Managerial Involvement: A Prime Contextual Factor of High-Trust Relations Required for True Participation in Specialized Inter-Cooperative Firms

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Abstract

High-trust relationships are essential for managing effectively highly specialized organizations. Managers who are involved in problem-solving and become vulnerable by exposing their ignorance of employees' knowledge endanger personal authority but can gain trust, learn, function better on the job, and regain authority. New executives, especially outsiders, lacking employees knowledge and expertise, and/or with detachment habitus, use detachment to avoid vulnerability, often causing vicious distrust circles that keep them ignorant and often fail them. Others whose knowledge and habitus encourage involvement tend to cause virtuous trust circles, effectiveness, and innovation. Semi-native ethnography of an outsider-managed automatic plant exposes the decisiveness of vulnerable involvement even more than having insider knowledge: In this way, outsiders gained trust, acquired knowledge, and succeeded like inside-outsiders (Bower, 2007). The findings explain the prime advantage of insider successors differently and offer plausible yardsticks for decision-making concerning leadership succession.

Keywords: managerial involvement; executives' ignorance; inside/outside successors; trust/distrust circles; servant transformational leaders

Introduction

(**Notice**: In order to ease reading, "he" and "his" is used for both genders).

Much organizational research now recognizes the importance of trustful working relationships that enhance knowledge sharing, learning, problem-solving, sound decision-making, and innovation (Antonakis & Atwater, 2002; Deutsch, 1962; Dore, 1973; Fox, 1974; Fukuyama, 1995; Heskett, 2012; Sackmann et al., 2009; Shapira, 1987, 2008; Snell, 2001; Vanagn & Huxham, 2003; Washburn, 2011; Zand, 1972. Reviews: Hosmer, 1995; Bigley & Pearce, 1998; Korczynski, 2000). However, much less clear are contextual factors upon which such relations depend, and especially managerial practices. The importance of their practices is recognized, but their exact function in engendering trustful relations among

employees, and between them and executives is less clear. For instance, managers rhetoric of trust and dialogue with employees is often a façade only, not aimed at empowerment and genuine trust (Ciulla, 1998; Courpasson & Clegg, 2006: 327; Kieser, 2001), while trust requires integrity (Jensen, 2009) that this practice ruins. Moreover, managers' decisions and actions that seem "just, right, and fair" and "morally correct" (Hosmer, 1995: 399) to them may create trust among them (Geneen, 1984: Ch. 4), but may not do so further down the hierarchy if they are ignorant of employees' know-how, expertise, and *phronesis*, the Greek word for practical wisdom acquired by coping with tasks and challenges during a life career (Flyvbjerg, 2006; Klein, 1998; Townley, 2002;), "an ongoing social accomplishment, constituted and reconstituted as actors engaged in the world of practice" (Orlikowski, 2002: 249). The manager's other chores may legitimize sparing such engagement which can teach him employees' know-how and *phronesis* if trust is created (Zand, 1972), but exposes his ignorance that damages personal authority (Blau, 1955). However, the literature of learning, knowledge, and intellectual capital has ignored managers ignorance (see below). Only a few have questioned the reality of managers knowledge and competences:

> "In professional bureaucracies… the dominant groups that hold positions of power… would claim that they do so because they possess appropriate credentials—relevant competencies, qualifications, experiences, and so forth. However, much of this symbolic capital is open to contest as to its reality and worth" (Dick, 2008: 340).

Earlier, Gannon (1983) found that job-specific knowledge bases of US executives were sub-standard and Luthans (1988) found that effective US managers who surely had more pertinent knowledge and *phronesis* than ineffective ones, were less successful in the promotion race. This has also been revealed by US ethnographers (Dalton, 1959; Gouldner, 1954; Hughes 1958; Kramer and Tyler, 1996: 226, 266, 339-48), UK ethnographers (Webb and Cleary, 1994), an American engineer in Japan (Mehri, 2005), and an Israeli ethnographer (Shapira, 1987, 1995a, 1995b, 2008). Organizational learning and knowledge research has not alluded to these findings when alluding to organizational ignorance (e.g., Armour, 2000; Geisler, 2007; Gray, 2003; Harvey, Novicevic, Buckley, & Ferris, 2001), seemingly due to managers' power to conceal ignorance on the organizational dark side, veiled by conspiracies of silence (Hase, Sankaran, & Davies, 2006). On this dark side, low-moral subterfuges, scapegoating, bluffing, and Machiavellian politics may lead to prestige, power, promotion, privileges, and other personal aims at the expense of common good (Dalton, 1959; Shapira, 1987; Webb and Cleary, 1994; Stein, 2001; Rohde, 2006). For instance, an "incompetent and spineless subordinate" was promoted to manage an R&D department in a Toyota subsidiary by a predecessor who "[didn't] want to give up power… [and] want[ed] to have his puppet in place so he [could] keep pulling the strings" from another department (Mehri, 2005: 199). Mehri and his colleagues "were all shocked" by this promotion which promised continuation of the prac-

tice of ignorant managers usurping ideas and successes of knowledgeable employees (ibid: 142, 198).

Such low-moral politics are integral to inevitable managers' ignorance of knowledge and expertise held exclusively by employees due to tasks which managers do not practice. Long ago, ethnographers such as Roy (1952) found that workers used exclusive know-how and *phronesis* acquired on the job to resist managerial coercion and exploitation (Also: Burawoy, 1979; Collinson, 2005b; Mehri, 2005; Shapira, 1987). Much of these intangible resources are tacit, cannot be made explicit and cannot be taught to one who has not experienced the specific problems and situations or similar ones (D'Eredita & Barreto, 2006; Tsoukas, 2005). Learning the processes by which a plant produces products does not teach an executive how these processes function, and how operators and technicians cope with their problems in communities of practice (Orr, 1996; Pfeffer & Sutton, 1999). Ethnographies that have exposed managers' ignorance have not theorized it (e.g., Gouldner, 1954; Shapira, 1995b), and it was discussed only twice (Gannon, 1983; Von der Embse, 1983). However, this ignorance is integral to today's specialized organizations in which

> "…a large number of decisions, and all the important decisions, draw on information possessed by more than one man. …they draw on the specialized scientific and technical knowledge, the accumulated information or experience and the artistic or intuitive sense of many persons. And this is guided by further information which is assembled, analyzed and interpreted by professionals using highly technical equipment. The final decision will be informed only as it draws systematically on all those whose information is relevant. There must… be a mechanism for testing each person's contribution for its relevance and reliability…" (Galbraith, 1971: 69-70).

But how are the relevance and reliability of each contributor's information and knowledge examined? Can a completely outsider CEO (Bower, 2007; Fondas & Wiersema, 1997) decide who the genuine experts are and who the fools and impostors are (Kets de Vries, 1993) without having their specialized knowledge and expertise or even interactional expertise that does not make him an expert, but enables his knowledgeable interaction that discerns true experts from impostors (Collins & Evens, 2007)? Without this expertise, how can he know who provides valid analysis, interpretation, and assembly of information, and whose ignorance supplies spurious information (Klein, 1998)? He controls the information flow to them (Heifetz, 1995), but not their will to give him information to discern these. Today management is learned as "a portable technical skill, divorced from specialized experience and knowledge about particular subjects" (Townley, 2002: 550). However, can a manager who is divorced from employees' "specialized experience and knowledge about particular subjects" decide who draws upon more relevant and reliable knowledge and information, more skillfully uses artistic and intuitive senses, and better integrates expert contributions to problem-solving without at least the basics of the trade that experts have learned when "engaged in the world of practice" (Orlikowski, 2002: 249)?

