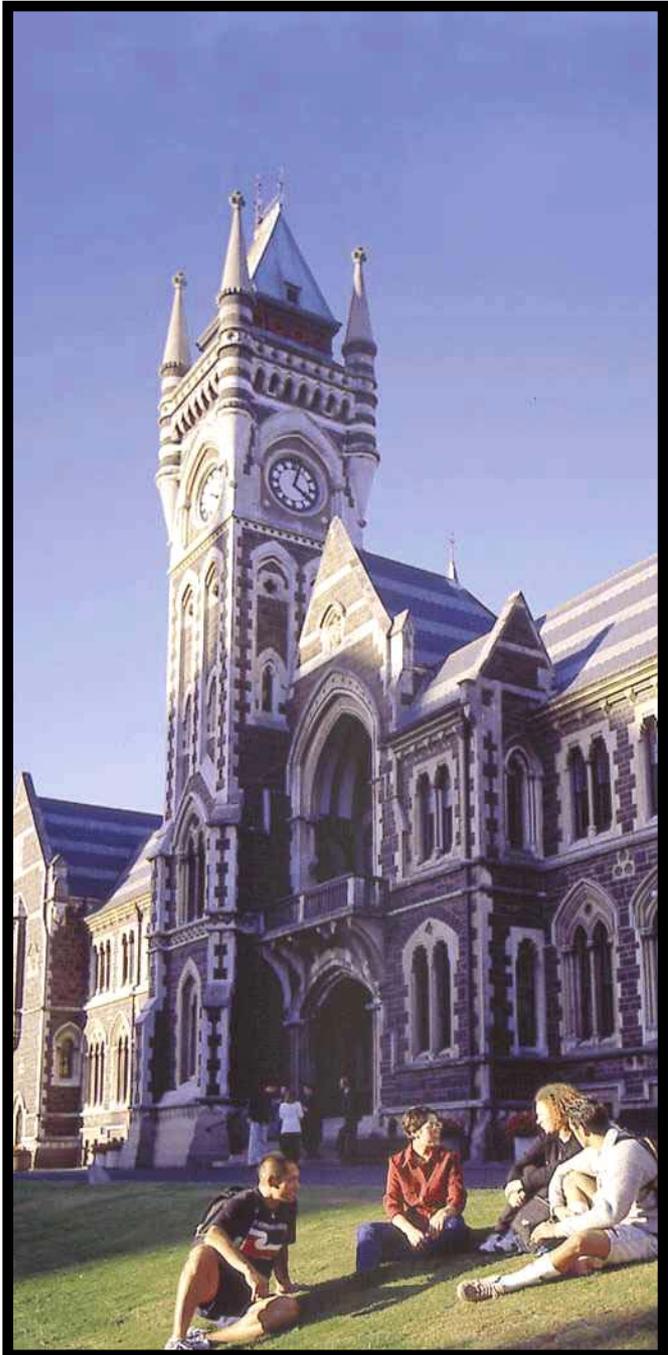


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# EDITORIAL

This journal is once again proud to publish some of the best pieces of work by graduate management students at the University of Otago.

The papers in this volume were written by students taking 400 level papers, either for BCom (Hons) or Post-graduate Diploma or for MBus (taught Masters).

Full time honours students take the equivalent of three, 12 point taught papers a year, plus a 20,000 word research paper. MBus students take the equivalent of four 12 point taught papers plus two research papers. The taught papers normally require four essays of around 4,000-5,000 words.

All the articles in this issue are examples of essays submitted for papers.

All students at this level are free to submit papers for this Review, subject to the supervising staff member having graded the paper at A or A+.

We congratulate those students whose work is represented here.

Alan Geare  
Editor

# **Slicing Open the Black Box: Applying Occam's Razor to Strategic Human Resource Management Research**

**Ewan McComb**

## **Abstract**

This paper examines a key issue affecting acceptance of Human Resource (HR) practitioners' claims for a place at strategic level within organisations by investigating another consistent lament of HR researchers; lack of theory. By drawing on theory developed in other fields, the black box existing between mooted HR practices and desired organisational outcomes is opened for inspection. It is suggested that HR researchers can gain credibility by moving the direction of research away from global issues such as how best to measure organisational performance, and whether proposed HR practices are universal, contingent, or configurational in nature, towards a concentration on the processes whereby HR practices contribute to organisational performance. The argument is based on a pragmatic view of organisational performance; that essentially it is financial performance that matters, and that if HR practices are to affect this it must be by resolving performance and presence (tardiness, absenteeism and turnover) issues. Theory which suggests that job satisfaction and organisational commitment are key variables affecting presence and performance is reviewed, and links between antecedents of these variables and mooted HR Management (HRM) best practices are suggested. Future directions for Strategic HRM (SHRM) research are proposed. These research directions are intended to promote credibility for the field in the organisations likely to see value in, and thus fund, the research.

## **Introduction**

Since at least 1984, (Miles & Snow, 1984) plaintive articles have appeared in the academic press bemoaning the current state of HRM research. One main theme of these articles is the inability to find an appropriate place for HRM within the corporate structure (Huselid, 1995; Wright & McMahan, 1992), with proponents of this view pointing to the dangers of HRM specialists disappearing from the corporate structure as their functions are devolved to line managers or out-sourced (Becker, Huselid, Pickus, & Spratt, 1997; Schuler, 1990). The currently popular solution is SHRM based on the reasoning that a major goal of organisations is survival; that survival rests on gaining a competitive advantage over other firms in the

industry and; more particularly, continued survival requires that the competitive advantage be sustainable over the long term. Based on the work of Barney and others (Barney, 1991; Barney & Wright, 1998), it is asserted that the only mechanism by which this sustainable advantage can be gained is through appropriate management of human resources, as the way in which such resources are utilised is the most difficult factor for competitors to imitate (Dyer, 1993; Ferris, Hochwarter, Buckley, Harrell-Cook, & Frink, 1999; Lawler III, 2005; Pfeffer, 1994; Snell, Youndt, & Wright, 1996; Wright & McMahan, 1992).

Another theme is a lack of adequate HRM theory (Guest, 1997; 2001; Wright & McMahan, 1992). While the calls for better theoretical justification might be considered navel-gazing by academic researchers desiring to provide a firm foundation for their own place in the system, theoretical development is essential to both understanding and explaining observed phenomena. The process requires development of an explanation, and the testing of that explanation by experimentation. If the experiment fails to confirm the proposed explanation, then the theory must be either amended or discarded. Occam's Razor suggests that the best theories should make use of the fewest possible elements required to explain the phenomena. There is a clear, although rarely stated, link between theory development and the desire for a place around the boardroom table. At its simplest, the plea for a presence at strategic level within the firm must be justifiable on cost factors; to achieve this aim SHRM must be able to demonstrate that implementation costs of HRM practices are outweighed by resultant benefits to the firm. Without supportable theory to explain how SHRM contributes to the long-term survival of the firm, it is likely that the function will continue to be devolved or out-sourced, and funding for research will dry up. Researchers will have to find a different field to study, and practitioners will find themselves back on the job market.

It is considered that research in the field has become too inward looking; concentrating on academic rigour instead of practical application (Hackman, 1985; Lawler III, 1985), and often fails to look beyond the boundaries of the HRM literature. This has led to a plethora of articles attempting to develop models that explain in general terms how SHRM will contribute to organisational goals, but explanations of how the process works are sadly lacking. Unfortunately general explanations lack credibility (Dowling & Fisher, 1997; Stablein & Geare, 1993), in that they are unable to answer the cost/benefit questions that are uppermost in the minds of most of the Chief Executive Officers (CEOs) of the major firms that are often a source of research funding (Buckley, Ferris, Bernardin, & Harvey, 1998). To forestall the inevitable protestations, I do not deny that research for its own sake has value, however even governments are unlikely to continue funding research that is unable to demonstrate practical value in the long term. The purpose of this paper is to suggest some links between HRM practices and firm performance, and also

suggest some future directions for SHRM research which may resolve the credibility issue. Responding to a plea from Ferris et al. (1999) I plan to slice open the 'black box' and see what may be lurking within.

## Outside the Box

The 'black box' (Ferris et al., 1999) lies between HRM practices and firm performance. Before opening the box, I propose to place some limitations on the outcome variable (firm performance) otherwise there is a very real danger of falling into the same trap that has limited the credibility of SHRM research to date. These limitations mainly affect the outcome measure, firm performance. This is a global construct, most often measured in financial terms although some recent attention has been paid to non-financial measures. Examples include the 'triple-bottom line' approach (Elkington, 1997; Spiller, 2000) that suggests performance should also consider the impact of the firm on societal and environmental issues, and the 'balanced-scorecard' approach (Kaplan & Norton, 1992) which suggests that stakeholders other than the owners should be considered when assessing organisational performance outcomes. Notwithstanding some sympathy for these viewpoints, the reality is that a firm which fails to demonstrate a consistent level of financial performance is unlikely to survive, no matter how much societal or environmental value accrues through its operations. The first limitation, therefore, is that the desired outcome should be limited to financial performance (Chadwick & Capelli, 1999). If a clear relationship is found between SHRM practices and financial performance, then it may be appropriate to consider whether further value can be added by demonstrating the effects of SHRM practices on individual well-being, societal outcomes, and environmental issues, but without a link to financial performance such relationships alone are unlikely to add much weight to the arguments in favour of an SHRM presence at strategic level within the organisation.

A second limitation is that the improvement in financial performance must arise through human factors otherwise the value added will be claimed by the Operations Manager, Chief Financial Officer or other competing corporate officer. Only if performance improvement either independent of or additional to that ascribable to improved technology, changed systems of operation, or external economic factors is demonstrated, will the claims of value added through HR practices be believable. This assertion is reinforced by the presumption that performance improvements arising through operations improvements or from economic factors are more easily imitable by competitors (Barney, 1991; Lawler III, 2005).

To gain initial credibility therefore, SHRM researchers should consider, in some detail, how human resources directly contribute to improvements in firm performance. Both logic and prior research indicate two obvious mechanisms; through presence and productivity (Dess & Shaw, 2001;

Shaw, Gupta & Delery, 2005). The relationship between the presence of human resources (people), HR practices and firm performance should be obvious. Firstly, if there are no people present, then there is simply no need for HR practices to exist. Secondly, if there is a need for people to be involved in the production process, and they are not there, then there cannot be performance. Similarly if there are insufficient or excess people present, or people are not present when they are supposed to be, then performance improvements can be gained simply by attention to these issues.

The relationship between productivity and firm performance is also intuitively obvious. The purpose of an organisation is to produce some tangible or intangible 'product', which is then provided to other organisations or individuals in return for a, generally financial, consideration. If the people are not performing the actions required to manufacture the product or provide the service, performing them at too low a rate, or failing to provide an adequate level of quality, this must adversely affect the firm's financial performance.

If one agrees with these propositions, then one is left with a relatively clear delineation of the initial direction that SHRM research must take. There must be a concentration on variations in firm financial performance, the variation must be clearly linked to a 'people' factor, and the people factors involved must be related to their presence (Guthrie, 2001; Huselid, 1995) and/or productivity (Guest, 2001; Guthrie, 2001; Osterman, 1994; Schuler, 1990; Youndt, Snell, Dean & Lepak, 1996). Contrary to the fuzzy links proposed by other writers, Huselid supports the narrow view of firm performance and clearly specifies the relationship between HR practices and financial performance,

... a firm's HRM practices should be related to at least two dimensions of its performance. First, if superior HRM practices increase employees' discretionary effort, I would expect their use to directly affect intermediate outcomes, such as turnover and productivity, over which employees have direct control. Second, if the returns from investments in superior HRM practices exceed their true costs, then lower employee turnover and greater productivity should in turn enhance corporate financial performance (1995, p. 638)

## **Inside the Box**

Early studies reported in the HRM literature appeared to concentrate on developing lists of appropriate practices that contribute to improved firm performance. These lists were generally developed by identifying a firm which appeared to be more successful than others within the industry, then examining the HR practices employed by those firms in an attempt to

identify the reason for the better performance (see Arthur, 1994; Pfeffer, 1994 for example). One major flaw in such studies is that no consideration appears to have been given to causality. Did the HRM practices contribute to the improved performance or did the firms having achieved the primary goal of satisfactory financial performance begin to pay attention to other goals such as the individual well-being of the employees. Recent research appears to be concentrating on combinations of practices, the debate centring around whether practices are generally applicable (the universal view), must be linked to the firm's strategy (the contingent, or external fit view) or are dependent on a close correlation between the specific practices employed (the configurational, or internal fit view) (Guest, 1997). Where all SHRM research disappoints is in the failure to draw valid links between the suggested practices and the desired outcome.

In adherence to the precepts of Occam's Razor, I have previously suggested that the focus should be on a simplistic view of firm performance, the boundaries of which are defined by the presence and performance of people within the organisation. The next step is to identify what factors affect presence and performance, and whether evidence supports the proposed relationships. A review of some SHRM literature provides guidance in specifying likely factors as employee commitment (Armstrong, 2005; Guest, 1987; Huselid, 1995; Youndt et al., 1996), and satisfaction (Armstrong, 2005; Huselid, 1995).

However, while commitment and satisfaction are proposed as being related to presence and productivity, rarely are any links between these variables specified, or in fact between these factors and the supposed HR 'best practices'. If a coherent SHRM theory is to be developed, surely these links must be specified, yet a review of much considerable prior research examining relationships among these variables is rarely included. For example, employee turnover (an element of presence) has been under investigation for at least 50 years (see, for example, Behrend, 1953; Brayfield & Crockett, 1955) while productivity research has existed for nearly double that period, the investigations of Frederick W. Taylor being perhaps the first attempts to apply scientific methodology to the problem (Taylor, 1998). It seems appropriate, therefore to draw on this research in an attempt to explain the linkages between HRM practices and firm performance.

In respect of the 'presence element' research has primarily concentrated on employee turnover, on the basis that people are required in order for the firm to perform its desired functions, and that replacing those who leave is an expensive exercise. Turnover (where the employee makes the decision to leave) can be differentiated from termination (where the employment relationship is severed at the instigation of the organisation) by who makes the decision. In turnover the possibility exists that the organisation would prefer the relationship continue because of the value of

the employee to the organisation, termination generally occurs because the organisation, among other things, considers that there is no further value likely to accrue from continuing the relationship.

There is general agreement that the best predictor of actual turnover is an expressed intention to leave (Bluedorn, 1982; Mueller, Wallace, & Price, 1992; Price & Mueller, 1986). A reverse link between turnover intentions and intention to leave has also been found, suggesting that once the intention to leave has been formulated, it is too late to change the intention therefore attention to antecedent variables is necessary if it is desired to manage turnover (Elangovan, 2001). Current models of the turnover process place organisational commitment (henceforth commitment) immediately prior to, and as the best predictor of, intention to leave (Lee, Ashford, Walsh, & Mowday, 1992; Randall, 1990; Steers, 1977).

Research has also found an indirect link between job satisfaction and turnover, mediated by organisational commitment (Mowday, Porter, & Steers, 1982; Mueller et al., 1992; Price & Mueller, 1986), although one recent study suggests that the relationship between job satisfaction and commitment is spurious due to the number of common antecedents (Currivan, 1999). The postulated explanation for the mediating relationship is that job satisfaction (satisfaction with the factors which make up the job) is a more transient feeling than commitment (identification with the values of the organisation, a willingness to act on behalf of the organisation, and a desire to belong to the organisation), so that while dissatisfaction with the job may trigger thoughts of leaving, commitment will at least prompt second thoughts, during which the feeling of satisfaction may become muted or reversed. This explanation has considerable face validity.

Another element of employee presence is absenteeism, defined as a temporary absence from work for unapproved reasons (approved reasons being, for example, illness, matrimonial leave, and funeral leave). Similar to absenteeism but of lesser duration, is tardiness or lateness, where there is an unapproved absence of very short duration (less than one work period). No links between satisfaction and either absenteeism or tardiness have been reported, but a tenuous link between commitment and both absenteeism and tardiness has been found. Commitment alone has little effect on absenteeism or tardiness (Angle & Perry, 1981; Steers, 1977), but when combined with job involvement, the effect becomes significant. The strength of the interactive effect is dependent on the strength of the commitment, being highest when commitment is low (Blau, 1986).

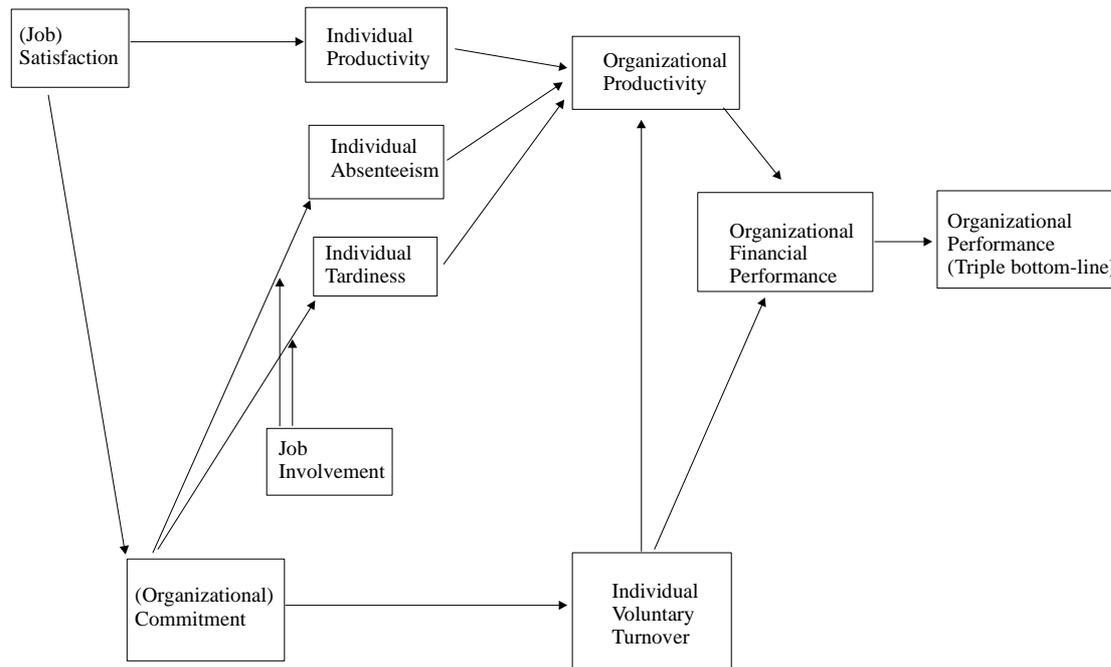
The literature related to job performance (productivity), particularly the satisfaction-performance relationship, is extensive. This relationship was, in the period 1960 to 1980, perhaps the most researched relationship in

the organisational behaviour and psychological literature (Judge, Bono, Thoresen, & Patton, 2001). Reviews of studies generally found a low correlation (of the order of 0.14 to 0.17) between satisfaction and performance (Brayfield & Crockett, 1955; Iffaldano & Muchinsky, 1985; Vroom, 1964). These were general reviews of all satisfaction – performance studies, including individual satisfaction – individual performance, individual satisfaction – group performance, and individual satisfaction – organisational performance measures. A more focussed review, examining only individual satisfaction – individual performance studies found a higher, although still relatively weak relationship to exist (0.31) (Petty, McGee, & Cavendar, 1984), and an even more recent study which corrected some methodological errors in the Iffaldano and Muchinsky review found a an even higher relationship (0.44) (Judge et al., 2001). While still not strong, the latter result indicates that the relationship is perhaps worth further study. One confounding factor in these studies is that job performance was not always measured in terms of productivity, in some cases it was measured by relationships with fellow workers, in others it included willingness to undertake extra-role behaviours now referred to as Organisational Citizenship Behaviours (Organ, 1988; 1990).

Other than in the satisfaction-performance relationship, job performance has been relatively neglected as an independent variable (Keller, 1997). Certainly the commitment – performance relationship has received nowhere near as much attention as the commitment - turnover, or satisfaction – performance relationships. In an early study Steers (1977) was unable to find any relationship between commitment and performance (individual or organisational), neither were Angle and Perry (Angle & Perry, 1981) nor, more recently, Keller (1997).

