

Memory, Culture and authentic leadership: why does this matter to a company?

Mário Nenevé¹, Miguel Nenevé²

¹UNIVILLE – meneneve@uol.com.br

²FCRO – Faculdade Catolica de Rondonianenevemi@gmail.com

Abstract— *Memory, culture and leadership in a company does matter, although many executives may think the opposite. In this study we investigate the importance of memory and leadership of a family company in the city of São Bento do Sul, Southern Brazil, with the purpose of identifying its characteristics. We intent to study, through a questionnaire answered by employees, if they feel at home in the company and, therefore, if the leadership is authentic. Besides we want to identify the company's atmosphere: can it be considered authentic? Which are the facts that characterize it as such. Brief and Weiss (2002), Gelfand, Erez and Aycan (2007), Hodgkinson and Healey (2008) and Judge and Kammeyer Muller (2012) are part of our theoretical support.*

Keywords— *Company's memory - Authentic leadership, Buddemeyer, Family business.*

I. INTRODUCTION

“There's no need to study the past; what matters in a company is the future” this is something we usually hear when people are talking about a company's progress and success. This is a version of some people's belief, people who have worked as executives in some companies. They think it is no need to go back to origin of the company and to get to know how it started and how it has developed to reach the position it occupies now. Some people even think that study the company's history and memory is just as irrelevant as some sad nostalgia. They may think that to honour the memory of the company is a waste of time and that everybody needs to focus only on the steps ahead. However, in this paper we want to argue that the history and development of the company do matter. Authentic leaders of companies know the importance of the employee's confidence on their work and on their leader and in this case, they know that if they miss the history, they are missing part of the company. Lisa O'Keefe, Senior Advisor of Talent and Engineering Culture says that “the more leaders can share what a company values in its culture, the easier it's going to be for the culture to become a reality and not just these random words uttered without meaning or random quotes on a wall.”¹

It is important for the employees to feel they belong to the company when they know where they are stepping on, that is

how the company was founded on what principles and objectives. Thinking on this and thinking of the importance of valuing local companies which has been in the region for a long time and can serve as examples for new companies that we decided to research on the history and leadership of Buddemeyer, a company located in São Bento do Sul. Albert Memmi, a thinker in the area of postcolonial studies reflects on the importance of the colonized people, and here we can associate with the employees and the need of belongingness.

When employees are excluded from any values but work they become less interested in the government and in the progress of the company. They are conditioned that their inadequacy is what makes them unable to feel part of the company, and “assume a role in history” as Memmi says in his work *The Colonizer and the colonized* (94). If the employees have no right to know more than their own job in the company, they can never experience feelings of belongingness and, therefore, will do little for the company.

Researching the history, the leadership and the development of a company such as Buddemeyer, in our own place, has a great relevance for students and young entrepreneurs who need some encouragement and stimulus to plant new ideas and new business. As Frantz Fanon says, to go back to the past, to value the memory is to believe in a better future and “an invitation for action and a basis for hope” (231-. 232).” This, we believe, it is possible to apply to discussion on the area of business as is the aim of our discussion too. Authentic leadership is another important issue

¹CULTURE IQ blog. “The Role of Leadership in Changing Organizational Culture”. Available at <https://cultureiq.com/blog/role-leadership-changing-organizational-culture/>. Access on September 18th 2020.

related to the company (Buddemeyer) which is the object of our discussion here.

II. AUTHENTIC LEADERSHIP

In any situation in which people are involved, in a given context, when there is an intention of achieving a common goal, it is necessary for someone to assume the commanding position. This person, whether they ascend naturally to that position or they are appointed by the group, or by someone else, is the leader within the common goal. Organizations, in general, are those that, in principle, have goals and objectives of their own, in their "raison d'être", hence they depend on their leaders for their success or failure.

The large number of research studies carried out in organizations (MUMFORD et al., 2009) attests to the importance of the leadership theme, as it permeates as a fundamental link in the complex organizational system. This area of study is placed among the ten most researched in the beginning of the twenty-first century (BRIEF; WEISS, 2002; GELFAND; EREZ; AYCAN, 2007; HODGKINSON; HEALEY, 2008; JUDGE; KAMMEYER MULLER, 2012).

An essential element for leaders to be respected is the question of their moral authority. This applies not only in the organizational context, but in terms of what happens worldwide when it comes to the effective representation of its leaders. In recent studies, several approaches to leadership profiles have deserved researchers' attention. However, one in particular, which emerged no more than 20 years ago, is the so-called "Authentic Leadership", which has moral values as one of its bases.

