

BUSINESS INSIGHTS

A College of Business Research Journal



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Each article in this issue represents the diverse voices and experiences within our academic communities. The contributors challenge critical thinking and push the boundaries of what's possible in business.

We hope this journal not only informs but also empowers you to lead with purpose, think critically, and innovate boldly. Your journey as a business leader begins now — and we're honored to be a part of it.

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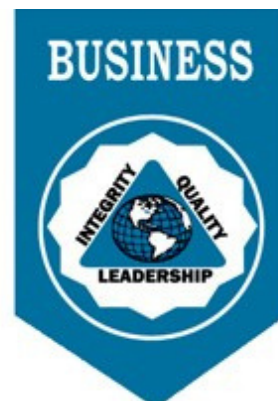
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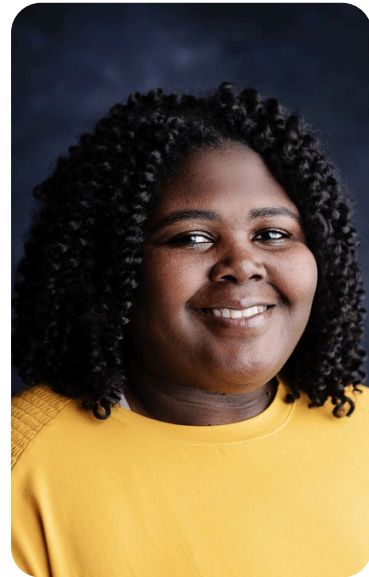


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Diversity, Equity, and Inclusion Consulting



ABSTRACT

Diversity, Equity, and Inclusion (DEI) are essential for creating workplaces where everyone feels valued and empowered to contribute their thoughts and ideas. Implementing effective DEI strategies can be challenging and requires expert advice for clear directions and precise goals. DEI consultants help organizations address these challenges by providing unique perspectives and data-driven solutions. Consultants identify areas for improvement, tackle unconscious biases, and promote equitable opportunities for employees. They are trained with skills in change management and organizational development, consultants guide organizations through the complexities of creating inclusive workplace cultures. They are trained to help improve leadership diversity to ensure that the DEI efforts are aligned with the organization's goals. This paper explores the roles of DEI consultants, highlighting the critical skills and strategies they use to foster meaningful change. When organizations choose to work with DEI consultants, they can create a more inclusive and equitable environment. This equips the organization to thrive in today's evolving social and corporate landscape and attract top talent.

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Introduction

The concepts of Diversity, Equity, and Inclusion (DEI) have been rapidly evolving in the social and corporate landscape. DEI initiatives strive to create spaces where all individuals, regardless of their background, can feel valued, respected, and empowered to contribute their unique perspectives to their workplace. Successfully implementing DEI requires methods that are strategically aligned to promote diversity, equity, and inclusion within the organization (Jordan et al., 2023).

Hiring a DEI consultant provides organizations with the expertise and guidance that is needed to create meaningful and sustainable change in diversity, equity, and inclusion. Consultants bring an objective, data-driven perspective to identify areas of improvement, design customized strategic plans, and the ability to implement the best practices that foster an inclusive workplace culture. DEI consultants can help leaders navigate the complex challenges that come with change. Consultants help address unconscious bias, improve representation in leadership, and ensure equitable opportunities for all of the employees. DEI consultants bring an outside perspective to the organization and a fresh outlook on the issues that the organization faces. DEI consultants possess a wide range of competencies to effectively guide an organization in building a more inclusive and equitable work environment in any organization (Moon & Morais, 2021).

Diversity: Representation

Diversity refers to the presence of individuals from a wide variety of backgrounds, experiences, and identities. Diversity encompasses characteristics such as race, sexual orientation, ethnicity, gender, age, physical abilities, economic status, and religious background. The goal of having diversity in the workplace is to ensure that these varied identities are represented at all levels of an organization. Diversity is more than saying a company is diverse, it involves embracing the richness that arises from having multiple perspectives and experiences (Jordan et al., 2023).

To build a diverse workplace environment, organizations implement inclusive hiring and recruitment practices that attract talent from underrepresented groups. The use of bias mitigation techniques, such as diverse hiring panels and unconscious bias training, plays a crucial role in ensuring that decision-makers do not inadvertently favor certain groups over others. Another way to build diversity is partnering with networks and other organizations that focus on diversity can help expand the talent pool to create a more diversified workforce. Tools such as demographic analytics and surveys are used to measure representation to track progress and enable organizations to make decisions based on data about recruitment strategies. Although there are clear advantages of a diverse workforce, true diversity thrives when paired with equity and inclusion, ensuring that all individuals have an equal opportunity to contribute their knowledge to the organization (Jordan et al., 2023).

Equity: Creating Fair Chances

Equity is sometimes confused with equality, but the two ideas are fundamentally different. Equity provides the same level of support to everyone, but equity recognizes that individuals and groups have different needs and challenges and require different levels of support to help them succeed. Equity is more about fairness and ensuring that barriers to success are removed so that everyone has a fair chance to succeed (Leung et al., 2023).

Equitable policies are those that take into consideration the varying needs of employees and community members. These policies ensure that these marginalized groups have access to support, opportunities, and resources needed for success. Organizations can introduce mentorship programs to help encourage progress. An equitable approach aims to address these imbalances by creating tailored opportunities and resources for those who need them the most. In larger organizations, inequality is often embedded within policies, practices, and organizational culture. Organizations that prioritize equity must be willing to assess, examine, and dismantle these systems of prejudice and privilege

(Leung et al., 2023)

Inclusion: Fostering a Sense of Belonging

Inclusion is the active process of ensuring that all individuals feel heard, valued, and respected within an organization. Diversity focuses on representation, equity focuses on fairness, and inclusion ensures that people from different backgrounds are integrated into the organization's culture making them feel that they truly belong. An inclusive work environment encourages individuals to be their authentic selves in (Leung et al., 2023).

One of the primary methodologies for fostering inclusion is cultivating a culture of belonging, where differences are celebrated. This requires strong leadership commitment to inclusive practices, including encouraging open dialogue, promoting respect, and addressing practices of discrimination and exclusion when they arise. Employee Resource Groups (ERGs) are made up of employee-led volunteers whose intentions are to foster inclusion and improve diversity that aligns with the company's values and goals. ERGs, inclusion training programs, and the implementation of feedback methods, such as anonymous surveys are common methodologies used to promote inclusivity. These efforts provide opportunities for marginalized groups to voice their concerns and opinions for organizations to make informed decisions, thus creating a more inclusive environment (Leung et al., 2023).

A challenge that true inclusion comes with is overcoming biases and stereotypes that may persist within an organization. To address this, organizations can implement training programs that raise awareness about unconscious biases and create pathways for individuals to self-reflect on how these biases may influence their behavior. Inclusive leadership, which values diverse perspectives in decision-making, is essential for promoting a culture of inclusion (Leung et al., 2023).

The Interconnectivity of DEI

The implementation of DEI initiatives is the concept of

interconnectivity, which recognizes that individuals hold multiple, intersecting identities that can compound experiences of marginalization. For example, an African American woman might face both racial and gender discrimination in ways that are distinctly different from a European woman or even an African American man. Interconnectivity helps organizations understand that DEI strategies must consider these overlapping identities to create a truly equitable and inclusive work environment (Noumair & Shani, 2020).

The framework and methodology of Diversity, Equity, and Inclusion provide organizations and communities with a structured approach to addressing the complex challenges of representation, fairness, and belonging. Diversity focuses on ensuring that a broad range of identities is represented; equity works to provide tailored support to individuals based on their unique needs, and inclusion ensures that all individuals feel valued and integrated within the organizational culture. By combining these three elements, organizations can create environments where all members have the opportunity to thrive, innovate, and contribute to their full potential. However, success in DEI efforts requires continuous commitment, data-driven strategies, and a willingness to engage in honest conversations about privilege, bias, and power. Only then can DEI become more than just a set of policies, but a lived experience that benefits all (Noumair & Shani, 2020).

Methods of Organizational Development

Methods of organizational development that incorporate DEI in the workplace focus on fostering a culture of continuous improvement and inclusivity. Approaches to organizational development include assessing the current organizational culture and identifying barriers to diversity and equity. DEI goals are integrated into the broader organizational strategy. Including initiatives such as inclusive hiring practices, leadership development programs for underrepresented groups, and equitable promotion policies. Training programs focused on unconscious bias and inclusive behaviors help build these awareness and cultural competencies. Organizations use employee feedback, diversity audits, and perform-

ance. metrics to monitor progress, ensuring that DEI efforts are aligned with organizational growth and effectiveness (Noumair & Shani, 2020).

Change Management and DEI in the Workplace

Change management is a structured approach to transitioning individuals, teams, and organizations from a current state to a desired future state. Diversity, Equity, and Inclusion (DEI) are critical areas where change management plays a pivotal role. Integrating DEI into change management efforts helps organizations create inclusive cultures and drive long-term, sustainable change that promotes fairness and representation (Mabasa & Flotman, 2022).

Implementing DEI initiatives often requires significant organizational change, from revising hiring practices to reshaping workplace culture. Change management frameworks are essential in guiding this process, ensuring that all stakeholders understand the purpose of the changes and are actively engaged in the transition. Effective change management begins with clear communication about the importance of diversity, equity, and inclusion, how these values align with the organization's mission and goals are crucial to any DEI success (Mabasa & Flotman, 2022).

Resistance to change is a common challenge, particularly when DEI efforts disrupt established norms or practices. Change requires strong leadership, transparent communication, and education. Leaders must demonstrate a commitment to DEI and encourage participation across all levels of the organization. Training programs, open dialogues, and Employee Resource Groups (ERGs) can help ease the transition and create a sense of ownership among employees. Organizations should track the impact of these changes through metrics like employee satisfaction, retention rates of underrepresented groups, and progress in closing equity gaps. embedding DEI into the culture of organizational change, companies can create more inclusive environments, fostering innovation, employee engagement, and long-term success (Mabasa & Flotman, 2022).

Positive Effects and Values of DEI Workers

The field of DEI often has deep meaning and impactful contributions to those who choose this field to work in. Workers enjoy contributing to positive changes within an organization and to society as a whole. DEI work allows individuals to promote fairness and justice by helping dismantle systematic barriers to create a more diverse and inclusive environment (Moon & Morais, 2021).

Additionally, DEI work fosters creativity and innovation by bringing together diverse perspectives, making the workplace more dynamic and engaging. People enjoy seeing the tangible results of their efforts, such as improved employee morale, increased diversity in leadership, and more equitable policies. DEI practitioners also value the opportunity to foster open dialogue and collaboration, contributing to an organizational culture where everyone feels safe, valued, and empowered to succeed. This sense of purpose and the potential for lasting change make DEI work both personally and professionally rewarding (Moon & Morais, 2021).

Data and DEI

Data plays a crucial role in the consulting approach for Diversity, Equity, and Inclusion (DEI) by providing a clear, objective understanding of the current state of diversity and equity within an organization. Data is used to assess representation gaps, analyze pay disparities, track employee engagement, and identify areas where biases or inequities exist. By leveraging metrics like demographic surveys, retention rates, and employee feedback, data helps to set measurable DEI goals, monitor progress, and adjust strategies. This evidence-based approach ensures that DEI initiatives are targeted, and effective, and will lead to meaningful change (Beach & Segars, 2022).

Measuring DEI

Impactful DEI is measurable improvements and tangible changes within the organization. Indicators of success include increased diversity in hiring and leadership roles, equal pay, improved retention, and positive shifts in employee engagement. Other measurable sources are satisfaction measured

through surveys and feedback from employees and pay equity audits would reveal reduced compensation disparities. Regular assessments and data analysis will ensure that the organization can track and sustain these outcomes (Beach & Segars, 2022).

Strategies for Workforce Demographic Disparities

Challenges many organizations face is that their workforce demographics do not reflect the diversity of the clients they serve. To solve this, a comprehensive Diversity, Equity, and Inclusion (DEI) strategy must focus on improving recruitment, retention, and fostering a workplace culture that aligns with the diverse needs of clients (Biginas et al., 2020).

The recruitment process should be more inclusive by targeting underrepresented groups. This can be achieved by partnering with organizations and educational institutions that focus on these demographics, using diverse job boards, and implementing bias-free hiring practices such as unconscious bias training and diverse interview panels. An employee referral program can also encourage current employees to refer diverse candidates for incentives. Retention and development are equally critical. Mentorship and sponsorship programs can help support the advancement of employees from underrepresented backgrounds. Career development initiatives aimed at these groups will ensure equitable growth opportunities, enhancing both retention and representation in leadership roles (Biginas et al., 2020).

Fostering an inclusive culture is another essential part of this strategy. Employee Resource Groups (ERGs) provide support and networking opportunities for underrepresented employees, while cultural competency training helps the entire workforce understand and better serve diverse clients. These efforts create an environment where all employees feel valued and included (Biginas et al., 2020).

Data-driven accountability and client engagement ensure that the strategy remains effective. By setting measurable goals, conducting regular audits of hiring and promotion data, and seeking feedback from clients

organizations can track their progress and continuously refine their approach. Utilizing programs such as the Predictive Index helps ease the work behind implementing these systems. Focusing on inclusive recruitment, retention, culture-building, and accountability, organizations can create a workforce that better reflects and serves their diverse client base. This approach fosters not only a more inclusive workplace but also stronger connections with clients (Biginas et al., 2020).

Recommended Engagement Timeline for DEI

DEI consultants recommend a twelve-month timeline to implement DEI incentives. In months 1-2, consultants spend time assessing the organization and collecting data of the organization. During this time, consultants conduct demographic analysis and administer pay equity audits. Anonymous employee surveys are given and qualitative data is collected about employee's experiences with inclusion and diversity at the company. Consultants review existing policies, practices, and DEI initiatives and identify gaps and look for opportunities for improvements (Cornelius-Hernandez & Taylor, 2023).

In months 3-4, consultants develop a customized strategy for the organization. The plan is based on data, developed a tailored DEI strategy that list clear goals and success metrics. They engage with leadership and key stakeholders to align with the vision and priorities of the company. Consultants also establish DEI committees or task forces that will oversee the implementation of the plan.

Months 5 and 6 focus on training and awareness techniques. This training is for the entire organization and focuses on unconscious bias, inclusive leadership, and cultural capabilities. The implementation of workshops and creating opportunities for discussion to foster open dialogues between employees and leaders. This is also the time where Employee Resource Groups (ERGs) are launched or strengthening existing ones.

During months 7-8, the consultant will implement policy and process changes. This includes updating the hiring

promotion, and compensation policies that reduce biases and promote equity. The introduction of mentorship and sponsorship programs for underrepresented groups is implemented. In this process, consultants ensure that pay equity and promotion paths are transparent and fair.

Months 9-10, is continuous engagement. Consultants host DEI events, have speaker sessions, and workshops to keep DEI conversations active. This is also an opportunity for consultants to do a mid-point check from employees to evaluate progress. Consultants continue to monitor demographic data, employee engagement, and retention rates.

The final two months, focus on evaluation and sustainability. Time is spent reassessing data to track progress with the initial goals of the DEI plan. Consultants readjust the strategies as needed, based on employee feedback. This phase ensures that the DEI initiatives are methodically implemented. Consultants adjust the plans as needed.



Reflection

A collaborative, data-driven, and tailored approach is essential for successfully implementing DEI strategies that address the unique needs of each organization. Building strong partnerships with stakeholders, fostering open communication, and creating a culture of transparency and trust are the foundation for driving meaningful change. Effective DEI initiatives begin with a thorough assessment of current practices, utilizing qualitative and quantitative data to inform strategic decisions.

Aligning customized DEI strategies with organizational goals can lead to impactful and sustainable outcomes. A proactive and adaptive approach allows for flexibility, enabling strategies to progress based on real-time feedback and results. Through continuous education, actionable plans, and regular evaluation, organizations can be empowered to continue and grow their DEI efforts independently, fostering inclusive and unbiased work environment. Having a DEI consultant is crucial for fostering a workplace culture that values diverse perspectives and ensures all employees are heard and respected. Consultants bring an expertise in creating inclusive strategies that address barriers and promote equity across the organization. Their guidance helps build a more supportive, progressive, and innovative environment where everyone has the opportunity to thrive.

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The Impact of COVID on the Education Industry



ABSTRACT

Transitioning from religious instruction to today's technology-integrated classrooms, education has undergone continuous evolution throughout history. Strengthening teacher support and retention, promoting equitable funding practices, and embracing innovative educational approaches can help create a more effective and inclusive learning environment. These efforts may also serve as a foundation for helping teachers and students recover from the devastating impacts of COVID-19. This paper will examine the historical foundations of education, highlighting key challenges and transformations that have occurred over time. It will also explore how COVID-19 affected the mental well-being of both teachers and students in the classroom.

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Introduction

Education can be traced back to the Hellenes in Ancient Greece, who are known as Greeks in modern day. Although “much remains unknown about its principles, aims, methods, and specific details such as curriculum, hours, and grading that would make Greek education come alive” (Gries, 1955, p. 68). We know that Greek education included subjects such as music, art, literature, science, mathematics, and politics, with a primary focus on preparing young men for war and ensuring their membership in the upper classes. Sports and athletics were emphasized to prepare boys for military service. In simple terms, the main goal of education for young people in ancient Greece was to prepare them to be strong and capable citizens, both physically and mentally. They were trained to serve their country in war and peace, in public and private roles. The focus was on overall development, with no emphasis on specialized subjects other than physical training (Hays, 2024).

Later, the Puritans came from Europe to escape persecution, landing in New England, the northeastern part of what is now the United States. The Puritans introduced European educational traditions and established schools to promote literacy, both for religious purposes and to serve political interests. The English Puritans who settled in Boston in 1630 believed that the welfare of children, both in this life and the afterlife, hinged significantly on their ability to read and comprehend the Bible. This belief led to the establishment of the first public school in 1635 in Massachusetts, the Boston Latin School, which is the oldest educational institution in the United States. By establishing an educational foundation, parents and schoolmasters were required to teach their children, apprentices, and servants. Throughout history, parental involvement has consistently been linked to better student performance in the classroom and increased teacher support.

Over time, public educational instruction began to be divided into the different segments that are familiar today. For instance, Prussia's instruction encompasses three degrees, which are provided in three classes of institutions: primary or elementary in-

struction; secondary instruction in gymnasia, real schools, and trade schools; and superior instruction (at universities (Prussia, 1853). After their defeat by Napoleon in 1806, the Prussians believed they had lost because their soldiers had operated independently on the battlefield, rather than strictly following orders. In response, the Prussian Model was created to indoctrinate children aged 6 to 16, aligning their education with the needs of the state and its military leaders. This model was adopted by the United States after 1900 to educate American children.

The education system has undergone significant evolution over the years, yet it has not been without its challenges. Throughout history, schools have faced numerous obstacles, some of which have led to important reforms that reshaped the structure and foundation of education. One key reform was the passage of Title IX of the Education Amendments in 1972, which prohibited sex discrimination in educational programs. Another pivotal chapter in the history of education was the era of segregation, which mandated the separation of students based on race, ethnicity, and socioeconomic status, resulting in unequal access to resources and opportunities. Over time, progress has also been made in ensuring that children with disabilities receive the support they need in the classroom. The Individuals with Disabilities Education Act (IDEA), which was passed in 1975, ensures that students with disabilities have access to an appropriate education.

Understanding the history of education is crucial to addressing the challenges facing today's schools. Education has consistently evolved in response to religious and societal needs, thereby influencing the development of today's curriculum. By closely examining its historical progression, we gain invaluable insight into past mistakes and can apply those lessons to improve our teaching methods. Political and social structures continue to influence how students learn today. The COVID-19 pandemic revealed significant gaps in basic skills like reading, math, and comprehension, which took a toll on the mental well-being of both students and teachers. Many students, especially those already performing below grade level, struggled with more advanced academic tasks, high-

lighting a lack of foundational skills.

As the focus of education has increasingly shifted toward career preparation, the importance of strengthening foundational skills has diminished. In classrooms, students who struggle with performing repetitive tasks often experience difficulties with reading or math, which can lead to frustration and behavioral issues. The COVID-19 pandemic further exposed how many students, regardless of their background, lack the foundational skills they should have acquired in earlier grades.

This breakdown in foundational skills points to a critical issue in our education system. Teachers are now forced to revisit lessons that should have been taught years ago. The pandemic exposed a broken system, with both students and teachers facing immense challenges in bridging the widening gaps.

To address this issue, we must reconsider the structure of education, with a renewed emphasis on developing foundational skills to better prepare students for the future. Despite the availability of early education, a significant learning gap persists. As noted by Thomas Sowell (1993) "how poorly American students perform, whether compared to foreign students or American students of a generation ago" (p. 4), underscores the urgent need for reform. The American education system continues to face substantial gaps in key areas such as reading comprehension, mathematics, and problem-solving skills, raising concerns about the preparedness of students for future success.

In 2001, the federal No Child Left Behind Act was enacted, which mandated annual testing of students' mastery of academic standards and imposed consequences for poor performance. Some states set significantly higher proficiency goals than others. In response to these challenges, the Common Core State Standards were introduced in 2009 to create a unified set of rigorous academic expectations for all students. These standards state the skills students should attain at each grade level in English/language arts and mathematics. This initiative also emerged from concerns about declining educational standards in the

1990s, as states developed their standards, resulting in significant disparities in academic expectations across the country. The Common Core Standards were designed to provide a consistent comparison of students across states.

When Common Core was introduced, many believed that the demanding curriculum and high-performance standards were too challenging for some students at their current academic levels. Some students were assigned to lower-level programs and courses because they were considered unprepared or unable to learn the challenging content (McPartland & Schneider, 1996). Based on several classroom assessments and observations, they were unable to learn the challenging content. These standards were designed to prepare students for college and career readiness, using global benchmarks as a point of comparison. Another key factor in the introduction of Common Core stemmed from the recognition that American educational standards were too low, leaving students in the United States unprepared to compete with their peers from countries around the world, such as China, Japan, Korea, and Singapore.

However, the challenges associated with Common Core Standards extended beyond students; parents and teachers also faced significant difficulties. Many parents found themselves unable to assist their children with homework due to the new methods and expectations, while some teachers struggled to teach the lessons aligned with these standards. Years later, several states that adopted Common Core have since reverted to creating their own educational standards, resulting in inequity across the United States. This inconsistency creates challenges, in for when students move from one state to another, they could encounter vastly different quality of education and learning environments. The perceived quality of education is measured by standards determined by grade-level placement and standardized test scores, which raises an issue. What determines what constitutes a "quality" education? Still, data from standardized testing has revealed that many students are underperforming, highlighting the need for a more unified and practical approach to education.

Following the COVID-19 pandemic, the education system underwent profound transformations. The pandemic led to significant learning loss, especially among younger students who struggled to remain engaged in their education. Academic assessments in various areas indicate that students are struggling to catch up in reading and math, with many not making sufficient progress to overcome the disruptions they face. While students in grades 3-8 are showing some signs of advancement, they are doing so at a much slower rate than before the pandemic.

Furthermore, the teacher shortage has intensified, particularly in general education courses. Many educators report feeling more burned out and overwhelmed than ever before, grappling with large class sizes, heightened stress, behavioral challenges, and insufficient support. As a former teacher, I often felt overwhelmed trying to juggle multiple professional responsibilities while maintaining my mental health. Being an educator demands immense dedication and time, leaving little room for a personal life outside the classroom. Unfortunately, many teachers feel unappreciated for their hard work, commitment, and sacrifice.

Veteran teachers, some with over 20 years of experience, chose to leave the profession, citing the extraordinary demands placed on them during the pandemic. Many felt unsafe both during and after COVID-19, facing escalating aggression from students and parents. This environment has raised urgent concerns about the future of teaching and the overall well-being of both educators and students.

In Alabama alone, the Teacher Retirement System reported that initially, 3,515 educators retired during the 2020-21 school year. This number increased to 4,100 following changes to educator retirement benefits. The change was based on a bill that passed, allowing educators hired after January 1, 2013, to retire under Tier II benefits after 30 years of service. In contrast, those hired before 2013 could retire under Tier I after 25 years. The bill was designed to make the profession more appealing and increase the number of new teachers in the profession. Despite these efforts, however, many new teachers still leave the profession

within two to three years due to the overwhelming demands of the job. This directly impacts student performance, contributing to a cycle of challenges that affect educational outcomes across the state.

While the U.S. education system has made some strides, such as changes to the benefits package and increases in teachers' salaries. It is still grappling with significant challenges, particularly in bridging achievement gaps and preparing students for the demands of the 21st century. A major concern is the ongoing shortage of teachers and difficulties in retention, which directly impact educational quality and student outcomes. Many districts are implementing incentives to keep current teachers and attract new ones, acknowledging the urgent need to bolster the teaching workforce.

On the employer side, schools are investing in technology and instituting new health and safety policies, but they continue to face significant challenges in recruitment. There is a renewed commitment to addressing the long-standing educational inequities caused by systemic barriers and lower socioeconomic status (SES), which were exacerbated by the pandemic. This has led to initiatives aimed at supporting underserved communities. Today, education is increasingly defined by adaptability, a focus on well-being, and a strong emphasis on equity.

Public school systems received over \$2 billion in federal COVID-19 pandemic relief funding to help address the challenges caused by the pandemic. The funding was part of the broader support provided under the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, which was signed into law on December 27, 2020. The act allocated an additional \$54.3 billion to the Elementary and Secondary School Emergency Relief (ESSER II) Fund.

To access these funds, states were required to submit a plan to the U.S. Department of Education (USDOE). The plan had to outline strategies for effectively utilizing the funding to support schools and students, focusing on areas such as addressing learning loss, improving infrastructure, and enhancing educational

resources. Many schools purchased laptops for students to attend virtual learning classes. The school systems in Alabama received three rounds of COVID relief funding totaling \$3.14 billion. Funds were used to improve facilities, cover administrative costs, support parent and family engagement, professional engagement, and strengthen mental health and academic support services.

Furthermore, the Learning Policy Institute (LPI) estimates that the financial impact of the pandemic on public schools ranges from \$199 billion to \$246 billion, depending on the method of providing educational services (Griffith & Berry, 2022). These estimates encompass both the increased costs associated with addressing COVID-19 and the resulting loss of state revenue.

To specifically address the learning loss experienced during the COVID-19 pandemic, the system should implement targeted interventions, such as personalized tutoring and small-group instruction, to assist students who have fallen behind. Extending learning time through longer school days or summer programs can help reinforce essential skills. Additionally, the state of Alabama will start using the Alabama Numeracy Act instead of Common Core in 2025, aiming to improve student math achievement. This marks a step in adjusting the curriculum to address gaps in mathematical proficiency. Providing mental health support and resources for social-emotional learning is crucial for promoting student well-being, while also acknowledging the mental health needs of educators. Leveraging technology by optimizing the use of digital tools, integrating new technology, and offering ongoing professional development for educators will enhance instructional effectiveness. Encouraging parental involvement and utilizing data-driven decision-making to monitor student progress will further ensure that interventions are responsive and impactful. Collectively, these strategies can help mitigate the effects of learning loss and empower all students to reach their full potential.

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Effective Performance Management Strategies and Their Role in Organizational Success



ABSTRACT

This article explores the evolving landscape of performance management and the strategies that elevate individual and organizational success. Rejecting outdated appraisal models in favor of dynamic, continuous feedback, this research highlights the power of employee empowerment, real-time coaching, and transparent goal setting. It also examines underacknowledged factors like emotional labor and the emotional toll of poorly managed evaluations, offering practical solutions that foster support and engagement. By comparing traditional appraisals with modern approaches like performance improvement plans (PIPs) and competency-driven coaching, the paper advocates for a shift toward development-focused leadership. Grounded in current research and SHRM-aligned competencies, the analysis positions HR professionals as key agents in building a workplace culture of fairness, resilience, and growth. Ultimately, this paper challenges organizations to rethink whether they're simply monitoring performance, or actively helping employees thrive.

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Introduction

Performance management is not just a corporate catchphrase; it is the foundation of a well-operating organization. Imagine a world where employees drift around clueless, uncertain of expectations, leading to chaos. A robust performance management strategy guarantees that employees align their endeavors with organizational objectives, enhancing efficiency, amplifying enthusiasm, and ultimately, propelling success. The most effective strategies highlight ongoing feedback, workforce involvement, and objective alignment rather than antiquated annual assessments that feel more like grade reports from school. Companies that emphasize open dialogue and structured goal-setting cultivate an atmosphere where employees flourish and remain dedicated. Development should be uninterrupted, not a once-a-year surprise attack like an unexpected dental visit.