The relationships between the variables of interest (performance, presence, commitment, and satisfaction) found in existing research can be summarised (see Figure 1) as; (1) there is a strong relationship between commitment and turnover (mediated by expressed intention to leave), (2) the relationship between satisfaction and turnover is mediated by commitment, (3) there is no strong main effect relationship between commitment and either absenteeism or tardiness, but there is an interactive relationship when job involvement is included, and (4) there is a relationship between job satisfaction and performance, but at best it is only moderate.

Figure 1: A Model of Organisational Performance



### Linkages to 'best practice'

While this model has some utility, it lacks usefulness for SHRM researchers without a linkage to the 'best practices' suggested by SHRM proponents. This link can be achieved by examining how satisfaction and commitment develop, i.e. what factors are antecedent to these variables. The research previously referred to has identified some factors antecedent to satisfaction and commitment (see Tables 1 and 2 respectively). A brief review of these factors indicates some commonality, and also some discrepancies. For example, autonomy is a determinant of satisfaction, but not commitment; interactional and procedural justice are determinants of commitment but not satisfaction; and role overload appears positively related to commitment but negatively related to satisfaction. There are also some between-study differences. Pay, for example, was variously found to be negatively related to both satisfaction and commitment (Curry, Wakefield, Price, & Mueller, 1986), unrelated to either (Currivan, 1999; Gaertner, 1999), or positively related to both commitment (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002), and satisfaction (Price, 2001).

Table 1 – Determinants of Satisfaction

<b>DETERMINANTS<sup>1</sup> OF SATISFACTION</b>	<b>Curry et al (1986)</b>	<b>Curry et al (1999)</b>	<b>Gaertner (1999)</b>	<b>Price (2001)</b>
<b>Positive Relationships</b>				
Autonomy		+	+	+
Peer Support		+	+	
Supervisor Support		+	+	+
Promotional Chances	+		+	+
Distributive Justice	+		+	+
Job Involvement	+		+	
Positive Affectivity				+
Instrumental Communication	+			
Integration	+			
<b>Negative Relationships</b>				
Routinisation	-	-	-	-
Workload / Role Overload	+	-	-	
Role Ambiguity			-	
Role Conflict			-	
Job Stress <sup>2</sup>				-
Negative Affectivity				-
<b>No relationship</b>				
Pay	-	0	0	+
Age		0		
Tenure	+	0		
Education	-	0		
Marital Status		0		
Gender		0		

<sup>1</sup> The aim of this table was to identify possible determinants of satisfaction. Relationships found are therefore reported irrespective of statistical significance.

<sup>2</sup> A number of studies have shown that Role Conflict and Role Ambiguity are determinants of Job Stress, but as it was overall Job Stress which was compared in this study it is this item which has been included.

**Key** + = positive, - = negative, 0 = no relationship found, blank = not examined.

Table 2 – Determinants of Commitment

DETERMINANTS <sup>1</sup> OF COMMITMENT	Curry et al. (1986)	Currivan (1999)	Gaertner (1999)	Price (2001)	Meyer et al. (2002) <sup>2</sup>
<b>Positive Relationships</b>					
Peer Support		+			
Supervisor Support		+	+	+	
Organisational Support					+
Promotional Chances	+			+	
Interactional Justice					+
Distributive Justice	+		+	+	+
Procedural Justice					+
Job Involvement	+				
Instrumental Communication	+				
Integration	+				
Role Overload	+				
Role Conflict		+			-
<b>Negative Relationships</b>					
Routinisation	-	-			
Workload		-			
<b>No relationship</b>					
Pay	-	0	0		+
Age		0			
Tenure	+	0			
Education	-	0			
Marital Status		0			
Gender		0			

<sup>1</sup> The aim of this table was to identify possible determinants of satisfaction. Relationships found are therefore reported irrespective of statistical significance.

<sup>2</sup> The relationship is to the Affective Scale of the Meyer and Allen 3-component Scale, as this is the scale which corresponds most closely to the definition of commitment used in the other studies.

**Key** + =positive, - = negative, 0 = no relationship found, blank = not examined.

Table 3 lists HRM best practices identified by various writers in the SHRM literature. These have been grouped by their apparent relationship to HRM functions on the basis of what seems logical, and assuming a one-to-one correspondence. A further problem in developing such a table is the lack of adequate specification of the practices themselves, for example are Arthur's (1994) 'broadly defined jobs' the same as Wood and Alabanese's (1995) 'flexible job descriptions'. A subtle difference, important to researchers but perhaps irrelevant to practitioners, may lead to an incorrect relationship being explored. For example, broadly defined jobs may lead to role ambiguity, an antecedent of satisfaction but not commitment, whereas narrow but flexible job descriptions may lead to a reduction in routinisation, which would apparently enhance both satisfaction and commitment.

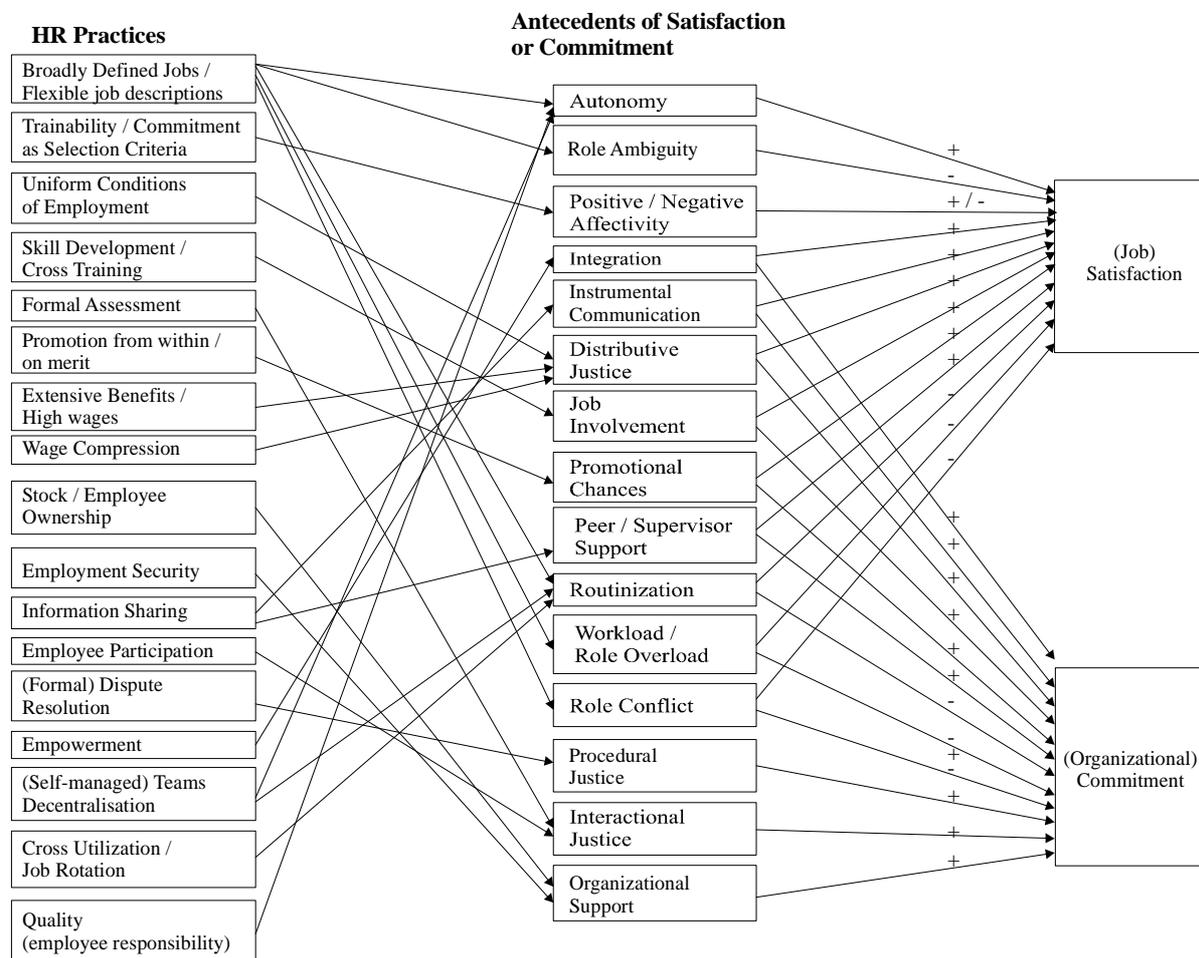
Table 3: HRM 'Best Practices'

	Arthur (1994)	Pfeffer (1994)	Delaney, Lewin, & Ichniowski (1989) Huselid (1995)	MacDuffie (1995)	Wood & Albanese (1995)
<b>Joining Process</b>					
<i>Job analysis / design</i>	Broadly defined jobs		Job design		Job design
<i>HRP</i>					Flexible job descriptions
<i>Recruitment</i>		Selective Recruiting	Recruiting intensity	Recruitment and Hiring	Use of temporary
<i>Selection</i>			Personnel Selection		Trainability / commitment as
<i>Induction</i>					Uniform terms and conditions of employment
<b>Training and Development</b>					
<i>Job skills</i>	Extensive skills training	Training and Skill	Training hours	Training of new employees	Training budgets (2 year horizon)
	Highly skilled workers	Cross-training		Training of experienced	
<b>Performance Appraisal / Advancement</b>					
<i>Methods</i>			Performance Appraisal		Formal Assessment (yearly or half-yearly)
			Attitude Assessment		
<i>Results</i>		Promotion from within	Promotion Criteria (merit v seniority)	Status Differentiation	Career Ladders
<b>Compensation</b>					
	Extensive Benefits				
	high wages	High Wages			
	Salaried Workers	Incentive Pay	Incentive Compensation	Contingent compensation	
	Stock Ownership	Employee Ownership			
		Wage compression			
		Employment Security			No compulsory redundancy
<b>Work Methods</b>					
<i>Communication</i>	Information Sharing	Information Sharing	Information sharing		Team briefing sessions
	Employee Participation	Participation	Labour Management Participation		
	Formal Dispute	Empowerment	Grievance procedures		
				Employee	
<i>Organisation</i>	Self Managed Teams	Job redesign / teams		Work Teams / Problem solving	Formal teams
		Cross-utilization		Job rotation	
		Symbolic Egalitarianism			
				Decentralization	
					Quality Circles
					Employee responsibility for quality

Source: Adapted from (Youndt et al., 1996) and (Wood & Albanese, 1995)

Figure 2 attempts to draw links between the suggested best practices and various antecedents of satisfaction and commitment. Noteworthy is the number of practices which apparently link to more than one antecedent of satisfaction or commitment, or vice versa. Job Design / description, for example, appears to link to autonomy, role ambiguity, routinisation, workload / role overload, and role conflict, while autonomy, distributive justice, routinisation, interactional justice, and organisational support all have multiple practices linked to them. This suggests that there is no simple explanations, but paying some attention to these multiple linkages may assist in improving credibility, if this is the aim of researchers in the field.

**Figure 2: Matching antecedents of satisfaction and commitment to HRM practices.**



## Where to from here

If SHRM is to achieve its aims of demonstrating the value of the field to organisations, and thus justifying a place at the strategic table, it may be more appropriate to abandon attempts to directly link best practice with organisational performance and concentrate on intermediate links. Most CEO's will readily accept that productivity and turnover will have an effect on organisational performance, even if the effect is not readily quantifiable. What may be a vastly more fruitful path to acceptance and credibility may be a concentration on researching the connections between the proposed HRM best practices and the identified antecedents of organisational productivity and voluntary turnover. Conversely, few CEO's would argue the validity of a claim that absenteeism and tardiness have an effect on individual productivity and there appears to be some readily available support for the contention that job satisfaction, organisational commitment, and perhaps job involvement affect firm productivity and turnover. Perhaps future research would be best directed towards establishing or confirming links between HRM 'best' practices and the antecedents of satisfaction and commitment for which there is some existing research evidence. I also suggest a concentration on the most obvious links. For example, there appear to be relatively direct links between job description / design and multiple antecedents of both satisfaction and commitment, while distributive justice (again a determinant of both satisfaction and commitment) appears to be affected by uniform conditions of employment, extensive benefits / high wages, and wage compression. Prior to investigating these links, however, it is necessary to both accurately define the elements of the suggested best practices (the independent variable), and accurately specify the dimensions of the antecedents of satisfaction and commitment (the dependent variables).

Another research direction would be to re-examine the link between job satisfaction and productivity. The literature reviewed in this paper indicates that the relationship is moderate at best, however this result is affected by a number of factors, the most important of which is that the studies reviewed are all 'meta-analyses'. They are therefore reporting an average result. Of equal interest is the range of results reported. One early study reported a correlation as high as 0.86, another reported a negative correlation of -0.31 (see Vroom, 1964), this wide range suggests that reports of central tendency may be of little value. There has been diminished research interest in the satisfaction-performance relationship since publication of the Iffaldano and Muchinsky (1985) study yet there appear to have been significant methodological errors in that study which caused the correlation to be understated (Judge et al., 2001). A second problem with this research is the variety of definitions of both satisfaction and performance used in the studies reviewed, particularly in the early studies (pre-1960). A re-examination of the relationship using modern

measurement instruments and statistical techniques, and more exact specification of antecedent variables based on clearly defined best practices, may produce significantly different results.

More research into the relationship between absenteeism / tardiness and individual productivity may be warranted. If one accepts the proposition that job satisfaction is a more transitory feeling than commitment, then it may well be that absenteeism and tardiness (being more transitory phenomena than turnover) are more affected by job satisfaction than commitment. An alternative explanation would be that the concept of Job Involvement used in the studies is in fact 'job satisfaction'; a closer examination of the definition used would shed some light on this.

## Limitations

The first, and most obvious limitation of this paper is that there is very little theoretical basis for the proposed linkages between HRM best practices and antecedents of satisfaction and commitment, aside from logical deduction. This is endemic in the nature of the paper, it is an attempt to develop theory, and suggest some areas for experimentation that may confirm the theory.

A second limitation is that the proposed links cannot be specified accurately because; (1) the elements of individual practices are rarely defined accurately enough so that one can be sure the practices are identical; and (2) there is little evidence that any best practice matches the concept with which it is identified. For example I have no real justification for relating routinisation to job design other than it seems logical.

Time and space considerations have limited the depth of analysis of extant research, I have considered the results of only four studies of the determinants of satisfaction and commitment, many more exist. Examining a greater range of studies may allow more accurate specification of these determinants; and thus better links to HR practices.

Occam's Razor itself prompts another limitation. The proposed model contains only those variables which are considered to directly affect the outcomes of interest, the implication of this is that such variables have only the single focus. The model also assumes the variables to be uni-dimensional whereas there is evidence that some are multi-dimensional. These observations are particularly true of both satisfaction and commitment. One can, for example, be satisfied with the job itself, or with specific factors which make up the job, or even simply with the fact that one has a job as opposed to being unemployed. Similarly one may be committed to the organisation, to one's profession or occupation, or again even to the concept of working as opposed to not working.

Recognising that these multiple foci exist is important, but initial research should concentrate on the most obvious, and potentially most valuable, focus. In the case of satisfaction the focus is potentially the job, to improve productivity even if only by reducing absenteeism and tardiness; for commitment the focus is essentially the organisation, with the emphasis on reducing turnover. If direct links can be found between specific HRM practices and these important outcomes, credibility is enhanced and proposals to investigate more complicated relationships are likely to receive favourable consideration.

One other major limitation is that I have considered HR issues in isolation, concentrating only on direct effects. The impact of other fields of study may be significant. For example, if a link between improved job design and productivity, via either reduced routinisation or increased autonomy is found, then it is unlikely that such job design could take place without involving the Operations Manager. Demonstrating such a clear link, even if mediated or moderated by technological improvement, would enhance claims for an HRM presence at strategic level, to ensure that development of appropriate job descriptions and skill specifications is proactive rather than reactive.

## **Conclusion**

This paper has considered two weaknesses of the current SHRM literature, an inability to find a place for the discipline within the organisation, and a lack of developed theory. It was suggested the first issue could be resolved by improving the credibility of both researchers and practitioners in the field, through better targeting of research. The second may be resolved by drawing on research from other fields of study. A related issue was the need to place limitations on the outcome variable of most interest in the SHRM field, firm performance. I have suggested that the most essential elements of firm performance, and the ones which are most directly related to Human Resource practices, are productivity and presence (absenteeism, tardiness and turnover).

Job satisfaction and organisational commitment are acknowledged by SHRM writers to be important variables to consider when examining performance and presence, yet rarely has attention been paid to antecedents of these variables, and particularly possible linkages between mooted HRM 'best practices' and such antecedents. A model was developed and certain links specified. It was suggested that, in order to enhance the credibility of researchers, and ultimately practitioners, future SHRM research should concentrate on research which would provide support for the suggested (or alternative) links between these best practices and the established antecedents of satisfaction and commitment. By this means, SHRM researchers may be able to significantly improve the

credibility of the field, and support practitioners in demonstrating that HRM has value at strategic levels of the organisation.

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# Emotional Intelligence: Implications for Human Resource Development

**Ben Brown**

## Introduction

Broad claims have been made regarding the extent to which the construct of emotional intelligence (EI) can be utilised as a driver of competitive advantage and superior profitability. Indeed, since the concept's inception by Mayer, DiPaolo and Salovey (1990) and Salovey and Mayer (1990), many theorists have espoused the benefits felt by organisations endowed with individuals who possess high levels of EI, and have advocated the value of developing and enhancing such intelligence.

IE has come to be considered as a paramount requirement for leadership and the performance of top executives; providing an important point of differentiation over and above the mores of technical, intellectual skills and abilities (Owen, 2004; Goleman, 1998a). Coupled with this notion is a large body of literature which suggests a positive relationship between the emotional intelligence of leaders in work teams, the collective emotional intelligence of the team and overall team performance (see for example Druskat & Wolff, 2001; Feyerherm & Rice, 2002; Jordan, Ashkanasy, Hartel & Hooper, 2002). Not surprisingly, interest in EI among prescriptive practitioners and consultants has been strong since the concept's emergence in management literature, a trend influenced most significantly by Daniel Goleman's (1996) popular book; *Emotional Intelligence*, which gave pragmatic shape to a concept that could initially be interpreted as soft or frivolous and of little use in the hard realities of the corporate world.

While the paradigmatic structure of EI has been widely explored in management theory, there has been only limited exposure of how EI might be developed in an organisational setting. As such, the aims of this paper are to explore: (1) the central trends in theory surrounding the concept of EI, and (2) the methods that can be utilised by human resource development programmes to develop and enhance the EI of human resources within organisations.

## Emotional Intelligence

Emotional intelligence is the intelligent use of emotions to help guide an individual's behaviour and thinking towards enhanced results (Weisinger, 1998). It refers to an individual's "ability to perceive emotions, to access and generate emotions to assist thought, to understand emotions and emotional

knowledge, and to reflectively regulate emotions so as to promote emotional and intellectual growth” (Caruso, Mayer & Salovey, 2002, p. 56).

Initial definitions suggesting EI as an ability to deal with one’s own and others’ emotions and to use this information to assist decision making (Salovey & Mayer, 1990), have since been narrowed down to focussing on the importance of reasoning about, or understanding emotional processes (Mayer, Salovey & Caruso, 2000). Indeed, within the body of theory surrounding the concept of EI there exists several streams of thought which differ somewhat in their explanation of EI and the extent to which it can be developed. Before delving into dialogue concerning such schools of thought, it is important to outline some features of the EI concept which are agreed upon by most who commentate on the concept.

The underlying basis of emotional intelligence is not a new idea. In fact, the interaction of emotions and intelligence has been widely explored in psychology for many decades. Links between affectivity and intelligence (Piaget, 1954/1981) and between emotion and cognition (LeDoux, 1989; Lazarus, 1982; Izard, 1985) formed the basis of such research (Jordan, Ashkanasy, Hartel & Hooper, 2002). However, the most prominent roots of the EI paradigm lie in Thorndike’s (1920) work on *social intelligence*, an analysis which informed Salovey & Mayer’s (1990) coining of the term emotional intelligence.