III. AUTHENTIC LEADERSHIP AND THE AUTHENTIZOTIC ATMOSPHERE

Studies on authentic leadership have evolved from the beginning of this century, to the point that today this theory is already consolidated. This leadership characteristic flows to those leaders, said to be authentic, who have a solid "sui generis" behavior of their "selves", who are confident in themselves, based on a greater knowledge of their abilities and endowed with moral values.

These attributes lead them to be able to behave with relational transparency with those who they lead; they act out of awareness of their "selves" within the group's larger objectives, for an ideal, without the attachment to obtaining their own advantages. In an organizational context of integration between leaders and subordinates, a leadership that strives for transparency is necessary.

For their performance, organizations need continuous feedback between leaders and followers. Along this line,

studies emphasize that authentic leaders are able to contribute to a positive atmosphere among their followers, so that workers make their insertion in the company an extension of their life purposes. For a healthy atmosphere, in which the team members feel committed and happily integrate into the work environment, the term "Authentizotic Organizations" emerged among theoretical researchers (Kets de Vries, 2001), or even "Authentizotic culture", or "Authentizotic climate".

Thus, the question that I present here is how authentic leaders can contribute to an authentic environment, under a case study in a company located in the north of Santa Catarina, Buddemeyer S.A. Under an empirical assumption that the leadership in this organization was authentic, this study aimed to confirm it and to understand if this factor contributed to their environment having a healthy atmosphere, one in which the employees feel engaged and committed with the organization. That is, it aims to understand whether the organization was theoretically typified as authentizotic.

Theoretically, these two variables are intertwined, in other words, authentic leaderships converge so that there is a so-called authentizotic climate, one in which workers feel engaged with the organization, motivated, committed, in an environment in which the organization provides a purpose for your life, that is, a non-authentizotic one. Studies emphasize that happiness at work, satisfaction and organizational commitment are positively related to the authenticity of the leader.

In this case study, the company mentioned above is a family organization that is now in its third generation, with a management done by family members, while still maintaining a perceptible professional performance. An important aspect is that in order for the family business to remain in succession, it is necessary that it has a reliable leader who can establish norms that separate the issues between family, property and management.

This company, which is the result of a family leadership that stands out today, managed to display a professional family management. And in this context, it is important to ponder on the work environment in the organization and its leaders. Although there are restrictions regarding families in the command of organizations done, this is the case "sui generis" that has experienced a successful experience through the command of family members.

The scholar Terry (1993) had already used the term authentic leadership, understanding that this conception carried a strong sense of value, essential for a rapidly changing world. In 1997, articles such as "Authenticity, intentionality, spirituality and sensibility" (BHINDI; DUGNAN, 1997) and "The power of vulnerability in contemporary leadership" (BUNKER, 1997) contemplated this vision of leadership

based on personal values and shared among those who are led, in a sense of moral and ethical conduct that inspired reliability.

In the organizational area, Bill George, as the former head of the American company Medtronic, postulated the need for leaders to conduct themselves with purpose, moral values, with the courage to build their companies by meeting the needs of not only all parties related, but of society itself, in a long-term view (GEORGE, 2003).

In academic terms, in 2003, Luthans and Avolio published a book chapter on authentic leadership and began to publish scientific articles on the topic, culminating in an event, held in 2004, led by them in which they brought together professionals and scholars on the topic, especially to discuss this approach at a leadership conference at the Gallup Institute for Leadership at the University of Nebraska-Lincoln.

As a result of the discussions at this congress, an issue was published in the Leadership Quarterly Journal, entirely focused on the theme and whose title was: "Authentic leadership development: Getting to the root of positive forms of leadership" (AVOLIO; GARDNER; WALUMBWA, 2005). From the perspective of the authentic leadership construct, this special issue served as a paradigm for much of the research carried out later (KLENKE, 2007). This leadership approach emphasizes building a leader's legitimacy through transparent and honest relationships with those led.

Usually, the authentic leader is able to build a positive interaction, providing enough openness for the followers to believe in relational transparency. Mutual trust is a permanent construction, generating support for the team members, and capable of providing growth opportunities. In this sense, there is a conception that authentic leadership is a growing area of academic research on leadership, which, having originated at the beginning of this century, has grown from a new concept to the start of a totally mature concept.

Authentic leaders, when conducting themselves in an environment of transparent relationship, are able to act in a way that makes workers feel like members of a committed team. Thus, they are motivated to perceive themselves as active subjects, who belong in the organizational body. Kets de Vries (2001), based on his studies of companies, cites some organizations with this kind of environment authentic.

