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## TABLE OF CONTENTS

- 5      Łukasz Sułkowski  
Neoevolutionism – the new paradigm of the social sciences?
- 19     Mark Van Dongen  
Management Development; Defining the theoretical backbone of  
an integrated global model
- 73     Aneta Jakonis  
Cultural conditioning of LEAN MANAGEMENT – continuation of  
the research
- 90     Dimitris Raftopoulos, George Stefas, Sofia Skarveli  
Intercultural Project Management. An emerging reality or a the  
theoretical idea?
- 100    Michał Chmielecki  
Cultural barriers of knowledge management - a case of Poland
- 111    Henryk Skłodowski, Małgorzata Roślak-Olczyk  
Model Manager's Behavior in Decision Making Process in  
Context of Role of Management Psychology



Łukasz Sułkowski

## Neoevolutionism – the new paradigm of the social sciences?

### **Abstract**

*The neoevolutionary paradigm in the social sciences is in the initial stage of development, although the idea of social Darwinism having been discredited, this is actually its second beginning. It seems however, that neo-Darwinism, closely related to evolutionary psychology, has in the last few decades achieved significant cognitive successes, which make it more respected by philosophers of science. The paper analyses relations between the quickly-developing neoevolutionary paradigm and other paradigms of the social sciences. The basis for the analysis is the suggestion by G. Burrell and G. Morgan to divide the social sciences into four paradigms.*

**Keywords:** evolutionary management, neodarwinism in social sciences, neoevolutionism in management

### **Introduction**

The neoevolutionary paradigm in the social sciences is in the initial stage of development, although the idea of social Darwinism having been discredited [Espina 2005, pp. 175–187], this is actually its second beginning. It seems however, that neo-Darwinism, closely related to evolutionary psychology, has in the last few decades achieved significant cognitive successes, which make it more respected by philosophers of science [Mameli, 2007]. The use of neoevolutionism in research on man, culture and society involves a radical change of perspective in the social sciences and leads to man being dethroned by science once again [Buss, 2008, pp. 36–70]. The history of science indicates that humanity must have gradually rid itself of the conviction of its central role in the universe. The milestones of the emancipation of thought were: the Copernican Revolution, Darwinism and quantum mechanics. Copernicus put an end to the theory that the Earth was the centre of the universe. Darwin and his successors destroyed the image of man as the crown of all living creatures. 20<sup>th</sup> century physicists described a fundament of reality that proved unimaginable for man and was

based on a coincidence. The time has thus come for another scientific revolution. Neoevolutionism forces its way into the social sciences and leads the challenge to the traditional vision of the subjectivity of man in favour of a hybrid called “the gene vehicle” [Dawkins, 1976].

The paper analyses relations between the quickly-developing neoevolutionary paradigm and other paradigms of the social sciences. The basis for the analysis is the suggestion by G. Burell and G. Morgan to divide the social sciences into four paradigms.

A thesis can be proposed that the opposition: the standard model of the social sciences versus neoevolutionism, suggested by J. Tooby, L. Cosmides and S. Pinker and accepted by most neoevolutionists, is too much of an ideological simplification. In fact, although it proposes a radical change of cognitive perspective in the social sciences, neoevolutionism remains in a more complex relationship with other paradigms of the social sciences [Wilson, 2001; Dawkins, 1976; Hamilton, 1964, pp. 1–52; Trivers, 1971, pp. 35–57].

### **Structure of a scientific revolution?**

In the most popular publication on the philosophy of science in the 20<sup>th</sup> century, T. Kuhn describes the historical model of the change of paradigms in the natural sciences [Kuhn, 2007]. This has opened a broad debate on the possibilities for the application of the revolutionary science development scheme in the social sciences [Feyerabend, 1996]. According to many researchers, the current stage of development in the social and humanistic sciences does not indicate the emergence of one paradigm; on the contrary, it proves the permanent multi-paradigmaticity of the social sciences. Psychology, sociology, cultural anthropology, economics, linguistics, management sciences, law and the humanistic sciences use many different discourses that are based on various theories, assumptions and terminology [Sułkowski, 2005, pp. 51–54]. 20<sup>th</sup> century social sciences have also seen many new interdisciplinary concepts. Psychoanalysis, phenomenology and hermeneutics are examples of theories with their own epistemological programmes and ambitions to describe the nature of man and society. None of these concepts have, however, led to a great synthesis or dominated the research perspective of the social sciences. Will this also be the fate of neoevolutionism?

### **Standard model of the social sciences**

According to S. Pinker, the development of evolutionary psychology lead to a decline of the standard model of the social sciences, which dominated the 20<sup>th</sup>

century thinking of man and society [Pinker, 2005]. It is now being replaced with the neo-Darwinist synthesis, which offers a coherent and complete explanation of human behaviours based on reliable empirical research. Thanks to the use of scientific methods developed by the natural sciences, complemented with some of the traditional methods that are considered bound to the social sciences, it is possible to describe the nature of man and society, and predict and model the changes. It seems, however, that S. Pinker sees his opponent in the form of this “standard model of the social sciences”. In fact, the social sciences have never seen a consensus or a dominant trend in basic cognitive assumptions, research subjects, insight or methodology.

Moreover, in the 20<sup>th</sup> century, an important role was played by the neopositivist trend in the social sciences, which used an approach that was characteristic of the natural sciences [Morgan, 1983, p. 20]. In my opinion, “the standard model of the social sciences” is one of many trends of reflection in the social sciences, which is not at all of a “dominant” or “standard” character. It is not difficult to give examples of social disciplines and theories that were not compatible with such a model, and with elements of the neoevolutionary paradigm. Looking closely at the development of linguistics, it is difficult to negate the role of N. Chomsky and his nativist concept of language. In sociology, the development of the functionalist and neopositivist trend was also very important, which also used the theory of evolution [cf. Parsons, 1966]. Therefore, neoevolutionism in the social sciences is not developing in complete opposition to previous theories and schools.

While describing the standard model of the social sciences, one can point out a range of categories by S. Pinker, J. Tooby and L. Cosmides [Pinker, 2005; Tooby, Cosmides, 2000, pp. 1167–1178] that constitute its profile. Epistemological dualism involves a diversification of assumptions and methods in experiencing the world of nature and the world of man. Nature is dealt with by the sciences such as physics, chemistry and biology, whereas the human mind, culture and society – by the social and humanistic sciences, such as psychology, sociology, cultural anthropology, political science, economics, management and history. In the social sciences, cognition is based on understanding and interpretation; it is of an individual character. At the same time, it is possible to understand reality in mathematical rules and models. An inter-subjective, or even subjectivist approach indicates fundamental restrictions on the perception of the social world and the lack of possibilities for theory falsification, which often stem from cultural or epistemological relativism. Culturalism is a conviction that, mentally, the human mind is almost entirely shaped in the process of socialisation [Pinker, 2005, pp. 32–52].

According to S. Pinker, neoevolutionism is characterised by assumptions that are contrary to the standard model of the social sciences. In epistemological

monism, the mental world can be described by means of such categories of the physical world as information and calculations with the use of methods from the natural sciences [Pinker, 2005]. In objectivism, which is the main postulate of both neopositivism and neoevolutionism, the social world is cognisable through science. Verificationism and falsificationism involve practising science through seeking to confirm or reject scientific theories (falsificationism by K. Popper) [Popper, 2002]. Epistemological universalism (anti-relativism) is a belief in the possibility of reaching general and unquestionable rules of science based on the correspondence theory of truth. In cultural universalism, surface cultural diversification hides universal mental mechanisms that constitute “human nature” [Pinker, 2005]. In comparison, according to evolutionary cognitivism, human cognitive skills find their place in the brain, whose development results from the coupling of genes and the environment, and were created in the process of biological evolution [Pinker, 2005, pp. 66–70].

**Table 1.** The standard model of the social sciences versus neoevolutionism

Criterion	The standard model of the social sciences	Neoevolutionism
The nature of reality and cognition	Dualism	Monism
Characteristics of cognition	Subjectivism and inter-subjectivism	Objectivism
Epistemological assumptions	Interpretivism or constructionism	Verificationism or falsificationism
Influence of the context of cognition and culture	Cultural or cognitive relativism	Epistemological and cultural universalism
Subject's cognition of reality	Essentialism	Evolutionary cognitivism
Research methodology	Understanding, hermeneutics, phenomenology (search for meaning)	Cause-effect explanation, experimental method

Source: Own work.

### Neoevolutionary paradigm

The theory of evolution is based on the concept of natural selection and functions as a paradigm of the biological sciences, which has a growing use in the social sciences [Barkow, 2006]. Natural and sexual selection of behaviours assumes that in the long-term perspective of their existence, *Homo sapiens* have developed structures and behaviours that are conducive to genetic reproduction and ontogenetic survival of an individual of the species, whereas non-functional structures and behaviours have gradually disappeared [cf. Barrett, Dunbar, Lycett, 2002, pp. 22–44]. The egoism of genes is based on the assumption that an individual's source of action is genetic reproduction and distribution of one's own genes, which is possible through offspring but also through helping kin reproduction, based on a common genetic element [Dawkins, 1976]. Kin mechanisms of development result directly from the assumption of the egoism of genes, and explain the question of parental care and investment, and kin altruism. Non-kin reciprocal altruism is a functional effect, which assumes that cooperation and commitments made by individuals in a group, in the long term are conducive to their individual chances of survival and reproduction [Trivers, 1971].

Neoevolutionism has characteristics of a paradigm, as it proposes a coherent epistemology and methodology based on a theory that is highly verified and is used in many disciplines of science. However, in biology, the neoevolutionary theory is a dominant and verified concept that is based on a great number of scientific proofs; whereas in the social sciences neoevolutionism is one of many concepts for research on the human mind, culture and society, alongside functionalism, critical theory or interpretivism. Neoevolutionism in the social sciences has collected a certain amount of evidence confirming the validity of its epistemological and methodological assumptions. This was possible thanks to, on the one hand, the work of such researchers as W.D. Hamilton, R.L. Trivers, E.O. Wilson, S. Pinker, and J. Tooby and L. Cosmides, and on the other, to the fast development of mind examination techniques and the experimental social sciences. The research covers mainly human behaviours interpreted in the categories of the evolutionary developed mind, which makes it possible to predict and interpret behaviours related to social cooperation, sexual choices, parenthood, many aspects of perception and cognition, and differences between the sexes [Barrett, Dunbar, Lycett, 2002]. Apart from achievements in empirical research, neoevolutionism in the social sciences uses a theory that applies to the whole world of living organisms (neo-Darwinism).

According to M. Bradie, neoevolutionism in the social sciences realises two separate epistemological programmes [Bradie, 2004]. One examines the evolution of human cognitive mechanisms, and the other – the evolution of scientific theories. The evolution of cognitive mechanisms is an issue largely

under empirical research that analyses the functioning of the brain. The evolution of scientific theories is an epistemological and philosophical issue in which the theory of evolution is a source of analogies and metaphors rather than cause-effect explanations. Evolution, understood in such an indirect way, has been a source of inspiration in many social sciences [Laland, 2007]. For example, in economics and the management sciences, one can also differentiate two trends of evolutionary reflection. Behavioural economics deals with human economic behaviours, which are based on the evolutionary shaped cognitive system [Tversky, Kahneman, 1982], whereas evolutionary economics uses analogies of evolutionary development and mechanisms of the biological section for market analyses [Dopfer, 2001].

### Paradigms in the social sciences

The classification of paradigms in the social sciences can be derived from the system proposed by G. Morgan and G. Burrell [Burrell, Morgan, 1979] (Table 2). The latter describes a paradigm as a socially rooted network of basic assumptions regarding the ontology and epistemology of management (the picture of reality, cognitive ideal, fundamental social value orientations) [cf. Morgan, 1983, p. 21], which is perceived by the community of researchers in an implicit or explicit way.

**Table 2.** Paradigms in the social sciences

Epistemological assumptions regarding scientific ideal	Preferred social value orientation	
	Regulation	Radical change
Objectivism	Functionalism	Radical structuralism
Subjectivism	Symbolic-interpretive paradigm	Postmodernism

Source: On the basis of G. Burrell, G. Morgan, *Sociological Paradigms and Organizational Analysis*, Heinemann, London, 1979.

The first paradigm is called functionalist, sometimes – neopositivist, social systems or the quantitative paradigm. Its cognitive model is the natural sciences. The paradigm combines the influence of the neopositivist philosophy and the social systems trend with the functionalism of sociology and cultural anthropology. The Vienna Circle heritage includes: the assumptions of verificationism and accumulation of knowledge, the search for a scientific method, the classification

of dependent and independent variables, the search for mathematical modelling, and quantificational methodology [Sułkowski, 2005].

In the management sciences, functionalism is a dominant cognitive structure. Most theories aim at the realisation of the neopositivist scientific ideal. Knowledge should be objective and universal. Trends most deeply rooted in this perspective are those directly related to economics, which are also related to the birth of the management sciences [cf. Martan, 2002]. Connections to economics are most visible in attempts to direct management development onto a path of “enterprise sciences” [Lichtarski, 1997, p. 10]. The social systems and functional vision of organisation is accompanied by the image of a resourceful man, close to the categories of *Homo economicus*. The quantitative methodology plays an important role in such sub-disciplines of management as managerial accounting, logistics and information management.

The symbolic-interpretive paradigm was created in opposition to functionalism. Its most crucial sources of inspiration are the social and humanistic sciences, such as sociology, psychology, the social sciences and cultural anthropology. An attempt to reconstruct the assumptions of the symbolic-interpretive paradigm in management leads to several points, including social constructivism, the cognitive role of language in the social reality and the relationship between cognitive activity and practice. These epistemological assumptions are realised in cognitive programmes based on the qualitative, “soft” methodology, which derives mainly from the humanistic sciences.

In the management sciences, many concepts related to organisational culture, human resource management, management and change management processes are based on the epistemological assumptions of the interpretive approach. Examples are the “establishment” theory by K. Weick, the concept of organisational culture by L. Smircich and the “power network” by J. Pfeffer and G.R. Salancik [Weick, 1979; Smircich, 1983, pp. 55-65; Pfeffer, Salancik, 1978]. The basis of interpretive epistemology is the assumption on the constructivist and conventional character of the social and organisational reality [Hatch, 2002, pp. 24, 56]. Organisational order does not exist objectively but is continuously maintained, reconstructed and modified by individuals and groups, working in and around the organisation. Organisation and management processes are created by groups in the processes of institutionalisation, legislation and internalisation, and are of a contractual character, i.e. based on a collective consensus [Berger, Luckmann, 1966]. Economic matters act on a par with political, social and psychological influences. A man within an organisation searches for meaning; he or she is value-oriented and involved in a research situation. The act of cognition is entangled in language, culturally relativised and symbolic. Research results are not objective, but only inter-subjectively communicable. One can notice that the focus is on the categories

of everyday life that cover a hermeneutic circle in the form of perception, interpretation, definition, verification of usability and action.

The radical structuralism paradigm is based on the assumption of the existence of an objective social reality, which is in need of fundamental reconstruction. Social truths are hidden in omnipresent micro- and macrostructures of power. The role of the social sciences is to discover hidden mechanisms of power, domination and social inequality, and to make changes to social awareness and reality. The radical structuralism paradigm is critical of the social status quo and the achievements of the social sciences. The role of a researcher is to acquaint himself with social mechanisms and, most of all, to change the social reality. The research methodology is of a qualitative nature and is based on commitment. The radical structuralism paradigm is also referred to as a critical trend in the social studies (critical studies) and is closely related to neo-Marxism.

The fundament of modern neo-Marxism is the Frankfurt School, represented by T.W. Adorno, M. Horkheimer, J. Habermas and H. Marcuse [Horkheimer, Adorno, 1994]. An important theoretician who described objectively interpreted mechanisms of inequality was P. Bourdieu, who used the term “symbolic violence” [Bourdieu, 1990]. In our times, S. Hall and S. Deetz continue this thinking in their critical approach towards the media and social communication [Deetz, 1995]. Another trend is neo-Marxist feminism, which describes the situation of women as a group culturally dominated by false awareness, identity manipulation and symbolic violence [Oakley, 2000]. Social neo-Marxism has been reborn as political criticism of modern democracy, the imperialism of developed countries and the processes of globalisation.

The trend of radical structuralism penetrates to the management sciences through the criticism of managerialism as a tool for domination and the ideology of power [Harding, 2003, p. 14]. This is related both to feminism and the criticism of the organisational power hierarchy, the media and social communication. For example, the management sciences, sociology, cultural anthropology and ethics literature includes anti-marketing publications, which raise the issue of the criticism of marketing as being both a science and a social practice of a manipulative and exploitative nature [Szmigin, Carrigan, 2003]. Some of the analyses indicate development paths for ethical marketing, based on the subjective treatment of customers and research participants [Bekin, 2004].

Postmodernism is the least homogenous approach. It is so incoherent that, actually, it is pointless to call it a paradigm. Common elements are subjectivism, cognitive relativism, programme incoherence and distrust of science. Postmodernists question the possibility of reaching an objective truth [Engholm, 2001; Boje, Jr Gephart, Thatchenkery, 1996; Welge, Holtbrugge, 1999, pp. 305–322; Burrell, Cooper, 1998, pp. 91–112]. The postmodernist trend indicates the

fall of the meta-narrative of the Enlightenment project (the fall of the myth of progress), based on an uncritical pursuit of rationality, which leads to the instrumentalisation of the mind against man. Most common motives used by the theory include fragmentation of identity, hyperreality, loss of cognitive bases and meta-narrative, the core meaning of discourse and language, and textualism (perception of reality through the prism of the metaphor of text) [Alvesson, Deetz, 2005].

The postmodernist approach began spreading in management at the turn of the 1980s, influenced by the concepts of network society and consumerism. Authors who have used the postmodernist approach in management include S. Brown [Brown, 1993, pp. 19–34], F. A. Firat, J. Clifford, I. Shultz [Firat, Fuat, Shultz, 1997, pp. 183–207; Firat, Fuat, Yenkaresh, 1993, pp. 227–249], A. Yenkaresh, M.B. Holbrook [Holbrook, 1995, pp. 128–163] and J. Oglivy [Oglivy, 1990, pp. 4–20].

### **Paradigm connections**

Neoevolutionism in the social sciences is undoubtedly a proposal of a new paradigm. It is therefore worth answering the question: what are the connections of this cognitive perspective with other paradigms? Is neoevolutionism a radical departure from all the basic cognitive assumptions that characterise the various paradigms of the social sciences?

When looking for a social sciences paradigm that would be closest to neoevolutionism, one can point to functionalism. It originates from the epistemological assumptions of neopositivism, and therefore, itself assumes objectivism of cognition, realism and empiricism, verificationism and falsificationism, as the criteria of science. Functionalism seeks to improve the standard of scientific research through methods modelled on the natural sciences. The classic functionalist image of social institutions and human nature assumes the adaptive function of human behaviour and shares some features with neoevolutionism. Functionalism, however, does not take into account the assumption that the human brain, based on the coupling of the genes and environment, is accustomed to dealing with the core issues of the survival and reproduction of individuals from the distant past, and not from the present time. The “troglydote” brain has a range of mechanisms that are not functional from the point of view of the present time, e.g. a tendency to gorge on the most caloric products led to the survival of primates, whereas nowadays it is harmful. In accordance with the assumptions of neoevolutionism, most functionalists largely overestimate the role of culture in the formation of the social world and underestimate genetic conditions. There are also no explanations as to

the importance of reproduction, which from the point of view of the egoism of genes is the most crucial criterion, more important even than survival.

Indubitably, neoevolutionism differs significantly from the symbolic-interpretive paradigm, both on the epistemological and methodological level. Interpretivism assumes subjectivism or intersubjectivism of cognition, dualism and essentialism, and certain methodology based on hermeneutics and phenomenology. In addition to the obvious opposition of the two paradigms, one can also find slightly deeper similarities. The vision of man in interpretivism departs from the overly rationalised assumptions of *Homo economicus*, which are quite visible in functionalism. Man, entangled in the network of meaning and sense, which he himself creates, is based on complex emotional and intellectual motives and is not internally uniform [Geertz, 1973]. Interpretivism also considers the influence of psychoanalysis and the discovery of the subconscious. It seems that neoevolutionism is far from over-rationalising the image of the human mind, which stems from the questioning of the Cartesian tradition of the knowing subject. As part of its nature, *Homo sapiens* have natural instincts related to reproduction, survival, social life etc. However, the evolutionary redundancy of the human brain (exaptation [Nowak, 2007, p. 262]) leads to the creation of higher needs. Consequently, the brain connects various and sometimes contradictory needs and motives on different levels of the conscious and unconscious. Description of human behaviours cannot therefore overestimate the rational sphere and overlook cognitive illusions of not always functional emotions and instinctive actions.

Neoevolutionism is clearly contradictory to the radical structuralism paradigm. In accordance with the assumptions of neoevolutionism, the critical theory is not a theory in the scientific sense, but an ideology. The assumption about the involvement of the knowing subject in the process of change and the pursuit of the emancipation change, combined with the rejection of the neopositivist epistemology, are completely antagonistic to neoevolutionism. The only common element of the two paradigms seems to be the disillusioned vision of human nature and society.

Radical structuralism interprets the social world in egoistical categories. People seek power, property, control over resources, and fulfilment of their needs. Society and culture are extensions of these tendencies. Social institutions are oppressive, use symbolic violence or produce a false collective awareness, which equates to maintaining an unjust order. Disruption of the status quo is a revolutionary action, which requires the involvement of disadvantaged social groups. Similarly to radical structuralism, neoevolutionism suggests egoistical motives of individuals, which are limited by the social nature of man.