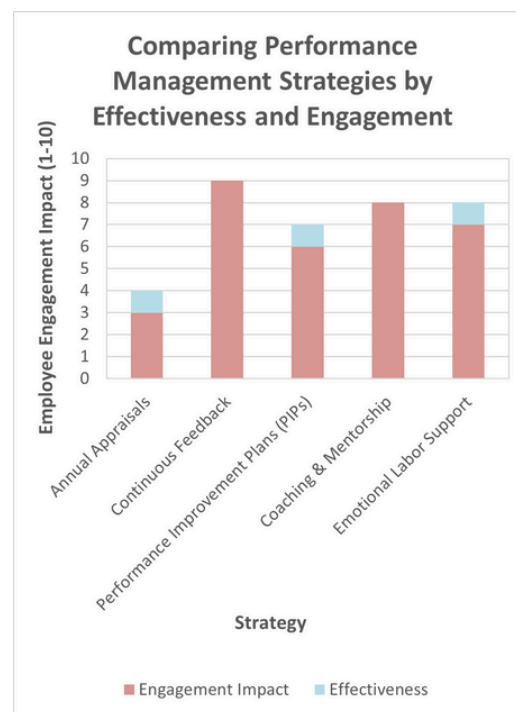
Effective Performance Management Strategies

Classic performance evaluations often receive criticism, and understandably so, as they tend to depend on biased opinions that leave employees feeling more perplexed than informed. Instead of clinging to these antiquated techniques, organizations should embrace a system founded on continuous feedback and real-time mentorship. Rather than the dreaded yearly appraisal, organizations should adopt performance leadership, where feedback is fluid and consistent. Employee empowerment plays a pivotal role in this shift. A recent study of performance evaluations in organizations identified the “four barriers to successful performance evaluation as: (a) the distribution of performance, (b) the continuing failure to devise reliable and valid methods for obtaining judgments about performance, (c) the limited utility of performance feedback to employees, and (d) the limited utility of performance evaluations to organizations” (Murphy, 2019, p. 31). When employees trust that their assessments are impartial and transparent, they engage more deeply with their responsibilities. Trust, transparency, and fairness in evaluations lead to heightened engagement and superior outcomes. A sports team would not wait until the season has ended to provide the players with

pointers and critical feedback. Thriving organizations take a similar stance, supplying employees with routine mentorship and coaching to ensure steady progress and sustained morale. Organizations are increasingly moving toward strategies that prioritize ongoing feedback and coaching over traditional appraisals. As shown in Figure 1, continuous feedback and coaching rank highest in both effectiveness and engagement impact, while annual appraisals lag behind.

Figure 1

Comparison of Performance Management Strategies.



Note: This chart illustrates how common performance management methods rank in terms of overall effectiveness and their influence on employee engagement. The data points in Figure 1 were independently estimated by the author, producing findings from recent peer-reviewed studies on appraisal quality, feedback cadence, and coaching-centered development (Baird et al., 2020; Dangol, 2021; Dachner et al., 2021; Murphy, 2019, 2020) together with benchmark metrics recommended in Hall's SHRM coaching guide, the SHRM Body of Competency and Knowledge, and a 2024 systematic review of inclusive human resources climates (Hall, 2011; Eshete & Birbirssa, 2024; SHRM, n.d.); these combined sources formed the sole empirical foundation for constructing the chart.

Emotional Labor

Emotional labor is like an unseen weight employees experience, especially in roles that require constant interaction with clients, customers, or even colleagues.

Picture an employee who must wear a smile like an accessory, no matter the chaos happening behind the scenes. Hall (2011) argued that emotional labor is more than just maintaining composure; it directly impacts workplace productivity, employee satisfaction, and overall job performance. In a recent study on emotional labor and burnout in a school setting, Kariou, Koutsimani, and Montgomery found “significant associations between burnout and emotional labor with the majority of results pointing to the consistent relationship between surface acting and burnout” (Kariou et. al., 2021, p. 1). When organizations fail to address this hidden labor, employees may feel drained, disengaged, and even resentful. Organizations ease this burden. The key is balance. Ensuring training programs are in place to help employees handle emotionally challenging interactions, offering stress-relief opportunities, and fostering a supportive environment where they feel safe discussing emotional fatigue can make a meaningful difference. After all, employees deserve to feel supported, not emotionally exhausted.

Advantages and Disadvantages of Performance Appraisals

Performance appraisals are the brussels sprouts of human resources (HR) practices; some swear by them, while others find them difficult to swallow. A properly constructed appraisal will include constructive feedback, list accomplishments, and identify opportunities for performance improvement. Regular and unbiased evaluations boost morale and participation. However, many traditional appraisals fall short, leading to biases, erratic evaluations, and disgruntled employees. Murphy (2020) highlighted that most appraisal systems flop due to their reliance on subjective impressions rather than tangible performance metrics. A workaround in organizations would be implementing multi-source feedback, self-evaluations, and peer assessments to construct a more holistic view of an employee's contributions. If appraisals resemble a dramatic reality TV showdown rather than a productive discussion, it's time for a revamp.

Performance Improvement Plan Applications

The very mention of a Performance Improvement Plan (PIP) can send chills down an employee's spine, but it does not have to be a career-ending verdict. When deployed effectively, a PIP serves as a navigation guide to success rather than a formal cue to start clearing out the cubicle. Dachner, Ellingson, Noe, and Saxton's study in *HR Management Review* revealed that “C-suite executives and human resource professionals emphasize that developing the necessary skill set within the next generation of leaders is a top human capital challenge for organizations operating in a global, knowledge-based economy. Accordingly, most organizations invest in training and development programs as part of HR strategy” (Dachner, et. al., 2021, p. 1). This highlights the importance of viewing a PIP not as punishment, but as part of a broader developmental strategy and an opportunity to build critical skills, enhance performance, and prepare employees for future leadership roles within the organization. Hall (2011) describes PIPs as structured agreements that furnish employees with explicit objectives, measurable targets, and a schedule for progress. PIPs should be employed when an employee persistently struggles despite prior coaching efforts. Think of a PIP as a second chance, a structured initiative to recalibrate performance before drastic measures like dismissal enter the equation. The secret to a successful PIP is consistent follow-ups, clear-cut expectations, and proactive support rather than an ominous trap for employees. No one wants to feel like they're a contestant on “Corporate Survivor.”

Differences Between Feedback, Coaching, and Disciplinary Action

Performance management isn't just about numbers and checklists; it's about guiding people toward doing their best work. And when it comes to managing employee performance feedback, coaching, and disciplinary action, each plays a different role. Feedback is the day-to-day recognition and effort; it's quick, split-second, and helps employees know where they stand. Considering that an employee may not always know if they are working in the right direction on a task. That's where solid feedback makes all the difference. It's as simple as “Great job advising that

student between classes!” or “This was a solid idea, impressive!” Building that personal rapport and work relationship with the team can help them receive feedback in a way that makes them feel supported and not like every conversation is a formal review.

Now, coaching takes things up a notch. Instead of just pointing things out, it’s about helping employees grow. A great coach, won’t simply call out mistakes, they guide players with direction and examples on how to improve their game. Coaching involves interest, personal input, and the sharing of skills to show support. It’s the difference between saying, “That was not very good,” and “That was great work on the teaching lesson, next time try implementing some video to improve student engagement,” that creates an environment of teaching the employee how to make it better.

Then there’s disciplinary action. No one likes this part, but it’s necessary when other efforts haven’t worked. Feedback is a verbal pat on the back, coaching is a steady nudge forward, and disciplinary action is the structured reality check. It is not about punishment, it is about ensuring responsibility. When performance or behavior issues start affecting the team or business, formal steps like warnings or a Performance Improvement Plan PIP become necessary. These difficult situations could be avoided if companies focused on regular feedback and strong coaching from the start.

Many of these issues could be greatly reduced or even prevented if organizations made consistent feedback and effective coaching a priority. When employees receive timely, helpful feedback, they better understand expectations and have the chance to improve before problems grow. Proactive coaching strengthens this by offering guidance skill building and support, helping employees feel prepared instead of caught off guard when performance concerns come up. Organizations would create an environment where employees are more engaged, self-aware, and motivated to improve when they communicate often and clearly. This not only reduces the need for formal disciplinary measures but also strengthens rapport, retention, morale, and overall workplace productivity.

To turn these concepts into everyday action, use the quick-reference prompts below for feedback and coaching language in common workplace scenarios.

Situation	Feedback (real-time, < 30 sec)	Coaching follow-up (5-10 min)
Service Interaction	“Great job staying calm and answering all her questions so quickly, she left smiling.”	“Let’s storyboard that interaction: what helped you keep it short yet thorough? Next week, try adding one clarifying question up front to cut the wait line even more.”
Written Proposal Needs Revision	“Solid outline, you’ve nailed the key points. A quick tightening of paragraph two will make it shine.”	“Let’s walk through techniques for sharper openers. I’ll model the first one, then you rewrite the next. We’ll review side-by-side tomorrow.”
Missed Deadline Pattern	“I noticed the report slipped past noon. Anything blocking you right now?”	“Let’s map your workload. Together we can set interim checkpoints, so surprises don’t pile up. I’ll check in mid-week; you own the progress log.”
New Skill Adoption	“Loved your lesson flow today. Students lit up when you paused for discussion.”	“Ready to experiment with short video clips next round? I’ll share three example videos and sit in on rehearsal to offer tips on pacing and tech.”
Rising Conflict in Team Meetings	“I appreciate you voicing your concern, a quick reminder to keep the tone neutral so ideas stay front-and-center.”	“Let’s practice a ‘disagree-and-build’ script. Role-play five minutes now; we’ll revisit after the next meeting to see what felt natural.”

SHRM Competencies for Managing Performance

HR professionals are like workplace navigators, steering the ship through sometimes choppy waters. Communication is at the top of the list of vital tools in the HR professional’s arsenal, because feedback is inoperable if it’s wrapped in vagueness. Fair practice ensures fairness, preventing workplace favoritism from turning into office drama. Providing training programs to help employees manage emotionally difficult interactions, offering stress-relief options, and creating an open workplace where individuals feel comfortable talking about emotional exhaustion can make a big difference. A recent study on SHRM involving workplace inclusivity agrees that organizations should be “providing diversity training for all employees, including managers and executives. Additionally, they should encourage open communication and feedback from employees to ensure everyone feels heard and valued, and implement policies and practices that sup-

port a diverse workforce, such as flexible work arrangements and accommodations” (Eshete, et. al., 2024, p. 12). Employees should be made to feel supported rather than emotionally overdrawn. When employees see transparency in performance management, they engage more and contribute with enthusiasm. HR professionals should aim to be more than just rule enforcers; they should serve as trusted advisors who help employees and leadership build a more successful and cohesive workplace. By focusing on guidance, support, and strategic collaboration, HR can foster a positive work environment where employees feel valued, leadership is well-equipped to make informed decisions, and the organization as a whole thrives.

Conclusion

Good performance management is not just a once-a-year task; it is an ongoing process that helps employees grow, stay engaged, and perform at their best. Companies that focus on frequent feedback, practical coaching, and fair evaluations create a work environment where employees aim to go beyond expectations instead of just meeting them. Rather than simply reacting to problems, performance management should take a forward-thinking approach that encourages skill development and career advancement. Regular check-ins should inspire progress and not cause anxiety, while performance improvement plans should serve as a roadmap to success rather than a signal of failure. Feedback should be frequent and helpful, coaching should be planned and focused on development, and discipline should only be used when other steps haven't worked, making sure employees get the support they need. HR teams shape how performance management is understood and used. By keeping communication clear, leading with integrity, building strong connections, planning wisely, and making decisions based on facts, they create a work environment where employees feel appreciated, supported, and motivated to do their best. Companies should not merely keep tabs on performance; they must help employees learn and succeed. Businesses that focus on employee growth, fairness, and transparency will build workplaces where both people and profits can flourish.

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Talent Development Strategy for a Manufacturing Facility



ABSTRACT

A talent development strategy for a manufacturing facility must address issues such as specialized skills, high turnover rates, a growth mindset, technological advancements, competition, and a new generation of employees. The research suggests that skills, such as soft skills, artificial intelligence (AI), data analysis, cybersecurity, and data mindfulness are crucial for the future of manufacturing. Research also shows how instrumental leadership's continuous support enables talent development professionals to set up a strategic effort to create a learning environment where the talent development strategy will empower managers to take an active role in developing employees, and where employees will feel that the organization values their success. Feedback, a SWOT analysis, and metrics are tools that must be used as guides for assessing success. This paper will show how creating a talent development mindset will foster a learning culture and lead managers and employees to work in alignment with business goals to address the specialized training needs of a manufacturing facility.

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Introduction

Manufacturing facilities often require specific skill sets to produce a product that is unique to their organization. Training employees to perform the necessary tasks is imperative to create a quality product. On-the-job training is how many companies address skill deficiencies. If this type of training is not strategic, some employees may not achieve the necessary outcomes. Most experienced employees are heavily tasked because of their in-demand skills and therefore may not have time to focus on improving the skills of others. It is important that employees understand how a talent development plan will be beneficial to their needs. Creating a culture that promotes growth and development is imperative to the talent development strategy. A mindset must be adopted by the organization that considers what it takes to recognize potential in employees and how to implement individual development plans that promote the future skills needed to align with business goals. The talent development team must assess the successes and/or failures of the strategy. This will allow the team to determine what is working and to see the parts of the plan that may need improvement.

Figure 1 – Talent Development Strategy for a Manufacturing Facility



Skills Needed

Most manufacturers have a specialized product that they produce, and specialized skills are required. Additionally, the rate at which technological changes have created a gap between current capabilities and the rapidly changing requirements of their roles prompts a need for new approaches to talent development. Specialized technical skills, such as artificial intelligence (AI), data analysis, cybersecurity, and data mindfulness, are crucial for the future of manufacturing (Alias et. al., 2023, p. 50). There are also more generalized skills that are necessary to create the learning culture and mindset needed by the organization to upskill employees. These skills are referred to as soft skills. They comprise of such things as being open-minded, flexible, creative, adaptable, and innovative. These soft skills should be incorporated into a continuous learning program for the entire staff, designed to promote the desired workplace culture.

It is also necessary to prioritize new hire training. The skillsets of new hires can be evaluated through the hiring process. Intentional questions about education, on-the-job experience, and basic knowledge assessments can be addressed during this phase. Once hired, all new employees should attend a training program designed to teach them about the company, the organization's products and services, and the skills necessary to perform the job.

Buy-In

As a talent development leader, it is essential to get management on board with the plan. Management can play an instrumental role in bringing about change (Whysall et al., 2019). Managers are the direct link between organizational leadership and the workforce. It makes good business sense for talent development professionals to coach managers on how to provide constant feedback, mentoring, and positive reinforcement to their employees. As a result, managers will be better equipped to develop their employees, address skill gaps, and increase their employees' knowledge base (Biech, 2018). Also, coaching and mentoring will allow employees to devel-

op skills, identify areas of improvement, and gain guidance for setting and achieving performance goals (Sjarifudin & Rony, 2023). Developing employees who will be more productive will also have a positive impact on the bottom line.

A talent development strategy will be more effective if the employees feel that they are a part of the plan. Creating an environment that promotes growth and development, demonstrates to an organization's employees that the company values their success. It encourages employees to learn, gain more skills, and increase knowledge. "They [employees] want to believe that they are part of something that is greater than themselves" (Biech, 2018, p. 83). As a result, this will increase morale, commitment, and engagement (Biech, 2018, p. 83). Investing in employees will cause them to be invested in the company. They are more likely to want to stay with an organization who wants to continually promote their development (Sinisterra et al., 2024).

Learning Culture

The overall goal in creating a learning culture is the ability to adapt to a changing environment, become more efficient, and to strengthen the organization's competitive advantage (Biech, 2018). Sharing knowledge among individual contributors, groups, within the organization, and from outside the organization is the foundation that supports a learning culture. When individuals learn new skills and then apply what they've learned to their work, it will also lead to an increase in their productivity. Group learning is about teams, departments, or communities sharing knowledge and experiences, and when an organization uses a method of knowledge sharing that is aligned to the business strategy, it enables other functions within the organization to utilize it. Learning from other organizations is another way to increase innovation. Their failures and/or successes can provide critical insight into what works or doesn't work and have the potential to save time, money, and decrease risk (Biech, 2018).

From the C-Suite all the way down to the individual contributors, human resource (HR) managers must in-

still the importance of producing leadership qualities in potential future leaders. Open communication is key in this effort. This allows employees to take ownership of their own development if they know about the learning opportunities available to them. HR managers should begin by conveying the values set by the leadership team. Next, they should decide how to implement a learning climate and whether changes are needed. Finally, they need senior leaders onboard to express the value of continued learning with their employees (Biech, 2018). It will be incumbent upon the talent development leaders to define how these learning opportunities align with the organization's strategic goals, and the value in allowing employees time to learn and develop (Biech, 2018). The talent development team should address whether the new learning initiative creates value for the organization, and how to add it, prove it, and deliver it (Biech, 2018).

After starting a new learning initiative, it will need to be nurtured for it to grow and flourish. Talent development professionals are known for being "content driven" and are accustomed to creating content for any subject presented to them (Biech, 2018, p. 204). However, due to rapid changes in technology, how people work, and where they work, it is hard for employees and employers to keep up. Talent development professionals are striving to keep pace with the ever-changing landscape of what employees need to stay ahead of the game. Biech (2018) offers several suggestions on this topic. For one, she states that talent development professionals should offer concise, fun learning experiences that teach employees how to learn and include subjects like communication skills, agility, and becoming a better learner. She also suggests that a talent development strategy should develop creative and critical thinking skills in employees, since this has the potential to benefit decision making, planning, and problem solving. Biech makes the point that the strategy should use processes that connect learning to performance by utilizing supervisors, business structures, communication, feedback, and performance metrics. Overall, she believes that the talent development team should teach employees how to learn not what to learn.

Talent Development Mindset

An organization's talent development initiative must be prefaced by a mindset throughout the organization that promotes the effort. Mindsets can have a positive or negative impact on a new learning initiative, and it is necessary to set a mindset of growth and continuous learning from the start. A study was conducted on students to compare the effects of a growth mindset and a fixed mindset. It showed that students with a growth mindset had increased math scores over a two-year period, and those with a fixed mindset did not (Yeager et al., 2020). Leadership support will be one of the main ingredients to the success of a new learning development plan and creating the organizational mindset needed for it to grow. Their participation from the beginning and their continued support throughout the process is imperative. Creating talent development boards where leaders advise the talent development team, recognizing employees for the program, and being engaged in learning events, are all good ways to keep leadership involved in the process. The talent development board can help make decisions about content, evaluations, and budget, among other things. This board will serve as a link to strategy, marketing, and provide insights.

For the manager to reinforce a talent development mindset, it is important for them to have the right mindset. "Growth-minded managers consistently displayed more frequent use of leadership behaviors than did their fixed-mindset counterparts" (Kouzes et al., 2019, p. 829). Managers will need to communicate their expectations and provide the parameters necessary for success. They must convey an open-door policy and keep the lines of communication open with employees. It is also advisable for managers to recognize their employees for actions and behaviors that helped the team reach its goals. Recognition needs to be delivered in a way that is meaningful to the employee. Managers should communicate employees' accomplishments to others and reward them in a timely manner. This will reinforce the link between behavior and results (Biech, 2018).

It will be the responsibility of the talent development team to combine learning opportunities with work and decide how to measure the success of the program (Biech, 2018). The new learning mindset must be pre-

sented and delivered in a thoughtful manner. First, determine how knowledge will be presented, organized, maintained, and accessed. Designate a team to research options for using current technology. It is important for educational material to be up-to-date and presented in a format that is keeping up with the latest technology. The talent development team will need to establish a communication plan to keep employees abreast of the learning opportunities available to them. They will also want to determine the how, when, where, and what of the new learning ecosystem. Specifically, they will determine how knowledge will be delivered to employees. There are several options to be considered, and included as a part of the development plan, such as coaching, mentoring, shadowing, online classes, and group problem solving. Organizations are moving away from traditional instructor-led classes and moving towards knowledge-sharing opportunities that are embedded into working environments (Biech, 2018). Ideally, learning opportunities should be available to employees anytime, anyplace. The learning ecosystem is shifting away from the classroom and is being made available for employees to access wherever they are. Whatever an employee needs to improve job performance in a way that aligns to the organization's strategic goals is the knowledge that should be available to them.

Implementation

The organization must be viewed as a system of systems, and the implementation of a talent development strategy should be observed from a systems perspective. It includes creating a partnership with leadership, promoting a learning culture, keeping the lines of communication open, running the talent development program like a business, and creating and expanding learning opportunities (Biech, 2018). It is also important to be mindful of what could cause your development strategy to fail. The biggest roadblock is an inefficient budget. Other roadblocks to its success are an insufficient IT infrastructure, deficient technologies, no link between the learning strategy and the business strategy, lack of leadership support, and when preparing for the future is not a priority (Biech, 2018).

Assessing Success

The success of a talent development strategy can be measured by the following factors: whether the talent development team provided clear role expectations and authentic feedback, developed talent that has enhanced performance in current positions, and prepared employees for future roles, executed effectively, and measured the business impact and workforce effectiveness (S. et al., 2019). It is necessary to obtain feedback on how the talent development strategy is working by interviewing employees and managers. The strategy will need to include a SWOT analysis to identify strengths, weaknesses, opportunities, and possible threats. Metrics should be gathered to make an assessment on the success or failure of the strategy, fix the areas that are not working, and expand upon the areas that are showing the greatest improvements. Actions that are in play must be evaluated to determine whether changes are needed. If there are areas that need improvement, a transition plan should be created (Biech, 2018). It is essential to assess possible future trends that could affect the organization and talent development by creating three lists with the following headers: what we do now, what we should be doing in one year, and what we may consider in the future (Beich, 2018). This will give insight into what needs to change, what needs to stay the same, and what should be done in the future. It is important to maintain an agile mindset and be willing to pivot whenever it is discovered that a part of the plan is not working.

Conclusion

Manufacturing has unique challenges. High turnover rates, the lack of a growth mindset, and lack of support from leadership are all hurdles to overcome and conquer when implementing a talent development strategy. The talent development professional will need to build a business case for creating a learning environment and getting leadership on board to support it. As specialized training is needed for new hires in a manufacturing environment, there must be a strategic plan in place to ensure that new employees are receiving this training in a way that allows them to do the job they are hired to do effectively. It is not only

important for employees to have the skills needed to perform their jobs, but it is also necessary to create a culture that employees want to continue to work, grow, and learn in. That is why a continuous learning plan needs to be a part of the strategy. Continuous learning will involve all employees, and it will teach the soft skills that are necessary to create a culture where employees feel valued and where growth and development are a way of life. It is not enough to just implement a plan and hope it works. The plan must be closely monitored for outcomes. Feedback from managers and employees must be conducted to assess the impact. When it comes to talent development strategies, one size does not fit all. It is imperative that talent development professionals stay agile and hone their thinking skills to be able to continually assess the program and adjust as needed.

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New York Airbnb Locations

ABSTRACT

Airbnb launched a new travel accommodation option in 2008 and now has thousands of hosts and millions of listings across many cities, states, and countries. Airbnb's stakeholders, especially its hosts, are essential to the company's profitability and long-term success. While external forces impact Airbnb's operation, this student focuses on the internal factors that affect hosts specifically. This study examines internal factors affecting Airbnb hosts, apart from broader market or external pressures. By analyzing pre-pandemic data from New York in 2019, the most significant factor impacting our Airbnb hosts is the geographical area. The data reveals the most booked borough in New York and the top neighborhoods within each borough. Due to strict laws and regulations in New York, the number of short-term rentals is limited in each neighborhood, causing some Airbnb locations to be farther from Manhattan and major tourist spots. The type of room does not appear to influence the number of bookings in each borough. Further research is recommended, including post-pandemic data, comparisons between private rooms and entire homes or apartments, and seasonal booking patterns. Additional data from 2019 should also include whether guests were traveling for vacation or work.



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Introduction

Airbnb has offered alternative, creative, and unique places to stay in various cities since its founding in 2007 (Airbnb Newsroom, n.d.). It has also provided guests with a more authentic way of connecting with a city. Airbnb, originally known as Airbed & Breakfast, began when Brian Chesky and Joe Gebbia invited three guests to stay in their San Francisco home in October 2007 (Airbnb Newsroom, n.d.). In March 2008, Airbed and Breakfast officially became a business, and they launched the website in August of 2008 (Airbnb Newsroom, n.d.). In March 2009, Airbnb became the new name of the company and expanded its selection to apartments, homes, and vacation rentals (Airbnb Newsroom, n.d.). Today, Airbnb is one of the most popular booking apps, allowing guests to select their most important preferences such as city, type of accommodation, neighborhood, price range, and more.

Multiple external factors impact the operation of Airbnb and its ability to maximize its profits. To know these factors, one must look at them through the PESTLE Analysis. The PESTLE Analysis is a framework that analyzes how political, economic, social, technological, legal, and environmental factors affect an organization (Makos, 2024). The first of these factors is political factors. The policy and regulations in each city, country, and state regarding short-term rentals can vary. Some are stricter than others, and some do not allow for short-term rentals (Makos, 2024). According to Makos (2024), external stakeholders (such as policymakers and people who are considered locals). Another factor that affects Airbnb is economic factors. Inflation, global economic conditions (including tourism), and the housing market can heavily influence the performance of Airbnb.

Another factor is the social factor. Social trends and cultural shifts during a time can play a role in the performance of Airbnb (Makos, 2024). After COVID-19, remote work was rising in popularity and created a new normal (Pabilonia & Redmond, 2024). With the rise of remote work, it can affect Airbnb's success because a person will no longer have to travel to another state, city, or country and need lodging. They can stay home

and work. In addition, safety and health became a huge importance during COVID-19, which further drove the popularity of remote work. Another factor is the technological factor. Technology is constantly advancing, and cybersecurity risks have grown with technology (Makos, 2024). If Airbnb does not stay on top of the current technological advancements, then it has the potential to hurt the company.

Legal factors can also affect Airbnb's performance. Airbnb operates in a highly regulated industry and must comply with local laws in every city, state, and country (Makos, 2024). In some high tourism areas where short-term rentals are restricted or banned, Airbnb's ability to operate and grow may be limited. For example, cities such as New York have strict rules, requiring hosts to be physically present during a guest's stay and limiting the short-term rentals to no more than two guests (Harper, 2024). Failure to comply with these regulations can prevent Airbnb from doing business in key tourist destinations. Environmental factors also play a role. As climate change awareness grows, so does the demand for sustainable travel. This could lead to reduced travel overall, as people choose to limit their trips to reduce their environmental impact.

While the local communities, governing bodies, guests, shareholders, and employees are important stakeholders, the most important stakeholder is the host of the Airbnb location (Airbnb, 2020). This is because without them, Airbnb would not be able to make a profit from the rental listings. When considering the host, the question should be asked about what factors affect the host's listing(s) and why? Of course, the factors from the PESTLE analysis will affect the host, but are there additional factors that can affect them, such as geographical area, the type of listing offered, price, etc.?

To understand the factors affecting the Airbnb hosts, an analysis was conducted using secondary data from Airbnb bookings in New York during 2019. This year was chosen because it reflects a period before the COVID-19 pandemic, which significantly impacted travel and work patterns due to concerns of health and safety. The rise of remote work and public safety during the pandemic could distort the data, so using 2019 data

ensures more reliable and consistent results.

The analysis focused on three main variables:

1. The New York boroughs (neighborhood groups): Manhattan, Brooklyn, Queens, Bronx, and Staten Island.
2. Neighborhoods: specific areas within those boroughs (neighborhood groups).
3. Room types: entire home/apartment, private room (within a shared living dwelling), and shared room (in the same room as another guest).

Analysis & Results

To analyze the data, one must first look at it from a descriptive analytics perspective. By looking at it from a descriptive analytics perspective, one can start to see patterns and/or trends before doing a deep dive into the data. The first analysis was to see how many days (on average) out of 365 days Airbnb locations were available in each New York borough (See Appendix B, Table 1). The purpose of this analysis was to see which New York borough is the most popular to book by averaging all the available days from the Airbnb listings in each New York borough. If the average number of days is high, then that means the New York borough is not booking as often as other New York boroughs. If the average number of days is low, then that means the New York borough is booking more than the other New York boroughs. The data has been presented using a tree map, which means that the higher the number, the bigger the box will appear. As evident by Table 1 in Appendix B, the Brooklyn borough had the least number of available days to book an Airbnb place with an average of about 100 days available throughout the year out of all the listings in that area. Manhattan was a close second with an average of about 112 days available throughout the year. Queens was third with an average of about 144 days and Bronx followed Queens with an average of about 166 days. Staten Island was the least booked borough with an average of about 200 days available throughout the year.

