

# Does the Tail Wag the Dog, or Brilliance and Stagnation of a Knowledge Intensive Organization (Case Study)

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**Abstract:** The undermentioned case study shows processes in connection with a leader change in a higher educational institute, in a Middle- East – European country. The study highlights the consequences and the probably pitiable outcomes of these processes. The lifelike conditions of this case study confirm the well-known establishments which are continuously communicated by the management theory to practice. Namely, what damages are caused by an incorrect leader election process which is not looked over enough, an incompetent leadership and its methods, the inappropriately handled change and knowledge management processes or their deficiencies. In connection with the case study the leaders of companies and institutes can recognize pitfalls which can be put down to the account of their own unpreparedness and of their employees' misinterpreted behaviour. Leaders sometimes interpret their employees' collective behaviour badly and as a result of this community formation can be a 'mass effect' where key persons influence other colleagues' opinion. The case study is a wholesome story from some additional perspectives as well. For example, the cultural effects which are deeply rooted in the historical past of a community or in a country. The effects mentioned do not allow a rational change management and the misinterpreted managerial functions and roles mislead the destiny of an institute.

**Keywords:** Knowledge, Knowledge Intensive Organization, Case Study, Organizational Culture, Change Management

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## 1. Introduction

### *Preliminaries and the background of this case*

This higher educational institute had prospered in the most developing region of an East - Middle – European country, as a college, with more decennial experience in engineer students' teaching. About 10 years ago the influences of the economic policy forced the institute to become a university. In the background of the economic force a relatively influential factor must be mentioned which is the settlement of a famous multinational company. The company needed to employ young people who were educated in domestic institutes, especially on technical areas. The connection between this company and the university could be featured as careful and mutual first experiences with each other. In the process of becoming a university, new faculties, courses and teaching areas appeared. Those new sciences were important from the point of view of the institute, but the company was not interested in those new areas. The dynamic development was characterised by a bit temperate, but balanced connection

where engineering science was preferred and the company formed its own departments and its own special teaching programs which made the education system more colourful. New demands and ideas formed the students' way of thinking and the educational profile became more and more specialized, though got closer and closer to the requirements of the company. The process of becoming a university, the new educational areas showed a picture of a prospering and developing institute to the outside world. The university was able to attract a lot of well-educated research workers, professors, who supported and led the university to success.

The past 10 years have brought successes, strengthening assistance of the company, at the same time increasing intervention into economic policy for the leaders of the university. The balance was upset, the elderly CEO lost its bargain position, and the company gained more and more emphatic role in the life of the university. The lost balance meant not only the expansion of the demands of the company, but parallel with them the decreasing level of the pecuniary assistance as well. (The readers should know about the culture

of our country that in the last centuries it was exposed to some super power domination. Subservience, acceptance of an outside power are coded in people's behaviour and in their scale of value. Consequently, the change of the government's and the company's demands did not call violent protests forth, and there was no opposition or denial either in CEO or in the employees.)

At that time a purposeful and hard willing leader (dean) directed the economic faculty sciences of which took a dominant role over in the life of the institute. The number of students and the multiplication of new courses pulled the structure and profile of the university from teaching engineering subjects to other sciences. (Unfortunately, these directions did not fit the purposes of the multinational company.) In the year of 2013 the first leader of the university resigned from his post which indicated to write a new announcement of this position out. The former leader did not want to continue his job (due to his age) therefore three new candidates came to the front. The real problems became sharp and complicated from that moment.

## 2. Who Will the Successor be and Why

The period before the election was critical in the life of the institute. Out of the three candidates one was an engineer and two were economists. All of them tried to build an own supporting team which covered captivate voters (not in absolutely fair forms), to agree about the future leading positions (based on uncertain promises), and so on. In that period the multinational company was a significant actor which filled a supporting role, but in the background (as influential factors) the former leaders and the political influence were prevalent as well. All the three candidates believed very strongly that he would be the winner. During that period the employees lived their everyday lives in uncertainty, which diverted attention from the actual tasks, in a crossfire of gossips and conjectures (without real performances in their work). The period kept on for more months.

The readers can see that the expected demands in connection with the change management, namely preparation, to give information to people, to fight employees' resistance, etc. did not come to the surface from the CEO [5].

Before the election the three candidates presented their programs in the presence of the whole community of the university. Everybody could see and hear what purposes they had and what they thought about the future. In the course of the introduction it came to light that the above mentioned dean of the Economic Faculty had an exact vision, purposeful ideas and a good way which could have led to realization of his strategy. The program was balanced among the significance of teaching – research – connections with practical life. The other economist candidate was a highly educated professor, who placed science in the middle of his program. He based his

success on his recognition in this region. At the end the engineer candidate, who is a relatively young man, without experience in leadership, built his ideas only on the requirements of the multinational company. He did not have any real ideas, he put the managerial behaviour and money-making in the centre of his and of the institute's purposes. These introductions resulted in mixed feelings in the community.

