100 percent with every-thing they’re talking about from a project perspective, I’ve just been offended by them, so am I going to give my all to that person on their project? Probably not. I’m going to take that personally and hold it. I might not ever speak about it if I’m not safe enough to be able to say, “That’s not appropriate” or whatever.

Tori - From a management perspective, you’ve just changed the dynamic of your team. And instead of having a safe environment for everyone where everyone’s willing to contribute where you all can be successful together, you just lost one of your individuals and you don’t even know it. I think a lot of times the challenge to a manager is that you have to be overly sensitive to those things. It might not even be your employee, but your employee’s daughter who’s gay.

Have you experienced any other workplace behavior that made you feel uncomfortable or discriminated against?

Tori - The other thing I think is really interesting about being gay and lesbian is that when people hear that about you it’s like … it’s like that’s who you are. If you’re...
heterosexual it’s like, “Oh, this is my husband,” and you just move on. If you’re heterosexual, that’s only a singly little itty bitty piece of who you are. Everything else is about what you know, what you contribute, what you learn, how you engage with people. For us, a lot of times when you tell people that you’re gay that’s the only thing they think you are. So you have to keep in mind that that’s just a small part of who we are. There’s all these other pieces of who you are or who all the other folks in the room are.

We had a fellow who was the chief commercial officer for us. He carried his Bible to work with him every day. He had his Bible sitting on his desk every time he’d talk to somebody. Well, right there he’d just put a barrier to folks who may not have that same belief. So I think sometimes it’s also the things you surround yourself with. Think of the sayings you put on your wall in your office. Think of the kind of pictures you put out. It’s great to share information about your family, but be careful about what you’re insinuating. You’re a manager now. You need to live your values, of course, but you’re a leader now and not everyone is insinuating. You’re a manager now. You need to live your values, of course, but you’re a leader now and not everyone is insinuating. You’re a manager now.

What have managers done to make you feel accepted?

Tori - I’ve had managers that I’ve been extremely out and open with. I think you wait until you can feel that there’s a trusting environment. You kind of make sure. It’s not the first thing you talk about, usually, but you make sure that there’s some kind of trusting environment.

Linda - I think that trust thing is really critical. Because before you’re really willing to share, you want to know what that reaction might be. In terms of management, I think when you get into difficult situations if you can’t be 100 percent truthful (because you’re trying to tell parts of the of who you are without giving away all of it), it really makes that relationship more difficult. You know what I mean? It’s like you don’t have a real true, authentic relationship if one person’s holding back.

We all have our first experience coming out to a straight person. If it’s a positive experience, we’re more likely to do it again. It’s critical that a gay person’s coming out has some piece of a positive to it. Otherwise, why would you risk doing that again?

What advice do you have for future managers?

Tori - From a management perspective, vv workforce is a more effective workforce. You get better viewpoints, no matter what type of diversity you’re talking about. If it’s a bunch of white men sitting around a room, then you’re going to get one perspective. If it’s got women, if it’s got gays and lesbians, if it’s got Latinos, you get a better perspective. It’s a fact supported by research. So, talking about management in today’s environment, you’re not managing one or two people. You’re probably managing a group of people, and you want to surround yourself with the most effective people who can help you be productive.

Take it from the viewpoint that, as managers, you’re building teams. You want to build a team that is the most productive at whatever you’re doing. That means you need diversity. That means you need all those sorts of things. Think about it. You’re going through school now. You’re going into the workforce. You want to be the most successful you can be and this is a piece of what helps you be there. Whether your religion supports gay marriage or not, you need a diverse pool of people in order to have the best people on your team and get different perspectives.

Linda - And I’ll take that one step further too. I think part of it is respect for everybody in that room. Everybody uses the term “politically correct”, but I think if we have love and respect for one another we’re not going to make those off comments about anything because we love and appreciate everybody. That almost nips it in the bud, but it’s a hard point to get to in a work environment with different people.

Tori - It is, but I think you can do things to make it easier. From a management perspective, you have to stop and think, “What are my management principles? When I step in to manage a team, what’s the first thing I’m going to put in front of them?” And encourage your folks to sit down and list their six, seven, eight management principles that they’re going to start with as soon as they step into that management role. And they don’t need to be long. Just two or three words on each of point, whether it be “trust”, “openness”, “collaboration”. Whatever those are, you have to build them out for yourself.