One may say that results prove who a genuine expert is ("the proof of the pudding is in the eating"), but this raises tough questions: A major result involves some experts who have interacted intensively for a period, each contributing to it differently. How can an executive know the extent of each expert's contribution if, by the nature of his job, he is only rarely involved in these interactions or even worse, detaches from them as he lacks the required interactional expertise and primary source knowledge (Collins & Evens, 2007), while experts may conceal ignorance from superiors and most colleagues to defend professional authority (Blau, 1955)? Moreover, a major result is impacted by a manager's choice of participants in deliberations, his holding their environment, directing attention to subjects, framing issues, controlling access to information, orchestrating conflicts, and shaping decision processes (Bennis, 1991; Heifetz, 1995). Then he decides whose premises to use in decision-making:

> "The elements entering into all but most routine decisions are so numerous and so complex that it is impossible to control positively only more than a few. Unless the subordinate is himself able to supply most of the premises of decision, and to synthesize them adequately, the task of supervision becomes hopelessly burdensome" (Simon, 1957: 227).

But how can an executive ignorant of subordinates' expertise choose between contradictory premises of equally certified experts, some with knowledge, *phronesis,* and contributory expertise (Collins & Evens, 2007), and others, impostors who use interactional expertise to present expert images (Goffman, 1959)? Can he skillfully examine the adequacy of their analyses and syntheses without having pertinent knowledge and expertise while he is also distant from them physically, structurally, and/or socially (Antonakis & Atwater, 2002; Collinson, 2005a; Johnson, 2008; Napier & Ferris, 1993)? An insider executive knows the expertise of people from his former department, but not that of other departments (Buckingham and Coffman, 1999: 88). He cannot discern their experts from impostors without learning the basics of their expertise by active involvement in deliberations, exposure of ignorance, and gaining experts' trust for them to teach him since knowledge is power and one does not give power to a distrusted other (Deutsch, 1962; Fox, 1974; Guest, 1962: Ch. 4; Zand, 1972). Such trust is decisive for intelligent leadership (Antonakis & Atwater, 2002; Bennis, 1991; Edmondson, 2008; Fairholm, 1994; Geneen, 1984; Heifetz, 1995; Heskett, 2012; O'Toole, 1999), and involvement is required to gain it by making one vulnerable while learning from employees' contributions of knowledge (Beer, 2011; Zand, 1972), and rewarding them rightly and fairly (Hosmer, 1995). This was the secret of CEO Iverson's and CFO Siegel's success with steel firm Nucor (Heskett, 2012: Ch. 6; Poulin & Siegel, 2005), while Iverson's successor curbed involvement and lost trust (Siegel, 2004). According to Beer (2011: 2) and his colleagues

> There is no substitute for leaders personally meeting employees. Leif Johansson, CEO of the
> Volvo in Sweden, did a lot of that when he took charge. He made an important decision to locate
> headquarters where most of the employees in Sweden were. Russ Fradin, of Hewitt Associates,

said that early in his tenure he spent three-quarters of his time going around. Making yourself vulnerable increases trust and commitment. In one way or another, the CEOs we studied were able to engender trust by holding themselves accountable publicly.

Even more ignorant is an outsider CEO who has experienced different industries with different staffing policies, technologies, expertise, markets, etc. (Bower, 2007; Cappelli & Crocker-Hefter, 1996; Perrow, 1970; Shapira, 1987;). Though prior experience may hinder learning, it is, for the most part, invaluable (Bettis & Wong, 2003; Klein, 1998). An outsider without pertinent experience needs even more involvement and exposure of ignorance to gain trust and acceptance in local communities of practice (Orr, 1996) that enable him to learn and to discern experts from impostors, but this poses a tough dilemma.

Insider/Outsider Succession and the Involvement Dilemma

The choice of either involvement, ignorance exposure, and vulnerability in order to gain trust, learn, solve problems, and function effectively, or detachment that conceals ignorance and defends authority, poses a dilemma which is tougher, the more ignorant a new executive is of local knowledge and *phronesis*, as an outsider often is: his authority is legitimized by his supposedly superior competence, knowledge, and expertise (Dick, 2008), while exposure of ignorance diminishes it (Blau, 1955). Only if he learns and leads to sound problem-solving and decision-making does he regain authority. However, because of inevitable ignorance, including ignorance of who are experts and who are impostors and minimal interactional expertise to communicate effectively with experts (Collins & Evens, 2007), his prospects of achieving successful functioning are unclear or even gloomy if he comes from very different kinds of organizations (Perrow, 1970). Without taking the risk of involvement and gaining employees' trust, his prospects of learning their knowledge are meager. No better are his prospects if he opts for coercive involvement that minimally exposes ignorance, as in Gouldner's (1954, 1955) classic ethnography: A college educated outsider successor whose prior experience did not include managing a gypsum plant and its underground mine was sent by corporate headquarters to 'rationalize' such a plant. He did not learn local problems from experts, rushed to make arbitrary changes by autocratic coercive involvement that antagonized locals (Kipnis, 1976). He fired highly regarded staff, furthering distrust, animosity, and secrecy that kept him ignorant and failed him ultimately leading to a three month wildcat strike, signaling a distrustful vicious circle (Fox, 1974; Vlaar et al., 2007).

Outsider successors are common in today's firms: In Bower's (2007) study of S&P 500 firms, 33 percent of CEOs were outsiders, while Campbell et al. (1995) found 58 percent of outsiders among US executives. This also explains managerial ignorance remaining *terra incognita,* uncharted land: Research that did not expose it was preferable for the many powerful outsider CEOs, preventing de-legitimization of their power and status. The ample succession studies that for half a century failed to conclude whether insider or outsider successor CEOs

were preferable also helped them. Some early findings were contradicted by later ones (White, Smith, & Barnett, 1997), and a recent review found a "need for substantial improvements to theory and methodology… for the field" (Giambatista et al., 2005: 988. Also: Poulin et al., 2007). As against this, Shapira (1987, 2008, 2011), Collins (2001), Santorin (2004), Bower (2007), and Heskett (2012) found clear superiority for insiders.

Bower (2007: 14) also found large variability among outsiders, much as Guest's (1962) successful outsider successor contrasted with Gouldner's (1954) failed one: Guest's outsider trusted local staff from inception, declaring this trust and proving it by involvement in all major problem-solving efforts in which he exposed ignorance but gained trust, learned, and enhanced problem-solving, while Gouldner's outsider distrusted locals and shuttered creative problem-solving habituated by his predecessor. The former engendered a trust-enhancing, virtuous circle (e.g., Vangan & Huxham, 2003); the latter caused a distrustful vicious circle. Trust is decisive: Only a trusted manager can expose ignorance without subordinates using the vulnerability it creates against him, and only if they feel trusted and anticipate his successful learning used for the common good (Fu, Tsui, Liu, & Li, 2010) do they teach him (Zand, 1972). However, an outside successor's situation encourages distrust of unknown locals: His nomination signals the lack of a competent insider for the position among them and/or failed policies and practices of a predecessor that insiders would often continue (Gouldner, 1954; Fondas & Wiersema, 1997). This distrust discourages involvement as it makes the involvement dilemma tougher: Without involvement and ignorance exposure he is bound to create a distrustful vicious circle, ignorance retention, and relying on impostors to his peril, while with involvement his lack of primary source knowledge (Collins & Evens, 2007) may cause a failure to learn and loss of personal authority. Thus, involvement is essential but it cannot ensure success. For instance Simon (1957) sums up how a battleship is optimally planned by British Admiralty:

> "…the planning procedure permits expertise of every kind to be drawn into the decision without any difficulties being imposed by the lines of authority …during the entire process of formulation suggestions and recommendations flowed freely from all parts of the organization… So long as the appropriate experts are consulted, their exact location in the hierarchy… need not much affect the decision" (p. 230).

However, the manager decides who are the "appropriate experts" to consult with, while an outsider tends to fail to discern who the real experts are among unknown employees. Even if he is involved in deliberations with them and exposes ignorance that diminishes his authority, he may fail to discern experts until he acquires local knowledge and interactional expertise, and only then does he learn their capabilities and idiosyncrasies, competently assess their views, and may succeed with his change efforts (Geneen, 1984: 103; Bennis, 1991: 17). Worse still, their tacit knowledge has been acquired in specific episodes which he did not experience (D'Eredita & Barreto, 2006); it may be learned only by experiencing such

episodes by involvement in problem-solving in communities of practice (Orr, 1996). However, he may have to make some unpopular decisions even before gaining trust, which inhibits trust in him and makes the involvement dilemma tougher (Shapira, 1987).