“Programming” by genes results in susceptibility to: idealisation of oneself, rationalisation of one’s negative actions, and nepotism. In neoevolutionism,

even altruism is not selfless. By saving one's relatives, they save their own genes; through cooperation with strangers, they increase their chances for survival and reproduction. By way of consolation, it can only be added that neither neoevolutionism nor the critical theory heads towards this egoistical determinism. Genetic "programming" is never complete and is just a tendency, not behavioural automatism. It is therefore possible to overcome biological pressure, which is proved by many people on a daily basis, e.g. when they decide to adopt children. Also the existence of the two paradigms is a proof of human emancipation from biological and political mechanisms.

There is a chasm between radical humanism, sometimes identified with postmodernism, and neoevolutionism. Postmodernism is subjectivist and relativist, and simultaneously sceptical towards science. Neoevolutionism, on the other hand, displays objectivist orientation, seeks generalisation and universalism in cognition, and has a great dose of trust for scientific institutions.

### Summary

In opposition, the standard model of the social sciences versus neoevolutionism does not seem entirely true. In reality, although it proposes a radical change of cognitive perspective in the social sciences, neoevolutionism maintains a more complex interrelation with other paradigms of the social sciences. In terms of the philosophy of science, it refers mostly to neopositivism, although its vision of the human mind is far from the rationalism and empiricism of the Vienna Circle [Sułkowski, 2004, pp. 3–14]. From among the four paradigms of the social sciences, neoevolutionism seems closest to functionalism. Although most neoevolutionary assumptions do not comply with the symbolic-interpretive paradigm, there are some common areas, such as those related to the vision of *Homo sociologicus*, bounded rationality and the barriers to interpretation and cognitive illusions. Neoevolutionism is in clear opposition to subjectivist paradigms, by completely rejecting radical structuralism and humanism and postmodernist approaches that are based on radical epistemological relativism.

Neoevolutionism seems to be a very promising direction of research, which uses not only theory with various levels of detail, but also developed research methods. Cognitively valuable is its provision of important arguments supporting the monistic stand in epistemology, according to which the social reality and human mind can be examined by means of the same assumptions and similar methods as nature. In my opinion, however, too radical a stand in relation to other paradigms and theories is not necessary. Apart from the philosophical core and methods derived from the natural sciences, neoevolutionism also

uses ideas and methodology developed in the social sciences. A certain dose of epistemological pluralism that, clearly, does not involve radical cognitive relativists, should be therefore conducive to the development of the paradigm.

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Mark Van Dongen

## Management Development; Defining the theoretical backbone of an integrated global model

### **Abstract**

*This article provides the results of the analysis of the relevant theories on Management Development (MD) and serves as the theoretical basis for an empirical research in this area. The aim of this paper is the identification and critical analysis of different approaches and opinions of other authors, my attempt to define typologies and a proposal of a concise model which can serve as a tool to audit existing models, or support the development of the build-up of Management Development models for international organizations. Therefore the central research question underlying this research is, what the common model is, for developing high potentials in international organizations? This answer to that question leads the way to the goal of the research, which is to define an overarching MD model for high potentials based on combined theory, implicit knowledge and practical solutions, which can prove useful for companies to serve as a basis to build or evaluate their MD model.*

**Keywords:** management development, management, leadership

### **Phase 1: Defining leadership and management as the central construct in MD models**

Management Development (MD) is the process through which managers learn and improve their skills to benefit themselves as well as their employing organizations [Cannell, 2008]. This process supports the career of the individual, which [Hall, 1986] is a sequence of related work experiences and activities, directed at personal and organizational goals, through which a person passes during his / her lifetime and which are partly under the individual's control and partly under that of others. MD programs usually refer to the long-term off-the-job and on-the-job educational process; management training refers to shorter courses [Bass, 2007, page 1109]. The Management Development

process (MD) is focused at developing specific capabilities or competencies that a company expects it needs for the future. These capabilities or competencies are part of the 'strategic architecture' of the company. A strategy describes how an organization can create sustained value for its shareholders, customers and communities [Kaplan & Norton, 2004] and the strategic architecture is 'the essential link between (...) short term and long term. It shows the organization what competencies it must begin building right now, (...) what new development priorities it should be pursuing right now to intercept the future needs'. [Hamel & Prahalad, 1994]. In short, MD focuses on developing the competencies as expected the company needs in the future, which are partially technical knowledge, skills and attitudes. In order to manage the effective utilization of resources, the means utilized have to be reviewed and those methods chosen that contribute best to the development of such competencies.

### **Management and Leadership**

Though the word Management Development has the word 'management' encompassed in it, it entails both the development of leadership as well as of management capabilities as both represent strategic competencies needed for the future [Hamel & Prahalad, 1994]. Management and leadership however represent two different paradigms, two different sets of assumptions shared by members of a scientific community [Kuhn, 1962, 1979]. Management is part of the economic- whereas leadership is part of the behavioral sciences paradigm. [e.g. Kouzes and Posner, 2007, Riggs 1982; Hickman, 1990; Kotter, 1988]. But are the two paradigms indeed incommensurable [Kuhn, 1962], or can a bridge be created that allows the two paradigms to be brought together?

Leadership and management cannot be seen separately of one another, which do not mean it is the same thing. 'It's obvious that a person can be a leader without being a manager and a person can be a manager without leading. Indeed some managers do not even have subordinates [Yukl, 1994, page 4]. It has more to do with the way one fills the role of a manager and leader in an organization than to create the two as different roles. [Den Hartog, c.s., 1997]. 'The biggest difference between managers and leaders is the way they motivate the people who work or follow them' Straker [2008]. The two paradigms indeed have different 'birth grounds', which have also led to two different ways to research and develop the theories, namely inductive for the economic-based theory versus deductive for the social science based theory [Popper, 1935, De Vries, 1985]. Their history however shows a clear joint influencing of each other's development. Their roots stem from the early industrial revolution that created the need for new theories on leadership and management.

The development of leadership research has taken place when there was a societal drive to better understand the concept of steering people. The need to

understand and study leadership as a phenomenon became greater when the amount of people, hence the impact on society of the leaders becomes greater. In this concept pre-methodical leadership is leadership performed in the era before methodical leadership research was documented. Though proof of the presence of true leadership is apparent, no research or analysed data of leadership practices in that era is available. Examples of pre-methodical leadership are for instance the movements of Julius Caesar's troops throughout Europe, with hardly any means of communication, nevertheless succeeding in conquering vast amounts of continent, the building of the Chinese wall, mankind's largest hand-build structure, and finally the building of the pyramids of Cheops, in which 25.000 people worked in 3-shifts in a matrix organisation [Verner, 2001] .

The first mentioning of the concept of a 'leader', relating to the more modern concepts is found since 1300 according to Oxford English Dictionary [1933]. The word 'leadership' was not even found until the first half of the 19<sup>th</sup> century, where it related to political influence and control of the British Parliament. 'In earlier times, words meaning 'head of state', military commander, princeps, proconsul or king were common in most societies. These words differentiated the ruler from other members of society' [Bass, 2007, pag 14]. In these days therefore the word 'headship' instead of leadership, ergo the position defining the leader, was much more used. Machiavelli, describes in 1513 thoughts on statesmanship as well as on leadership [Machiavelli, 1513, in Kellerman 1987]. His views on statesmanship relates to this concept of 'headship'. In those days the positional power was the common source of power, there was no separation between the hierarchical versus the non hierarchical leader [Goffey & Jones, 2006]. Holloman [1986] states that management is more linked to Bass' concept of headship, hence leading based on position power and whereas leadership is accorded by the people who are led. A 'modern' leader in these concepts was a leader who would use personal power as well as positional power [Den Hartog et al, 1997].

In order for good theory to develop, a need has to grow in society [Christiansen & Raynor, 2003; Christiansen, Anthony & Erik, 2004]. This also applies to leadership theory. As the interest in leadership grew, researchers have asserted some major theories for understanding leadership phenomena in the scope of organization [Kent & Chellardurai, 2001]. The development, from the first theories, such as the traits theories, the behaviour/contingency models, LMX and path-goal theory, has moved towards the value based theories as most advanced at this moment.

### **Modern, value based theories on leadership**

Value based theories are the 'latest' developments in leadership theory, also referred to as 'modern' [Bass, 2007] or 'new' leadership theories [Brymann,

1992; Antonakis and House, 2002]. This 'new' is relative as the basis of these theories lies in 1976 where Burns started with its initial theory on charismatic leadership, which was in turn partially based on the concept of Charisma as defined by Weber [1947]. Burns combined the charismatic concept with the characteristics (or potentially better stated, Traits) of modern leaders, based on his biographies on presidents and comparable great leaders. This is also why these theories are categorised as 'mixed' theories, versus the first 'static' theories that had static traits as predictors of leadership and 'dynamic' theories that assumed that only the interaction between leaders and their followers defined the outcome [van Dongen, 2001].

The theory moved from the sheer concept of charisma, as this was perceived as an unattainable static concept, in which nothing can be developed [Bass & Riggio, 2006, page 3]. Therefore charisma was redefined into a sub-dimension of transformational leadership [Bass, 1985; Bass & Avolio, 1993]. In that definition transactional leadership now involves behavioural motives that are based upon contractual, negotiated exchanges between a leader and a follower, exchanging one thing for another; jobs for votes' [Burns, 1978 in van Dongen, 1997, page 217, Bass, 1990; Yukl, 1989] whereas transformational leadership involves motivation that derives from the followers' values being transformed (by the leader) to become more congruent with those of the leader [Bass, 1985, 1998, 1999; House, 1996; House & Podsakoff, 1994; Podsakoff et.al., 1990].

Charismatic and transformational leadership theories have turned out to be the most frequently researched theories over the last fifteen years [Bass & Riggio, 2006; Judge & Piccolo, 2004; Nuijten, 2010]. Early research already demonstrated that transformational leadership was a particular powerful source in military settings [Bass, 1985, Boyd, 1988, Yammarino & Bass, 1990], however more recent research has demonstrated that transformational leadership behaviors have been shown to positively impact a wide range of individual and organizational outcomes ([Avolio & Yammarino, 2002; Hardy, et. al , 2010] in a variety of contexts including military [Bass, Avolio, Jung, & Berson, 2003; Dvir, Eden, Avolio, Bass, & Shamir, 2002], sport [Charbonneau et.al., 2001], business [Barling et.al., 1996; Jung et.al.,2003; Podsakoff et.al.,1990; Howell & Avolio, 1993], the public sector [Rafferty & Griffin, 2004], and education [Koh et.al., 1995]. With the strong emphasis on motivation and information-sharing as basis for continued success of modern organizations, leadership has recently been suggested as a key factor for engaging employees [Luthans, 2002] and for creating innovative organizations [Garcia-Moraless et.al., 2008]

### Critiques on value based theories

A point of critique on the value based leadership theories is that they do not make a distinction between positive and negative values as the basis for the

leadership behaviour. 'It disregards the need for leader morale character and ethical conduct' [Price, 2003]. Although charisma itself is considered 'value neutral,' [Barling, c.s. 2007] it is the ability of transformational leaders to use their influence for either altruistic or self-serving purposes that has brought the need for an ethical component in such leadership models into focus [e.g., Bass & Steidlmeier, 1999; Howell & Avolio, 1992; Conger and Kanungo, 1998]. Based on these critiques, the theory was refined and the concept of 'pseudocharismatic' leaders was introduced to emphasise leaders using their power to influence in an unethical manner [Bass & Stiedlmeier, 1999; House & Howell, 1992]. Den Hartog [1997] in response split her theory up in positive and negative inspirational leaders and Van Dongen, developed the concept of 'excellent leadership' [2001] as positive inspirational, disqualifying negative inspirational leaders as exemplary models of a leadership theory. The theory of 'servant leadership' on the other hand positions itself as an alternative in the present demand for a more ethical, people centred and effective leadership style [Clegg et. al., 2007]. In particular because it introduces an integrated moral component to transformational leadership [Graham, 1991], and puts explicit emphasis on the needs of followers [Patterson, 2003]. Furthermore, 'in servant-leadership the ideal of service is embedded in the leader-follower relationship' [Nuijten, 2010, page 74]. Greenleaf [1977, 1991, 1998, 2002] emphasised the leader as the person serving the group and individuals and thereby using their power of influence. This change of focus is the element that distinguishes servant leadership theories from 'regular' value based leadership theories [Graham, 1991,1995]. Empirical research has shown that servant leaders positively influenced the feeling of autonomy, relatedness and competence of the followers [Nuijten,2010, page 169].

### **Defining 'Leadership'**

Based on the history of the theories one thinks it can't be too difficult to find a common definition. Unfortunately 'There are almost as many definitions of leadership as there are persons who have attempted to define the concept' [Stogdill, 1948, pag. 259]. And here lies a part of the ambiguity of leadership research which stems from this lack of clarity and the many definitions of the construct itself [Alvesson & Sveningsson, 2003; Bedeian & Hunt, 2006]. One of the reasons for this is that 'leadership' is a word out of common vocabulary which has been incorporated into the technical vocabulary of a science discipline without being precisely defined [Janda, 1960]. As a consequence there are many different versions of definitions of leadership around. 'Often a two day meeting on leadership has started with a day of argumentation on definition' [Bass, 2007, page 15]. Rost [1993] found for instance 221 definitions of leadership in 587 publications he examined. Leadership has been used to describe everything

from the effects of first-level supervisors on subordinates' attitudes to the effects of CEOs on organizational performance [e.g. Eden & Shani, 1982; Hofmann & Jones, 2005; Thomas, 1988]. Therefore a focussed approach has to be taken to come to a definition.

Leadership is an activity in a social setting, both singular as well as group- and organisational setting. An organisation is in turn a formalised group setting 'which has been established for the pursuit of relative specific objectives on a more or less continuous basis' [Scott, 1964, p. 488] with boundaries of the in-group, versus peripheral group [Hogg, 2001]. Organisations have a purpose which is easier to assess than the purpose of a group. An organisation will (should) have set itself targets, have a vision of the future and of their position in that future. Also the members of the organisation are defined by the physical contracts that bind employees to the organisation, versus the psychological contracts that bind them to groups.

This research focuses on formal leadership in an organisation environment, as this is the type of setting where MD programs are designed to work within. As we assumed a leader is a person in a formal leadership role, this bypasses the concept of informal leadership. Though it is true that most leadership relations under research have group settings in their basis this is not a 'conditio sine qua non' [Hemphill & Coons, 1957; Rauch & Behling, 1984; Hogan et.al. 1994; Judge et.al 2002; O'Reilly et. al., 2010]. Also leaders indeed pursue goals, however these do not need to be shared goals as Hemphil & Koons [1957, p. 7] has stated. This allows leaders to pursue own, other than accepted goals, which is also my comment towards defining the purpose of leadership to a higher more noble motivation [Jacobs & Jacques, 1990, Bartram, 2004, Hoskins, 1988, Naisbitt & Aburdene, 1990 Podolny et.al., 2005]. This vision is a mix of what we think leadership 'should' be, versus a value neutral definition of the field of study. Choosing the definition with an ethical element included [Hoskins, 1988; Jacobs & Jacques, 1990] would make unethical leadership no leadership at all. Unfortunately history has shown that unethical leadership can be very effective [Van Dongen, 2001, page 82-85]. Also Drucker's definition „The only definition of a leader is someone who has followers.” [Drucker 1998: XI] is, though beautiful in its simplicity, does not explain what leadership has as its purpose.

In summary leadership encompasses Interaction between a leader and a led, in order to persuade the latter to pursue the goals of the leader, or in a more rounded sentence

Leadership is to exert a conscious influence on the conduct of others (...) in order to achieve the desired objective (..) [van Dongen, 1997, page 116] or if desired even shorter: It is the art of making the followers act as the leaders wants them to [Van Dongen, 2001, page 1 ].

### Defining 'Management'

The formal organization is also the environment in which management activities appear. The areas of activity defined for management are typically steering the process of planning, organizing and controlling of resources [Fayol, 1916, Davis, R. 1942, Urwick, 1952, Unaeze, 2003] When we see managing resources as the central task of management, then managing the Human Resources (the employees) could be seen as such a task, but only if one would define managing as the entirely rational process [Davis, K. 1951]. In its origin this rationality was indeed emphasized as also modern management was solely committed to rationally solve the problem of inefficiency [Hamel & Green, 2007, page 12] and did so by organizing and structuring along the lines of rationality and treating all resources involved as such. However the human resources of an organization as well as the singular behavior of humans is only 'partially rational' [March & Simon, 1958]. Hence 'management' as described above would not interact on equal terms with the 'irrational' or better not purely rational behavior of humans. Leadership would in that viewpoint fit better with an organic view of an organization, where management relates to a mechanistic view' [Terry, 1995].

Management creates a performance enhancing environment through which they influence the individuals behaviour. However it is also stated that the creation of a performance enhancing structure around 'clever' (e.g high competence, low need for leadership) people, which is an activity that, as per above, should be management, is defined as a trait for good leadership [Goffey & Jones, 2009]. This grew the question how independent management and leadership actually are. 'The biggest difference between managers and leaders is the way they motivate the people who work or follow them' [Straker, 2008]. 'Leadership focuses on human interaction, influencing others. Management is more concerned with procedures and results, the process of getting the things done' [Doctrine Committee Royal Dutch Army, 1996].

The central connection between leadership and management is both influence people to change their behaviour to achieve certain goals. The rational behind this drive to change can be an optimisation-need, a rationalisation or other. Both concepts make use of power, be it from different sources.

Goffey & Jones [2006, page 13] see a clear differentiation between non-hierarchical versus hierarchical leadership. A hierarchical position gives the incumbent *positional power* [Yukl, 1994]. This power can be used to influence people to change situations, irrespective of the ability of the leader. Positional power is build on three sources of power, legitimate, coercive and reward power [Hinkin & Shriersheim, 1989, table I], the latter of which is amongst others the core of 'Management by Objectives' as well as at the core of most performance

management systems. This power, derived from the hierarchy, is in contrary to the sources of personal power [Yukl, 1994]. Personal power has two elements, the *expert power and the referent power*, where the leader makes the incumbent feel valued through the leaders behaviour. Personal power is also defined as authority. [Yukl, 1994, Den Hartog et.al. 1997, van Dongen, 2001].

A combined construct on leadership and management

In this line of thought 'leadership indicates the direct steering of people's behaviour, whereas management is more like the institutionalising of leadership. Management creates structures and processes to steer behaviours [van Dongen, 1997a]. These structures reward correct behaviour and discourage 'wrong' behaviour. This is [Bartram 2004; Bartram & Glennon, 2006], summarised in the view of making management equal to transactional leadership compared to more modern leadership views. In that way one should define management behaviour as a way to create a positive outcome as an exchange for changed behaviour of the employee, as a transaction of activities. [e.g. Straker, 2008, Bartram & Glennon, 2009]. This would indicate that management is an extension of the behavioural repertoire modern leaders have, from transformational to transactional leadership.

Bartram & Glennon [2009] developed this model further and connected it with the Universal Capability Framework (UCF) of SHL [Bartram, 2006], to connect the leadership styles with the competency framework, which in turn can be psychometrically tested. Senge [1992] underlines this view with his concept of the responsibility of a strategic leader, where he states they have three main tasks. First, they must build a foundation of purpose and core values for the organization. Second, strategic leaders should develop the policies, strategies, and structures that transform the guiding ideas into business Initiatives. Third, they must create effective learning processes through which the policies, strategies, and structures can be continuously improved [Jackson, 2000]. So one sees that also in this definition of tasks of strategic leaders Senge [1992] uses both management as well as leadership elements as part of the task spectrum of a leader, which inks-in with the dyadic-model of Bartram and Glennon [2009]. For now this model of the connection between leadership and management is adopted in this study

***Question: how do the organisations define leadership and management?***

Phase 2; Defining a concept on development

There is a vast amount of research accumulated on the modern theories of the transformational-transactional dyad. [e.g. Avolio & Yammarino, 1990; Burns, 1978; Bass 1985a, 1985b 1990b, 1997, 1999; Bass, & Avolio 1994; Bass, Avolio, & Goodheim, 1987; Bass, Avolio, Jung & Berson, 2003; Bryman, 1992;

Bryman, 1993; Conger, 1999; Conger & Kanungo 1987, 1990; Den Hartog c.s., 1997; van Dongen, 2001; Pilal et.al., 1999; Podsakoff et.al., 1996, 1990; Yukl, 2006]. The attention has now begun to move from the discussions on the theory and their measuring tools, towards the content and design of leadership development programmes [Avolio & Bass, 1995; Avolio & Gibbons, 1988; Barling et.al., 1996; Bass & Avolio, 1990; McCauley & Hughes-James, 1994]. Leadership development is the least explored topic within the field of leadership research and theory [Avolio, 2007; Day et al., 2008] even although it seems to be very much in the focal point of interest. According to a 2006 SHRM survey of Human Resource (HR) leaders, the number one problem for HR directors is identifying and developing the leadership talent needed for growth and expansion of their respective organizations [Fegley, 2006]. In a similar study conducted in 2007, 44% of the organizational leaders surveyed, reported that increasing the effectiveness of training as being their first or second priority ["Industry Report," 2007]. Avolio & Luthans [2006] reported in a review of the leadership intervention literature from the last hundred years only around 100 articles on studies examining the impact of leadership interventions on leadership development. Leadership intervention is considered developmental when a developmental experience is generated through the use of "some form of training, introspection, receiving feedback and exercises to increase the effectiveness of how one leads an individual or group" [Avolio et.al. 2010, page 635]. This being said, it means that the concept underlying an MD model needs to be build by combining elements of existing theories, as no integrated theory seems available.