The election was over and (according to the post value judgement, it was not a surprise) the engineer candidate came as a winner. The readers can ask a lot of questions about the result, there are a lot of 'why?' questions. You should know that the engineer qualification is very important in an institute where the given discipline was dominant for a long time. (Most voters were engineers as well.) A dominant, determining factor was in the election process the willingness of the multinational company which preferred the technical area. The prevailing connection together with the domestic political intention was victorious: to increase the significance of technical teaching in the economy and to support the well-operating big companies. The future of the university became well-defined after the election, but the consequences started to increase tension in inside situations. In each case when there are more candidates, their behaviour causes conflicts, they might handle the apparent defeat badly and their disappointment might as well lead to ill will. Their behaviour was unethical and they tolerated the situation very badly. With good reason the following question is to be put: why did they behave in that way, could these behaviours have been anticipated?

In our opinion the main problems are in the valueless relationships among people, in the organizational culture, in the full of fear historical past where nobody was sincere. Everybody talked beside the point, distorted the truth, promised or told the untruth. Neither the former leader of the university, the CEO of the company nor the employees who were qualified to vote, did not express their opinion openly, but they encouraged people to disguise their real intention during the vote. The real and serious ethical problems are: in the first place the distorted leader behaviour, fear from giving an open opinion, avoiding conflicts and hiding their personality and opinion [9].

In the following the further rolling effect of unethical behaviour unfolds.

## 3. Is the Winner a Real Gainer

The prompt happenings after the election appeared as follows. The professor, who preferred science, took a back seat for more months and he resigned from his every function or position. A bit later he overcame his being deeply hurt and now he completes himself in the direction of the Doctoral School. He works in the frame of other institutions and scientific communities with which he deprives the university from a lot of formerly successful activities.

The biggest problem was with the behaviour of the former dean of the Economic Faculty. He was so deeply hurt by the result of the election that he gave his every former position up, (he was the leader of the Management Department as well), and he left the university at once without thinking. He left the faculty, the department itself, depleted every pay-box and went abroad.

It follows from the leader's behaviour that knowledge sharing, experience division, transmission of documents and all the rest which are usual processes in case of a leader change did not happen. The consequences of these behaviours appeared a bit later: uninformed new leaders, unexplained competencies and division of work and long-run uncertain decision situations [11].

If the story finished here, the question would raise immediately, who is the winner really? The institute is not for sure. This way the leader who directs it, is not. The university lost two clever, full of energy personalities who had exact visions, their connections, experience, etc.. How big the loss is, it cannot be calculated exactly today, but the consequences will be deeper and more damaging than they are at the moment. How could this situation have been avoided?

Leader's competences, problems with people's behaviour avoided conversations are elements of failure. The lack of sincere and supporting atmosphere, the lack of power sharing, shaping a common future, or enforcement of a principle: 'together is easier and everybody can win' deepened the problems [8].

See the real background of the listed solving possibilities.

#### 4. Defectiveness of Leaders' Competencies or Human Weakness

In the middle of the semester the deans' leaving who was a leader of the department as well demanded an immediate intervention. At that time the situation formed according to the ideas of the new CEO. Although the circumstances had to be handled urgently, that problem solution required two more months.

Here a leader's negligence can be caught. In such a situation to leave an organization to itself, comes near self-destruction [4].

That period was long enough so that the staff should deal with the future opportunities only which are advantageous for them, at the same to time keep distance from their expected and important tasks, namely from teaching and researches. Gossips, uncertainty, consideration of possibilities influenced the staff in a negative direction. Although the community respected the former leader, his behaviour resulted in a negative conclusion from them. The future was misty, the

results of the chaos were unforeseeable, the gossips and guessworks evoked unexpected reactions from the people. It is true, there are calculating, selfish people with a soft spine who can fit every situation everywhere, but this behaviour became infectious. Colleagues were infected as well, even those who were not supposed to. The colleagues even motivated each other to behave in an unethical way which generated conflicts continuously. The theory of crowd-psychosis predominated imperceptibly. Unfortunately, people who wanted to keep a distance from those happenings in the beginning, at the end they were infected as well. Disappointment in the new first leader, even more in the earlier respected leader of the department and faculty made everybody stressed and worn-out. In that disillusioned situation and infected condition of the organization a new dean and a new leader of the department were delegated.

The preparation of the change did not happen at any level or in any area, the communication of change was not used at all [10].