Special Anthropology is Needed to Explore Outside Successors' Virtuous/ Vicious Trust/Distrust Circles

The above anthropologists who exposed workers' knowledge and *phronesis* unknown to managers pointed to the potential of anthropology to explain managers' choice of detachment or involvement and its impact on trust, but this untangling required a different anthropology from theirs: The anthropologist must acquire both knowledge and *phronesis* as an operator or technician like them, and similar ones in managerial problems to achieve interactional expertise and open communication with managers. He must know their explanations for actions, inactions, and policies, and their discrepancies with actual behaviors (O'Mahoney, 2005), judging their knowledge and expertise levels and explaining them and their outcomes by either involvement or detachment.

For example, as cited, Mehri (2005: 199) convincingly judged a new department manager as an "incompetent and spineless subordinate" promoted due to loyalty to a previous manager. Such promotions that served superiors' power needs were also depicted by Dalton's (1959) informants, but neither Mehri nor Dalton achieved what the sages of old advised: "Do not judge others until you have stood in their place." They were not managers, nor did they communicate openly with managers; they knew much about them but fell short of Chester Barnard's anticipations:

> "…social scientists … just reached the edge of organization as I experienced it, and retreated. Rarely did they seem… to sense the processes of coordination and decision that underlie a large part, at least, of the phenomenon they described" (Barnard, 1938: viii).

Even Orr's (1996) acclaimed ethnography did not cross this edge, did not explain "the processes of coordination and decision[-making]" as managers sensed them. He exposed how photocopier technicians learned to cope with problematic machines by sharing knowledge in communities of practice, but not why these machines were so problematic and why higher-ups were not moved by repeated technicians' criticism of them (ibid: 24, 27-8, 81-7, 92), probably because they came from the sales domain (Fondas & Wiersema, 1997: 571) and lacked technical expertise. To explain apparent higher-ups' indifference, he needed to know which criticism had reached them, what they understood of it, how competent they were to assess alternative solutions suggested by experts, how their own ignorance impacted their choice of coping with or evading problems, which politics they used to conceal or legitimize evasion, and probable resulting vicious distrust circles that prevented problem-solving. Their decisions and actions or inaction, and involvement in or detachment from problem-solving

efforts were impacted by their roles, statuses, powers, relations, habituses (Bourdieu, 1990), and careers, factors that Orr did not study; hence, he could not explain them.

An anthropologist aiming to expose and explain the dynamics of trust must untangle the impact of all these factors and also gain interactional expertise in problems managers face, and learn their alternative plausible solutions (Hawthorn, 1991). He must gain the capability to detect managers' knowledge and ignorance by learning from both experts and participant observation, and then find managers' aims, wishes, and interests in order to judge the truthfulness of their explanations for actions or inactions that expose or conceal ignorance and engender trust or distrust. Like any anthropologist, he must gain informants' full trust and seek openness, truthfulness, and genuine rapport, but this is hard to achieve when one becomes a subordinate of the managers studied, as they would rather retain "the cloak of competence" (Edgerton, 1967; see below). Rarely do managers choose otherwise, admitting their own ignorance, mistakes, and failures in order to prove integrity (Jensen, 2009) and gain trust (Blau, 1955; Hughes, 1958; Guest, 1962; Geneen, 1984: Ch. 4; Shapira, 1987; Walumbwa et al., 2009).

Overcoming Anthropology's Achilles Heel: My Semi-Native Anthropology

Anthropologists failed to penetrate the secrets of managerial ignorance and its conceal- ment due to a built-in barrier: They never reached executive echelons "to sense the processes of coordination and decision;" they were only workers or technicians, young and inexperi- enced in management, and remained for too short a period to expose and explain ignorance of executives higher than department managers. They did not even untangle the impact of their department managers' knowledge and ignorance on relations with superiors, on career deci- sions and on related questions. Nor did ethnographies by experienced and educated, consult- ants untangle managerial ignorance (e.g., Kanter, 1977).

Unlike them, I commenced fieldwork with both social science and management educa- tion and thirteen years of managerial experience in an automatic processing plant resembling the studied plant, and continued managerial jobs for another seven years while studying for advanced degrees. Many of the problems I faced in these jobs resembled those of the focal plant, a high-capacity automatic cotton gin plant that processed raw cotton. Another favorable factor was the semi-native nature of my anthropology: I was a kibbutz member like the man- agers who came from kibbutzim (pl. of kibbutz; some three dozen of them owned the plant), so I knew a few of them personally and their institutional context, the kibbutz system that so- cialized them (Fondas & Wiersema, 1997), a type of context which knowledge literature often ignored (Phelps, Heidl, & Wadhwa, 2012: 37). Hence, I easily approached them as their peer. The plant was a part of a kibbutz-owned large industrial-commercial conglomerate called Hamerkaz Regional Enterprises (a pseudonym, as are all names hereafter) that handled inputs and outputs of kibbutz agriculture in six plants and other units; its annual sales amounted to

some $US 350 million. I commenced by interviewing 24 executives and senior experts, kibbutz members called *pe'ilim* (meaning activists. Singular: *pa'il*), though many were quite passive. They were supposed to serve for five years and return to kibbutzim, which received uniform salaries for their work, but many served much longer and enjoyed perks according to rank (Shapira, 2008). Often interviews became a two-manager-discussion of the pros and cons of solutions to common problems. I freely read minutes of management sessions in addition to official publications.[1] I toured the plants (some 850 employees, 200 *pe'ilim* and 650 hired workers) and visited meeting places such as the dining hall of the industrial park. Informal talks with many managers, foremen, and experts found evidence of little interest among most executives in advancing plant effectiveness, efficiency, and innovativeness, contrary to their assertions.

This finding was accentuated by contrary findings of applied ethnographic studies of twenty local kibbutz factories made by a number of visits to each factory, observing and interviewing 33 managers, 45 engineers and 86 foremen and workers (Shapira, 1977, 1979, 1980). Unlike Hamerkaz *pe'ilim,* these managers sought effectiveness, efficiency, and innovation which were grasped as decisive for success in competitive markets. A prime reason for the difference was that Hamerkaz plants did not compete in markets, but marketed their produce by national marketers in local and international markets, while their assured clients were owner kibbutzim, obliged to use their services. All ten Israeli cotton gin plants were similar parts of regional conglomerates, and kibbutzim paid, using a "cost plus" system: the fee charged per ton of processed cotton was uniform, annually decided jointly by all plant managers according to anticipated expenses plus profit. This system discouraged competitive innovation, rather maintaining some efficiency and effectiveness to prevent losses that would have damaged managers' prestige and might have caused their replacement, such as the one I observed.

I then openly interviewed 96 present and past *pe'ilim* of the plant. I found brain-drain due to negative selection: conservative managers pruned talented critics and innovators, while mediocre self-servers interested in privileges stayed for good by becoming managers' loyalists (Dalton, 1959; Hirschman, 1970). Executives usually allowed innovations if these helped growth and technological virtuosity (Galbraith, 1971), indicating that the dominant interest was personal self-enhancement, amassing power and prestige rather than serving client-owner kibbutzim (e.g., Fu et al., 2010). *Pe'ilim* interviews and intermittent observations for four years pointed to managers' ignorance of technical and operational problems that negatively impacted their functioning. Hence, I further studied these problems by discussions with nationally renowned experts, acquired plant "know that" before learning by participant observation of working and coping with problems of its "know-how" (Pfeffer & Sutton, 1999). Then I knew plant's know-how to the extent that technicians and foremen asked me why I would not replace their ignorant boss.

Participant-observation was very intensive: three months of high season round-the-clock

seven-day-a-week shift-work, with 500-700 tons of raw cotton processed daily. I both worked a shift and often visited the other two, to observe major events, to learn how employees coped with problems and what managers did. Many problems were similar to those I had experienced in my own kibbutz plant. For instance, in both plants raw material conveyed automatically from one machine to another, but machines sometimes jammed; competent operators forecasted this and took preventive measures, as against incompetents who failed to forecast and suffered stoppages and extra work in clearing jams. Similarity enhanced comprehension and belief in my interpretations of employee behavior (e.g., Geertz, 1973), but to ensure that I was properly interpreting matters, after the season ended I conducted 72 open interviews with plant staff and cotton growers. Then I toured four other gin plants, observed their premises and interviewed 63 managers, ex-managers, and foremen.

