

Authentic Leaders form New Leaders to Assume the Command of their own Company: A Reflection on Authentizotic Organizations

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Abstract— *In this article we explore the transformation of a family company into an anonymous society, or rather, a joint-stock company, and the importance of the leader in this transformation process. It is a case study on an organization named Condor S/A, from Southern Brazil São Bento do Sul - Santa Catarina) in which a successful authentic family leader was able to inspire new leaderships that maintained the values of the company and in the future took over the company's general direction. Our study, therefore, is directed towards an organization that manages, with its authentic leaders, to form internal managers capable of taking charge of the company itself. We discuss the importance of an authentic family leader who withdraws from the company and is succeeded by an external manager. Scholars such as Kets de Vries, M. F. R (2013) and Luthans, F.; Avolio, B. J. (2003) help us to construct our argument on "authentizotic" organization.*

Keywords— *Authentizotic organizations, Leadership, Authentic leader, Condor, Succession.*

I. INTRODUCTION

In this article we propose to explore the condition of an "authentizotic organization", that is, the organization in which a successful authentic family leader was able to inspire new leaderships that maintained the values of the company and in the future took over the general direction. Our study, therefore, is directed towards an organization that manages, with its authentic leaders, to form internal managers capable of taking charge of the company itself. It is a case study about a company from Santa Catarina, more precisely, from the city of São Bento do Sul. We seek to discuss how an authentic family leader who withdraws from the company, is succeeded by an external manager. We investigated the phenomenon in which an organization with an authentizotic culture allied to authentic internal leaders was able to motivate within its own body of leaders left by the successful family, workers

capable of assuming the general command of the company after successive passages of external managers. In the context of the research, we developed our study of the culture of an authentizotic family business, its leadership, fruitful by an authentic family leadership that was succeeded by professionals from the market, that is, from outside the family. This authentic family leadership was, prior to the transfer of command of the company, a team of leaders committed to the values of the company, considered an authentic organization. This decision of the family leader who moved away from the command was strategically conceived, so that the team of his confidence functioned as support to the external managers, and at the same time they would prepare themselves to assume the direction of the company.

II. AUTHENTIZOTIC ORGANIZATIONS, AND AUTHENTIC LEADERSHIP

In order to study Authentizotic organizations we will also have to explore, even briefly, the theory of authentic leadership (KETS DE VRIES, 2001). We are aware that the topic of leadership involves a complexity of aspects, because in every situation where there is more than one individual involved in a particular process, someone, in a certain way, takes the lead in the search for the goal that contemplates the best viable alternative. The Authentic Leadership Theory (LUTHANS and AVOLIO, 2003; GARDNER et al., 2005) is a more recent approach that emphasizes the building of a leader's legitimacy through transparent and honest relationships with his/her followers. The leader values the contributions of those who follow ethical conduct. Usually, the authentic leader is able to construct a positive interaction, providing sufficient openness so that the leaders can believe in a relational transparency. Mutual trust is a permanent construct, by supporting the ones who follow the leader, by providing opportunities for the growth of the led workers. Authentic leaders acting in this way have a

positive performance that provides feedback from the workers who are led.

This construction of a positive atmosphere among commanded workers makes emerge an authentizotic atmosphere, authentizotic culture or even authentizotic organizations. Therefore, autentizotic organizations are those in which the workers see the company as an extension of their life purposes. In these organizations, fellowship and relational transparency prevails.

So there is an interweaving process among the leaders who are authentic, who honor values and the knowledge of themselves. They are self-confident people who convey confidence to the people they lead. Thus, these authentic leaderships are able to behave with their true "I" without dependence on a definite pattern to mirror (GARDNER et al., 2005).

Authentic leaders are those who exhibit the four behavioral tendencies, namely, self-awareness which is an accurate knowledge of the weakness of their strong side and idiosyncratic qualities; relational transparency that involves genuine representation of self in another; (GARDNER, AVOLIO, LUTHANS et al., 2005; ILIES, MORGESON & NAHRGANG, 2005).

As Kets de Vries argues, Authentizotic Organizations, Authentizotic Cultures, or even authentizotic climates are businesses where there is harmony in the workplace where well-being is a consequence of shared goals, where workers feel sheltered as an extension home, beyond the family environment (KETS DE VRIES, 2001). Leaders and led are integrated, creating a climate of intergroup trust that can provide a sense of purpose to their lives. Authentic Leaders have their ability to approach people with the characteristics that can fit this perspective of authenticity (AVOLIO et al, 2008). There is, therefore, no authentic organization without authentic leaders capable of interacting positively with the leaders.