I think if you start with that as a team, you don’t have to go back afterwards and go, “Oh boy. Somebody made that off comment. I gotta come back to the team and now tell them this is going to be our management principle.” If you start right off, you lay the groundwork for avoiding future issues.
Linda - That comes back to your trust. How do we establish trust? It’s with these norms or these principles, and being committed to them equally. That will build natural trust.

Emily - As a leader it gives you the ability to go to someone who violated one of those and say, “This comment you made in the meeting today, did it really fit within these guidelines that we agreed were going to be our way of behaving?”

Tori - And if you’ve agreed on the front end it’s much easier. Right off the bat we do this as a team. In each of the one-on-one calls I have with my people to begin with, we talk about our norms and I ask if there are any others I need to be thinking about. And I ask them to keep me true to them. I think sometimes you can put those things out and say, “Yeah, this is what I want to do, but am I really going to live this way?” If you say, “You keep me true to these, and I’ll keep you true too”, then it’s much easier to go back and say, “We agreed on this, and what you’re doing doesn’t seem to fit with these principles or norms.”

What can students do now to prepare to enter a diverse workforce?

James - Start now to open yourself up to other experiences. There are different clubs at BYU like USGA. Expose yourself to different experiences that are outside your realm of comfort. [Go] to learn more and to understand so that you can have a formal opinion on it.

It comes down to the matter of deciding for yourself that you’re going to open yourself up to learning from others, but that that doesn’t mean that you’re stepping away from your values or from your beliefs that you hold onto in the church. If anything, you are strengthening your values because you want to have a better understanding and a more formal opinion of tolerance. I’ve been really surprised at times when I came out to people who were strongly anti-gay, but the second I came out to them they were so loving.

Linda - If we would just take the time to listen to each other’s stories and to understand how each person got to their conclusion, maybe we wouldn’t be so far apart.

Conclusion

Let’s be honest. No one expects you to be perfect. In fact, admitting mistakes and seeking advice can build a trusting environment. When in doubt, do what we did.

The Bottom Line

1. Create an environment of TRUST
   Listen to and empathize with your co-workers. Get to know their stories.

2. Be OPEN to differences.
   Get involved in local clubs such as USGA (Understanding Same-Gender Attraction).

3. Watch workroom LANGUAGE.
   Be considerate in your speech, no matter who is around you.

4. Establish NORMS with your team.
   Every member on your team wants to be respected. Lay the groundwork to avoid future problems.


Two Perspectives on Violence in Business

How does Violent Rhetoric affect us?

Does Violence Sell?

Karson Fronk and Ian Whatcott

Violence is nothing new to society. Mankind has fought each other for millennia, and certain elements seem ingrained into society’s culture. Countries seem to routinely combat each other and politicians verbally attack each other as part of their campaign.

Violence and aggression also have their foothold in business. Competition drives capitalism, company culture, and many business make millions of dollars from selling violent media. Society takes these business elements for granted, arguing that violence and sex sells. People routinely see violence and accept, that is the way businesses work.

However, several recent studies object to this idea. The studies argue that perhaps violence is not always best for a company and may actually hurt them. The following two sections look at how violent rhetoric affects company employees and how realistic the “violence sells” claim actually is.

Perspective 1: Violent Rhetoric

- Ian Whatcott

Violent rhetoric was too common during the most recent election cycle. Donald Trump was harshly criticized for his aggressive statements. He was censured for saying he’d “like to punch [a protester] in the face.” The divisive language is almost iconic of this last year.

However, politics is not the only place to use violent rhetoric. Businesses use it often as well. Violent language is incorporated into the very language of business. Steve Jobs once planned for a “Holy War” between Apple and Google, saying he would go “thermonuclear” on Android. Managers may routinely use phrases such as “crush (or kill) the competition.” Society is filled with violence, both in politics, business, not mention the average entertainment.

Effects on Employee Ethics

A recent study wanted to know how employees ethics were affected by violent rhetoric. In the experiments, the participants read statements from managers that contained violent phrases such as “war,” “fight,” and “battle” and then asked questions on their actions. For some, the statements were their own managers, and the rest read statements by a competitor’s manager. In the first experiment, they were asked if they would leave an unfavorable review on a competitors website (an aggressively unethical action). In the second experiment, they were asked if they would extend credit to someone below the level company policy would allow (an unethical action construed as helpful to the business). The participants were also asked to rate how ethical they thought their action was.