Although leadership is viewed as a source of power and competitive advantage in many organizations [van Knippenberg & Hogg, 2003], there are no general models for the development of leadership skills [Day, 2000; Day & Halpin, 2004; Yukl, 2002]. [Lord & Hall, 2005] One reason is that historical and recent treatments of leadership had taken a trait perspective which are relatively stable, hence no real need for leadership development arose. [Judge & Bono, 2000; Lord et.al., 1986]. Another reason is that leadership skills have been thought of in terms of superficial behavioural styles, suggesting that leadership training could be of short duration. [Lord & Hall, 2005] Indeed a 2010 research showed that in the last 100 years the average time of leadership development was between 1-7 days [Avolio et.al. 2009]. More recently the idea has come in vogue that leadership typically involves a more complex mix of behavioural, cognitive, and social skills that may develop at different rates and require different learning experiences [Day & Halpin, 2004; Mumford et al., 2000; Zaccaro & Klimoski, 2001].

What is developed during leadership development?

‘Management’ has now been defined as a form of leadership and development as ‘a progression from a simpler or lower to a more advanced, mature, or complex form or stage’ [American Heritage Dictionary 2009]. MD focuses on leader development [Lord & Hall, 2005], which focuses on the development of individual actors, whereas leadership development is a concept, not specifically focussing on the individual progress. MD programs provide the opportunity for individuals to develop and enlarged the leader’s portfolio of leadership styles. The leader should be developed to the level that they can fluidly choose from of a number of styles that move from transactional leadership (if included with managerial skills, the “management style”) up to transformational leadership. The central concept which allows them to become style-fluid, is the authentic leadership concept [Luthans & Avolio, 2003].

There are behavioral (leadership) elements in the management development process, but also knowledge and skills development. A novice leader in the organization has basic knowledge of the functioning of an organization and typically more deep knowledge of the respective functional area of expertise. Ensuring that the leader is kept up-to-date, or at least has the opportunity to keep them self up to date, is part of the MD process. The nuance is small but emphasizes the view that there is strong self-development accountability with the leaders themselves. This will be defined further.

A major debate in MD programs lies on the approach used to transfer the knowledge to the leaders, which differ between the pedagogical or the androgogical approach [Booth & Segon, 2009]. Pedagogical learning involves teacher-directed practices and teacher control of processes. Androgogic learning involves adult learner decision making about what, how, where, when and why of learning [Knowles, 1990; Knowles et.al., 2005]. The 1990’s theory of transformative learning has gained support for the androgogical practices in learning [Gunnlaugson. 2007]. Transformative learning involves participants becoming more reflective and critical in their practices, being more open to the perspectives of others and also being less defensive and more accepting of new perspectives, concepts and practices [Mezirow, 1997]. Under transformative learning the leaders frame of reference is challenged in order to consider new ways of acting and being [Mezirow, 2003, 2005]. The education and development of adult leaders require the combined effort of the individual and the organization [Bass, 2007, page 1063]. As the development of leaders is to a large extent the responsibility of the leader to pursuit. “Responsibility for career development must lie with the individual, not the organization” [Brousseau et.al., 1996, page 52]. The development of adult leaders is largely a

matter of self development, albeit supported by opportunities provided by the organization. Therefore the andragogical approach seems to fit best.

*Question: Does the organization support the self development responsibility of the individual (andragogical) or place emphasis on a predetermined leadership development track, where the ingredients are defined for the leader, without their input?*

### **Development of authenticity in leaders**

According to Cashman [1988] leadership is an expression of who we are. Thus, to grow as leaders, we need to grow as persons. Therefore in order to be an authentic leader, the actions of us as a leader should reflect closely who we are as a person. Authenticity can be defined as both owning one's personal experiences as well as acting in accordance with one's true self [Harter, 2002]. The concept of 'Self' reflects the personality we possess whereas self-image is the person we think we are. The current concept of authenticity emerged within the last 80 years [Erickson, 1995a] and is contrived from the positive psychology literature [Cameron et.al., 2003, Seligman, 2002, Snyder & Lopez, 2002] and the insights from earlier managerial competency models of Boyatzis [1982] [see Lombardo & Eichinger, 2000; Whetton & Cameron, 2002]. When authenticity is used the desired followers outcomes are heightened levels of trust [Dirks & Ferrin, 2002; Jones & George, 1998], engagement, which is defined as "involvement and satisfaction with as well as enthusiasm for work" [Harter et.al., 2003, page 269] and wellbeing [Kahneman et.al., 1999; Ryan & Deci, 2000].

The development model underneath the authentic leadership model indicates that the development of the individuals focus moves from intra-personal through interpersonal, then leadership capabilities and finally business skills (see for instance the 'onion' model of Van Dongen, 2001, page 3 and the Hogan and Warrenfeltz Domain Model [source; Kaiser & Kaplan, 2006]. This concept of changing focus is supported by both the emotional intelligence leadership model of Goleman et. al., [2001, 2002] and the managerial competence models [ e.g. Boyatzis , 1982, Pedlar et. al., 2001, in: Booth & Segon, 2009; Whetton & Cameron, 2002].

Key factors contributing to the development of authentic leadership is to support the creation of a balanced self-awareness and personal insights of the leader [Gardner et. al 2005]. Key in this development is to create a greater awareness of the personal values of the leader. Values related to authentic leadership are conceptions of the desirable that guides the behavior [Schwartz, 1999]. As such they provide a basis for decisions to choose actions that are aligned with the need of other individuals, the organization or the community

at large [Lord & Brown, 2001; Goleman et.al., 2001, 2002; Boyatzis, 1982; Pedlar et.al.,2001; Whetton and Cameron [2002].

Company values are also an important aspect of culture, and are transmitted by many formal and informal means. Not only do leaders often play an active part in ensuring that the values of organizations are adhered to, for self evaluation of the leader, conformity to the appropriate failures is often important. The latter also as authentic leaders are role models with respect to “living the values”. Also Lord & Brown [2001] maintain that the values that leaders show in their behavior prime the development of specific identities in their followers, in other words good behavior sparks off other good behaviors.

### **Elements of authenticity; values of the leader**

When speaking of authenticity, it means that when one is true to one self, one acts in accordance with one’s core values [Erickson, 1995A, 1995B]. In order to do so, the leader first has to be aware of one’s values [Bennis, 2003; George, 2003]. Leaders achieve higher levels of personal growth when they set goals that align with their true values, needs and interests. However in order to do so *and* be successful in a company-environment the leaders’ goals need to be aligned with the company’s goals, therefore their underlying “true” values need to be aligned with the company’s values.

This is a key argument to use values-based assessment method to select future high potentials for an organization [Van Dongen et. al., 2004, 2005] but also why leaders, who are successful in one organizational setting, where their values match the company’s, are successful, whereas when they moved to a new company they are not. In this situation their technical capabilities have not changed, but the comparison of the company values versus their own values did. [See Lucier et.al., 2007] methods to assess values are for instance psychometrics that provide information on the underlying values of the individual.

A risk by matching leaders’ values too close with the company values can be when the latter have a strong country-specific culture and values. In order to create leaders who are fit for international organizations and their environment. Training leaders to adopt and communicate such a specific value pattern may not be appropriate when leaders manage organizations that operate in many cultures.

*Question: Are the values of the leaders assessed to see how well they match the organizations?*

*Question: Does the company have values that are skewed to a certain cultural heritage such as the country of the parent company’s nascence.*

### **Pre-emptive and post-emptive matching of values**

Next to a selection on values (pre-emptive) one can also use (post-emptive) value comparison through for instance a 360 degree questionnaire which can give insight on how the leader is perceived by others, e.g. how (s)he is 'living the values. Many organizations are using such instruments to help their leaders become more authentic by closing the gap between their self image and their actual self. These instruments are designed to collect information from different sources (or prospectus) about a target managers performance. The principal strengths of a 360° feedback instrument is their use of multiple perspectives. In most cases the different sources of information (the raters) are the supervisors, peers, and the direct reports of the target manager, although some instruments also allow managers to use internal and or external customers as raters [VanVelson et.al., 1997, page 12]

What the supervisor, peers, and supporters really think of the leader 'may sting, but facing the facts can also make you a better manager'. [O'Reilly, 1994, page 93] 'The process forces managers to examine the perspectives of the people's hold of them. [Chappelow, 2004, page 63] A number of studies indicate that multi-rater feedback have a positive impact on individuals [Atwater et.al., 1995; Avery, 2001; Bernardin et.al., 1995; Hazuchi et.al., 1993; Hegarty, 1974; Johnson & Ferstl, 1999; Reilly et.al., 1996; Smither et al, 1995; Walker & Smither, 1999]. Empirical research of the impact over 360° feedback has focused on two types of evidence, the first being the degree to which self ratings become more congruent with ratings from others and the second one being the degree to which behaviors are changed in useful ways. [Chappelow, 2004].

*Question: are 360 degree tools (or comparable) used in the organization to provide the leader with external feedback on their self.*

*Question: is the 360 tool used with internal assessors only or both with internal and external assessors.*

For authentic leaders, the role of a leader becomes part of their self-concept, leader identification [e.g. Brewer & Gardner, 1996; Lord at al., 1999; Gardner & Avolio, 1998]. Authentic leaders display by definition high levels of moral integrity [Luthans & Avolio, 2003], which resolves the issue of value-based leadership, being potentially based on negative values. Also, when a leader is authentic, trustworthiness is a core element of their personal identity. This fosters positive relationship with their followers [Gardner at al, 2005]. The leaders' action must match their words. While followers' trust is based on the implicit assumption that a leader is honest and non-exploitative, credibility is established when the leader's claims are subsequently confirmed [Gartner & Avolio, 1998]. Authentic leaders in this way are role models as they express

group values and aspirations. Such prototypical members are viewed as socially attractive and hence influential for other members. This process of attributing qualities to the authentic leader will predispose group-members to assign leadership qualities and in some cases charisma to members whose words and deeds reveal a genuine commitment to core values. [Hains et.al.,1997; Hogg et.al.,1998].

### **Staged development of authentic leaders**

The development of authentic leadership has as starting-point the accumulated life experiences of the leaders [Avolio, 2003, 2005; Luthans & Avolio, 2003]. On this basis new experiences are incorporated and continuously shape the 'self'. In this way targeted experiences can serve to stimulate positive growth and development [Avolio, 2005, Luthans & Avolio, 2003]. These specific learning experiences in life are called 'trigger events', and serve to provide feedback to the leader on their authentic self and increase knowledge of their self [Hoyle et.al. 1999]. Although trigger events have traditionally been viewed as involving crises and negative events it is now also believed that positive events can likewise trigger leadership development, Examples of trigger events are for instance, a challenging new opportunity, a voluntary decision to change career, or an experience into a radically different culture, such as through an expatriate assignment. [Gardner et. al, 2005; Avolio, 2003, 2005]

*Question: does the organization use targeted experiences to create trigger events for the leaders?*

*Question; how does the organization match the targeted experiences with the development needs of the leader?*

According to Quinn [1988] and Dreyfuss & Dreyfuss [1986], managers and leaders develop themselves in five stages from novice to expert. They considered the intermediate stages in between the main stages of development as independent stages. In this study this model is condensed into three stages, which matches the research on the qualitative changes in both process and knowledge as the leaders develop [Anderson, 1987; Ericsson & Charness, 1994; Glaser & Chi, 1988; Patel & Groen, 1991; VanLehn, 1989].

#### **Stage 1 development activities in the 'Novice-Phase'**

The novice learns of facts and rules to be obeyed, so in this phase, primarily a knowledge base needs to be established. For novices, self-directed leadership development involves developing particular "surface structures" [Lord & Hall, 2005], which show visible leadership behaviour, which result in perceived leadership by others. Leadership training at novice level therefore has a central

behavioural component to teach leaders to exhibit more visibly effective behavioural styles [e.g., Dvir, et.al. 2002]. Such behavioural skills may be relatively quickly acquired, so that such novice skill training programs often are of only a few days duration.

In practice the novice leader initially mimics the leadership they see and, based on the theories offered to them and practices viewed, they devise their own implicit leadership theories. These implicit theories are thought to be acquired by implicit learning processes [Lord et.al., 2001] as well as by self-monitoring processes. Self-monitoring refers to the tendency to monitor and change the public appearance of the self which is shown in social settings and in interpersonal relationships. [Day et al., 2002].

In order for a novice to develop to the 'intermediate' level, the novice needs to adopt the knowledge and skills and apply these ideally in multiple individual situations. Therefore the novice leadership development needs room for "safe" experimenting in different environments as they will now attempt to behave in a manner consistent with their own implicit leadership theories, when given leadership opportunities [Lord et.al.,1984; Engle & Lord, 1997] and monitor the outcome to test the theory. This self reflection is essential to development. [Ellis et.al., 2006].

Knowledge is not just 'created' but generated and accessed in response to the stimuli (a cue) which is generated by the requirements of a current task [Newell, 1990]. This is why there should be a close connection between the situation in which knowledge is gathered and the occurrence of the same cue in a work-situation. However, according to Booth & Segon [2009], there seems to be a distinct disconnect between theory and practice in business educations, both in terms of theory relating to and new practice discoveries assisting the development of new theory [Bennis & O'Toole, 2005; Hoffman, 2004; Pfeffer & Sutton, 2005]. This disconnect makes it harder for the novice leader to create congruent implicit theories with matching cues, hence makes it harder to actually use the knowledge provided for the own development. The translation of the implicit theories into future targeted behaviours involves "trial and error", therefore leadership development interventions need to relate more strongly to the context of business than they do in many cases. In that way the experimenting takes place in an environment with cues related to the future environment of their new behaviour [Ready and Conger, 2003]. The concept to combine management practice experiences within a 'school' learning environment is called action learning [Tushman et.al, 2007] and provides sound platforms to enhance both individual and company based outcomes. Action learning teams are being used more and more in leadership developmental initiatives [Dotlich & Noel, 1998, Marscik and O'Neill, 1999, Vicere and

Fulmer, 1998]. Typically under the sponsorship of a senior executive teams of five to eight managers are working on a novice topic in the organisation.

*Question: does the organisation use action learning initiatives, such as action learning teams; five to eight managers working on a novice topic in the organisation under sponsorship of a senior executive team member?*

*Question: how is new theory on leadership and business transferred to leaders in the MD process?*

Development of such leadership skills follows a power law with respect to practice. [Newell & Rosenbloom, 1981], the initial development is steep, which plateaus after a certain time. This is particularly true with skills that are closely tied to perceptual processes. These are the processes related to developing the self-identity [Platow et.al, 2003]. In short practice makes perfect, albeit that the practice needs to be followed by reflection of the own activities. This evolves more in the next phase.

### **Stage 2: Development activities in the 'Intermediate-stage'**

After combining the implicit theory with ample experiments which serve as experiences and trigger events, the novice leader can develop towards the second stage and starts to pay attention to understanding the basic norms and values underlying the leadership situations. Values are trans-situational and normative standards for behaviour and evaluation [Schwartz, 1992]. By now the intermediate leader recognises their own competence as a leader, the complexity of the task and a larger set of cues, which they can relate to situations. In this stage, calculated risks are starting to be taken, as the pure reliance on rules begins to disappear. The rules are replaced by an understanding of the values behind the rules and rational analysis of situations is replaced by an unconscious, fluid and effortless flow. [Gardner et.al., 2005]

With experience, intermediate-level leaders have developed skills which are 'knowledge-rich' rather

than 'knowledge-lean' in the previous phase. They means that the leaders recognise appropriate responses in familiar environments faster and more effectively. The familiar situations are recognised based on the previously described 'cues' [VanLehn, 1989]. Leaders with intermediate-level skills would not only have more refined behavioural skills that are easier to use, they would also be better at matching these skills to situational demands [Kozlowski et.al., 1999].

In order to create more cues for the intermediate leader, a critical factor in their knowledge development is personal experience in relevant task environments,

which broadly means experience with specific tasks, individuals, teams, or cultures [Lord & Hall, 2005]. These experiences need to relate strongly to the work, or even be a part of the development track at work [Mintzberg, 2004a; 2004b]. Also as this phase defines identities for the leader, as well as further forming of the self image, this phase needs to incorporate greater reflection on practice [Gosling & Mintzberg 2004a; 2004b].

*Question: does the use of reflective tools change over the development phases of the leader?*

### **Stage 3: Development activities in the 'Expert-stage'**

Finally in the expert stage the leader uses a holistic recognition based on a full understanding of the situation. The leader has an intuitive grasp of the situation and can change strategies as cues change.

With increasing hierarchical level in organizations however, the time required for managerial actions to have visible effects, the core elements in the feedback-loop increases [Jaques, 1989]. This means that often the situation is not recognised anymore when the effect becomes known. In addition, the visions held by leaders may take many years to implement. Consequently, at higher organizational levels, it is much more difficult to learn from feedback because the cycle time is quite long. Thus, as certain information and learning would not be made available through the traditional feedback loops, in this phase it becomes again needed to transfer knowledge. This knowledge transfer relates to aspects of expert level leadership such as business occurrences (both good and bad) as well as deliberate practices by exemplary leaders [Ericsson & Charness, 1994]. This can have elements like business ethics, or even learning from occurrences in other companies that took years to immerge, such as the Enron debacle or behavioural causes of the economic depression etc.

The development process has by now created deep structures, contrary to the previous surface structure, which includes the personal image of the self-identity and the individual's core values. This is as an important source of flexibility in leadership skills, in part because when one knows the 'outer limits' of one's own actions, it is easier to act within these boundaries, using different actions, styles or identity concepts within the core value structure [Lord & Brown, 2001]. Also at expert level, the knowledge is now no longer attached to cues, but organised around general principles. This leads them to different understandings than those based on the more superficial knowledge of novices, which tends to be organized around surface features [e.g. Glaser & Chi, 1988; Chi et.al, 1981; Day and Lord, 1992].

Another important aspect of deeper leadership structures is that they likely develop an increased focus on changing others, rather than only themselves.

Thus, while the development of surface leadership skills may involve leader-relevant direct visible changes, expert level leadership may involve knowledge and principles relating to developing behavioural and self-regulatory skills in others. In order to be able to develop leadership knowledge and skills in others, leaders must have clear organised behavioural repertoires as well as self-regulatory skills in addition to strong social and emotional skills [Lord & Hall, 2005].

*Question: do leaders at expert level receive knowledge transfer at their level, related to their business, which shows the long term effect of decisions?*

*Question: are leaders at expert level encouraged to act as coach/mentor for junior talents?*

### **Development activities supporting self knowledge and reflection**

Knowing oneself involves more than simple awareness of one's thoughts, values and motives. As the literature on emotional intelligence suggests [Goleman, 1995, Boyatzis & McKee, 2002; Salovey & Mayer, 1990; Salovey et.al., 2002] self-knowledge also encompasses awareness of one's emotions as well as understanding the causes and effect of such emotions on cognitive processes of decision-making and how they change over time [George, 2005; Salovey & Mayer, 1990; Salovey et.al, 2002]. In particular transformational leaders are deemed to possess higher levels of emotional intelligence and thereby the ability to display individualized considerations, which is one of the cornerstones of transformational leadership. [Ashkanasy & Daus, 2002; Ashkanasy & Tse, 2000].

The concept of reflection and self-awareness has been a key feature of both the emotional intelligence movement in leadership and management [Caruso & Salovey, 2004; Goleman et.al., 2001; 2002; Mayer & Caruso, 2002; Salovey & Mayer, 1990] as well as the broader level debate on executive development in terms of intra-personal capability [Drucker, 2005; Gosling & Mintzberg, 2004a; 2004b; Kaplan, 2002; Torbert & Fisher, 1992].

Indeed authentic leaders experience heightened levels of self-awareness, and that increasing self-awareness is a core element of the authentic leadership development process Kernis [2003]. Marcus & Wurf's [1987] notion of the working self-concept includes self-views. Self-views involve an individual's perceptions of his or her standing on the attributes made salient by a given context [Lord, Brown, & Freiberg, 1999] Brown and associates [Lord & Brown, 2001, 2004; Lord et al., 1999] focus on two specific types of self-views: current goals and possible selves.

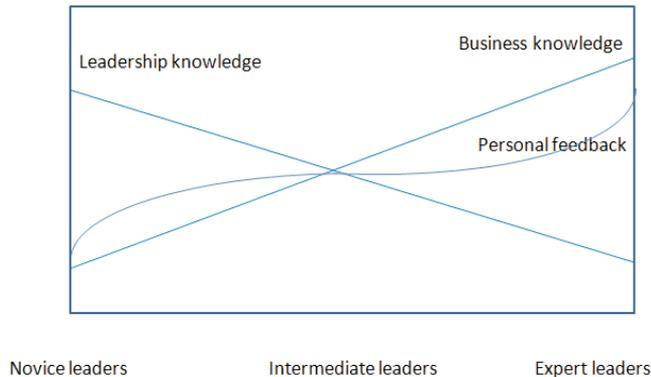
*Question: are the candidates tested on their intellectual abilities, both IQ and EQ levels?*

### Quantity and quality of knowledge transfer through the development phases

In this article, a condensed overview has been given on the literature on both leadership and management, and a combined model for the two elements of leadership has been posited, as well as a suggested method for developing leaders, based on the staged development of authentic leaders.

Of these elements on the one hand the needed behavioral changes for an individual leader to develop from a novice to expert level leader has been described. On the other hand, the moments to add knowledge to the development of the individual have also been described. The knowledge described mostly related to knowledge on leadership, but equally defined knowledge on organizations and business in general. In the below depict figure you see how the three sources of knowledge vary depending on the phases of development of the leader.