Once it was determined how many days (on average) the New York borough Airbnb listings were available, the next analysis looked at how many bookings each New York borough received in the year 2019 (Appendix B, Table 2). This analysis was done to further confirm the popularity of each New York borough. Based on Table 2 in Appendix B, Manhattan received the most bookings in 2019 with 21,661 bookings out of the total of 48,895 bookings. Brooklyn received the second most, with 20,104 bookings out of the total of 48,895 bookings. Queens received the third most bookings with 5,666 out of the total of 48,895 bookings. Bronx and Staten Island were the least booked areas with 1,091 bookings and 373 bookings, respectively.

After analyzing the New York boroughs, the next step was to examine the individual neighborhoods within each borough. This analysis looked at the number of bookings per neighborhood within the boroughs to identify which neighborhood was the most popular among guests. According to Table 3 in Appendix B, the top three neighborhoods in the Manhattan borough are Harlem, Upper West Side, and Hell's Kitchen with 2,658 bookings, 1,971 bookings, and 1,958 bookings, respectively. The least booked area was Marble Hill with 12 bookings. Table 4 in Appendix B shows that the top three neighborhoods in Brooklyn were Williamsburg (3,920 bookings), Bedford-Stuyvesant (3,714 bookings), and Bushwick (2,465 bookings), while Mill Basin (4 bookings) was the least booked neighborhood in Brooklyn. Table 5 in Appendix B shows that in Queens, the top three neighborhoods were Astoria with 900 bookings, Long Island City had the highest number of bookings with 537, followed by Flushing with 426. In contrast, Breezy Point had the fewest bookings, with only 3. Table 6 in Appendix B shows that the Bronx's top 3 neighborhoods were Kingsbridge with 70 bookings, Fordham with 63 bookings, and Longwood with 62 bookings. The least booked neighborhood in the Bronx was Co-op City, with 2 bookings. The last borough is Staten Island (Table 7, Appendix B). In Staten Island, the top three neighborhoods for Airbnb bookings were St. George with 48 bookings, Tompkinsville with 42, and Stapleton with 27. On the other hand, the least booked neighborhoods with one booking each were Woodrow, Willowbrook, Rossville, Richmondtown, New Dorp, and

Fort Wadsworth.

This raises the question: Why is Manhattan the most booked borough compared to the other four? Why are some neighborhoods in the boroughs booked more than others? To answer these questions, the focus must shift from a descriptive analytics perspective to a diagnostic analytics perspective. By switching to a diagnostic analytics perspective, one can dive deep into the data and conduct additional research to answer the “why” questions.

First, the question of why Manhattan is the most booked borough compared to the other four needs to be answered. Looking at a map of the New York boroughs (Appendix C), Manhattan is considered the city of New York. It is where the majority of New York residents work and contains most of the popular tourist attractions such as Central Park, Madison Square, Rockefeller Center, the 9/11 museums, Times Square, Empire State Building, and more. By staying in Manhattan, there is less commute time since you are already in the “city” (ForrestTheWoods, 2017). Brooklyn is the second most booked location and is close to most of the popular tourist attractions in Manhattan. Depending on the neighborhood in Brooklyn, the commute time can be shorter or longer, depending on the destination (ForrestTheWoods, 2017). Queens is the third most popular borough to book. Queens is close to the attractions in the upper half of Manhattan as well as Yankee Stadium. As with Brooklyn, some areas have shorter commuting times into Manhattan depending on the starting point and the destination (ForrestTheWoods, 2017). The Bronx was the fourth most booked borough and is in the same situation as Queens. The Bronx is located close to the upper half of Manhattan attractions, as well as Yankee Stadium, and commute time depends on the starting and end points (ForrestTheWoods, 2017). However, the Bronx was booked significantly less than Queens, which could suggest more research should be done in this area. Finally, Staten Island was the least booked borough. The commute from Staten Island is the longest out of all the boroughs because a person will have to drive through New Jersey traffic then into Manhattan, they will have to drive through Brooklyn traffic then Manhattan, or they must take the ferry boat from

Staten Island to Manhattan which could take a while to wait on the ferry boat (ForrestTheWoods, 2017).

Now, we'll look at the top three booked neighborhoods in each borough. By looking at a map and locating the neighborhoods, the top three booked neighborhoods in each borough (excluding Manhattan) are the closest to Manhattan. This means less commute time for the person who booked the Airbnb. The neighborhoods with the fewest number of bookings are the furthest from Manhattan, which would mean more commute time to get to Manhattan. As for the top Manhattan neighborhoods, they circle Central Park and are close to other main attractions in Manhattan.

After completing the analysis on the geographical areas, an analysis was done on the different room types (entire home/apartment, private room and shared room). The first analysis was the number of bookings per room type in all the boroughs combined (Table 8, Appendix B). The entire home/apartment was the most booked option with 25,409 bookings followed by a private room with 22,326 bookings. The shared room was booked the least with 1,160 bookings. Then an analysis was done to see how many of those room types were offered per New York borough to see if there is a correlation between the number of bookings in each borough with the number of room types. In Manhattan, 13,199 entire homes/apartments were booked throughout the entire borough, 7,982 private rooms and 480 shared rooms (Table 9, Appendix B). In Brooklyn, 9,559 entire homes/apartments were booked, 10,132 private rooms and 413 shared rooms (Table 10, Appendix B). In Queens, 2,096 entire homes/apartments were booked, 3,372 private rooms and 198 shared rooms (Table 11, Appendix B). In the Bronx, 379 entire homes/apartments were booked, 652 private rooms and 60 shared rooms (Table 12, Appendix B). Finally, Staten Island had 176 entire homes/apartments booked, 188 private rooms and 9 shared rooms (Table 13, Appendix B).

Conclusion

After conducting multiple analyses, here are some of the key takeaways. Geographical areas can affect Airbnb hosts and can be considered one of the most

important factors affecting Airbnb hosts. Based on the data, the closer the borough or neighborhood is to Manhattan, the more bookings there will be in that area. As for Manhattan, the closer the Airbnb/neighborhood is to most of the main attractions, the more bookings there will be. Regardless, Manhattan was the most booked borough while Staten Island was the least booked borough. In addition, the most popular neighborhood to book in Manhattan was Harlem, the most popular neighborhood to book in Brooklyn was Williamsburg, the most popular neighborhood to book in Queens was Astoria, the most popular neighborhood to book in the Bronx was Kingsbridge, and the most popular neighborhood to book in Staten Island was Saint George. If you were looking to book in one of these areas, our recommendation would be to look in the top booked neighborhoods.

As for the room types, the most popular to book is an entire home/apartment due to having complete privacy, whereas a private room and shared room have little to no privacy. When looking at the room types compared to bookings in each New York borough, it did not seem there was a difference. In Manhattan, an entire home/apartment was booked more often than private rooms and shared rooms, but in Brooklyn, more private rooms were booked than entire homes/apartments or shared rooms. The same was true in the Bronx, Queens, and Staten Island. This could be due to the host needing to be on the premises during the stay, according to NYC law. Another possible explanation is that real estate in New York is expensive, so someone could be living in the home as their primary residence and renting out additional rooms to make up the difference in their mortgage.

Based on the data, more research should be conducted, and additional data should be made available. We believe that data on whether people were traveling for work or vacation should have been recorded and made available. This could give us a baseline on how many people were traveling for work compared to now. The most important further research that should be done is post-pandemic data. This could show how many people are traveling, and if they are traveling for work or vacation. Could Airbnb have

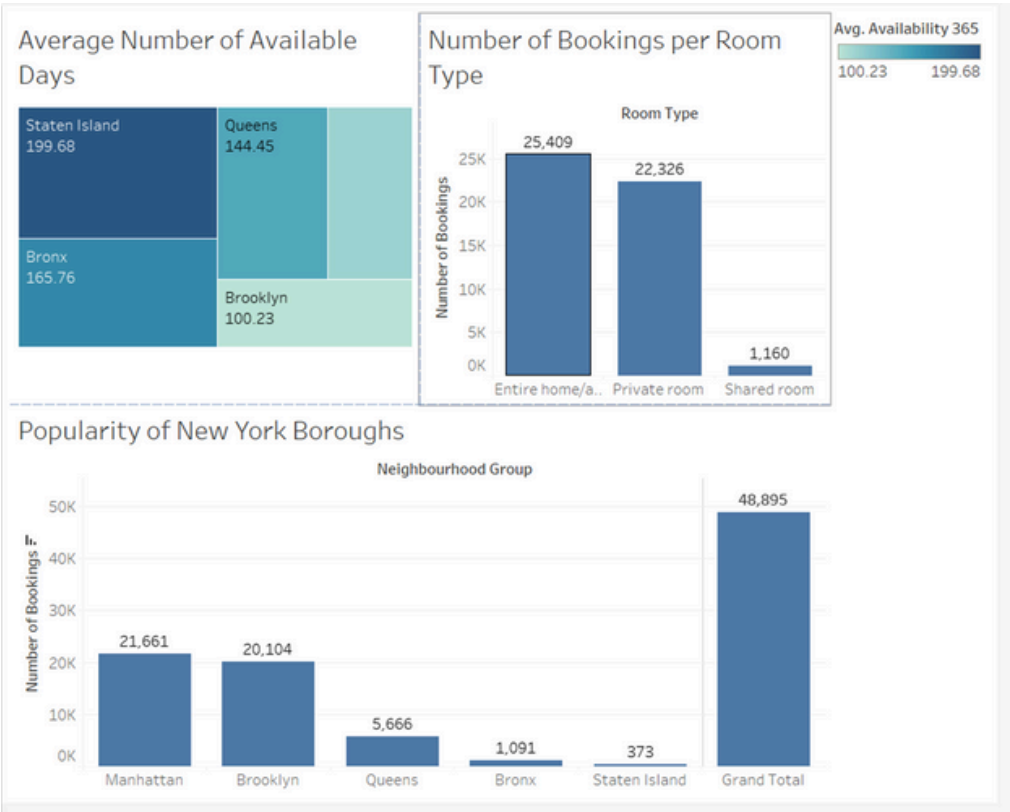
declined in popularity after COVID-19?

In addition to the above, further research should be done on the laws/regulations of entire homes/apartments, private rooms, and shared rooms. Further research is needed to explain why private rooms would be more popular than entire homes/apartments in four of the boroughs, while entire homes/apartments were more popular than private rooms in just one borough. Additionally, further research should be done on the crime rate in the areas of the listings to see if that can make a difference in the number of bookings. Further research should also be done on the most popular booking times, such as Christmas time and baseball season. The holidays and baseball season could skew the results one way or the other.

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Appendix A – Dashboard



Appendix B – Tables

Table 1 – Average number of available days per New York Borough

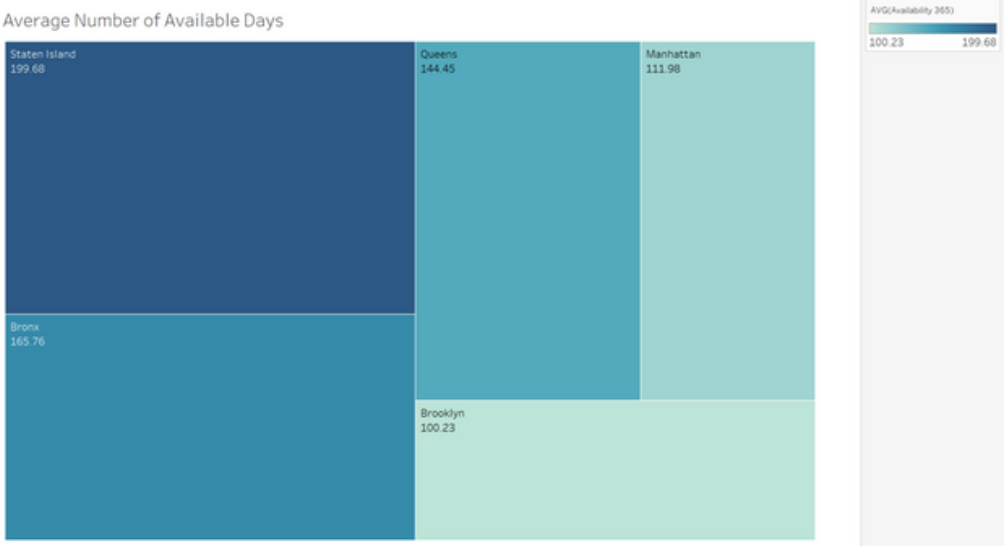


Table 2 – Booking popularity of New York boroughs

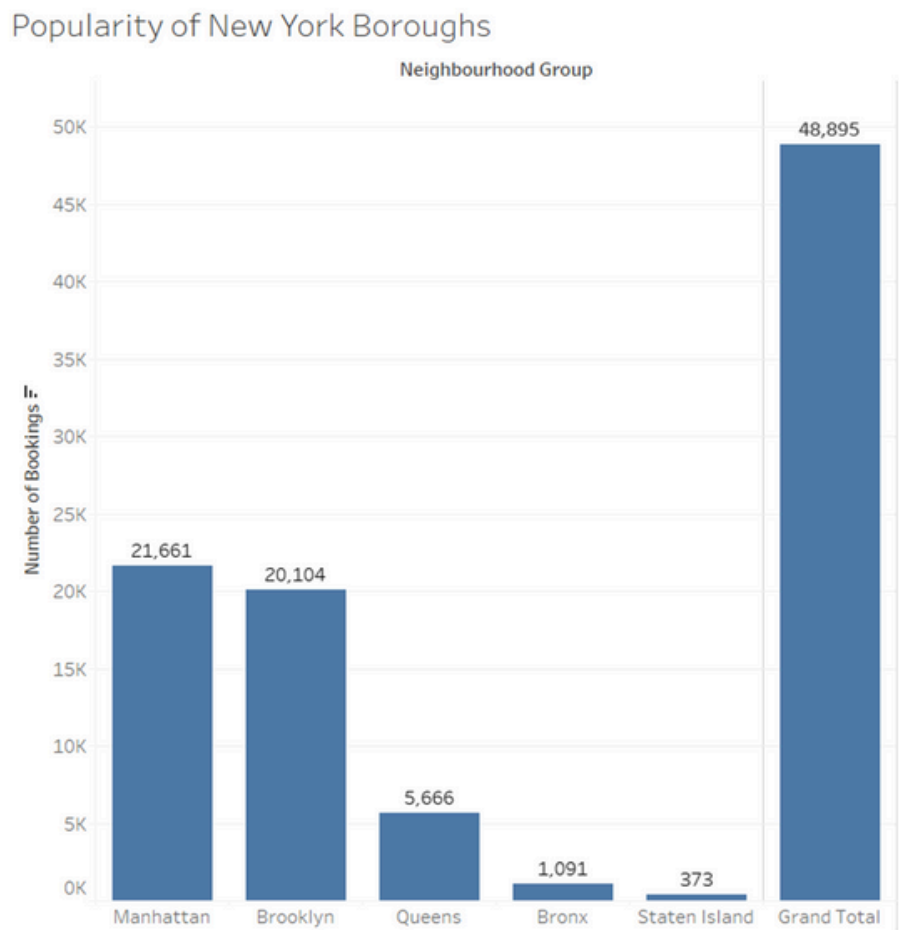


Table 3 – Booking popularity of Manhattan neighborhoods

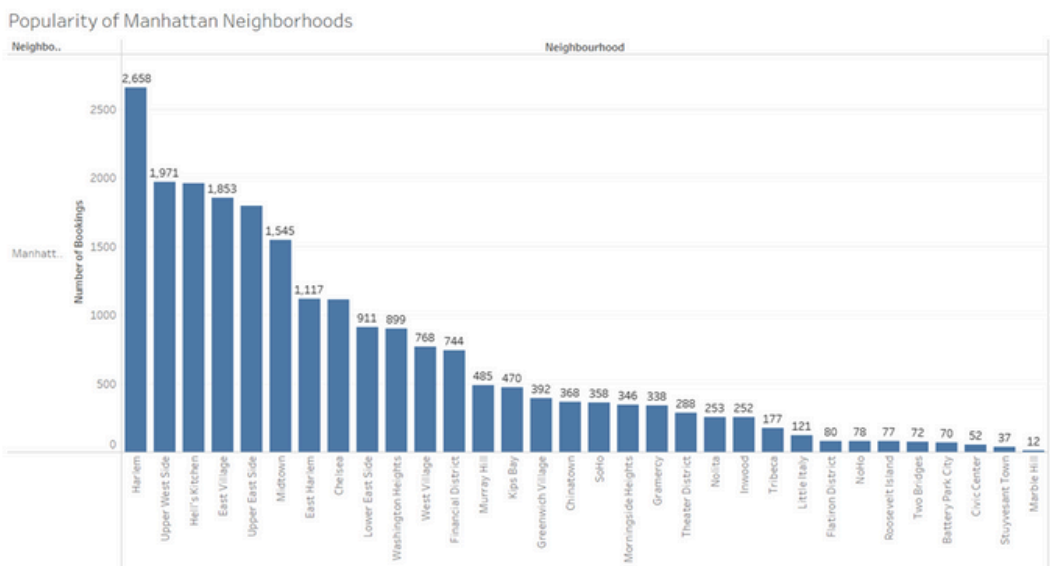
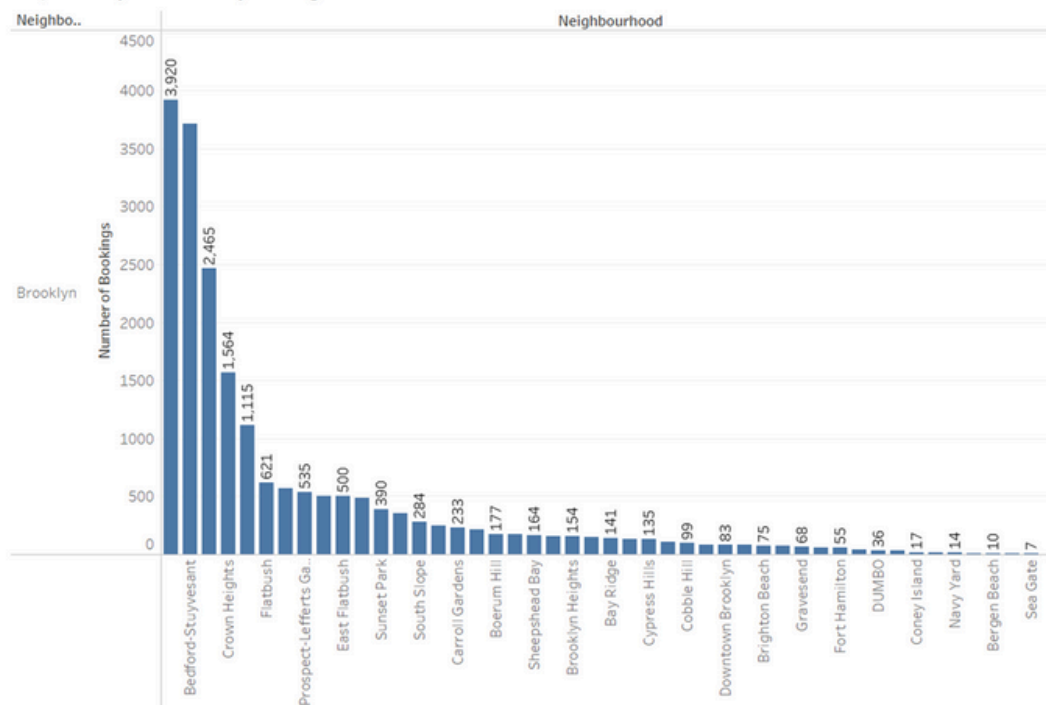


Table 4 – Booking popularity of Brooklyn neighborhoods

Popularity of Brooklyn Neighborhoods

**Table 5 – Booking popularity of Queens neighborhood**

Popularity of Queens Neighborhoods

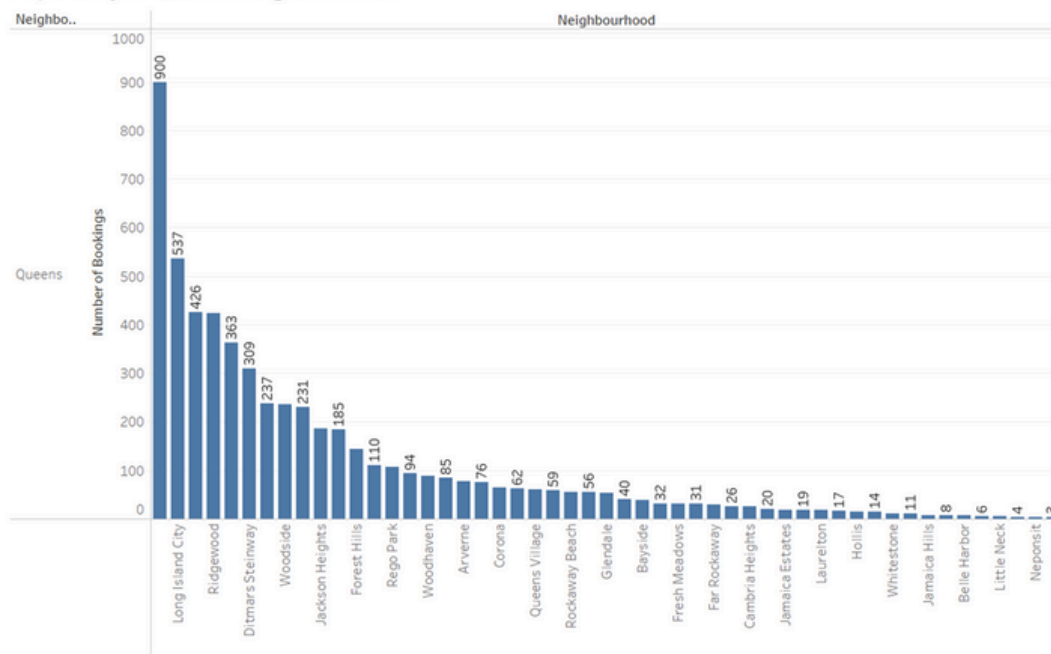


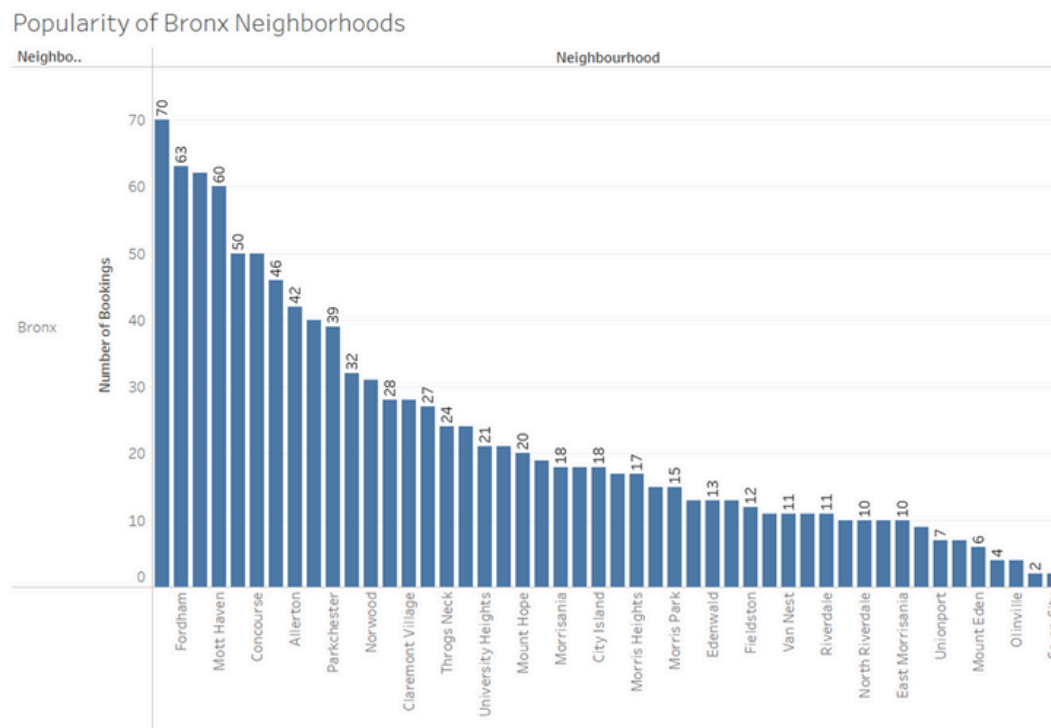
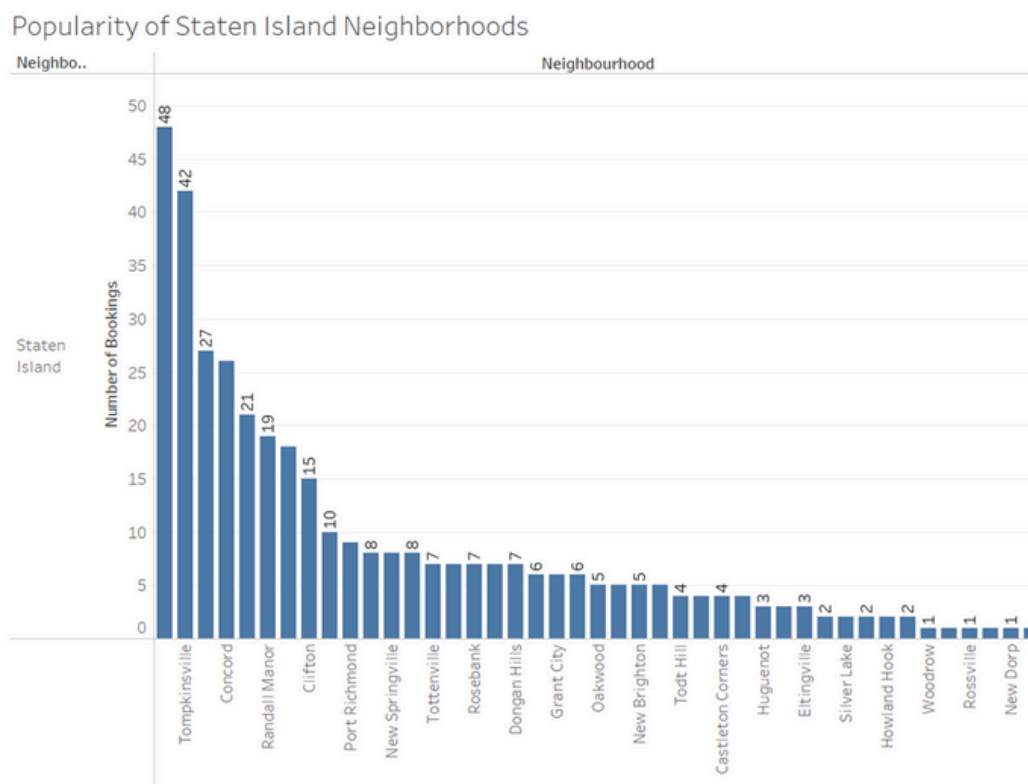
Table 6 – Booking popularity of Bronx neighborhoods**Table 7 – Booking popularity of Staten Island neighborhoods**