As expected, the violent rhetoric resulted in unethical actions. However, the results differed depending on who gave the statement. Surprisingly, those who read violent statements by competitors were more likely to act ethically than those who read statements from their own CEO. When it came from an employee’s own manager, the employees generally held their ground. However, if a competitor’s CEO made the comment, the employees were more likely to choose unethical actions and not think they were being unethical.

This study highlights a new area of concern for managers who are eager to maintain an ethical company culture. Traditionally, companies focus on tone at the top, knowing that if the leaders of the company are ethical, the effect trickles down to the rest of the company. Now, managers need to be aware of how their competitors talk. Employees react to competitor’s violent or aggressive rhetoric with more unethical actions.

The study suggests that this reaction may be due to feelings of defensiveness. When a competitor acts more aggressively, employees may feel threatened and so justify unethical actions as ethical. While the study only looks at employee likelihood for a couple of small unethical actions...
The study lead them to look at how companies perform in violent areas. The professors looked at financial statements across several demographics and found similar results to their first study. They found that businesses located in more aggressive areas tended to have more misstated financial statements and greater accounting irregularities, both signs of lower ethical standards. While the professors acknowledge that the violent areas do not definitively cause unethical financial statements, the results support their first causal claim that general violent exposure impairs business ethics.5

Business Culture Counterbalance

Strong ethics form the foundation of trust for the business. Unethical actions cost businesses millions of dollars every year. The U.S. Government has already acknowledged this and enacted laws like the Dodd Frank Act and Sarbanes-Oxley Act to enforce ethical standards. While these laws address ethical conditions within the company, they focus mostly on conditions within the company and not outside the company. A good tone at the top and the bottom of a business can surely help a company's ethical foundation but these studies show that employees are influenced by things outside the company as well.

Managers can directly control this through policies or standards they set for themselves and their employees. They can work with employees to address any outside rhetoric and create their own ethical culture. Outside culture and tone are powerful influences, but companies that create their own powerful cultures can create safety for the company's performance.

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The Bottom Line:

Employees act more unethically from violent rhetoric outside the company than inside.

Perspective 2: Does Sex and Violence Sell?

-Karson Frank

We are constantly bombarded by companies advertising their products using either violent or sexually explicit content. Poggi (2014) found that “of the 25 most expensive [television] programs to purchase ads in during the 2014–2015 season, 44% were rated TV-14 or TV-MA for violence, and 40% were rated TV-14 or TV-MA for sex.” In 2013 a study found that since 1985 the amount of gun violence in movies has more than tripled (Bushman and 3 others). We know that some films will purposely try to get placed with a PG-13 or R rating because it will increase the popularity of their shows.

From these statistics it appears that violence and sex sell more; however, confounding variables could exist that may distort some of these statistics. Time can help anyone find a causal relationship among variables that may not actually exist. Nonetheless, these statistics beg some of the following questions:

- Does it increase the bottom line of a company?
- Do companies like Carl’s Jr. benefit from selling violence and sex rather than their product?

Both the argument for and the argument against sex and violence in ads will be explored.

An Argument Against Sex and Violence in Ads

A recent study by the Robert Lull and Brad Bushman (Ohio State University) discussed the ill effects of violence and sex on ads. They ran multiple experiments and tested the results based on memory, attitudes, and buying intentions of the subjects after watching multiple ads.

Memory

This study tested memory in four ways: (1) recall brands, (2) recall ads, (3) recognition of brands, and (4) recognition of ads. In their analysis they combined the four types and found that “memory for brands and ads was significantly impaired in programs containing sex, violence, or both sex and violence.” They tested further to see if memory was better for ads that contained violence, sex, or both; their tests did not lead to any conclusive conclusions.

The purpose of advertising coexists perfectly with the importance of memory. An advertiser strives to have their product come to a buyer’s memory first when the person needs that type of product. Many consumers mentally compare products to choose the best one. This study found that the product and the ad content needed to match, improving the recall and recognition of brands and ads. If the unique features of a product cannot be remembered, then consumers will be less likely to buy it.

The Bottom Line:

 Employees act more unethically from violent rhetoric outside the company than inside.
Brand Attitudes

Lull and Bushman ran another test to examine the effects of differing content on brand attitudes. They did this by using one company, but running two different ads; one that was neutral and the other was violent and sexual. The test results shows that subjects’ brand attitudes were less favorable towards advertisements that contained violence and sexual content than those that ran the neutral ads. “The higher the level of sexual content in the ad, the more negative the attitude for the brand.”