**Figure 1:** a graphic overview of different sorts of knowledge transfer in the different phases.



In figure 1 you see that in the start of the career of the leader external leadership knowledge as a first priority. With “external leadership knowledge” is referred to examples of leadership behaviors from ‘third parties’, so theories on leadership, examples of great leaders etc. During the period of development from novice and expert, such generalized theoretical leadership needs decreases, whereas individualized leadership feedback-need increases. This lack of actual leadership experiences as part of the education is the reason why in the initial phase of the development of leaders there is still a large need for theoretical knowledge on leadership, as well as the possibility to practice newly acquired leadership skills and implicit theories. The reason for

this is that only very few primary educations (for the sake of argument, this is seen as a university level education) actually prepare people for leadership positions, instead of turning them in 'starting level academics'. The academies that do are typically restricted to Armed Forces academies, police academies and sometimes firefighting academies. University-based educations, and equally so MBA's prepare their students on the theoretical level of managing organizations from the managerial (transactional) perspective, which has been a decade old complain on the mismatch of academic education vs. the need for business leaders in practice. As summarized by Booth & Segon [2009], the past practices in management education need to be reviewed with a view to improved capabilities in graduating students [Cornuel, 2005; Gosling & Mintzberg, 2004a; Grey, 2004; Grey & French, 1996; Hawawini, 2005; Pfeffer & Fong, 2002; 2003]. The debate has lead to challenges to traditional curriculum design and teaching practices [Conger & Xin, 2000; Thomas, 2007, Wankel & De Fillippi, 2002]. It has also prompted vigorous discussion in the literature on the issue of continued relevance of the Master of Business Administration (MBA) as a pre-eminent program in executive development [Barnett, 2005; Clegg & Ross-Smith, 2003; Miles, 2005; Mintzberg, 2004a; Tyson, 2005]. Though these debates are important, for our purpose they merely underline the existence of the leadership-and business knowledge buildup as per figure 1. As the leader develops the need for external leadership direction finally dissipates.

During the development, the need for business knowledge follows a reciprocal course than the need for leadership knowledge. A novice leader comes with a wealth of theoretical (management) knowledge from their academic education, with very little practical insights into applicability of the theoretical models. As the leader gains experience over time, he creates for himself a new cadre in which management theories can be fitted. When the employee moves up in the organization [Jaques, 1989], the cycle time of the feedback which can be derived from the consequences of the own actions increases, therefore the employee needs to learn business lessons from external examples. An illustration of these changing can be found in the setup of the modern management development programs offered by some major European business schools (London business school, INSEAD, IMD). Also here you will see throughout the individual courses, going from junior to more senior level courses, that the contents on business in the initial courses are very detailed and skill level focused whereas the senior level courses are more generic, learning from practical examples and case studies. On the leader development, one finds the opposite. Junior level executive education courses typically have no or hardly any leadership elements. In for instance the General Management courses (intermediate level), you will find with all business schools, almost

25% of the entire executive program focused around leadership, feedback, coaching or similar activities, which serves as a common thread throughout their educations. [Source: catalogue 2011 of LDP; London Business School, the AMP; INSEAD and the AEDP; IMD) There are Junior-level leadership training courses on the market, but these typically do not take place within a business environment, but more within training organizations who then provide the leader with a safe environment to experiment with new leadership behaviors.

The last line in the figure is the feedback line. The feedback that needs to be offered, not only increases over time, but also changes in sort of feedback needed in the respective phase. The increase in quantity has a plateau phase at intermediate level, and then goes up again. Also the method of providing feedback changes throughout the development phases of the employee. In the initial phases, the feedback comes through in direct confrontation with the consequences of the own actions, both from employees as from those observing the leader in action. In the intermediate level, the feedback starts to become instrument. The instruments brought to the leader, are for instance as 360 degree feedback tools, performance appraisals etc. At expert level the feedback is more in the form of coaching, as the coach can also show the future effect of current behavior through their own experience, as the leader will probably not be confronted with the effects of their current behavior for some time.

These characteristics of the knowledge developments should therefore also be present in the respective MD programs and should be investigated in the practices on MD in the respective company's MD programs.

***Question: does the source and sort of knowledge offered to the leaders change over time, according to the model?***

### **Phase 3; the organizational prerequisites of an MD model**

Next to the MD process, also the organization, in which the MD process is embedded, needs to provide certain conditions, in order to optimize the leadership development process. At first the talent has to be defined and made explicit in such a way that people can be assessed, based on this definition, secondly a company has to measure both the development and the performance, and enable the provide developmental support through the embedding of coaching and mentoring, providing of developmental assignments and the active creation and support of informal networks amongst talents. Finally the ownership of the MD process is discussed.

### **Defining high Potentials**

Management development is usually linked to the high potential employees. In 46% of companies, the MD process focuses on "high potentials" for

development and 32% have the management development process open to all employees [Hewitt, 2010, page 14]. This exclusive [Delbridge et.al, 2006] versus inclusive [Bones, cited in Warren, 2006, page 14] approach is a choice to make for each MD process. This thesis is based on the exclusive approach, based on an assessable definition of Talent, contrary to the inclusive approach where the process remains open to all employees. With this choice, it needs to be defined, what is *included* in the model, so, what are 'high potential employees', as these are the primary focus of management development processes. [Colaco-Osario et.al. [CIPD, 2010] 'Developing talents means going beyond platitudes like "people are our most important asset" to investing time and hard resources in making sure the employees are both competent and committed' [Ulrich & Brockbank, 2005, page 75-76]. And not only competent and committed in future, but also compared to the profile of talents, in other words, one needs to secure the MD investments reach the right people. [Ulrich & Brockbank, 2005]

In the model of MD for high potentials, two concepts are used in literature, 'Talent' and 'High potentials'. 'Talent' is the same concept as 'high potential', be it based on UK literature, versus High Potentials in the US literature. Depending on where certain quotes in this thesis originate, you will find both words used.

A high potentials refers to a native aptitude for some special kind of work and implies a relatively quick and easy acquisition of a particular skill within a domain (sphere of activity or knowledge) [Encyclopedia Britannica, 2010]. A high potential is a person with the ability, the aspiration and the engagement to use the talents in a corporate setting. [CLC, 2005, page X]. Therefore MD programs should focus on selection and development of competent and committed employees that have the skills they need for today and tomorrow and are committed to the organization and deploy those skills regularly and predictably. [Ulrich, 2005]

A method to define the High potentials is to think in terms of *what* the potentials have the potential *for*. In the traditional approach the ability to be promoted (vertical Potential) is chosen as means of measure. High potentials are in that perspective generically defined at three levels [van Dongen et.al., 2004; Charan, 2005; van Dongen & Prodan, 2009]. The levels are the **Professionals**; **Potentials or promotables**; and the **High potentials**; people with the potential for rapid, or near term growth, into increasingly higher levels of leadership (2 levels up, or more) [van Dongen & Prodan, 2009]. Other generic names for the three levels are Local talent, Regional- and Global talent, [van Dongen et.al., 2004, Charan, 2005]. When in this study the topic of 'potential' is used, it will always refer to high potential', [van Dongen & Prodan, 2009].

According to the 2006 survey of the UK based Chartered Institute of People and Development (CIPD) 51% of all companies under review had reported they

had undertaken substantial talent management activities, though only 20% of the respondents had a formal definition of Talent. [CIPD 2006, page 3]. In relating to this research one should not be too optimistic to find pre-eminent and clearly measurable definitions of talent. However when the definition is not clear, the entire process is based on an assumption which, for sake of argument, can equally be entirely wrong.

*Question: do companies define talent in their organization and if so, how do they define this?*

*Question: do companies see different categories of talent, and if so which are these?*

Assuming the employee has the skills, the aspiration and engagement to strive for a career in the respective company, this still is not a clear defined talent 'model'. The traditional form of looking at talent is the method which we define talents as these people who aspire to reach the top in the organisation. These are vertical talents, talents that pursue their career to obtain a C level seat, so either the CEO or one level below. The positions one step below the CEO are typically leading Global functions or business units. [Araoz, 2007, Charan, 2005]. Next to such vertical talent there is 'deep talent', which are employees that have deep specialised knowledge in their field. These positions are most likely found either in the R&D area, or in professional services companies (consultancy), where the talents are specifically nurtured for their expertise, and can have a substantial career as a specialist. PricewaterhouseCoopers in 1999, for instance, had the category of 'thought leaders' to characterise 'deep talents'. In such companies, the Chief Technology, thought leader, or head R&D typically comes from 'within the ranks', therefore deep talents, can also move into a vertical career on top of their deep functional knowledge, but this is, in contrary to the vertical talent, no requirement to be grouped into this talent category.

*Question: do companies recognise different concepts of talent?*

### **Defining indicators of potential**

Indicators for potential are factors that, when present, increase the likelihood that the individual will prove themselves as talented employees, according to the chosen definitions. The following elements are such indicators

### **Cognitive abilities**

As the development potential and the 'stretch' of this potential are the key denominators for talent, it is essential to find what influences this ability. In many researches it has been found that the one key denominator of development-ability is the intelligence factor. The relative importance of EQ versus IQ is still a concept under discussion, but not whether the two elements are important. [e.g. Araoz,2007; Goleman, 1995]

Critical quality in leaders may be their sensitivity to the emotions of others. Indeed, the capacity to perceive and respond to the emotions in others, emotional empathy, has recently been shown to be a strong predictor of leadership emergence [Kellett et.al., 2002].

### **Gathered life experiences**

The importance of the life experiences that occur pre-company is discussed [Hall et.al., 2004] in a longitudinal study of leadership at West Point (US Military Academy). They found that cadets who had more social and leadership experience in high school had higher initial leadership performance at West Point, reached their plateau less rapidly, which indicated a greater readiness to master complex leadership skills. In this light, should a company recruit leaders or candidates for the MD program directly from the university / with little or no relevant worked experience, it makes sense to go in an interview into the previous gathered life experiences. In HR the 'over the thumb' rule of five years back is used. What kind of extracurricular (ideally leadership) activities did the employee undertake prior to joining the company.

Though earlier life experiences are the "rock bottom" on which the self-identity is built, this self, as described is build combining the 'basis' with new experiences, the so-called 'trigger events'. Therefore it seems obvious, that in an inventory of such life experiences should take place in order to decide whether a candidate to enter the management development to the high potentials yes or no. And indeed if we look at leadership education at the basic level, such as takes place at military academies, police academies etc., than the inventory of the life experiences is a substantial cost of the selection interview. For the management development track of high potentials in international organizations, we however assume that people cannot enter this track as of level 'zero', but need to have moved some steps in the organization in order to be allowed to enter the MD track for high potentials. As the experiences and the proof of leadership, the actions of the employee in their 'younger' years in the company is a more compelling evidence of leadership potential than the life experiences before starting with the company. Therefore in this research, this element is not enclosed.

Therefore no question is asked relating to previous life experiences before the working life. This encompasses the assumptions that MD processes in principle will not take candidates on board with less than 5 years work experience, either inside or outside of the company, which does need to be questioned.

*Question: As of what organisational, or experience level can employees enter the MD process?*

### **Engagement with the company**

Though talents can be seen as a 'gift' irrespective if the organizational environment, in case of an MD program, this is of little use. The program is geared toward 'delivery' of better leaders in the different levels in the organization. Therefore one would not want to invest time and money in developmental activities of individuals that show a low commitment to the company in the first place. In order to nurture this engagement it is key that the organization finds what rewards their workers most, as this creates sustained commitment of the talents [Ulrich, 2005]

Hewitt [2010, page 11] states that more than half of the respondents in their 2010 career survey (55%), reported career development and pay as a reward strategy are equally important to employees in today's challenging economic environment. (n=192). The combination of those two statements therefore emphasize that talents that developed successfully can be rewarded by more development opportunities. Especially, it seems generation X and Y employees tend to be motivated by other factors than solely financial factors. [Hewitt, 2010, page 11].

*Question: does the company measure the individual engagement of the talent?*

*Question: are individual and generational differences taken into account when rewarding the talent in the organisation*

### **Self-development drive**

Another factor is the motivation to develop leadership capability **which** is defined as "the desire to develop or improve leadership skills and attributes through effort" [Maurer & Lippstreu, 2005, p. 5]. [Reichard & Johnson, 2011] Not only has it been shown to be related to learning and completion of formal training [Baldwin et.al., 1991], but motivation to develop has also been shown to be a significant, unique predictor of both development activity [Noe & Wilk, 1993] and participation in leader development activities such as leadership training [Maurer & Lippstreu, 2005].

A leader with high motivation to develop expends large amounts of energy on development and persists in the face of failure. Reichard [2006] found that motivation to develop leadership was the best predictor of the quality of leader development self-set goals in terms of challenge and specificity

By first selecting those leaders with a propensity to self-develop [Boyce et al., 2010; Cortina & Zaccaro, 2003; Cortina et al., 2004], the organization is preparing for successful implementation of leader self-development as organizational strategy. Therefore, selection criteria should be based on those stable traits that increase the leader's propensity to become an effective self-developer.

*Question: does the company measure the drive to (self) develop of the leaders?*

### **Measuring of performance and development goals**

The leader has two levels of goals, the first level are the "normal" goals, which are related to specific performance benchmarks one seeks to accomplish as part of one's everyday behavior [Emmons, 1986]. The other goals, or super-ordinate goals are articulated as an idealized vision to develop their self view towards a possible self [Lord & Brown, 2001, 2004; Lord et al, 1999]. This 'possible self' is the self that authentic leaders wish to attain. To do so authentic leaders seek to anchor their self views and do so by constantly seeking to understand and verify their authentic self [Swann, Polzer & Ko, 2004], through continuously feedback they can identify any discrepancies between the current self view and their idealized possible self and change their self perception.

Also targeted opportunities to develop leadership skills may require proactive steps by a potential leader (self directed), or by the organisation (external directed) making the leader's own motivation and interest in leadership a critical requirement for leadership development [Chan & Drasgow, 2001]. To sustain interest for the months and years required to develop and practice complex leadership skills, it is also clear that the leadership role needs to become part of one's self-identity. [Hall & Lord, 2005] in order to be able to develop enough engagement for the 'long and winding road' of the development track.

*Question: Do talents have development goals as well as performance goals, and are both goals seen as comparably important?*

*Question: What happens if a talent underperforms on one of these types of goals?*

*Question: Is the individuals motivation for (self)development assessed?*

### **Creation of informal networks throughout the organisation**

There is a growing insight that individuals do not rely solely on single mentors or their current boss for development. Rather they have a network or constellations of relationships that they rely on for developmental assistance or support. [Higgins, 2000, Higgins & Kram, 2001, Kram, 1985, Mc Cauley and Young, 1993]

Managers report receiving more mentoring when their direct mentor is their direct supervisor then when (s)he is not [Burke & McKeen, 1997, Fagensen-Eland et.al., 1997] Given the changing context of work, long term relationships for development are becoming more unattainable and connections with a wider array of colleagues more probable [Eby, 1997, Higgins and Kram, 2001].

Only reflection can create a balanced self-image. This reflection is also served by informal networking events amongst leaders, as leaders learn by talking about leadership with other leaders in an informal, non-evaluative setting. [Day, Gronn, & Salas, 2004] Some organisations have therefore for instance created networks for woman managers , or for particular ethnic or racial groups [Barclay, 1992, Morisson et.al.,1993].

Although the need for leaders to actively network has been long recognized [Kotter, 1982; Luthans, 1988], relatively little attention has been given to the potential of networking as a means of leadership development. With management development, considerable emphasis has been placed on mentor-mentee relationships [Kram, 1985; Kram & Isabella, 1985]. However recent research findings suggest that individuals might be more prone to think in terms of multiple, less intense relationships, which can be conceptualized as a network of sponsors [Higgins & Kram, 2001; Seibert et.al., 2001].

***Question: Does the company actively promote informal networks and network meeting amongst leadership peers?***

Leader self-development is most effective when the leader is provided strong social support, especially from significant others, peers, and family members. For example, finding and working with a mentor, including peer mentors, can aid in a leader's development [Reichard & Johnson, 2011]. Finally, while social support can be considered in terms of one-on-one relationships, it may be useful to think of social linkages as encompassing a system or network of support that may potentially be helpful to leadership development processes. Leaders must understand their role within social networks in order to strengthen existing relationships and establish new connections between individuals, groups, and other entities [Sidle & Warzynski, 2003]. In the three phases, but most prominent in stage 2 still strong in stage 3, coaches can serve

to help the developing leader to the development track. As these coaches will probably serve as role model [Hoyle et al., 1999] for the developing leaders it is key that their behaviour is also exemplary. Therefore if using internal coaches these should represent talents themselves, if they need to serve as a role model for other talents

### **Embedding coaching and mentoring**

In a 2001 research over 8000 leaders, it was found that leader development relationships that were grounded in feedback and relationship were rated as more [CLC survey, in: McCauley & Douglas, 2004]. Mcshulskis [1996] found that nine out of ten employees who receive mentoring report that it is an effective developmental tool. Receiving support from a mentor is associated with higher performance rating, more recognition, greater compensation, more career opportunities and more promotions [Burke & Mc Keen, 1997, Chao, 1997, Dreher & Ash, 1990, Fagenson, 1989, Orpen, 1995, Scandure, 1992, Turban & Dougherty, 1994, Whitley et.al., 1991]

These cognitive changes are assimilated in the emerging identity as a leader. They involve a shift from normative definitions of leadership, to a contextually dependent definitions of leadership.

*Question: do the stimuli offered to the leaders by the organisation or the MD process differ in the different stages of leader development?*

*Question: are feedback loops (f.i. 360 degree, combined with coaching sessions) used in the leaders' development, in order to confront the leader of the effect of their actions on others?*

*Question: does the company actively set up monitoring and coaching relationships, propagate that leaders seek their own, or leave this entirely open?*

*Question: if internal coaches used are these themselves part of the 'talent' population?*

### **Providing developmental assignments**

In most organisations the ideal candidate for a position is someone who already has the skills to do the job and can hit the ground running, not one for whom the assignment is developmental. [Ohlott, 2004, page 154]. As an example Clark & Lyness [1991] found that Citicorp placed managers in positions for which they are 60-70% 'ready' so as to promote their learning. In Kodak, not only the business targets of a department are important to achieve for a business unit manager, but also the development needs of the individual managers [Kodak, 2002]

***Question: Are line managers made responsible for the achievement of development-goals of their subordinates?***

Research into what makes a job developmental, has identified five broad sources of challenge related to learning [McCauley, et.al.,1994,1999]. The extent to which a job is developmental is person-specific , that means, it depends on how similar the new job is to previous jobs. [page 156] A job is likely to be less developmental if there are few new elements in the job [Davies & Easterby-Smith, 1984, McCauley et.al. 1989; Nicholson & West, 1988] or little increase in the amount of discretion the manager has to define the job [Brett, 1984; Nicholson & West, 1988].

The key element in a developmental job assignment is challenge. By tackling unfamiliar tasks and seeing the consequences of their actions, people learn from the challenges in their assignment. The CCI [McCauley & VanVelsor, 2004] sees five indicators of challenge, namely as a first, the job transition, especially when this includes changes in level, function or employer , a vast increase in the scope of the assignment and moving from a line job to a staff job. The second one is the creation of change as these require a leader to perform numerous actions and take decisions in the face of uncertainty. This creates feedback on the self identity. Thirdly there should be high levels of responsibility, as this has greater breath, visibility and complexity; these too expose the individual to pressure and high stakes decisions. Fourth is managing boundaries, which means exposure to situations where they must work across lateral boundaries. Finally there is the dealing with diversity, not only in the domestic workforce, but also in the demands of operating in the Global arena. [Ohlott, page 154]

***Question: does the company measure the development potential of jobs, and if so, how do they do this?***

***Question: Is the developmental potential of a job matched with the developmental need of the employee?***

### **MD as part of a professional HR practices**

Several studies found that companies with effective HRM practices and programs have better financial performance [e.g. Becker & Huselid, 1998; Bowen & Ostroff, 2004; Huselid & Schuler, 1997; Richard & Johnson, 2001; Park, Mitsuhashi et.al., 2003]. Through the use of good HR practices it is possible to have a more competent and committed workforce, which in turn provides a source of sustainable competitive advantage [Singh, 2003] and talent. This is however not standard, as despite the evidence that HRM programs can improve financial performance, many fail to achieve the potential benefits [Bassi & Murrer, 2007; Pfeffer, 2005]. One reason is that some top executives still regard

human resources as a cost rather than an asset and they view HR functions as a low level staff responsibility that can be outsourced or minimized [Yukl & Mahsud, 2009].

Historically, the HR department managed the functions that no one else wanted or could perform. From recruiting, to orienting new employees, to writing job descriptions, to tracking attendance, to instituting and monitoring policies and benefits, an HR “generalist” was needed to assist senior management in both establishing a structure and holding down administration costs. Changing titles from Personnel Manager to HR Manager to People Manager to Talent Officer doesn’t change what organizations need from professionals in these roles [Vona, 2010]. In words of Ulrich HR must give direction or give notice. [Ulrich, 1997]

The importance of HR management systems for improving the quality of leadership has not been clearly acknowledged in much of the leadership literature. Most leadership theories focus on the skills and actions of the individual leader without considering the organizational processes by which leaders are selected, trained and developed. The quality of top executives who are promoted from within the organization is highly dependent on programs and practices involving leadership development, performance appraisal, succession planning and executive selection [Yukl & Mahsud, 2009]

In order to provide a professional developmental process it is recommended that this is brought under the responsibility of HR for the process management, and under line management for the support of the process. In order to be (come ) successful in this effort also HR must look into their own functional mirror, as there is clearly insufficient. One example is that though in much of recent literature on strategic HR, talented employees are viewed as a source of competitive advantage and a way to improve the bottom line result [Hatch et.al. 2004; Hitt & Ireland, 2002], most HR leaders are spending less than 25% of their time preparing for the workforce of the future and few organizations believe that HR has the skills required to manage a diverse and global workforce [CIPD, 2004].

This does not seem aligned with the importance of the topic, both for the company as well as for the function, to profile itself more strongly. And also on organisational side there is not sole support for having HR in the role of owner of one of the most key value delivering processes in the company; MD. ”The belief persists that for top HR roles, organizations need to bring in someone from outside HR to run it. HR leaders are viewed as incapable of bringing innovation to HR or lacking the competencies to drive decisions and organizational change. This is neither best practice, nor commonly practiced. [Vona, 2010] Cappelli c.s. [2010] found that the “typical” HR leader had typically more than 15 years

of functional HR experience. Although some organizations may transition leaders from different functional areas [e.g. Finance], it is not the norm. Nor is it the norm that HR persons make a move outside of the function that would be able to give them the additional credibility. In summary the organisation needs from HR “vision, drive, data-driven insight, and excellent execution skills—in short transformational leadership”. [Vona, 2010] It seems that though the owner of the MD process should help talents develop their authentic leadership to allow them to move into transformational styles, this is what is missing in HR itself.

