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INTRODUCTION

Organizations and institutions face constant and rapid changes imposed by the national and international context as well as the demands from the market. A slow pace of innovation and growth no longer has a place in this ever- changing scenario. To master what it takes to be successful under these pressures imposed by this accelerated pace of change, has become the centre for decision making in any organization.

This trend embraces any type organization, whether dealing with products or services. The challenges, expertise , threats and opportunities are the same in every case; the only variation is the environment where they have to act and develop. Organizations that offer intangible services such as education and culture do not escape this trend either.

Any challenge, change or innovation that has to be faced implies changes for the people involved in its implementation. But someone has to lead the workforce towards successful results and the main responsibility to achieve this goal lies in the CEO (Chief Executive Officer, also called Executive Director or General Manager). He / she is the action initiator and responsible for the outcomes of his /her performance.

Taking the above issues into consideration, organizations have to carefully analyse the competencies a CEO has so as to ensure successful performance leading up to growth and development, key factors for any organisation these days. The competencies required to reach such a level of success may also change or adapt . As Kessler (2008) mentions, when an organization brings in a new leader, that leader may

want to change the organization. If the manager (CEO) does not have the right competencies to achieve the high performance expected, the organization may suffer.

The objective of this Research is precisely an analysis of CEO competencies leading up to the design of a Competency Based Model (CBM) for the type of organization under study: one whose core activities are education (teaching of modern languages) and promotion of culture .

Kessler also(2008) points out that " we need to understand our organization performance management system and how to work effectively with the forms , tools and resources the organization provides" or will provide under an innovation / change stage (the Writer of this Thesis' words , from now on "the Writer"). The CEO's role is to understand the organization and determine which areas need re-structuring to serve the internal and external changes imposed. (par. 1 from this **Introduction**)

That is why the Competency-Based Model (CBM) proposed in this Research will have as its objective what is called the " growth mindset" of a CEO (versus a"fixed" one). As Carole Dweck (in Kessler 2008) says " If a manager has a fixed mindset , he/ she believes that his / her talents and abilities are set in stone- either he/ she has them or does not. If he / she has a growth mindset he/she knows that talents can be developed and that great abilities are built over time".

An analysis of what may be developed, what is innate and what may be acquired with experience will be considered so that the organization and the CEO know what to expect in the area of further professional development.

Part I (Chapters 1, 2 and 3) of this Thesis comprises an analysis of bibliography related to the development of organizations and the roles and functions of CEOs. The analysis will cover definitions, classifications

and categorizations of competencies at this level; their relation to behaviour, skill and knowledge as well as a consideration to competency-based evaluation. Different Competency-Based Models will be analysed and discussed with a view to start selecting the most appropriate components for the elaboration of a final model to be used in the organization under study.

Part II (Chapters 4 and 5) makes reference to tomorrow's organization and the demands at CEO's competency level. The organization under study will be described and its characteristics will be defined. The profile of a CEO (Master Manager) will be established according to the requirements analysed. His / her functions and competencies will be the centre of the analysis in this component of the Thesis.

Part III (Chapters 6 and 7) considers the objectives and hypothesis of the research as well as its design. The profile of the eleven CEOs analysed will be described and the reasons why these profiles were chosen by the Writer. Instruments will be described and their theoretical background presented. Finally this Part will refer to the methodology and administration of the instruments as well as to the problems encountered.

Part IV (Chapters 8 and 9) refers to the analysis of the results. They will be categorized and classified in relation to the roles and competencies referred to in Parts I and II, including the additional roles as defined by the Writer. The data will be analyzed and compared.

Part V (Chapter 10) will present an ideal Competency Based Model for the organization under study , a CBM for " a Master CEO in tomorrow's educational and cultural organisation".

Finally the writer will present the **Conclusions** of this research and recommendations for future steps to be taken.



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PART I

ORGANIZATIONS AND LEARNING

Chapter 1

Organizations and Knowledge

Organizations all over the world vary in their structure, size and objectives but they all strive to achieve their objectives and obtain successful results. Factories, schools, hospitals, museums, football clubs, government agencies, restaurants, to mention some, represent a type of organizational structure. They are all confronted with similar problems related to growth, environmental impact, market demands, national or international context, competition, staff requirements, staff training needs, high costs, rapid change and innovation. These similarities embody the basic concepts of what an organization is or represents.