Table 8 – Number of books per room type

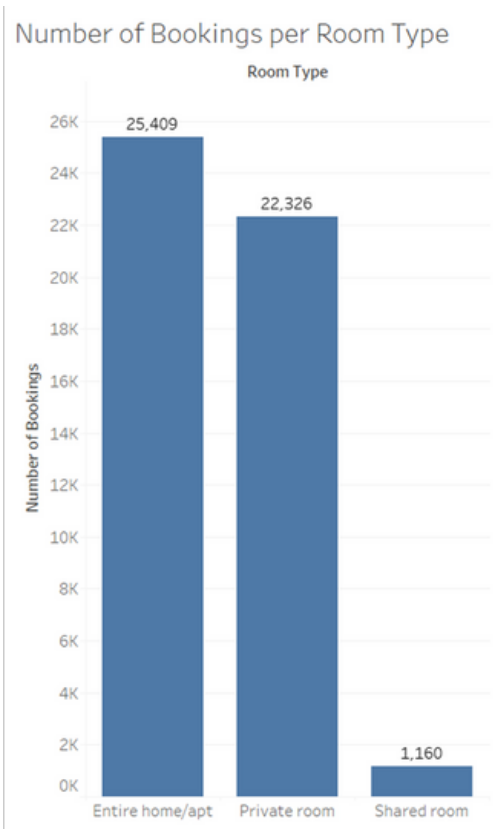


Table 9 – Number of bookings per room type in Manhattan

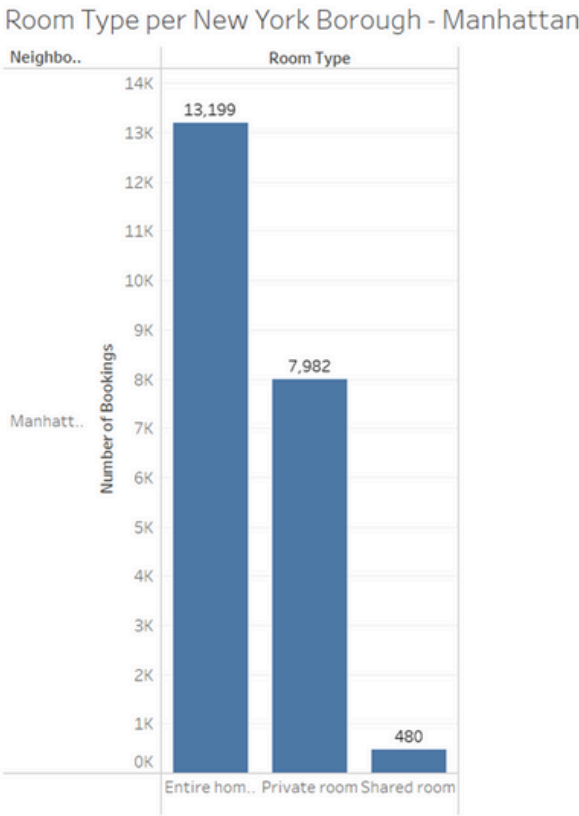


Table 10 – Number of bookings per room type in Brooklyn

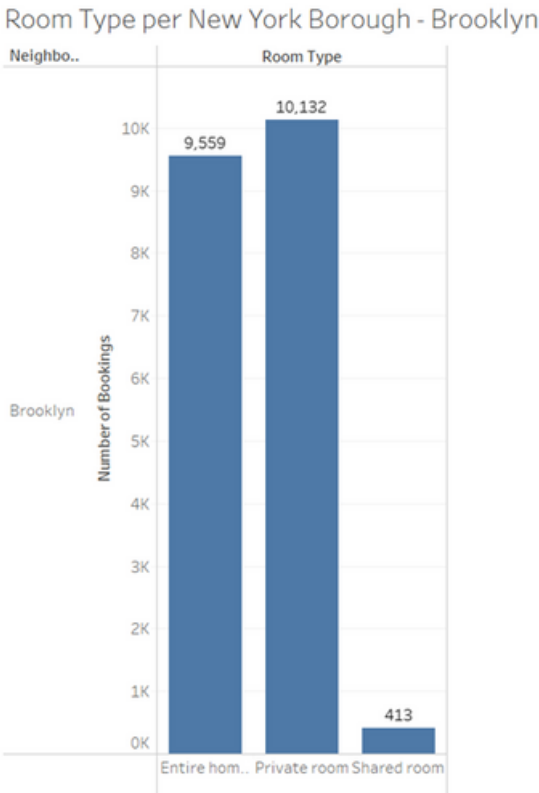


Table 11 – Number of bookings per room type in Queens

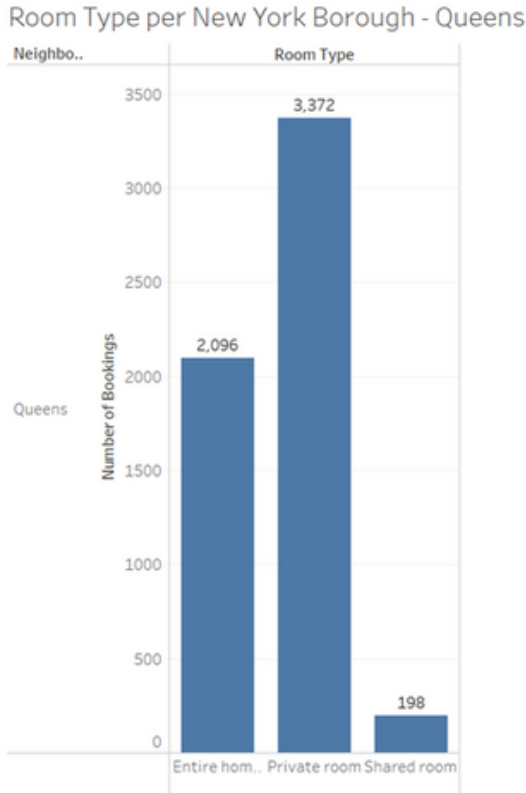


Table 12 – Number of bookings per room type in the Bronx

Room Type per New York Borough - Bronx

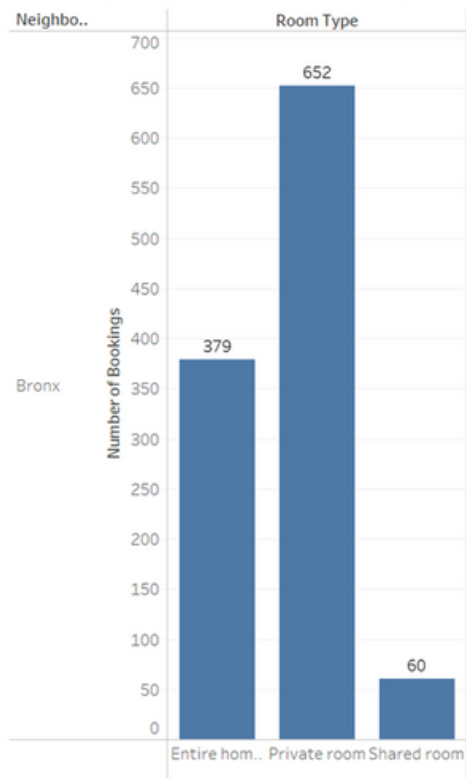
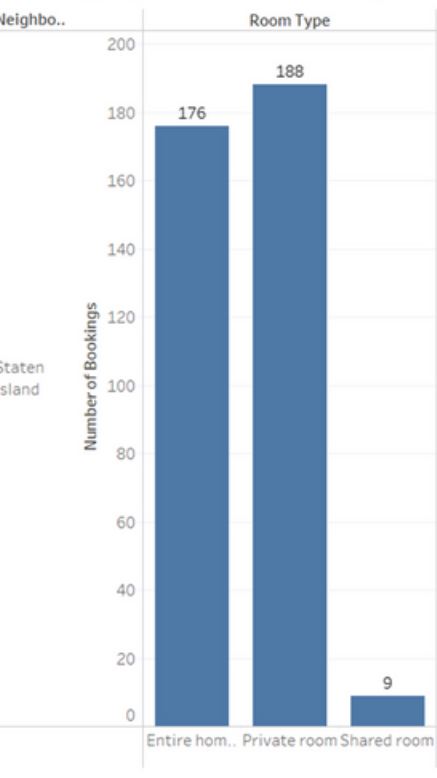


Table 13 – Number of bookings per room type in Staten Island

Room Type per New York Borough - Staten Island



Appendix C – New York Borough Map



Image from: Lou Moves You (2022). The borough of New York City according to locals.
<https://www.loumovesyou.com/blog/boroughs-of-new-york/>

Performance Management Systems: How Technology Changes Modern Business

ABSTRACT

Business systems are constantly changing due to advancements in technology. According to Moore's Law, technological advancements should double every 18 months (Jovanovic & Rousseau, 2002, p. 1). Due to the rapid growth in technology, new systems and software are being introduced to businesses and are often marketed as the most efficient way of operating. In response to COVID-19 and the sudden need to work from home, the modern business had to make adjustments to new technology as quickly as possible. This paper argues that while technology has made performance management more efficient and organized, it has also challenged the development of meaningful workplace relationships. Understanding this evolution is crucial for evaluating the challenges and opportunities that technology presents in modern performance management. This paper will examine how technology both aids and hinders modern business through performance management systems and how these developments have impacted business operations since the COVID-19 pandemic.



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Introduction

To understand the climate of the current systems in business, it is important to look back at the earlier common methods of performance management. Before the dot-com bubble, performance management systems had a very slow evolution. One of the earliest popularized methods was Frederick Winslow Taylor's "Scientific Management" principles (Schachter, 2016, p. 5). The main focus of Taylor's method was to simplify jobs to increase productivity. This method became widespread due to the publishing of his book in 1911 (p. 5). This was one of the first attempts at workplace management, laying the groundwork for future ideas. After World War I, a major shift occurred in performance management systems with the publication of Leon Festinger's paper, titled "A Theory of Social Comparison Processes." His "man-to-man comparison" proposed that straightforward leadership was most effective, as seen in the war training. This change is significant due to performance management going from a task-driven mindset to one with social awareness. The progression of these systems was gradual, and it took several years to see a significant change due to the speed at which information was relayed. Progress in management often took several decades to become more practiced. During these times, businesses were reliant on newspapers, radios, and books for information. The limitation of technology meant that new ideas were very delayed and slow to change. With today's technology improving at such a rapid rate, new techniques and systems are not only being produced faster but are also being broadcast to thousands of people a day as soon as they are published. This stream of new theories allowed companies to stay updated on the latest trends and methods. This creates a work culture of productive change and evolution. Because of this change, new performance management systems are being tested at a much higher rate than before (p. 9). Businesses currently have the ability to implement new methods and adjust their strategies at a more effective rate, which allows performance management systems to constantly evolve for the improvement of the company. Adapting as a business is required for success due to the competitiveness of the market. These rapid evolutions in performance management systems est-

ablish a foundation for understanding the specific changes that have shaped modern business practices.

How Performance Management Systems Are Changing

With the understanding of the historical progression in management systems, it is necessary to examine the specific changes that are currently happening. Many companies are now selling performance management systems that claim to be more efficient in the workplace.

Websites such as Workday, BambooHR, and 15Five have online tools for tracking goals, peer feedback, and automated performance reviews. These websites create a way for managers and human resource departments to stay organized in their reports and tracking, aiding in efficiency (Lewandowski & Cirella, 2023, p. 2.2.2). This level of organization is vital for companies that are striving to stay competitive with rival businesses. Most of these websites have specific profiles for each employee where the business can see specific data instantly, such as hours worked, tasks completed, meetings scheduled, etc. This almost instant access allows managers to make quicker, more informed decisions based on up-to-date employee metrics. Because this information is accessible at the push of a button, the modern business world is quickly shifting to these websites for performance management. This change seems obvious, but these websites are not always right for every business. Complaints about the new systems are due to a lack of personal relationships in the workplace. With websites that are tracking data for you, there is no need for constant check-ins with employees. As a result, some managers become reliant on software and overlook the need for one-on-one interactions. These interactions are often ways to provide meaningful mentorship, but become obsolete with the sole use of software. This can create a distant and removed relationship between management and their staff, making the technological advances a hindrance to employees' well-being (p. 2.1.1). The lack of relationship building in the workplace has been linked to underperformance. This is due to the lack of a partnership between the employee and the employer. Performance management systems are progressing

rapidly, with some key components to think about when making the switch. Efficient record-keeping aids with instant data, while the lack of employee relationships hinders businesses in the long run.

Although these changes have offered effective digital solutions, the rapid transition to working from home during the COVID-19 pandemic unveiled the broader risks associated with a technology-centered workplace.

Post-COVID-19: A Work-From-Home World

During the lockdown in 2020, businesses had to quickly adapt to an almost exclusively online workplace. Many businesses were not ready for such a drastic change, such as their employees now working from home and holding meetings online. Platforms like Zoom and Microsoft Teams became essential for daily operations. These platforms made communication possible but also introduced new challenges. Workers reported feeling frustrated, fatigued, and distracted due to the overuse of Zoom, which negatively affected their work engagement (Botha, van Dijk, Morals, 2023, p. 2). This sudden shift disrupted standard procedures and caused problems with both management and employees due to the necessary rash decisions (Carr & Jooss, 2023, p. 6). These early decisions were made in haste and were implemented without any long-term plan due to the uncertainty of the pandemic. Many businesses assumed that working from home would be short-lived and temporary, but the pandemic stretched for years, resulting in inefficient practices. Five years later, businesses are now fixing the issues that they could not address at the time. Businesses were not investing in the appropriate software and technology, and are finally getting to improve these errors. During the change, there was also reporting of dishonesty from employees (p. 3). People who were not used to working from home were given too much freedom and often spent less time working due to not being constantly monitored. This lack of accountability caused production levels to drastically decline with specific employees. Because of these reports, many businesses no longer offer remote positions and require all of their staff to be present in the office. This abuse of technology negatively affected the growth of some businesses during COVID due to the lack of

face-to-face accountability. Now that employees are back in the office, positive shifts are being made in many businesses. Resources such as therapists, gym memberships, and chaplains are more frequently being offered to improve the quality of work. This is becoming a more popular benefit due to the mental toll that the pandemic caused. Switching from home-based work to office jobs is a major adjustment, and many businesses are adapting to encourage enrichment and satisfaction in the workplace. The shift from working at home to coming back to the office has caused businesses to take the health and wellness of their staff members seriously. The return to in-person working made businesses assess employee well-being and how the addition of technology in management and performance measurement affects their staff.

Technology has affected how performance management systems are used in businesses. Management systems progressed slowly before modern technology, which resulted in little variation for many years. In the past, businesses relied on the most popular performance management techniques because they had the most media coverage. Due to the internet and changes in technology, new management practices and strategies are traded at an almost instant rate. Currently, technology has evolved to allow businesses to track their performance metrics instantly online and stay more organized. The use of software to track data results in a distance between employee and employer due to the elimination of reviews and frequent conversations. Businesses had to adapt to the rapid change in technology due to COVID-19, but these changes resulted in positive advancements for employees' health and wellness. Now, businesses are offering more enrichment in the workplace and are prioritizing mental health. As a result, technology improved business operations and changed how employees are treated and supported. While technology has made performance management systems more efficient and organized, companies should not overlook the importance of personal connections with employees. Moving forward, businesses should strike a balance between face-to-face conversations and technology-based solutions to create a performance management system that is both

efficient and supportive of employee well-being.

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Best Practices in Performance Management for the Evolving Workplace

ABSTRACT

Performance management is crucial in aligning employee behaviors with organizational goals, contributing to the overall success and productivity. As the workplace continues to evolve, especially post-COVID-19, it is now essential for performance management processes to evolve accordingly. Organizations can enhance their performance management practices by incorporating key performance indicators (KPIs) and key result indicators (KRIs) to measure progress effectively. Adopting appropriate performance management methodologies for the organization, such as 360-degree feedback, management by objectives (MBO), and objectives and key results (OKRs), can provide a more comprehensive understanding of employee performance and areas for improvement. Setting SMART (Specific, Measurable, Achievable, Relevant, and Time-bound) goals provides employees with clear performance targets. Maintaining open lines of communication and establishing a continuous feedback process allows for transparency and ongoing development. Additionally, fostering a culture of trust is critical to a successful performance management process. By focusing on these elements, organizations can create a robust performance management system that cultivates employee performance and drives overall growth and success for the organization.



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Introduction

Performance management, a pivotal HR function, is instrumental in aligning organizational objectives with employee behavior. It drives compensation and benefits decisions, fosters career development and advancement, and promotes employee performance and productivity. Additionally, it ensures that employee actions align with company success factors. While performance management has been a cornerstone of many organizations for decades, the processes and procedures are rapidly evolving in response to the changing labor landscape. The rapid transformation of work dynamics, particularly after COVID-19, has necessitated adaptable performance management strategies. This paper delves into best practices for performance management in the dynamic workplace, including evaluating key performance and result indicators, following appropriate methodologies, establishing SMART goals, maintaining open lines of communication, creating a continuous feedback process, and fostering trust in employees.

Key Performance Indicators

Key performance and result indicators play a crucial role in effective performance management. Key performance indicators (KPIs) are metrics used to measure employee performance and define organizational goals while providing a range of outcomes to improve business operations, employee performance, and productivity (Asih et al., 2020). The significant benefits of establishing KPIs for an organization's performance management system include clarity of purpose, alignment of employee actions with company success factors, meaningful measurement of performance, and development of ownership, empowerment, and fulfillment in all levels of the organization (Asih et al., 2020). Key characteristics of KPIs include their relevance to company strategies, the necessity of regular monitoring and reporting, and alignment with department and employee goals (Sultan, 2022). KPIs should have clear targets and objectives while being simple, understandable, and easy to calculate. They should focus only on factors within the organization's control, meet business needs and challenges, and be integrated into the perform-

ance management system (Sultan, 2022).

Key Result Indicators

In addition to KPIs, key result indicators (KRIs) are used by organizations to monitor, track, and measure progress in the achievement of goals in the performance management process (Sultan, 2022). The components of KRIs consist of goals, targets, timeframes, metrics, and results and differ from KPIs due to their focus on measuring the progress of results versus overall performance (Sultan, 2022). These indicators are not just metrics but strategic tools that align employee actions with company success factors. To be effective, these tools must align with the organization's strategic objectives. Additionally, they should account for the cross-functional responsibilities of employees in today's dynamic work environment.

Performance Management Methodologies

Several methodologies are employed in the performance management process, with some of the more popular methods including 360-degree feedback, management by objectives (MOBs), and objectives and key results (OKRs). 360-degree feedback, a performance appraisal process that incorporates feedback from various sources, such as supervisors, peers, subordinates, and clients, depending on the industry, is particularly beneficial for employee development (McCarthy & Garavan, 2001). It allows employees to gain invaluable insight into their strengths and weaknesses from a variety of perspectives, thereby enhancing their performance and furthering their development. The 360-degree feedback process involves establishing its purpose, selecting an instrument for data collection, determining the rating factors, training the raters and ratees, selecting the raters, distributing the questionnaires, analyzing the feedback data, and discussing the feedback with the ratee (McCarthy & Garavan, 2001). This methodology is so beneficial that organizations utilizing the 360-degree feedback method have seen a 10 percent improvement in employee performance over traditional methods (Saxton, 2024). One of the key distinctions between 360-degree feedback and more traditional performance appraisal methods is that while

conventional methods primarily focus on evaluating performance, 360-degree feedback is centered on performance evaluation for employee development (McCarthy & Garavan, 2001).

Management by objectives is another popular performance management methodology used in many organizations. MOBs are a goal-setting performance appraisal method in which individual goals are based on departmental and organizational objectives that are evaluated annually (Brown, n.d.). Performance evaluation and compensation are often tied to the successful completion of goals. Another performance management method focused on objectives are OKRs. The rationale behind OKRs focuses on identifying specific goals and determining the resources and results necessary to achieve desired outcomes (Sultan, 2022). OKRs are often evaluated quarterly and are not necessarily tied to compensation. OKRs provide employees with specific and measurable objectives to focus on and are best used with balanced KPIs (Sultan, 2022). The main contrasts between MOBs and OKRs include their level of risk, focusing on the what versus the what and how, timeframe for evaluations, their connection to compensation decisions, and MOBs' qualitative nature versus OKRs' qualitative and quantitative nature (Brown, n.d.). The performance appraisal methodology utilized will vary by organization according to needs. However, the key to effective performance management is ensuring that whatever method is used aligns with the company's mission, objectives, and business strategies. This alignment is imperative to ensure that the method effectively fosters employee performance and development for continued growth and success.

SMART Goals

Regardless of the performance management method selected, the use of SMART goals is paramount to the success of any performance management process. SMART stands for specific, measurable, achievable, relevant, and time-bound. A specific goal clearly defines its purpose, involved parties, required resources, and potential constraints (Batista, 2024). An example of a specific goal would be to obtain SHRM-CP certification versus obtaining professional certifica-

tion. Measurable goals focus on how much and how many, progress indicators, and identifiers for knowing when the goal has been achieved (Batista, 2024). For example, increasing sales by 20 percent versus simply increasing sales. "Achievable" refers to how realistic and attainable the goal is. The goal's relevancy examines whether the goal is worth pursuing, if it is the right time to be pursued, if the goal aligns with other objectives and needs, and if the goal is the right fit for the employee (Batista, 2024). Goals must align with organizational strategies and objectives to be relevant. Finally, "time-bound" refers to the timeline for achieving the goal; for example, obtaining SHRM-CP certification in one year or increasing sales by 20 percent by the third quarter. Setting SMART goals in the performance management process allows for transparency and accountability for both the employee and employer, provides an accurate method for measuring progress, and enhances employee motivation through the process because it provides a clear set of achievable goals with an obtainable timeline to meet them (Batista, 2024).

Communication

Maintaining open lines of communication and understanding employee needs is essential to employee and organizational performance. Communication is a critical component to success in any organization, and it is pivotal to communicate frequently and effectively with employees to maintain operational efficiency and create an environment of continuous improvement. Effective communication has also been linked to organizational success and positive employee job output (Elegbe & Simon, 2021). However, to create and maintain successful communication, it requires buy-in at all levels of the organization, from executives down. Still, direct managers arguably play the most crucial role in the communication process, especially regarding performance management. Studies show that managers who provide supportive communication to their subordinates lead to more motivated workers, which, in turn, enhances performance (Elegbe & Simon, 2021). Additionally, organizations that create a participative and employee-supportive atmosphere found higher satisfaction, performance, and produc-

tivity (Elegbe & Simon, 2021). Nevertheless, these communication styles take work to achieve. Organizations are often plagued with misunderstandings, misinformation, one-way communication and feedback, inadequate feedback, and missing information. To rectify these issues, organizations should work to alleviate and eliminate distortions in feedback, especially in the performance appraisal and feedback process (Elegbe & Simon, 2021).

Understanding Employee Needs

Understanding employee needs is another crucial component of effective performance management and employee development. When employees feel their needs have been met, they are more likely to feel connected to the company's mission, vision, values, and objectives, resulting in higher engagement, motivation, commitment, performance, and productivity (Barrett, 2014). However, to meet these needs, employers must first identify and understand employee needs. As with Maslow's Hierarchy of Needs, certain basic needs must be met before employees can perform to the best of their abilities. HR must first address basic employee needs, such as fair compensation and workplace safety. Once these needs have been met, employers can focus on moving up the pyramid. Providing employees autonomy with their work, opportunities to learn and develop, and performing tasks that support a more significant purpose will help them satisfy their transformational, esteem, and self-actualization needs (Barrett, 2014). Being cognizant of employee needs, discussing these needs in and out of performance feedback sessions, and working towards satisfying these needs will increase employee engagement, motivation, and overall job satisfaction.

Continuous Feedback

Creating a continuous feedback process is another essential practice of performance management. Many organizations have shifted from annual reviews to quarterly reviews with ongoing informal feedback sessions throughout the year. Shifting from annual to quarterly reviews, supplemented with ongoing feed-

back, enhances performance tracking, facilitates real-time goal adjustments, and reinforces alignment with organizational objectives (Ranjan, 2022). Research has also shown that adopting continuous feedback resulted in a 30 percent increase in productivity and a 20 percent increase in employee engagement (Saxton, 2024). A crucial component in ongoing feedback is maintaining open lines of communication between employees, managers, and colleagues; as previously discussed, the 360-degree feedback methodology is an excellent source for fostering this. Continuing feedback discussions take on many forms, ranging from formal performance reviews to casual five-minute conversations. Several tools can be implemented to aid in the performance management and feedback process. These tools include cloud-based performance management systems, digital collaboration tools, video conferencing software for virtual feedback sessions, and software to track performance and productivity (Saxton, 2024). However, it is interesting to note research has shown that individuals display higher levels of performance, engagement, and motivation to improve when feedback is provided by a person versus a computer (Giamos et al., 2024). The type of feedback provided also affects factors such as performance, engagement, motivation, and productivity. Giamos et al. (2024) found that employees had a more positive response to quantitative feedback when compared to qualitative feedback alone.

Trust

Trust is a foundational element of successful performance management. Trust is the foundation of all relationships, including the relationship between employee and employer. It is also more important now than ever in the new world of work, where more and more employees are working in hybrid and remote environments. Trust is vital to employee performance and affects efficiency, effectiveness, productivity, and organizational behavior (Eva et al., 2024). Trust must be built, and employees and managers can work to gain this invaluable element in numerous ways. Eva et al. (2024) hypothesized that employee trust can be gained through leadership, communication, and teamwork skills. The researchers found that managers who displayed these skills by being supportive, kind,

rewarding, providing frequent feedback and accurate information, encouraging, respectful, and participative, positively impacted employee trust (Eva et al., 2024). Managers and employees can also build trust between one another through consistent communication and engagement (Mabaso & Manuel, 2024). Research indicates that employees perform better when they perceive trust from both managers and peers; they are more likely to accept performance appraisal results when they feel their managers accurately view their performance, take an interest in their work, and support their development (Mabaso & Manuel, 2024). These research results underscore the importance of trust in the performance management process in fostering communication and engagement for elevated performance, productivity, motivation, and satisfaction.

Conclusion

Performance management is an integral element of HR's function within organizations and is critical to the alignment of organizational objectives and employee behavior. The rapidly evolving landscape of the workplace has made the performance management process and the practices implemented by HR practitioners more important now than ever. Identifying KPIs and KRIs and strategically aligning them to the organization's mission and objectives are crucial to enhancing the performance management process. Evaluating and identifying the appropriate performance appraisal methodology that fits both the organization's and employees' needs is paramount. Popular methodologies include 360-degree feedback, which employs feedback from various sources; MOBs, which set employee goals based on department and organization objectives; and OKRs, which provide employees with specific and measurable objectives that are achieved by focusing on identifiable results. Establishing specific, measurable, achievable, relevant, and time-bound (SMART) goals in the performance process encourages transparency, accountability, and motivation. Maintaining open lines of communication and understanding employee needs creates an environment of continuous improvement and operational efficiency. Adopting a continuous feedback model of performance management allows for ongoing alignment of organizational and employee

goals for enhanced performance and productivity. Trust is the foundation of an effective performance management system and a key driver of organizational success. Effective performance management in today's evolving workplace requires a strategic approach that not only prioritizes clear objectives and continuous feedback but also fosters an environment of trust and empowerment, ultimately driving both employee growth and organizational success. By focusing on these elements, organizations can cultivate a high-performing workforce that contributes to long-term organizational success.

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Obergefell v. Hodges: Judicial Fidelity, Federalism, and the Living Constitution



ABSTRACT

This article closely examines Obergefell v. Hodges in which the U.S. Supreme Court affirmed same-sex marriage as a constitutional right grounded in concepts of equality and liberty embedded in the Fourteenth Amendment. This paper posits that the decision from the highest court mirrors James Madison's vision of federal courts as defenders against state-based injustice while holding dear constitutional adaptability advanced by Thomas Jefferson. Despite scholars who characterize this ruling as judicial overreach, this paper posits that the ruling extends dignity to historically marginalized groups while honoring precedent, federalism, and moral clarity. Obergefell demonstrates the ever-evolving need for judicial interpretation to align with changing social norms in a manner that meets the framers' dedication to equal protection and justice.

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Introduction

Should the right to marry the person you love, regardless of their gender, be decided by individual states or guaranteed by the Constitution? For April DeBoer and Jayne Rowse, building a family in Michigan meant navigating a legal system that refused to recognize their love or their children. Jim Obergefell just wanted to be listed as the surviving spouse on his husband's death certificate. Their struggles and those of countless others ultimately changed the course of American history forever. Justice Anthony Kennedy wrote in the majority opinion of *Obergefell v. Hodges* (2015), "No union is more profound than marriage, for it embodies the highest ideals of love, fidelity, devotion, sacrifice, and family." (Kennedy, *Obergefell v. Hodges*, 2015, p. 33, para. 3). This paper argues that *Obergefell v. Hodges*, while departing from *stare decisis*¹ in some respects, ultimately aligns with James Madison's assertion in *Federalist No. 51*: that a strong federal government must counteract state infringements while safeguarding individual liberties. (Madison, *Federalist No. 51*, 1788). Yet the decision's enduring controversy underscores a deeper tension: how should judges balance their duty to interpret the Constitution with the democratic process itself?

This debate hinges on a fundamental question: Should judges act as social architects or strictly interpret existing law? The Constitution's framers intentionally crafted a document flexible enough to evolve alongside society, as reflected in the seven accepted modes of constitutional interpretation: text, history, tradition, precedent, structure, prudence/consequences, and natural law/morality (NCC, 2025). While judges must prioritize textual fidelity, rigid adherence to the "page alone" risks divorcing the law from societal realities. For instance, natural law/morality—whether rooted in enduring principles or contemporary ethical reasoning—demands that judges acknowledge evolving norms to safeguard civil liberties (cf. NCC, 2025; Scalia, 1997; Madison, 2005).

In this light, judicial selection becomes critical. Justices must interpret the Constitution not as a relic but as a living framework, ensuring that interpretations protect marginalized groups and restrain governmental overreach. To deny this role risks stagnation: a 1787 text, frozen in time, cannot address modern inequalities such as the right to marry. The framers' foresight lies in their ambiguity, inviting judges to act as constrained social architects — blending textual rigor with contextual awareness — to preserve constitutional integrity.

These tensions between judicial philosophies crystallize in debates over textualism's adaptability. Justice Scalia's insistence on rigid originalism champions restraint, preventing judges from cloaking personal preferences in constitutional garb. Yet this approach risks fossilizing interpretations, sidelining cultural progress that reshapes how constitutional principles like "equal protection" apply. In 1868, the Fourteenth Amendment's drafters excluded women and minorities from their conception of equality, but its core purpose — fairness under law — demands expanding its scope as societal understandings evolve (U.S. Const. amend. XIV.). A pragmatic middle ground emerges, anchoring decisions in the text's original public meaning while recognizing that evolving standards inform modern applications of terms like "liberty" or "cruel and unusual punishment." Such balance allows the judiciary to limit governmental power and protect rights without usurping legislative authority.