Despite its deep history, the notion of intelligence centred on one’s emotions was relegated behind research and practice focused on intelligence based on mechanistic, cognitive abilities (Opengart, 2005). A common opinion among practitioners was that emotions were the antithesis to rationality (Fabian, 1999); an unwanted, spontaneous and subjective distraction to an individual’s contribution towards organisational ends (James, 1989). However, Ashforth and Kreiner (2002) argue that much of this pejorative opinion has been formed in regard to strong, often unpleasant emotions such as anger, disgust, and anxiety. Notwithstanding, proponents of EI suggest that all emotions, even strong ones have an important place within organisational activities, towards the achievement of superior performance.

Emotions can be defined as distinct from moods due to a measure of intensity (Salovey & Mayer, 1990; George, 2002). Typically, moods do not interrupt an individual’s activities as they are generalized feeling states that are not tied to the events or circumstances that may have caused the mood in the first place (Morris, 1989). Conversely, emotions are “high intensity feelings that are triggered by specific stimuli (either internal or external to the individual), demand attention and interrupt cognitive processes and behaviours” (George, 2002, p. 1029). Due to the intensity of emotions they tend to be more fleeting and as an individual deals with the cause of the emotion, it can transform into and linger as a less intense feeling or mood (George, 2002).

Ultimately, while both emotions and moods are bound in and influence the ways that individuals think, behave and make decisions, emotions have the potential to be highly disruptive in an organisational setting and can contain moods within them. Therefore, for the purposes of this paper the term 'emotion' will refer broadly to emotions as well as moods.

Dealing with potentially disruptive emotions requires a specific set of abilities, or competencies that allow an individual to cognitively utilise and manage emotions towards productive means (Dulewicz & Higgs, 2000). Herein lies the fundamental divergence within commentary of the EI concept; whether EI is made up of a specific set of abilities (Salovey & Mayer, 1990); is fundamentally a function of competencies (Goleman, 1996, 2001); or a mix of both.

### Ability Model of Emotional Intelligence

Salovey & Mayer (1990) constructed a four branch ability model of EI. Essentially, the model facilitates the ability of an individual to recognise the meanings of emotions and employ such emotions and relationships between emotions to enhance cognitive activities (Caruso, Mayer & Salovey, 2002). While the four branched ability model has received much attention and upgrade since its inception, the basic tenets remain the same.

The four branched model suggests that EI involves the ability to (1) *perceive* emotion in others and express one's emotions, (2) *use* emotions to guide thinking in one's self and others, (3) *understand* how emotions operate, and (4) *manage* and regulate emotions in self and in others (Salovey & Mayer, 1990; Dulewicz & Higgs, 2002).

The first branch; *perceiving* emotions, encompasses abilities which identify emotions in one's self and in others (Sy & Cote, 2004). One might express this ability through acknowledging that they are, for example, angry with another person. The ability to perceive the emotions of others, while often difficult, may be expressed by an emotionally intelligent person in the accurate detection of a fake smile by someone they interact with for example (Mayer & Salovey, 1997).

Indeed, accuracy and the ability to differentiate between real and fake is a vital component to the perceiving ability (Caruso et al., 2002). Arguably, this perceiving ability is essential for individuals who base important decisions partly on the emotions of those around them, as in the case of a leader implementing change.

Secondly, *using* emotions involves "the ability to harness emotions to guide information processing, problem solving, and creativity" (Sy & Cote, 2004, p. 449). Based on the assertion that different emotions can have significant effects on the ways that people think, the emotionally intelligent person will use

specific emotions to facilitate specific cognitive activities (Caruso et al., 2002). This involves the generation of emotions to assist judgement and facilitate decision making and could involve, for example, the manipulation and use of pleasant emotions to encourage creativity.

The third branch of the EI ability model; *understanding* emotions, involves the ability to understand both the complex vocabulary surrounding emotions and the processes of how they combine, progress and transmit from one another (Sy & Cote, 2004). This suggests that the emotionally intelligent individual will understand some of the fundamentals of how emotions are formed, what they might represent and will be able to effectively communicate this understanding (Mayer & Salovey, 1997). An example can be found in the manager who understands that employees can become anxious when a potential threat looms such as the possibility of layoffs.

Finally, *managing* emotions encompasses the ability to monitor emotions, both reflectively in one's self and in others, and if necessary apply strategies to disrupt emotions. This might involve the affirmation and enhancement of pleasant emotions but does not necessarily require the suppression of negative emotions; rather such emotions can be utilised to great effect (Sy & Cote, 2004). For example, an emotionally intelligent employee representative will be able to get other employees to openly express their anger in the event of inadequate terms of employment.

The ability model of emotional intelligence propounded by Salovey and Mayer (1990) and reshaped and improved by many later works (see for example Mayer & Salovey, 1997; Mayer, Salovey & Caruso, 2000;), has been utilised to develop a number of scholarly measures by the likes of Jordan et al. (2002), and Wong and Law (2002). Essentially, the model has been operationalised as an 'abilities measure' of emotional intelligence which, in the tradition of measures of intellectual intelligence, affirms that answers can be right or wrong. The MSCEIT (Mayer-Salovey-Caruso Emotional Intelligence Test) is the most common example of this (Mayer, Salovey & Caruso, 2002).

While the abilities model has received widespread attention in academic circles, Goleman's (1996, 1998a, 1998b, 2001) broader competency model of emotional intelligence has arguably been more widely received by consultants and prescriptive practitioners.

## **Competency Model of Emotional Intelligence**

There is little argument among management literature that Salovey and Mayer (1990) brought the idea of emotional intelligence to the forefront of academic attention (Ashkanasy & Daus, 2005). However, it was Goleman (1996) who brought the concept into the limelight of the business community and made it more accessible to consultants and managers. Defining EI as "abilities such as

being able to motivate oneself and persist in the face of frustrations; to control impulse and delay gratification; to regulate one's moods and keep distress from swamping the ability to think; to empathise and to hope" (1996, p. 34), Goleman endeavoured to bring early definitions rooted in psychological theory into pragmatic organisational theory. Where EI was defined in terms of individual traits, values, emotions and behaviour in early accounts (Dulewicz & Higgs, 2000), Goleman (1998b) brings these traits into his definition of EI as part of the broad concept of competencies.

As defined by Boyatzis (1982), competencies are underlying personal characteristics such as trait, skill, motive, knowledge or self image. The existence of these certain attributes is seen as being causally related to superior performance (Macky & Johnson, 2003). Primarily aligned to the accomplishment of organisational performance, Goleman's (1998b) model of *emotional competence* was defined as learned capabilities based on an individual possessing emotional intelligence. The constant upgrading of the model, based on statistical analysis (Goleman, Boyatzis & McKee, 2002) and primarily focussed on the performance of leaders, has resulted in an organisationally aligned model that consists of twenty competencies which are grouped into four broad categories (Goleman, 2001). Further, these categories are expressed either as personal or social competencies. Personal competencies include: (1) self awareness: emotional self awareness, accurate self assessment and self confidence, and (2) self management: self-control, trustworthiness/integrity, consciousness, adaptability, achievement drive and initiative. Competencies relevant to the social context include: (1) social awareness: empathy, service orientation and organisational awareness, and (2) relationship management: developing others, influence, communication, conflict management, leadership, change catalyst, building bonds and teamwork and collaboration (Goleman, 2001a, p. 28).

While the details of each competency are beyond the scope of this paper, the general assertion is that the more competencies an individual possesses, specific to how one manages themselves and their relationships with others, the more emotionally intelligent they are.

Despite Goleman's competency model of EI gaining much recognition and acclaim among theorists who have developed subsequent measures, most notably the Emotional Quotient Inventory (EQi) of Reuven Bar-On (1997), the model has also received widespread criticism. Mayer et al. (2000) assert that Goleman's (1998b) broad model describes personality rather than intelligence and therefore adds nothing fundamentally new to the understanding of EI.

Others have suggested that Goleman's model and its subsequent augmentations lack a basis of strong empirical evidence and rather, are based on anecdotal, unscientific substantiation (see for example Ciarrochi, Chan & Caputi, 2000; Jordan et al., 2002). While Goleman (2001) accepts some of the

basis of this criticism, he argues that the expression of what appears to be personality trait is in fact a reflection of a specific set of EI competencies included in his model.

Both models of EI have been widely diffused throughout management literature and practice and the basic tenet of the concept; that effectiveness in organisations is at least as much about EI as it about intellectual intelligence has been hailed as recognition of “something that people knew in their guts but that had never before been so well articulated” (Druskat & Wolff, 2001, p. 81).

Currently, reference to both models is very common in EI literature, with contemporary theories often expressing a mix of the two dichotomies. Indeed, the ability model does not presume to be a complete model of workplace management, rather, it is a narrow model of a type of intelligence which is intended to complement and coexist with existing models of intelligence (Caruso et al., 2002).

Compared with the ability model, the broader competency model includes a multitude of traits and, importantly, interacts with many of the most significant competency models utilised by human resource managers (Caruso et al., 2002).

Therefore, a number of theorists have seen the two models, not as distinct and contradictory, but rather complementary in the pursuit of a wide and applicable understanding emotional intelligence. Such is the position of this paper, and a combination of both models will be used to address the questions of why it is important that emotional intelligence is developed in organisations, and how this might be developed through Human Resource Development programmes.

## **Why Should Organisations Develop Emotional Intelligence?**

It is still important that individuals possess a certain level of intellect in the traditional sense (for example IQ; Wechsler, 1958) in order to gain entry to a given organisational position. However, achieving superior personal and organisational success is now largely attributed to factors beyond intellect such as maturity, empathy, and communication (Bennis, 2001). Indeed, there is much grounded empirical research which suggests that high EI is twice as important for a “star” performance (Kelley & Caplan, 1993) than cognitive abilities are, and for success at very high levels, close to 90% can be attributed to EI (Fatt, 2002; Owen, 2004).

Thus, the consideration of cognitive abilities and IQ alone is insufficient in predicting life success; defined as academic achievement and occupational status (Mayer & Salovey, 1997), arguably a vital objective of Human Resource Development programmes (Macky & Johnson, 2003).

Emotional intelligence, on the other hand, can be utilised as an effective predictor of behaviour in a workplace context, specifically in regards to: (1) leader performance, (2) team performance, (3) conflict resolution, and (4) organisational complexities which will be discussed henceforth, via the appropriate lens of a combined ability and competency based model of EI.

A leader's ability to perceive, use, understand, and manage emotions is an essential part of leadership effectiveness and overall performance. Caruso et al. (2002) propound that a leader's ability to perceive their own emotions and feelings also allows them to perceive the emotions and feelings of their peers and subordinates, as well as instilling a capability to express them accurately and distinguish between real and fake expressions of emotion. The ability to understand and experience other people's emotions, or 'empathy', has been identified as the most important element in EI, as it can facilitate positive interpersonal relationships and the establishment of affective bonds (George, 2000; Wolff, Pescosolido & Druskat, 2002), arguably highly important in effective leadership.

Likewise, the accurate use of perceived emotions is essential in enhancing decision making and general cognitive functions (George, 2000). Emotions can be used to encourage and motivate others and generate creativity and open-mindedness through a leader engaging with and accurately perceiving multiple perspectives (Caruso et al., 2002). An example of this can be found in the leader who encourages positive moods and optimism which, according to George (2000), can help generate positive perspectives towards workplace challenges.

Central to a leader's ability to effectively perceive human behaviour, emotions and perceptions, and use workplace emotions is a recognition of the relationships between emotions, determination of emotions' underlying meanings and a comprehension of the complex feeling associated with emotions (Caruso et al., 2002; George, 2002). The leader who effectively perceives, uses, and understands emotions effectively has strong abilities in managing emotions. They can engage with emotions, stay open to feelings and perspectives, and can direct emotions towards the achievement of organisational objectives.

In the broader sense, leaders who possess competencies and traits of both self-awareness and social-awareness are likely to exemplify self-confidence, trustworthiness/integrity, initiative and self control in themselves and encourage and support empathy, teamwork and relationship building in others (Goleman, 2001a). By expressing such competencies and traits, leaders provide a positive role model which peers and subordinates can identify with and use to shape their behaviour (Goleman et al., 2002), thus creating a self reinforcing loop of high EI and subsequent organisational performance.

Concurrent with highly emotionally intelligent leadership, and indeed a possible by-product of it, high team emotional intelligence is vital to team performance (Jordan et al., 2002) and with the ever-increasing use of self-managing work teams (SMWTs) the building of this form of intelligence is a pressing item on the HRD agenda.

Based on their research into the relationship between the emotional intelligence of teams (function of the combined EI of team members) and performance, Druskat and Wolff (2001) assert that optimum team performance depends on high team EI which promotes the establishment of “emotionally intelligent norms – the attitudes and behaviours that become habits – that support behaviours for building trust, group identity, and group efficacy” (p. 82). Moreover, high team EI can also encourage the prevention, and positive resolution of conflict within groups through facilitating openness, communication and collaboration (Goleman, 1998; Jordan & Troth, 2002).

The above effectively illustrates that both a set of abilities and competencies in regard to the emotions of oneself and others are vital to team performance, just as they are to individual performance. However, Weiss and Cropanzano (1996) acknowledge that the effects of EI on team performance is not necessarily apparent in the short term and thus long term development is essential in the building of such intelligence.

Conflict is something that is often closely tied with organisational change, and as Jordan and Troth (2002) affirm, change is one element that is reasonably constant in organisations. Like conflict, periods of change can be inherently emotional, triggering either positive emotions, such as excitement and enthusiasm, or negative emotions including anxiety and anger, which can be inherently disruptive to those involved in the change process (O’Neil & Lenn, 1995). High levels of emotional intelligence assists an individual’s adaptability to change in facilitating openness to new ideas, receptivity, mobilisation and learning (Jordan & Troth, 2002). Thus, with high levels of emotional intelligence, individuals can make sense of and manage their own and others emotions as change occurs and therefore mediate any emotion-based interruptions to workplace activities that might occur.

As a set of abilities, competencies and traits, EI is vital in the achievement of outstanding performance by leaders and teams as it provides a basis for the establishment of positive relationships, communicative norms, trust and understanding, and openness to adjustment, and support systems. With conflict, change and complex organisational structures (such as matrix; Sy & Cote, 2004) being common in the fast moving, post-modern climate that colours contemporary business, EI is paramount in the maintenance of ongoing organisational performance.

## Developing Emotional Intelligence in Organisations

In his influential *Harvard Business Review* article, Goldman (1998a) suggested that it was fortunate for individuals and organisations that emotional intelligence could be learned, arguing that while it was not easy to develop, the benefits of having well developed EI were certainly worth the effort. Likewise, Salovey and Meyer (1990) argue that one's EI in life is not fixed from birth and can be improved with suitable training. Indeed, there is a general consensus within the body of EI literature that it is a generally developable set of traits, competencies and abilities (Goleman, 1996; Martinez, 1997; Dulewicz & Higgs, 2000). However, there is some contention surrounding the *extent* of EI development that is possible, with Higgs and Dulewicz's (1999) study of retail staff arguing that the elements of EI based on self-awareness, interpersonal skills (including sensitivity and influence), motivation, and emotional resilience showed significant improvement following training, while other elements such as conscientiousness and intuition were unchanged in post-training assessment.

While the above claim is highly relevant and well discussed, for the purposes of this paper and the provision of practical recommendations for practitioners seeking to improve EI, I will the focus on the elements of EI (e.g. self awareness) which are generally confirmed as developable through Human Resource Development (HRD) programmes such as (1) classroom training, (2) coaching / mentoring, (3) 360° feedback and evaluation. Again, discussion is facilitated through a mixed definition of EI as both a set of abilities combined with broader competencies and traits.

There has been a strong focus in recent decades, both in human resource literature and in practice, on the strategic importance of HRD programmes (see for example, Higgs, 1989; Garavan, Costine & Heraty, 1995; McCracken & Wallace, 2000), with arguments asserting that HRD can only be strategic if it is incorporated into the overall business strategy and aligned towards the achievement of organisational goals, such as overall performance (McCracken & Wallace, 2000). However, traditional trends in HRD tend to focus on issues of cognition and elements of intellectual intelligence as opposed to those of emotional intelligence (Jordan & Troth, 2002) which I have shown to be clear drivers of organisational performance in promoting both leader and team performance. Within the literature that does focus on the importance of developing EI within organisations there exists a plethora of recommended programmes many of which are not soundly based in empirical evidence. Despite this, there are some central themes in the EI development programmes being recommended by theorists and applied by human resource practitioners.

One significant trend in EI development programmes is that of classroom-type lectures, which Sy and Cote (2004) suggest are very common in organisations

with complex organisational structures, such as a matrix. The content for such classroom development can be shaped based on the results of technical measures of EI such as the Bar-On EQi and can specifically target any areas where individuals are lacking (Caruso et al., 2002). For example, classroom content might be centred on teaching individuals to utilise a facial action coding system (FACS) which documents the muscles that move when a certain emotion is expressed (Sy & Cote, 2004). Such a system may be utilised to develop an individual's ability to *perceive* and *understand* emotions. Further, by understanding the emotions associated with certain facial muscle movements, individuals may become more able to gauge emotions when they interact with others, thus improving empathy (Sy & Cote, 2004); a key social awareness element of EI.

However, the value of this type of development programme is highly contested as an inherently emotionally unintelligent practice (Goleman, 1998b; Jacobs, 2001). Goleman (1998b) argues that the classroom setting is not appropriate for developing EI because, as a set of competencies and traits that facilitate the management of emotions in oneself and in others, developing EI involves behaviour change, something that cannot be taught in a class. Moreover, EI development takes a great deal of time, commitment and support, something that is not supported in a classroom setting which focuses on producing immediate results (Jacobs, 2001). Goleman (1998b) argues that this short term focus can create coercion which is inevitably very counter productive to EI development. Similarly, the development of EI in a classroom setting is refuted by advocates of the ability model of EI (Salovey & Mayer's 1990), who suggest that while such a setting can help to build awareness and acknowledgment within an organisation of the important role that emotions can play in enhancing performance, actually developing EI requires a more intensive, long term assessment and individual engagement (Mayer & Salovey 1997; Caruso et al., 2002).

The most prominent theme in EI development is that of coaching and mentoring which Chernis and Goleman (2001) argue can be effectively utilised to develop EI via a theory of behaviour modelling. Based on Goldstein and Sorcher's (1974) work which suggested that people learn in part by observing and then emulating peers and other role models, Chernis and Goleman (2001) assert that modelling can be used to develop personal and social emotional competencies. Pragmatically, this would involve the exposure of individuals to positive models in the form of daily work interactions, or assessment of exemplary case studies, followed by a period of assessment in role plays and general workplace behaviour to evaluate the extent to which an individual has emulated the positive traits of the model (Chernis & Goleman, 2001). Assessment results are expressed in a 360° feedback loop and recommendations are made for areas that an individual needs to work on. Based on studies such as Porras and Anderson's (1981) study of supervisors in a forest product company, this type of EI development programme can

improve an individual's self awareness, adaptability, initiative, empathy and communication, ultimately encouraging the effective management of emotions and facilitating conflict resolution, team performance, and leadership effectiveness.

Caruso et al. (2002) also place a great deal of value on 360° feedback and coaching/mentoring, suggesting that it can provide 'just-in-time' individualised development specific to those who need it. For example, an individual might be lacking proficiency in one of the four ability branches of EI, such as identifying how others feel in a given situation, but may be competent in other areas and therefore requires targeted coaching and feedback rather than blanket training such as that based on FACS (Sy & Cote, 2004). A similar process can also be effective in a team setting, as according to a study by Jordan et al. (2002), the performance of low EI teams can be brought up to the same level as that of high EI teams when subjected to direct coaching.

While enhancing the levels of EI within organisations can be achieved through selection processes that utilise EI measurement tools (eg. Bar-On EQi), such an approach can be costly and time consuming. Applying effective HRD programmes to develop the EI of individuals already within an organisation can be more cost effective and of greater benefit to the organisation, provided such development is supported by organisational wide long term commitment (Jacobs, 2001).