Following Barnard's (1938: viii) critique, I learned plant coordination and decision-making without participation in managers sessions, through close ties with several managers and other informants, plus participant observation, interviews, and reading session minutes (Shapira, 1984). I untangled managers' prior careers, habituses (Bourdieu, 1990), and positions taken in major conflicts that exposed their interests, aims, hopes, and anticipations. I saw their involvement in or detachment from major problem-solving efforts, whether they exposed ignorance or concealed it (Blau, 1955) and how this impacted their behaviors. I witnessed destructive conflicts engendered by distrust, differing competences, and contradictory values (Deutsch, 1969; Fu et al., 2010) that determined actions, policies, and efforts to defend jobs and careers despite failures.

Detachment Concealed Outsider Managers Ignorance

A mute fool is reputed to be wise (A Jewish saying).

Detachment from deliberations, permitting muteness, was the commonest way to conceal ignorance, like Edgerton's (1967) finding in *The Cloak of Competence*: When exiting their shelter mentally retarded youths kept this "cloak" intact by concealing incompetence by detachment from others who might have exposed it. Almost all the managers studied were outsider *pe'ilim* and were "parachuted" into jobs (the Israeli term for outsiders who came to manage with largely irrelevant previous managerial experience).[2] They mostly chose detachment from problem-solving efforts with subordinates which, if they had been involved, would have exposed ignorance, undercutting their personal authority. A counter example was Chilean Mining Minister Golborne: Though ignorant of mining (having come from managing a supermarket chain), he ignored his consultant's objection and took great political risk by personally managing the 69 day hazardous rescue effort of 33 miners trapped 650 meters below surface. He stated: "Given the magnitude of the problem – I understood I had to be there… [I] know how to manage challenging projects, lead people, build teams, and providing the necessary resources" (Useem, Jordan, & Koljatic, 2011: 51).

Complete detachment was chosen by two of the three cotton-gin plant managers in its nineteen years. Only Yuval opted for coercive involvement (Gouldner, 1954) and self-enhancing, personalized management (Poulin et al., 2007; Fu et al., 2010) as he had had some pertinent expertise from prior management of a kibbutz cotton branch, which both his predecessor and his successor lacked. But much younger than veteran expert subordinates, he lacked psychological safety (Edmondson, 1999) for full involvement and for risking ignorance exposure, so he used seductive/ coercive means (Kipnis, 1976). He interfered autocratically in problem-solving efforts, minimally listened to experts, and made amateurish and foolish decisions that caused animosity, distrust, and secrecy, which kept him ignorant like Gouldner's (1954) outsider. He roamed around the plant seeking information like the latter while causing failures which employees bitterly criticized. For example, he drove a fork lift over a frail pit cup which broke and he fell into the pit with it. He was replaced early, after four years, although the normative term was five.

Unfortunately, the other managers were no better; they came from unrelated jobs and remained detached: The first, Moav (aged 61), was appointed after decades of treasuring a department of a national wholesaler owned by kibbutzim and moshavim.[3] The third, Shavit (32), was an ex-kibbutz economic manager and ex-manager of the building branch, who had supervised contractors without managing the work himself. All had college business educations and knew accounting and finance well, but next to nothing about the plant's major problems which were technical, operational, and specialized manpower shortages; outside organizations handled financing, raw cotton supply, and produce marketing. This resembled Crozier's (1964) French tobacco plants, but French managers had both a relevant Polytechnic industrial education and experience as deputy managers in charge of operations, both of which the three gin plant managers lacked.

I did not observe the plant in Moav's period, but dozens of interviews with ex-employees[4] testified to his detachment and ignorance like Shavit, whom I did observe. Moav survived a decade in office despite the formal term being five years, because he was a close relative of the conglomerate CEO and a close friend of his successor, providing them with a loyalist who might have been lost by succession. Furthermore, the plant functioned well in its first eight years, since two involved and committed deputy *pe'ilim* managed it by servant transformational leadership from inception, helped by an experienced hired technical manager and his hired expert informal deputy.

One deputy depicted the plant's Board of Directors' decision-making in Moav's days:

"…they [representatives of owner kibbutzim] did not understand much about most subjects on the agenda, and Moav and a manager of another plant who represented the conglomerate management in the plant's board were quite similar. The only two who really knew what was going on in the plant and coped with almost all major problems, thus also shaping most decisions, were Moav's other deputy and me."

Management sessions were quite similar, according to minutes: Moav rarely spoke, except when financing was at issue, mainly to spare expenses. However, he was lavish with his own amenities: one of the first air-conditioned offices in the industrial park, a nice company car, and more. Shavit behaved similarly and both minimized knowledge requirements by conservatism, except for growth and technological virtuosity, like other *pe'ilim*. Both were distrusted by most employees; I witnessed how distrust kept the detached Shavit ignorant: In his fourth year he did not know certain ginning basics I learned in my first week of work. He accepted technical manager Avi's misleading explanations for unsolved problems and gained shop-floor information by close ties with an ignorant hired foreman and shop steward who was expert at Machiavellian politics, but not at ginning; he served Shavit by keeping industrial peace in exchange for a favorable salary and leeway. Shavit also nurtured these relations because of his isolation; even most *pe'ilim* shunned him. Shavit survived in the job for five years mainly because of the plant's four years of successful functioning, due to committed, knowledgeable, and involved servant transformational leadership (Greenleaf, 1977; Burns, 1978; Graham, 1991) of the highly trusted technical manager, Thomas who lacked charisma, in accord with Barbuto's (1997) differentiation of transformational leaders from charismatic ones (Also: Beyer, 1999; Sankar, 2003; Shapira, 2008). In Shavit's fourth year Thomas left, and detached ignorant Avi took his job; Avi's major failure caused his and Shavit's forced succession only a year later to save face for them and for the conglomerate's CEO.

Trusted Involved Managers Learned and Succeeded, Distrusted Detached Ones Failed Ignorantly

As noted, Yuval also suffered forced succession. He had come to the plant after Moav's two expert deputies had left, frustrated. As they had proved competence and socialized, self-transcending, servant transformational leadership (Burns, 1978; Fu, Tsui, Liu, & Li, 2010; Greenleaf, 1977; Poulin et al., 2007), they had hoped that the more senior of them would succeed Moav when his five year term ended, but as Moav remained because it served the CEO's power, they left in the sixth and eighth year respectively. Plant functioning deteriorated because 'parachuted' young *pa'ilim* (aged 33 and 35) succeeded them. One of them remained detached and ignorant, while amateurish, autocratic arbitrary involvement of the other, Yuval was detested and kept him ignorant (e.g., Gouldner, 1954). However, he largely neutralized the expert veteran technical manager and his even more expert deputy, causing mistakes and failures. After a year and half, he nevertheless succeeded Moav since plant dysfunction seemed an outcome of Moav's advanced age, 71, and his over-long tenure. The outsider CEO of the conglomerate chose Yuval as successor, because he was a member of his kibbutz and a prospective loyalist in the conglomerate Board, while the CEO was quite detached and missed Yuval's dismal record as deputy.

Then ignorant Yuval and his deputy made an awful mistake which Shavit repeated five

years later: They replaced the veteran technical manager by a 'parachuted' young *pa'il,* Avi (30), a certified practical engineer who remained detached and ignorant during a year and half as deputy to the veteran technical manager. Avi replaced him and failed in his job (see below); then Yuval's deputy called his kibbutz garage manager, Thomas (35), also a certified practical engineer, to the rescue. Though somewhat less intelligent than Avi, Thomas succeeded by choosing maximal involvement, commitment to tasks, gaining experts' trust and commitment, enhancing knowledge sharing (Jo & Joo, 2011; Sackmann et al., 2009) and experiential learning (Kolb, 1984) making him a leading ginning expert in Israel. By comparing Thomas and Avi, I explain successors' involvement/detachment dilemma, and superiors' power considerations that led them to import ignorant outsiders, whose detachment kept them ignorant and encouraged more such importations.