This would also reflect on the MD program. When HR itself is under-represented in the MD population, this could create, with the other talents a potential confirmation of their implicit opinion that HR is indeed not a part of the strategic architecture of the company. Unfortunately, as the current talent in the MD process are the future leaders in the company, that impression could manifest itself in future again as the opinion of the business leaders.

One way out of this dilemma is that HR talents should indeed move through the same track as the other talents. This also implies that if the ‘regular’ talents receive cross functional assignments to increase their management breath, also the HR talents should. As per Vona [2010] this seldom happens. A representative percentage of HR talents in the talent-pool is therefore the first step. The second being that HR leaders, should also absorb cross functional assignments to increase their business breath and enable them to create stronger networks in the company as well as a deeper understanding of the issues their ‘clients’ face.

*Question: Is the HR representation in the talent pool (%) comparable with the % of HR managers versus the total population of managers (above the level that provide access to the talentpool).*

*Question: Do the top HR people in your organisation come out of HR or from the business or finance?*

*Question: Do the talents in the talent pool receive X-functional exposure?*

*Question: Do the HR talents receive X-functional exposure?*

*Question: Who owns the Management Development process? Who manages it on a day-to-day manner*

*Question: Are the people responsible for the MD process, talents themselves?*

Should HR miss out on the current window of opportunity, than this is more than a pity; it could become a lost chance as Vona [2010] states that “there has never been a more exciting time to advance the HR profession and brand while seeking the valued seat at the proverbial “C” suite table. The HR profession has evolved from the early relationship between master craftsperson and apprentice to the modern world of workforce optimization, with technology-based learning, benefit and retirement planning, and investment portfolio management. HR has come of age and clearly deserves its executive committee membership. “ But only if they prove worthy.

Finally as HRM programs and practices are unlikely to be effective unless they are consistent with the firms competitive strategy [Yukl & Mahsud, 2009] it is key that when HR is set up professionally the HR programs will have a clear link-in with the strategic processes. Thereby the added value of HR can be proven.

### **The elements of the MD model**

Researchers and practitioners in leader development have increasingly emphasized contextualized development strategies, such as the use of developmental assignments, on-the-job learning, coaching and mentoring relationships, and action learning assignments [Day, 2000; Ohlott, 2004; VanVelsor & McCauley, 2004]. The MD ‘experience’ encompasses more than merely the MD elements. It also encompasses organisational conditions to optimise the development, which cannot be simply ‘defined’ as an element of the MD process. The MD process does not function in perfect isolation, it is embedded in a strategic concept for the future and has to have a clear and strong owner in the company to drive this important process. Also a number of organisational prerequisites must be met.

Based on the literature review the following elements of MD programs have now been established:

1. The value match between the company and the employee is assessed.
2. The individual candidate is assessed on the presence of the indicators of potential.
3. Both developmental targets as well as performance targets are set and these are followed up in a performance- and development management process which has a clear periodicity between their evaluation moments.
4. Knowledge and skills transfer is adjusted and offered relative to the level of leadership development.
5. Developmental assignments are offered based on the development need of the individual and the company needs.
6. Tools are provided to fill the need for reflection of the talent, such as internal or external coaches, reflection tools etc.

7. Selected challenging assignments relative to the development stage are offered, which provide trigger experiences.
8. Periodically benchmark the assessed talent level is made, underperformers are sorted out.

These elements will be combined into a model, which in turn will be compared with the practice of the management development models in international companies, based on the questions posited in this article. Before this happens however the online panel of HR professionals will give their practical input into the theoretical assumptions made in this study. This enables the study to import tacit knowledge of a senior population.

### **Conclusion**

Based on the theories, and combining these with empirical data can lead to a more coherent overview of the field of MD. One should wonder, how 'new' such a view actually is.

This also in the light that funds allocated to development are huge. In the US only, in 2000, already 50 Bio US\$ was allocate to Management and leadership training in general, and in 2005, 15 Bio US\$ was allocated to MD specific. [Training, 2000, 2005] When such numbers are combined with the opinion of SR HR leaders who stated in a 2006 survey that the nr 1 problem of HR is identifying and developing leadership talent for growth and expansion of their respective organizations [Fegley, 2006] one would expect that huge amounts of work had been done in defining concise theories and modeling in the area of MD. However as Avolio & Luthans [2006] already stated, systematic investigations on leadership development and theories on that topic are rare.

This article shows there is a lot of fragmented work done. By combining this with the tacit knowledge of the 'problem owners', and bridging the fragmented elements, a more concise model is be possible, which is what the research, of which this article is an element strives to contribute to.

But even after that would be done, still larger areas of study lie open that need research urgently. Where this study will define an overall practical and workable model, each element of the model need in turn be subjected to follow-on research that should review improvement possibilities, based on measurable effects of interventions. As the business wants return on investment data of the work of HR, also MD activities and processes should be reviewed in that way. The study of Avolio et. al. [2010] after Return on Development Investment (RODI) is however one of the first in that field, which shows that even though a topic that is a source for concern for almost all major companies and a vast source of cost, has not yet matured to the level where hard figures can be used to prove its worth. That again shows an area where HR, when it wants to

continuously propagate this area, should put much effort in, in order to really partner with the business in this area.

With this theoretical analysis and the drawing out of questions to set up or evaluate models, this article should provide a net step in that effort, but by no means has this research area reached the end of the development itself, let alone the end of insights in Management Development.

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## Cultural conditioning of LEAN MANAGEMENT – continuation of the research

### **Abstract**

*The article is the continuation of the topic of cultural conditioning of Lean Management. In the first part the basic foundations of Lean Management were presented. Then the author mentioned the connections between national and organisational culture and made thesis that the culture of organisation influences the process of Lean's implementation and functioning. In the second part of the article the culture of Japanese, Polish and Mexican organisations were characterised and compared. And it was pointed which out of these features can be helpful or disrupting in effectiveness of Lean Management. The comparison of different organisational cultures and Lean Management implementation is pointing out the possible connection between these two fields of management. Which can be seen as cognitively innovative and practically useful study.*

**Keywords:** Lean Management, organisational culture, national culture, cultural conditioning of Lean Management

### **I. Introduction**

This article presents the author's analysis of cultural conditioning of Lean Management. In the first part the basic foundations of Lean will be presented. Then the connection between national and organisational culture will be described. In the third part the author will try to analyse if and how cultural conditioning can influence the implementation of Lean philosophy. The assumption made in this article is that cultural differences can be the explanation of differences in Lean implementation and functioning. This assumption was made on the basis of the literature of the subject and professional experience as the trainer

and consultant helping to implement Lean Management in organisations situated in different parts of the world as Central Europe (Poland) or North America (Mexico). The first research, presented in a previous article, showed the differences between Japanese and Polish organisations. In this article the Mexican organisational culture's description has been added.

## 2. Basic foundations of Lean Management

Lean Management is the result of tens of years of work made by Taiichi Ohno and his team in Toyota's factories, which as well as the rest of Japanese motor industry had to struggle with global competition after II World War [Ohno, 1988]. The main Japanese competitor was United States of America – mass production leader. As T. Ohno said: at the beginning there is a need [Ohno, 1988, p. 15] and this need to become more competitive and to produce cars of the highest quality and lowest cost and according to client's requirement, was the reason of changes in Sakichi Toyoda's factories. The result of this was the completed and effective management system known as TPS - Toyota Production Systems, later on as a Lean Management system.

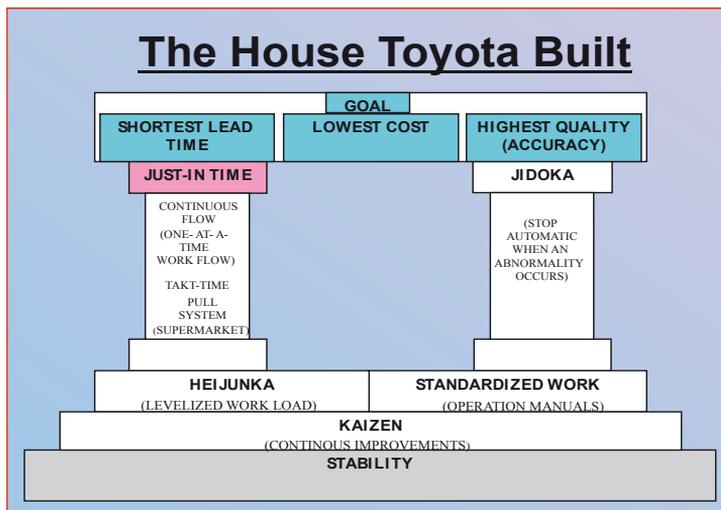
Lean is the attitude to management, philosophy, or a state of mind [Dennis, 2002, p. 17], thus implementing Lean has to be based on shaping the attitudes, new habits and teamwork. It was quite simple to do for Japanese industry I suppose, because of specific cultural conditions, which are basic for Lean, for example responsibility or synchrony. And as well as the main feature: avoiding the waste, which is understandable for Japanese, whose natural resources and territory are tight and there is not a lot to waste, actually. The other attitudes common in Japan are: respect to authorities, hierarchy or ritualistic culture [Konecki, 1992], which support Lean as well.

Lean means thin [Lichtarski, 1997, p. 224], so the core of Lean Management is getting the organisation thinner by reducing the waste and getting the highest quality. "True efficiency improvement comes when we produce zero waste and bring the percentage of work to 100 percent" [Ohno, 1988, p. 19]. According to T. Ohno the main sources of waste in organisation are: overproduction, waiting, transportation, processing, inventory, movement and making defective products [Ohno, 1988, pp. 10–20]. Overproduction means that we produce more than we need and is the reverse of Lean production – production of the exact kind of items, at right quantity and at the time needed, according to client's order. Waiting for components, wrong orders, delays or bad organisational work are the next sources of waste. Transportation is about the size of a batch, which should be the smallest as possible and delivered as frequently as possible. The organisation of transport within organisation is an

important issue as well, for example sequence, standardization or fixed routes can improve the process. Excessive inventory is another big source of waste and is connected with non efficient organisation of warehouses, dead stock, bad location system or lack of levelled production and big batches. Wastes in movement can be found in logistic or organisation of production, which can be based on too much procedures or excess of control. And, at the end – defect product, which means poor quality, defects, etc.

Lean is based on two main pillars – one is *Jidoka* which focuses on high quality and the second - production system called *Just In Time* which is based on producing the needed parts, on time and in the quantity needed [own resources] and is contradictory to mass production called *just in case* [Schonberger 1982, p. 16]. The rule: do more using less means highest productivity with using less materials, workforce, machinery or effort. This is the main rule for all Lean Management directions: Lean Manufacturing in production industry and Lean Office [www.leanvision.com.pl] for example in administration. In this article we focus on production and services areas using interchangeable: Lean Management and Lean Manufacturing. The basic foundation of Lean Manufacturing can be shown on the below drawing known as Toyota's house [own resources].

**Drawing no.1:** The House Toyota Built – characteristic of Lean Manufacturing



Source: on the base of Dennis, P., 2002. *Lean Production Simplified*. Productivity: New York, p. 18.

The basic foundation of Lean Manufacturing is stability so as stable, repeatable organisational processes. This foundation enables continuous improvement known as *kaizen*, which is connected to teamwork [Dennis, 2002, p. 104] and allows getting to the cause of problem and eliminating it. One of the most important tools for continuous improvement is 5S, which helps to keep cleanness and order in the workplace [Dennis, 2002, p. 29]. 5S means:

1. Sort – divide things into two groups: necessary and unnecessary and throw away all unnecessary items.
2. Set in order – find the place for everything and keep it on its place.
3. Shine – clean and polish because cleaning is inspection at the same time.
4. Standardize – set the rules of control and implement them into your every day routine.
5. Sustain – make these rules a routine and develop the support for them [Dennis, 2002, pp. 29–36]. Some researched organisation implemented the sixth “S” – Safety, which means avoiding accidents, making people aware of safe work and working in a safe way. What interesting, in Toyota’s factories safety is one of a priority of work as well and the sign of a high quality and a “good business” [Dennis, 2002, p. 141].

Next element of the Toyota house is *Heijunka* and standardization. *Heijunka* is the system of levelling the production [Dennis, 2002, p. 69] through the levelled pace of work and levelled batches of product. Levelled production according to both: quantity and variety of goods, helps to stabilize the organisational processes and to avoid waste. Standardisation is seen as a base of waste elimination [Ohno, 1988, pp. 22–23], as well. Standard should be based on the best possible method of work and should be permanently improved over the time to match internal and external changes.

*Just In Time* means that in the process “the right parts needed in assembly reach the assembly line at the time they are needed and only in the amount needed” [Ohno, 1988, p. 4]. Basic rules of a such productions are: don’t produce anything which wasn’t ordered by the client, level the production, use the basic visual standards of control and maximize efficiency according to people and machinery [Dennis, 2002, p. 66]. JIT can be supported by: continuous flow (one-at-the time work flow) [Dennis, 2002, pp. 67–68, 141] or takt time (the time to produce one unit, required by the client).

Next important tool is *pull system*, which is the production system and it is being started by client’s order [Ohno, 1988]. The goal is to store only a minimal single batch in the dynamic *supermarket*, to be prepared to fulfil client’s order and to start filling up the *supermarket* when the batch is being shipped. So it is a reverse direction in comparison to classic mass production, where the finish good is made from single components according to the plans and store in the

warehouse waiting for the possible client's order. Due to Lean Management, warehouses should be reduced as much as possible and turned into small dynamic storages, known as *supermarkets* [Dennis, 2002, p. 147]. That is why in *pull system* the sell is the signal to produce. This is very effective system, which eliminates waste and stores, but at the same time the system is very sensitive and requires from employees high level of concentration and quick reactions. And it requires fast information/ goods flow, so the *kanban* cards can be used in here [Ohno, 1988, p. 36]. In the Polish organisational practise the sensitivity of pull system is taken as its disadvantage, which can be consider as one of cultural barriers in Lean implementation.

Next pillar of Lean building is *Jodika*, which means stopping the process/ machine if a problem occurs. *Jidoka* is built into quality control and is used to produce without defects [Dennis, 2002, p. 89]. It is known in Toyota as *autonomation* ("automation with a human touch") [Ohno, 1988, p. 4]. *Jidoka* requires the top management support and leads to production of goods without any defects (the highest quality). With all of the described above tools, we can have delivered the shortest leadtime and the highest quality of the product, so as we can realize the main Lean Management' s goals.

### 3. National and organisational culture

On the basis of author's research there was made a thesis that implementation, functioning and the employee's attitude to Lean Management can be dependent on cultural conditions. By the cultural conditions, I mean mainly the culture of the organisation, but with the assumption that this culture is shaped by national culture of employees and the country where the organisation is placed.

There is a lot of different definitions of organisational culture as well as national one. We can say, that organisation is a culture, or that it has got a culture, or that "culture" is just a word, which has been given the meaning by people so is not a thing, which can be researched [Zbiegień-Maciąg, 2002]. According to Edgar Schein theory, the organisational culture is "group of rational rules of action, which are uncovered, set up and developed by the group and they are used to deal with the problem of internal integration and external adjustment and because they act well, they can create the ways of thinking and feeling for their members" [Zbiegień-Maciąg, 2002, p. 16]. So organisational culture is shown here as existing in people's minds and emotions, as something what is shared and regulates group life so it can be describe as a process [Schein, 1986]. It is "deep set of factors, which can be influenced if it can be diagnosed properly" [Kostera, 2003, p. 31] as well. These factors are: artefacts, values, norms and basic cultural assumptions. Artefacts can be for example: language,

stories, myths, habits, ceremonies, rituals or symbols, technology, logo, office's organisation, design etc. Values and norms describe the way of acting and behaviour, which is seen as acceptable and allowable. They are partially visible and partially hidden or even subconscious. The last element – basic cultural assumptions – is invisible and unconscious basics of organisational culture [Zbiegień-maciąg, 2002, p. 22]. It can be: attitude to environment, nature of reality, time and space, human's nature, people's interactions, motivation, perception or emotions [compare: Stoner, Wankel, 1997]. This is the deepest, the most permanent and the most difficult level to be known, even by its creators and participants.

National culture heavily influences the organisational culture. It can be explained because of the assumption that people create according to their attitude to the environment, the way they can see reality and human's nature [Zbiegien-Maciąg, 2002, p. 22], and these norms and values are the part of national culture. So the artifacts and norms can be global but when we come down to the level of values and basic assumptions about "reality" – the national culture determines what will be built at the roots of our organisation. Furthermore, if we assume that organisations are open systems, then there is diffusion and value's transfer between the culture of a organisation and the culture of the nation within which the organisation functions. "In the long time period we can observe evolution of organisational culture towards the values conformable with the context of this society's culture" [Sułkowski, 2002, p. 8].

George Borden, the author of the model of multicultural communication, said that humans raised in certain culture are given certain mental programmes. So we can describe the culture, when we look at this mental programmes and styles of communication, which are different in different cultures. Cultural axiom of G. Borden assumes that efficiency of multicultural communication depends on the understanding the culture of forwarder and consignee in the physical, psychological and linguistic sphere [Borden, 1996].

According to Ch. Hampden-Turner and A. Trompenaars theory, national culture determines the work culture as well. National culture influence organisational cultures and is the base for value's systems, which can create the wealth [Hampden-Turner, Trompenaars, 2006]. So when we research organisational cultures as the effects of national culture's influence, we can see interesting differences in organisations. These differences can influence that for example the management system created in one culture, can be seen as troublemaking and hard to implement in the other one. And the effectiveness of the system is not depended on the features of the system, but on cultural conditions, which are varied – more or less compatible with the system.

Summarising, we can assume that organisational culture grows from the national culture, the place of origin, core values and basic cultural assumptions

of each society and members of this society. If the organisational culture is the reflection of national one, so the ideas, management systems and innovations within organisation have the highest chances to develop in its origin culture. So can we implement the idea created in one society to another one, totally different nation? In the literature of the subject we can observe avoiding the opinion that it is impossible. There is more voices saying that we can do that but we have to adjust it to the specific cultural conditions, for example in the stage of implementation [www.zie.pg.gda.pl]. The thesis of this work is that if we implement the idea created in one culture to the society of a different culture, we can face a lot of unexpectable problems. Implementation is possible but it can be much harder to make because of different attitudes, change resistance, lack of understanding of the basics etc. It needs much more attentiveness, patience and knowledge about cultural differences of the nations, so the understanding and the goal's achievieng can be possible.

#### **4. Lean Management and cultural conditioning in Japan, Poland and Mexico**

In my opinion the organisational culture depends on national culture, and these cultural conditioning influences the Lean Management implementation and functioning in organisation. By cultural conditions I understand the internal (nationality of the employees) and external (country where the plant is situated) cultural environment/factors. Cultural differences will be characterized with the model of culture with seven dimensions developed by Ch. Hampden-Turner and A. Trompenaars. They described 7 different ways how the individuals behave to each other, what is a value for the enterprise and how they create wealth. All the cultures they researched brought different values to create the wealth, which determine both: the character of organisation and the character of its product/services [Hampden-Turner, Trompenaars, 2006, p. 14]. The authors described 7 values systems creating wealth, based on the dichotomist dilemmas [www.en.wikipedia.org]:

1. Universalism vs particularism: attaching great importance to the observance of rules, using certain absolutes to apply, regardless of circumstances or particular situations vs depending every situation on the circumstances, treating every situation and a person as an unique.
2. Analysis vs synthesis: the way people perceive – by putting all elements together or separating them [Hampden-Turner, Trompenaars, 2006, compare: Trompenaars, Hampden-Turner, 1998].
3. Individualism vs collectivism: quick decision-making process, responsibility of individual, competitiveness vs collective decisions and communitarianis.

4. Internal vs external control: making decision on the base of our own opinions, having the sense of being in control vs seeing action as a product of the external, mostly unpredictable conditions.
5. Sequential vs synchronic: feeling time as a series of passing events, acting according to the strict schedule vs tracking various action in parallel, seeing the connection between past, present and future events.
6. Achievement vs ascription: describing the position of the worker because of his/her performance vs the factors like hierarchy or seniority.
7. Equality vs hierarchy [Hampden-Turner, Trompenaars, 2006, compare: Trompenaars, Hampden-Turner, 1998]: treating everybody as equal or placing people in the set hierarchy. The study of the cases is based on the Polish version of the authors work [Hampden-Turner, Trompenaars, 2006, pp. 15–20], so that is why the dimensions described in Polish publication are used in this work.

In the next part of the article I will try to compare one of the capitalistic culture described by the authors – Japan – to organisational culture researched in Polish and Mexican subsidiaries of a global organisation and small Polish service's company. Polish companies were researched on February – May 2011. There was 30 interviews made, the direct observations and the test of questionnaire which tends to be used in further research. Than the Mexican subsidiary was researched in August – September 2011. There was 12 questionnaires and 10 interviews made. The number was lower than in Poland because of the language barrier (Spanish speaking staff, the research could be made only with English speaking persons).