## **HRD Implications and Conclusion**

The concept of emotional intelligence appears to be more than just a management buzzword or superficial palaver. Rather, the concept's diffusion throughout management literature and practice suggests it is a valid and well supported predictor and driver of superior organisational performance.

As such, the development of individuals to possess the abilities, competencies and traits which enable them to recognise, manage, and mobilise emotions is the domain and responsibility of HRD practitioners. I have illustrated that many of the key elements of EI can be developed for the benefit of leader and team performance through suitable programmes such as coaching. In considering such findings I see fit to briefly express a number of important implications for HRD practitioners.

Firstly, it is important that HRD practitioners acknowledge that EI is not something that should be developed in isolation as an independent phenomenon. Rather, it is but one form of intelligence that is important and thus should be developed as part of a cohesive package of both cognitive and emotional intelligence enhancement. Moreover, development to enhance EI needs to be supported by an organisational philosophy that values the use of EI in the workplace. Indeed, there is little point in developing it if individuals

and teams are not going to be encouraged to use it on an ongoing basis. HRD programmes need to acknowledge that EI is not something that can be developed in the short term and as such, programmes must be supported by long term commitment to developing EI, supported by ongoing 360° feedback and follow-up which could be institutionalised into an organisation-wide performance appraisal system.

Finally, it is important that any measure taken to develop EI within an organisational setting is specific to a given organisation, as different contexts will be more or less conducive to certain development programmes. Indeed, the need for flexibility is essential in the complex, ever-changing organisations of today. Flexibility in the design of EI development programmes will encourage flexibility in the mobilisation of EI to overcome conflict that results from challenging team and organisational change situations. It would be unwise to suggest that HRD programmes alone will encourage high EI, rather it is important that HR practitioners acknowledge that some aspects of EI, such as intuitiveness and conscientiousness may be more innate character traits that are harder to develop and thus need to be targeted by selection programmes.

As the concept of emotional intelligence is still relatively young, there are many interesting areas for future research. I suggest that the most pressing areas for future evaluation include further comprehensive evaluation of the links between high EI and high performance, especially in regard to team situations. Driven by addressing contentions such as that by Feyerherm and Rice (2002) who argue EI makes teams 'nicer' to work in but not necessarily more successful, future research must continue to assess the potential of EI to become a key panacea to success in 21<sup>st</sup> century organisations.

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# John Dunning: A Profile

Anita Koh

## Introduction

Since the 1950's, Professor John Harry Dunning has been researching into the economics of international direct investment and the multinational enterprise (MNE). He is widely known for the numerous contributions he has made to this area of research. Whilst one scholar notes that it is impossible to review - and do justice to – all or most of the published work of such a prolific writer and thinker as John Dunning (Letto-Gillies, 2005), nevertheless this report will attempt to outline Dunning's key scholarly contributions, along with a brief history of his professional career.

## A Brief History

In 1942, after completing his secondary education at John Lyons School in Harrow in the United Kingdom, Dunning went on to work for a number of insurance brokers and banks. However, he did not begin to study economics until 1946 whilst serving in the Royal Navy. In 1948, Dunning commenced his undergraduate degree at the City of London College and was then offered a place at University College London (UCL). Here he studied under a number of prestigious teachers, including Ronald Coase.

In 1951, Dunning graduated with First Class Honours in Economics. He worked for some time as research assistant before taking up a up a lectureship at the University of Southampton. It was then that he began researching into locational economics and the role of British government policy in the development of new regional clusters of economic activity.

Dunning headed to the United States in 1953, after receiving a Marshall Fund grant to study the extent and pattern of US direct investment in the UK manufacturing industry and its effect on domestic productivity. He outlined the findings from this study in his first book, published in 1958. He returned to the US again in 1960, supported by a Rockefeller grant to visit around 80 UK manufacturing subsidiaries there and in Canada. His findings from this study indicated that the industrial composition of direct investment from the UK to the US was very different from that in the opposite direction. Dunning felt that this strongly reflected the locational-specific advantages in both countries and ownership-specific advantages of US and UK firms, but had yet to come up with a comprehensive explanation of what he observed.

Throughout the 1960's, he continued work in assessing the significance and impact of transatlantic FDI, industrial and locational economics. In 1964,

Dunning was appointed Foundation Chair of Economics at the University of Reading. He later established a London-based economic consultancy firm with several other Professors of Economics from the same university.

Whilst on a sabbatical year in Canada in 1968, at the University of Western Ontario, Dunning came into contact with scholar Raymond Vernon, who guided him to examine the knowledge-based advantages of the US and UK economies and the way these were internalised by firms and then transferred via FDI and licensing arrangements. Dunning began to examine more closely the theory of FDI and MNE activity, particularly the motives and determinants for FDI. At this time, there was no integrating paradigm to explain the different aspects of FDI.

According to Dunning, the “missing piece of the jigsaw” (Dunning, 2002, p. 824) came in 1972, after work by J.C. McManus, Peter Buckley, Mark Casson and others led to the internalization theory of the MNE. Thus Dunning’s eclectic paradigm international production was born.

In 1976, Dunning presented the eclectic paradigm (then called ‘eclectic theory’) at a Nobel Symposium in Stockholm. Dunning himself noted that few scholars at this time acknowledged the importance of the ownership or internalisation components of the paradigm (Dunning, 2002).

In 1979, Dunning was asked to present a paper at a conference on Third World MNEs on the relevance of the eclectic paradigm to understanding the emergence of outward FDI from developing countries. At this point, Dunning’s concept of the investment development path (IDP) was born.

During the 1980’s, Dunning was elected President of the Academy of International Business (AIB). He began to argue for a more interdisciplinary approach to international business to “better recognise that we are part of a complex mosaic of understanding of how, why, where and by what means corporations cross national boundaries and the economies in which they operate” (Dunning, 2002). He also accepted a Professorship of International Business at Rutgers University.

In the 1990’s, Dunning continued in his role as a consultant for UNCTAD, OECD, and the European Commission. He also became inspired by the idea of “alliance capitalism” to explain the boom of mergers and acquisitions cooperative relationships between value chains seen at this time. Additionally, in 1998, he undertook a major field study on the geographic sources of competitiveness of the world’s largest industrial and service firms.

In the late 1990s, Dunning became more concerned with what he termed the “moral ecology of the economic and social systems” (Dunning, 2002) which he saw emerging in the world economy. In 1998, he presented a Christian

perspective of the challenges of global capitalism at the European International Business Academy. His work today is concerned more with the wider social and moral implications of global capitalism. Dunning's contributions have thus spanned many areas of international business, from production and capital flows to the more spiritual and moral directions of global capitalism for the future. He has contributed more than 50 years of his life to the study of international business, publishing over 45 books during the course of his career. The following section will attempt to summarise some of the key contributions Dunning has made through his work during this time.

## **The Eclectic Paradigm**

Dunning's most well-known academic contribution is his eclectic (OLI) paradigm, first presented in 1976 at a Nobel Symposium in Stockholm. The following section summarises its origins and outlines the framework itself.

### ***Beginnings of the eclectic paradigm (or OLI model)***

During the 1950's, research demonstrated that US manufacturing firms were 2½ to 4 times more productive than their British counterparts. At this time, Dunning became interested in researching the extent to which this was due to the ownership (O) specific contribution to productivity; in other words, the superior management, entrepreneurship and technological skills of American firms. Dunning also wanted to know how far this reflected the location (L) specific contribution to productivity – the superior immobile resource endowments of the US economy.

Dunning reasoned that the closer the productivity of American subsidiaries in Britain was to that of their parent companies in the US, the more that the differences in productivity could be attributed to the superior O-specific characteristics of American firms. However, if the productivity of the US affiliates was comparable to that of their American counterparts, then the US-UK productivity differences might be attributed to the location-bound characteristics of the US economy.

Dunning found that, on average, US subsidiaries recorded a productivity of approximately three-quarters of their parent companies. This suggested to Dunning that the majority of the gap in industrial productivity between the US and the UK could be attributed to the superior O-advantages of American firms.

The so-called "third-leg" of the OLI model came in 1972 with major developments occurring in the internalisation theory of the MNE. This provided Dunning with the missing variable for his theory.

***The eclectic paradigm: a framework***

Dunning (1977) noted that there was a growing convergence between the theories of international trade and production, with the same variables being used to explain both trade and non-trade involvement. He thus argued for an integrated approach to international economic involvement. This approach was based on the location-specific endowments of countries and the ownership-specific advantages of firms. His original paper on the eclectic paradigm (1977) outlines a systemic explanation of the foreign activities of firms in terms of their ability to internalise markets to their advantage. His intention was to fully explain the extent and pattern of international production, that is to say, production financed by FDI and undertaken by MNEs.

According to Dunning, the capability of a home country's firms to supply either a foreign or domestic market from a foreign production base is dependent on their possession of certain resource endowments either unavailable to, or not used by another country's firms. These endowments can either be location-specific (originating only from the resources of that country and available to all firms) or ownership-specific (internal to the firm of the home country, but capable of being used anywhere). In most cases, both of these come into play. However, in some cases it is not necessary for an exporting company to have an ownership-endowment advantage over the importing country since the location-endowment advantage is adequate.

Dunning's framework implies that if a firm undertakes foreign production, location-specific (L) advantages must favour the foreign country, whilst ownership-specific (O) advantages must favour the domestic firm. In addition to L and O advantages, another set of choices is available to firms, relating to the way firms generate and use their resources and capabilities. In other words, to fully explain the extent and pattern of foreign value-added activities of firms, it is necessary to consider why firms choose to generate and/or exploit their O advantages internally rather than to sell these rights on the open market. Dunning refers to these as internalisation (I) advantages.

In summary, the eclectic paradigm maintains that the extent and pattern of international production is determined by the interaction of three sets of variables (Dunning, 2000; 2001):

1. Ownership-specific (O) advantages. The greater the competitive advantages of the investing firms, relative to other firms, the more likely they are to be able to engage in or increase foreign production. These advantages may arise from the firm's exclusive ownership of, or access to, a set of income-generating assets, or from their ability to co-ordinate these assets with other assets across national boundaries, relative to other firms (see Appendix).

2. Locational (L) advantages. The more the immobile, natural or created endowments, which firms need to use jointly with their own competitive advantages, favour a presence in a foreign location, the more firms will choose to make use of their O specific advantage through engaging in FDI. Locational advantages thus influence extent to which firms choose to locate production outside of national boundaries.
3. Internalisation (I) advantages are benefits deriving from producing internally to the firms, since they allow it to bypass external markets and the associated transaction costs. I advantages thus affect the ways that firms may organise the creation and exploitation of their core competencies.

Dunning's key insight is that international production and trade must be seen as part of the same process and that any reasonable theory of international economic involvement must therefore explain both (Letto-Gillies, 2005). In explaining the determinants of any one form of international economic involvement, there are a number of possible alternatives to that form, so the involvement will not be adequately explained unless these alternatives are taken into account. Dunning's framework incorporates these alternatives, thus providing a fuller explanation of the determinants of economic involvement.

## **Developments in the Eclectic Paradigm**

The following section will examine some of the key developments in the eclectic paradigm. Since the original paper on the eclectic paradigm was published in 1977, Dunning's continual developments regarding it are concentrated in four main areas. These include its operationalisation and dynamisation, an analysis of its relationship with the development path of countries, and the incorporation of inter-firm collaborative agreements, mergers and acquisitions into the framework.

### ***Operationalisation***

Critics of the eclectic paradigm have argued that the explanatory variables identified by the paradigm are "so numerous that its predictive value is almost zero" (Dunning, 2001). Dunning himself acknowledges that there is a danger of creating a "shopping list of variables". However, he argues that the purpose of the eclectic paradigm is not to offer a full explanation of all kinds of international production but instead to act as a methodology and to a generic set of variables which contain the elements necessary for any satisfactory explanation of particular types of foreign value-added activity (Dunning, 2001, p177). Thus, in his later work, Dunning avoids the term "eclectic theory" as it was first called, and refers instead to the "eclectic paradigm" or "analytical framework". He also refers to the three OLI components as "sub-paradigms".

Furthermore, Dunning asserts in his later work that the precise configuration of the OLI variables facing any particular firm, and the response of the firm to that configuration, is highly contextual. Using knowledge of the individual OLI configuration a firm faces, along with the economic and other characteristics of the home and foreign countries, he argues that it is possible to develop a range of specific and testable theories. It thus becomes possible to hypothesise that some sectors are likely to generate more FDI than others.

### ***Dynamisation***

Initially, the eclectic paradigm had primarily addressed static and efficiency related issues (Dunning, 1977). The second major development of the paradigm was the recognition of time and change. In his later work, Dunning focuses increasingly on the dynamic composition of the OLI variables. He refers to the “trajectory” of the firm on its internalisation path in terms of the extent and pattern of international involvement. He describes this trajectory itself as being set by the continuous and iterative interaction between the OLI configuration over successive time periods and the strategy of firms in response to these configurations that, in turn, will influence the OLI configuration in a subsequent moment of time. Thus the OLI configuration and the strategic response of a firm both continuously change over time.

Dunning also begins to examine the dynamisation of the variables themselves. He argues in his later work (e.g. Dunning, 2000) that one of the key characteristics of the previous two decades is the increasing significance of FDI based on the possession of, or need to acquire, dynamic O advantages. Dynamic O advantages are described as the ability of a firm to sustain and increase its income generating assets over time. In contrast, he defines static O advantages as the income generating resources and capabilities possessed by a firm at a given moment in time. In terms of locational advantages, Dunning states that a country’s comparative advantage is increasingly geared to its ability to offer a distinctive set of location-bound created assets, including the presence of indigenous firms with which MNEs might form alliances with to complement their own core competences (Dunning, 2000). Lastly, he points out that orthodox theory if internalisation is static, and it thus gives little direction as to how a firm might manage its activities to create future assets. Thus he suggests that internalisation theory needs to explain why firm-specific transaction costs are likely to be less than market-specific transaction costs in the creation of resources and capabilities.

### ***International production and countries’ development patterns***

In 1979, Dunning was asked to present a paper at a conference on Third World MNEs on the relevance of the eclectic paradigm to understanding the emergence of outward FDI from developing countries. Dunning therefore began to consider the relationship between the development path of countries

and their position in terms of inward and outward FDI. He proposes an “investment development cycle” (Dunning, 1982) composed of four stages.

*Stage One:* A country’s firms do not generate O-specific advantages, or if they do, these advantages are best exploited through routes other than outward investment. Since there are insufficient L-specific advantages, there is also no gross inward investment (GII). This may be because the commercial and legal framework, infrastructure and/or labour force are undeveloped or unsuitable, or because domestic markets are not large enough. At this stage, consumer goods tend to be imported rather than produced locally.

*Stage Two:* As domestic markets grow in size and the costs of servicing these markets falls, inward direct investment becomes commercially viable. Initially, this will attract import-substituting FDI, to replace or accompany imports of consumer and capital goods. Once adequate transport and communications facilities are established, investment to exploit national resources may occur. Rationalised investment intended to make the most of cheap and productive labour will emerge once the labour force becomes educated. Dunning highlights the essential locational characteristic to attract GII is an agreeable investment climate with an acceptable legal and commercial framework.

*Stage Three:* During this phase, net inward investment per capita begins to fall. This can be due to a number of reasons; O-advantages may become eroded as the firm moves through the technology cycle; the O-advantages of foreign investors may become eroded; domestic firms may expand their competitive capacity, or outward investment may increase as domestic firms exploit new O-advantages through FDI. In this stage, countries may seek to attract inward direct investment in the areas where its L advantages are comparatively stronger, but where its O advantages are comparatively weak. At the same time, it may encourage its domestic firms to invest overseas in sectors where their O advantages are comparatively strongest, but L advantages are weak.

*Stage Four:* At this point, a country is a net outward investor. This reflects the strong O-advantages of domestic firms and/or a growing inclination towards internalisation, i.e. domestic firms will tend to exploit O-advantages from a foreign, rather than domestic, location. This is due to the growing size and locational diversification of domestic MNEs, and the O-advantages which result from this. Additionally, as economies industrialise, they are increasingly led to exploit O-advantages overseas. This can be due to rising labour costs, or increasing pressure to obtain additional resources, among other things. Depending on the extent of specialisation, gross outward investment could be linked with large or small amounts of GII.

In sum, Dunning has outlined a pattern of FDI depending on a country’s stage of development. It can thus be seen that this pattern is not only affected by the

level of development the country has reached, but also that the pace of a country's development is related to its inward and outward FDI.

### ***M&As, inter-firm collaborative agreements and alliance capitalism***

From the 1970's, several significant changes occurred in the pattern of MNEs activities. This included a growth in the range and number of inter-firm partnerships and an increase in the penetration mode through mergers and acquisitions (Letto-Gillies, 2005). Dunning explains this phenomenon as a response to the advent of alliance capitalism, itself an advancement from hierarchical capitalism.

Dunning (1995) proposes that in the 20<sup>th</sup> century, the role of large hierarchies, relative to that of markets, as an organizational modality has intensified. He terms this 'hierarchical capitalism' and outlines its two key characteristics. Firstly, it assumes the prosperity of firms depends exclusively on the way in which management internally organises the resources and capabilities at hand. Secondly, firms primarily react to widespread and structural market failure by adopting an "exit" strategy rather than by working with the market to reduce failure.

Dunning puts forward that in current times, the inter-related and cumulative effects of systemic technological and political changes has led scholars to re-examine concepts of market-based capitalism; it has led several scholars to suggest the world is moving towards a "new" capitalism. This new innovation-led capitalism he describes as "alliance capitalism", which he defines as "the organization of production and transactions as involving both co-operation and competition between wealth-creating agents" (LeCraw, 1997, p.73).

Dunning asserts that as a result of this shift to an age of alliance capitalism, firms' reasons for engaging in inter-firm alliances have changed. Firms' motives for collaborative arrangements in the new age include:

- reducing the costs of arm's length market transactions,
- leveraging the assets, skills and experiences of partner firms,
- protecting existing, or gaining new, O-advantages,
- creating or extending hierarchical control, which leads to mergers and acquisitions

Additionally, Dunning argues that global supply and demand pressures on competitiveness have caused firms to reconsider the scope and organisation of value-added activities. He identifies three major responses to this by firms:

1. Firms are tending to specialise on those activities which require resources or capabilities the firm already has. They have thus shed or disinternalised

non-core activities; these have not been replaced by arms'-length transactions, but by controlled inter-firm cooperative arrangements.

2. Firms are increasingly led to engage in cross-border alliances due to competitive pressures, the rising costs of R&D and quickening rates of obsolescence.

3. In order to benefit fully from economies of scale, firms have attempted to widen the markets for their core products. According to Dunning, this explains much of the observed market-seeking and strategic asset-seeking FDI as well as foreign joint ventures and non-equity arrangements in order to gain quick access into a foreign market.

Whilst Dunning acknowledges that inter-firm cooperation is not a new phenomenon by any means, he proposes that its increasing relative significance is a recent trend. His conclusion is that alliances are an alternative method of internalisation complementary to hierarchies.

## **The Moral Basis of Global Capitalism**

In the late 1990s, a major shift occurred in Dunning's work as his interests turned to the moral ecology of the economic and social systems emerging in the world economy. His confessed wish was to combine his professional expertise with his Christian beliefs (Dunning, 2002) in order to address the moral challenges posed by global capitalism.

Dunning (2003a) asserts that many of the social and economic goals that people have can be achieved through global capitalism better than through any other currently available alternative. However, he argues that if this is to occur, it will be necessary to devise and monitor a "global economic architecture" which is efficient, morally acceptable, geographically inclusive and sustainable over time.

He firstly proposes responsible global capitalism (RGC) as one means of enhancing the economic objectives and social transformations of societies. RGC is described as a system made up of individuals, private commercial corporations, non-governmental organisations (NGOs), and supranational agencies. It thus includes the market and non-market institutions within which the market is embedded. Collectively, it is the task of these institutions to set the rules and monitor the behaviour of markets. According to Dunning, they must address questions of what should be produced, and accordingly, how and where, as well as who gets what.