The deputy explained the decision to bring Thomas in to me:

"Avi is not the right staff, we [Yuval and I] sought [when bringing him in]; he is not that [a truly technical manager]. Thomas has learned the problems much quicker and although he has only been on the job for four months, he has proved to be the right staff."

Thomas was proved "the right staff" but claimed it took him two intensive years to become a true ginning expert, as it took Guest's (1962) successor, who acted similarly. His experiential learning (Harper, 1987; Kolb, 1984) included gaining knowledge and *phronesis*, including tacit knowledge due to proper experience (D'Eredita & Barreto, 2006) acquired from his own problem-solving and decision-making. He gained employees trust by risking ignorance exposure that made him vulnerable (Zand, 1972), by helping problem-solving that led to sharing knowledge with him and getting genuine employee feedback, and by becoming informed as a trusted member of their community of practice, learning also from their independent successful/failed efforts which he encouraged.

Before coming to the plant, neither Avi nor Thomas had never coped with anything similar: two complex automatic systems, each with dozens of large machines, connected by huge tortuous pipes and overhead and sub-ground conveyors, operated by some 200 and 250 motors of some 2000 and 3000 horsepower, respectively, that processed up to 15 and 25 tons of raw cotton per hour respectively. Thomas had previously managed an agricultural machinery garage, while Avi had managed the locksmith shop of another kibbutz, both with two-three assistants, as against the plant's over a hundred employees in the high season and 27 permanent staff. Thomas had managed the garage for a few years, while Avi had held successive authority offices since the age of twenty. However, while Thomas identity was that of a mechanic built by eighteen years experience and fitted his job (Zhang & Huxham, 2009), Avi's previous positions, except for the last one, were political-social: youth organizing, heading kibbutz committees, and a term as kibbutz general secretary. This unfitting career encouraged detachment that made him fail, while Thomas's career encouraged involvement that brought outstanding success.

But previous career paths were only part of the story. Yuval and his deputy brought Avi to the plant to succeed the veteran hired technical manager while keeping it a secret. Due to ignorance they supposed that intelligent, educated, and experienced in management, Avi would learn enough within a year or so as a deputy of the technical manager to succeed him, but kept this secret to prevent resistance since the natural successor was a hired experienced talented certified practical engineer who was unofficial deputy technical manager. They asserted that Avi was preferred because as a *pa'il* he was better tuned to serve kibbutzim, but this was denied by informant depictions of the deputy's committed service to kibbutzim. The true reason was the deputy's power: he was ten years older than the two bosses, a very proficient ginner and very popular among the hired staff, and hence, was chosen shop steward. The young greenhorn ignorant bosses worried that he would be uncontrollable if promoted to technical manager and preferred a young *pa'il* like them, such as Avi.

Avi faced a tough involvement dilemma: His mechanical expertise was only theoretical and he had no ties with trusted experts to teach him ginning. Had he tried to learn by involvement in deliberations, he would have exposed his ignorance and lost authority (Blau, 1955) which might have been regained only by achieving successes, but this was unlikely without relevant expertise. Initially he was detached while figuring out whether to accept the job, and he then continued to conceal ignorance. He roamed around the plant but minimized communication with employees who then suspected his expertise. The veteran technical manager suspected that he had been brought in to succeed him and taught him only minimally, as did his informal deputy who saw himself as heir apparent. This secrecy enhanced Avi's doubts concerning learning prospects, encouraging his detachment.

Avi replaced the veteran technical manager after a year and half, as ignorant Yuval and his deputy did not discern that he had remained quite ignorant, only acquiring some interactional expertise to present himself as an expert. An expert ginning consultant, ex-technical manager who left for the US, disappointed by Israeli gin plant managers, explained it to me:

> "The most appalling thing that 'killed' me time after time was the ignorance of 'parachuted' kibbutznik managers who thought that every good mechanic could operate a gin plant."

Operating an automatic gin plant was a complex task as dozens of large machines processed tons of raw cotton one after another, without any buffers between them; a problem with even one machine could halt the whole process or even cause a fire that might take hours to extinguish, not to mention much damage to both cotton and machines. However, none of the managers of the ten Israeli gin plants had experienced operating one. In their ignorance they often replaced a highly expert operator who had acquired and honed skill for years, by a "good mechanic" because of minor disagreements or to save salary expenses, believing that the mechanic would operate the plant like the expert. This was true of Avi's promotion to technical manager, resulting in awful failure: As the ginning season commenced, machines started breaking down, one after another, and the plant stopped working for hours daily. The

quality of ginning which decided the cotton fiber price was poor, and disgruntled employees charged Avi with major mistakes, including those made when overhauling machines ahead of season. He had failed because he had neither learned from his own experience due to detachment, nor from others who had neither the will nor the trust to teach him. He received slanted partial information, did not know experts' genuine views, the alternative solutions to problems they had, considered the reasons for their choices and for the successes/failures these caused, missing cause-effect relationships.

However, when Thomas came to rescue, Avi was not fired: Thomas was formally appointed as second technical manager, explained by forthcoming major plant enlargement for the booming cotton industry, while in reality, Avi became administrative aide to the technical manager Thomas, who solved problems or managed others' problem solving, dealt with plant enlargement, and added automation. Avi kept management membership and symbols: an office, a company car, and others. This fiction served the power needs of the young ignorant bosses: Avi's dependency on them assured his loyalty while he supplied information and this helped to tame Thomas whose successes enhanced his prestige and power.
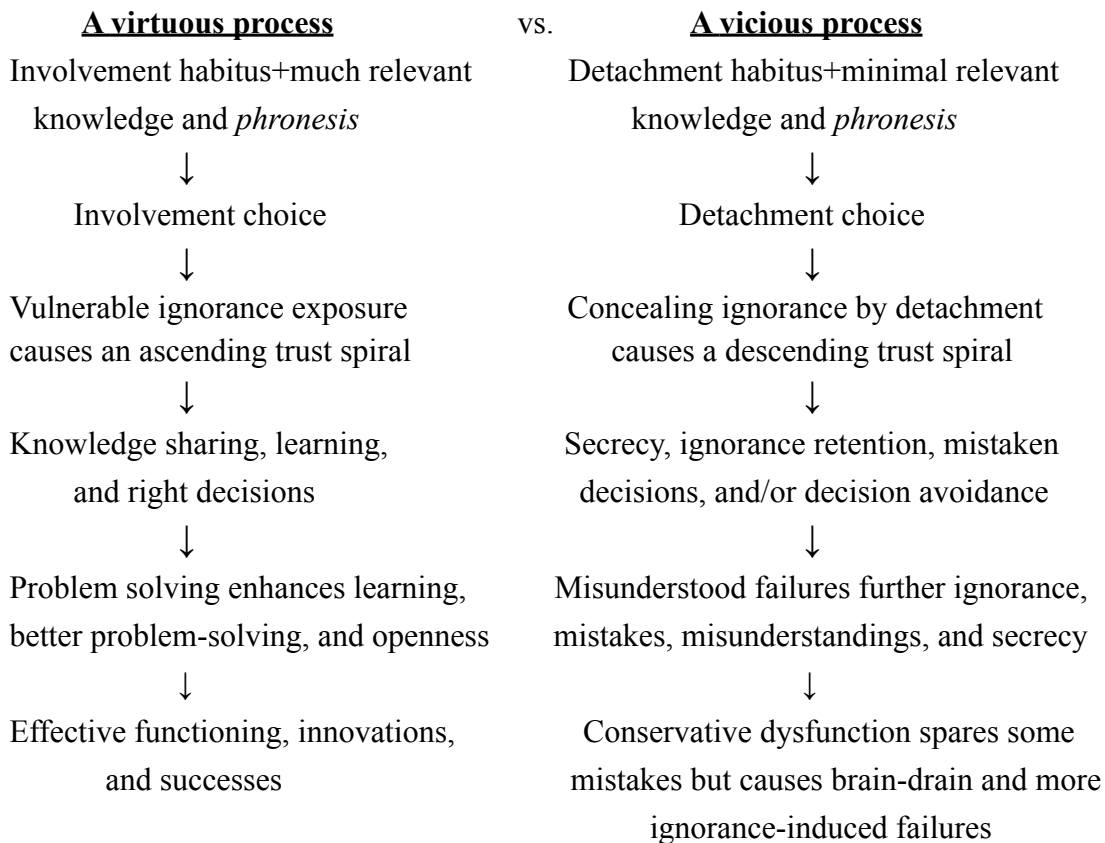
At first Thomas suffered from the animosity of the veteran deputy technical manager, frustrated by Thomas taking the job he had expected, but he soon left and his loyalists began to trust Thomas' expertise as he learned and led to successes. A clear sign that he had become a prime ginning expert was the invitation by the world's largest manufacturer of ginning equipment in the US to join its R&D center when he left the plant, frustrated, after five years. Another sign was his invention of an original automatic cotton feeder that was much cheaper and better fitted extant equipment than imported ones of world class manufacturers. It cost some $US 80,000 while an imported feeder cost about $US 250,000.