The importance of brand attitude is crucial when purchasing a product. Many students own a PC or a Mac. After reading those two words (PC or Mac), many will feel pride for one or disgust for the other without a good reason why. These attitudes either increase or decrease the likelihood of purchasing a product. As a marketer, why would you want to decrease that with your ad?

Buying Intention

Due to their negative attitudes, viewers’ buying intentions were less favorable if they have a harder time remembering the product, or have a negative attitude toward the brand, then they will be less likely to purchase it. Not surprisingly the study found that consumers were less likely to purchase the product if the ads contained sexual or violent parts. In the end, companies couldn’t seduce viewers to buy certain products; companies had to convince viewers that they needed them.

An Argument for Sex and Violence in Ads

A contradictory example comes from Carl’s Jr. - who has run multiple advertising campaigns using sexually explicit images of women with burgers to lure in potential customers to buy their food. According to Andrew Puzder, CEO of Carl’s Jr. (who was also a nominee for President Trump’s cabinet as Secretary of Labor), their ads are successful and will continue to run because they single out the market he wants. He prefers the ads to be offensive to the common person because they are not Carl’s Jr.’s target population; he wants to feed young men (or those who want to be young men) in any way the company can.

Many advertising companies focus on the amount of views that their ad generates in order to measure the quality and effect of their ads. A June 2016 statistic shows that a recent ad by Carl’s Jr., “All Natural,” appearing during Super Bowl XLIX had over 2.5 billion media impressions and 9.5 million YouTube views worldwide.7 This ad was one of many over the past decade that contained sexually explicit content.

Although Carl’s Jr. continues to claim that their ads work, (and it is hard not to believe them having run the ads since 2005) other reports found that this ad campaign - particularly the most recent ads - are not bringing favorable results for the company. It is indeterminable whether the increase in sales is due to the growth of the company (they have purchased a few companies in recent years) or to this sales campaign.

Conclusion

Ads are designed to attract customers and convince them that they need a product. That can be done in a variety of ways. The two aforementioned views by two researchers and a CEO leave the question open. Dr. Bushman and Dr. Lull found that violent and sexual ads negatively impact our memory, brand attitude, and buying intention when compared to neutral ads.

In essence, violent and sexual ads do not increase the bottom line for companies that are not selling a violent or sexual product. However, Carl’s Jr. CEO, Andrew Puzder, claims that his sexual ads have improved the sales of Carl’s Jr. and thus their bottom line. Questions abound in determining the impact of violence and sex on selling.7 Two questions remains above the rest:

• Will you buy it?
• Will you sell it?

The costs and benefits are not as obvious as society would claim.

Notes


NAFTA is a three-way trade agreement between Canada, Mexico, and the United States. NAFTA was initially negotiated by the George H.W. Bush administration, but was finalized by the Clinton Administration. It went into effect in 1994. Tariffs were cut to zero for virtually all manufactured products traded between the three countries. According to a report from the Wharton School at the University of Pennsylvania trade between the U.S., Canada, and Mexico has grown from $337 billion in 1993 to more than $1.338 trillion in 2014 an increase of 297 percent over $451 billion in 1993.

A common critique of NAFTA and other trade agreements, especially when the agreement is with countries that have mismatched levels of environmental regulation, is that firms will move to the country with the least stringent environmental regulation. The underlying assumption is that if the cost to move is less than the cost to comply with the regulation, all else equal, then a firm will move to a new location. We might expect, in the case of NAFTA, to see polluting firms moving from the U.S. and Canada to Mexico, since the level of environmental regulation has historically been less stringent. According to a recent article published in the Journal of International Economics there has been a decrease in environmental pollution in the U.S. associated with NAFTA. Unfortunately, we do not have any solid research on the pollution impact on Mexico. Let us assume for a minute that what has happened is that highly polluting U.S. firms have moved to Mexico. In this case, there is a clear benefit to the U.S. in reduced pollution. However, there may also be an increase in pollution in Mexico which should be troubling if we care about the health and well-being of our trading partners. Nonetheless, this appears to be a case where the U.S. is better off than we were before, we have lower levels of pollution. Importantly, it is likely that we didn’t simply trade highly polluting U.S. facilities for highly polluting Mexican facilities. It may well be the case that as the plants move to Mexico the result is lower levels of pollution since the cost for pollution control may be a lower for new manufacturing facilities. This could then result in lower levels of pollution in Mexico than we initially had in the U.S.. Accordingly, it is very possible that overall pollution levels for the same level of production are lower than they would have been had firms not relocated.