Hellriegel (2008) defines an organization as a "*formal and coordinated group of people who function to achieve particular goals*". In this definition the concepts of order, clear objectives, well defined structures, planning and controlling, strategies (amongst others) are implicit (The writer would add a basic concept to the definition, that of "*achieving its mission*"). It is important to point out, based on Hellriegel's concepts , that any organization has a structure that strives to achieve goals "*that individuals acting alone could not reach*" but it is the manager as an individual the one who helps guide the organization to the achievement of its goals.

Complementing on these ideas, Etkin (2009) enlarges the definition when saying that an organization establishes ordered relations between groups and individuals who share "*coordinated efforts*" to achieve set objectives. It is in their daily interaction , planned and unplanned , that organizational events take place. Their relations are stable and

foreseeable but at the same time responding to internal and external changes that determine new steps to follow in unison or new processes to implement. Organizations, as Etkin says, "*stay afloat in turbulent times*" and manage to survive and progress if their capacity to adapt to changes has been developed in "*quiet periods*".

An organization could not have a well-defined position (or even exist) in the community where it operates if these basic principles were not respected. But where would "change" (or "rapid changes") come in these definitions? Perhaps it is embedded in the concept of "goals". Goals may change according to what the environment dictates, what the trends impose on the organization. Nevis (in Campbell 1997.) emphasises the role of learning when he speaks of organizations as "*learning systems*" to ensure renewal and transformation through change (thus achieving the "particular goals" mentioned by Hellriegel in the previous page).

Leonard-Barton (in Campbell 1997) goes a step further when defining organizations as "*learning laboratories dedicated to knowledge creation*". Awareness to change and its implications in learning are vital aspects not to be neglected. Rapid changes imply rapid actions, or "*high speed actions*" as French (2005) points out which have to be developed and maintained through constant managerial attention.

The figure of the CEO (manager) emerges as the person who has the overall direction of an organization: he/she leads, controls and evaluates, plans, organizes, allocates resources and defines creation of new knowledge in "*pursuit of the organization's goals*" (Hellriegel 2008). He states that "*regardless of where the attention of the organization might be focused, managers are part and parcel of organizational setting*". The CEO is also responsible for the achievements of a group of people who share the organization's values and objectives, who "*have potential to contribute to the organization*".

(Leonard-Barton in Campbell 1997) and who "take progress as everybody's business".

The Writer favours the definition of an organization as a well defined and structured group of people forming part of a learning system that ensures the achievement of its mission and the implementation of the changes imposed by an ever-changing world.

The question remains: what is an organization as a learning system or learning laboratory?

Nevis, DiBella and Gould (in Campbell 1997) define organizational learning as "the capacity or processes within an organization to maintain or improve performance based on experience" and Leonard-Barton (in Campbell 1997) points out that an organization as a learning factory is dedicated to knowledge creation, collection and control. So the development of knowledge (both personal and organizational) has become a key component of the CEO's responsibilities in an organization. Knowledge prepares a CEO to face change, conduct the organization through it and achieve success under the new organizational status.

The first mention to learning organizations and organizational learning (Morris 2007) goes back to the 1960s but really reaches notorious importance in 1998 when Peter Senge publishes *"The Fifth Discipline"*. The concept of learning organization is taken from the psychological concept of "individual learning". An organization precisely "learns" or becomes a learning organization through its individual members. It is the sum of the individual learnings that brings about organizational learning and converts such an organization in a learning centre, always on the alert to face changes imposed by the environment. Individuals may apply a body of knowledge to a known situation but when confronted with the pressures of change, they have to be able to reconstruct the

knowledge they need so as to adapt and evolve. It is what Schön (1983) calls *"the dynamic development of knowledge"*.

Knowledge and change form a solid unity and could not operate separately when an organization is confronted with new trends demanding change. Organizations are being forced to adapt and change more frequently if they want to survive. As Birchall and Lyons (1995 say , there is a new type of CEO (or "change-manager") capable of working in this type of organization where knowledge-based workers are rapidly replacing the traditional job holders.