In this sense, the two variables, Authentic Leadership and Authentizotic Organizations, have something in common: the perception that the led workers are firmly established in the company, develop their abilities there and make their career. We then agree that authentic leadership feeds an authentizotic environment, while the autentizotic organization feeds authentic leadership which contributes to an authentic environment, ideal to developing new leaderships. We will then in the next paragraphs, proceed to study the Condor S.A company which we consider an example of autentizotic organization.

III. CONDOR S / A: AN AUTHENTIZOTIC ORGANIZATION.

The organization Condor S.A was founded in 1929 by a German immigrant who arrived in Santa Catarina before the Second World War. Today the company is

consolidated and very well acknowledged in the environment where it operates, both for its well-structured corporate governance and for the quality of its management, which makes it an important competitor in the market in which it operates. Its trajectory of nearly 90 years makes it respected by the values that support the whole company. Family organization may face serious problems if they are not adjusted in relation to management, property and families. Condor situation was not different.

The case of this company, in the third generation of family members, with a culture well established and with values of the founder reveals a climate of commitment, relational transparency, fair treatment, in which the employees stayed for a long time in the company. It was not differentiated in the third generation of the others: the existence of a diversity of family members has as a consequences diversity of interests. One realizes that family, property and management are mixed causing confusion. Thus, in 1996, when the grandson of the founder, the third generation, persuaded its members to move away from a family company in order for the company to pass to be managed by professionals outside the family. Surely it needed a maturation process. This process provided the team of in-house leaders with continuous learning which originated the company's sustainability. At the same time the leaders were prepared for the highest position in the company.

The first step in the succession was to form the Board of Directors, as a body that served as an interface between the management of the company and the owners, among whom those who had withdrawn themselves from management. This Board of Directors integrated, besides the relatives, a leader coming from the command of companies recognized in the region, such as WEG and Marisol. This professional has performed an important mission for the company: a conciliatory leader of the families in the Board of Directors, as well as, an important element for the professionalization to be consolidated in the organization.

IV. LEADER HEINZ ENGEL LEADER WHO DETECTED OTHER LEADERS TO TAKE OVER THE COMPANY

Discussing family organizations, Tucker (2006) emphasizes that the option for a new leader without a family bond is a plausible alternative. In the case of Condor company, in order to start this process of removing three family members, the management immediately realized that they needed a coordinating leadership. This perception was approved and would be respected heading towards a consensus. Therefore, that's

what happened: the Chief Executive Officer, the familiar Heinz Engel led this process.

Heinz Engel had a broad knowledge and was respected, determined, self-conscious, with self-regulation. With his comprehensive vision, and his life trajectory, he was able to start the process, that is, the exit of the family relatives from the company management. The entrepreneur used his characteristic of leader when trying to approach an external counselor with extensive business experience. After two years of the first external manager who led the company, three new external CEOs were hired in the period of nine years.

The diversity of cultures and the variety of knowledge, behaviors and attitudes of these external managers were fundamental factors for these internal leaderships to develop. Each one with a management competency added their professional experiences to the whole workers. In addition to this, the internal leadership developed themselves through interaction with external Directors within the company.

As a result of the managerial development of these leaders formed by the family leader who retired in 2008, so 11 years after the management was transferred to external managers, one of the team leaders, Osmar Mühlbauer took over the highest rank of the company, substituting an outside professional. Years later, however, this professional suffered a stroke. Provisionally an external manager took over to be later replaced by a new manager from this internal leadership team. Thus, since 2011 Alexandre Wiggers one of the internal leaders, has been the head of the organization in a process of growth and sustainable development. This is, therefore, a phenomenon in which internal leaders have developed themselves in an autocratic organization. Succeeding external managers the internal leaders acquired competence to assume the general direction of the company.

Like any family business, CONDOR had no way of escaping the problem that every family corporation faces: the confusion involving management, property and family. As a Condor team member, the founder's grandson, says: "And at some point, there was trouble, and my grandfather sent everyone away, at last only the son (Alfredo Klimmek) was left, and then the nephew who is Hein. Because Heinz is the oldest cousin." (in an interview to the researcher) Thus some situations which flow in a family business also influence their development.

Family firms usually retain values, among them, austerity, commitment, dedication, to a greater purpose as a passion for the company (GRZESZCZESZYN; MACHADO, 2009). For Condor, at the moment an external professional was important, since being a family member

could be infected by the influence of this or that family. Mr. Heinz Engel realized that he, as a member of the family, had troubles to take some measures, so, as one of the company's employee says, "Jean Luc arrived and took over Mr. Heinz's staff and continued the work."