In the public policy world we often talk about unintended consequences of policy choices. I want to highlight one of the unintended consequences that could come about as a result of renegotiating NAFTA – a shifting of the location of jobs. Historically, con-servatives have been advocates of free trade policies since they create an opportu-nity to expand trade. In expanding trade, two basic things happen. First, there is access to new markets. Second, there is increased competition for suppliers. With access to new markets, there may be the opportunity to expand pro-duction, thereby creating more jobs. However, with increased competition not all firms will be able to compete in the expanded market. A supplier now competes with other firms and if wages or other production costs are lower for other firms, the original firm may be at a disadvantage and will either need to find ways to cut their costs (reduce wages, reduce employees, or change production processes to name a few options) or they will go out of business.

While most economists believe that there will be a net expansion as a result of the opening of new markets through trade deals, not all firms will benefit. One of the challenges associated with NAFTA is that it is difficult to untangle some of the employment issues. First, it is clear that there has been a decline in manufacturing jobs over the NAFTA period. Some of that decline is due to firms not being able to compete with companies located in Canada or Mexico. According to Hubauer and Cimino-Issacs after “NAFTA’s enactment, fewer than 5 percent of U.S. workers who have lost jobs from sizable layoffs (such as when large plants close down) can be attributed to rising imports from Mexico.” Further, they then argue that “almost the same number of new jobs has been created annually by rising U.S. exports to Mexico.” Importantly, part of the problem is that the new jobs are not created in the same place where the old jobs were. The U.S. Chamber of Commerce notes that “most of these jobs have been lost to…‘productivity.’ Technological change, robotics, automation, and widespread use of information technologies have enabled firms to boost output even as some have cut pay-rolls. Research suggests that technological advances are making sophisticated capital goods substitutes for low-skilled workers”. Unfortunately, to workers being laid off...
While it is clear that there are some complicated issues in understanding the complete impact of NAFTA, perhaps the most complicated issue would be to renegotiate the treaty. Remember, the president does not act alone. “The President... shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two thirds of the Senators present concur”. Any modification to NAFTA would necessarily require the “Advice and Consent of the Senate.” Accordingly, the simple claim that we can easily negotiate a better deal is a simplistic view. Even if the U.S. were to back out of NAFTA, there are still basic provisions that the U.S. must comply with as an obligation of our membership in the World Trade Organization that would limit how we could impose tariffs on imports. Additionally, other countries, in the case of NAFTA, Mexico and Canada could then likely impose tariffs on our exports to their countries. Thereby increasing costs for both consumers and firms.

James R. Kearl

Protectionist rhetoric is standard fare with each election. Heretofore, it’s ebbed after the polls close. As a consequence, since WWII the US has moved steadily, albeit in fits and starts, away from the colossal economic disaster triggered by the 1930 Smoot-Hawley Tariff and toward more open trade. NAFTA was a notable step in this direction since it was the first agreement between fully developed and developing economies. Mr. Trump’s hostility to NAFTA exhibits a profound ignorance of the effects of trade on the US economy. A change in US policy that reduces the openness of the US economy to trade with Mexico will, in the end, reduce economic wellbeing in the US. Put simply: there are no advantages to the US economy of Mr. Trump’s actions, just disadvantages, although there will be sectors of the US economy that benefit from trade restrictions because more open trade creates both winners and losers. The gains to the winners, however, are larger than the losses incurred by the losers. A renegotiation of NAFTA that reduces the openness of the US economy to trade with Mexico, as it’s surely intended to do, will allow Mr. Trump to claim (and show) that some in the economy benefit. In doing so, however, Mr. Trump will be ignoring the more-than-offsetting costs that his foolish policy imposes, including higher prices and lower quality for consumer goods in the US and a reduced ability of US producers to sell their products abroad.

The facts are clear: trade with Mexico increased five-fold between 1992-2015; US foreign direct investment in Mexico increased from $15 billion to $108 billion over the same period; Mexican imports from the US soared (Mexico imports more than do Brazil, Russia, India, and China combined); supply chain integration grew from trivial to substantial – $.40 of each dollar of US imports from Mexico originates in the US.

What is unclear is whether any of this is due to NAFTA.