This interplay between text and context underscores a deeper jurisprudential quandary: can procedural safeguards like the Due Process Clause ever ground substantive rights? Justice Thomas argues they cannot — that these clauses are mere procedural bulwarks, not fonts of unenumerated freedoms. Technically correct, his distinction falters functionally. Courts have long inferred rights from constitutional structure and precedent, as *Loving v. Virginia* (1967) affirmed marital liberty despite its absence from the text. Thomas's critique echoes fears of judicial overreach, but *Obergefell* rebuts this: the majority did not invent rights wholesale. Instead, it extended existing liberty principles to a group historically excluded.

¹ *Stare decisis*, in simple terms, means to stand by things decided or to let the decision stand. (Corporate Finance Institute, 2023).

ed by flawed cultural assumptions. Judicial restraint does not mean indifference to systemic injustice. When states denied same-sex couples legal recognition, they violated the Fourteenth Amendment's guarantee of dignity—a principle consistent with both text and precedent.

If tradition alone cannot justify inequality, how should we judge rulings like *Obergefell*? Critics decry the decision as an affront to federalism, yet the Supremacy Clause² exists to override state laws violating fundamental rights (U.S. Const., Article VI, Clause 2). Tradition, after all, once sanctified slavery and gender inequality injustices, was dismantled by judicial courage. *Obergefell* mirrors the *Oliver Brown v. Board of Education of Topeka, et al* (1954) rejection of “separate but equal,” upholding the Constitution's promise of “equal dignity” against outdated biases. (*Brown v. Board of Education*, 1954). To praise the majority is not to endorse activism but to acknowledge, as Jefferson noted, the Constitution's “greatest perfection”: its capacity for “improvement and adaptation” to societal progress (Jefferson, 1816).

These debates frame *Obergefell* as a case study in balancing constitutional fidelity with moral urgency. The ruling navigates the tightrope between originalism and living constitutionalism, respecting textual constraints while adapting timeless principles to modern inequities. By defending judicial adaptability without abandoning *stare decisis* or federalism, the decision sets the stage for examining how future courts might reconcile precedent with justice—a theme central to understanding its enduring legacy.

The *Obergefell* decision's alignment with constitutional principles hinges on its careful negotiation of precedent, federalism, and judicial duty. While critics decry the ruling as judicial overreach, closer examination reveals its fidelity to core legal doctrines – and to James Madison's vision of a federal judiciary as

the ultimate guardian of liberty against state encroachment.

Central to this analysis is the Court's treatment of *stare decisis*. The majority acknowledged precedents like *Loving v. Virginia* (1969) and *Lawrence v. Texas* (2003), which expanded marital and intimate liberties, while explicitly overruling *Baker v. Nelson* (1972), a relic dismissing same-sex marriage claims as legally frivolous. Justice Kennedy justified this departure by noting that societal and legal evolution had rendered *Baker* “inconsistent with broader constitutional principles” (*Obergefell*, 2015, p. 3 & 23.) -- a move consistent with *stare decisis*. This balance reflects judicial restraint tempered by moral clarity: precedent cannot perpetuate violations of fundamental rights. By grounding its reasoning in the Fourteenth Amendment's “dual guarantees of liberty and equality,” the Court affirmed that constitutional imperatives must prevail over outdated rulings.

These constitutional imperatives resonate with James Madison's federalist philosophy. In *Federalist No. 9 & 10*, Madison and Hamilton warned against the “tyranny of the majority,” advocating federal power to protect minority rights from state-level factionalism (Hamilton, Madison, & Jay, 1788). *Obergefell*'s invocation of the Fourteenth Amendment to override state bans on same-sex marriage embodies this vision, positioning federal courts as guarantors of “equal dignity” where states fail. Madison's foresight extended beyond structure to adaptability: he understood that the Constitution must evolve through interpretation, not solely amendment. The majority's reliance on “new insights” into marriage's societal role mirrors this belief, as even dissenting Chief Justice Roberts conceded federal authority to define constitutional rights – a tacit nod to Madison's success in entrenching judicial review.

Yet Madison's initial blueprint for federal oversight differed starkly from the mechanism used in *Obergefell*. He once proposed a federal “negative” (veto) over state laws, a concept rejected in favor of the Supremacy Clause (U.S. Const, Article VI, Clause 2). The Clause's superiority lies in its neutrality and durability. Unlike a politically charged veto, it empow-

²The Supremacy Clause, found in Article VI, Clause 2 of the U.S. Constitution, establishes that the Constitution, federal laws made in accordance with it, and treaties are the “supreme Law of the Land,” taking precedence over conflicting state laws.

ers courts to invalidate state laws conflicting with constitutional rights through neutral adjudication, as seen in Obergefell's reversal of marriage bans under the Fourteenth Amendment.

By striking down state bans under the Fourteenth

Amendment, the Court circumvented the partisan gridlock that a presidential veto would have caused, ensuring continuity in legal protections. Landmark rulings like *Lawrence v. Texas* (2003) and *U.S. v. Windsor* (2013) progressively expanded individual liberties and established a jurisprudential foundation for *Obergefell v. Hodges* (2015). In contrast, a veto from Madison would have necessitated ongoing legislative battles. The Supremacy Clause, upheld by the courts, provides a self-sustaining safeguard for federal authority, reinforcing the stability and continuity of these legal advancements.

The tensions between precedent and progress, as well as federal power and state autonomy, define the legacy of *Obergefell v. Hodges*. By skillfully navigating *stare decisis* and grounding its reasoning in Madisonian federalism, the ruling connects abstract judicial philosophy with tangible constitutional results. However, this interplay also ignites ongoing debates about the relationship between federal rulings and state autonomy, highlighting the intricate realities of American federalism.

The impact of the *Obergefell* decision extends beyond constitutional theory into the complexities of governance, where judicial rulings reshape laws, institutions, and lives. Critics who claim the Court engages in "legislating from the bench" often overlook the Constitution's inherent ambiguity, which necessitates judicial interpretation in the face of modern dilemmas such as digital privacy and LGBTQ+ rights. This interpretive power, while essential, carries risks and requires pragmatic reforms to maintain judicial legitimacy without succumbing to political conflicts. For instance, implementing term limits for justices, such as 18-year terms, could reduce ideological entrenchment, while enhanced Senate scrutiny of nominees might promote consensus candidates. Transparency measures, including public

recusal rationales would enhance accountability. However, punitive measures often fall short, as accusations of "overreach" frequently reflect partisan biases—conservatives criticized *Obergefell* just as liberals did *Dobbs, T. (et al.) v. Jackson Women's Health Organization, et al.* (2022). Existing checks, like impeachment and amendments, tend to be too blunt or impractical. Even the idea of court expansion, while appealing to the desire to recalibrate ideological balance, risks further politicization, as demonstrated by FDR's 1937 threat. Thus, the solution lies not in structural changes but in reaffirming judicial norms, requiring justices to justify deviations from precedent with constitutional rather than ideological reasoning, as Justice Kennedy did in *Obergefell*.

However, even well-intentioned rulings unleash unintended consequences. *Obergefell* catalyzed seismic shifts far beyond marriage licenses: adoption rights, surrogacy disputes, and child custody battles now increasingly recognize same-sex parents. Religious liberty clashes like *Masterpiece Cakeshop, Ltd. V. Colorado Civil Rights Commission* (2018), test anti-discrimination laws, while federal agencies overhauled more than 1,000 statutes to extend Social Security, tax and immigration benefits to same-sex spouses. These cascading adjustments expose a paradox: courts can affirm fundamental rights, but legislatures must codify their practical implementation – a task the framers entrusted to democratic processes. *Obergefell* thus underscores the necessity of judicial humility; even morally justified rulings demand restraint to avoid usurping legislative functions.

Justice Kennedy's opinion transcends these tensions by framing the law as a "complex adaptive system" – a dynamic interplay of precedent, societal change, and institutional actors. Earlier rulings like *Lawrence* and *Windsor* created feedback loops, normalizing LGBTQ+ rights and emboldening lower courts to challenge state bans. Kennedy's synthesis of liberty (Due Process) and equality (Equal Protection) into a novel "dignity" framework exemplifies emergent outcomes, reflecting societal values while anchoring them in constitutional text. This adaptability ensured relevance: by appealing to the "transcendent dimension" of liberty, the opinion

navigated textual silence on marriage equality in a way rigid textualism could not. Here, the Constitution thrives not as a static artifact but as Jefferson envisioned – a document perfect by its “capacity for improvement and adaptation” to cultural progress.

In this light, Obergefell embodies the paper’s core thesis: it balances Madison’s federalist safeguards with Jefferson’s adaptive idealism, affirming that judicial power, when exercised with rigor and humility, can harmonize constitutional fidelity with moral urgency. The ruling’s legacy—its triumphs and unintended aftershocks—reminds us that the law is neither a machine nor a manifesto but a living system, forever recalibrating to uphold liberty in an ever-changing world.

The Obergefell v. Hodges decision epitomizes the judiciary’s fraught yet vital role in reconciling constitutional tradition with societal progress. By anchoring same-sex marriage in the Fourteenth Amendment’s guarantees of liberty and equality, the Court upheld James Madison’s vision of federal power as a check on state majoritarianism while honoring Thomas Jefferson’s belief in the Constitution’s capacity for “improvement and adaptation.” This delicate balance—departing from precedent only when it entrenches inequality, wielding the Supremacy Clause to override discriminatory state laws, and synthesizing text with evolving notions of dignity—demonstrates that judicial power, when exercised with rigor and humility, can harmonize fidelity to the framers’ intent with moral clarity.

Obergefell’s legacy lies in its affirmation that constitutional principles are neither frozen in 1787 nor subject to ideological whims. Like *Brown v. Board* (1957), the ruling reminds us that the judiciary’s greatest strength is its ability to correct systemic injustices through reasoned interpretation, not blind deference to tradition or politicized activism. While unintended consequences—from statutory overhauls to religious liberty clashes—underscore the limits of judicial authority, the decision ultimately challenges future courts to heed Kennedy’s call: interpret the law as a living system, ensuring that timeless ideals like equality and liberty endure not as relics, but as prom-

ises fulfilled.

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Sustainable Manufacturing in Today's Environment



ABSTRACT

Sustainable manufacturing is becoming more critical in today's environment. There is a growing need to balance economic viability, environmental awareness, and social impacts companies face. Companies today must adapt to conducting business in a way that shows environmental awareness and responsibility to the communities they are a part of while maintaining profitability and government compliance. One key tool that companies can use as a road map to achieve sustainability is the implementation of lean process practices. While lean alone is not enough to achieve this goal, it can be used as part of a collection of best practices that will lead companies to success. Through this paper, the author explores key principles in sustainable manufacturing, challenges that companies face, and some possible solutions that companies can implement in their journey toward sustainability.

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Sustainable Manufacturing in Today's Environment

In April 2010, an environmental disaster occurred in the Gulf of Mexico that has impacted the lives of millions of people, wildlife in the area, and the sustainability and reputation of a major oil company. The British Petroleum (BP) oil well disaster highlighted poor sustainability practices and forever changed the face of the company. "The scale of the BP oil spill in the Gulf of Mexico, equivalent to more than one Exxon Valdez disaster per week, and its constant exposure through the media may make this particular event seem exceptional" (Kirsch, 2010, p. 296). Producing materials or goods sustainably is not only good for the environment, but it is also beneficial for the people producing the goods and the community in which the production facility is located. Sustainable production in manufacturing is centered around creating products using methods that are environmentally responsible, have a positive social impact, and are economically viable for the company's long-term future. It seeks to minimize the negative effects that irresponsible manufacturing and waste policies have on the environment by conserving energy and natural resources, reusing available materials, and ensuring the health and safety of workers and local communities. Additionally, it aims to maintain profitability. With the cost of raw materials and energy on the rise, developing policies and practices that improve efficiency and reduce waste will help companies to be more sustainable and profitable. The following will describe and lay out principles of sustainable production, challenges in achieving sustainable production, strategies and solutions for becoming more sustainable, and studies of companies that have successfully implemented policies that have led to more sustainable practices. Companies that operate sustainably are helping to protect the environment for future generations. An initial investment in infrastructure will also help their long-term viability by creating a culture of minimizing waste and ensuring regulatory compliance. The author of this paper explores the principles, challenges, examples, and solutions of sustainable production in manufacturing, and strategies for successful implementation.

Key Principles of Sustainable Production

Waste Minimization

Sustainable manufacturing can be defined as "One of several terms that define more environmentally favorable or green processes, but it also encompasses ensuring economic viability and social responsibility" (Canter, 2015, p. 12). Minimizing waste is one of the main ways a company can start its journey toward sustainability. Additional key principles are, reducing energy consumption, and optimizing how companies use resources.

"Traditional manufacturing is subtractive, which means that a lot of waste (e.g., ceramic dust) is produced before completing the fabrication process, while additive manufacturing may reduce this waste by 90%. However, not much action has been taken to evaluate this waste material; little actions have been taken to look into waste management, despite it being at the forefront of promoting sustainable manufacturing" (Villa et al., 2024, p. 302).

Minimizing waste in a company will also save the company money in the long run. Eliminating waste for a company starts with changing the culture from the top leadership down to entry-level positions.

Just-In-Time Inventory

One example of waste elimination is when companies adopt a just-in-time inventory model. This will help to reduce parts and materials that may become obsolete before they are needed. This will free up the resources used in those products to be used in other ways instead of going to a landfill at the end of their life cycle.

"If there is no proper inventory level, the enterprise will not be able to meet the market demand or cope with the variation in the production process; on the other hand, too much inventory will result in an increase in the cost of the business" (Chui et al. 2017, p. 40)

Environmental Management Systems Certifications

Obtaining certifications in environmental management systems is one way to maintain a culture of sustainability. Certifications such as ISO 14001 will pro-

vide a holistic approach to environmental sustainability that includes all aspects of an organization's environmental impact and offers tools for continuous improvement. ISO 14001 is important because it indicates that a company is following best practices in sustainability.

"These benefits include an increased level of environmental management capacity, improved cost management practices, improved employee and managerial awareness, enhanced operational efficiency and effectiveness, identification of pollution prevention opportunities, establishment of new energy efficiency and waste reduction targets" (Searcy et al., 2012, p. 280)

The traditional focus of environmental protection departments in a company has been to concentrate on complying with the law and not focusing on protecting the environment. To obtain a culture of sustainability, companies must change the way they think about this. They must get employees involved, build infrastructure to support them, and educate them about how each individual within a company can have a great impact on the overall sustainability of the company (National Research Council, 1999).

Challenges in Achieving Sustainable Production

Some challenges companies face when starting their journey toward sustainable production practices include economic challenges, regulatory compliance, and resource availability.

Economic Challenges

Even though there is a growing demand for companies to produce more sustainable products and use more sustainable production methods, many customers are not willing to pay more so their suppliers can produce their products more sustainably. "Thus, sustainable products may reduce regular consumers' willing to pay and lead to a reduction of demand" (Liu & Dong, 2017, p. 7). Customer education and acceptance of the benefits of using products produced sustainably can be met with skepticism and an unwillingness to increase the cost of goods sold.

Capital Investments

Companies can face the economic challenge of the initial capital investment that needs to be made for sustainable production. Implementing sustainable technology and practices often requires a significant upfront investment. Older and inefficient equipment uses more electricity and requires costly, frequent repairs. Replacing old equipment with more energy-efficient options is an investment that is becoming more and more expensive. In the long run, these upgrades to machinery will be more profitable for the company because of increased reliability and energy savings. (Ragab & Orhan, 2024). One such example is Tesla, which has invested in renewable energy as part of their business plan when building their Gigafactories.

"The corporate goals of Gigafactory (2) were to reinvent both the roofing and solar businesses, combining the two. This was to be achieved with a solar roof tile that could be installed faster and more durably than a traditional roof while generating profitable solar energy" (Cooke, 2020, p.7).

Regulatory Challenges

Another challenge companies will face is ensuring they maintain regulatory compliance with government agencies that govern different aspects of how they can conduct business. Regulations are constantly changing, and keeping up with the changes while maintaining production can be a daunting task that can consume large amounts of resources. Most manufacturing companies have employees that are solely focused on regulatory compliance. This is important because reading through and navigating complex and unclear regulations often requires someone to be well-educated and versed in navigating regulatory compliance. "Establishment and enforcement are essential for the ongoing success of any major organization today. Selecting a CCO to manage and maintain this program effectively is an integral part of this process" (Freeman, 2007, p. 357). This is further complicated because different countries, even different states, have different requirements for their regulations.

Many companies have relocated their manufacturing facilities or built new facilities in Alabama because it is known for having favorable tax incentives for manufacturers, a more easily navigated regulatory environmental permitting process, and business development incentives that encourage development in the state. Alabama has been ranked highly with respect to its approach to economic development. It ranked number one in the country in the speed of permitting, number two in the overall cost of doing business, number three in business incentives and for having a favorable regulatory environment, and number eight in energy availability and cost (Underwood, 2021).

Resource Availability

Resource availability can also be a challenge for companies who are looking to achieve more sustainable production. "Shortages can be seen in almost all the resources such as labour, material, energy, and capital" (Ivanov & Dolgui, 2022, p. 7141). As more companies move toward a more sustainable model, they compete with one another for resources such as solar panels, environmentally friendly chemicals, LED lighting, and other equipment used on the production floor. In the future, more companies should be producing these, and they will be more widely available. For now, experience at new manufacturing facilities shows that replacement parts for variable frequency drives and other higher-efficiency equipment are in short supply. Replacement parts for repairs often have weeks-long lead times; some parts even have months-long lead times. "Supply-side risks include supplier business risks, capacity problems, technological changes, changes in product design, poor supply quality and poor logistics performance (i.e. late delivery)" (Diego et al., 2019, p. 316). For a company that is in full production, this could lead to costly downtime that will reduce their overall reliability and profitability. While many of these challenges can be overcome with strategic planning or resources and improvements over time, small to medium-sized companies may have a more difficult journey to sustainability than larger companies that have more resources to invest in sustainability projects.

Strategies and Solutions for Becoming More Sustainable

Optimization Through Lean Manufacturing

Some strategies and solutions companies can implement to aid in sustainable production are process optimization using lean manufacturing such as energy-efficient practices. Incentive-based employee training can also lead to an engaged workforce. One of the first ways a company can start toward more sustainability is through adopting lean manufacturing processes. The goal of lean manufacturing is to optimize production by eliminating waste, improving overall efficiency, and focusing on value-added activities (Sundar et al., 2014).

Forms of Waste and Solutions in Lean Manufacturing

In lean manufacturing, the eight forms of waste are defects, extra processing, overproduction, waiting, inventory, transportation, motion, and non-utilized talent (Gay, 2024). Eliminating defects and extra processing will lead to a reduction in wasted materials, energy, and labor. It will also eliminate the need for added costs associated with reworks or disposal of defective material. Eliminating excess inventory and overproduction will help reduce the need for extra warehouse spaces that use more electricity and manpower to maintain. Eliminating waiting and motion will lead to more efficient production practices and reduce the energy required to produce a part. Eliminating excess transportation and optimizing logistics can help to reduce fuel usage and greenhouse gas emissions. Also, utilizing talent from all levels of employees encourages everyone in the company to take ownership of the sustainability process and will help to drive continuous improvement. Having healthy and honest communication from senior leadership to all employees will encourage a culture of empowerment and continuous improvement. Incentivizing employees' input and suggestions through bonuses or recognition will help to convince employees to play an active role in the company's path forward to production sustainability.

Conclusion

There are many ways companies can change the way they conduct business to become more sustainable in their production practices. Some improvements can have large investments in capital to replace aging equipment or install renewable energy generators. On the other hand, a change in culture and involvement from employees at all levels is a great way to start. One initial way to change the culture is to adopt lean manufacturing and work toward obtaining certifications such as ISO 14001. While no certification can guarantee true sustainability practices, it is a step in the right direction. Potential for improvements could be identified in the better integration of environmental management systems into the core processes in companies. A more strategic application of environmental management systems and the introduction of further measures to create greater transparency concerning the environmental performance of environmental management systems (Hamschmidt & Dyllick, 2001).

No matter the industry, companies should strive to become more sustainable because of the benefits for the future of the environment, the social perception of their company, and the long-term viability of their production processes. This paper has explored the principles, challenges, examples, and solutions of sustainable production in manufacturing, strategies for successful implementation by laying out ways a company can overcome those challenges, and ways they can become more sustainable.

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Beyond Views: Using Data-Driven Insights to Improve Social Media and Web Engagement



ABSTRACT

This study examines digital engagement trends for The Muleskinner using data from Instagram Insights and website analytics tools. The goal is to help The Muleskinner achieve 30,000 views per story by identifying optimal content types, audience segments, and timing strategies. Key findings include the superior performance of reels over stories, higher engagement from Instagram followers versus non-followers, and increased web activity on Mondays and Tuesdays. Regression, ANOVA, and chi-square tests revealed minimal correlation between view counts and engagement time, highlighting the importance of visual and creative content. The results suggest data-informed strategies to improve reach and viewer engagement on digital platforms.

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He is currently working in the banking industry and credits his academic success and personal growth to the support of his fiancée, Lauren, throughout his time at Athens State.

Introduction

This study investigates digital engagement patterns for The Muleskinner, a student-run news publication. The objective is to identify trends that could support the publication's goal of reaching 30,000 views per story. By analyzing Instagram content performance, website traffic data, and audience behavior, the research aims to offer actionable recommendations to enhance user engagement. The study also seeks to identify optimal days for publishing, content formats that attract higher interaction, and geographic locations showing strong potential.

The significance of this analysis lies in its ability to inform evidence-based content strategy. Understanding what drives engagement enables organizations like The Muleskinner to refine their digital outreach. The following research questions guide this investigation:

1. Does a higher number of views correlate with greater average engagement time per user?
2. How do different Instagram content types (reels, stories, posts) perform in terms of views and interactions?
3. Are followers more likely to engage than non-followers?
4. Which days of the week yield the highest and lowest engagement on the website?
5. What states outside of Missouri represent the strongest viewer base?

Literature Review

Prior research has examined various aspects of digital media engagement. Studies have shown that visual and interactive formats, such as short-form video content, are more likely to capture attention on platforms like Instagram (Alhabash & Ma, 2017). Reels, which mimic TikTok's popular format, often leverage algorithmic boosts that enhance visibility (Escott, J., n.d.).

User engagement on websites is highly influenced by page layout and initial content visibility. Web users typically decide within seconds whether to continue in-

teracting with a page (The Treetop ABA Therapy, 2024). This underscores the importance of capturing attention through visual elements or headlines early in the user journey. Social media platforms such as Facebook, have metrics that can predict publisher website traffic indicators by more than 60% (Angelou et al., 2024). This validates for publishers that social media engagement is a strong driver for website traffic.

Furthermore, demographic factors such as age and geographic location play significant roles in media consumption behavior. Understanding where users are located and how they interact can help media outlets prioritize resources and tailor messaging for optimal engagement. With most online users using mobile devices, valuable information is obtained such as which locations get the most responses and where users are when they interact with publisher content (Dokuz & Celik, 2017).

Strategically placing hashtags will have published content show up in hashtag-based story collections that can reach a broader market that is interested in that type of content (O'Brien, C., 2025). This will increase the content exposure to an audience that the publisher may not have considered.

Methodology

This study employed a quantitative research approach utilizing data from three primary sources: Instagram Insights, Google Analytics, and the SNO platform used by The Muleskinner's website.

Data Sources

Instagram metrics were collected from December 16, 2024 to March 16, 2025. These included content types (reels, stories, posts), account reach, views, interactions, and follower status. Website data, collected between March 27, 2025 and April 25, 2025, included variables such as daily page views, stories read, average engagement time, and viewer location.

Variables

The key variables analyzed were: Instagram content type, follower vs. non-follower views and interactions, page engagement time, day-of-week activity, and

state-based viewership.

Statistical Techniques

Descriptive statistics were used to calculate means and distributions. One-way ANOVA and chi-square tests identified statistically significant differences in content performance. Regression analysis assessed the relationship between views and engagement time. Outliers, specifically data points with two or fewer views, were excluded from the final regression analysis to improve accuracy.

Sample Sizes

The final cleaned Instagram dataset included approximately 30 entries. Website engagement data consisted of 142 valid entries post-cleaning.

Limitations

The absence of demographic data such as age and gender limited deeper segmentation. Additionally, the short 30–90 day analysis windows may not capture seasonal or long-term trends in engagement.

Visuals

All visualizations in this report were created using Microsoft Excel for bar charts and R for generating histograms. These tools were selected to ensure statistical accuracy and reproducibility of the engagement data.

Results

RQ1: Relationship Between Views and Engagement Time

A regression analysis was conducted to assess the relationship between views and engagement time per user on the website. The coefficient of determination (R^2) was 0.0093, indicating that only 0.93% of the variability in engagement time could be explained by views. The regression slope was 0.1503, suggesting a minimal increase in engagement time with additional views. The p-value exceeded 0.05, resulting in the acceptance of the null hypothesis. No statistically significant relationship was found. Thus, views alone are not a reliable predictor of engagement time, and additional factors must be explored.

RQ2: Content Type Performance on Instagram

A one-way ANOVA showed statistically significant differences in engagement based on content type ($F = 5.28$, $p < 0.05$). This indicates greater variability between the two content types (Statistics Solutions, 2025). Reels had the highest average views and interactions, followed by posts, while stories ranked lowest. This suggests that Instagram's algorithm and user behavior favor video-based content like reels. The results shown in Figure 1 and Figure 2 indicate that reels are the most effective format for driving interaction and visibility.

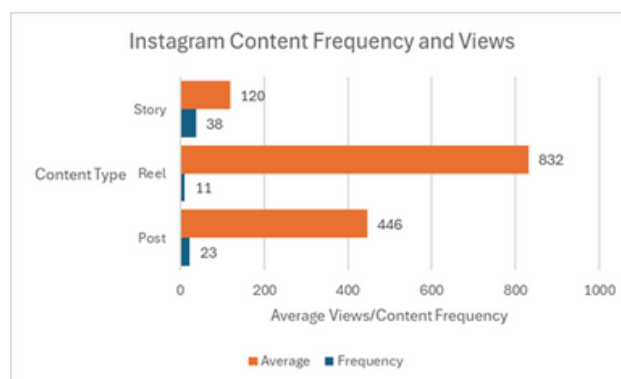


Figure 1 - Instagram Content Frequency and Views (12/16/24 – 03/16/25)

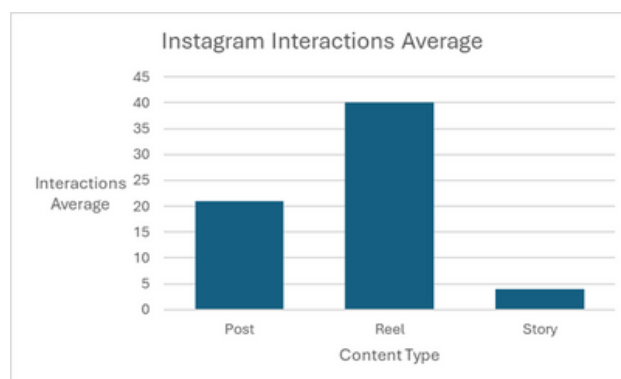


Figure 2 - Instagram Interactions Average (12/16/24 – 03/16/25)

RQ3: Follower and Non-Follower Engagement Comparison

Instagram data revealed that followers produced significantly higher average views and interactions than non-followers. The histograms from Figure 3 and Figure 4 suggest that both distributions were right-skewed, indicating a concentration of lower engagement levels with occasional spikes. This means

the mean is skewed by higher values, while most data points fall near the lower end of the range (LabXchange, 2021). ANOVA tests confirmed a significant difference ($F = 4.93$, $p < 0.05$), suggesting that building a follower base leads to more consistent engagement.