This focus on the work environment originated from the project "The 100 Best Companies to Work for in America" (LEVERING; MOSKOWITZ, 1983). These companies seek to respond to the need to satisfy three purposes: professional fulfillment, family/personal fulfillment and organizational performance. In return, employees adopt a posture characterized by effort and organizational commitment,

loyalty and behaviors of organizational citizenship (REGO, 2004).

In a corporate sense, the organization's connectivity with its body of workers makes it possible for the goals are shared. This transparency, this authentic functions as a balance between the personal aspect of the organization's components and the professional environment, creates the so-called authentic organization. Common goals create an environment for individuals to develop, constructing their autonomy as they become aware of their importance for the group synergy.

In this context, a good place to work is one where employees trust the people who lead and/or employ them, are proud of what they do, and like the people with whom they work. The environments in which these people feel inserted are called self-realizing, that is, one which promotes a high quality of life, assisting people with personal life goals that integrate with personal growth in the organization.

The leaders of these organizations (authentic) are capable of creating positive stimuli in the environment; they have high standards of behavior, are supported by ethics, and motivate their followers to pursue these values; with their examples and attitudes towards the community, they foster social responsibility (REGO, 2004)

IV. BUDDEMEYER – AN AUTHENTIC ORGANIZATION

Our study was conducted at the company Buddemeyer S.A., a nationally recognized industrial company in the textile sector in São Bento do Sul - SC. This organization was founded in 1924, by the German immigrant Friedrich Bernard Buddemeyer - who, in his luggage to Brazil, brought his experience in textile engineering, his bride, and the hope of a new life. Buddemeyer started as a loom factory in Itajaí - SC. In 1951 the company was transferred to São Bento do Sul, and started to manufacture textile products. It currently employs 1,200 people. In terms of command, Buddemeyer is led by the third generation of the family that gives its name to the textile company.

From the 1970s onwards, the organization gained new markets and consolidated its presence in Mercosur, in the European Community, and in North America. The questionnaires were applied to all employees of the company who exercised a leadership role, from team leaders to supervisors and managers. It should be noted that each respondent had someone as a superior who commanded them.

For our research, we applied 48 questionnaires within this sample population, covering all employees who held some leadership position. The questionnaire contained statements,

using the Likert scale (RENSIS LIKERT, 1932) with five positions in the range between 1 and 5, with the following statements: 5 - always; 4 - almost always; 3 - from time to time; 2 - rarely; and 1 - never. The statements were related to the behavior or to the facts in which authentic leadership was envisaged and regarding to the environment, that of an authentizotic organization. The Authentic Leadership Questionnaire was composed of sixteen factors that assess the main characteristics attributed to authentic leadership: self-awareness, relational transparency, internalized moral perspective and balanced processing, as follows.

Do the leaders say exactly what they think ?; Do they encourage others to say what they think ; Do they admits their mistakes?; Do they tell the hard truths?; Do they show emotions that correspond to what they feel ? ; Are their actions consistent with their beliefs? ; Do they take decisions based on their core values?; Do they ask me to take positions according to my core values? ; Do they make difficult decisions based on high ethical standards? ; Do they ask me for points of view that question their deepest positions? ; Do they analyse relevant information before making a decision? ; Do they listen carefully to different points of view before drawing conclusions? Do they seek to obtain information (feedback) from people in order to improve interactions with them? ; Do they have a clear sense of how others view their abilities? Do they know when it is time to reevaluate their positions on important issues? Do they understand how their actions impact others? (This is questionnaire is an adaptation from Walumbwa (2008)

Along with the Authentic Leadership questionnaire, 21 questions related to authentizotic organizations were incorporated through a measure according to the structure proposed by Rego and Souto (2004). For example, Do people feel that they are assigned important responsibilities? In order to progress in their career, it is necessary to sacrifice family life? Is there a great team spirit? Can employee put creativity and imagination at the service of work and of the organization. Does the organization help people to reconcile work with family life.? Do the the superiors keep their promises ? Do people feel ease showing that they disagree with the opinions of their superiors? When good results are obtained thanks to the efforts of employees, are the "laurels" (eg rewards and praise) distributed only to a small number of managers ? Is the organization concerned with reconciling work and family responsibilities? Do people feel that they can learn continuously.?(These questions were an adaptation from n from Rego and Souto (2004).