The best research to date finds that the aggregate effects of NAFTA for the US have been modest. This was to be expected: US tariffs were near zero before NAFTA, so an important gain (which will be lost) was greater US access to the Mexican market. Disappointingly, the effects for Mexico have also been modest (for reasons that are unclear given the dramatic benefits of moves to more open trade in Hong Kong, Singapore, South Korea, Taiwan, China, and elsewhere in the world where import-substitution policies have been aban-doned over the past two or three decades), although this modest overall effect hides a compositional effect: northern Mexico has seen substantial benefits, with higher wages, more jobs, and booming industries while southern Mexico has seen little, if any, benefit. However, Mexican consumers have seen lower prices and higher quality products across the board because of NAFTA. With regard to jobs in the US, there has been a small net loss (about 15,000 per year), but the export-related jobs gained (around 185,000 per year) pay an average salary 15 to 20 percent more than those lost. Hence, there has been a net aggregate gain to the US economy from NAFTA. And there are other, less easily quantifiable, effects. One of particular importance is the increased ability of the US to compete outside of NAFTA because of the supply-chain efficiencies within NAFTA.

That is, integrating with Canada and Mexico makes US producers more competitive vis-à-vis the rest of the world. Another is that while the economic effects for Mexico have been disap-pointingly modest, it is in our interest to foster a vibrant, growing economy along our southern border, not a depressed, struggling economy with few opportunities for its citizens. Challenges with immigration and a host of other issues would be substantially less if we had an economy on our southern border that was closer to the economy we have along our northern border. To the degree that Mr. Trump’s protectionist policies vis-à-vis Mexico increase, rather than reduce, the economic differences between the US and Mexico (as they will), the US will be worse off. The US will not be better by making Mexico worse off. Rather, the US will be better off as Mexico becomes better off, and NAFTA contributes to this outcome.

Notes on pg. 47
“A few decades ago, we were in the age of the natural man. And it was bad. But now we are in the age of the unnatural man.” Jeff tells me this over his burrito ahogado about three hours into our lunch appointment. Jeff eats to live, and I live to eat, so sometimes we go out to lunch; if it’s his pick, it’s always international.

Jeffrey Subramanian is one of the people who keep our Tanner Building grounds beautiful, and you should get to know him. He’s tall—well over six feet—and has the sort of sinewy thinness that you wouldn’t want to get into a fight with. Luckily, a fight is no threat, because Jeff is a very peaceful man. In part, he will tell you, that peace comes from being outdoors. A lot. “Runners think they’re [outside] to exercise. No—They’re here to be redeemed.” Jeff believes that the “temples of nature” are purifying, which is why he walks everywhere regardless of the weather (and despite owning a car). It also explains why one of his favorite jobs is the one he has right now, working with the grounds crew to beautify the Tanner.

I first met Jeff in January of 2014, and over the last three years, he has never ceased to amaze me. He mows in the heat, happily. He shovels snow at 4:00 am, even more happily. He plays the cello and is especially partial to Bach. (He once corrected me: “I’m not a renaissance man; I’m a baroque man.”) He can quote Shakespeare, Wordsworth, and Grecian tragedies. He also writes his own poetry, and though he now avoids it on grounds of conscience, he can freestyle rap—a skill he picked up in California.

But by far Jeff’s favorite activity is writing poetry. And when he combines that with his favorite place—outdoors—the results are profound. His work on the grounds crew gives him plenty of opportunity. Here’s one he sent me in late November:

**Snow Removal**

The solitude of morning in the snow—
So dark, like vespers registering gloom,
Like whispering children in a quiet room—
Four hours of salt that seemed so long ago.
The trees all lighted in the Christian air,
Standing in celebration of His birth—
No one astir—silence listens to the earth—
And every shake and shovel-full a prayer.

What matters after this? What urgent care
Could possibly annoy? All is a night
Decked out in snow, and slow; and soft; and calm—
The laborers, unaware of inner cheer,
Sleepwalking through their job and through their life—
The sound of work, an auditory psalm.

Jeff has sent me dozens of poems over the course of our friendship, mostly at my request. He has written poems about gumbo, Gethsemane, Hindu divinity, indigestion, and one in which he sincerely apologizes to God for mowing over the ants. (Such formicacide, he laments, is part of his job.)

Jeff has found the perfect balance in his life, this life of writing and caring for nature. In fact, he excitedly declared to me one day that he had discovered his career plan. “I will move to small-town California to be near my grandmother. There, I can farm and work on my life’s opus: a collection of sonnets.”