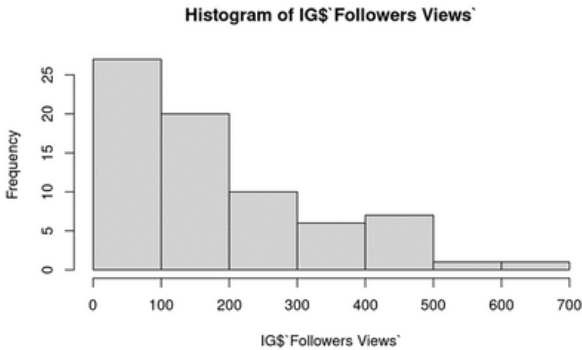


Figure 3 – Histogram of IG Followers Views (12/16/24 – 03/16/25)

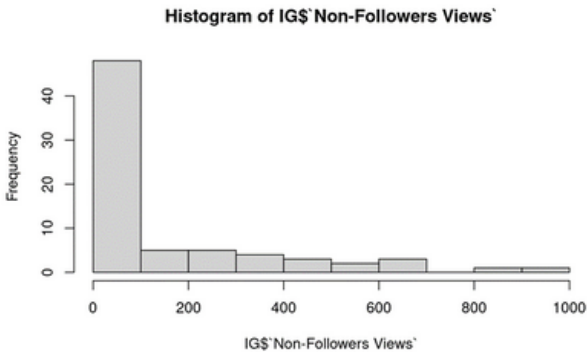


Figure 4 – Histogram of IG Non-Followers Views (12/16/24 – 03/16/25)

RQ4: Day-of-Week Patterns in Website Activity

Daily averages from Figure 5 showed that Tuesdays had the highest page views, while Mondays had the highest story reads. Saturdays consistently had the lowest engagement across all metrics. This pattern supports scheduling new content for early weekdays to capitalize on peak user activity.

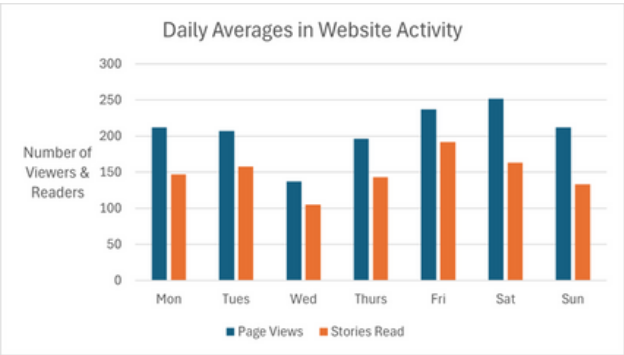


Figure 5 – Daily Averages in Website Activity (03/27/25 – 04/25/25)

RQ5: Geographic Distribution of Viewers

State-level website data showed that, outside of Missouri, Texas and Illinois had the highest viewership. These findings highlight potential regional interest that could be amplified with targeted content or campaigns focusing on issues or topics relevant to audiences in those areas.

Discussion

The findings of this analysis reveal several insights relevant to The Muleskinner's digital strategy. Although a higher number of views does not strongly predict engagement time, this highlights the importance of content quality and initial visual impact. Research has shown that users often disengage within seconds unless immediately drawn in by visual or interactive elements (The Treetop ABA Therapy, 2024). Thus, front-loading visual content, such as videos or engaging thumbnails, may be more effective than simply increasing traffic.

The success of reels compared to stories and posts aligns with platform-level algorithm priorities. Reels are often promoted more aggressively by Instagram, providing increased visibility and interaction potential. This preference mirrors broader media consumption trends favoring short-form video over static content (Escott, J., n.d.).

Follower behavior also suggests an important distinction in user commitment. While non-followers occasionally produce high spikes in views (potentially from shares or hashtags), followers are more consis-

tent. This indicates that follower engagement could be nurtured through community-building tactics like calls-to-action (CTAs), content tagging, and user engagement strategies.

The timing analysis shows that content released earlier in the week, especially on Mondays and Tuesdays, receives higher engagement. This could reflect user behavior patterns such as weekday content consumption during class or work downtime, while weekends show less engagement. Lastly, geographic data points to opportunities in Texas and Illinois, where audience interest is notable. Targeted campaigns in these regions may yield measurable returns.

Conclusion and Recommendations

This study evaluated digital engagement for The Muleskinner through social media and web analytics. It found that content type, follower status, day of the week, and geographic targeting are critical drivers of engagement. While views alone do not predict engagement time, strategic content deployment can significantly impact performance.

Based on the findings, the following recommendations are offered:

- Focus on producing Instagram reels and limit use of stories, which underperform.
- Encourage viewers to follow the account to improve engagement consistency.
- Post content on Mondays and Tuesdays, avoiding Saturdays for optimal reach.
- Use hashtags and CTAs to enhance reach and prompt sharing among non-followers.
- Develop geographically relevant content for high-viewership states like Texas and Illinois.
- Use more visual content, such as video or animated headlines, on web pages to extend engagement time.
- Consider future research into content sentiment analysis and A/B testing to refine post format and message tone.

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Various Learning Formats Available for Talent Development



ABSTRACT

This paper will explore the science behind how people learn, and the best approaches to presenting content that is in alignment with the business strategy. The research will show that training, mentoring, and coaching are all important elements of a talent development strategy. Consideration is given to neuroscience, specifically the needs of the hippocampus in the brain, when understanding how memories are created. An examination of how emotions are tied to learning is also included. The 70-20-10 principle, which describes the most likely areas learning occurs in the workplace, is discussed in relation to the best approaches to presenting content. The research will show that spacing out multiple, smaller learning experiences over time is more effective than cramming large amounts of material into a single session. Additionally, a deeper dive into available delivery options, such as professional accreditation (i.e., college degrees or certifications), instructor-led in-person or virtual classes, and self-directed learning, is presented as a part of this research into the various learning formats for talent development.

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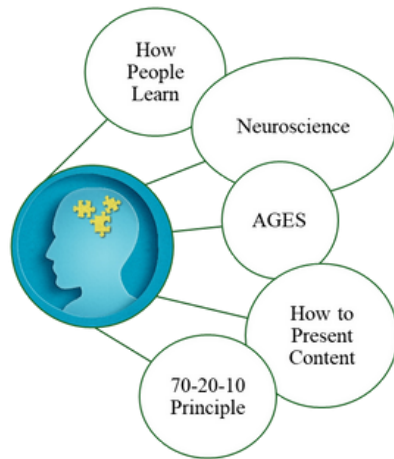


Figure 1 - Consideration when Selecting Learning Formats

When it comes to talent development, how to train, mentor, and coach employees is top of mind. Several factors come into play when deciding the best approach. First and foremost, talent development leaders need to provide learning experiences that align with the business strategy and that allow employees to learn where they are within the company. It is also important to understand how people learn. The neuroscience, behind how the brain receives new information and retains it, will play a vital role in designing and delivering new learning opportunities for the organization. Biech (2018) discusses the 70-20-10 principle to describe the different types of learning styles that are used to teach employees (pp. 269-271). The 70-20-10 principle is recognized as effective for preparing employees for changes in technology (Leuhery, 2024). This principle refers to the belief that 70 percent of learning happens on the job, 20 percent of learning is from others, and 10 percent is from formal content (Biech, 2018, p. 269). Another important factor talent development leaders need to consider is how the formal content will be delivered. There are several options, such as professional accreditations (i.e., college degrees or certifications), instructor-led traditional or virtual classes, and self-directed learning (Biech, 2018, p. 295). Batool et al. (2021), states that employees' performance will suffer if they are not actively developing themselves.

How People Learn

According to David and Lisa Rock from the NeuroLeadership Institute, the hippocampus in the brain that is linked to memory has four needs that should be met for learning to last long term. These needs are summed up in the acronym known as AGES, which stands for attention, generation, emotion, and spacing (Biech, 2018, p.265). To fully understand something, one must focus their full attention on it. Therefore, creating content that is interesting is imperative to keep employees fully engaged. This focus will lead to generating the connections in the brain that lead to learning. Also, if the learner is fully engaged in the learning experience, it is more likely that these new connections in the brain will map to existing memories. Thus, creating a link between what they are currently learning and something that is already familiar to them. This connection will further solidify the recall to the new information (Biech, 2018, 266). These connections should also link to one's emotions. Tying information to negative emotions is more powerful than tying it to positive ones (Biech, 2018, p.267). Therefore, emphasizing the risk of not learning a specific skill rather than the benefits of learning it will have more impact on memory. Spacing out smaller learning experiences over time has better long-term effectiveness than cramming everything at once. Cramming does work, but only in the short term (Biech, 2018, p.267).

How to Present Content

Talent development leaders also need to consider how to present learning experiences in a way that is interesting, sustainable, easy to access, and applicable to the work at hand. There are multiple learning formats to consider. According to the 70-20-10 principle, 70 percent of learning happens on the job. This entails identifying employees who are willing to be coaches and who want to help others succeed. This effort must be intentional and strategic. Coaches should be experts who are prepared to dedicate their time to helping the new employee gain the skills necessary to do the job. It is important to develop coaches in techniques that will make the learning experience a success for the new employee. Also, it is critical to offer

support material that is designed to be helpful and easily accessible, such as through intranet sites and job aids. Exposing the new employee to a broader network of peers can also be beneficial for on-the-job training. By opening lines of communication, the employee has access to more ideas and information. Talent development leaders should also hold coaches accountable for the employee meeting an acceptable performance level. A follow-up plan should be implemented to assess the employees' progress (Biech, 2018, p. 325). On-the-job training is one of the best learning formats for employees, because hands-on experience allows them to find out things for themselves, make mistakes, and learn from those mistakes. Ultimately, this type of training leads to upgrading skills. However, if managers and coaches are not fully on board with this effort, it can hinder or slow the progress of the employees' learning experience. Talent development professionals need to provide managers and coaches with the tools that will further equip them to make this learning process a success. This includes a plan to guide them with checklists and job aids. Coaches will need to use their communication and delegation skills while providing feedback to the employee, as well as leadership.

Learning from others is the 20 percent of the 70-20-10 principle. Learning occurs in part with on-the-job training. However, with on-the-job training, the employee is being guided by managers, coaches, and subject matter experts, but they are learning through trial and error from specific tasks. Learning from others entails making connections with mentors, coaches, and peers, either one-on-one or through social networks. Mentors are usually highly qualified, senior level individuals who make themselves available to the mentee for support in their career and personal development. Coaches are usually certified or highly skilled experts who offer information as it pertains to work-related development (Beich, 2018, p. 315). Working within a team allows employees to form bonds with their peers, as well as learn new skills, such as decision making, problem solving, and team building. Teams encourage collaboration, work sharing, and learning from each other (Beich, 2018, p. 319).

The other 10 percent in the 70-20-10 principle is formal

learning. To be only 10 percent of the equation, there are many learning formats available.

Modern technology has made learning much more accessible than in the past. If you have access to the internet and a computer or mobile device, the world is literally at your fingertips. Using educational technology will improve employees' satisfaction and motivation to learn, thus improving training effectiveness (Chow & Yeh, 2022). Professional accreditations such as college degrees and certifications are one type of formal training. Many companies offer their employees financial reimbursement options to pursue degrees and certifications. Mostly, employees are required to do this on their own time, and it can be a slow and long process. Another formal learning option is the instructor-led classroom, and this can be either in-person or virtual. The in-person classroom option takes time away from actual work and can make for long, boring days. This type of formal training is best delivered in shorter sessions over several days to keep employees engaged and less likely to become bored and disinterested. Virtual instructor-led classes can be more convenient, but the same issues arise with boredom and disengagement if the classes are too long. These are also best in shorter sessions over several days, if necessary. MOOCs, massive open online courses, is a more self-directed approach to learning, and the possibilities for finding content that relates to the work at hand or personal interests seem endless. These are often free or available at a low cost online. They can be taken basically anytime, anywhere. When considering MOOCs for the workforce, talent development leaders should consider whether classes are relevant to the business strategy, and the content will need to be tested for quality.

Conclusion

There are many options for talent development leaders when it comes to delivering learning opportunities for employees. There is also a lot to consider when deciding which methodology to use. The talent development learning formats need to be in alignment with the business strategy, to meet employees where they are within the company and within their career.

Consideration must be given to the neuroscience behind how people learn. The 70-20-10 principle will also play a role in planning the delivery of these learning experiences. Whether it is through on-the-job training, learning from others, or from a formal content platform, there is an option for each new employee to be able to learn and grow where they are within the company.

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Defect Evaluations and Insights for EMC Industries



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Abstract

EMC Industry is a major manufacturer specializing in shipbuilding and industrial components. As it expands into the automotive and government sectors, maintaining quality and efficiency is critical. This report outlines a strategy to reduce defects and improve quality. An analysis of defect data revealed two major findings: minor defects, although less severe, create the highest repair costs due to complex rework; and manual inspections, while effective, are the costliest per defect identified. To address critical inefficiencies affecting control cost and compliance with rising industry standards, EMC has identified key quality improvement initiatives. These include increasing automated testing, enhancing manual inspections, and implementing real-time monitoring across production lines. Together, these actions aim to elevate product quality, reduce rework expenses, and align with EMC's broader strategic objectives. The plan targets a 20% reduction in minor defect costs within one year, automating 30% of inspections, and deploying real-time dashboards on all lines within six months. Success will be evaluated based on defect rates, rework costs, and customer satisfaction scores.

Introduction

This study seeks to identify the underlying causes of product defects within the EMC Industry and to propose strategies for minimizing their occurrence and related costs. The objectives include enhancing operational efficiency, supporting better decision-making, and improving customer satisfaction through the use of data analytics. Data visualization techniques play a critical role in this process, enabling stakeholders to quickly interpret patterns, detect anomalies, and track key performance indicators (KPIs). By translating complex datasets into clear, engaging visuals, these tools support more effective communication and planning.

In this context, a product defect can be understood as any flaw or irregularity that compromises a product's safety, functionality, or suitability for its intended use. As noted by the Legal Information Institute (n.d.), a defect is generally defined as a fault or flaw that causes

a weakness, failure, or inadequacy, often arising from manufacturing or production errors.

The EMC Industry categorizes product defects into three primary types: cosmetic, functional, and structural. Cosmetic defects involve surface imperfections that affect a product's appearance without impacting its usability or strength. Functional defects, on the other hand, prevent the product from operating as designed. Structural defects undermine the physical integrity or durability of a product, posing greater risks. To identify and document these defects, EMC relies on a combination of manual inspections, automated testing systems, and visual assessments. Each recorded defect includes detailed attributes such as the date of occurrence, defect type and location, product identification number, severity level (minor, moderate, or critical), and the estimated repair cost. Severity ratings reflect the anticipated impact on customer satisfaction and the resources required for effective rework.

In today's highly competitive manufacturing environment, developing a strong competitive advantage is essential. For the EMC Industry, this advantage can be realized through production efficiency and outstanding service, both of which rely on a consistent focus on product quality. Quality is defined as the general characteristics that determine a product's ability to meet customer needs and expectations. As Bartoz (2020) notes, product quality is a key factor in a company's overall performance. A quality product aligns with consumer expectations; when deviations occur, the company risks financial loss and diminished brand trust.

Implementing systematic improvements is vital for minimizing defects and consistently delivering high-quality products. Defects contribute to production waste through discarded products and the labor costs associated with rework. In this context, quality becomes a relative measure of value and a fundamental promise that the company must fulfill to maintain customer loyalty. Delivering high-quality products is not only a benchmark of excellence but also a critical factor influencing consumer purchasing decisions.

Company Background

EMC Industry honors the foundational contributions of Ellen Mims, Marva Rodrigues, and Christiane Thomas. Each letter E, M, and C was chosen to represent the first initials of their names, recognizing the pivotal role each played in shaping the company's early direction and values. Their shared vision of craftsmanship, innovation, and dedication to excellence laid the groundwork for EMC Industry's long-standing reputation in manufacturing and shipbuilding. Today, the company's name serves as a lasting tribute to its legacy and continues to inspire its future growth. Despite the retirement of its founder, EMC continues to be governed by the families of the founders. It has developed into a prominent Tier 2 supplier within the shipbuilding industry of the southeastern United States. Over the years, the company has expanded into a state-of-the-art 240,000-square-foot manufacturing facility and currently employs 200 team dedicated team of 200. EMC Industry delivers efficient manufacturing solutions supported by an advanced Electronic Data Interchange (EDI) system. This integrated system enhances every stage of the manufacturing process, from design and procurement to turnkey assembly, while also simplifying inventory management. The EDI system aggregates critical project data to streamline production planning and offers full accountability, traceability, and transparency, helping to ensure consistency, sustainability, and product quality.

EMC Industry's manufacturing portfolio covers a wide range of consumer and industrial products, including UTV and ATV components, telecommunications equipment, and appliances of all sizes. The company has also earned recognition as one of the South's top providers of shipbuilding, stamping, and robotic welding services.

As part of its growth strategy, EMC is looking to expand into new areas, particularly government contracting and the automotive sector. To guide this effort, a task force has been created to carefully review current product defect data. This review will focus on defect trends, severity, and cost impacts, the success rates of various inspection methods, and how defect locations

affect overall production quality.

Key stakeholders in this effort include the operations team, quality assurance specialists, and executive leadership. Several factors influence EMC's ability to maximize profits, including defect rates, rework and waste costs, labor efficiency, and customer satisfaction. Recently, rising expenses associated with product defects have prompted a strategic review, leading to this focused analysis.

Reducing defects is essential for EMC to maintain a competitive edge. Lower defect rates contribute directly to increased customer satisfaction, improved operational efficiency, and greater profitability, while also supporting long-term sustainability. With the help of EMC's EDI system, "the intercompany communication of business documents in a standard format. The simple definition of EDI is that it is a standard electronic format that replaces paper-based documents such as purchase orders or invoices." (Ibm, 2025), the organization has gathered detailed defect data to support this analysis and guide data-driven decision-making. The EDI system provides a real-time quality report, which has allowed EMC to analyze quality issues as they are reported.

Analyst Role and Motivation

As members of the strategic planning team, our role is to use business analytics to identify patterns in production defects and recommend actionable, cost-saving improvements. This analysis addresses a broader issue, operational inefficiency caused by recurring quality issues, which must be resolved to maintain EMC's competitive advantage and meet the rigorous quality standards of target industries such as automotive manufacturing.

The primary goal of this study is to identify the types of defects occurring in production and determine which factors contribute most significantly to waste. To achieve this, all recorded defects will be analyzed to uncover meaningful trends and root causes. The analysis will include defect frequency and trend analysis, severity and cost impact assessment evaluation of inspection methods to determine which

approach is most effective in identifying defects, product-specific defect analysis to uncover recurring issues tied to components or assemblies. The insights gained from this comprehensive evaluation will inform targeted improvement initiatives aimed at reducing defects, minimizing waste, and enhancing overall production efficiency.

Visual Data Summary

To better illustrate these insights, the following charts are included:

- 1. Defect Count by Type (Figure A1) – Visualizes the frequency of cosmetic, functional, and structural defects.
- 2. Average Repair Cost by Severity (Figure A2) – Displays the cost impact of minor, moderate, and critical defects.
- 3. Defect Detection by Inspection Method (Figure A3) – Shows the volume of defects caught by manual, visual, and automated testing.
- 4. Average Repair Cost by Inspection Method (Figure A4) – Compares cost efficiency among different inspection methods.

These visualizations emphasize how data-driven insights can pinpoint inefficiencies, guide strategic improvements, and ultimately drive higher quality and lower costs across EMC's manufacturing processes.

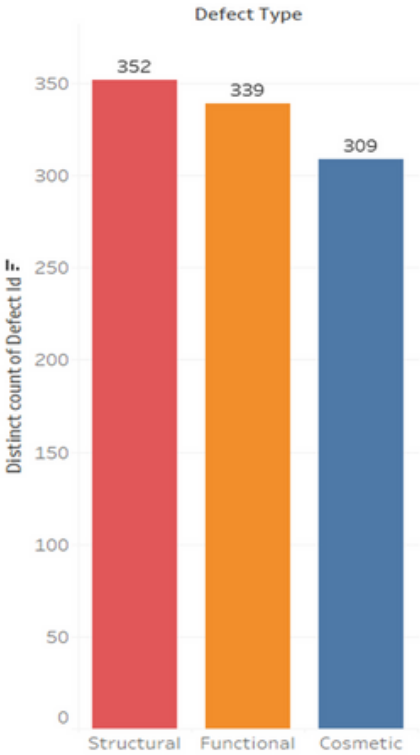
Research Questions

This analysis focuses on the following questions:

1. Structural defects are the most frequent type of defect and contribute the highest overall cost compared to functional and cosmetic defects.

Based on the analysis and Figure A1: Defect Type Frequency, we can draw the following insights regarding the frequency and cost of defects:

Figure A1 Defect Type Frequency



Most Frequent Defect Types:

Figure A1 presents a bar chart showing the frequency of each defect type—Structural, Functional, and Cosmetic. According to the chart:

- Structural defects are the most frequent, with the highest number of occurrences.
- Functional defects come second in frequency.
- Cosmetic defects are the least frequent.

Interpretation:

This indicates that core production and assembly processes are more prone to issues that affect the integrity and functionality of products, rather than just their appearance.

Most Costly Defect Types:

Structural defects are the most frequently occurring; they also account for the highest total repair costs. This is largely due to the complexity of structural repairs, which often involve extensive rework, the use of high-grade materials, and labor-intensive processes.

These defects compromise the physical integrity of the product and are typically classified as critical, particularly in industries such as shipbuilding and heavy equipment manufacturing, where safety and durability are paramount.

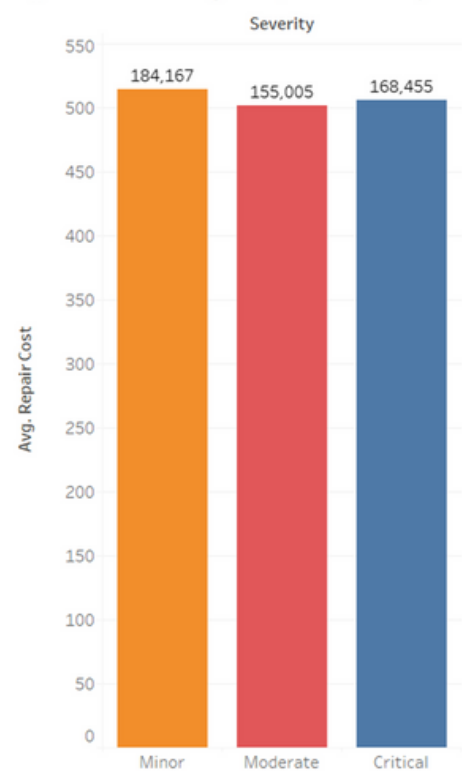
Implication:

The combination of high frequency and high repair costs makes structural defects the most impactful to EMC's operations. Prioritizing prevention efforts in this category offers the greatest return on investment by reducing rework expenses, enhancing product reliability, and increasing customer satisfaction.

2. Defects classified as more severe (moderate or critical) are associated with higher average repair costs compared to minor defects.

Figure A2 illustrates the average repair cost associated with each defect severity category: Minor, Moderate, and Critical. The distribution reveals an insightful relationship between the severity of defects and their financial impact.

Figure A2 Average Repair Cost By Severity



Distribution of Severity Levels:

- Minor defects are the most common, with 358 instances recorded.
- Critical defects are the second most frequent, with 333 instances.
- Moderate defects are the least frequent, with 309 instances.

Average Repair Cost by Severity (Figure A2):

- Minor – \$514.43 (highest average cost)
- Critical – \$505.87
- Moderate – \$501.63 (lowest average cost)

Interpretation:

Contrary to expectations, minor defects result in the highest average repair cost, even that of critical defects. This indicates that although minor issues may appear insignificant on their own, their high frequency and often tedious rework requirements contribute substantially to overall costs. These repairs may involve repetitive labor, part replacements, or inspection adjustments that, while not classified as critical, still disrupt workflow and consume resources. In contrast, critical defects, despite their severity, are often resolved more decisively, such as through complete part replacement or product rejection, which can lead to lower average repair costs due to more straightforward resolution paths.

Implication:

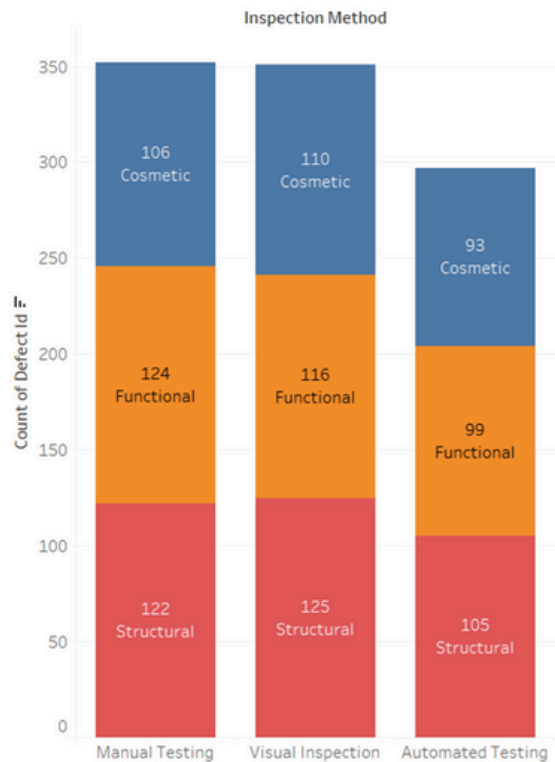
This analysis reveals that frequent low-severity issues create a hidden but significant cost burden. Addressing the root causes of minor defects could provide EMC with substantial cost savings and productivity improvements.

3. Automated testing methods provide better defect detection accuracy and cost efficiency compared to manual inspection methods.

Figure A3 presents the number of defects identified by each inspection method—Manual Testing, Visual Inspection, and Automated Testing—providing insight

into the relative effectiveness of each approach and their associated cost implications.

Figure A3 Defect Detection By Inspection Method



Defect Detection Count (Figure A3):

- Manual Testing: Detected the highest number of defects (352)
- Visual Inspection: Very close behind with 351 defects detected
- Automated Testing: Detected 297 defects

Average Repair Cost by Inspection Method:

- Manual Testing: \$526.07 (highest cost per defect)
- Visual Inspection: \$494.05 (lowest cost per defect)
- Automated Testing: \$501.80

Interpretation:

While manual testing identifies slightly more defects than the other methods, it is also the most expensive per defect identified. This high cost is likely attributed to labor intensity, variability in detection accuracy, and potential delays in the inspection process.

Visual inspection, which yields a nearly equal volume of detected defects, results in the lowest average cost. This suggests it is a more efficient method for quickly identifying surface-level or cosmetic issues.

Automated testing offers consistent costs and strong scalability. As technology advances and precision improves, automated testing presents a compelling long-term solution for reliable and efficient defect detection.

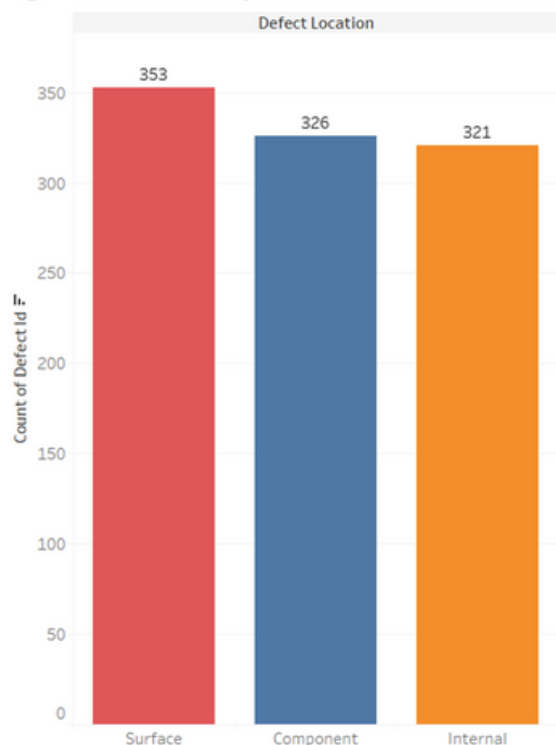
Implication:

Visual inspection currently provides the best balance between detection rate and cost efficiency, particularly for high-throughput or surface-based defect detection. However, automated testing represents the future of scalable, reliable quality assurance. To stay competitive, EMC should increase its investment in automation testing while continuing to refine manual and visual inspection protocols for use in scenarios where automation is less practical or cost-effective.

4. Defects are concentrated in specific production locations rather than being evenly distributed across all production areas.

Using EMC's EDI system data, the distribution of defects was analyzed across different product IDs and defect locations (such as component, internal, and surface production areas). The results of Figure A4 reveal patterns of concentration that highlight areas of concern within the manufacturing process.

Figure A4 Defects by Location



Key Findings from Location and Product Line Analysis (Figure A4):

- A disproportionate number of defects were reported in the surface production areas, where more complex assemblies or critical welds are performed.
- Component-level locations also showed high defect frequencies, especially for functional and structural defects.
- Certain product IDs (not listed individually for confidentiality) consistently appeared across defect records, suggesting recurring issues in specific product lines or parts.

Interpretation:

The concentration of defects in surface and component production areas indicates that more intricate manufacturing stages are susceptible to flaws. These flaws may arise from equipment calibration issues, inadequate inspection controls, or material inconsistencies. Additionally, recurring defects associated with specific product IDs suggest design weaknesses, inferior supplier components, or

dated production processes.

Implication:

Identifying these defect clusters by location and product line enables EMC to allocate quality assurance resources more strategically. Focused audits, enhanced inspection routines, and design revisions can be directed toward high-risk product lines and production zones.