This innovation was explicable by Thomas's involvement that continued eighteen years habitus of repairing machines by diving into their bellies (Harper, 1987), and learning in a community of practitioners (Orr, 1996). He had done this from the age of fourteen, during high school, three hours daily (e.g., Pearlman, 1938: 151). After graduation he repaired army tanks for three years and returned to the garage; later he graduated college as practical engineer. Sure of his competence, he did not fear involvement by exposing ignorance and becoming vulnerable, enhancing trust and problem-solving (Beer, 2011; Deutsch, 1962; Zand, 1972). He exemplified high commitment to tasks, coped with recalcitrant machines up to eighteen hours a day and got others commitment (Jo & Joo, 2011). His prior knowledge enhanced communication and helped him solve problems that created ascending virtuous trust spirals as he trusted employees and allowed them discretion that furthered trust (Fox, 1974). Then committed experts exposed secrets that furthered his expertise (Jo & Joo, 2011). He made wiser decisions that enhanced their trust, and this cycle continued, creating a local high-trust culture in which a common sense of "us" connected him and employees, as indicated collectivistic discourse (Guest, 1962: Ch. 4; Geneen, 1984: Ch. 4; Haslam et al., 2010: Ch. 4;

Heskett, 2012: Ch. 6). Engaged Thomas shared experiences and emotions with employees, as leaders were advised to do (Fiske & Friesen, 2012: 1).

Thomas's success further explains Avi's failure: Avi lacked minimal expertise; thus, he was unsure of success prospects and avoided ignorance exposure, while his habitus, gained from coping with social problems, also differed from Thomas's. Social problems could be evaded or a solution camouflaged, defending Avi's prestige when others coped, failed, and lost prestige. Avi knew camouflage could not work with machines, but up to that time, avoidance of tough problems had advanced his career; hence, he continued. This was reflected in appearances: Avi's working clothes were clean while Thomas's were dirty from coping with troubled machines. Avi consulted many outside experts, visited many plants in Israel and abroad, but remained a "half-baked manager" (Dore, 1973: 54), never becoming a genuine one who coped and solved problems by sound actions and decisions. As no one learns to swim without entering the water, so Avi did not learn to "swim" in his job without involvement.

The contrary choices caused contrasting processes that can be summarized thus:

A virtuous process	vs.	**A vicious process**
Involvement habitus+much relevant knowledge and *phronesis*		Detachment habitus+minimal relevant knowledge and *phronesis*
↓		↓
Involvement choice		Detachment choice
↓		↓
Vulnerable ignorance exposure causes an ascending trust spiral		Concealing ignorance by detachment causes a descending trust spiral
↓		↓
Knowledge sharing, learning, and right decisions		Secrecy, ignorance retention, mistaken decisions, and/or decision avoidance
↓		↓
Problem solving enhances learning, better problem-solving, and openness		Misunderstood failures further ignorance, mistakes, misunderstandings, and secrecy
↓		↓
Effective functioning, innovations, and successes		Conservative dysfunction spares some mistakes but causes brain-drain and more ignorance-induced failures

"Pure Outsiders" Mistakes: Trusting Ignorant Manager and Keeping Him, Despite Failure

Bower (2007) found that the best CEOs were inside-outsider successors, i.e., insiders

who were not part of their predecessors' network of loyalists; some even left in mid-career and returned later as CEOs. They often brought fresh ideas that loyalist insider successors did not (e.g., Klein, 2004), while suffering fewer knowledge gaps than complete outsiders. Both Avi and Thomas were outsiders, but Avi was a "pure outsider," ignorant everything in the plant, as against knowledgeable outsider Thomas whose pertinent knowledge, expertise, and *phronesis* gave him psychological safety (Edmondson, 1999) and primary source knowledge (Collins & Evens, 2007). This encouraged his involvement, exposing ignorance, gaining trust, and learning, like Guest's (1962) knowledgeable outsider who came from a parallel plant of the division. "Pure outsiders" studied defended authority by detachment that retained ignorance, while knowledgeable ones did the opposite and gained employees' trust by proving that they had come for their help rather than to rule them. With employees' help they discerned a "good mechanic" from a skilled gin operator who successfully orchestrated dozens of machines, while detached "pure outsiders" had no trustful relations with those who could tell how unqualified for job a candidate was.

The costliest mistake of "pure outsider" executives was nominating managers with too little relevant expertise and *phronesis* as their own ignorance prevented them from discerning it. Like Yuval five years earlier, Shavit made this mistake when trusting Avi to be the technical manager when Thomas left on the eve of the season of my participant observation, after a three year struggle for his innovative cotton feeder had succeeded and it was built and proved successful. Hating Shavit who had deferred the innovation for so long by red tape, Thomas even did not attend its festive inauguration. Formally, at that time, Avi had been technical manager for five years.[5] This misled ignorant Shavit to believe that Avi could replace Thomas with the help of a new deputy, a young greenhorn practical engineer *pa'il*. But I witnessed Avi's repeated failures throughout the three month season while Shavit and his deputy Danton trying repeatedly to convince Avi to cope with a problematic new machine that was causing loss of some 20 percent ginning capacity. In addition, fiber quality was degraded, ample extra hard work was added to operators who cleared the machine jams every two-three hours, and total damages amounted to $US150-200,000. But Avi, afraid of failure, refused to cope with this problem and Shavit did not fire him to avoid the stigma of a failed appointment, while Zelikovich, Hamerkaz CEO, retained Shavit; had he fired Shavit he would have lost a loyalist in the conglomerate's management, his reason for nominating, Shavit. Avi and Shavit were replaced only a year later and without the stigma of failures soon found new managerial jobs.

However, did Shavit not discern that Avi's title "technical manager" was a bluff?

Shavit was intelligent and resourceful. Later, as manager of a kibbutz factory, he led it to eminence in the world market of its products with sales exceeding $US 100 million. He clearly discerned Thomas's advantageous expertise and *phronesis* over Avi's, but he missed Avi's ignorance because of his own ignorance and because he had no trustful relations and open communication with those who knew Avi's incompetence. Intelligent Avi had used

Shavit's ignorance and with interactional expertise acquired during five years created an expert image that misled Shavit. Four years earlier, Yuval's deputy had defined Avi correctly by saying, "he is not the right staff," but neither Shavit nor Danton knew that, nor did they fully discern Avi's ignorance and luck of communication with experts. Though Danton was Thomas's closest friend, helped him to overcome Shavit's red tape against the automatic feeder and heard much about his coping with problems, he had never coped with them himself. He missed the fact that he was unqualified to judge the extent of Avi's expertise. In fact, Avi was not so incompetent: After the end of the season he successfully solved the problems of the troubled machine, but he declined to try it in high season as it required stopping the plant for some 72 hours. Lacking trust relations with experts he doubted information they gave him about its problems, did not try to check information personally as this required involvement, and he feared a failure. His boss failed to convince him to try as he set no example of involvement and commitment to tasks. He could have fired him and called Thomas back, but declined to do so in order to save face. His later career success proved that he was right from his career point of view.