His smile was undefeatable.
I sauntered into the large auditorium as 2 Unlimited’s song welcomed me to class. At the front, a man in a football jersey and jeans sat next to a projector talking to students and drinking out of his water bottle. I quickly realized this was not my average Intro to Finance lecture. As class began it was easy to see that my professor, Jim Brau, cared a whole lot about us and our success in the class.

Jim Brau has worked diligently to provide his students an exceptional and understandable experience. From an Airborne Ranger infantry officer to the Joel C. Peterson Professor of Finance, Brau teaches from experience the importance of hard work, humor, and the gospel. Here’s a glimpse into a bit of his life.

What is your favorite part of teaching at a university?
I love working with young people. My patriarchal blessing talks about how I will work with the youth. As I get older and older, BYU students become younger and younger! To me they are still the youth of the Church!

What has been one of your funniest moments as a professor?
It probably has to be this year when RateMyProfessor awarded me as the Hottest Professor in the Country based on chili peppers from students. If you’ve ever seen me, you know that’s gotta be a joke!!

You invite your students to visit you at VASA while you exercise. How come?
These Vasa office hours are for mentoring – things like career ideas, choosing a major, finding an internship. This type of mentoring is great at the gym. We kill two birds with one stone! I pay for a guest pass so students without a gym pass can come to Vasa office hours as well.

Music is played as students shuffle in before class. What’s your favorite song to jam out to before class? Why?
“Ya’ll ready for this?” I play it the first day of class to pump everybody up for the semester. What is one piece of advice you would give to a university student trying to figure out life?
“Enjoy the journey.”

If you had $10 million right now, what would you do?
Assuming it is after-tax and after-tithing, pay off my mortgage and invest the rest.

What is one piece of advice you would give to a university student trying to figure out life?
“Enjoy the journey.”

If you had $10 million right now, what would you do?
Assuming it is after-tax and after-tithing, pay off my mortgage and invest the rest.

What do you want to do when you grow up?
Serve couple missions with my wife Bunny, compete in bodybuilding shows in the senior master’s (old guy) class, and have fun with future grandchildren.

Work Rules: Insights from Inside Google
By Laszlo Bock

Free food or free onsite services such as ATMs, bike repair, dry cleaning, or hair salons might be the reason why getting into Harvard is almost twenty-five times easier than getting hired by Google. However, Laszlo Bock, the senior vice president of people operations for Google, clarifies the common misconception that Google employees (or “Googlers”) like their jobs simply because of the benefits.

Bock outlines the culture of this giant tech firm in a way that makes it understandable and easy to implement in any other organization – regardless of the amount of money available to spend on “outrageous” benefits. The magic of employee engagement and satisfaction is found in the true culture of an organization – such as the three defining aspects of Google’s culture: having a mission that matters, staying transparent, and giving its employees a voice. Named as the #1 Best Company to Work For in the United States and 16 other countries, Google is obviously doing something right. Lucky for us, Bock does not hide his secret to success.

The theme that Bock refers to throughout the entire book: recruiting. Everything that makes a company great comes from its employees, and those great employees come from being recruited. Google receives 1 to 3 million applications each year, and the company grows by about 5,000 people annually. At first, recruiting was a long and tiresome process for Google. Through trial and error, the company tested various recruiting tactics such as applying to Google by solving a puzzle found on a billboard, job boards, or third-party recruiters. At one point, most of its hires were coming from referrals received by other employees, but now Google has settled into hiring by committees.

Over time, Google was able to identify four attributes that predicted whether the company would hire an applicant: 
- They love the work they do.
- They believe in the mission.
- They enjoy the process of hiring.
- They will hire other people.

Bock explains how Google learned to avoid the mistakes it made in the past and hired employees who not only fit this model but also grew and developed.”
Multipliers: How the Best Leaders Make Everyone Smarter
By Liz Wiseman, with Greg McKeown

Reviewed by Hannah Salz

Liz Wiseman, a leadership scholar and instructor, identified two types of leaders: Multipliers (who amplify the ability of people around them) and Diminishers (who drain ability). Because they use their intellect to help their employees shine, rather than to feed their own egos, Multipliers actually get more than 100 percent from their followers.