Birchall and Lyons emphasise the role of knowledge and of constant learning. Organizations have to recognise the weaknesses in traditional approaches and highlight the need for continuous review and change. They must develop learning processes and develop into learning organizations , defined as *"an organization skilled at creating, acquiring and transferring knowledge , and at modifying its behaviour to reflect new knowledge insights"*.

The concept of learning organization is based on the notion that new experiences and ideas are essential for learning to take place. But it is people in the organization who can translate ideas into action and people work in teams, responding to organizational mission and goals. So the concept of organizational learning focuses on three levels: on one level , individual development of knowledge; on the next level, team development of knowledge based on the group's reflections and analysis and on the transfer of individual knowledge to the team; and finally at organizational level, which is the moment when all the learning is centralized to be applied for the benefit and growth of the organization.

Kolb Learning Cycle (in Birchall and Lyons 1995, Schön 1983) defines this learning cycle and transfer of knowledge at four levels. First , the isolation of a concrete experience (or organizational situation), then the observation and reflection by the team collectively (rather than just on an individual basis), thirdly, the formation of generalizations on the experience observed and the definition of actions to be taken, and finally applying and testing them. Thus the organizational learning cycle is completed. If the results are not the expected ones, the cycle starts again.

Organizational learning may thus be seen as the ability of the organization to support individuals and teams in the completion of this learning cycle and as the *"ability of the organization to develop strategies and tactics to respond to the new situation observed and for its members to respond collectively and generate appropriate action"*. (Birchall and Lyons). The creation and maintenance of this learning culture encourages and supports personal development and converts any organization into a learning organization. In this way the organization is in an advantageous position to confront new trends that demand change.

It is precisely on this issue of "trends" that Dubois and Rothwell (2004) establish that there are six basic trends (dealt with in detail in the next paragraphs) which may affect the positioning of an organization in today's world. Namely:

Technological change (also mentioned in 1996 by Quinn)

Increased globalisation

Continued cost control

Accelerated speed in market change

Increased rate and magnitude of change

Growing importance of knowledge capital (also in Eraut 1998, Schön 1983, Quinn 1996, Baumard 1999, Garratt 1987).

It is widely assumed that information and communications technology represent a major challenge for an organization, both in terms of investment and training costs, the mastery of existing and emerging technologies has become a constant preoccupation. As Lord Liverpool said at the House of Lords debate on Work Challenges on January 10th, 1994 (in Birchall 1995) " *We live in fast-changing times and informing ourselves and being brave enough to grasp the technology is perhaps the greatest barrier*"... and anyone would agree that this is still one of the main worries.

IT (Information Technology) is one of the keys to enter a globalised world entailing new products, new ways of thinking, new exchanges amongst many other aspects. This brings as a consequence Dubois and Rothwell's third trend, that of continued cost control or containment so as to compete with a market that has no frontiers.

Accelerated speed in market change implies adapting, anticipating, establishing strategic partnerships to ensure wider coverage of the products or services offered and above all, a rapid and positive response to pressures. The fifth trend mentioned, that of magnitude of change, may pose serious and negative problems to the organization if unmanaged, including losing prestige and market share. Not to mention the unfavourable results if change is resisted and the CEO lacks the competencies to lead through it properly. The magnitude of a change has to be properly assessed by a CEO so as to develop the correct strategies and define the courses of action.

Sanghi (2008) expands on the six basic trends affecting an organization as presented by Dubois and Rothwell (2004) and speaks of "environmental imperatives" that make an organization dynamic. There is coincidence with Dubois and Rothwell in the trends connected with technology, globalisation, costs, accelerated speed in market changes and importance of Knowledge. The trends added to this list are related to new models in organizational growth, importance of communication channels (when not followed an organization may collapse), wider scope of opportunities that determine rapid actions and the importance of focusing on competency building (the aim of this Research which will be analysed in the following Chapter). These environmental imperatives have an impact on the quality of organizational knowledge, its development and transfer

As it has already been mentioned, knowledge (acquired both formally and through experience) is a key component for Dubois / Rothwell and Sanghi. This trend gives due emphasis to this basic and often neglected issue, that of planned knowledge development within the organization.