Secondly, Dunning proposes that the organisational structures and managerial strategies of the institutions (markets, governments, civil society and

supranational entities) need to be reconfigured and strengthened in order to move towards a more acceptable global capitalism.

Thirdly, he asserts that RGC is only achievable and sustainable if there are strong and generally acceptable moral underpinnings among the individuals and institutions it is composed of. Thus its ability to deliver economically efficient and socially acceptable results lies on the capabilities and intentions of these individuals and institutions and the moral outcomes of their actions.

Dunning goes as far as to suggest that the Victorian era in Britain might offer some lessons for the world today, since it was well known for its moral and social regeneration as well as for its material progress. He draws many parallels between the moral ecology of both Victorian and contemporary capitalism and highlights responses in the Victorian era to the prevailing conditions. Firstly, he highlights that governments during this time intervened by passing a number of laws, regulations and social provisions. Secondly, Dunning points to a dramatic increase of NGOs in this period to combat the social effects of the industrial era, motivated by humanitarian causes. Thirdly, he points out that capitalism was partly or wholly replaced by socialism or social democracy; in other words, the Victorians acknowledged that capitalism had failed to secure economic well-being for a majority of people. Lastly, he observes that many reformers and social commentators of the time took it upon themselves to expose the “social and moral downsides of industrial capitalism” (2003a, p.21), notably Charles Dickens. He thus proposes that we can learn from the Victorian moral response to capitalism in shaping our own response in the future.

Dunning’s contribution to this topic should not be underestimated. Rather than merely pointing out the failures of capitalism, he goes beyond the conventional role of the economist and points to ways in which moral values can be upgraded in order to reduce such failures (Dunning, 2003b). He outlines two specific approaches: a “bottom-up” and a “top-down” approach. He suggests that the reconfiguration of the moral underpinnings of traditional commercial behaviour should be brought about by a combination of both; that is to say, from individuals, families, and NGOs themselves as well as regulations, incentives and moral persuasions by governments and supranational entities. His continuing work to date has been on the roles of the four main institutions he identifies as having a critical role to play in upholding the right moral ecology for sustainable capitalism – the market, governments, civil society and supranational entities.

Dunning has thus confronted what he sees as the major challenge to 21<sup>st</sup> century capitalism. His work in this area to date has been praised as a “worthy calling” (Buckley & Casson, 2001) which, it is hoped, will appeal to future generations of scholars.

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## Appendix

### Determinants of ownership advantages: (Dunning, 1977)

- (i) Standard advantages which any firm can have over another producing in the same location.
  - exclusive access to markets or raw materials
  - size
  - possession of patents, trademarks, managerial skills or other intangible assets
  - monopoly power
  
- (ii) Advantages which a branch of a national firm may have over a new firm, i.e. those which stem from belonging to the parent company
  - access to cheaper inputs
  - knowledge of markets
  - centralised procedures for accounting, marketing, etc.
  - access to (pre-developed) innovation and technology at little or no marginal cost
  
- (iii) Advantages arising from the multinationality of the firm; those with a history of international operations are in a better position to take advantage of different factor endowments or market situations than those who do not have this experience.



# Critique of Human Resources Theory

**Daniel Radcliffe**

## Introduction

Human resources are considered by many to be the most important asset of an organisation, yet very few employers are able to harness the full potential from their employees. Lado and Wilson (1994) define a human resource system as a set of distinct but interrelated activities, functions, and processes that are directed at attracting, developing, and maintaining a firm's human resources. Traditionally, management of this system has gained more attention from service organisations than from manufacturing organisations. However, to enhance operational performance, effectively managing this system is equally important in both types of organisations. Needless to say, sophisticated technologies and innovative manufacturing practices alone can do very little to enhance operational performance unless the required human resource management (HRM) practices are in place to form a consistent socio-technical system (Ahmad & Schroeder, 2003). This paper will examine some of the basic assumptions and theories of HRM from both a traditional and critical viewpoint and identify any gaps that may exist within some of these theories. It will examine the applicability of some of these common human resource (HR) theories in a New Zealand context, in addition to looking at their applicability across cultures and industries. Finally, it will outline any problems that exist within HRM, specifically focusing on underlying assumptions and empirical research, suggesting ways that this can be rectified.

## Soft and Hard HRM in New Zealand

HRM can fundamentally be separated into two types of approaches, the 'hard' and 'soft' models of HRM. The 'hard' version of HRM is primarily concerned with the business performance and is widely acknowledged as placing little emphasis on workers' concerns. The Michigan Model of HRM supports this approach of HRM and is essentially 'hard', focussing on the profitability and well-being of the organisation. In direct contrast to this method is the 'soft' version of HRM, which although still primarily concerned with the performance of the organisation, is also likely to advocate equal concern for the wellbeing of its employees. This relationship between HRM practices and employee well-being is illustrated in the Harvard Model (Beer, Spector, Lawrence, Mills & Walton, 1984), which is one of the most widely referred to models of HRM. This model looks at all stakeholders interests from the shareholders, to the employees, to the unions, in addition to taking into account situational factors such as societal values and workplace conditions. Taking these two sets of

factors into account enables the organisation to make HRM policy choices such as appropriate resource flows, reward systems, work systems and employee influence that will best satisfy employees within the firm. According to the Harvard Model, once the appropriate HRM policy choices have been made, HR outcomes of commitment, competence, congruence and cost-effectiveness should occur (Beer et al., 1984). This model suggests a 'soft' approach to HRM is required if employees are to benefit from HRM practices.

Although the two HRM approaches of 'hard' and 'soft' are vastly different, Edgar (2003) believes that employers are likely to include elements of both models in their HRM practice. This is due to the fact that almost in all cases, the overall goal of the organisation is to improve the profitability, which can be achieved through adopting the 'hard' model of HRM practice (Edgar, 2003). However, in addition to this, research has found that organisations tend to also adopt the philosophy of developmental humanism and therefore also espouse a soft approach to HRM (Guest, 1999).

Due to limitations in the amount of published research on New Zealand HRM available, there is little data upon which predictions can be made as to the prevalence of 'soft' HRM use (Edgar, 2003). However, Kane, Crawford and Grant (1999) believe that the soft version of HRM should be more common in New Zealand, due to the fact that characteristics of the business environment, means many employers will attempt to gain a competitive advantage through enhancing their employees' wellbeing. Many of the firms and organisations within the current New Zealand business environment are small to medium sized, with very few employing more than twenty people. In a small business environment such as this, if high quality work is to be maintained and profitability maximised, it is imperative that all stakeholders including both employers and employees are highly satisfied within the work environment. If a small number of the workforce are unhappy it can have a large affect on both the quality of the work as well as the organisation's bottom line.

## **Best Practice HRM in New Zealand**

The characteristics of the 'soft' model of HRM are very similar to those that underlie HRM 'best practice'. Johnson (2000) suggests the underlying guiding principle of best practice is the valuing and rewarding of employee performance. After extensive research, Huselid (1995) developed a list of 13 "High Performance Work Characteristics" that he believed constituted best practice HRM. Pfeffer (1998) drawing heavily from this previous work done by Huselid, outlined seven best practices of successful organizations which included such things as employment security, selective hiring of new personnel, self-managed teams, decentralization, high compensation relative to performance, extensive training, reduction in barriers and extensive sharing of financial and performance information. However, Guest (1999) and others have questioned the basis of some of the universal claims made about the

connection between HRM strategy and organisational performance. They report that they are not convinced by the idea that there is a general prescription of HRM interventions that can be applied in any organization, irrespective of context and priorities, with the likelihood of a similar level of response and results (Guest, 1999). Although there is still debate between HRM practitioners as to what constitutes 'best practice' and if it actually exists, it has an obvious common sense meaning: literally the methods and techniques which produce superior results in HRM (Price, 2004). Therefore, activities that are designed to empower and develop the employee in addition to positively affect the bottom line of the organisation are considered 'best practice' (Edgar, 2003).

As was previously alluded to, a lack of study of HRM in this country has resulted in a relative lack of comparative data when attempting to examine the application of HRM to New Zealand firms. However, recent research that has been carried out has resulted in contrasting results. Stablein and Geare (1993) conducted a study investigating the commonality of best practice HRM activities in New Zealand organisations. Examining different functions of the organisation such as salary administration and employment, results showed that barring EEO (Equal Employment Opportunity), most sectors tended to be very good at utilising HRM best practice activities. However, in direct contrast to this, Johnson (2000) found that New Zealand organisations were relatively poor at applying HRM best practice to activities within the firm and much improvement was required to get businesses up to the levels of HRM best practice utilised abroad. A more recent study conducted by Edgar (2003) however, found that New Zealand organisations adopted moderate to high numbers of 'soft' model practices across three of the four functional areas examined. Once again, EEO was well behind other sections of the organisation and if anything appeared to have deteriorated rather than improving, since the previous studies had been carried out.

HRM best practice theory is still a widely debated topic in academic circles, largely due to the fact that there are varying views between academics as to what actually constitutes 'best practice'. Therefore, although research in New Zealand to date, indicates relatively positive results in terms of best practice techniques employed, more research coupled with greater support for best practice theory is required before it can be confirmed that New Zealand organisations practice soft HRM and utilise best practice techniques.

## Strategic Human Resource Management

Despite the considerable body of empirical SHRM research that is available, this area of HRM has been widely criticized for lacking a firm theoretical base. This is due largely to the fact that there is much debate as to which of the three main SHRM approaches, universalistic, contingency and configurational, can produce the most desirable results. Although SHRM seems to have been developed with the goal of helping to provide HRM with more credibility, it is questionable as to the level of its effectiveness due to its weak theoretical foundations.

The first approach to SHRM, is that of the universalistic perspective which suggests there are certain 'best' HRM practices that will contribute to operational and financial performance of the organisation, regardless of strategy (Ferris et al. 1999). Although many scholars agree with this assumption, there has been little agreement as to what HRM practices should be included in 'best practice', which seems to undermine this approach somewhat. On the other hand, there are many academics and researchers that argue a contingency approach is more appropriate to SHRM. The contingency approach assumes that business performance will be improved when there is consistency or fit, between the business strategy and HR policies (Delery & Doty, 1996). This is supported by Schuler (1992) who argues that HRM practices that are not aligned and consistent with organisational strategy and which conflict with other HRM practices can inhibit both individual and organisational performance. Finally, the third perspective, configurational SHRM is concerned with the pattern of planned HR procedures and practices intended to enable an organisation to achieve its goals (Wright & McMahan, 1992). More specifically, this approach argues that there are certain systems of HRM practices that result in the high internal consistency (horizontal fit) as well as high correspondence with organisational goals (vertical fit) (Ferris et al. 1999).

However, as was aforementioned, this specific area of HRM has been highly criticised due to limitations which stem from inconsistencies surrounding empirical research. Examples of these inconsistencies, which are common within empirical research, include researchers using different practices when examining 'best practice' relationships and examining different outcomes. Although it is clearly acknowledged the three different modes of SHRM theorizing exist, the differences among these alternative perspectives have not been clearly acknowledged by researchers, which has led to discrepancies in results (Ferris et al., 1999). Delery and Doty (1996) attempted to clear up some of these criticisms and inconsistencies by defining the key differences between each of the three perspectives when researching the applicability of the three theories. However, although their study provides strong support for the viability of the universalistic approach, they also found evidence to advocate the merits and applicability of both the contingency and

configurational perspectives. While there seems to be particular support from academics for all three perspectives, in particular the universalistic approach, based on empirical evidence available I believe that the most viable of the three theories are the contingency approach and configurational approach. However, due to the large variances that exist in organisations across industries and cultures, much greater empirical evidence will need to be produced, with inconsistencies and ambiguities removed, before HRM scholars will unanimously agree as to one theory that constitutes SHRM.

## **Cross Cultural and Industry Management**

Although research in New Zealand has found relatively good utilisation of HRM best practice activities within organisations, this does not necessarily mean the same occurs abroad. Researchers have long argued that HRM practices can differ across countries and/or industries for several reasons including: cultural idiosyncrasy (Salk & Brannen, 2000), governmental regulations/policies (Morishima, 1995), competitive priorities (Boxall & Steeneveld, 1999), and adoption of managerial practices, such as JIT and quality management (Snell & Dean, 1992). Hofstede (1980) argues that national cultures impact the attitudes and behaviours of employees. In a single company study, he found that cultural values varied significantly by country and region of the world. Most of these empirical studies related to HRM practices have been conducted using data collected in a single industry within one country, data collected from multiple industries in one country or data collected from a single industry in multiple countries (Arthur, 1994; Huselid, 1995; MacDuffie, 1995). However, the central focus of these studies was not to compare differences that may have existed in HRM practices in a combination of countries and industries in which the organisations operated.

The impact of HRM practices on organizational performance has been the subject of much attention over the years. However, empirical validation of the findings in HRM across countries and industries is nearly non-existent and very limited at best. MacDuffie (1995) confirms this when stating that empirical examination of broad-based HRM practices across industries and/or countries is very limited in the literature. Recent trends toward globalisation and mergers and acquisitions in the business world however, make the study of HRM practices in the context of country and industry a necessity (Legare, 1998). Delery and Doty (1996) support this claim when they raise the concern that the results of their study of HRM practices on organisational performance in the banking industry may not be valid in other industries and countries. Ahmad and Schroeder (2003) found evidence to support this claim discovering substantial differences in HRM practices employed by organisations operating in different countries. Dissimilarly, when comparing industries, they found that the majority of HRM practices did not differ significantly across the three different industries. However, the extent to which some HRM practices are used in plants operating in the machinery industry consistently lagged behind

that found in plants operating in the automobile industry (Ahmad & Schroeder, 2003).

Ahmad and Schroeder's findings offer important implications for several distinct trends observed in the business world today. Many organisations are going through globalisation to take advantage of proximity to suppliers, customers, and critical resources, such as human resources. Another noticeable trend has been mergers and acquisitions among companies. Several of these mergers and acquisitions are occurring between organisations operating in different countries (e.g. Daimler-Benz and Chrysler Corporation) and industries (e.g. Time Warner and America Online) (Ahmad & Schroeder, 2003). These trends pose a unique challenge for HRM as researchers and practitioners have strongly emphasized that mergers and acquisitions provide a window of opportunity for restructuring HRM practices in the new organisation (Galpin & Herndon, 2000). Organisations involved in mergers and acquisitions should take this opportunity to evaluate their existing set of HRM practices and make necessary changes to facilitate post-merger integration. This is particularly important if organisations involved in mergers and acquisitions are following different HRM practices.

## **HRM Practices - Turnover, Productivity and Financial Performance**

The impact that HRM policies and practices have on the overall firm performance is very important, not only in terms of human resource management but also industrial relations, and industrial and organisational psychology (Huselid, 1995). Essentially, the main goal of all firms is to consistently maximise and improve their bottom line. Many managers see human resource management as an integral part of this, while others have questioned its validity. Interest in this area has increased in recent years as academics have argued that a firm's employees can provide an organisation with a distinctive form of competitive advantage that is hard for many competitors to imitate. Wright and McMahan (1992) support this when they state that human resources can provide a source of sustained competitive advantage when four basic requirements are met.

1. They must add value to the firm's production process, hence the levels of individual performance does matter.
2. Due to the fact that human performance is normally distributed, the skills the firm seeks must be rare.
3. The human capital investments that a firm's employees represent cannot be easily emulated by other companies.

4. A firm's human resources must not be subject to replacement by technological advancements or other substitutes if they are to provide the firm with a sustainable competitive advantage.

Through this work, Wright and McMahan (1992) highlight the importance that human resources have in the creation of firm specific competitive advantage. However, the effectiveness of even the most highly skilled employees will be limited if they are not motivated to perform. Bailey (1993) also alluded to the fact that the contribution of a highly skilled and motivated workforce will be drastically reduced, if jobs are structured in such a way that employees do not have the opportunity to use their skills and knowledge to design new and improved ways of performing the tasks. In order to ensure that employees are not underutilised, organisations will employ HRM practices to motivate staff and encourage participation and contribution. Firms may motivate employees by using performance appraisals that assess individual or group performance and linking these appraisals with incentive compensation schemes and internal promotion systems (Huselid, 1995). HRM practices such as job rotation and quality circles can also influence firm performance through organisational structures that encourage participation among employees and allow them to improve how their jobs are performed.

This theoretical literature clearly outlines that human resource management practices can affect individual employee's performance through their influence over employees' skills and motivation and through organisational structures that allow employees to improve how their jobs are performed. Therefore, Huselid (1995) states that according to this theory, a firm's HRM practices should be related to at least two dimensions of its performance. Firstly, if superior HRM practices increase employees' contribution to the organisation, this should directly affect outcomes that employees have direct control over, such as turnover and productivity. This should in turn increase the corporate financial performance which would come about as a result of lower turnover and increased productivity. These assumptions are supported by various empirical works that have been carried out by numerous HRM academics and practitioners.

Empirical work examining turnover and the determinants of both individual employee departures and aggregate organisational turnover has been relatively well covered by scholars, however it lacks depth in some areas. Issues such as job security, presence of a union, organisational commitment, job satisfaction and demographic variables such as, age, gender and education among others have been found to be indicative of an employee's chance of leaving a firm (Cotton & Tuttle, 1986). Therefore, the reasoning for studying the effects of HRM practices on turnover lies in these individual factors. Of the empirical papers that have focused on the effects of HRM practices on turnover, McEvoy and Cascio (1985) showed that job enrichment,

interventions and realistic job previews were moderately effective in reducing turnover.

Empirical research on the impact of HRM practices on organisational productivity is far more extensive than that of turnover. Positive correlations have been consistently made between productivity and HRM practices such as incentive schemes, this is supported by Gerhart and Milkovich (1992). In addition to this Katz, Kochan, and Gobeille (1983) found that quality of work life (QWL), quality circles, and labour management teams increased productivity. Bartel (1994) established a link between the adoption of training programs and productivity growth while Holzer (1987) showed that extensive recruiting efforts increased productivity. It has also been found through empirical research that employee turnover is directly correlated to organisational productivity (Brown & Medoff, 1978).

There is also empirical evidence to support Huselid's second claim, that positive outcomes in turnover and productivity will have a direct reflection upon the firm's bottom line, although it must be noted that much of the empirical work examining this relationship has been conducted in laboratories. Terpstra and Rozell (1993) found a significant and positive link between the extensiveness of recruiting and formal selection procedures with firm profits, while Borman (1991) found a positive relationship between performance appraisals and appropriate compensation strategies with firm profitability.

## **Employee Well-Being in the Work Place**

It is important that academics begin to look at the impact of HR practices on employee well-being, for the simple reason that according to the soft model of HRM, employees' level of satisfaction is an important outcome in its own right. Secondary to this, with a focus on worker outcomes, is the fact that employee satisfaction and well-being play a central role in illustrative models that show the link between HR practices and organisational performance. Appelbaum et al (2000) support this theory when suggesting that the impact of HR practices on performance is influenced by employee attitudes and behaviour, including, for example, overall levels of worker satisfaction, commitment and well-being.

Much of the literature concerning HRM, focuses on the impact that individual HR practices and systems of HR practices have on various aspects of firm performance, such as turnover and productivity. More recently however, prompted in large by critical writings from such authors as Legge and Kenney, focus has shifted towards worker outcomes and looking at the effect HR practices have on employee attitudes and behaviour at work. Research in this area is still limited at best, and existing findings are often inconsistent or inconclusive. Therefore the main concern of academics in recent times has been attempting to understand how organisations manage their human resources with greater effectiveness and the impact that different types of HR

policies and practices have on performance. To date, the majority of HR literature concerned with the relationship between HRM and performance is very biased. It focuses predominantly on the organisational performance side of things and quite ironically, tends to ignore the human factor, the very people that HRM is all about. More specifically, it ignores the impacts that HR practices and HR systems have on employees' quality of working life and their levels of satisfaction and well-being at work.