In my field studies in kibbutzim, I had met many plant managers and experts who, like ignorant Avi and Shavit, successfully advanced careers more than knowledgeable ones who had achieved efficiency and effectiveness (Shapira, 1979, 1980, 2008), similar to those in the US (Kramer & Tyler, 1996: 226, 266, 339-48; Luthans, 1988). Analysis of executives' considerations in nominating and retaining ignorant managers will explain this further.

"Parachutings" and No Internal Promotion Served Superiors Rule

The fish stinks from the head (A Hebrew folk saying).

Managers seek power in order to advance both organizational aims and personal ones. Exceptional successes and breakthrough innovations that accrue prestige and fame gain them power, but these require risks which many avoid, and promote conservative loyalists rather than critical thinkers and innovators (Hirschman, 1970). Worse still, innovation requires empowering experts who may use power to enhance prestige, power, and professional authority rather than a firm's aims, or even worse, leave the firm and use innovation developed on its premises to establish a competitor (Rifkin & Harrar, 1988: Ch. 10). Promoting loyalists or those who will be loyalists, as they owe their advance to their promoter empowers the executive without these risks. This was the prime reason for "parachuting" of "pure" *pe'ilim* instead of promoting talented insiders, as well as oligarchic continuity (Michels, 1959[1915]): Ignorant Avi was "parachuted" instead of promoting the highly expert hired deputy technical manager because ignorant bosses feared the latter's power. These bosses had been "parachuted" themselves because Moav with his oligarchic patron, the Hamerkaz CEO, by violating *rotatzia* norm stipulating five year terms had pruned knowledgeable effective deputies, one of whom could have become the plant's successful servant transformational leader. But because this deputy had expertise, prestige, and power acquired by many successes, he might not have

become a loyalist of the CEO as Moav was; hence, Moav was kept on the job until matters became intolerable, and then a recently "parachuted" Yuval was nominated because of prospective loyalty to the new CEO and the CEO's ignorance concerning Yuval dismal record as deputy.

The gin plant managers emulated their nominators, Hamerkaz CEOs, who preferred "pure" *pe'ilim* in order to gain power rather than promoting competent knowledgeable insiders. This practice was common in inter-kibbutz organizations: Many CEOs were outsiders who imported "pure" *pe'ilim* (Shapira, 2008). Hamerkaz CEO Zelikovich, whom I interviewed, was an outsider without local loyalists and no local knowledge which could assure him successful involvement. Without these he was quite powerless; hence, he replaced some managers with his own loyalists or prospective loyalists (e.g., Gouldner, 1954: 71). For instance, Yuval was not replaced by his deputy, who seemed too independent, and not someone who could be turned into a loyalist: Besides his job, he was leading a national prestigious social initiative.[6] "Parachuting" clever Shavit, with whom Zelikovich had close ties from his earlier job, ensured him a loyalist and promised a successful plant manager as Shavit had succeeded in three previous jobs. But Shavit remained inert and ignorant and like Yuval, sought to tame empowered Thomas. With Zelikovich's help, he used red tape to postpone Thomas's innovative automatic feeder for three years, deprived him of prestige and power but caused his exit, leading to the mistaken nomination of Avi and the major failure.

"Parachutings" of "pure" *pe'ilim* served superiors' rule, and was a prime reason for detachment which did not enhance employees' perceptions of positive emotional climate and collective efficacy unlike Cole et al. (2009) findings, though in accord with Antonakis and Atwater (2002), Poulin and Siegel (2005), Collinson (2005a), Johnson (2008: 192), and Beer (2011). Superiors' efforts to rule decided promotion, rather than job effectiveness, so why would one bother to be involved and endanger authority by exposure of ignorance? Why would a manager learn job which, according to the kibbutz *rotatzia* norm, he would have to abandon within a few years (Shapira, 1995a)? Nurturing ties with superiors and prospective ones who could advance one's career in the large hierarchic inter-kibbutz system, with its hundreds of firms and units with over 4000 *pe'ilim* and some 17,000 hired employees promised promotion much more than involvement and effectiveness (Shapira, 2008). This system's practices were largely shaped by the prime kibbutz leaders, Tabenkin and Yaari, who preferred their own power needs over kibbutz aims from the 1940s to the 1970s. Heading the largest kibbutz federations with some 80 percent of kibbutzim, they initially promoted radical innovators and talented critical thinkers, achieving major successes and exceptional growth from some 1400 people to 20,000 within twelve years, but later, preferred conservative loyalists (Shapira, 2008: Ch. 10). They also bolstered power by turning to uncritical reverence of Stalin's dictatorship, contrary to the kibbutz democratic ethos, and this legitimized centralized control, censoring publications, and castrating democracy (Beilin, 1984; Kafkafi, 1992; Shapira, 2008). CEOs of other inter-kibbutz organizations and many local kibbutz leaders and

plant managers followed their autocracy and enhanced power and oligarchic continuity in jobs by promotion according to loyalty rather than competence (Kressel, 1974; Shapira, 1980, 1995a, 2001). These practices encouraged detachment and managerial ignorance, which were prime reasons for the kibbutz system's crisis in the 1980s. However, this system succeeded up to the 1980s because involved *pe'ilim*, like Moav's deputies, Thomas, and others managed successfully; so did many kibbutz local managers and innovative *pe'ilim*, who established new inter-kibbutz firms and innovative inter-organizational schemes (Kressel, 1974; Shapira, 1979, 1980, 2008, 2011; Stryjan 1989).

Discussion and Conclusions

Semi-native ethnography of an outsider-managed plant found that managers' crucial choice of either involvement or detachment shaped hierarchic relations of either trust or distrust. This choice was impacted by their knowledge, expertise, and *phronesis*, which were barely related to formal education, and by their habituses and values. Outsiders without relevant knowledge and *phronesis* for jobs, and/or habituses of detachment and personalized leadership avoided involvement and vulnerable ignorance exposure required for trust, knowledge-sharing, learning, problem-solving, and decision-making causing vicious distrust circles of ignorance retention and seduction/coercion rule that kept them ignorant and caused their dysfunction, though not always career failures if their retention in jobs served the CEO's interests. Outsiders with job-relevant intangible resources, and habituses of involved socialized leadership chose involvement that engendered virtuous ascending trust circles of learning, problem-solving, successful functioning, and innovation (Klein, 2004; Vangan & Huxham, 2003). Locals who acquired expertise and *phronesis* by hard work, long experience, and mutual learning shared these resources only with trusted *pe'ilim* whose ignorance exposure by involvement proved a genuine wish to learn and solve problems for the common good. But if managerial involvement was coercive, autocratic, and avoided vulnerability, it led to vicious distrust circles, ignorance retention, mistakes, and failures. Sometimes failures were avoided if a detached ignorant manager allowed much discretion to involved middle managers who engendered virtuous trust circles with employees. Outside institutions helped ignorant outsiders rule by taking care of many problems that managers have to solve in most other firms, enhancing retention of failing managers and exit of successful ones.

These findings negate survey study findings of positive effects of distant leadership (e.g., Cole et al., 2009): no positive effect was discerned of detached managers, as was in all other organizational ethnographies referred to here and others known to the author, but not referred for space reasons. They also support critique by Carroll et al. (2008) of the competency paradigm in leadership studies: successful leadership was found to depend more on proper practices such as involvement due to appropriate habitus and past experiential learning (Kolb, 1983), than on one's competences. Prime practice required for successful leadership was vul-

nerable involvement that created virtuous trust circles with knowledgeable others who sought improvements (Klein, 2004) that enhanced managers' functioning, whereas detachment barred trust, learning, and effectiveness, engendered ignorant rule and blaming others for one's own mistakes, failures, and wrongs (Collinson, 2005b). Employees discerned a superior's ignorance and concealment efforts but could do little, while he could mislead detached superiors for years, by using seduction/coercion control and conservatism. Detached outsiders perpetuated ignorance across managerial generations: They imported others of their kind rather than promoting effective insiders who could curb their power, both because importees enhanced power as they relied more on backing by superiors than did insiders who relied on trusted locals, and because importers were ignorant of the knowledge and *phronesis* required for specific jobs. Detachment was chosen also because promotion was largely decided by ties with and loyalty to higher-ups rather than by job successes, and because kibbutz *rotatzia* norm shortened terms and made the learning of local knowledge less worthwhile.