This trend concentrating on the role of knowledge is more clearly presented by Nevis (in Campbell 1997) when referring to a three-stage model which determines steps in the incorporation of knowledge (individual and organizational. Also in Birchall and Lyons 1995):

Knowledge acquisition: as the development or creation of new skills

Knowledge sharing: as the dissemination of what has been acquired and

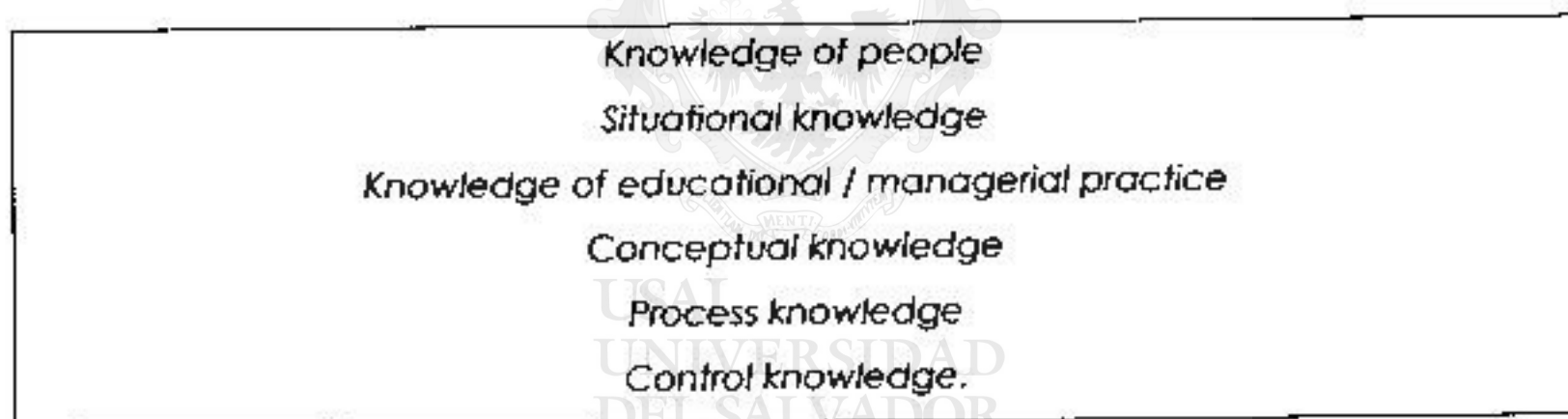
Knowledge utilisation: or the integration of learning to new situations in the organization. Knowledge has to be institutionally available to be considered "acquired".

The Writer would add another stage to the models, that of evaluation of the results obtained after the application of this new knowledge. By

adding this fourth step the cycle of reflection suggested by Schön (1983 and Birchall and Lyons 1995) could be respected.

Morris (2007) uses basically the same stages as Nevis when mentioning the overall process of knowledge development, but his labelling changes ; he speaks of *knowledge capture*, *knowledge integration* and *knowledge transfer*. Neither Campbell nor Morris mention the importance (from the Writer's viewpoint) of completing Schön's cycle and include evaluation of results (which in turn could give origin to new knowledge thus going back to stage 1 in both models). Schön (1983) clearly states the importance of this " double-loop" learning as it is a way to correct errors, to track down deficiencies and adapt to change (new norms, rules).

Eraut (1994) defines the types of knowledge that an organization (regardless its nature- a factory , a school, a multinational) embraces:



In the case of *knowledge of people*, one may remark on the importance given to all the subconsciously acquired competences that contribute to interpersonal relations, such as the ability to judge and interpret people, to select and prioritise their salient features. This type of knowledge is largely acquired unintentionally as a "by-product of encounters that have other purposes" (as defined by Eraut). This knowledge is likely to change according to the different contexts and situations in which an individual operates; care must be taken not to label individuals just by their behaviour in only one moment, the knowledge of an individual

(under this category) is the summing up of all his behavioural responses. CEO's experience is a determining factor in mastering this "knowledge of people" and triggers off an awareness of how the CEO himself/ herself acquires it.

This is interrelated with *the situational knowledge* or how managers read the situations which they are confronted with every day: the skill to interpret and give significance to situations, to reflect on and evaluate these situations. CEOs have to appraise the situations themselves and filter second-hand information on certain issues. The misjudgement of second-hand information may lead a CEO to erroneous decisions. This specific knowledge is of enormous importance and necessary (though not sufficient) in good decision making, in analysing courses of events in the organization and on deciding subsequent actions. A CEO also has to contemplate how others "see a situation", as their perception (or situational knowledge) may offer different angles worth considering.