On April 17, 1997, the family shareholders, Heinz Engel, Thomas Engel, Claus Klimmek, then directors of the company, led by Heinz Engel, left the executive management. Jean Luc Pierre was elected for the position of General Director and Marie GhislaeinJadoul was elected executive management.

Facing the new challenges, learning and commitment were required. In this context, Condor was building its learning about the new consensus format among the family members. One worker, in an interview to us, explains: "But then we learned how it's real governance, that's not just how to get everyone together! No! It must have a certain discipline, a certain organization and rights and duties"

A relevant aspect in the Authentic Leadership Theory is that the authentic leader has the ability to approach people with the characteristics that can fit this perspective of authenticity (WALUMBWA et al., 2008). Heinz Engel, as a leader who had a business integration with important personalities in this area, knew the competence of Vicente Donini, then attached to the well-known Marisol company located in Jaraguá do Sul. "I know that Mr. Heinz went there to talk to him, I do not remember if it was someone else, if it was from Mr Heinz Engel or if that was Donini, but I know that he knew Donini before, already knew him from before." (Interviewee 1). He interviewee completes: [...] and he was a very well-prepared person, he succeeded in making the meetings productive, conveying knowledge, helping a lot. He was an important piece for the company's growth for the c. "(E7).

Kets de Vries (2001) advocates that in Autocratic Organizations there is connectivity of the organization with its staff, commune in corporate terms, vision, mission culture and structure. It is perceived a process of dialectics in which the external manager makes their competences emerge, shares with the group of intermediate leaders, and these in turn are integrated, leading to a learning factor for both parties, once the external manager has arranged to interact with existing staff.

In our work, we interviewed the main actors who have been in charge of Condor trajectory, from 1997 to the present. We chose the interviewees based on information we obtained about their importance in the transitional process. In addition to the interviews, we used internal company's documentation, such as minutes, Balance Sheets, Income Statement, records archived in file.

Before we explore the interviews, we would like to discuss, briefly, on what we mean by authentic organizations emphasizing the importance of the sense of belonging present in the whole worker environment.

V. FOSTERING A SENSE OF BELONGING

Company employees have praised the way the outside knowledge has been passed on by the new leaders. They cite external managers such as Jean Luc, the first external manager after Mr. Heinz, as an important leader. Moreover, other leaders provided the appearance of new leaders.

Even considering that there was a culture clash with external managers, this diversity of views of external managers was able to sharpen the critical spirit of the internal leadership in a very interesting learning process. This identity of Condor Company comes from a culture developed over time. For Kets de Vries (2001), the trust, the pleasure of the working group to contribute to colleagues and to accomplish their task is visible. Everything is done based on the understanding of the human being, enabling the individual to feel healthy within the organization.

Other interviewee, for example, reiterates that he values the spirit of leadership and affirms that in the company "... people have managed to put the company above, in their personal interest, and many with it doing wonderful careers ... [...] . People know that they have the opportunity to climb the stairs, all they want is that, as long as they prepare for it and fight for it." (E 2). The interviewee further states that the company becomes your home where you can feel good saying that most feel very good here at Condor and like to work in the company.

There is, as far as the employees are concerning, a sense of belonging in the company, and this is a characteristic of the authentic organization as KETS DE VRIES (2001) has argued. There is a bonding in the company that encourages workers to stay for a long time. The fact that workers put the company above their personal interests leads one to deduce that the company is an extension of their family environment; by being in the company one becomes a life purpose. In this respect, another official says that "... people have managed to put the company above their personal interest, and many are doing wonderful careers ... [...] people know they have the opportunity to climb the steps, as long as they prepare themselves for it and fight for it. "

What we can observe is that the workers started in some function and later they became managers, or started in the company as their first job and then became manager. By focusing on the potential of each company professional leadership has provided a culture of professional development. Authentic leaderships, as they intensify the

appropriate training, by identifying their potential, promote workers' autonomy and group integration in a process of motivation that radiates in a constructive spiral. Heinz Engel, the staff claims, left a team of leaders with a developed philosophy formed, which continues today. "Because today, the people here, we speak that have a Condor way to be, and in this way to treat people well, take care of the process as if it were each one.

In the process of conducting the company by external managers, the existing cohesion in which there was shared management began to be challenged. The atmosphere in which the middle managers formed a true united team had to be regained. In order to win back, it was necessary a trained manager to take over the company's direction.