If about universalism – particularism (general rules vs particular accidents) [Humpden-Turner, Trompenaars, 2006, p. 30], Lean Management is particular, for example because of the organisation of the production *Just-In-Time* or the idea of *kaizen*. Japanese culture has particular characteristics and it is described as the culture of the points of view, with the harmony of individual accidents and respect to individuals [Humpden-Turner, Trompenaars, 2006]. So the *Just-In-Time* production is a good solution for the industry, where one has to satisfy variety of individual's needs [Liebowitz, Margolis, 1995]. Next thing is the kind of bond called *honne* – spiritual closeness between people, full of harmony and loyalty [Hampden-Turner, Trompenaars, 2006, p. 115]. This bond is placed to the business relations as well, so there is high importance given to close relationships, understanding and respect to individuals in business [Konecki, 1992]. We can observe particularism in Japan in the variety of produced goods, which are going to satisfy different consumer's needs, or achieving the highest quality, or in other management tools like for example 5 x why. 5 x why is the method used in Toyota and its goal is to force individuals to ask at least

5 questions why do we have such problem? [Hampden-Turner, Trompenaars, 2006, pp. 116–130]. So, Lean philosophy is very much connected to the basic Japanese cultural assumptions of working and achieving goals.

In Polish subsidiary the result was the strong universalism: 24 out of 30 people said that they always obey organisational rules, only 6 have individual attitude to the client. The observations showed that most people like their routine of the day: new employee is asking what the rules and procedures are at the first place, different rules for different people causes frustration and the individual client's needs are seen as a disorder rather than a challenge. Almost everybody answer that if they notice drunk coworker, they would immediately report it to the boss, but we have to remember that some opinions said in the workplace can be different that the private opinions (Japanese *tatemae* vs *honne* – which is official and proper vs private and nonformal) [Konecki, 1992]. Universalistic attitudes could be the obstacle in Lean implementation, mainly because it can be hard for people to understand the basic foundation of this management concept. So Lean implementation requires deep organisational change – change of attitudes, working on such values as respect or proudness, so for example 5S can be introduced. Without understanding and internalising, Lean cannot be actually implemented and it cannot be efficient.

In Mexican subsidiary there were mostly universalistic attitudes, which was very surprising because according to the authors Mexico has a particularistic culture [Hampden-Turner, Trompenaars, 2006]. Maybe the researching tool was not accurate enough or there were some language misunderstandings. So it should be researched further in the future. If about the results of the research, all of the employees said that they follow the rules and procedures in every case, there was nobody who admit individual attitude to client, task or project. 11 out of 12 people said that when they notice that their co-worker is acting against organisational rules like he/she is drunk, lazy, acts against safety procedures or others, their reaction is to inform their boss immediately. There is possibility that the answers were the formal opinions and they differ from the private values of the workers, but there was no access to the private sphere of the employee's lives. Another explanation can be the high level of dedication to work, which is very valuable in this country, so giving “the right” answers can be seen as protective but natural as well.

Next dimension: analysis vs synthesis (deconstruction vs reconstruction) [Hampden-Turner, Trompenaars, 2006, p. 40] situates Lean Management on the second end of the scale. Synthetic attitude to work is the core of flexibility, fast reaction for changes and the teamwork. And it is much closer to Lean Management because of the character of this concept (connections between people, reliance and responsibility) as well as effectiveness and the basics of *pull system*, which was described above [compare: [www.lean.org.pl](http://www.lean.org.pl)].

Japanese are synthetic, which can be shown for example in negotiations: they do not like to go to the point quickly, avoid formalisation and try to build the connection between sides. They like flexibility in the contracts and take care for long-lasting relationships [Hampden-Turner, Trompenaars, 2006, p. 134]. The next important value in business for Japanese is reliance, which is based on opened communication and strong cooperation [Konecki, 1992].

Polish workers choose mostly analytic orientation. 19 out of 30 analyse new projects piece by piece, when 11 try to connect all information in a bigger whole. Analytical attitude is shown in the style of negotiations as well, which is similar to the American style: high level of formalisation, signed agreements, short-term contracts. So there is not a lot of reliance in relations as well. About 70% of people described their organisation as a machine whose goal is to make profit (analysis) and 30% - as an organism which takes care of its employees' well-being (synthesis). Analytic orientation is in my opinion another obstacle in Lean implementation, mainly because of possible difficulties in understanding the basics of Lean philosophy.

In Mexico the opinions were split down the middle: in the first question there were more analytic comments, in second - synthetic. So if about the employee's attitude to new projects 7 out of 12 people said, that they analyse information one by another (analysis). But 11 of them compared their organisation to the organism, which takes care of its employee well-being (synthesis). So if about the research, the results were not clear to situate the culture on the one or another end of the dimension's scale. In literature, we can find the results of the research [Hampden-Turner, Trompenaars, 2006, p. 146] in which Mexico is presented as the country of short-term attitude in planning. It is situated by the authors on the 24<sup>th</sup> position out of 30 countries researched in according to long-term planning orientation. This low position can lead to the conclusion of more analytic attitude of Mexican workers.

Next dimension is individualism vs collectivism and is showing the importance of individual's benefits or the group's benefits [Hampden-Turner, Trompenaars, 2006, p. 65]. As it was described above, collectivism, cooperation, teamwork etc. are one of the most important foundations of Lean Management and the basis of its effective implementation in the organisation.

Japan is a group-orientated society, which praises obedience to authorities and sustains capitalism which Lester Thurow called communitarian capitalism [Fukuyama, 1997, p. 40]. Geertz Hofstede called it Confucian dynamism, which means long-term attitude to life and behaving in a good, proper way to each part of a social group [Fukuyama, 1997, p. 249]. Confucianism is about collectivity and communitarian attitudes like making profit for the wider social group, promotion of senior workers, respect for supervisors and paternalism

[Konecki, 1992]. Many authorities say that collective organisational culture was one of the major factors for Japanese economical success [Zbiegień-maciąg, 2002, pp. 26–27]. Cooperation can make the work easier, requires less control and is more developing for workers [Hampden-Turner, Trompenaars, 2006, p. 136]. Teamwork in Japan is built for example by organisational rituals like gathering at the beginning of work, quality circles or following rules of etiquette [compare: Konecki, 1992]. Some other rules which sustain belonging to the group are: uniforms or common space for managers and workers [Hampden-Turner, Trompenaars, 2006, p. 65], participation, responsibility and loyalty, which build the connection with organisation [Hampden-Turner, Trompenaars, 2006, p. 69] or working in the same company all professional life long [Konecki, 1992].

The research in Polish subsidiary gave dissonant results, so the individual and collective attitudes at the same time. 24 out of 30 said that they prefer cooperation than competitiveness, but according to observation, there was no teamwork, but rather the fulfilling of individual interests and competition. Like Lean implementation, which appeared to be difficult to implement because of the lack of cooperation within departments and lack of a wider view at the organisation as a bigger whole. There is not a lot of pride from the workplace and belonging to organisation as well. If about the other question, more workers said that they are going to work for this organisation only as long as it is going to fulfil their needs, which is highly individualistic attitude.

In the Mexican subsidiary the answers were heading towards collectivism. The majority of people said that in human resource management in the organisation the most important is the interest of organisation as a whole. If about recruitment, the most important value was the cooperation and matching to the group (10 out of 12 researched employees). 7 people said that they would like to work in this organisation all their professional life, what is the strong collectivistic attitude. The observation confirmed these results. All the workers looked like cooperating as a team, even at the beginning of their employment they have created this team on their own, so the team – building exercises were only additional factor in the human resource management process. Another interesting phenomenon was strong orientation to the group and importance of matching to the group. All the individuals who had different values than the group, slightly different opinions or egoistic ambitions, were excluded from the group firstly in non - formal way, and sometimes in the formal way by derecruitment as well.

Internal vs external control is about the way of making decisions, which can be based on our own opinions vs on the external world's trends. We can say that this dimension shows that people can have control of their activities and have

influence on reality vs that their actions depends on uncontrollable external factors [Hampden-Turner, Trompenaars, 2006, p. 72–73]. In my opinion, Lean Management is more like Japanese external – controlled organisations. We can observe that in production system which is very sensitive to external and internal changes, elasticity of the standards or continuous improvement and being ready to react quickly and adjust to external conditions is more important than just planning and realising the plans.

In Japan external control is the most common attitude. In Polish subsidiary there was mostly internal control pointed (26 out of 30). Similar results I received in Mexico, where the employees make most of their professional decisions on the grounds of information from management, co-workers and their own judgement (12 out of 12). When they are planning, they always know that they have influence on the proceedings and they can realise their plans (9 out of 12). So we can say they present the high level of internal control, which can be connected with the historical and social conditions of their country as well. In my opinion both attitudes can support Lean Management. External control and obedience to authorities in Japan is a strong control factor for any managed change. Internal control, when connected with strong motivation to improve, can be driven factor as well to implement and sustain Lean Management system. The only concern can be too high connection to the plans which have been already made and small flexibility in action.

Sequential vs synchronic attitude means that we can act quickly and do our jobs in a set order or we can do a lot of actions at the same time, so our acting can be compare with racing vs dancing [Hampden-Turner, Trompenaars, 2006, p. 84]. Sequential way of thinking separates past, present and the future, whereas synchronic – makes them connected and supporting the individuals [Hampden-Turner, Trompenaars, 2006, pp. 88–89]. According to what was written above, Lean Management has a synchronic character.

Japan is synchronic as well and different actions can be taken at the same time if they are connected properly. Synchrony and long term planning influence the thinking in the terms of hybrids from different areas of industry [Hampden-Turner, Trompenaars, 2003]. Long term planning makes enterprises last and develop because their goal is not only a profit, but persistent development as well [Hampden-Turner, Trompenaars, 2003]. *Just-in-time* is a synchronic production system. In this flexible system the parts are supplied just in the time they are needed, cost are reduced (...) and the varied production is possible. The system is based on the synchronised vision of the desired future state [Hampden-Turner, Trompenaars, 2006, p. 155]. So we have here the connection between Japanese organisational culture and the management system again.

Polish and Mexican workers showed the sequential attitude to time. They admitted that they realise their tasks quickly and in set order (23 out of 30

Polish employees) and according to a sequence order (11 out of 12 Mexican employees). When they were drawing circles, which were showing their attitude to the past, present and future, the circles of 24 Polish workers were disconnected and the biggest circle was this one, which represented the future. 7 out of the 12 Mexican workers draw separated circles as well, which is the sign of sequential way of thinking. Sequency, which is shown as the characteristic of American managers as well, presents such obstacles in Lean implementation as for example: short – term thinking, too big role of ambitious individuals or desire to predict and control the future [[Hampden-Turner, Trompenaars, 2006, p. 172].

Next dimension: achievement vs ascription is placing people in the structures according to their own achievements vs their features like age, sex, education etc. One can get the position because of his/her results in work or because the characteristics which do not rely on the individual, for example being a part of the privileged group [Hampden-Turner, Trompenaars, 2006, 98]. Respect to authorities and older workers is the common characteristic not only of the Japanese culture, but even of the way Japanese transfer their knowledge [Ohno, 1988].

Japan has a very strong ascription especially according to the experience, age and the length of period of work in the enterprise. There is an opinion that value of the employee increases with the age, so the older workers are seen as more experienced and the younger workers should learn from them [Hampden-Turner, Trompenaars, 2006, pp. 100–101]. It can be connected to the importance of the cycles in Japanese culture for example the cycle of life, where the olders are passing their knowledge to the younger before they pass away [Hampden-Turner, Trompenaars, 2006, p. 147]. The respect to the authorities and supervisors is still visible in Japanese way of working.

In Polish subsidiary the most important feature was achieving. So all of the researched employees admitted that higher salary should be given to people who have better results and put more effort in their work. Only a few said that connections within family and friends are helpful in the process of applying for a position. Very similar results were in Mexican subsidiary. 8 out of 12 employees said that the higher salary is given to the workers who achieve better results and 9 out of 12 said that friendship and family connections in the organisation do not have any meaning in recruitment, evaluation or position's relocation. But in this case, I think that both dimensions can be useful in Lean implementation. Ascription can set up the hierarchy and internal order so it can be a powerful tool of control. Achievement can be used as such tool as well but in different way – I mean as a motivational tool. High level of motivation can be helpful in Lean implementation, for example by rewording the most efficient groups or promoting people to become Lean leaders.

The last dimension: equality vs hierarchy is the difference between flat and sharp/hierarchical organisational structure and the role of authorities in it [Hampden-Turner, Trompenaars, 2006]. As was mentioned above, the authorities and hierarchy can be powerful control tool, used to set the accepted organisational order. Hierarchy can support the effectiveness of the system, equality can support continuous improvement, cooperation and teamwork.

There is strong hierarchy in Japan, which is called “organic order” [Hampden-Turner, Trompenaars, 2006, p. 107]. Regardless of the role of authorities there is still communication from the bottom to the top, so worker’s ideas are still taken into consideration, because the success of organisation is depended on all their members [Hampden-Turner, Trompenaars, 2006, p. 127]. The measure of individual success is the power: so if one wants to be unpleasant to the other, he/she can say that the other person has no power or influence [Hampden-Turner, Trompenaars, 2006, p. 121]. The hierarchy supports by Confucianism, the high importance of a family and strong paternalism. Very often the work and family life are toughly connected, so the enterprise is seen as a big family. Especially that the family is seen as a basic social cell, the prototype of all organisations [Hofstede, 2000, p. 249]. The connection between hierarchy, paternalism, cooperation and external control support the picture of Japanese as a disciplined, submissive and integrated nation. These features help with implementation of planned and total change for organisation, which lean Mangement can be.

According to Ch. Hampden-Turner and A. Trompenaars, Poland has highly hierarchical and analytic attitude, which is common for centrally directed economy [Hampden-Turner, Trompenaars, 2003, p. 107]. Similar results came out of research: 16 out of 30 employees choose sharp hierarchy as a shape of their organisation. And half of employees said that people should be treated equally, the other half - that everybody should knows his/her place in the organisational hierarchy. Hierarchy can be supportive to Lean Management, but the heritage of Polish centrally directed economy is not helpful in this process. The reason is the appearance of such attitudes as: low level of discipline or the syndrome of waste’s avalanche [Kostera, 1999].

In Mexican subsidiary most of employees voted for equality. Half of employees said that their organiation has a flat sructure of management, and the other half – that the structure is sharp. But 7 out of 12 said that in their organisation all people are treated as equal and this feature looks like very important value in their culture and historical heritage.

## 5. Summary

Summarising the results of research made by Ch. Hampden-Turner, A. Trompenaars and the results of my own research, they can be systematised and shown up in the table below. At the same time they can be used to understand the culture and its characteristics that can be more or less helpful in Lean Management implementation.

**Table no. 1:** Dimension of organisational culture – Japan, Poland, Mexico - comparison

dimension	Japan	Poland	Mexico
universalism - particularism	particularism	universalism	universalism
analysis - synthesis	synthesis	analysis	analysis/synthesis
individualism - collectivism	collectivism	collectivism/ individualism	collectivism
internal – external control	external	internal	internal
sequency - synchrony	synchrony	sequency	sequency
achievement - ascription	ascription	achievement	achievement
equality - hierarchy	hierarchy	hierarchy	equality

Source: own study.

Characterising Japanese organisations according to the 7 cultural dimensions developed by Ch. Hampden-Turner i A. Trompenaars, we can point out that Japan characteristics are: particularism, synthesis, collectivism, external control, synchrony, ascription and hierarchy. According to the thesis about cultural conditioning of Lean Management, the supporting factors are mainly: particularism, collectivism and synchrony. In my opinion the rest of the features like external control, strong hierarchy and ascription are the system's regulators and they can support the worker's subjection and effectiveness of implemented management system.

According to the research, the organisational culture in Polish and Mexican subsidiaries have such characteristics as: universalism, analytical attitude, internal control, sequency, hierarchy/equality and achievement. Analytical attitude and sequency can be a difficulty in the understanding the rules of organisation of the production process according to the Lean Manufacturing. Universalistic attitude is not very useful as well; especially that Lean

manufacturing is not a set of procedures, but rather the attitude to work and to the environment. The hierarchy can be the control factor, so top management can implement Lean Management and support it but it is not enough to make it successful. Equality can be useful in implementation as well, but it needs a full and deep understanding of the Lean Management rules and assumptions. The internal control and achievement are the factors, which in my opinion can be used during the implementation to motivate the staff and help to make it successful.

I hope, that the results shown above support the thesis about cultural conditioning of Lean Management. In my opinion, there is a great practical value of that kind of research, because by characterising the organisational culture of the different nations, we can find not only interesting differences between them. We can find out that these differences can be taken into consideration in the management process and they can be used to support the implementation and development of such original ideas as Lean Management.

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own resources (Lean Management training materials)

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## Intercultural Project Management. An emerging reality or a theoretical idea?

### Abstract

*During the last decade we have seen major changes, in our life style, in our working style, in the society both in social and financial terms, in our beliefs, values and way of thinking. All of them create the new working and living conditions, which involve reconciling possible differences and creating synergies across teams, functions and regions. People are now enabled by technology to be creators of their own lives and designers of their own lifestyle. The World Wide Web allows people to move from back end to front end of innovation. It is not about consuming anything. It is about living side by side. Our world is defined by intercultural management and communication, strongly based on Communities of Practice (CoP) and the use of ICT. It is all about customized personalization in an ecosystem. More and more people reallocate more often than before, more people prefer to work in different countries than their home one and all have one thing in common, they have to work with other people with different cultures, different social characteristic and different academic backgrounds. Talented people all over the world relocate in order to provide their skills and knowledge in areas that are needed and wanted. But how this can be managed effectively both for the team and the individual, when a team is constituted by people from different countries? How can a manager lead a diversified team both in terms of location and culture? Those are the most common questions managers of projects face nowadays. Intercultural management involves understanding and respecting national, corporate, religious and ethnic diversity. It aims to build cross-cultural awareness and develop intercultural competences, but is Intercultural Management the answer to all of the above?*

**Keywords:** Intercultural Management, Project Management, Intercultural Communication, Intercultural Competences, Intercultural Management Mistakes, Cultural Discrimination

## Introduction

We live in the so called digital era. In every aspect of our everyday activities, technology plays a very significant role and everyone is dependent on it one way or another. Also, now that the “Net Generation” (also known as Generation Y, First Digitals or Millennials) is getting involved in management positions as line managers, their characteristics is another issue that needs to be taken into consideration, since they have a unique learning style which affects their work methods and thus their management style and working in teams style. This is the generation of MP3 players, instant messaging, online gaming and peer to peer file sharing. This is the generation that strongly believes that “culture can be taught” and is more in favor of people oriented Human Resources models with focus to employee orientation and loyalty to the company, rather than to product oriented models. The key aspects of such models are motivation theories and progress within the organization.

New concepts as *Social Return of Investment* [NEF- The new economics foundation - <http://neweconomics.org/projects/social-return-investment>] are introduced and different types of skills are needed. In the previous era the skills required in terms of management were: planning, budgeting, measuring, evaluation, organizing, structuring, and controlling. In the new era the skills required include: innovation, questioning, challenging, dreaming, imagining, experimenting, learning and enterprising. The new manager should be able to understand, in order to manage effectively, the different ideas, values, behaviors and perceptions of their team members and communicate to them and with them, the needs of the management, the clients, the market, the project phases, etc.

These team members usually work for the same organization or in the same project and may share the same professional occupation, but the fact that they do not share the same cultural background provides them with a different view of the world. As a result, they think and behave differently to each other. Virtual teams are also on the rise, as the European Integration takes a pivotal role in business and cultural diversity based on the use of ICT, so to enable teams all around Europe to work in an efficient and effective way both in terms of cost and results, one of the 21st century most common challenges.

But is senior management able to understand all the above when they come from a completely different society, where relocating from country to country was limited, the use of ICT was only for work reasons, the social life didn't include social media, the economic crisis was a notion? Can they communicate in a way that they could be understood and understand their team members with all of the above intercultural boundaries in the picture?

Intercultural management is the process that tries to answer all of the above using several different management techniques, social and psychological skills, communication skills and effective interaction between staff/ team members. It can be referred as well as *business anthropology*.

### **The Project Perspective Aspect**

During the lifecycle of a project, culturally diverse teams with different skills need to work together for the proper implementation of it. These individuals usually reflect their cultural diversity in their behavior, both in terms of working and social context. They want to collaborate and they are oriented to work with other people in an intercultural environment, but when the problems arise, then either they try on their own to solve them or look towards the project coordinator to provide them with the answer/ solution to their problems. If a coordinator cannot understand the challenges emerging from the thin line between supporting his/ her team and not letting them get the so needed opportunities for initiatives, then the project could be in stake and the success of it is threaten.

### **Cultural barriers**

If the Project Coordinator doesn't take into account the intercultural differences of the individuals constituting the team, then their intercultural differences will hinder their performance and eventually lead to the failure of the project. Such outcomes can be avoided if intercultural differences are understood and correctly deciphered by every individual working as part of a multicultural team. In order to avoid such negative and nether results, the managers need to have an intercultural skill set, which on one hand will help them avoid miscommunications and misunderstandings while on the other will strengthen the teams coherence and thus avoid potential clashes, which arise often when working in an intercultural context.

The most important aspect that a coordinator of a multicultural team should have in mind is the fact that each persons' cultural values shape the majority of the working key aspects such as: the expectations from the leader/ coordinator, the teams' interaction between each other, the working conditions and the time schedule issues, the way each member understand and tries to overcome conflicts. Those different intercultural values affect directly the communication patterns of the individuals as well as the working and interaction patterns. But since, those differences are instinctive and in the subconscious of each individual, most people they don't even realize it and thus cannot make the

connection between their own cultural values and beliefs and the way those impact their working habits, patterns and practices. This lack of awareness can lead to severe intercultural misunderstandings, incidents or clashes.

As many psychologists have proven in several occasions and through several researches, one of the basic human characteristics is the belief that “what I do is the normal/ correct way” while “what other team members do different from me is strange and irrational with no logical explanation behind it”. This mistaken approach and idea usually leads to frustration which raises barriers and obstacles within the team and thus affects the quality of the final output and the collaboration of the intercultural team. Intercultural Managers have to make their team members feel valuable and respected, show to them their work is also respected, understand the skills of each team member and help them bring out the best of themselves.