Closely linked is the development of *control knowledge*, as this basically refers to the development of self-awareness and sensitivity. Self-awareness is only acquired through reflection and feedback from other members of the organization. It is closely linked with self-management in areas such as personal time management, personal control of conduct and temperament and criteria for delegation (the latter related to knowledge of people as well). Perhaps the most difficult aspect to manage in this type of knowledge is " *the creation of time for one's own further professional development*" (Eraut 1994-1995-1998) This category of knowledge is important for a CEO as it would guide him / her for controlling his/ her own behaviour in difficult moments.

Process knowledge is "knowing how to conduct the various processes that contribute to professional action" (also in Brennan and Little 1996). It

is basically how to do things and how to get them done; it is the "know how..." to plan, to build teams, to solve problems, to organise .

It is present in work based learning and bears a close connection with the development of the competencies and skills needed for a job in particular. It is present in various CEO's actions such as in the introduction of new policies, innovations and change, the monitoring of processes, in the management of a project and the delineation of all the stages needed to achieve success.

Knowledge of educational / managerial practice offers the support needed so as to be well documented in educational/ managerial policies, methods and approaches, theories on management (or any other relevant to the organization) ,management planning, organizational and individual assessment, and many others. Above all, the ability to adopt and adapt according to the situation and the people involved.

This type of knowledge is aided by the *conceptual knowledge*, defined as a "set of concepts, theories and ideas that a person consciously stores in memory" (Eraut 1994). It determines how an individual perceives and interprets the world around him / her, in this case, how a CEO perceives the organization, its environment and the people. It is the knowledge that also refers to the concepts learned in academic contexts which may remain static and unchallenged. If this were the case (as with many managers) the development of the vital side of conceptual knowledge, that of a critical approach to situations, would be hampered. As Eraut (1994-1995-1998) clearly states "A major problem in developing managers' conceptual knowledge is making them aware of how they already think, so that they can bring their knowledge under greater critical control". This knowledge is available when analysing problems, debating policies, making difficult decisions.

Conclusions for Chapter 1

The emphasis on learning organizations as knowledge creators and developers is a characteristic that will be present throughout this Research. Such a model responds to the needs of an ever-changing environment demanding rapid changes and creation of new services and products to satisfy the new trends that keep emerging, which may become threats if not properly dealt with.

This Chapter has also emphasised an awareness of the importance of the CEO (or manager) as the centre of the organization, from which growth and change emerge. The development of individual and organizational knowledge is a determining factor in the achievement of success, that is why the importance of analysing all the types of knowledge that have to be taken into account when dealing with the development of the individual and the organization.

The differences in meaning of such concepts as competencies, skills, behaviour and knowledge may have offered the Reader some difficulty. They will be dealt with in next Chapter 2, which has as its focal point the competencies needed at managerial level.

The famous Russian artist Vassily Kandinsky said, when referring to works of art (paintings) that they *"are the children of time and the individual"*. An organization, as presented in Chapter 1, embodies the same concepts: it is the result of the times it has to go through and the individuals that respond to those times.



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PART I

WHAT ARE COMPETENCIES ?

Chapter 2

2.1 A Brief History

A brief history of the development of competencies at organizational level will set the appropriate frame for future analysis of their importance and implications at managerial level (the focus of this Research).

Dubois and Rothwell (2004) trace a possible origin back in 1954 when Flanagan designed the critical incident technique which was used to examine what people do. He delineated a set of procedures with the objective of collecting data from direct observation of human behavior; the information obtained proved to be useful to determine the potential of the individuals in organizational areas such as solving practical problems and developing projects or strategies.

It is in 1959 that Robert White and David McClelland identify a human trait they called competency, which for them is a characteristic that underlies successful performance. They recognize that intelligence determines performance but also state that certain personal characteristics, such as motivation, self-image, attitude to success, can have an influence not only in the individual's life but also in his/her roles, thus affecting performance. Competency for them is then a combination of intelligence and personal traits.

Some years later, in 1980, Klemm defined competency as an underlying characteristic of a person which results in effective or superior performance