There are essentially two key theories on the relationship between HRM and employee well-being. The mainstream view that can be commonly found in most HRM theories is the idea that HRM is beneficial for workers and that it has a generally positive impact on their well-being. This is the idea that the adoption of HR policies and practices by management in areas such as job design, training and development, and employee involvement, leads to higher levels of job discretion and empowerment for employees. This results in a better quality of work life for employees, and thus, a generally more satisfied workforce. In return, workers 'repay' the organisation by working harder and putting in more effort to help enhance organisational productivity and performance. Fundamentally, this theory sees both employers and employees as directly benefiting from HRM.

In contrast, the other perspective normally associated with neo-Marxist writers and critical scholars, views HRM as essentially harmful to workers, as having a generally negative impact on their interests and well-being. This theory views the adoption of HRM practices by organisations as leading to intensification of work and to a generally greater exploitation of employees within the workplace (Fucini & Fucini, 1990). This end result is that far from being better off, employees under HRM have less control, have to work harder and are under greater pressure. All this is compounded by the fact that workers are often unaware of the exploitative nature of HRM (Legge, 1995). Therefore according to this view, it is the employers and not the workers who benefit from HRM, although workers, in many circumstances, may well be deceived by the rhetoric of HRM into thinking that they too are better off (Legge, 1995).

As was previously mentioned, empirical research in this area is very limited. This problem is multiplied by the fact that of the research that has been completed, much of it suffers from a number of limitations. A lot of the research tends to focus on the impact of the employees' perceptions of HR practices on their affective reactions at work, rather than on the impact of the actual practices themselves (Meyer & Allen, 1997). In addition to this, many of the studies that have been carried out have focused on the effects of individual rather than multiple HR practices (Meyer & Allen, 1997). Compounding this problem of limited empirical research is a difficulty in attempting to compare any research that has been done. Because of differences in ways of conceptualising and measuring HR practices and policies, as well as differences in methods of analysis used, the results of existing studies are

difficult to compare. This is a very real problem that affects all HRM empirical research and will be discussed in greater depth later in this paper.

To the degree that results from empirical research can be compared, they tend to be mixed and contradictory. Guest (2002), found a positive relationship between organisations adopting various aspects of job enrichment and employee job satisfaction. Similarly, Appelbaum, Bailey, Berg and Kalleberg (2000) found the use of participative work practices by manufacturing firms to have a positive impact on employee satisfaction. On the other hand, Goddard (2001) found that workers job satisfaction was not only uncorrelated with either job rotation or multi-skilling but also negatively correlated to team autonomy. Yet, despite the mixed nature of some of the results, there is not much evidence to suggest that HRM has a negative impact on employee well being. Adding to the limited empirical evidence is the fact that of late, some of the underlying assumptions of 'soft' HRM, such as unitarism have been questioned.

## **Unitarism or Pluralism**

One of the underlying assumptions when practising 'soft' HRM is that the organisation is unitarist. Unitarist theory treats the workplace as an integrated and harmonious entity, which is in direct contrast to Marxist theory and its focus on domination and contradiction. On the other hand, a pluralist approach acknowledges the sometimes differing interests of employers and employees leading to conflicts of interests which HRM will need to negotiate and resolve to meet organisational goals. The unitarist belief that organisational stakeholders, particularly employees and employers, will have common interests in attaining organisational goals and objectives is arguably a 'useful fiction' which serves to overcome apparently difficult theoretical difficulties that pluralism besets for the managerial prerogative (Moore & Gardner, 2004). It is interesting to note that Moore and Gardner, describe unitarist theory as a 'useful fiction', bearing in mind it is an important theoretical assumption that lies at the heart of HRM philosophy. Although Nankervis, Compton and McCarthy (1996) suggest that unitarism is reflected in models of HRM developed in the US, and is practised in a number of South East Asian countries, there is a real gap in empirical research to validate claims that unitarism exists within the Western workplace. Storey (1992), adds fuel to this speculation when observing that despite the fact that the majority of HRM theory is based on a unitarist environment, many large mainstream organisations have placed little emphasis upon changing their pluralistic stance. In addition to this, Storey (1992), found in a study of UK organisations that the pluralism of industrial relations and unitarism of human resource management do co-exist and operate together within the workplace. Although it can be simply observed that unitarism is largely present within Japanese and other Asian organisations (de Silva, 1997), it is hard to believe that Western organisations, particularly Australasian, do not contain a large

degree of pluralism. This could have large implications for both employers and employees operating under HRM practices within these pluralistic organisations. When it is considered that there are large gaps in the empirical evidence for unitarism within Western firms, the validity and effectiveness of HRM must come into question, bearing in mind that HRM theories are formed with unitarism as an underlying assumption. As a result of this, and in order to ensure that organisations remain relatively unitarist, it has been suggested that some organisations may take steps to make sure employees do not have pluralistic tendencies. This is supported by Van den Broek, (2003) who found that some employers are beginning to attempt to deunionise or maintain non-union status through various means. The most obvious of these is through recruitment strategies whereby employees look for potential recruits that have unitarist tendencies whilst blacklisting those with union backgrounds (Van den Broek, 2003). While this has obvious repercussions for employees and potential employees, it also has implications for the organisation as a whole, whereby the best person may not be being selected for the job. This could in turn impact upon the productivity and bottom line of the firm. However, although management may try to influence the unitarism of their organisation through various strategies, Bain and Taylor (2002) showed pluralism and unionism can still develop through 'bottom up' mobilizing activities, thus undermining the unitarist strategies of management. It is therefore recommended that management concentrate on recruiting workers most suitable for the job, and attempt to develop a unitarist environment through other means (Van den Broek, 2003).

### **Limitations and Shortcomings in HRM Empirical Research**

There is much literature and theory on HRM, detailing HRM 'best practice' and relationships between HRM practices and various facets of an organisation. Although there have been large developments in HRM theory in recent times, a problem exists in that much of the theory is not sufficiently precise, so that empirical testing can be carried out to convincingly support or refute the theory. Researchers such as Guest (2001) and Huselid (1995) have recognised some of the limitations of the HRM research approach and there has been an increasing body of criticism related to early HRM research which was comprised almost entirely of quantitative data analysed statistically.

Much of the concern with the validity of empirical HRM research, lies in the reliability of data, focusing on the definition and measurement of HR policies and practices, data sources and data collection methods. At the heart of the problem that researchers experience when attempting to empirically test HRM relationships, is the fact that there is no definite measurement of HRM. The majority of studies concerning HRM and its outcomes have to collect information about HR practices, but here a problem exists as there is no set list of practices which have been constituted as 'the' HRM practices. Pfeffer and Veiga (1999) offer a widely cited list of seven 'best' practices including

such things as selective hiring, compensation strategies, performance appraisal and employee security. However other practitioners such as Huselid (1995) and MacDuffie (1995) outline a list of best practice techniques that although similar to Pfeffer and Veiga's, are also considerably different in other aspects. This highlights the confusion and weak base that the current HRM theory provides when deciding what to include or exclude, in order to proficiently measure HRM.

Pfeffer (1994) alluded to additional problems that can arise when the single respondent to research, may be located in an area such as the HR department. Thus, only one view of the whole organisation is collected and this view is often from an advisory department rather than from line managers or employees. Previous research also suggests that when the views of line managers and HR managers are compared within the same organisation, their views are not consistent (Burack, 1985). Guest (2000) found that when the views of both the Chief Executive and senior HR professional in the same company were compared, the results varied dramatically.

Another criticism of HR research is that even if all the researchers and respondents were assessing exactly the same practices, the data collected lacks depth and breadth. Further depth in areas such as HRM policy and practice implementation, must be looked as this is crucial in the overall effectiveness of HRM. It is also argued that employees are most affected by the way that they are treated by their immediate managers rather than by the policies themselves. Therefore, how line managers interpret and put into practice HRM policies is critical. In addition to this, quite possibly the most important perspective on these policies, the employee perspective, is absent. There are few studies that look at HRM practice from the employees' perspective, which is somewhat surprising, given that the employee is the focus and consumer of HRM (Edgar, 2003). Despite the methodological shortcomings and possible sources of error that are faced in exploring the HRM-performance link, research in this field is making progress (Guest, 2000). However, there is an urgent need to develop a clearer definition and conceptualisation of the notion of HR practices and of the systems of practice in addition to more robust, reliable and theoretically informed measures of HRM.

## Conclusion

HRM in New Zealand is still relatively unexamined and as a result of this it is hard to comment with a great degree of certainty on the processes and practices that exist. Although some assumptions can be made, such as a relative 'soft' approach to HRM due to the small size of businesses and a positive correlation between 'best practices' and firm performance, it is hard to confirm these assumptions without a large degree of uncertainty, due to a lack of empirical evidence. Although a shortage of empirical research in New Zealand has made it hard to draw conclusions on the varying aspects of HRM, studies across industries and cultures has had much development in recent years. The intercultural aspect of HRM is becoming increasingly important as globalisation continues to take place and the world grows into one big market place. Recent empirical evidence has shown that organisations in different countries and industries respond differently to different HRM practices, which has massive implications for mergers and acquisitions across countries, in terms of training and adaptation techniques.

Future research opportunities in the field of HRM are vast, yet uncertainty in some of the underlying assumptions such as unitary organisations, must be reviewed. In order to continue research and gain a greater understanding of how HRM affects employees' experiences, attitudes and behaviours, and how these in turn combine to affect the performance of organisations, greater standardisation of HRM definitions and measurements is required. Whether this can be achieved to the degree that academics can conduct research without cause to doubt the validity of their findings remains to be seen. However, it is imperative that valiant attempts are made to do so, or criticism and doubt will long linger over the applicability of HRM theory.

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# Narcissistic Leaders: Effectiveness and the Role of Followers

**Ben Brown**

## Introduction

“A tomb now suffices him for whom the whole world was not sufficient”  
- Unattributed

One afternoon in June of 323 BC, Alexander the Great died of a mysterious illness at the palace of Nebuchadrezzar II in the city of Babylon in modern day Iraq. He was only 33 years old.

Having conquered his way from Northern Greece south to Egypt and east to India, Alexander was considered by many as the ultimate military commander and tactician of the ancient world.

Despite widespread acceptance of his greatness as a leader, there is still a contentious argument which suggests he was poisoned by one of his followers. This notion is supported by historical accounts that suggest there was much disharmony among Alexander's generals and soldiers in regards to his unwavering quest to reach the end of the Earth. As history recalls, Alexander's preoccupation with a personal legacy of conquest resulted in the death of hundreds of thousands of his own soldiers and was the primary cause of such discontent. Indeed, it is suggested that Alexander's failure to heed the advice of his generals to return the army to Macedonia was just cause for his eventual assassination.

Throughout history, narcissistic leaders have inspired people and achieved great deeds that have shaped our world. Alexander has been immortalised as one of the greatest examples of military and imperial prowess, revered for his unbridled vision, charisma, and unrepentant determination. Today, in a world where business is a fundamental feature of the social climate, narcissists lead the way in pushing the boundaries of global enterprise through shaping new technologies, forging new strategies and conquering new markets.

There is often great drama associated with such leaders and their ideas of “conquering” and “world domination”, but it must be acknowledged that this pursuit can have a destructive dark side. Contemporary management literature is brimming with commentary and criticism of governance practices which have seen the collapse of corporate giants such as Enron and WorldCom. Much of the assessment points the finger at leaders, in the image of

Alexander, bent on the achievement of their own conquest. In light of such occurrences, this paper seeks to explore (1) the existence of narcissistic leaders in contemporary organisations and their potential in providing effective leadership, (2) how narcissistic leaders fit within models of charismatic, transformational and transactional leadership, and most importantly, (3) the role of followers in enhancing the potential of narcissists to be effective towards the achievement of organisational objectives.

## Effective Leaders – The Role of Individual Traits

Leaders have been around for a long time. They are present in the stories that shape our upbringings, the sports teams we admire and the businesses we respect. We find them in our history and they may provide an inspirational point of reference to shape our futures. As such, the study of leadership has long excited researchers, historians and political and religious groups, with each seeking to understand how it can be built, maintained and mobilised to achieve feats of success and greatness. Since *scientific* research in the concept of leadership began in the early twentieth century, there has been a plethora of definitions provided by many different theorists, much of which has been aimed at discovering the determinants of leadership effectiveness within the context of organisations (Yukl, 2002). Indeed, following an extensive review of leadership literature, Stogdill (1974) determined that there were just about as many different definitions of leadership as there were theorists who had sought to define it.

Since this assessment, the field of leadership has grown further, with a great deal of knowledge being created on leader traits and behaviours, effectiveness and dysfunction, follower characteristics, and leader–follower relationships (Cooper, Scandura & Schriesheim, 2005). In this section, I will briefly explore some of the theory on leadership effectiveness, with a specific focus on personal traits and behaviours associated with narcissism.

### Traits

While effective leadership is considered by most theorists in terms of the consequences of a leader's actions on followers and other organisational stakeholders (see for example Bennis & Nanus, 1985; Yukl, 2002), there are many different theories which suggest it is achieved as a result of a range of different influences. One of the most prominently discussed influences on leadership effectiveness and performance is that of a leader's personal traits, which include; personality, motives, values and skills. Such an approach formed the basis of much early scientific research into leaders which suggested that some individuals were inherently endowed with certain traits that were not possessed by other people, thus making them 'naturally' better leaders (Howard & Bray, 1988).

According to Bass (1990), the presence of a given set of personality traits including; energy level and stress tolerance, self confidence, internal control, emotional stability and maturity, personal integrity, power motivation, achievement orientation, and need for affiliation, to a certain extent influences and encourages leadership effectiveness. While such assertions appear powerful in predicting leadership effectiveness, a trait theory of leadership effectiveness, which suggests that leaders are born, has received widespread criticism as a narrow myth, lacking conclusive empirical support (Kouzes & Posner, 2002). However, as Yukl (2002) illustrates, the notion that certain personal traits can influence leader effectiveness has received support in contemporary literature which argues such traits can be learned and developed.

In their acclaimed commentary on leadership, Kouzes and Posner (2002) assert that one of the most promising features of leadership is that it is:

An observable, learnable set of practices. Leadership is not something mystical and ethereal that cannot be understood by ordinary people. Given the opportunity for feedback and practice, those with the persistence to lead and to make a difference can substantially improve their abilities to do so (p. 386).

With leadership most commonly being considered as a process where intentional influence is exerted by one person over other people to structure, guide, and facilitate activities and relationships within a group or organisation (Yukl, 2002), the idea that leadership effectiveness can be improved is encouraging for those wishing to do so. Further, such a notion suggests that where a leader is ineffective and unproductive, there is the opportunity to develop certain personal traits that may enhance their effectiveness.

This has important implications for narcissistic leaders and suggests that any ineffectiveness present in a narcissistic leader can be overcome through the development of a given set of traits, specifically those related to personality, emotional stability and maturity.

## **The Narcissistic Leader**

Sigmund Freud (1931) defined a narcissistic personality type as an individual whose main interest is self preservation, is independent and impossible to intimidate. Freud (1931) suggested that individuals belonging to this type of personality group impress others as being strong personalities, and are especially suited to act as bastions for others, essentially in leadership roles. It is apparent that this definition is congruent with the ancient origins of the term<sup>1</sup>

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<sup>1</sup> Freud named the narcissistic personality after the mythical Greek hero; Narcissus, who became pathologically obsessed with himself and his reflection, an obsession that ultimately ended his life (Maccoby, 2000).

and interpreted, it refers to a personality type that has an extreme innate need for esteem; in the form of status, attention or admiration, a strong need for power, weak self-control, and indifference about the needs and well being of others (Yukl, 2002).

The ties between narcissism and leadership were notably discussed by Kets de Vries and Miller (1985) who utilised their foundations in psychoanalysis to describe the origins of narcissism and its associated behaviours. Fundamental to this analysis is the assertion that the origins of narcissistic behaviour lie in aspects of an individual's upbringing, specifically, the presence of emotionally unresponsive and rejecting parental figures. Following on from Freud's observations, Kohut (1971) suggested that individuals with such a background have a tendency to believe they cannot depend on the love and loyalty of anyone, and in an effort to cope they become preoccupied with establishing their power and control over others, and ultimately aim to enhance their status.

As leaders, narcissistic individuals have fantasies of power and success, an exaggerated, grandiose sense of self-importance, and little empathy or concern for the feelings and needs of others (Yukl, 2002). Such innate characteristics lead to the exploitation and manipulation of others for the primary purpose of indulging a narcissistic leader's desire for personal enhancement. They expect special favours without feeling any need to reciprocate, oversimplify relationships and motives and have extremely bipolar worldviews; seeing things as either extremely good or extremely bad and see others around them as either loyal supporters or mortal enemies (Yukl, 2002).

In Alexander the Great, we can see without doubt the characteristics of a rampant narcissist. Coupled with visions of grandiose, Alexander mobilised a massive army for the sole purpose of meeting his personal ambitions, his worldview was dominated by the certainty of battle where one was either his supporter or his loathed enemy, and his ceaseless war mongering and conquest at the great expense of his generals and soldiers is an indication of Alexander's lack of empathy for those he led.

Indeed like Alexander, contemporary narcissists can become chaotic and unpredictable in their actions and interactions with others and ultimately self-destructive, ineffective, and underproductive leaders in an organisational setting. Such leaders have the potential to destroy the organisation in the rampant pursuit their personal needs (Maccoby, 2000).

### **Narcissistic vs. Charismatic and Transformational Leaders**

Kets de Vries and Miller (1985) explore personality traits of narcissistic leaders by taking their analysis to the "inner world" (p. 585) of their subjects; analysing the relationship between given personalities and their leadership behaviour.

Much of their analysis suggests that narcissistic leaders have a great deal in common with charismatic and transformational models of leadership.

According to Kets de Vries and Miller (1985), the most common trait among all effective leaders, including narcissistic ones, is the ability to awaken primitive emotions in their followers. Leaders that are highly charismatic have the ability to appeal to some intrinsic emotion within followers which can cause them to be proud to behave in the manner that the leader professes and act in the best interests of the mission or organisational objectives, even if it is over and above their personal self interest (Kets de Vries & Miller, 1985; Conger, 1990). Weber (1947) had a large influence in describing the deference of followers to charismatic leaders, suggesting that these leaders, who expressed specific personal features of extraordinary attractiveness and power of person held *charismatic authority* over their followers.

Beyond being simply a transactional type of leadership that asserts influence by setting goals, clarifying desired outcomes, providing feedback, and compensating based on the achievement of such goals (Bass & Avolio, 1990), transformational leaders 'transform' followers by making them aware of the importance of the mission or specific goals, appealing to their higher esteem and self actualising needs (see Maslow, 1970), and encouraging them to transcend their own interest for the sake of the cause (Yukl, 2002). Transformational leadership appeals to the moral values of followers; they feel trust, admiration, loyalty and respect towards a leader and are motivated to actively do more than they originally intended (Yukl, 2002). When expressed in this manner, there seems to be little separating charismatic and transformational leaders and although there has been much debate among leadership scholars as to the extent that the two typologies are the same, contemporary explanations of the similar features of each are often expressed as an umbrella concept of transformational leadership (House & Shamir, 1993; Bass & Steidlmeier, 1999).

Narcissistic leaders share a number of similar characteristics to those expressed by the transformational leadership typology, including the ability to articulate a clear and appealing vision, provide guidance as to how this vision can be achieved, act confidently and optimistically, utilise dramatic, symbolic actions to illustrate key values, and lead by example. However, there are also some distinct differences, especially in regards to the relationship that narcissistic leaders have with their followers, in the extent that they empower followers to achieve their vision.

Transformational leaders seek new ways of doing things, seek opportunities in the face of challenges and often contend the status quo (Lowe, Kroeck & Sivasubramaniam, 1996). According to Avolio and Bass (1988) they do not simply react to environmental consequences, but rather seek to shape and create them. As such, they must have a clear vision about what could be

achieved and be able to build commitment to the achievement of such a vision. Indeed, before a leader is able to implement any change, radical or otherwise, they must be able to articulate a vision that is attractive enough to justify any sacrifices that followers might be required to make.