Ideally, managers are promoted because of knowledge and competences, including the competence to learn the required knowledge on the job (Fondas & Wiersema, 1997). But the higher a manager advances in a hierarchy, the smaller the part of required knowledge and *phronesis* he brings with him and the larger the part he has to learn, especially an outsider. However, he also gains power to conceal ignorance and defend authority by detachment and by blaming subordinates for his own mistakes, failures, and wrongs, as well as by other low-moral means. In Soekijad et al.'s (2011) terms, he uses conduct and control rather than trustful brokering and buffering that requires involvement, vulnerability, and learning of local know-how. By detachment and politics he can maintain "the cloak of competence" like Edgerton's (1967) retarded youths. Though he is bound to make mistakes and may fail in job, with the help of involved trusted subordinate managers and experts who overcome some mistakes and the auspices of a powerful patron, his career may not suffer beyond short periods. This explains the career success of ineffective managers (Luthans, 1988) and rarity of effective ones among the some 80,000 studied worldwide (Buckingham & Coffman, 1999).

Managers' ignorance is inevitable in highly specialized organizations; even an insider CEO is ignorant of domains he has not experienced, as well as those he has experienced but not in lowest echelons. He must learn by vulnerable involvement, gaining trust, and knowledge sharing in order to discern experts from impostors, to know who draws on more relevant and reliable knowledge, more skillfully uses artistic and intuitive senses and offers more valid premises of decisions by better integrating experts' contributions. Involvement and ignorance exposure are decisive, especially for outsiders who suffer more knowledge gaps (Bower, 2007; Klein, 2004). A detached manager tends to consult according to status and credentials which are often barely related to expertise and *phronesis*, or even worse, according to ingratiation, falling prey to impostors. Nor do results ensure discerning impostors without trustful relations with knowledgeable employees and much knowledge sharing, while his own power interferes with discernment: Some employees fit their views to his, seeking the rewards

he controls, while knowledgeable views of others are often depressed by superiors' views including his own through the many ways that he impacts deliberations (Heifetz, 1995). Only his efforts for trustful involvement, openness of communication (Geneen, 1984), and constant learning can ensure that deserved subordinates' views are rightly considered.

A detached manager nurtures loyalists to get information that distrusting employees deny him, but these are often ignorant, while their espionage furthers distrust, animosity, and secrecy. To learn to swim one must enter the water, and a manager must be involved to achieve trustful relations and cooperative problem-solving, using employees' tacit knowledge and *phronesis* for best decision-making. Bower (2007) found that inside-outsider successors, i.e., insiders who were outside the loyalist clique of their predecessor, were the best CEOs, bringing fresh ideas that loyalists did not, while suffering fewer knowledge gaps than outsiders (e.g., Collins, 2001; Heskett, 2012). Bower did not study outsiders' habituses and socialization; my findings support his conclusion that having fewer knowledge gaps is a decisive factor, hence, inside-outsiders are preferable successors, but outsiders with enough relevant knowledge and *phronesis* and habituses of trustful involvement and socialized leadership can succeed likewise if they are involved.

This leads to a major hypothesis: The prime positive impact of fewer knowledge gaps is not their direct impact on CEOs decision-making, but their indirect impact through CEOs' choice of involvement out of a lesser ignorance exposure dilemma; fewer such gaps means exposing less ignorance by involvement and better prospects of regaining authority by learning and successful decision-making. Hence, an outsider without inside knowledge and charisma but with enough relevant expertise and *phronesis* can lead to outstanding success by vulnerable involvement, virtuous trust circle, learning, and transformational leadership. Thus, the choice of involvement is more decisive than holding inside knowledge, as it enables closing knowledge gaps from which even insiders suffer.

Succession research has never alluded to successors' involvement/detachment choice. Its decisiveness accords above cited ethnographies, leader biographies, Gobillot (2007), Meyer (2010), Heskett (2012), and the original servant transformational leadership theory (Burns, 1978; Graham, 1991; Greenleaf, 1977) that discern this type from the charismatic type (Barbuto, 1997; Beyer, 1999; Sankar, 2003; Tucker, 1971). The former leader trusts followers, models commitment to tasks by hard work and by taking necessary risks including ignorance exposure by involvement that gains him trust and loyalty as he is deeply acting (Fiske & Friesen, 2012) and proves integrity (Jensen, 2009; Johnson, 2008), leading to success without charisma (Shapira, 2011). Involvement proves commitment by more working hours as it is added to the manager's other chores, while projecting preferred identity to employees (Haslam et al., 2010). By involvement, he also learns employees' interests and wishes that his decisions can, serve another reason to trust him and to follow his decisions (Poulin & Siegel, 2005). Thus, involvement has multiple effects and only further study can ascertain them all and their relative importance. However, its decisiveness is clear, and nominators of a succes-

sor CEO and their consultants can use it as a major yardstick when trying to figure out the prospects of success of candidates. Unlike complex yardsticks, such as socialization (Fondas & Wiersema, 1997), the two criteria of involvement habitus and enough relevant knowledge and *phronesis* that encourage involvement are simple to discern and can be traced in one's career to ascertain fitness for job.

Another major question for future research is factors impacting the involvement/ detachment choice. Four major ones have been discerned:

1. Extent of having pertinent knowledge and *phronesis*.
2. Habitus of either involved socialized leadership or detached personalized leadership.
3. Career prospects with either involvement or detachment.
4. Organization tradition of either involvement or detachment.

The relative weight of each factor was not measured and requires further study. Another question concerning involvement/detachment choice is the impact of employees' reactions on a manager's choice. An ignorant outsider may choose involvement and trust subordinates, but if he is too ignorant and/or fool their efforts to teach him may fail and they will stop. It is plausible that he will then regress to detachment and seductive/coercive control. This needs further study that may also find if/when the opposite change from detachment to involvement happens, as, for example, Shavit apparently changed on his next job.

Last though not least are the cultural effects of involvement/detachment choice: Additional major cultural effects of contrasting choices by "pure outsiders" as against knowledgeable ones were exposed in the full ethnography (Shapira, 1987). Ethnographers should allude to such effects whenever studying managerial behavior in order to make organizational research that matter (Flyvbjerg, 2006).

References

Please note that names of Hebrew references are translated and marked (Hb.); names of journals and newspapers are not translated.

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Notes

1. These sources are not cited to preserve anonymity.

2. Most common in Israel has been the 'parachuting' of an ex-senior army officer in his 30s-40s to head a large business firm, a municipality, a college, a party, etc.

3. Moshavim are semi-cooperative agricultural settlements.

4. There were ample ex-subordinates because of rapid turnover in Moav's years.

5. For two years Avi had left to be kibbutz secretary and then came back.

6. Ethical reasons prevent detailing it.

Bio

Dr. Reuven Shapira is a senior lecturer of social anthropology and sociology in The Western Galilee Academic College in Acre, Israel (Under academic auspices of Bar-Ilan University). He was born and bred in kibbutz Gan Shmuel, has lived there almost all his life, and he held various executive positions in Kibbutz Gan Shmuel, received PhD from Tel Aviv University, and lectured in academic colleges and universities. He authored two books, booklets for managers, and articles in Hebrew and English in journals and collections. Recently he authored *Transforming Kibbutz Research* (Cleveland: New World Publishing 2008), and articles in the *Journal of Co-operative Studies* (2010) and *Co-operatives Contributions to a Plural Economy* (Paris: L'Harmattan 2011). Currently he is writing a book that will summarize his findings of mismanagement and wrong leadership in both kibbutzim and inter-kibbutz organizations.