So, what’s the difference? How does one person become a multiplier, while another becomes a Diminisher? To answer those questions, Wiseman and her research partner Greg McKeown studied over 150 leaders (e.g., managers, teachers, and sports coaches) over four continents. They found that the difference wasn’t so much in action, but in attitude. Multipliers and Diminishers view people, and their relationships with them, in dramatically different lights.

However, Wiseman points out that many national or business cultures encourage being a Diminisher. Micromanaging and constantly having to prove one’s intellect take much more effort than stepping back and letting one’s employees share the workload and responsibility. Thankfully, Wiseman includes an entire chapter on how to become a multiplier. Her greatest piece of advice is to take “the lazy way” (pg 203):

1. Work the extremes. “Bring up your lowest low and take your highest high to the next level.”
2. Start with assumptions. Actions follow attitude, so think like a multiplier and see what happens.
3. Take the 30-day multiplier challenge. Work on one practice for one month, and keep that up for a year.

You don’t have to do it all at once. You can start now and use her advice to become a better leader, a better employee, a better spouse. We can all benefit from a better understanding of what it means to multiply.

To hear Liz Wiseman speak a bit more about being a multiplier, watch videos of her lectures on YouTube.

David and Goliath
By Malcolm Gladwell

Reviewed Jake Thorpe

We’ve all at some point in our life felt largely inadequate. We have all felt that despite our best efforts and intentions, we may not be enough to accomplish the task at hand. I know there are times when I have felt trapped in the throws of mediocrity with little idea how to escape. We have all felt like true underdogs.

This past semester I read a book by Malcolm Gladwell entitled, David and Goliath. This book tells the story of numerous people who were perceived to be underdogs, but instead, found themselves having a competitive advantage.

One such example is particularly poignant for university students. Entitled the “Little Fish Big Pond Theory,” Gladwell relates the story of a young woman who finished at the top of her class in high school, where she developed a passion for science and chemistry. When deciding on a university, she yearned for the distinction of going to an Ivy League school and decided to head to Brown University. For the very first time in her academic career, she was challenged. She shockingly found herself in the bottom quartile of her class. In fact, she became so discouraged that she decided she wasn’t smart enough to study science at Brown, giving up her lifelong passion. Instead, this distraught young woman decided to study something
less demanding, completely changing the trajectory of her life. If she were to have studied at perhaps a less prominent, upper-tier university, she not only would have been able to study what she loved, but also would have been able to thrive and succeed at the top of her class.

People who are successful in a smaller community can place themselves at a disadvantage by entering a “big pond.” This young woman’s success led her to a place where she lost her competitive advantage. Once the biggest fish in a small pond, she became a very small fish in the depths of the sea.

Gladwell recounts the story of a dyslexic, failing high schooler who struggled to pass his classes. Raised on a farm, he had little pressure to be academically successful. His grades faltered, but as he attended school, he developed a new skill. While struggling to read, he discovered he had the ability to nearly perfectly recall the words that people said. He could remember every word from school lectures and make him more successful.

Like David of old, situations aren’t always as they appear. Being at a perceived disadvantage can be one of the most advantageous things in our lives. When we are tried, we refine ourselves, grow, change, and become better. Like an elastic band, when we are stretched, we can reach our full potential.

I know that in my schooling, my perceived failures have opened doors of opportunity that would not have been available otherwise. In times of adversity, look for these doors! The Lord has a plan and will provide a way to achieve your potential. Look for chances to learn and to grow in moments of difficulty. Chances are, you’re not the underdog that you see yourself to be.

Gladwell points us to the picture of David and Goliath: “You see the giant and the shepherd in the Valley of Elah and your eye is drawn to the man with the sword and shield and the glittering armor. But so much of what is beautiful and valuable in the world comes from the shepherd, who has more strength and purpose than we ever imagine” (p. 275). Like the simple shepherd boy who slayed the behemoth of a Phillistine soldier, look for the hope of being the underdog and you might overcome, even in the direst of circumstances.

End Notes

Industry Spotlight, pg. 21

Look Before You Leap pg. 22
7. West, Cassandra. 2016. Best Places to Work for Women Under 35. Chicago, April 4. Stratosphere Networks is an IT service company. One employee, Amanda Westwood, operations coordinator, took 11 weeks of maternity leave and then started working from home to continue breastfeeding. She commented, “It’s definitely a friendly place for women to work.”

Insights from Professors, pg. 36
2. I should add that I am not advocating for pollution exportation, simply noting that the U.S. is better off and in this case, Mexico may be worse off.

U.S. Constitution, Article II, Section 2