The vision of a transformational leader should be unambiguous and based on an idealistic notion of a desirable future and should not be filled with the complexities of implementation (Kouzes & Posner, 2002). Moreover, vision within transformational leaders should be based on some attainable and realistic, yet not immediately available, ideological future (Yukl, 2002). Further, achieving such a vision depends on how well it is articulated to others and how well they can be convinced that it is in fact feasible. Lowe et al. (1996) assert that transformational leaders will achieve this through the articulation of a clear, simplistic strategy that is not intended to be comprehensive, but rather suggests confidence in the abilities of followers to provide valid actions in shaping how it comes to fruition. Further, due to their authoritative position, leaders are explicit role models for their followers and provide a reference point to guide follower actions and behaviour. Therefore, it is vitally important that transformational leaders express positive, confident and optimistic moods and behaviours (Goleman, Boyatzis & McKee, 2002). Any lack of confidence is likely to reduce the extent to which followers 'buy in' to the espoused vision of a leader.

Perhaps the most essential element of transformational leadership lies in the ability of a leader to dramatically and symbolically express the values central to a given vision.

Such explicit behaviour can serve to reinforce key values to followers and illustrate that a leader is committed to the achievement of the vision (Yukl, 2002). An effective example can be found in Ray Anderson, who very publicly announced that he and the company which he had founded, world carpet giant; Interface Inc., were environmental 'plunderers' and 'sinners' who ultimately "deserved to be in jail" (Baken, 2004, p. 72). Anderson's explicit proclamation of his company's new vision for sustainability was a direct, dramatic, and symbolic expression of the values central to such a vision. Moreover, the example illustrates how Anderson led by example, a vital characteristic of transformational leadership (Avolio & Bass, 1988). Essentially, in promoting a new 'green' vision for his corporation, Anderson personalised the actions of his firm suggesting that he himself was a key source of the company's checkered environmental past, a challenging proposition that illustrated to his followers that he was committed to experiencing the same challenges that they would face in working towards the new vision.

While each feature of the transformational leader conjures up compelling images of inspiration, triumph and romanticism, it is widely accepted that leaders have to perform both transactional and transformational roles at

different times. Waldman, Bass and Yammarino (1990) assert that while transformational leadership augments the effectiveness of transactional leadership, it does not replace it entirely. However, those who we would classify as transformational leaders, the Bill Gates and Mahatma Ghandi's of this world, are much more transformational in leadership style than transactional, with their defining moments being acts primarily transformational in nature (Bass & Steidlmeier, 1999). However, I argue that many leaders who could be considered narcissistic, also express many of the features of a transformational leader, only the transformational abilities are directed towards the achievement of self-fulfilling goals.

In his MacKinsey Award winning *Harvard Business Review* article, Michael Maccoby (2000) suggested many of today's top business leaders have narcissistic personalities. Such leaders write books, actively promote their own philosophies, and are seen as the shapers of our public and personal agendas (Maccoby, 2000). Given these features, they are also celebrated and confirmed as transformational leaders, as they have grand, compelling visions, can generate scores of followers through passionately articulating their vision, are supremely confident and optimistic, and often lead by example (Maccoby, 2000). However, given the corporate collapses that have coloured the contemporary business climate, it is important to note that there are some significant differences between the narcissistic leader who has a transformational edge, and effective, productive transformational leaders (Bass & Steidlmeier, 1999).

The first difference can be seen in the vision that shapes leaders' actions. Driven by their desire for recognition, and admiration (see Kohut, 1971), narcissistic leaders create visions that seek to fundamentally shape the future and leave a personal legacy of great achievement (Maccoby, 2000). Conversely, while transformational leaders wish to challenge the status quo and create something new, their visions are less self-serving, being focussed more on a common, collective organisational or group purpose (Yukl, 2002). Indeed, the rampant individualism associated with narcissistic leaders is more closely aligned to transactional leaders, where leaders and followers each rationally pursue their own self-interest in their transactions with each other via the notion of a *free contract* (Donaldson & Dunfee, 1994).

The second - and perhaps most important - divergence of the narcissistic leader from the transformational leader is in their relationship with followers. Kets de Vries and Miller (1985) assert that the narcissistic leader seeks out leadership positions in the desire to gain some recognition and admiration. Moreover, the narcissistic leader feels like they can rely only on themselves for the gratification of their life's needs and as such are highly exploitative and project an image of independence (Kets de Vries & Miller, 1985).

Such idealised independence is not realised however, as Maccoby (2000) suggests narcissistic leaders are highly dependent on their followers for affirmation and the adoration that they desperately seek. Such dependence is reiterated by a narcissist's sensitivity to criticism and inherent lack of listening skills (Maccoby, 2002) – arguably because such interactions do not support, and in fact are contradictory to their desire for recognition of their greatness.

Therefore, notwithstanding a narcissistic leader's occasional illusions of omnipotence, they are innately dependent of their followers to validate their self-esteem and indeed cannot function without an admiring audience (Lasch, 1970).

Transformational leaders, on the other hand, explicitly seek to become less dependent on their followers; seeking to satisfy their higher needs in a relationship of mutual stimulation and elevation (Burns, 1978). Indeed, according to Bass (1985) true transformational leadership requires follower empowerment rather than follower dependence. In this mutual relationship, the transformational leader is dependent on followers only for the achievement of the task that he/she has diverged to them personally. They are not dependent on followers at a personal level for any recognition or adoration.

Thus, it is fair to assert that where transformational leaders propound visions of collective significance, target the higher need motivations of followers to achieve such visions and empower them to achieve beyond what they might expect, the narcissistic leader is highly dependent on followers for obedience to a dramatic, self-satisfying vision and ongoing recognition and praise.

Given the above analysis of similarities and differences between transformational and narcissistic leaders, I argue that followers can play a significant role in shaping the outcomes of narcissistic leadership in a positive and effective manner.

## **Followership – The New Agenda for Encouraging Effective Leadership**

We certainly remember the name of the Macedonian King who conquered most of the known world. Although his reign was several centuries ago, his name is one synonymous with powerful, narcissistic leadership. Yet, we do not hear about the followers of Alexander, the military generals, the regular soldiers and the members of his travelling baggage, who made his conquest possible.

The same can be seen in organisations, with the visible nature of leaders often obscuring the role that followers play in the success of an organisation. Both in the theory of organisations and in organisational practice throughout the past hundred years, the unrelenting focus on leadership has completely eclipsed discussion and research regarding the role of followership in organisational performance (Gilbert & Hyde, 1988). According to Meindl, Ehrlich and Dukerich (1985), the notion of leadership has assumed a romanticised, larger than life status within organisations, whereas the idea of followership has been neglected and considered within leadership theory only in regards to a leader's ability to motivate subordinates.

I argue that the proliferation of narcissistic leaders and associated corporate disasters calls for recognition of Mary Parker Follett's (1949) assertion that the role of followers in organisational settings is not merely to follow, but rather to be very active in ensuring leaders 'stay in control' of a given situation

Narcissistic leaders can have a strong tendency to 'lose control' in the rampant pursuit of their visions without consideration for the ideas, criticisms or feelings of others. Such actions can cost an organisation dearly and as Maccoby (2000) illustrates, the continued 'blind' pursuit of self-satisfying goals can lead to a narcissistic leader having to be publicly ejected from their post by disgruntled shareholders. True to the ideas of Follett, Maccoby (2000) suggests that the role of encouraging narcissists to channel their abilities in a productive manner and not 'lose control' can lie in the hands of followers.

Leaders are often portrayed and interpreted in a bi-polar fashion, often being considered as either heroes or villains, good or bad – Nelson Mandela or Adolf Hitler. This distinction is vital among followers and can be highly significant in how followers might deal with, and mitigate the negative effects of narcissistic leaders.

## Follower Transference

The way in which followers perceive their leader is vital to organisational success, as those who are perceived to be competent are likely to retain their position or be elevated to a higher position. Thus, for the benefit of leader effectiveness, performance and subsequent organisational performance, it is important that followers have a positive perception of their leaders.

Followers have a tendency to *idealise* their leader which, within an organisational context, may see the leader represent a parental figure who, based on a relationship that a follower had with a parental figure in the past, is a powerful, omnipotent care giver (Kets de Vries, 1993). While it is unrealistic for the follower to make the assumption that a leader will fulfil this role, Maccoby (2004) attests that if the follower sees that the transferred expectations are being met, they may be motivated to contribute great efforts in order to please the leader.

However, transference also can work in negative ways, especially if the leader does not fulfil the transferred expectations that followers might have. Indeed, such negative transference may be present in the instance of a narcissistic leader, whereby a follower may have idealised a leader in the manner discussed above and in response the narcissist is closed to feedback, lacks empathy and may not provide the emotional support that the follower desires (Maccoby, 2004). Such differences can create dissonance between the leader and follower, where they lack a sound bond, togetherness or cohesion and ultimately are unproductive in their relations and thus generate poor results (Goleman et al., 2002).

The nature of such dissonance can be seen in the example of Alexander the Great and his followers, where it was mortally divisive and destructive. While not so dramatic in the setting of the contemporary organisation, it is still something that needs to be overcome to ensure a productive and effective leader – follower relationship and subsequent leadership effectiveness.

Discussion of transference tendencies within followers has been included in the paper because it is seen as being a key feature in how narcissistic leaders can be encouraged towards positive ends. Like the chaotic and unpredictable nature of the narcissist, the existence of transference by followers is something that is internal to the individual and unknown to the leader. Therefore, without addressing such issues of the self, an effective leader – follower relationship cannot be achieved beyond the rational, transactional issues such as pay. This is significant for organisational performance as many theorists have asserted (see for example, Herzberg 1966; Avolio & Bass, 1988; Bass 1990) that superior performance depends on interactions between leaders and followers that are beyond the realm of the transactional.

Therefore, it is argued that followers must learn to direct their transferred expectations towards those behaviours that can be actively fulfilled by leaders, before narcissistic leaders can overcome the limits of their penchant for the self-satisfying so they can channel their creative, visionary abilities towards organisational ends. It is suggested that this process begins in the hands of followers.

Kelley (1992) and Chaleff (1995) provide a set of follower behaviours that can effectively facilitate followers' exposure and acknowledgement of deficiencies within themselves, and can drive followers towards stimulating similar processes in their narcissistic leaders. Such follower behaviours include (1) self reflection, (2) open communication, (3) expressing appreciation, (4) resisting inappropriate leader behaviour and, (5) challenging flawed practices (Yukl, 2002).

Chaleff's (1995) book; *The Courageous Follower* provided one of the first pragmatic guides to effective followership practises. Central to his argument was the observation that the term follower was commonly seen to imply docility, weakness, and subordinate passivity. Such passivity is encouraged by the distance between leaders and followers which sees leaders as being more powerful, having higher salaries and being more successful in general (Chaleff, 1995). The central role that followers play in organisational activities and the dependence that narcissistic leaders have on their support places them in position to be able to be active in righting the wrongs of wayward leadership, and supporting the growth of a value-based organisation. Followers can influence whether a narcissistic leader's strengths (such as vision) are fully utilised and weaknesses (such as lack of empathy) are overcome, by being proactive, responsible and courageous (Chaleff, 1995).

### *Self-reflection*

Followers can have unrealistic expectations of their leaders and such expectations can be very different among followers, who have different transferral lenses through which they view their leader (Maccoby, 2004). Therefore, enhancing the relationship between leaders and followers and overcoming potentially ineffective leader practices requires a follower first to overcome the limitations of their 'incomplete-self' (Kets de Vries, 1993). In the Freudian tradition, self reflection requires introspection aimed at getting to know and understand the self and may provide an insight into the subconscious motivations that guide follower behaviour (Kohut, 1971). I argue that only when a follower becomes aware of themselves at a deeper level, acknowledging their inner motivations and conflicts, can they have a positive influence in overcoming negative leader behaviour associated with narcissism.

### *Open communication*

Maccoby (2000) highlights that while narcissistic leaders are great communicators when it comes to articulating their vision, they can be sporadic and chaotic in expressing their specific demands to followers. To ensure that a leader's vision is channelled in productive ways, followers need to be able to communicate very effectively in deciphering such demands. Followers can overcome role ambiguity by being assertive and continuously clarifying expectations such as job responsibilities, scope of authority and performance standards with their leader (Kelley, 1992). Followers must also keep leaders informed of their ongoing activities, especially if the leader has given them some degree of decision-making responsibility (Chaleff, 1995). As I have explained, narcissists are fundamentally self-serving and feel as though they cannot rely on others in the achievement of their goals, therefore they may see any activities or decisions that are contrary to their opinion as personal attacks and may react unproductively; reprimanding followers.

Central to maintaining open lines of communication between followers and their leaders are the actions of followers that support leader activities (Kelley, 1992). These may be expressed by followers through signals of appreciation, such as praise for a leader's efforts. Such signals can help the narcissistic leader to remain productive by encouraging them to feel valued and admired by their followers.

### *Resisting and challenging*

Chaleff (1995) argues that the most challenging activity of the courageous follower is acting against a leader when an action is inappropriate or flawed in some way. Indeed, based on his research Chaleff (1995) asserts that 70 percent of followers will not speak up when they believe that a leader is making a mistake. In regards to narcissistic leaders, the power advantage, confirmed by their charismatic authority (Weber, 1946), is combined with their inability to listen to and accept the influence and criticism of others (Maccoby, 2000), creating an ominous obstacle for followers to overcome. However, taking action to challenge leader demands and actions that are inappropriate and ineffective is vital to ensuring the efforts of the narcissistic leader are channelled in a productive manner.

Essentially, it is a combination of the follower actions outlined above that will help to direct narcissistic leaders towards productivity. Having reconciled their inner conflicts, followers must have the courage to risk causing a leader's displeasure in openly communicating with a leader about organisational activities, and constructively challenging the leader when demands and requested activities are inappropriate or flawed.

An example of courageous followership in action can be seen in the follower who, disapproving of a leader's actions or demands, openly explains to the

leader that they respect and appreciate what the leader is trying to achieve but would like to raise some specific, honest concerns.

I argue that if such actions are taken by followers, narcissistic leaders can be effectively directed towards productive ends and prevented from self destructing and taking the organisation with them.

Further, the actions mentioned above may help the narcissist overcome some of their internal issues and break free of the limitations of their psyche. The dependence that narcissistic leaders have on their followers could facilitate them to react positively to the 'courageous' actions of their followers and change some of their behaviour to suit. However, overcoming the rampant individualism and self-protectiveness of narcissists would require an extraordinary amount of empathy, understanding and sympathy for the narcissist's needs on the behalf of followers and any therapists involved (Kohut, 1971; Maccoby, 2000). Indeed, it is highly likely that such a leader will strongly resist any indication that they might benefit from such help.

Despite this I assert that courageous followership can enhance the leader – follower relationship, building trust, honesty and integrity within the organisational setting, ultimately encouraging leadership effectiveness, superior productivity and performance. In support of this is a growing trend within organisational behaviour and leadership literature towards the achievement of what has been coined *authentic leadership*.

The notion of 'authentic leadership' has been developed as a representation of the underlying construct of all positive forms of leadership (Avolio & Gardner, 2005). Essentially a response to dynamic and often dramatic business environments and the failures of some leadership behaviours, including the narcissist, the construct of authentic leadership seeks to encapsulate leaders who lead not only with purpose, but also with values and integrity (Avolio & Gardner, 2005). Importantly, developing authentic leadership requires a strong degree of self-awareness and self-regulation within both the leader and the follower (Avolio & Gardner, 2005). Moreover, "authentic leadership extends beyond the authenticity of the leader as a person to encompass authentic relations with followers and associates" (Gardner, Avolio, Luthans, May & Walumbwa, 2005, p. 345). Indeed, the development of authentic followership is also being given much attention, posited to occur alongside authentic leadership development, and the development of both is said to be characterised by open communication and transparency, trust, and movement towards the achievement of worthwhile organisational objectives (Gardner et al., 2005).

This trend in the literature coupled with others that further highlight the importance of self awareness to effective leadership; including trends towards emotional intelligence (see Goleman et al., 2002; Caruso, Mayer & Salovey, 2002), provide exciting movement towards supporting the notion that with self reflection, empathy and most of all courage, followers can encourage effective

leadership. Such developments suggests a real recognition among theorists that the narcissistic leaders, which have been such a prominent feature of contemporary organisations (Maccoby, 2000), can no longer be left to their destructive, self-satisfying devices and need to be effectively channelled towards productive ends – a task that can be effectively met by self aware, courageous followers.

### **Potential limitations and future research**

In this paper, I have illustrated the actions that followers can take in overcoming the negative tendencies of their narcissistic leaders. What is omitted, however, is dialogue surrounding how followers might *develop* the capabilities necessary to have such an impact. Arguably, if a leader is essentially narcissistic, they will be less inclined to support the development of the emotional competencies required for increased follower self-awareness (Goleman et al., 2002). I argue that the development of these competencies needs to occur at a stage before an individual becomes a follower under the direction of a narcissistic leader. Exposure to educational programmes that teach self-awareness and the pitfalls of narcissism, throughout an individual's development, may serve to equip them to better deal with narcissistic leaders in the future.

Such education might also equip individuals with the same necessary competencies for effective leadership, as the desired qualities of a follower can also be seen as those desired in a leader (Kelley, 1992; Chaleff, 1995). Indeed, herein lies a potential problem. If individuals are trained throughout their education to possess the competencies and traits of effective followers then they are likely to at some point become leaders of some kind where, given leadership status and its associated stigma the individual may be inclined to act in a narcissistic manner. Indeed, Freud (1931) concluded that everyone is somewhat narcissistic and given certain stimulation (such as a high ranking position) they will be inclined to act in a narcissistic manner.

While this is a potential problem, if the individual has been exposed to the ideas discussed above in their development they may also be more inclined to be self-aware and may be able to overcome any narcissistic tendencies, especially if they are prompted by courageous followers.

*More than just a few 'bad apples'*

The discussion in this paper has focussed on narcissistic leaders and their followers at an individual level and has not considered the other, wider societal influences that promote or create narcissistic leaders and subsequent disastrous behaviours.

At this point I feel it is important to acknowledge that the problems associated with narcissistic leaders do not stem solely from the individual. Maccoby (2000) argues that as different forces come to dominate society, such forces have the ability to shape the social agenda. In the time of Alexander, for example, the monarch and military were arguably the most powerful drivers of social activities. In such times, much of the population was actively involved in the military whose prime objective was conquest, and such conquest and war had pronounced effects on every member of society. It is in times of crisis (such as war) that narcissists thrive in proposing new and daring visions to overcome the odds (Maccoby, 2000).

Likewise, contemporary organisations, particularly large corporations, have come to be extremely powerful social entities, over-shadowing the state in controlling and directing individual lives and influencing collective social development (Deetz, 1992). As in times of war, the normative prescription of winning or losing is inherently evident in how organisations compete, and contemporary organisations need to be constantly innovating and improving in order to 'win' in their pursuits, an ongoing crisis that is well suited to the visionary nature of the narcissist.

Cultural influences also enhance the social environment to the advantage of narcissists. Lasch (1979) suggested that the narcissism inherent in America had emerged through a culture which had taken Western individualism (see Hofstede, 1980) too far.

Such a notion has received a great deal of attention within organisational theory in recent times with many theorists arguing that proliferation of business ethics disasters is more likely the result of Western capitalism and rational, scientific management than simply the consequence of a few emotionally unstable leaders (Ghoshal, 2005). To explore this argument in more detail is beyond the scope of this paper; however it would provide an exciting and valuable area of future research.

## **Conclusion**

Narcissistic leaders are an inevitable part of contemporary businesses. As individuals they have the exceptional vision, charisma and strength of character essential to operate effectively in a fast-paced, dynamic business climate. They have the ability to innovate, create and inspire beyond the

boundaries of normative prescription and play a significant role in shaping the social agenda that affects us all. However, they also have a dark side. Inherently self-serving and individualistic, narcissistic leaders are prone to ignorance in the pursuit of their goals. They do not listen well to the advice of others and often see it as a personal attack, counter to their revolutionary goals. Essentially, while the narcissistic leader has the potential to be utilised to achieve great feats, they are driven by the inadequacies of their psyche, seek to leave a legacy of personal achievement and acclaim, and do not strive towards collective goals. Within an organisational setting the narcissist can blindly steer an organisation far beyond the reaches of its capabilities and can result in its eventual undoing.