### **Stereotypes**

Another very common problem the individuals that haven't worked before in multicultural environments face is the use of stereotypes and generalization, so to interpret the actions and behavior of the rest team members. The truth is that although sometimes the use of stereotypes can provide with a basic understanding for predicting the behavior of their fellow team members, most of the times are inaccurate and instead of leading into a better collaboration and communication, they lead to the completely opposite results. It's incorrect to believe that individuals coming from specific cultural backgrounds always behave and act the same way. Stereotyping is wrong and there are so many recent examples that prove that, with the most common the so called “Social Gamer” which although it was believed to be a male teenager introverted “nerd” the truth came out from a report in 2010 [“2010 Social Gaming Research”, Information Solution Group, Pop Cap Games] that is a female of the age of 35 years old.

### **Project Coordinator Mistakes**

The third most common mistake that appears in multicultural projects, is the notion of the project coordinator that no cultural differences exist. Different cultural backgrounds exist not only between countries but also within the same country and denying it create misunderstandings leading to cultural clashes. People are different, people think different and that fact should be recognized and accepted by the project coordinator, so to be able to interpret the signs of the members correctly and on time and respond effectively and efficiently to them.

Each manager that coordinates projects with cultural diversity needs to understand the specific culture of each team member, the impact it has on their working style and on the team eventually as well. They need to have specific type of skills and mindset that can be gained through training while those need to be exercised constantly, in order to be able to perform in a way that would lead to the desired results and harness the cultural differences existing within the team. Such Intercultural Management training programs offer the opportunity to managers to gain a solid and sound overview of the challenges needed to be combated during the lifecycle of a project, provide insights on the strategies that need to be followed and efficient ways of overcoming cultural differences that can have a nether effect on the overall project results and expectations and thus a negative impact in terms of the team's efficiency.

The majority of training courses on Intercultural management are designed in such a way that they offer to the participants the opportunity to enhance their knowledge on the importance of cultural differences in terms of communication, management and work. Additionally, it helps them to develop the necessary intercultural management skills, through a series of courses such as intercultural values, beliefs, habits and attitudes, intercultural communication skills and styles, intercultural working strategies, leading to the critical mass of understanding the way culture is influencing the time, space, group dynamics, authority, tasks, relationships of the team and thus resulting in an efficient way of working together in a way that harness the team's experience and skills.

### **Intercultural Communication**

Another crucial and equally important aspect of intercultural management is intercultural communication. As intercultural communication is defined the communication between individual people that have a personality that presents cultural characteristics that stem from different cultural spheres, thus engaging an interaction through a "conversation" (physical or electronic) on shared interest issues.

In projects, the different teams that are called upon to cooperate often find themselves to situations where one individual perspective seems completely diverse to that of the rest members. In such cases the group members have to expand their notion of perspective so as to incorporate inter-ethnic, inter-religious, and even inter-regional communication. Each of the individuals participating in a communication has to lower the degree on which he/ she is drawing conclusions based on personal or idiosyncratic values, personality traits and experiences, with an aim to approach the communication interaction with a more interpersonal, than intercultural view.

For business communication, sensitivity to intercultural factors is a major key to achieve success towards the final result. Individuals from different cultural backgrounds should they become more intimate and open themselves to their peers, then the interactions more often than not, become typically more interpersonal than intercultural, though intercultural elements always play a role, achieving that way a common contact point with the rest of their peers and building a solid base so as to cooperate, communicate, achievement, organization and performance in the frame of any project.

In these years of ever globalized environment each country, which was earlier considered as a common homogenous culture, now tends to become more fragmented to different cultural groups that raises the reasonable question of who belongs to the most representative cultural group of them all. Given this consideration, the traditional theories of group identity recognize two (2) types of group identity:

- a. Recognized identity** with specific demographic and role descriptions that other individuals in a communication assume to be true for an individual. This identity is often drawn after of one's physical appearance, ethnic associations or other stereotypical associations.
- b. Asserted identity** is consisted of the values and practices of an individual's affiliation to a new cultural group.

Both of the above identities are important to understand an intercultural communication, since when an individual communicates with another he/ she bases his interactions on the ascribed identity (how you are being perceived by that other person), however the second individuals' interactions are based on his avowed identity or asserted identity, creating frustration and miscommunication. Moreover, this constraint given the globalization issue that takes place more and more by time, gives a good overall view of the importance of intercultural management theories and characteristics one must indulge in order to be effective.

The importance of the communication characteristics under the scope of intercultural management skills build on to develop the necessary skills such as intercultural values, beliefs and attitudes, styles, intercultural working strategies that will give a manager or a Project Coordinator those attributes assisting him to perceive a specific cultural group not with a static label or fixed attribute set, thus achieving to communicate, cooperate, identify strong & weak points, and finally delivering the project's desired outputs indifferent of the cultural origin of the group. In this frame, it is important to see the most common areas that intercultural management is needed in order to be able to manage the teams.

## **Areas of Cultural Discrimination**

The most common three areas that intercultural management is needed in order to be able to manage the teams properly and efficiently are in terms of Gender, in terms of Age or in terms of Country.

### **Gender Case**

Women think, behave and operate in a different way than men. They have completely different stimuli and thus different type of commitment and focus than their male counterparts. The most common mistake a project coordinator does, is to think that both men and women have the same learning and working styles and thus behave towards them the same way, without taking into consideration the different skills and strong points of each one. The 2009 McKinsey Women Matter Survey [Sandrine Devillard, Georges Desvaux, Pascal Baumgartner 'Women Matter', McKinsey, 2007 & Women Matter 2 - Female leadership, a competitive edge for the future, McKinsey 2008] and the 2010 McKinsey Centered Leadership research both found that key attributes of women are –intellectual stimulation, inspiration, participatory decision making and setting expectations/rewards.

### **Age Case**

The demographic bomb generation or the “digital aliens” is the generation that was based in a completely different type of motivation and stimuli. It's the generation that started their working life after the war, where their main motivation was the quality of life under a financial perspective. All those people, learned to be active and committed to working environments that reward them in financial terms, while the newer generation in terms of ethical and social perspective. Still, this generation constitutes almost the 45% of the working force all over Europe but since it was a generation with less education opportunities, either due to financial reasons (lack of money) or social reasons (lack of Universities after the war) they don't hold the majority of management positions, which indeed are carried out by younger generations. So a project coordinator usually has to combine in the same group those two different groups, that they have different ideas, working habits, type and reasons of commitment and finally reward expectations. So a project coordinator should combine the different management theories and strategies each one focused in the different target groups.

## Country Case

Researches had shown that values, beliefs, attitudes and work practices deriving from the social aspects of a country tend to differ according to one's cultural background. Some most common examples of that are: showing emotions during work conflicts or not, work only during the hours that are stated in the contract or stay longer and take work at home, effective duration of a meeting, working in small or bigger teams, facing gender equality issues as a reality or a notion, are some questions that different cultural groups will answer differently. But the same coordinator should deal with all those individuals, in the same project, with the same objectives and goals. According to academic researchers, such as Geert Hofstede [Geert HOFSTEDE, *Culture's Consequences: Comparing Values, Behaviors, Institutions and Organizations Across Nations*, Sage, 2002] Edward T. Hall [Edward T.HALL, *Guide du comportement dans les affaires internationales : Allemagne, Etats Unis, France, Paris, Le Seuil*, 1990] and Fons Trompenaars "*cultural behaviors vary according to a series of dimensions on which we can place the countries of our colleagues*". Key cultural dimensions include:

- *Understanding between people results from the combination of information and its context. Some cultures have a rich context (close links between people, high level of the unspoken/unsaid)*
- *Masculinity vs. femininity as the sign of a high level of competitiveness and a value given to performance*
- *Hierarchy vs. egalitarianism or Individualism vs. collectivism*
- *"Monochronic cultures" vs. "polychronic cultures" where on monochronic time is seen as a tangible resource while on polychronic time is seen as an element of several tasks which can take place at the same time and which are linked more by relation rather than by time.*
- *Interpersonal distance is limited by a sort of protective bubble around each individual*
- *Groups vs. individuals*
- *Relationship vs. task*
- *Open vs. hidden displays of emotion*
- *Degree of comfort with uncertainty and risk*
- *Work/life balance*
- *Attitudes to time and space*
- *Attitudes to nature and the environment*
- *Person Valued vs. Work valued, in some cultures being valued as a person is not so important as long as their work is respected*
- *Long term vs. short term emphasizing the relationship more than immediate results*

As Geert Hofstede [Geert HOFSTEDE, *Culture's Consequences: Comparing Values, Behaviors, Institutions and Organizations Across Nations*, Sage, 2002] states

*For example, a team member from a hierarchical culture such as India tends to be more deferent to their manager and expects approval for each piece of work before moving on to the next stage. Conversely, team members from more egalitarian cultures such as Australia or the USA are usually much more comfortable working autonomously.*

### **Final Remarks**

Intercultural Management is a new way of management focused in the needs of the society and individuals of the 21<sup>st</sup> century. It's based on the great opportunities for collaboration between teams from different cultures, operates as a proactive approach and recognizes and respects the skills of each individual and try to fully utilize the potential and talents of each team member. It's a management style that has as a sole purpose to help managers to improve their own cultural knowledge and sensitivity, to help them develop their knowledge, skills and strategies, to help them become more 'culturally curious' and all of the above in order to be able to tackle with the frustrations and conflict that may arise and to harness the positives in order to create synergy from the culturally diversified teams. It's a management theory that uses as a main carrier communication skill, attempts to resolve any dispute quickly, values harmony and is contrast with the old management theories that focus more on individualistic approaches rather than a team approach. It's a collective approach that re-evaluates what has worked well in the past and tries to fit those elements in the global and multicultural environment the market of the 21<sup>st</sup> century demands to.

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## Cultural barriers of knowledge management - a case of Poland

### **Abstract**

*Communication technology in last decades has seen knowledge management become a key tool for the success of a variety of institutions. Many international companies and other organizations have developed knowledge management programs as key to their future development strategies. The number of international organizations that have identified knowledge management as one of their core management tools. Yet despite its growing popularity, knowledge management remains a complex and challenging task. This article discusses how can managers and other organization members overcome cultural barriers of knowledge management.*

**Keywords:** Knowledge management, Corporate culture, Barriers, Values, Knowledge sharing

### **Introduction**

Culture plays an important role in the success of a knowledge management effort. Many examples can be found where well designed knowledge management tools and processes failed because people believed they were already sharing well enough, or that senior managers did not really support it, etc. However, no matter strong the commitment and approach to knowledge management, culture is stronger. That is why the aim of this article is to discuss how can managers and other organization member overcome cultural barriers of knowledge management.

## Knowledge management

One of the most significant challenges to understanding knowledge management is the difficulty in understanding the concept of knowledge. A common approach to this subject is the positing of a hierarchical relationship between data, information, and knowledge. This approach suggests that data holds the most basic status. When processed for practical application, data is raised to the level of information. Information, in turn, is applied by individuals to create knowledge. "Knowledge is information possessed in the mind of individuals: it is personalized information (which may or may not be new, unique, useful, or accurate) related to facts, procedures, concepts, interpretations, ideas, observations, and judgments" [Alavi & Leidner, 2001, p. 109]. Differences between information and knowledge are illustrated in table 1.

**Table 1.** Differences between information and knowledge

INFORMATION	KNOWLEDGE
Processed data	Actionable information
Simply gives us the facts	Allows making predictions, casual associations, or predictive decisions
Obtained by condensing, correcting, contextualizing, and calculating data	Lies in connections, conversations between people, experience-based intuition, and people's ability to compare situations, problems and solutions
Evolves from data; formalized in databases, books, manuals and documents	Formed in and shared among collective minds; evolves with experience, successes, failures, and learning over time.
Formalized, captured, and explicated; can easily be packaged into a reusable form	Often emerges in minds of people through their experiences

Source: Adapted from Tiwana, A. 2001. *The essential guide to knowledge management: E-business and CRM applications*. Upper Saddle River, NJ: Prentice Hall PTR

Knowledge Management has emerged over the last decades as a result of many intellectual, societal, and business forces. KM has become a valuable business tool. However it is a complex one, and will still be under development for a long time to come. Significant changes in the workplace have already taken place, but changes to come are expected to be greater.

## **Culture**

The role of culture in the world of business has been the subject of various research for at least twenty-five years. Researchers have studied the influence or the impact of national cultures on organizational behavior and the way managers from different cultural backgrounds interact with one another. [e.g. Adler, 2002; Hofstede, 1980, 1991; Trompenaars & Hampden-Turner, 1997, Early and Erez, 1997].

Deluga and Wallis [2009] observe that the notion of a culture is multivocal and it is characterized by a great variety of definitions functioning both in theory and in practice so a given definition may express only one, selected aspect of a culture [p. 158]. In other words, the complexity of culture makes impossible to create one, proper definition. One of the most commonly used definitions of culture, being not a complex one at the same time, in the literature on culture, negotiations and business in general has been provided by Geert Hofstede, who was the author of the first major empirical multi-country study of consequences that culture has for the field of management. Hofstede and Hofstede [2005] suggest that “culture is the collective programming of the mind that distinguishes the members of one group or category of people from others” [p. 4]. Bjerke [2004] expresses the opinion that culture is a mechanism which fuses social structures [p. 13]. Thus culture is an output formed by a given community consisted of some bases, ideas and classes. Schwartz [qtd. in Lewicki et al. 2007] describes culture as the values, distinguishing ten essential values, namely: power, security, traditions, conformity, benevolence, universalism, self-directions, simulation, hedonism achievement and power [p. 237]. What is more, the values might cooperate with each other or there might be a conflict between them. In practice, the values which are on the opposite side of the circle tend to be in a conflict. For the purpose of this paper the definition given by Hofstede and Hofstede [2005] is the most appropriate for the working definition. It explains the term of the culture precisely, focusing on a culture as a tool which indicates an identity of a given group and underlines its unique character.

## **Cultural dimensions**

The aim of this part is to describe Hofstede's five cultural dimensions that are used in order to study the cultural norms. Hofstede and Hofstede [2007] indicate that these are the values that are the vital elements of a culture thus while conducting a research on cultural dimensions it is crucial to focus on values. The dimensions of a culture allow people to compare one culture with the other [p.33-36].

Hofstede and Hofstede [2005] claim that “Power distance can be defined as the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally” [p. 46]. Hofstede and Hofstede [2005] describe above mentioned institutions as primary layers of community, namely a family, school and workplace [p. 46]. Brown [2000] adds that power distance is able to define the range of scope to which less powerful individual approves the disparity of power within a community [p. 190]. Brown [2000] says in his book that power distance exists in every single culture yet the tolerance of this inequality varies among cultures [p. 190]. In other words, power distance indicates the degree of unequal division of power that a member of a group is able to accept. Although above mentioned division of power exists in each culture, members of given culture have different attitude toward the division thus there can distinguished high and low-power distance societies. Lebaron and Pillay [2006] observe that due to gender, race, age, education and social statues in a high-power distance culture some member’s are being considered as superior to others [p. 46]. Lebaron and Pillay [2006] suggests that “high-power distance starting points shape more formal relations, while low-power distance starting points invite more open conflict and discussion between those at different levels within an organization” [p. 47]. Thus high-power distance cultures are not as flexible and low-power distance cultures insofar as building relationships.

Hofstede and Hofstede [2005] say in their book that “individualism stands for a society in which the ties between individuals are loose: everyone is expected to look after himself or herself and his or her immediate family only” [p. 401]. In other words, a member of an individualistic society is concentrated on his own interests and interests of his relatives. Hofstede [2005] adds that there are only few societies in the world which might be called individualistic, great majority of societies are more interested in common good than thus these societies are called collectivist [p. 74]. Hofstede and Hofstede [2005] define collectivism as “societies in which people from birth onward are integrated into strong, cohesive in-group’s, which throughout people’s lifetimes continue to protect them in exchange for unquestioning loyalty” [p. 76]. Thus the most important aspect which distinguishes collectivistic societies is a close bond between members of a group.

Individualistic societies focus on the idea of self-actualization while collectivistic societies put emphasis on the common objectives of the group. Individuality and individual rights tend to be the crucial values for high individual cultures. In contrast, in collectivistic cultures there is a close tie between people, they take responsibility for other members of a group, they protect one another in exchange for loyalty. Hofstede and Hofstede [2005]

mention that there is a negative correlation between individualism and power distance, namely, a country which is long-power distance is collectivist, whilst small-power distance countries are individualist [p. 82].

Hofstede and Hofstede [2005] suggest that “Masculinity stands for a society in which emotional gender roles are clearly distinct: men are supposed to be assertive, tough, and focused on material success; women are supposed to be more modest, tender, and concerned with the quality of life” [p. 402]. Thus in a masculine society there is a strongly visible division between a role which is played by a man and that played by a woman. According to Hofstede and Hofstede [2005] the contrary of masculine society is feminine one which is defined as society where men’s and women’s roles dovetail [p. 120]. They claim in their book that masculine and feminine societies vary in solving global conflicts, namely feminine countries aim to negotiations and consensus whilst masculine societies achieve their goals by fight [Hofstede and Hofstede, 2005 p.150].

Hofstede and Hofstede [2005] explain that “Uncertainty avoidance is the extent to which the members of a culture feel threatened by ambiguous or unknown situations” [p. 403]. In other words, uncertainty avoidance index indicates the degree to which members of a given community feel nervous in an unknown situation. Brown [2000] makes an important point that countries whose uncertainty avoidance index is weak tend to be contemplative, less aggressive and relax whilst countries with strong uncertainty avoidance seem to be more active, aggressive and intolerant [p. 190]. Hofstede and Hofstede [2005] theorize that communities with strong avoidance index tend to create wide range of laws and regulations in order to prevent uncertainty [p. 182]. They add that countries with weak avoidance index use more often common sense [Hofstede and Hofstede, 2005 p.184]. To sum up, people derived from a high uncertainty avoidance culture fully respect the law and other regulations. In contrast, a low uncertainty avoidance culture is not as rule-oriented, accepts changes and is able to risk to the challenge.

Hofstede and Hofstede [2005] define the term long-term orientation as “The fostering of virtues oriented towards future rewards, in particular perseverance and thrift” [p. 401]. As far as the short term orientation is concerned, Hofstede and Hofstede [2005] claim that the short term orientation is “The fostering of virtues related to the past and present- in particular, respect for tradition, preservation of ‘face’, and fulfilling social obligations” [p. 401]. They mention that the opposite of long-term orientation is short-term orientation where people respect the tradition and their main aim is past and present [Hofstede and Hofstede, 2005 p. 210]. In other words, long-term orientated countries accept changes with ease whilst countries which have short term orientation

are more conventional and traditional. Taking Hofstede's and Hofstede's [2005] view of the situation key features of short term orientation are as follows: veneration of tradition, involvement in personal stability, social status and obligations, actions which will produce immediate results [p. 210]. They remark that perseverance as a tool which will bring slow results, veneration of circumstances and forethought are the key features of long-term orientation [Hofstede and Hofstede, 2005, p. 210]. To conclude, the crucial value of a long-term orientation culture is long-lasting commitment whilst short-term orientation culture is more flexible thus changes occur more frequently and rapidly. People derived from long-term orientation culture tend to accept slow results and are more persistent to achieve their aims.

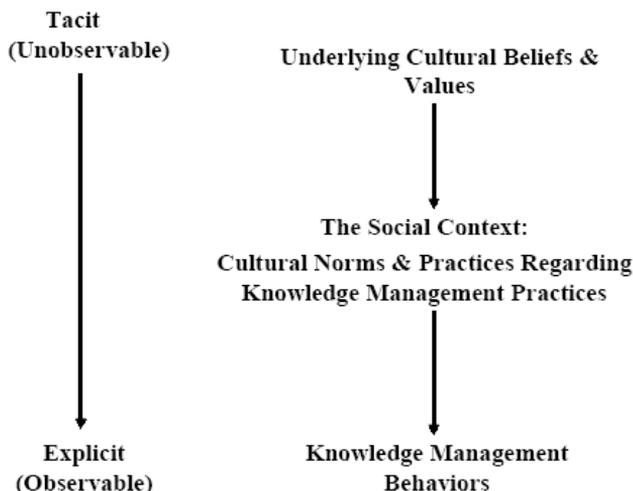
### **Knowledge management and culture**

Knowledge management efforts often are seen to encounter difficulties from culture and, as a result, to have limited impact [DeLong & Fahey, 2000; O'Dell & Grayson, 1998]. Ernst and Young conducted a study that identified culture as the biggest impediment to knowledge transfer, citing the inability to change people's behaviors as the biggest hindrance to managing knowledge [Watson, 1998]. Another study of 453 firms, showed that over half of the companies indicated that organizational culture was a major barrier to success in their knowledge management initiatives [Ruggles, 1998].

Organizational culture determines the social context which determines "who is expected to control what knowledge, as well as who must share it, and who can hoard it" [DeLong & Fahey, 2000, p. 118]. Figure 1 illustrates this linkage between culture and knowledge management behavior.

Consulting firms such as KPMG report that a major aspect of knowledge management initiatives involves working to shape organizational cultures that hinder their knowledge management programs [KPMG, 1998]. Many research findings [Hasan & Gould, 2001; Schultze & Boland, 2000] help to demonstrate the profound impact that culture may have on knowledge management practice and of the crucial role of senior management in fostering cultures conducive to these practices [Brown & Duguid, 2000; Davenport, DeLong, & Beers, 1998; DeLong & Fahey, 2000; Gupta & Govindarajan, 2000; Hargadon, 1998; KPMG, 1998; von Krogh, 1998].