This level of granularity also facilitates more effective preventive maintenance, targeted employee training, and supplier accountability, ultimately leading to reduced defect rates and more predictable production outcomes.

Answering these questions using business analytics will help the company optimize quality control processes and guide resource allocation.

Data Collection

This analysis uses secondary data extracted from EMC's EDI system. The dataset includes quantitative variables such as:

- Defect type (cosmetic, functional, structural)
- Severity (minor, moderate, critical)
- Inspection method (manual, visual, automated)
- Defect location
- Product ID
- Date of occurrence
- Repair cost

Data extraction was performed using internal query tools and exported into a CSV file format for processing in Tableau.

Data Preparation

The raw data required cleaning to ensure analytical accuracy. No critical data quality issues were found. Additional attributes, such as aggregated defect counts by month and average cost per severity level, were created for better insight.

Data Analysis Methodology

This study primarily uses descriptive and diagnostic analytics:

- Descriptive analytics identifies the distribution and frequency of defect types.
- Diagnostic analytics examines the relationships between inspection methods and cost.

Analytical techniques included group-by aggregations, sorting, and graphical comparisons. While no predictive modeling was conducted, the patterns observed can guide future predictive work. A limitation of the analysis is the reliance on historical EDI data, which may not reflect recent process improvements or real-time anomalies.

This analysis applied a descriptive quantitative approach to better understand quality control challenges within EMC's manufacturing lines. Drawing on both primary and secondary data, the team collected key metrics such as defect severity, location, type, and associated repair costs. The process for analyzing this data involved several key steps:

1. Reviewing ongoing manufacturing operations to identify areas prone to defects,
2. Documenting any defects found during active production,
3. Assessing the severity of each defect to understand its impact,
4. Calculating the frequency at which each defect occurs,
5. Evaluating the likelihood of detecting each defect during routine inspections, and
6. Recommending actionable improvements to reduce or eliminate recurring failures.

Key Results

The visual dashboards revealed the following:

- Minor defects occurred most frequently (358) and had the highest average cost per defect (\$514.43).
- Manual inspection methods had the highest detection count but also the highest average cost (\$526.07).

- Structural defects were the most expensive overall due to repair complexity.
- Internal locations and specific product IDs were repeatedly associated with high-cost defects.

Risk Assessment

Risks include ongoing quality problems affecting customer satisfaction, lost market opportunities, and cost inflation from inefficient inspections. Investing in continuous monitoring and analytics will help mitigate these risks.

Future Considerations

This analysis provided actionable insights into defect-related inefficiencies and opportunities for cost reduction. Future work could include:

- Predictive analytics to forecast defects based on machine usage
- Real-time defect alert systems integrated with IoT sensors
- Supplier quality scorecards
-

Additional data, such as production line uptime, machine error logs, and supply chain performance, would further strengthen root cause analysis.

Discussion

The defect analysis using actual EMC Industry data provides a more accurate and compelling case for targeted improvements. The dataset showed that defects were distributed across three main types: structural, functional, and cosmetic. Functional and structural defects occurred nearly equally, but structural defects accounted for the highest total repair cost, reinforcing their critical impact on operations and customer satisfaction.

In terms of severity, minor defects were the most common (358 instances), followed by critical (333) and moderate (309). Surprisingly, minor defects had the highest average repair cost at \$514.43, slightly exceeding critical defects (\$505.87). This suggests that even seemingly less severe issues can accumulate

significant costs in high volumes or involve intricate repairs. Moderate defects averaged \$501.63 in repair costs, indicating that all severity levels contribute meaningfully to total waste.

The effectiveness of inspection methods also became clear through this analysis. Manual testing detected the highest number of defects (352), followed closely by visual inspection (351) and automated testing (297). However, manual testing also had the highest average repair cost per defect at \$526.07, while visual inspection had the lowest at \$494.05. This indicates that while manual methods may catch more issues, they may also identify costlier defects to resolve, potentially due to more complex or overlooked problems.

These findings suggest opportunities to enhance defect detection and prevention strategies. Automated systems, though slightly trailing in detection volume, offer consistent performance and could be optimized further to reduce reliance on labor-intensive manual processes. Cross-analyzing defect types with inspection methods can help refine inspection protocols for each product line, minimizing rework costs and defect rates.

Recommendations

Based on the findings from the defect analysis, the following recommendations are proposed to improve EMC Industry's product quality, reduce operational costs, and support strategic market expansion:

- **Increase investment in automated testing.** Expanding automated inspection systems may lead to a 15 to 20 percent reduction in defect rates over the next 12 months. According to research by Quality Digest (2023), automation can improve defect detection accuracy by approximately 25 percent, while potentially lowering inspection labor costs by around 15 percent. Preliminary estimates suggest a return on investment (ROI) of approximately 18 percent within the first year (SME, 2023).
-

- **Standardize manual inspection protocols.** Providing advanced training and standardized checklists could improve manual inspection accuracy by an estimated 10 to 12 percent and reduce minor rework incidents by 5 to 7 percent (Manufacturing.net, 2022).
- **Conduct root cause analysis for minor defects.** Investigating systemic causes behind minor defects could lower their overall frequency by 10 percent, leading to a 6 to 8 percent decrease in rework-related costs (ASQ, 2022).
- **Implement targeted process improvements.** Focusing on the most defect-prone production areas could improve first-pass yield rates by 5 to 8 percent and shorten rework cycles by approximately 20 percent (Lean Enterprise Institute, 2023).
- **Establish continuous real-time monitoring.** Using EMC's EDI system for real-time defect trend tracking may reduce defect response times by up to 30 percent (IndustryWeek, 2022).
- **Align quality goals with future expansion plans.** Integrating stricter quality frameworks for new products could maintain defect rates at below 2 percent, outperforming the 4 to 5 percent industry average (Deloitte, 2023).

Projected Cost Savings and Estimation Method

Implementing the recommended quality improvements at EMC Industry could lead to substantial financial savings. Based on the defect frequency data, repair costs per defect, and industry benchmarks for efficiency gains through automation and process improvements, EMC can expect to achieve meaningful reductions in rework and inspection-related costs.

Minor defect reduction:

With minor defects representing the highest repair cost category (\$514.43 average repair cost) and accounting for approximately 40% of all defects, reducing minor

defects by 15% would save approximately \$309,000 annually.

Calculation method: Estimated from current defect rates and associated repair costs using the formula:

$$\text{Savings} = (\text{Number of Minor Defects} \times \text{Average Repair Cost}) \times \text{Reduction Percentage}$$

Labor cost savings through automation:

Expanding automated inspections is expected to reduce manual inspection labor costs by 15% (Quality Digest, 2023). With inspection-related labor currently estimated at \$400,000 per year, automation could save approximately \$60,000 annually.

Reduced downtime from real-time monitoring:

Implementing continuous monitoring and EDI dashboards could decrease downtime by 5%, translating into an additional \$25,000 in production efficiency gains annually, based on current production cost structures.

Total Estimated Annual Savings:

$$\$309,000 + \$60,000 + \$25,000 = \$394,000 \text{ per year}$$

Calculation Method: Estimated from potential savings amounts (\$) in minor defect reduction, labor cost savings, and production efficiency savings using the formula:

$$\text{Minor Defects Reduction Savings} + \text{Labor Cost Savings} + \text{Production Efficiency Savings} = \text{Total Savings per year}$$

These estimates are based on a conservative modeling approach using actual EMC defect data combined with industry-standard improvement benchmarks (ASQ, 2022; SME, 2023).

What Sets This Analysis Apart

One of the most significant and unexpected findings of this analysis is that minor defects, despite their classifi-

cation as low severity, incur the highest average repair costs across all defect categories. Typically, industry assumptions suggest that critical defects, due to their serious impact on product functionality and safety, would represent the greatest financial burden (American Society for Quality [ASQ], 2022). However, EMC Industry’s defect data reveals that minor defects not only occur most frequently but also result in higher cumulative repair costs, with an average of \$514.43 per occurrence.

These findings challenge traditional defect prioritization strategies, which often emphasize critical defect mitigation while underestimating the financial and operational impact of frequent minor defects. Research has shown that organizations focusing solely on high-severity events may overlook low-severity but high-volume issues that cumulatively drain operational resources (Deloitte, 2023). Addressing the systemic causes of minor defects offers EMC an opportunity to achieve meaningful cost reductions, improve process reliability, and enhance customer satisfaction.

In addition to uncovering this hidden cost driver, the report differentiates itself by integrating analysis across multiple dimensions: defect type, severity, inspection method effectiveness, and production location concentration. Rather than treating defects in isolation, the analysis shows how structural defects and specific production areas contribute disproportionately to repair expenses. This comprehensive, cross-sectional approach enables EMC to prioritize targeted interventions that will deliver the greatest measurable impact on both operational efficiency and profitability.

By analyzing the overlooked costs associated with minor defects and presenting the defect management framework, this analysis provides EMC Industry with a deeper, data-driven foundation for strategic process improvements beyond traditional quality control methods.

Conclusion

The comprehensive analysis of the EMC Industry’s de-

fect data reveals critical areas for operational improvement and cost control. Minor defects, despite being low in severity, contribute disproportionately to repair expenses, challenging traditional quality management assumptions. Additionally, manual inspections, although effective at detecting defects, represent a significant ongoing cost burden compared to automated solutions.

By investing in expanded automated inspection systems, optimizing manual protocols, conducting targeted root cause analyses, and implementing real-time monitoring, EMC can significantly lower rework costs, improve operational efficiency, and better position itself for success in government contracting and automotive manufacturing markets. Aligning quality control initiatives with broader business expansion plans will ensure that EMC maintains a competitive advantage as it grows into new high-demand industries.

Addressing these insights through strategic, data-driven initiatives will not only strengthen EMC's current operations but also lay a stronger foundation for future profitability and sustained excellence.

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Appendix A: Supporting Data Tables

Defect Type	Count	Total Cost (\$)	Avg. Cost (\$)
Structural	300	154,560.00	515.20
Functional	250	127,900.00	511.60
Cosmetic	150	75,750.00	505.00

Severity	Count	Avg. Cost (\$)
Minor	358	514.43
Moderate	309	501.63
Critical	333	505.87

Inspection Method	Count	Avg. Cost (\$)
Manual Testing	352	526.07
Visual Inspection	351	494.05
Automated Testing	297	501.80

Recommendation	Projected Impact
Automated Testing ROI	18% (12 mos)
Overall Defect Rate Reduction	15-20%
Manual Inspection Accuracy Improvement	10-12%
Reduction in Minor Defect Costs	6-8%
First-Pass Yield Improvement	5-8%
Defect Response Time Reduction	30% faster

Appendix B: Calculations and Methodology

- Repair cost per defect = Total cost / Number of defects
- Grouping by inspection method, defect type, and severity
- Handling missing values and standardizing category entries
- Savings = (Number of Minor Defects × Average Repair Cost) × Reduction Percentage
- Minor Defects Reduction Savings + Labor Cost Savings + Production Efficiency Savings = Total Savings per year

Internal Audit Considerations for the Healthcare Industry

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ABSTRACT

Internal controls are defined as a process, implemented by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, as well as compliance with applicable laws and regulations (Institute of Internal Auditors, 2020). Establishing internal controls is crucial for protecting an organization's assets, ensuring the accuracy of financial data, and enhancing operational efficiency. In the healthcare industry, the necessity for adequate internal controls is heightened due to the sector's dependence on third-party payers, the management of personal health information (PHI), and the substantial financial implications of services rendered. Healthcare organizations are vulnerable to a range of internal control challenges, including billing fraud, inventory mismanagement, and data breaches, which can result in substantial financial losses and damage to their reputation. This paper will examine the role of internal auditors in the healthcare industry, explore recent industry advancements, identify common internal control deficiencies, and present real-life examples of control failures. Furthermore, it will propose strategies for enhancing internal controls, particularly from an accounting perspective, to effectively address these challenges. The objective of this analysis is to provide a comprehensive overview of internal controls in healthcare, grounded in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework within the healthcare sector, and offer insight into how healthcare entities can mitigate risks and achieve long-term operational stability.

The Role of Internal Auditors in Healthcare

The role of internal auditors is crucial in assessing and enhancing internal controls within many organizations. Internal auditors are responsible for evaluating the effectiveness of internal controls within the healthcare sector, specifically in relation to revenue cycles, patient billing, and compliance with relevant regulations. This ensures that healthcare organizations operate efficiently while mitigating risks associated with fraud, errors, and regulatory breaches. By implementing the COSO framework, which emphasizes control activities, risk assessment, information and communication, monitoring activities, and a solid control environment, internal auditors support healthcare organizations in managing complex financial and operational risks (Schandi & Foster, 2019). Their audits reveal control deficiencies, recommend necessary improvements, and oversee the implementation of corrective actions, thus ensuring that healthcare organizations remain compliant and efficient in their operations.

History of the Healthcare Industry

The healthcare industry has undergone substantial changes over the last century, primarily driven by technological advancements, modifications in patient care delivery, and an increasingly complex regulatory framework. Previously, the internal controls within healthcare were uncomplicated, as a cash-based, service-oriented approach with straightforward financial oversight characterized the industry. However, with the introduction of insurance providers, Medicaid and Medicare programs, and the implementation of electronic health records (EHR), many observers assert that the US health industry is undergoing a transformation from “volume to value,” which has made the oversight of healthcare finances more complex (Burns & Pauly, 2018). Consequently, the industry’s transition to value-based care has underscored the essential need for advanced financial management and internal controls. Value-based care is a model designed to emphasize quality, provider performance, and the patient experience. In the 1980s, the introduction of Diagnosis-Related Groups (DRGs) established a fixed payment -reimbursement model, in-

tensifying the demand for healthcare organizations to manage costs effectively while ensuring the delivery of high-quality care (Roos et al., 1988). Thus, in today’s complex healthcare environment, internal auditors hold the responsibility of ensuring compliance with regulations, managing risks, and preventing fraud and financial mismanagement. This aligns their efforts with the COSO framework to address a broad spectrum of risks effectively.

Internal Control Deficiencies in Healthcare

The oversight of healthcare organizations has become more rigorous due to legislation such as the Health Insurance Portability and Accountability Act (HIPAA) and the Sarbanes-Oxley Act (SOX). These statutes require robust internal controls, particularly in data protection and financial reporting. Internal auditors are responsible for ensuring compliance by assessing the control environment and proposing necessary improvements. For example, they investigate whether hospitals and clinics are adequately protecting patient information and complying with federal billing practices. Failure to comply with these regulations can result in substantial fines and penalties. For instance, the University of California, Los Angeles Health System (UCLA Health), incurred a fine of \$865,500 for allowing unauthorized staff to access celebrity patient medical records. Furthermore, the settlement stipulated that UCLA Health should develop a strategy to address security issues and notify the [Office of Civil Rights] about the actions taken to ensure patient privacy and prevent further breaches, illustrating the importance of rigorous internal controls and safeguarding sensitive data (Alder, 2011).

Workforce Challenges

The diverse healthcare workforce, which includes administrative staff, clinical staff, third-party contractors, and others, presents significant challenges to the effectiveness of internal control systems. Given the complex structure of healthcare organizations, this often results in vulnerabilities in control, especially in smaller medical practices where there may be a lack of segregation of duties, an increased risk of fraud, and errors in handling sensitive

sensitive data. Internal auditors play a vital role in this context, as they strive to identify and mitigate these risks through regular process reviews, transaction reconciliations, and evaluations of control effectiveness. A prominent example of internal control failure occurred when a hospital employee was reported to have misappropriated a company gas card for personal fuel expenses, resulting in a loss of over \$100,000 to the organization. This fraudulent behavior was facilitated by the hospital's insufficient oversight and the failure to reconcile credit card statements with actual business needs. Furthermore, the high turnover rates in healthcare administration can disrupt the continuity of internal controls, leading to lapses in reconciliations, such as those for payroll and expense reports. From an accounting standpoint, inadequate segregation of duties in billing and payroll processes, particularly in smaller practices, can allow unauthorized transactions to remain undetected for extended periods, leading to severe repercussions.

Fraud Healthcare Cases and the Need for Enhanced Controls

Numerous significant healthcare fraud cases underscore the need for enhanced internal controls. A notable instance involves Faith Newton and Winnie Waruru, who managed a home healthcare agency in Boston, Massachusetts, and perpetrated a \$100 million fraud scheme (Internal Revenue Service, 2022). The two fraudulently billed Medicare and Medicaid for services that were not rendered and offered kickbacks to secure patient referrals. This illicit operation diverted funds intended for legitimate patient care into their own business, which was made possible due to the clinic's inadequate oversight and ineffective internal control and reconciliation practices. Similarly, the CEO of Health Management Associates (HMA), a prominent hospital chain, was convicted of manipulating the billing system to inflate revenue artificially. The organization exerted pressure on physicians to admit patients without medical necessity, thereby increasing the volume of Medicare reimbursements. Ultimately, HMA settled with the Department of Justice (DOJ) for \$260 million to resolve criminal charges and civil claims, after it was found that the organization had ig-

nored internal warnings, or "red flags," and failed to maintain proper compliance controls (Office of Public Affairs, United States Department of Justice, 2019). Overall, these cases highlighted the substantial financial and legal risks associated with inadequate internal controls, particularly in areas such as billing, cash handling, and regulatory compliance, and underscored the importance of maintaining a controlled environment that discourages fraud. According to the IRS, if fraudulent behavior remains undetected for extended periods and is eventually detected, severe repercussions such as "three years of supervised release and a fine of up to \$250,000 or twice the amount of money involved in the laundering" can be imposed (Internal Revenue Service, 2022). Thus, internal auditors play a crucial role in detecting and addressing vulnerabilities by applying COSO principles, enhancing compliance measures, and upholding the integrity of the organization's operations.

Strategies for Improving Internal Controls

To mitigate the occurrence of such incidents, healthcare organizations must adopt a multifaceted approach that includes preventative, detective, and corrective internal controls. The Institute of Internal Auditors (IIA) glossary (2020) defines preventive controls as those designed to deter unintended events from occurring. Segregation of duties is a prime example of preventive controls, which is essential for minimizing the risk of fraud by ensuring that no single employee possesses the authority to both record and authorize financial transactions. For example, a system in which the billing department is unable to process payments without the oversight of the finance team serves as an effective preventive strategy. Detective controls, as outlined in the IIA glossary (2020), are designed to identify adverse incidents that have already occurred, enabling organizations to recognize discrepancies before they develop into significant challenges. Regular internal audits and reconciliations serve as prime examples of such controls, as they are effective in uncovering anomalies within financial records. In the context of billing fraud, routine reconciliations between patient billing systems and financial statements can be vital for the early detection of inconsistencies. Lastly, corrective controls

focus on addressing and resolving issues, thereby helping to prevent their recurrence. These controls may include the documentation and revision of policies and procedures to rectify known deficiencies. From an accounting standpoint, automating financial systems can serve as a vital mechanism for strengthening internal controls by reducing manual errors and enabling real-time reporting that highlights irregularities. Most importantly, enhancing the reliability of financial data increases trustworthiness amongst stakeholders and supports COSO's monitoring activities component.

Proactive Measures for Enhancing Internal Controls

To adequately address the internal control challenges faced by healthcare organizations, it is essential to take a proactive approach to enhance the control environment. This approach involves identifying potential risks and implementing measures to mitigate them before issues arise. For example, establishing stringent access controls has become increasingly vital as organizations rely more on electronic health record (EHR) systems. Some of the key reasons for this include data sensitivity, compliance requirements, the risk of cyberattacks, insider threats, and the need for audit and accountability (Cobrado et al., 2024)

EHR systems store sensitive patient information, including medical histories, diagnoses, treatment plans, and personal details. Unauthorized access to this data can lead to breaches of patient privacy, identity theft, and other malicious activities. Laws such as the Health Insurance Portability and Accountability Act (HIPAA) in the U.S. mandate that healthcare organizations implement robust security measures to protect patient data. Stringent access controls are essential to ensure compliance with these legal requirements.

As healthcare organizations digitize their systems, they become more vulnerable to cyberattacks, including hacking, ransomware, and phishing. Access controls such as multi-factor authentication and role-based access can limit exposure and reduce the risk of

successful attacks. However, not all security threats stem from external actors. Healthcare organizations also face insider threats, where employees or contractors misuse their access to sensitive data. Effective access controls can help mitigate the risk of unauthorized actions by trusted personnel.

Stringent access controls also enable better tracking of who accesses patient data, when it is accessed, and for what purpose. This audit trail is vital for monitoring compliance, identifying suspicious activity, and investigating potential breaches or misuse of information. As EHR systems become integral to healthcare management, controlling and limiting access is crucial to ensure the security, privacy, and integrity of patient data.

The use of advanced access control measures, such as multi-factor authentication, routine audits of access logs, and thorough data encryption, is essential for preventing unauthorized access to sensitive patient information. Enhancing data privacy and ensuring compliance with regulatory standards can significantly mitigate the risk of unauthorized access. Furthermore, the application of advanced data analytics tools enables healthcare organizations to maintain continuous oversight of their operations, identifying irregular billing practices or unusual employee behaviors that could indicate fraud or abuse. Predictive analytics helps organizations detect anomalies in real-time, allowing rapid responses to prevent more significant problems.

Additionally, increased reliance on automated systems for payroll, billing, and inventory management reduces the risk of human error and creates more vigorous audit trails for financial transactions. The integration of enterprise resource planning (ERP) systems can consolidate financial data from various departments, enhancing transparency and improving the accuracy of financial reporting. This, in turn, makes it easier to identify potential control deficiencies.

Conclusion

The intricate nature of the healthcare industry, along with its dependence on both financial resources and

patient data, underscores the necessity of robust internal controls. While technological innovations and regulatory requirements have made strides in enhancing the internal control environment, obstacles will continue to exist. Thus, internal auditors play a crucial role in protecting healthcare organizations against fraud, financial mismanagement, and regulatory breaches by reviewing and enhancing internal control mechanisms. High-profile incidents, such as the fraudulent activities at Health Management Associates and the HIPAA infringement at UCLA Health, underscore the serious financial and legal repercussions of inadequate internal controls. With the implementation of strategies that focus on increased automation, data analytics, and more rigorous compliance measures, healthcare organizations can fortify their internal control systems, thereby protecting themselves from financial setbacks and reputational harm. Ultimately, adopting a proactive internal auditing approach, informed by accounting standards and the specific risks associated with the industry, is critical for ensuring the financial integrity and operational efficiency of healthcare organizations.

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Change Management: Going Beyond Ordinary Change

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ABSTRACT

In many workplace settings, employees may unexpectedly learn of procedural changes through informal channels rather than through official communication or training. This lack of structured transition can lead to confusion, reduced trust, and feelings of exclusion among team members. Effective change management addresses these issues by not only implementing change but also guiding affected individuals through the transition. This paper provides a review of key concepts of change management, including communication strategies, stakeholder involvement, and process evaluation. Through this lens, the paper emphasizes the importance of planning, communication, and engagement in fostering sustainable and positive transformation.

Planning for Change

It is quite common for an individual to find themselves in a situation where they are confidently completing a routine task that they've done many times before, and a coworker casually mentions that the process has changed. However, there was no formal communication or training completed upon the transition into a new process. Being blindsided, one may not be sure whether to believe this hearsay information or not. Not to mention how excluded the individual may feel for not being informed of this information earlier, and being excluded in the decision-making process involving this particular change. Change management focuses not only on the change itself, but leading the individuals affected by the change through a successful transition. Change management requires planning, implementing, and analyzing the overall change process. Planning for change is a crucial step in change management. During the planning stage, an organization must create a culture that embraces change and employee engagement, recognize the need for change, and identify the change strategy.

A Culture That Embraces Change and Employee Engagement

In order for an organization to successfully plan and implement change, the employees must be willing and able to embrace the change. It does not matter how well organized and planned a change is, it will not produce desired outcomes if the affected employees are not ready for change ("Cultivating a culture of change," 2021). If the affected employees are involved in the planning process, this will increase the employees' readiness and willingness for change. Employee engagement throughout the planning phase of change also creates trust between leadership and employees. When employees trust their leadership, they are more willing to follow their lead without resistance.

Need for Change

According to Pandey (2012), greater competition, rapid technological and social changes in an emerging mar-

ket economy have made efficiency and productivity improvement a crucial managerial challenge for organizations to remain competitive within the marketplace. For organizations to maintain long-term sustainability, they must be willing to adapt to change. But, prior to the ability to implement change, an organization must be able to recognize the need for change. Organizations often struggle with this task because they fail to recognize their shortcomings. Actively seeking feedback from employees, customers, and stakeholders can bring awareness to potential issues. Analyzing performance data, conducting self-assessments, and performing audits may help identify potential areas for improvement. Organizational improvement begins with leadership creating systems for insight. Leaders can analyze performance data, conduct self-assessments, and commission internal or external audits. These steps help them identify blind spots, clarify priorities, and design targeted corrective actions.

Change Management Strategies

Change management strategy is an essential part of the planning stage of any organizational initiative. Change management strategies are techniques adopted to effectively manage change, embrace change, and direct it towards a positive contribution to the success of the organization (Pepple et al., 2024). Research from Pepple et al. (2024) identified four primary strategies within the domain of change management. These strategies are transformational change, incremental change, remedial change, and unplanned change.

Transformational Change	Incremental Change	Remedial Change	Unplanned Change
Transformational change consists of radical and fundamental change that alters the operating structure, culture, and management of the organization (Pepple et al., 2024). This strategy is used when a change will affect the entire organization, including the people, processes, and core values. It has the potential to redefine the entire organization. For this reason, this change strategy is a lengthy process. However, an inexperienced leader, pressure to meet short-term goals, and complacency may hinder transformational change (Pepple et al., 2024).	Incremental change is usually a small change that eventually leads to a large overall change, creating a more robust system (Pepple et al., 2024). These changes are minor adjustments that often go unnoticed, and do not change the organization’s core. For example, a manager spending one-on-one time with their employees will build connections and produce better results, such as employee retention and engagement. Another example includes technological improvements that fuels productivity.	Remedial change is an urgent and inevitable change that focuses on solving problems that require immediate action. It is aimed at resolving underperformance in the workplace (Pepple et al., 2024). This may include disciplinary action or changes to policies, such as break times, attendance policies, and task evaluations.	Unplanned change can be described as reactive change. Reactive change is a change implemented in response to an external event or a serious internal operational and managerial problem (Pepple et al., 2024). Unplanned change is a response to a crisis and may cause further chaos within the organization, at least temporarily.

Implementing Change

Implementing change is an important step of change management. Communicating change, employee training and development, and employee motivation are important factors within the change implementation process.

Communicating Change

While communication is required of an organization during the planning phase, especially when gathering employee input, once the change management process moves forward to the implementation portion, communication and transparency are mandatory for

the change process to be successful. According to Koch and Denner (2022), internal communication is composed of both formal and informal types. Informal conversations can focus on private matters, but they may also include discussions about colleagues, the company, or specific tasks (Kock & Denner, 2022). These informal conversations are an important part of a company as it builds and maintains relationships. Informal communication can be utilized for coworkers to share ideas with each other and receive feedback. However, it is an organization’s responsibility to ensure the proper channels of communication are provided when executing a change within the company. Formal communication is preeminent in achieving direct communication to employees, ensuring all employees

personally hear the information directly from the organization's leaders. Examples of formal communication include communication meetings, business letters and memos, and work instructions.

Training and Development

Training refers to a structured process through which individuals gain the knowledge, skills, abilities, attitudes and behaviors needed to perform effectively in their roles. (Suravi, S, 2024). Nethmini and Ismail (2019) stated that the most basic resource in any company is the people. Employees who learn new skills through training are good candidates for promotions because they have shown their ability to learn, retain, and use information (Nethmini & Ismail, 2019). Employee training and development is often needed when a change is made to ensure all employees have the acquired knowledge to properly perform their job. After all, people are the key to an organization's success. So, in order for the organization to prosper, it must first invest in the people. Well-trained employees will result in increased productivity, higher job satisfaction, improved quality, and a safer work environment.

Employee Motivation

Implementing change can be challenging if all affected parties are not accepting of the change. The change implementation process is successful when the individuals affected by the change are motivated and prepared to contribute their best efforts in achieving effective results. Management often use a control or pressure approach when attempting to motivate change, such as rewards, punishments, and mandates. While employee recognition is important, many studies have shown that employees have higher levels of motivation and change acceptance if management allows employees autonomy. Self-governance provides employees with confidence and security in knowing management is aware of their capability, without being micromanaged. Additionally, it is important for employees to remain aware that they are considered when decisions for change are made.

Analyzing Change

Finally, an organization must analyze the outcome of the change and evaluate any failures, evaluate success from the change, and compose and communicate results. This is an especially important factor in change management, and often times this step in the process is overlooked by an organization. According to Hagebakken et al. (2024), the dominant way of measuring success and failure of a change is to compare outcomes with predetermined goals. Research and data must be collected, including employee feedback.