In this paper I have proposed that, given the dependence that narcissistic leaders have on their followers, actions of courageous followership can have a significant impact on narcissistic leaders, encouraging them to direct efforts towards the achievement of realistic, organisationally relevant goals. Such effective leadership can be promoted by followers through actions such as self reflection, open communication, and the resisting and challenging of inappropriate demands and leader actions.

Finally, two distinct areas of future research have been proposed. The first regards the development of individuals to possess the competencies and traits of courageous followership and the second considers the effects that the wider social and cultural influences have on promoting narcissistic behaviour.

Ultimately, a shifting focus towards followership and its role in enhancing effective leadership is an encouraging movement which illustrates the long overdue recognition of the vital role that followers play in shaping organisational performance.

Young Alexander conquered India.  
He alone?  
Ceasar beat the Gauls.  
Was there not even a cook in his army?  
Philip of Spain wept as his fleet  
Was sunk and destroyed. Were there no other tears?

Bertolt Brecht (1970)  
Excerpt from *A Worker Reads History*.

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# Making Sense of Nureyev's Career Through Career Theories

**Elodie Tran Tat**

## Introduction

No male dancer ever had more influence on the history, style and public perception of ballet than Rudolf Nureyev. He changed people's expectations. Starting out from inauspicious beginnings in a remote town in the Urals<sup>2</sup>, he ended up changing the whole face of the art (Percival, 1976).

This is one of the explanations for my interest in Rudolf Nureyev (1938-1993), and one of the many reasons biographers have written about him. His character and his career in dance have stood out the twentieth century. Rudolf Nureyev's journey in ballet is still an example to the world of dance in general, and also for me who practices ballet. Journalists, writers and biographers have emphasised Rudolf Nureyev's phenomenal success by writing about his life story and his performances. Having done that, they have failed to make sense of his career and explain the factors in his success. This is what I will endeavour to do in this paper with the use of career theories and career literature since "theories are useful if they help us to interpret careers, seeing them in ways which, without the theory, would remain invisible to us." (Killeen, 1996). Intentionally, I will not introduce Rudolf Nureyev so then there is the pleasure of discovering him when reading this essay. Henceforth, I will call him "Nureyev" as suggested in the title of his biography by Diane Solway (1998): "Nureyev, his story".

## The agent in career theory

### *Vocational Fit and Trait-factor theory: Nureyev born to dance?*

I have always wondered if musicians, painters or dancers were born to play music, paint or dance. This is opposed to the assumption that anyone who wants to be a great pianist, painter or ballet dancer can actually become one. However, the idea would be that each person has specific abilities, interests and preferences or personality traits and that the most appropriate job to his/her career development should match his/her personal characteristics. This is emphasised in the notion of the person-environment fit: "people are moulded to fit their career" (Killeen, 1996). Parsons (as cited in Inkson, 2004a) defines this notion as the vocational fit. He suggested that a choice of vocation

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<sup>2</sup> The Urals are mountains located in Russia where Rudolf Nureyev was born and grew up.

depends upon (1) an accurate knowledge of one's person (2) a thorough knowledge of the job specifications and (3) the ability to match the two. Then, John Holland developed the trait-and-factor theory (1985). He suggested the existence of a match between individuals and job traits, and that a close fit result in job success and satisfaction. The assumption is that "people can function and develop best and find job satisfaction in work environments that are compatible with their personalities" (Holland as cited in Johnson, 2001).

The trait-and-factor theory is useful to explain Nureyev's success. Firstly, at an early age, Nureyev was interested in art and music and had a passion for dance. When he was nearly eight years old, Nureyev saw a famous Russian Ballerina performing a ballet variation. From that moment onwards, he decided to be a dancer. Secondly, he was made aware of his potential in dancing by his early dance teacher. "His natural turnout and pliant muscles, rare in a male dancer, were astounding in one who started training so late." (Solway, 1998). He also knew about the obstacles that he might have to face; his father's reluctance for example. Nureyev quickly learnt that being a successful dancer required hard work and perseverance. He was determined to do his best to match the standards of the world of dance. The great success and international recognition Nureyev gained as well as his personal satisfaction when dancing on stage can effectively be seen as the result of the match between his traits and the characteristics of the job as a dancer, the main occupation of his life.

Moreover, according to Holland, individuals are attracted to certain jobs. They choose a career that is reflective of their personality. Holland identifies six personality styles (referred to by the acronym RIASEC) and relates each of them to a specific work environment. These are represented in Figure 1. Each type is a part of an individual. Yet, one type is usually dominant. It would seem obvious that for a dancer, the dominant type would be "artistic". Nureyev had great creative abilities. When he performed as a dancer, he added his own creative touch to the choreography he was taught. As a choreographer he created successful compositions. Nureyev made use of his social and enterprising style to guide the other dancers in their work and bring out the best in them.

**Figure 1: Holland's theory of occupational personalities (RIASEC) – 1985**

<i>TYPE</i>	<i>ACTIVITIES</i>
<b>REALISTIC</b>	Working with things (i.e. tools and machines)
<b>INVESTIGATIVE</b>	Working with information (i.e. abstract ideas and theories)
<b>ARTISTIC</b>	Creating things
<b>SOCIAL</b>	Helping people
<b>ENTERPRISING</b>	Leading others
<b>CONVENTIONAL</b>	Organising data

A tremendous inspiration ... he made the work so exciting and fulfilling ... He will always help any dancer who asks him, and I have a feeling that any problem I had, professionally, I could always go to him and get an honest answer. (Percival, 1976)

Thus, the trait-and-factor theory permits emphasis on Nureyev's personality (e.g. attracted to dance) and his natural ability for dance. This theory then, highlights the compatibility between Nureyev's characteristics and the world of dance. Another key way to explain Nureyev's successful career and his match with his environment is through the psychodynamic and structural theories.

## The agent and the environment

### *Psychodynamic and structural theories: Nureyev's personality vs. environment*

First, within the idea of a person-environment match being previously introduced, the psychodynamic theory looks at a person's motives that determine his/her actions in his/her career. It emphasises the role of personality in career success and the role of the family in the career development of the individual (Killeen, 1996). Secondly, the structural theory deals with the influence of the individual's environment in careers. For instance, socio-economic theories focus on the explanations and descriptions of how the culture, family background, social and economic conditions, and other external factors can influence an individual's identity, his/her values and his/her career development (Killeen, 1996).

Both the psychological theory and the structural theory can be applied to Nureyev to understand how his strong personality contributed to his success. In the case of Nureyev's career, these two theories can be linked in two different ways.

On one hand, the structural theory emphasises the role of Nureyev's environment in strengthening his interests and motives in dance. Nureyev grew up in a musical and dancing environment in Russia. The Russian culture of ballet and the traditional Tartar dances contributed to the building of

Nureyev's passion for dance. The internationally recognised excellence of Russian Opera and Russian Ballet Schools influenced Nureyev in his ambitions to be a dancer. Moreover, Nureyev's dance teacher, Alexander Pushkin, was like a father to him. Pushkin played a key role in his career development.

Rudolph was only too aware of the catch-up ahead of him and saw that Pushkin's approval would not come easily. But he also knew that Pushkin's approval was career-making. For the first time in his life, Rudolph felt secure in the knowledge that this training was in the best possible hands (Solway, 1998).

On the other hand, Nureyev was eager to express himself and refused to be enclosed in a mould. He "didn't fit the Kirov mold ... He was the first man to dance on high demi-pointe and the first to extend his leg high in the air." (Solway, 1998). His paradoxical anti-conformist personality contributed to his recognition and his influence in the world of dance. Nureyev was determined to fight any 'unfavourable' aspects of his environment or hazards. He overcame the popular beliefs about the dancing profession and career. He struggled against his father, a political officer in the Red Army who thought that the dancing career was not for boys. Nureyev's father forbade him to continue the dancing classes because they affected his school results and therefore, his chance of a 'suitable' career such as an engineer or a doctor.

Like her husband, [Nureyev's mother] had high hopes for Rudolph and imagined an entirely different career for him ... The fact that their dreams were entirely at odds with those of their son would create lasting turmoil for all of them.

... His mother ... never encouraged his early interest in dance ... In the lives of most prodigies, one needn't look far to find a parent behind the scenes stage-managing his or her offspring's career. Mozart had ambitious father; Nijinsky, Yehudi Menuhin and Vladimir Horowitz<sup>3</sup> all had powerful mothers. What makes Nureyev's case so unusual is that from a very early age, his progress was self-determined and self-propelled. [...] Rudolph had to rely primarily on his own wits and wiles to advance, his methods consciously hidden from his father. (Solway, 1998)

Moreover, Nureyev experienced many different injuries (broken toes and ankles) which are an inevitable part of a career in ballet. But he never gave up and overcame the 'accidents'. He kept dancing and came back on stage against medical opinion that he would never dance again. Pain and ankle problems followed him through his dancer career but his determination was stronger and led him to success.

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<sup>3</sup> Nijinski (1889-1950), Yehudi Menuhin (1916-1999) and Vladimir Horowitz (1904-1989) are respectively famous Russian dancer and choregraph, violinist and pianist.

Both the psychodynamic and structural theories emphasise Nureyev's powerful personality and its role in his career. However, there is a need for other career theories to better understand how Nureyev acted and how he made his decisions i.e. the understanding of his career development and his learning process. This is now addressed.

## Action in career theory

### ***Developmental theories: Nureyev - dancer, choreographer, director, actor, and conductor.***

Super's theory (1957) suggests that socio-economic factors, mental and physical abilities, personality and work opportunities determine career patterns. Super identifies five related age stages over one's life-span (Johnson, 2001). Figure 2 emphasises these steps. In Super's model, people are expected to adapt to changes and cycle and recycle through the life stages (Blustein, 1997). The aim of these age brackets and related stages of career development is to help the agent understand and select appropriate responses and activities. Super's theory is very useful in making sense of the different steps of Nureyev's career even though Nureyev's career required an adaptation of the different age brackets defined by Super (see Figure 2.). Super's stages are not completely appropriate to artistic careers such as a musician's career or a dancing career like Nureyev's. Note that Super's model does not consider the role of vocation in these specific artistic careers, which plays a key role in the early individual's motives and development.

Super also emphasises the different roles individuals play during their career. He highlights the importance given to these roles at different stages in life (see Figure 2 for Nureyev's different roles). He maintains that the individuals seek satisfaction through work roles in which they can express themselves and develop their self-concept (Johnson, 2001). Super's self-concept theory (1953, 1957) requires self-observation and comparison to others in order to develop oneself (Killeen, 1996). Self-esteem and self-efficacy are variables of the self-concept. They have implications for vocational behaviour and thus play a role in career development (Savickas, 1997).

The self-concept theory is of high value because it highlights the strong concept Nureyev had of himself as well as the importance of the contribution of his self-esteem and self-efficacy to his success.

[Nureyev] didn't show much interest in other people except as dance partners. He was quite self-focus. His only desire was to study ballet... He was just a beginner but you could see he was confident, that he had stage presence.

...Rudolf's supreme self-confidence and independence aroused indignation in a company where hierarchy, respect and servility were paramount. (Solway, 1998)

Organisational behaviour and career theorists developed Super's notion of self-concept. They suggested that identification with role models is critical to individual growth and development (Erikson, 1985; Hall, 1976; Krumboltz, 1996; Schein as cited in Gibson, 2003). Career success is attributed to a person having "good role models" and career failure to a "lack of role models". Krumboltz's social learning theory or modelling theories can be applied to Nureyev to make sense of his learning process and career development. Nureyev looked up to role models because they were helpful in learning new tasks, skills, and norms (Miller & Dollard, 1941; Wood & Bandura as cited in Gibson, 2003). Thus, the behavioural model emphasises how Nureyev learnt by observing the other dancers performing on the stage but not necessarily imitating their behaviour. Nureyev also studied the work of the famous choreographers Balanchine and Béjart. They served as role models and a source of inspiration when Nureyev started to create his own choreographies.

Rudolph encountered his first Western ballet stars in the pages of Dance Magazine. He had role models closer at hand. Every afternoon the Kirov's artists arrived at school for class. Rudolph rarely passed the opportunity to observe them.

Krumboltz also suggests that social learning, environmental conditions and events, genetic influences and learning experiences contribute to career decision-making and development (Ettinger, 1996). The idea is that people make choices for their career according to what they have learnt. This contributes to the understanding of how and why Nureyev made decisions.

**Figure 2: Super’s model of life-span applied to Nureyev’s career**

STAGE	AGES	CHARACTERISTICS	AGES / NUREYEV’S CAREER
Growth	Birth  14-15	Form self-concept, develop capacity, attitudes, interests and needs. Form a general understanding of the world of work.	8 – Vocation. Decided to be a dancer. - Folk dances at school in Russia. - Amateurs group ‘The Pioneers’.
Exploratory	15-24	“Try out” through classes, work experience, hobbies. Collect relevant information.	10- Academic dance lessons. 15- Began as a professional dancer. Served as an extra in a production at the opera house. Dance tours in Russia. 20- Soloist contract. 3 years performing for the Kirov dance company.
Tentative Establishment	25-44	Choice and related skill development. Entry skill building and stabilization through work.	23- Escaped to the West. Asked for asylum in France - Career in the West. Royal Ballet (UK). 26 - Débuts as a choreographer. - Acted in two movies.
Experience maintenance	45-64	Continual adjustment process to improve position.	45-51- Ballet director of the Paris Opera. - Still danced and created choreographies. - Conductor experience. - Declining health.
Decline prepare	65+	Reduced output, for retirement.	55- died of AIDS

**Decision styles theories: how Nureyev made choices**

First, the decision-making theory supports the idea that choices can greatly influence the individual’s career development. These choices are critical decision-making points such as educational choices or job changes. Nureyev made a critical decision when he decided to stay in France when he was asked to return to his native country by the Russian authorities. This “leap to freedom” (Solway, 1998) was the beginning of a successful career in the West.

And then I made it – in the longest most breath-taking leap of my whole career I landed squarely in the arms of the two inspectors. ‘I want to stay’ I gasped. ‘I want to stay’. (Solway, 1998)

Secondly, Nevill (1997) suggests that different goals can be involved in decision-making. These are “pleasing his/her parents, making a lot of money, helping people, being creative, and so forth.” The decision styles theory explains how choices are made. Killeen (1996) emphasises four different decision styles: rational, intuitive, dependent and intuitive-dependent. Phillips (1997) considers the intuitive decider as a fast rational decider. The intuitive

decider has the capacity for quick retrieval of information or relevant information. He identifies a problem, generates a plausible solution, and integrates automatic sequences of learned behaviour and isolated parts of experience to evaluate the rightness of a rationally constructed response (Isenberg as cited in Phillips, 1997). Using intuition is useful when a decision point is approaching and it is relevant in some circumstances when a quick decisional response is necessary (Phillips, 1997). Nureyev was an intuitive decision maker characterised by a “personal sense of responsibility, reliance on feelings, fantasy, inner experience, impulsiveness” (Killeen, 1996). His decisions were not planned in advance but rather a response to a particular situation (in his dancer débuts at least). Nureyev’s decisions were made to follow one goal: dancing on stage.

Rudolph’s desire to dance far outweighed any other concerns, even his fear of his father. [...]. Rudolph continued to dream of a career on stage, the only place where he felt free to express himself fully. [...] He was distinguished by his great desire to dance. (Solway, 1998)

The developmental theory emphasises the diversity of Nureyev’s career through a successful academic scheme. Both the psychodynamic theory and the structural theory have shown how his strong personality impacted on his career development. Now it is worth trying to classify Nureyev’s career.

## **Traditional vs. New career**

### ***What metaphor for Nureyev’s career?***

For the last decade, career literature has focused on the new, boundary-less or protean careers as opposed to traditional careers.

On one hand, Nureyev’s career could be seen as a traditional career in dance. Nureyev’s career progression is typical of a dancer’s evolution. He climbed up the ladder, starting as a dancer to finish up as a director of different operas as well as the job of a choreographer. This can be explained by the structure of a career in dance. Similar to careers in teaching or nursing, careers in dancing are standardised with nearly universal grades and schemes of career progression (Evetts, 1992). Principal dancers commonly play the role of choreographer or ballet director at the end of their career.

However on the other hand, Nureyev’s career follows a new career scheme considering Inkson’s criteria (2004a) defined as mobility, discontinuity, improvisation, networks and knowledge investment. Nureyev’s career was *mobile*. He travelled all over the world participating in dance tours. Nureyev has become a “quick-change artist, hopping from company to company, from role to role” (Solway, 1998). His career was *discontinuous*; being interrupted

when he was injured or when waiting for administrative regulations at his arrival in France where he asked for political asylum. His route was *improvisational*. He never expected to have to choose between two dance companies to work for. "I don't know how to decide. Both the Kirov and the Bolshoi have invited me to join" (Solway, 1998). Moreover, Nureyev was never shy in self-promotion and successfully built *networks* and his reputation widely "Networks provide contacts which assist their members to become aware of, and to get new jobs" (Inkson, 2004a).

Rudolph asked Menia to introduce him to Alberto in the hope of being invited to perform in Cuba...

...Claire Motte introduced him to her good friend Clara Saint [...]. Clara Saint introduced Rudolph to her good friend Raymundo de Larrain, an aristocratic Chilean, who had just taken over the Grand Ballet du Marquis de Cuevas. (Solway, 1998)

Finally, Nureyev *learnt, learnt and learnt*. He accumulated abilities to always perform better as a dancer and enlarge his repertoire. "I am a romantic kind of dancer. But I would like to dance modern things and to try every different way which exists" (Solway, 1998).

In new careers, the agent is seen as a "reflective project, for which the individual is responsible". "We are not what we are, but what we make of ourselves." (Giddens as cited in Collin, 1998). This reflects Nureyev's personality and the way he built his career.

"Rudolph began taking every aspect of his performance into his own hands. Along the way, he managed to transform not just each new role he danced, but the public's perception of him"

"If Covent Garden can't provide you with work and incentive, you go and get it somewhere else. Get off your ass; go, telephone, organize, provoke, make performances somewhere else." [Rudolf] had decided early on never wait for opportunities. (Solway, 1998)

As Collins suggests (as cited in Evetts, 1992), Nureyev's career is to be analysed in terms of his "motivations, resources and contacts that lead from one job to another" and in terms of "a succession of personal encounters". Making sense of Nureyev's career implies an emphasis on the subjective aspects of his career, so strong was his determination and his personality. On the contrary, career literature has often highlighted the objective or external realm of careers to the detriment of the subjective or internal perspective (Collin, 1998). Traditional careers are often related to the notion of objective careers whereas new careers are expected to favour the subjective side. (Walton & Mallon, 2004). This reinforces the idea of a non-traditional career for Nureyev; the subjective being dominant.

Finally, Inkson (2004b) suggests using career metaphors to increase the understanding of a career. He identifies nine metaphors for a career. The metaphor of creative work is the most representative image of Nureyev's career. Nureyev has composed and constructed his own successful career. His career success can be demonstrated by his accomplishments and completed works (i.e. the number of ballets and choreographies he has created). "The jazz metaphor emphasises the improvisation, spontaneity and self-directed development" (Arthur et al. as cited in Inkson, 2002). This metaphor can be applied to Nureyev's career, which is the result of a successful and flexibly improvised construction.

## Conclusion

Career theory is useful to understand and interpret the experiences and roles of individuals (Killeen, 1996). I have aimed at making sense of Nureyev's career through career theories, explaining which of these theories were the most appropriate to Nureyev's case. I have seen Nureyev as a career agent with a strong personality, fighting against his environment and trying to make the right decisions to act and achieve satisfaction and fulfilment of his goals. Walton and Mallon's sense-making approach (2004) is of high value to conclude on Nureyev's career emphasising how he sculpted and shaped his career. This is done applying to Nureyev's career the six themes they have identified to understand the sense-making of career: learning, advancement, enjoyment, change, personal development, and occupational identification or vocational selection. Killeen (1996) maintains that "Career theory is a source of guidance strategies and techniques, and can offer a rationale for guidance to those who control its destiny." However, there is a need for future research to specifically look at the role of vocation and talent in careers.

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