**Figure 1.** The impact of organizational culture on knowledge management behaviours



Source: D. Leidner, M. Alavi, T. Kayworth, The Role of Culture in Knowledge Management: A Case Study of Two Global Firms, *International Journal of e-Collaboration*, 2(1), 2006, pp. 17-40

Studies on the role of culture in knowledge management have focused on such issues as the effects of organizational culture on knowledge sharing behaviours [DeLong & Fahey, 2000] and the influence of culture on the capabilities provided by knowledge management [Gold, Malhotra & Segars, 2001] as well as on the success of the knowledge management initiative [Baltahazard & Cooke, 2003]. More specifically, Baltahazard and Cooke [2003] ascertained that constructive cultures (emphasizing values related to achievement, affiliation, and self-actualization, encouragement) tended to achieve greater knowledge management success. Similarly, Gold, et al. [2001] found that more supportive, encouraging organizational cultures positively influence knowledge management infrastructure capability and resulting knowledge management practice. Finally, Jarvenpaa and Staples [2001] determined that organizational cultures rating high in solidarity will result in a perception of knowledge as being owned by the organization.

## Knowledge management a case of Poland

Poland is characterized by high level of power distance and uncertainty avoidance and average individualism. As for the dimension of masculinity Poles are slightly above average. Similar are the results of research conducted by Sitko-Lutek, which claims that Polish society is characterized by high power distance index and uncertainty avoidance, task orientation, passive attitude, and high level of masculinity.

Referring to the previously mentioned Hofstede's dimensions of culture, knowledge-based organization should have the following characteristics:

- Low power distance – reduction of the diversity and inequality among workers is beneficial to cooperation and sharing of knowledge. The researchers say that increased workers' control reduces their commitment to work and thus weakens the pursuit of innovative solutions, acquisition of new knowledge and willingness to share an existing or newly acquired knowledge. In case of Poland we deal with high uncertainty avoidance. There is evidence that the formal organizational structure has a negative effect on knowledge management. Effective organizations allow the flow of knowledge no matter what function or role of the employee. This is achieved by introducing proper organizational structure (decentralization) and assigning lower-level workers decision-making power.

- Low level of uncertainty avoidance leads to acceptance of the uncertainty associated with risky ventures and facilitates the search for innovative approaches. According to Hofstede [2005] societies with high uncertainty avoidance are accompanied by high stress, anxiety and a sense of constant threat. These societies are characterized by risk aversion and lack of tolerance and cautious approach to new products and technologies, the desire for stability of employment and the rare attempts to change career paths, low levels of innovation, and developed bureaucracy, conservatism and respect for law and order. The high level of uncertainty avoidance is an obstacle to the search for optimal solutions for the organization. Societies with high uncertainty avoidance tend to accept routine and formalized procedures.

- Low level of individualism - enables work in a team and group learning. In the Polish case we are dealing with collective individualism. Its specific feature is the desire to achieve the objectives of individualist by membership in a group that helps achieve the goal. Stor believes that the Poles value belonging to the group, but at all costs try to protect their own identity. They will support the objectives of the company, but only as long as they are compatible with their personal goals. Glińska-Noweś claims that Polish individualism is manifested by the individual objectives, actions and declining loyalty to the organization

- High level of masculinity - the ambitious goals and a desire to compete can drive the progressiveness and innovation. In case of Poland we deal with moderately above average level. However, to effectively compete in the global economy, one needs to learn strategies for successful implementation of new technologies. Culture characterized by high rates of masculinity is more effective in the absorption and diffusion of new technologies in the context of the organization. Mikułowski-Pomorski refers to the results of studies showing evidence of the low degree of masculinity in Polish society. However, this argument does not confirm the existence of a diversity of roles of women and men in society, still considerable emotional division of responsibilities (women) and material (men), the emphasis on high wages, treatment of homosexuals as a social threat, etc.

### Summary

In the Knowledge Economy, knowledge is the most valuable asset and the only source of sustainable competitive advantage. Increasingly, what organisations know determines the degree of business success. Poland scores high in Power Distance and Uncertainty Avoidance, average in Individualism, are moderately above average in Masculinity as compared to Hofstede's database results. These culture characteristics do not form an environment in which KM initiatives can easily flourish. That is why Polish managers must pay much attention to develop organizational culture that way that it supports KM.

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## Model Manager's Behavior in Decision Making Process in Context of Role of Management Psychology

### **Abstract**

*Times of postmodernism are a challenge to everyone, including managers. Every manager should know how to introduce people to values and opinions, be able to develop their characters and create the coherent and integrated employee's personality. Good leadership always requires reference to the objective, to effective solution of planned task. The leadership style depends on a cultural variable referred to as a „power distance”. In cultures with a low power distance an ideal supervisor for most workers is a loyal democrat. In cultures with a high power distance this is „friendly autocrat”. The elaboration contain the presentation results of research of Polish, Austrian and American managers. The American and Polish respondents managers tend towards autocratic behaviors, but now political and economical situation in Poland has changed. The modern managers cannot effectively perform their managerial function applying traditional methods of autocratic leadership.*

**Keywords:** *management, leadership style, manager, management psychology*

Times of postmodernism are a challenge to everyone, including managers, regardless of what organization they work for. A new system of meaning and values directing employers and employees is being formulated. It changes the whole system of requirements towards the employees, a sense of stability as well as of individual and social security. In this situation every manager – no matter on what level of management he works - must realize that to a smaller or bigger degree he is responsible for the shape of this world. He should know how to introduce people to values and opinions, be able to develop their characters and create a coherent and integrated employee's personality. In order to obtain this it is necessary to know human nature, motivation methods and to acquire knowledge about psychology, a key to innovative and effective management.

Of course it is a cliché to claim that psychology is an interesting, important and useful area. It deals with human nature, trying to find out what reaches a human brain, how to make use of its resources, explains why we behave the way we do. Discovering processes related to perception and attention, learning and memory, thinking, reasoning, communication as well as motivation and emotions, differences between men and factors which generate them, learning about general rules directing individual activities helps in all areas of life.

Medical doctors, teachers, lawyers and sportsmen take advantage of psychologists' knowledge and skills. More often than not psychologists can be found in all business fields, participating in professional life spheres covering: personnel selection, training, work organization, ergonomics, issues related to modern management, work satisfaction, motivation. They are employed by enterprises in order to increase workers' efficiency. Psychologists specialize in market functions, they focus not only on such issues as advertising, customer behavior, market research and new product promotion in changing markets but predominantly on effective people management.

"Governing" itself may superficially seem something obvious. To govern well does not only mean to issue orders. Of course it is easier to govern for someone who was well "managed" in childhood, in his family or school. Not everyone, though, was so lucky hence the art of governing must be often learnt in practice in adult life, remembering that effectiveness in this area depends not only on mental culture but also on attributes of a decision situation (system of situational variables).

Usually we differentiate between managing and directing people. Skillful and innovative directing facilitates human development and their talents. This development requires special conditions, which should be guaranteed by good management. However, good leadership always requires reference to the objective, i.e. to effective solution of a planned task. Therefore management (which is as mentioned above understood as a kind of art) requires from the manager a knowledge of human nature – not just of processes which occur in it but also of its objective.

Leadership as such is not an ordinary transformation of natural "resources" into culture "objects". Ignacy Bocheński writes: "There is no shadow of a doubt that no one is interested in good life of a man except for this man himself". Personal fulfillment, identified in psychology as "self-actualization" requires referring to a person-specific self-determination skill. The explanation of this skill and outlining a psychological model of self-determination is one of the main tasks of management. Special characteristics of management mean that it covers the issue of leading the people facing concrete objectives, and not just their own development.

A man, an individual is always a subsystem of a bigger whole, which influences him in various ways. He regulates his relationships with the environment sometimes instinctively, but more often through conscious activity. Work is one of the basic methods of such relationship regulation with the world. In this context the manager must perceive his subordinates as special causative subjects, whose significant qualities are purposefulness and planning, self-determination and striving for fulfillment. This fulfillment often takes place thanks to managers.

The object in management psychology is widely understood human labor. Management textbooks focus on a management process, i.e. everything that must be done in order to effectively and efficiently achieve the objective facing the enterprise. In management psychology, though, we take into the account a subject dimension: human activity and relevant willpower.

Surely effort of a man who transforms through his activity material resources into objects differs from the effort on the part of the one who directs a complex work process. But both types of effort can be perfected. Thus, in leadership two complementary goals are realized. Firstly, a manufacturing process is intensified, we produce more effectively and efficiently, which allows us to achieve a market success. Secondly, directing others we “transform” and exhaust those absolutely special “human resources”, which let us make this effort. It is often pointed out that it is necessary to care for a widely understood employees’ development in a company. This development – in the context of work of this institution – is an instrumental value, which promotes the achievement of autotelic values, i.e. the objectives of the company itself.

In every aspect, including our activity which is usually subject to supervision, in directing our own activity and other people’s activities we draw attention to human activity. Therefore the following questions are posed: how can it be understood, not just described but also explained? And also: how should this activity be directed?

The answers to these questions is management psychology, which focuses on motivation, letting us achieve determined goals which are set by our intellect. Psychological approaches concerning cognitive psychic activities describe conditions regulating human activity though they omit the source of human activity, namely motivation. As a consequence a person as an active subject is placed outside its focus. Hence, the postulate of the so called active management perception, which perceives man and focuses on him.

In the art of wise management it is important to realize how human intellect recognizes objects, which can become conscious activity objectives. This is related to a widely understood field of motivation and analyzing how man manages to reach predetermined goals and what methods or leadership techniques he applies in order to achieve his aims according to the plan.

Effective activity means combining motivation and intellect which determines the factors initiating and directing actions. However, motivation as such is too little. Skilful governance is significant, i.e. planning labor process in such a way that it directs and stimulates workers to innovative actions through certain objectives (goods, needs, means to obtain the objective). An organization means such integration of scattered elements in one current of causative activity that the goals are achieved. In psychological literature it is called management style in an organization, which depends on place, time and managers' mentality.

Achieving success depends on an appropriate style and for this reason at the end of the previous century the research was conducted which was to identify differences in styles of managing people on selected samples of Polish, Austrian and American managers.

Professor Hofstede suggested a hypothesis that leadership style depends on a cultural variable referred to as "a power distance" [Hofstede, 1980, pp. 42-63]. This concept was defined as "a degree of acceptance by a society in a given country of a phenomenon of just (equal) distribution of power in institutions and organizations". Hofstede suggested that in cultures with a low power distance subordinates expect that their supervisors will consult their decisions with them and if they do not, dissatisfaction may appear taking the form of rebellion or strike [Jago and Vroom, 1977, pp. 131-145]. An ideal supervisor for most workers in the cultures with a low power distance is a loyal democrat. In cultures with a high power distance subordinates expect that their supervisors will have a tendency towards autocratic behaviors. An ideal supervisor for most workers in such cultures is a "friendly autocrat". In cultures with medium power distance subordinates expect that their supervisors will consult some decisions with them, but they are also willing to accept an autocratic management style. An ideal supervisor for the majority of employees is a "resourceful democrat".

Researchers made an attempt to discover cultural conditions of leadership style applied by Polish, Austrian and American managers.

Among the countries analyzed by Hofstede before 1990 Austria had the lowest position on the power distance style. The United States were classified as medium power distance countries. Countries from the former Soviet Bloc were not included in the research conducted by Hofstede. Nevertheless, it was assumed that Poland at that time was the state with high power distance.

The managers who were examined, were responsive to cultural expectations of the society where they lived, Austrian managers' behavior was more participatory while the Polish managers' behavior was more autocratic than Americans'.

In order to discover the differences in the leadership styles between the managers representing three cultures we used the Participatory Decision Making Model constructed by two American psychologists Vroom and Yetton.

A normative Participatory Decision Making Model by Vroom and Yetton [Mączyński and Witkowski, 1990] identifies model manager's behavior in a decision making process (solving problems), depending on the set of situational variables (the so called decision situation attributes). The authors of this model point out which decision making style (behavioral style) is most effective in given types of decision situations. In particular they consider the question how the manager's behavior affects the decision quality and its acceptance by the subordinates. We deal with a quality decision when out of many possible solutions of a given issue the manager selects the one which is most desired for effective achievement of a given objective. Commitment refers to subordinates' motivation promoting effective implementation of the decision.

Vroom and Yetton suggested five behavioral styles which are a continuum from autocratic types of behavior (i.e. lack of subordinates' participation in a decision making process) through higher participation levels to maximal subordinates' participation in problem solving and making decisions :

1. A manager solves the problem on his own or makes up his mind using the information he has.
2. A manager obtains information from his subordinates and then he decides how to solve the problem. Gathering the data from his subordinates, the manager can but does not have to inform them about the nature of the problem. The subordinates' role in problem solving covers gathering necessary information and does not include generating or assessing alternative solutions.
3. A manager discusses the problem individually with some of his subordinates, obtains their opinion and suggestions. Then he makes the decision which may or may not reflect the subordinates' influence.
4. A manager discusses the problem with his subordinates as a group, obtaining their collective opinions and suggestions. Then he makes the decision which may or may not reflect the subordinates' influence.
5. A manager discusses the problem with his subordinates. They together look for alternative solutions and then he tries to obtain agreement which alternative to select. The manager does not impose his solutions on the group but he is willing to accept and introduce the solution which is supported by the whole group.

In order to assist the manager in the selection of an adequate decision making style Vroom and Yetton defined seven rules for selecting an individual behavioral style. Three of those rules aim at protection of the decision quality, while the remaining four strengthen subordinates' commitment.

In a selected and properly structured decision situations seven dichotomic (yes-no) attributes of a problem situation were systematically manipulated:

- (a) Required quality attribute – does the decision quality play an important role? (it means that out of possible solution methods the most effective must be selected).
- (b) Manager's competence attribute: does the manager have adequate knowledge to make a quality decision?
- (c) Problem structure attribute: is the problem to be solved well structured?
- (d) Required commitment attribute: is commitment on the part of the subordinates vital for effective implementation?
- (e) Commitment probability attribute : is there a real chance that if the manager makes this decision it will be accepted by his subordinates?
- (f) Goal congruence attribute: do the subordinates identify with corporate goals which will be implemented as the result of solving a given problem?
- (g) Subordinate conflict attribute: can among the subordinates a conflict arise concerning the selected solution?

In the research preferred decision making style diagnosis was used which was referred to the description of thirty decision situations selected by Vroom, Yetton and Jago out of several hundred real descriptions of decision situations.

The managers participating in the research were asked to read about each decision situation and to choose the behavioral style which according to them would be most appropriate. They were to select the style out of the five decision making styles which constitute a continuum spreading from highly autocratic behaviors to highly participatory ones.

The research with the help of this method was conducted in Poland in 1988/89, i.e. in the decline of the totalitarian authority and command economy system in Poland. The research covered 146 Polish, 891 Austrian and 2631 American managers [Krysakowska-Budny and Jankowicz, 1991].

The Polish managers were selected and compared to their equivalents among the Austrian and American managers. The selection process of the "comparable" groups of managers under research was conducted on the basis of those variables which according to previous research affect management style. They include sex, age, managerial function and level. Fifty-five Polish managers were excluded from further research analysis because it was impossible to find their "equivalents" in a sample of the American and Austrian managers. As the result ninety-one triads were obtained of the managers under research who were (within each triad) similar to the others with respect to all known factors influencing their management style, with the exception of a cultural variable.

An average age of the managers in each comparable group was 42. In each managers' group consisting of 91 people there were 4 women. Within each

of the three analyzed groups 64% of the examined managers supervised a department or section, 12% of the respondents declared that they were managing directors or their deputies. The remaining ones were employed on lower management levels. The group under research was differentiated as far as a type of supervisory function is concerned. Within each analyzed group of managers 34% of all respondents managed production, 38% declared that they perform general managerial functions (e.g. in the personnel department). The remaining respondents performed other (different from the ones mentioned above) managerial functions.

Comparing pairs of the examined managers' groups with the help of the Duncan test revealed a range of significant differences between the managers' groups under research.

The first very significant difference refers to application frequency of a given behavioral style in a decision making process. The comparative analysis showed that the Polish managers are most autocratic, the Austrian managers are most participatory, while the American ones can be situated in the middle.

Finally, a collective result referring to an "average participation level" points out that the Austrian managers are much more participatory than the Americans, who are in their turn significantly more participatory than the Polish supervisors. Result distribution in the area of "average participation level" revealed that an "average" (median) Austrian manager is more participatory than 89% of all Polish managers. An "average" American manager is more participatory than 73% of all Polish respondents.

Without dealing with a detailed analysis of such statistical operations, such as for example analysis of variance (ANOVA method), the research results let us draw the following conclusions:

1. In comparable samples of the examined managers the Austrian respondents turned out to be most participatory, the Polish ones turned out to be most autocratic, while the Americans occupied the middle position. It was discovered that the Austrian managers' behavior is to the highest degree congruent with the indicators of the above mentioned Normative Decision Participation Model by Vroom and Yetton, whereas the Polish managers' behavior - to the lowest possible degree [Mączyński i in., 1993, pp. 65-80].
2. The Polish respondents, unlike the Austrians and Americans, are more participatory when the significance of the problem situation which is being solved is small for an organization. The Austrian managers unlike the Polish and American are more participatory in conflicting situations among their subordinates.
3. It must be noted that the Austrian managers have a tendency towards conflict-confronting behavior. The behavior of the American and Polish

managers tend to avoid conflict-confronting behavior. It may be concluded that the Austrian subjects' behavior is more congruent with the Vroom and Yetton's model postulates, who treat subordinates' participation process in decision making as an effective instrument in expressing various viewpoints, revealing conflicts and looking for their solutions.

The discovery that the American and Polish managers in a conflict situations among their subordinates tend towards autocratic behaviors may be interpreted that according to them a group decision making process in a conflict situation is inadvisable as a group meeting may lead to the increase of divergences concerning a preferred problem solution and thus to the increase of the existing conflict situation.

Undoubtedly, Austrian culture in many aspects has its special characteristics, including *Wirtschafts- und Sozialpartnerschaft* or *economic and social partnership*, which may be partly responsible for the discovered tendency towards participatory behaviors of the Austrian managers.

The phenomenon of economic and social partnership is reflected in formal and informal groups representing workers, employers, farmers and other social groups. Those groups during informal meetings negotiate in particular salary-price relationships, looking for reasonable compromises. Although this system acts voluntarily and has no legal frames, it is an effective mechanism for working out a consensus in the area of salary-price relationships and common actions meant to reduce economic losses due to dissatisfaction of individual social groups and strata.

One can risk a statement that as the consequence of economic and social partnership which exists in Austria and average number of working days lost due to strikes (for 1000 employees ) in 1970-1990 amounted to only six days. For comparison the number of days lost due to strikes (for 1000 employees ) was in an analogues period in Germany 40 days, while in Japan – 64 days, in Sweden -116 days, in France - 145 days, in the USA – 225 days, in Spain – 708 days and in Italy – 1042 days.

The economic and social partnership is a kind of ethical norm which functions also beyond the area of salary- price regulations. It is expressed in a more general approach encouraging people to accept the thesis that much good can be obtained by exchanging opinions, widely understood involvement in conflict resolution and working out a consensus and strategies for common actions.

The research results suggest that economic and social partnership finds its expression in the Austrian managers' leadership styles. In interactions with the subordinates they revealed a strong tendency towards applying a participatory style of leadership as an effective method of reaching a compromise and conflict solution.

The sample of Polish managers consisted of the people with a relatively long work experience in executive posts. They were nominated as managers in the period of the totalitarian and command economy system which no longer exists in Poland. Coexistence in this historical period of such factors as: central planning of economic activities, directive management style (through top-down commands), overgrowth of bureaucracy and subordinates' passive behavior resulted in the formation of managers who behave in the way they had been treated themselves, i.e. in a highly autocratic manner.

In leadership the Polish managers seem to apply Human Relations Model of Participation. They appreciated the importance of good relationships with the employees and they wanted to make the impression that in the decision making process they took into account their opinions and preferences. However, the subordinates' influence on their decisions was in fact limited to secondary and trivial issues of little importance.

The situation in Poland has changed since the research was conducted. Commanding authority with the help of top-down orders and instructions belongs now to the past. Affecting workers' behavior cannot be based entirely on coercive measures. Employees have now much more influence on what is happening in the working place and bigger expectations that their interest and preferences will be taken into account by the management. It can be concluded that modern managers cannot effectively perform their managerial function applying traditional methods of autocratic leadership.

It seems that the success of Polish reforms in the transition period from the command to market economy requires practical application in a company management of participatory leadership style, congruent with the "model of effective usage of subordinates' skills" as this model lies at the core of participation mechanism. Certainly it should be researched how economic organizations and their managers will react to enormous changes occurring in Poland related to authority decentralization and introduction of an innovative approach in management.

Making an attempt to interpret the data referring to the sample of the American managers, we took into account relatively high cultural heterogeneity in the United States in general and in management practice in particular.

Demonstrating the highest standard deviation with respect to "average participation level" the sample of the American respondents is a "mixture" of autocracy- and participation-oriented managers. In total the American respondents occupy a middle position between the autocratic Polish managers and participation-oriented Austrians [Vroom and Jago, 1988].

One of the previous research results shows that cultural heterogeneity promotes the formation of the norm facilitating cooperation. On the basis of

the quoted research it can be expected that the American managers would have a stronger tendency towards application of participatory management style than the Austrians or Poles, as those two respondent groups represent the states with bigger cultural homogeneity. This conclusion finds its justification in case of comparative analysis of the American and Polish managers but it is not confirmed by comparative analysis result of the Austrian and American respondents. The economic and social partnership plays an important role in the tendency towards application of a participatory leadership style by the Austrian managers.

It is worth pointing out that there are certain premises which show that the American managers have been recently demonstrating in leadership practice a distinct tendency towards application of a participatory management style. Those trends in the leadership style applied by the Americans should be further researched.

The example of the above mentioned research was quoted for a reason. Humanity is now facing various new opportunities. It is an unheard of chance but the contemporary world is not always friendly to man. It brings new unknown threats and problems. In order to cope with them in all situations psychological knowledge is necessary. Therefore it is worth remembering that management psychology should be perceived not just as a knowledge about innovative management how to achieve company's goals but also as a knowledge about people and their object and subject activities.

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