Interesting to realize that the shareholders themselves and the committee board realized the appreciation of the leadership among employees. The professionals felt that they could learn continuously and learn the best practices from nontraditional and often unexpected sources (Kets de Vries, 2004). We argue that learning can be linked to well-being, since when the person is learning he or she feels more accomplished, his/her positive perception of oneself gives one more individual autonomy and this leads to the concept of Authentic Leadership in an authentic organization, (CAMERON & CAZA, 2004; DUTTON & QUINN, 2003; KETS DE VRIES, 2013).

It is important to note that Heinz Engel had an authentic leadership profile within theoretical concepts. And authenticity does not mean that the leader necessarily has an ability to deal kindly all the time. Within his/her authenticity one is fair to all, in pursuit of organizational goals to the detriment of his own interests and feels successful in achieving the goals. He or she will be respected because she/he is true. A Condor's employee says relating to Heinz Engel: "he was always very authentic right, very direct and very transparent." Furthermore Heinz's worker contends, "he was a straightforward person, so sometimes he would come and pull one's ear. But he explained the reasons, why he was doing it, and people accepted it and were really trying to evolve."

VI. SOME CONCLUSIONS

So far we can draw some conclusions from our discussion: a) there is a significant view about the existence of Authentic Leadership in the company (average 4.3); b) in the same way as relating to the Authentic Leadership, but with a significant average of 3.8, there is a good perception of an authentic environment; c) there is a correlation between Authentic leadership and authentic organization.

We have seen many cases of workers who had Condor as their sole employer, children who worked for many years and had the same parents as having the company as their sole employer. Even today, one of the current directors who has been in the company for 40 years, says that his father has worked for Condor for 35 years.

Within Condor context, it was verified the construction of a culture typified by Kets de Vries (2001) as "Authentic organization", or authentic culture, or even coined by some authors of authentic identity, where the workers feel well, because the environment gives them something internal that they have as the purpose for their lives.

The fact that Heinz Engel's decision to take over the command the process of turning the family company into a governance corporation makes us realize that he revealed a leadership with the wisdom derived from his experiences. Leaders are guided by a set of transcendent values that mediate their decisions about what is fair and convenient for all stakeholders. These statements are found in the Authentic Leadership theory (GARDNER et al., 2005).

Heinz Engel's profile, as discussed above, contained all the characteristics of authentic leadership as advocated by scholars in the area. In theoretical terms, the combination of authentic Leadership, in the case of Heinz Engel, converges for Authentic Organizations, or authentic culture, the case of Condor. When the leader is able to produce healthy relations, both on the human side and on the organizational side, the opportunity for new leaders to emerge is great. Profile of authentic leaders reveal a transparent way of being, they are genuine, they are endowed with values where coherence and ethics are essential, which allows them to be trustworthy and at the same time transmit confidence to the workers in such a way that they commit themselves to the organization or to the group as well as to the leader (AVOLIO and GARDNER, 2005).

With the promotion of these internal leaderships the company has strengthened and today there is a culture of people development, commitment, sense of belonging. We emphasize the importance of these internal leaderships, identified with a profile of authentic leaders, like the leader, Heinz Engel. Even the workers with whom he has had no previous contact respect him for the name recognized by the internal leaders. These leaders, people who act transparently and with a culture that was initially built by the family and inspired by Heinz Engel, being able to develop themselves and reach the top of the organization. Another observation this team remained cohesive throughout this route in a dialectical construction in "Condor way of being."

Within these conceptions we conclude that an authentic family leader, Heinz Engel, incorporated in the atmosphere of leadership an authentic environment, where the well-being of the worker is stimulated causing a sense of purpose, competence, self-determination. These leaderships, with the culture of an authentic organization and with the formation of authentic leaderships was developed with the professionalization of the company, adding new competences for the integration with the successors who took over the company direction. The exercise of authentic leadership depends very much on the context in which these leaders act from their experiential trajectory, from the culture in which they are inserted. As far as Condor is concerned we saw that regardless of the external manager. So the premise is that they establish lasting relationships, such as the family leader, the middle leaders and the leader of the Board of Directors, Vicente Donini, who spent 16 years in the Council.

Finally, it should be noted that this research was not limited to the individual leader's perception, because it encompassed a culture, a team of leadership, the environment conditions that affect a person's ability to be a leader. There is a context to be considered as there is a history of the leaders within a context and the form of the relationships for the construction of an authentic environment.

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