V. SOME CONCLUSIONS

Considering the statistical analysis, we can say that the company has an authentic leadership at a level of 3.78 on a scale of 1 to 5. The closer to 5, the closer it is to authentic leadership. 3.78 means at a level higher than 50% of the average, which would be 2.5, halfway between 1 and 5. The company may offer an authentizotic environment because the average was 3.68, when the highest score would be 5. However, it can be inferred that 3.68 is 47% above 2.5, which is the middle point between 1 and 5.

Although the company is family-owned and run by family members, the perception is that its leaderships are authentic and there is a healthy atmosphere within the organization. Normally, family businesses, as they conduct themselves in a non-professional manner, may have an environment that priveleges some and disconsiders others, which, in a way, would not lead to a healthy atmosphere. It is clear that in this company, in its third generation, employees, who are leaders, perceive their superiors as authentic and that they are, therefore, reliable, give them feedback, and act transparently. Additionally , this form of leadership leads to the company having an atmosphere in which employees are committed to seeing the company as an extension of their life purposes.

Moreover, we consider that it is very important to research on a company's history, to honour the effort of the founder of the company and stimulate young entrepreneurs to learn about the importance of authentic leadership and of ethics if one needs to progress as a company .

REFERENCES

- [1] Avolio, B. J.; GARDNER, W. L.; WALUMBWA, F. O (2005). Authentic leadership development: Emergent trends and future directions. *Authentic leadership theory and practice: Origins, effects, and development*, p. 387-406..
- [2] Bass, B. M. (1985) *Leadership and Performance*. New York: Free Press .
- [3] Bhindi, N.; Duignan, P (1997). Leadership for a new century: Authenticity, intentionality, spirituality and sensibility. *Educational Management e Administration*, v. 5, n. 1,
- [4] Brief, A. P.; WEISS, H. M.(, 2002) *Organizational behavior: Affect in the workplace*. *Annual Review of Psychology*, v. 53, p. 279-307.
- [5] Bunker, K. A. (1997) *The Power of vulnerability in contemporary leadership*. *Consulting Psychology Journal: Practice and Research*.
- [6] Ferr, H; (2016) *Bioestatística na Prática*. Campinas: Unicamp
- [7] Gelfand, M. J.; Erez, M.; Aycan, Z (2007). "Cross-Cultural Organizational Behavior". *All UNF Research*,.

- [8] Fanon, Frantz (1990) *The Wretched of the Earth*. London: Penghin.
- [9] George, B. (2003) *Authentic leadership: Rediscovering the secrets to creating lasting value*. New Jersey: John Wiley e Sons.
- [10] Hodgkinson, G. P.; Healey, M. P (2008). *Cognition in Organizations*. Annual Review of Psychology.
- [11] Kets de Vries, M. F. R.(2001) *Criação de Organizações Autentizóticas: Bem-estar individual em sociedades vibrantes*. *Relações Humanas*, v. 54, n. 1, p. 101-111.
- [12] Klenke, K (2007) *Authentic leadership: A self, leader, and spiritual identity perspective*. *International journal of leadership studies*, v. 3, n. 1, p. 68-97.
- [13] Levering, R.; Moskowitz, M. (1983). *The 100 best companies to work for in America*. Fortune.
- [14] Likert, R.(1932) *A technique for the measurement of attitudes*. *Archives of Psychology*, v. 22, n. 140, p. 1-55.
- [15] Luthans, F.; Avolio, B. J. (2003) *Authentic Leadership: A Positive Development*
- [16] Memmi, Albert (1970). *The Colonizer and the Colonized*. London: Penguin Approach. In: Cameron, K. S.; Dutton, J. E.; Quinn, R. E. (Eds). *Positive Organizational Scholarship*. San Francisco: Berrett-Koehler.
- [17] Rego, A (2004). *Organizações autentizóticas: Desenvolvimento e validação de um instrumento de medida*. *Estudos de Gestão*.
- [18] Rego, A.; Souto, S (2004). *Development and validation of an instrument for measuring Authentizotic organizations*. East Sussex: psychology press.
- [19] StatSoft, Inc. (2007). *STATISTICA (data analysis software system)*, version 8.0. www.statsoft.com.
- [20] Terry, R. (1993) *Authentic leadership*. San Francisco: Jossey-Bass.
- [21] Walumbwa, F. O et al (2008). *Authentic leadership: Development and validation of a theory-based measure*. *Journal of management*.
- [22] Blog: CULTURE IQ blog. "The Role of Leadership in Changing Organizational Culture". Available at <https://cultureiq.com/blog/role-leadership-changing-organizational-culture/>. Accessed on September 18th 2020.