Evaluate Positive Outcomes

To determine if a change has a positive outcome, it must be assessed whether the organization has achieved its specific goals. The goal attainment perspective measures the success of an organization or change initiative by how well it meets its set objectives. This view assumes that organizations function as rational systems with clear, measurable goals and systemic resource allocation to accomplish them (Chen & Eriksson, 2019). When these goals are achieved, the change initiative is considered successful. Although in theory, this model may overlook stakeholders and lead to conflicts between multiple goals, such as profitability versus social responsibility. Research indicates that including stakeholder legitimacy and aligning organizational mission with sub-goals provides a more effective and resilient approach (Nonet, Gössling, Tulder, & Bryson, 2022). For example, if a company aims to increase market share by 10% within a year, reaching or exceeding that target would be viewed as successful under the goal attainment model. However, a successful change does not mean there is no opportunity for further improvement. Employee feedback can identify areas where enhancements are possible.

Evaluate Negative Outcomes

To determine if the outcome of a change is negative, it must be determined that the organization has not reached the set goals. It is important to ensure the outcome is assessed at an appropriate time. Goal attainment perspective runs the risk of labeling positive

change as failures because the outcome was assessed on the wrong basis and at the wrong time (Hagebakken et al., 2024).

Communicate Results

Once research, data, and feedback are compiled, the organization determines if the change was a success or a failure. These results must be communicated to the work force, along with any actions that follow. If the change was a success, it is beneficial to recognize the employee's contributions to that success. If the change failed, the failure points must be addressed and communicated. Transparency of the plan moving forward should be presented to inform employees of the next steps.

Conclusion

Change management focuses on leading individuals through a successful transition of change. Change management requires planning, implementing, and analyzing the overall change process. The planning stage consists of creating a culture that embraces change and employee engagement, recognizing the need for change, and identifying the change strategy. The implementing stage consists of communicating change, employee training and development, and employee motivation. The analyzing stage consists of determining if the change was a success or failure, then communicating the results to employees. Following this change management process aids a smooth transition of change.

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Risk Management Analysis and Development in Contract Formulation

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ABSTRACT

The purpose of this research paper is to analyze how risk management starts internally in a company at contract formulation and to identify other potential risks that could impact a successful contract. Understanding a comprehensive list of risks that could potentially occur within a company can help create a risk management plan that can help mitigate these risks pertaining to the business. The values of the company can play a large role in how it conducts contract business with other companies. It is important that the company maintains ethical morals and beliefs in its business transactions. When companies practice honest business practices, it becomes a habit that helps them keep excess risks to a minimum. Companies who practice this only have to worry about risks that can impact the contract and do not have to be concerned about risks outside the contract. Also, maintaining proper risk management plans can help eliminate risks before they occur or when they first start.

Introduction

Risk management is pertinent to the entire contract, but is very critical during the development of the contract to increase the chances of a successful contract. There are common lists of what encompasses contract risk management, but further research has proven there are more considerations that need to be made to identify, evaluate, and mitigate these risks unique to a contract. Identifying and planning appropriate mitigation tactics can help companies be more prepared to improve their processes. Each company will have its unique list of risks, and it is their responsibility to properly identify them.

Being able to identify risks early in contract proposals can help identify common risks but also risks unique to the company and the contract. Some of these common risks can include financial, compliance, legal, and operational (ContractLogix, n.d.). If companies are not careful with identifying and creating risk management checklists, they can create more risks and complications when managing contracts (Conga, 2022).

Background of the Problem

The background of this problem is a lack of extensive risk management research that surpasses common lists of problems, which include legal, security, financial, operational, and reputational risk (Conga, 2022). Risks, such as lacking a company code of conduct or a minimally implemented code, can indirectly affect the contract and therefore, needs to be considered and further researched. The company's code, which should influence how a company operates and its employees work, is harder to identify and mitigate risks as part of an individual contract.

Researcher's Work Setting and Role

The researcher's work setting involves researching relevant websites like the Kares Library at Athens State University to identify other risks not commonly considered that could impact risk management and successful contract awards.

Statement of the Problem

The problem of risk management in contracts is that there has not been extensive research exploring uncommon potential risks that can be present and need to be identified at the start of contract formulation to minimize risks for the company. Risk management checklists need to be further developed to capture all potential risks that can occur (ContractLogix, n.d.). The purpose of this research is to explore known risks that impact successful awards in contract formulation and to identify other uncommon or rarely evaluated risks that could impact a successful contract.

Significance of the Problem

The significance of the problem is relatively high because being able to identify risks internally within the company can help eliminate risks that can occur within teaming agreements and contract proposals. Teaming agreements are agreements between a prime contractor and a potential subcontractor (Pottroff, 2023). Creating a more developed and detailed list of risks to check for can help companies realize these risks early on in contract development. As a result of identifying more risks, contract success will be higher.

Research Questions

1. Do companies with a lack of internal rule structure (i.e. code of conduct) have a higher chance of experiencing more risks in their contracts?
2. How can internal risk management eliminate contract risks?
3. Are there identified risks that need to be researched further?

Assumptions

The researcher's assumptions are a result of analyzing how internal risks can lead to risks in contracts. By piecing together how one can affect the other can bring awareness to lack of literature supporting this connection. The reader should be able to identify the common risks as well as considering other potential

risks that can be present depending on the type of contract. This will help the reader evaluate and identify risks not previously considered during proposal development to minimize risks during the contract for their company.

Limitations

The limitations of this research paper may include resource limitations due to a lack of research on uncommon potential risks, impacts of these risks on contracts, and time constraints. There are potentially some topic areas of this paper, such as proposal risks, that lack current research. Also, the time frame to complete this paper is not long enough to fully evaluate everything that can occur with risks and risk management (Hassan, 2024).

Review of Relevant Literature

Risk management needs to start internally in a company. Formation of values starts when a company is created, and depending on those values determines the number and type of risks a company will experience. Defining internal company risks can help mitigate potential contract risks the company may face. Also, modifying the company risk assessment over time as the company grows can help mitigate new risks. The company risk assessment can be used as a guide to identify potential contract risks. A contract risk management plan is crucial to achieve success.

In order to develop a successful contract risk management plan, companies must be able to identify the risks that they might potentially experience for the contract they are negotiating. There may be some overlap in the categories, but this is acceptable since it can point to an area being at a higher risk than other areas. Risk management needs to be extended past common factors, which can include legal risk, security risk, operational risk, and reputation risk (Conga, 2022). Risks that do not seem to be considered as much or do not have a lot of research include financial risk, proposal risk, contract award risk, and end of contract risk. Contract risk management needs to start at the beginning of the contract proposal, and it needs to be tailored to each individual company, the type of con-

tract, the contract scope of work, and the specific risks they might encounter. For example, the code of conduct is a risk that has received little attention in contract risk management. Other risks, such as financial risk, should be explored further.

Code of Conduct Risk

A company's code of conduct "is a formal document that outlines the ethical principles, responsibilities, and behavioral expectations for individuals, parties, or organizations within contractual organizational framework" (Contract Hound, n.d., para. 1). It emphasizes the importance of a company developing and maintaining ethical frameworks for its employees in order to carry out ethical business practices. These are also important for companies to develop because the guidelines set the standards for what are acceptable practices, especially in commercial contracts (ContractHound, n.d.). A company's code of conduct impacts who they utilize as partners for contracts, suppliers, and joint ventures.

Bogachek et al. (2024) conducted a study which analyzed the corporate code of conduct. It is questioned whether some companies established a code of conduct as simply cheap values. Bogachek et al. (2024) studied twenty random codes of conduct. Their study uncovered that incorporating anti-corruption language helped reduce the likelihood of a company's corruption risk. To understand more about anti-corruption language, they performed a dictionary definition topic modeling of "corruption-related topics estimated by the [Latent Dirichlet Allocation] LDA [model]" (Bogachek et al., 2024, p. 748). Another key factor they studied was corruption risk. For this factor, the authors "combine firm-level information with country-level corruption indices to construct a measure of corruption risk tailored for each firm" (Bogachek et al., 2024, p. 749).

Financial Risks

Financial risks in contracts are a result of a lack of proper management which can include inadequate risk management processes, poor forecasting, and lack of planning. It is important to perform a financial analysis

prior to beginning the contract. The company also needs to evaluate the possible financial impact the contract will have on the company, which includes profitability (Plexus, n.d.). The company can reduce its financial risk by having a thorough understanding of the scope of work, cost estimating software, the type of contract, and trained cost estimators. Although financial risk can be reduced by proper pricing of the contract, financial risk is greatly impacted by poor mitigation of the other risks which can lead to increased costs and reduced profitability. Research needs to be conducted on the impacts of other risks to determine which risk has the potential to increase financial risk the most. Companies can focus on the risk that would impact them the most.

Curkovic (2024) utilized an ongoing study to analyze continuous inflationary pressures in which buyers and sellers have had to share price risks in their contracts. Properly planning financial risks utilizing indexing and economic adjustments can help both sides plan for potential financial challenges in the contract. These contracts contain price adjustment clauses and predetermined formulas to adjust according to the situation and how frequently these changes need to occur (Curkovic, 2024). Therefore, planning potential financial challenges in the contract is important to determine during the planning stage of the contract.

Proposal Risks

Proposal risks are one part of a company's risk management. A company must understand what is involved in a proposal and how it will affect their company in order to properly develop a proposal risk assessment plan. Proposal risks need to be identified by using a proposal risk assessment that is tailored to the individual company.

What is a Proposal?

The legal definition of proposals, also known as offers, is that they are the beginning step in forming a contract bound by law. Proposals are bound by contract law, so it is important to enter the contract on explicit terms which will transition into binding terms once the agreement is accepted. Invalid proposals can create

consequences that can include legal and financial. If a proposal is not legally bound, it can result in disputes (LegalClarity, 2025).

Proposal Risk Assessment

Proposal risk assessments are utilized to identify, evaluate, and mitigate "potential risks that could negatively impact the proposal's success" (Hinz Consulting, n.d., para. 3). Early intervention can help reduce any issues, including compliance, resources, technical, or client requirement uncertainties (Hinz Consulting, n.d.).

Key Factors and Importance

Key points to consider when creating a proposal risk assessment can include but are not limited to any compliance, resource, performance, technical, financial, and schedule risks. When evaluating risks, these items need to be considered: probability of occurrence, impact on the proposal, and severity of the risk. Once each risk is rated, then strategies need to be created that are unique to the company. Some of these strategies can include contingency planning, early compliance reviews, budget buffers, and resource allocation (Hinz Consulting, n.d.).

Proposal risk assessment is important because it identifies and mitigates risks providing benefits to the overall proposal process. These benefits can include increased proposal quality, reduced submission delays, improved client confidence, and increased likelihood of contract award (Hinz Consulting, n.d.). Each of these benefits is interconnected, and therefore, failure to satisfy one benefit can result in the poor outcome of the others.

Continued Success

In order to continue proposal success, the entire team must be involved in analyzing the proposal for potential risks. Including outside subject matter experts can also help provide the team insight on how to improve the proposal. Utilizing risk assessment tools such as risk matrices can help the proposal team track and monitor risks. Reviewing prior proposals can help the team

identify and improve any past actions that were unsuccessful (Hinz Consulting, n.d.).

Contract Implementation Risks

Once a contract is awarded to the company, the team needs to transition from proposal risk management to contract implementation risk management to mitigate risks they might experience. DPSS Consultants (n.d.) describes how contracts need to be “targeted” to ensure winning contracts are within the company’s expertise. If done correctly, the contract will likely contain fewer risks and have a higher chance of success. It is better to know these risks before entering into the contract (DPSS Consultants, n.d.).

Types of Risks

The types of risks that might occur when seeking products for the contract can include commercial impact, supply market, product safety hazard, and consequential loss (DPSS Consultants, n.d.). These can impact implementation and schedule leading to increased risks of contract deliverable delays, increased costs, and possible breach of contract.

Four Targeting Groups

DPSS Consultants (n.d.) targets 4 groups that need to be identified during the proposal stage of a contract to reduce the implementation risks. These groups are routine, leverage, bottleneck, and critical (DPSS Consultants, n.d.).

Routine Items

This section discusses how contracting and supply departments need to consider focusing more on reducing the amount of effort and paperwork. It is suggesting that more of this type of work needs to be done by the end users (DPSS Consultants, n.d.).

Routine Solutions

To improve routine items, some suggested solutions include long-term relationships, cost of acquisition instead of purchase price, utilizing more umbrella con-

tracts with long term relationships, consolidate billing, deliver directly to customers, and conduct management reports (DPSS Consultants, n.d.).

Leverage Items

The DPSS Consultants article discusses that traditionally leveraging items should be used by the contract department to exploit its position since the contractor market is competitive. The purchaser’s spend position is also a tactic that will give them a more powerful stance with other contractors due to competition to sell goods. Yet, they will have to be careful with purchasing power since it can overpower other items to consider such as rationalizing with contractors. Contracting officers also need to possess strong negotiating skills (DPSS Consultants, n.d.).

Leverage Solutions

DPSS Consultants (n.d.) suggests a traditional procurement approach and utilization of supply market competition to negotiate a solid contract base.

Bottleneck Items

These items are a result of nonavailability or of short supply of goods necessary for the contract. This is not deemed to be a major issue since it is mentioned that businesses will more likely have established long term relationships with its suppliers (DPSS Consultants, n.d.).

Bottleneck Solutions

If this is an issue for companies, DPSS Consultants (n.d.) suggests that companies try to develop close relationships with their suppliers, zero in on acquisition cost and not price, and ensure up front that the supplier is a reputable one.

Critical Items

Critical items are highlighted as high spend on goods and services that do not have many contractors. Suppliers who provide highly sought after products and services will have a higher chance of winning com-

panies who want to invest time and money in them (DPSS Consultants, n.d.).

Critical Solutions

Solutions for critical items can include long-term contracting, formal contractual base, and willingness to share risks and benefits (DPSS Consultants, n.d.).

End of Contract Risks

Terminating a contract can be tricky, and each contract will have its own set of risks. Improper contract termination can result in extended negotiations, disputes, and financial difficulties. This is why it is crucial to properly handle the end of a contract. If a company does not have the authority to end a contract, it can result in a breach of contract, and the other participant can pursue legal action. Sometimes, there may be a mistake in prematurely terminating the contract, so it will depend on the situation as to whether the contract can be reissued or other legal action is sought. It is also important to know when to terminate the contract because once a notice has been issued, it cannot be withdrawn (Anderson, 2024).

Steps can be taken to reduce the number of risks associated with contract termination. The earlier the steps are taken for risk mitigation, the higher the chances are to reduce contract end risks. Strong lifecycle management can play a large role in reducing these risks. Also, maintaining proper documentation on contract performance can provide crucial evidence in the event of a dispute (Anderson, 2024).

St. Peter and Hall (2022) wrote a thesis detailing an analysis of contract closeout process and their recommendations for backlog reduction. "Closing out contracts physically or administratively is required once all contract terms are met, final payment is made to the contractor, and the deobligation of excess funds is completed (Federal Acquisition Regulation (FAR), 2022)" (St. Peter & Hall, 2022, p. 1). Every year, there is leftover funding that is not used since those contracts are not properly closed out, and this funding could be reevaluated to be used elsewhere to continue mission support (St. Peter & Hall, 2022).

The survey questions pertaining to government procedures showed that the employees were getting the necessary training, but information was not being communicated for them to effectively close contracts. As a result of the study, "there is a lack of accountability and audibility for contract closeouts...but the conclusion drawn from this study is that most of these systems have the focus on pre-award, and contract administration" (St. Peter & Hall, 2022, p. 49).

St. Peter and Hall (2022) recommended several solutions to solve the backlog of contract closing. A few recommendations included training branch chiefs in Virtual Contracting Enterprise (VCE) as well as other record systems to pull analytical data, assigning volunteers from institution in six-month rotations to assist in contract closeouts, and changing federal policies (St. Peter & Hall, 2022).

Summary

Risk management in contract development is necessary for a successful contract. A company's code of conduct may be important to consider in risk management. However, the code of conduct is not considered in the articles explaining how to watch for and mitigate contract risks. Its internal values can affect how they conduct business with other companies and the type of risks they take with contracts. It is important to identify risks such as financial, proposal, contract implementation, and end of contract. These risks are critical to consider and mitigate in the company's risk management plan. Each of these risks must be tailored to the specific contract being sought. Deeper research in proposals and contract implementation can add insight into why these phases in the contract prove critical for proper planning and risk consideration. Further research in financial risks can support how maintaining a structured financial system and monitoring ingoing and outgoing finances can help monitor the fiscal matters in a contract. If there is not an established system, it can make financial monitoring difficult.

Statement of Lack of Extensive Risk Management Research

Lack of extensive risk management research can hinder a company's ability to properly consider different risks that can be experienced in a contract lifecycle. Risks that may occur throughout the lifecycle must be considered in the proposal stage to reduce risks throughout the contract. Risk information was found on all aspects of contract lifecycle except for the impact to financial risk. There is sparse literature on this topic explaining what factors contribute to a company's financial risk. More research needs to be done on how and to what extent the various contract risks have on the financial outcome and profitability of a contract.

Research Methodology

The methodology the researcher used was secondary. This is the use of existing research to determine the gaps in research needed to reduce the risk within contracts. By determining the gap in research, it helps to mitigate uncommon risks which may potentially occur in a contract. The research methodology used consisted of reviewing research of each risk factor and combining the information into a cohesive study explaining how each factor could impact contract success.

Also, there appears to be limited research on financial risks. Financial risks, especially the impact to financial risk caused by other risks, need to be explored. More studies need to be conducted to show the correlation between financial risks and contract success.

Research Model

The research model utilized was critical theory. This theory "is a way of understanding and looking at the world that helps us seek improvements and social change" (Philosophy Terms, n.d., para. 1). The researcher used this approach to analyze how and what internal practices within a company can affect their risk management processes in contracts.

Procedures

The research was conducted by using search engines to find the main risks to contracts and gaps in the re-

search of uncommon risks, which may be significant in a contract. The search engines used by the researcher included Google and the Kares Library at Athens State University for preliminary research. All of the research sources are digital. Scholarly sources and commercial websites were analyzed for information. Several commercial websites were used after searching on Google. The two scholarly articles, written by Bogachek et al. (2024) and Curkovic (2024), provided statistical insight to how corporate codes of conduct and financial risks can affect a company's risks. The commercial websites, such as ContractHound and ContractLogix, provided non-statistical support to this research. The researcher did not utilize research assistants such as librarians or other people to conduct the research. However, the researcher also explored a couple of websites provided by the instructor to research financial risks.

Assumptions

The researcher assumed that there were more risks that can affect contracts than the commonly listed ones. The uncommon risks, such as code of conduct, can have a significant impact on the success of the contract, and uncommon risks can also affect common risks.

Limitations

The limitations of this research included lack of research on the uncommon risks and their impact on the contract and impact on other common risks leading to impacts on the contract. There are few studies revealing if there is a trend or relation with certain risks and how these risks can affect each other. Time constraints limited the extent of research for this paper.

The literature review revealed the problem with risk management in contracts is the lack of extensive research exploring uncommon potential risks that can be present which need to be identified at the start of contract formulation to minimize risks for the company. There is a lack of research on the uncommon risks to include the evaluation of the company's code of conduct in the contract formulation risk checklist. Research on the company's emphasis and implemen-

tation of their code of conduct may show it mitigates internal risks that affect the success of contracts. Consequently, the inclusion of a code of conduct needs to be further researched to determine if an awareness of the company's code impacts the risk behavior of the contract developers and negotiators. Specifically, the company's code of conduct needs to be explored to evaluate whether it can indirectly affect the contract to mitigate risks.

Results

As a result of this study, each research question was analyzed and brought valuable insight into contract risk management and what needs to be done to improve the risk assessment. Below is a detailed list of results for each question.

Companies with a Lack of Internal Rule Structure

- "The foundation for ethical behavior within a company" is code of conduct that directs decision-making (ContractsCounsel, n.d., p. 4)
- Research has primarily used qualitative techniques like experiments and questionnaires to study the code of conduct language (Bogachek et.al., 2024).
- Bogachek et al (2024) studied code of conduct using a quantitative approach. They found anti-corruption language is positively associated with a firm's corruption risk.
- "Carefully articulated corporate communication helps mitigate investor's concerns about corruption risks (Stevens, 2008) and inhibit illegal or corrupt habits (The World Bank, 2020)" (Bogachek et al., 2024, p. 738).
- Except for ethical content, there is scant literature analyzing the text of code of conduct (Bogachek et. al., 2024).
- Benefits of having a code of conduct
 - Clarifying behavioural expectations for your team
 - Defining your organisation's culture
 - Establishing your organisation's values
 - Making it easier to enforce rules and regulations
 - Ensuring your company is compliant with the law
 - Improving employee morale (Indeed, 2024, para. 3)
- Based on Curkovic's (2024) financial study, addressing concerns in the planning stage can help plan for risks in the contract performance phase.
- Incorporating indexing and economic adjustments into the contract during the planning phase helps each side plan for financial challenges (Curkovic, 2024).
- Identifying end of contract risks can help each company properly plan the closeout process for their contracts to ensure proper compliance with the terms and conditions within the contract.
- St. Peter and Hall's (2022) research proved that it is not necessarily lack of training, but lack of structure and leadership from upper management that can create end of contract risks.

Internal Risk Management

- By implementing a strong code of conduct as the basis for a company, it provides the company with a basic risk management plan that they can incorporate into their contract risk management plan.
- Codes of conduct help mitigate risks and create an overall positive work environment (ContractHound, n.d.).
- Anti-corruption values and ethical business conduct is communicated to employees through the code of conduct (Bogachek, 2024)
- Establishing a financial plan in their code of conduct provides structure for their financial plan in contract proposal and development.

Risks that need to be Researched Further

- Further research needs to be completed for proposal risks and contract implementation, since studies could not be found showing the impact these risks can have in contracts.
- Overall, each risk addressed in this research would benefit from further research.

The results of this research show how important each risk area of a contract can be and how it can affect the overall outcome of the contract. Properly planning for risks in each phase of the contract can help mitigate

the potential for risks later in the contract.

Discussion

There is risk in the operation of a business. Risk management is important to organizations because stakeholders will have more confidence, business outcomes will be better, and revenue growth is faster (Gibson, 2023). This can result in better contract risk management. The results of the research are qualitative from analyzing the information, and there are many factors to consider when creating risk management plans. It begins with the company's internal values and what they hold as important for their company. Supporting information for each of the research questions confirms that each question was accepted and successfully answered.

Companies with a Lack of Internal Rule Structure

"Understanding and adhering to a Code of Conduct is vital because it helps mitigate risks, prevent disputes, and foster a positive and cooperative business environment" (ContractHound, n.d., para. 5). It is supported that companies who possess a lack of internal rule structure are at higher risk for corruption within their company which can lead to risks in contracts. Bogachek et al.'s (2024) study demonstrated that the language in the code of conduct can either have meaning for the company or is written as a place holder with no value to these standards. In other words, even if a company has a code of conduct in place, it does not always mean that the company will follow the standards set forth. Bogachek et al. (2024) also conclude that not having a repeated study with the twenty companies constrains the analysis. It is also emphasized that management leadership can affect the effectiveness of the code of conduct (Bogachek et al., 2024).

Internal Risk Management

Curkovic (2024) takes note that during the research, there is a "lack of clear organizational ownership of these internal processes, leading to a disjointed approach and inefficiencies" (p. 35). This is a result of human error and audit inconsistency which makes

tracking changes and correcting mistakes a challenge. Processes that still utilize manual entry, results in a lack of collaboration and visibility between different departments in a company. This can also be a risk for a company when they are growing and do not have established successful processes in place leading to the inability to meet the demands of their customers (Curkovic, 2024). A company with strong leadership helps the team establish and maintain risk management plans. The company can then collaborate and identify new and potential risks that could affect their work and contracts.

Codes of conduct help mitigate risks and creates an overall positive work environment (ContractHound, n.d.). Anti-corruption values and ethical business conduct is communicated to employees through the code of conduct (Bogachek et al., 2024).

Risks that need to be Researched Further

- By implementing a strong code of conduct as the basis for a company, it provides the company with a basic risk management plan that they can incorporate into their contract risk management plan.
- Codes of conduct help mitigate risks and create an overall positive work environment (ContractHound, n.d.).
- Anti-corruption values and ethical business conduct is communicated to employees through the code of conduct (Bogachek, 2024)
- Establishing a financial plan in their code of conduct provides structure for their financial plan in contract proposal and development.

Risks that need to be Researched Further

Bogachek et al. (2024) suggest that even though they found sufficient information to support their hypotheses, further research needs to be completed and added that their interpretation may be incorrect. Did this study measure what it was intended to measure, and can it be applied to the real world? Reliability of this study needs to be further researched.

In the case of Curkovic's (2024) study, it is an ongoing

study that researches and analyzes companies who incorporate indexing and economic adjustments into their activities which help them focus on real world challenges when implementing these methods. This research resulted in answers to the research questions. However, further research could be beneficial to show if there is a trend among different types of companies to the issues that are not commonly discussed or considered. The results of this research supported the researcher's questions because it demonstrates that there is an impact the uncommon risks can actually have on companies when they are not properly planned for in the implementation of a contract.

Conclusions

Risk management is a critical part of a company's success and also with contracts. It helps a company establish what internal setbacks they may encounter operating as a company, and it also helps them develop a risk management plan for when they are entering into contracts with other companies. Establishing the foundation for their morals and their company's future can help them identify their challenges and risks quicker for developing a risk management plan for addressing and managing risks in their operations.

As a result of this research, it can be concluded that there are multiple variations of what a risk management plan could be for a company. There is a wide range of literature on different risk management topics from commercial websites to research studies on the Kares Library at Athens State University.

Limitations to this paper include time to review all literature and limited studies on the uncommon risks companies may encounter. Longer research time could provide a deeper analysis and understanding of the various risk areas, the quality of the risk management plans to address uncommon and unforeseen risks, and the degree of financial impact on a company.

Research Questions

The research questions presented in this paper were:

1. Do companies with a lack of internal rule structure (i.e. code of conduct) have a higher chance of experiencing more risks in their contracts?
2. How can internal risk management eliminate contract risks?
3. Are there identified risks that need to be researched further?

These questions were almost completely satisfied. There could have been more research completed on proposal risks and contract implementation. Further research needs to be done on all topics regarding risk management. Additional research will provide a historical description of whether certain topics result in specific trends from study to study. Longitudinal studies would help clarify trends. Bogachek et al. (2024) supported that there needs to be more research despite the fact that they found extensive information for the critical role a code of conduct can play in a company's success. Curkovic's (2024) ongoing financial study proves that long term research helps develop solid evidence to determine successful conclusions.

Reflecting on these findings can help provide confident recommendations for future research, growth, and development in risk management to include an in depth understanding of the financial impacts of each type of risk. Companies seeking growth, progress, and improvement can benefit from these findings to help them identify their risk areas that need planning to mitigate the risks. They could also profit from their own research in their field of expertise and business environment to discover any potentially new developing risks for the company.

Recommendations

Businesses seeking to gain a better insight into what risks need to be considered to properly plan and execute a risk management plan for their company can utilize this research as a guide. In order to fully understand the connection between each type of risk in contracts, more research needs to be completed in each area. Each business type, whether commercial or

governmental, will need to research risks based on how their business operates.

What to Consider

Companies interested in developing or improving their risk management plan need to first consider if they are starting their business or if they are an established business seeking to improve their risk management plan. Based on the research of this paper, companies need to consider the amount of time that they want to spend on developing or improving their risk management plan, the amount of research readily available, their company goals, and whether they have a code of conduct established for their company.

A company's internal morals and values play a critical role in how it conducts business with other companies. Each risk area is a building block, and how a company utilizes these building blocks depends on how its risks will be mitigated. Also, the amount of time to carefully understand and plan for each risk depends on how successful a company will become.

Additional research needs to be completed to validate the studies used for this research. Longitudinal studies would be beneficial to track any patterns that occur over the course of the studies. This would help show specific areas for new research or need more specific research to determine the risk potential of occurring and its impacts. Further research needs to be completed for proposal risks and contract implementation due to limited available research. Bogachek et al. (2024) and Curkovic's (2024) studies provided valuable information for internal risk management and implementation of a company code of conduct. These studies provide a starting point for companies to replicate to complete further research for different risk management areas applicable to their company.

Careful planning and execution of risk management plans can help a company mitigate the number of setbacks it experiences and the severity. Involving the entire team to share their ideas and experiences can help the company mitigate any risks they are experiencing or properly prepare for risks they could

potentially experience. Also, when the entire team is involved, it can result in a greater number of solutions to potential risks and help develop important teamwork skills that can be beneficial when the company needs to quickly respond to risks that were not previously considered.

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