A lady was promoted to be a dean by the first leader. She did not have any idea and purposes, but the first leader hoped they would contrive them together. The new dean is fifty five, she has spent a lot of time in higher education, but neither in science nor in teaching, or in any other area she has not shown any significant results. She is really weak. She did not deal with professional or collective tasks earlier, but she had a very big advantage. She had a good relationship with the staff and leaders of the engineering faculty. It was the primary reason which supported her delegation. The readers can ask a question if it was enough. If somebody has good friends, can she/he be a leader in the first position of a faculty? These and the same solutions are not without consequences. In the next paragraph the readers will see what consequences everybody had to face at the faculty.

The leader position of the department was delegated to a professor who is a well-skilled, dynamic person with a lot of experience in her background in teaching, in scientific researches and in public life. The first leader of the institute said that the head of department position required professional work that is why a professor can be the best choice. According to his opinion deans come and go, it is an administrative position, but the head of a department is an important professional position, she/he has to keep the qualitative level in teaching, in research and in every other area. The organizational hierarchy was drawn up on the basis of the above mentioned ideas and the expected collaboration started. Unfortunately, collaboration remained on the level of expectations.

The powerlessness and aimlessness of the two first leaders and a subordination of the future plans to the willingness of the multinational company were absolutely different from the communicated expectations from the staff and the professional commitment of the head of the department. She projected a clear, fair, calculable vision which followed the earlier collectively formulated strategic goals [7].

The new leader of the department provided procreative independence for colleagues, but she required a consequent, appropriate behaviour. She behaved in the same way. But the head of department failed due to the suffocating circumstances. Namely, she had to fight with two enemies continuously which disconcerted her each well-intentioned initiation. One of these enemies was the shortage of money. It means that opportunities for the staff were closed, because of the emptied account of the department. (The earlier dean had swept the account out.) To travel to international conferences and to send papers for publications in international scientific journals were a natural way for the colleagues. The missing possibilities were the biggest source of problems and trouble which initiated dissatisfaction. To finance the additional possibilities became very tight as well. The colleagues wanted money for their purposes at any rate, they strived for it with each other very hard. The competition, the energy which was needed to acquire money, deprived their attention from their tasks (teaching and researches). The initiations of the head of department - to deal with professional work - failed after each other. People did not want to work together in professional teams, they did not want to publish papers together, they did not want to collaborate in different scientific areas. The quality of teaching sank very deeply, because everybody kept their own personal interest in view and concentrated on finding money with all the imaginable fair and unfair tools. As the head of department required professional work, the staff realized the requirements as an obstacle to acquire more and more money as a result they turned against her. It was not enough, in order to enforce their wishes, they turned to the dean with complaints. Here the second enemy can be caught which appears as a pillar of insoluble problems.

Theoretically and practically the fact is verified that during a process of change management each initiation is sentenced to death - whatever good or actual - if a leader in a higher position does not support the person who started the new situation. This typical change management problem ran in the presence of us [6].

The dean as she was aware of her own defectiveness and weaknesses and because she feared for her position, she used the colleagues against the head of the department. With that behaviour she brought about a failure of the work at the department. The dean did not want to communicate with the head of the department, she believed the gossips and she relied on the colleagues' supposed complaints. The biggest problem was that the dean mediated the false information to the first leader and to the CEO at the same time. The head of the department initiated communication more times with the dean, but the dean left her initiations out of consideration. With the unfair behaviour the dean plotted her vicious snare longer. In the background of the strained relations between the dean and the head of department another serious cause could be found. The former dean was a head of department as well, in this way sharing of the sphere of authority and responsibility did not cause problems in his case. These two

important features in cases of the present positions were not clear. The head of department asked the dean and the first leader for her description of a sphere of activities more times, she asked them to share responsibilities and tasks, but the interest of the dean worked against the head of department's request. The unclear situation gave a chance to the dean to meet out the decisions and requests of the head of the department and it also gave her a possibility to intervene in the important issues of the department life. The circumstances became more and more aggravated, the people did not want to work, they were sitting in the dean's waiting-room. They expected the dean to fulfil their wishes and to remedy their complaints. The dean's ambitions became sharpened to defeat the head of the department's position immediately before the time of the head of department's and the dean's delegation had expired and a new announcement of the applications appeared. The dean utilized her power - sometimes overrode her commission. She rewarded colleagues, she awarded prizes and money, promoted people who had a vote, influenced their opinion and votes with extra measures. The dean could keep off potential candidates/rivals to hand in his/her application to the published dean position.

Human weakness, unbelievable greed for power, complete lack of leaders' competencies can be caught, interspersed with the power of the first leader. The result of the election was not a question. The colleagues who were influenced by the dean, did not want to occupy a position against the dean and they fitted her expectations. People voted this lady to be a dean for a long time. This behaviour is absolutely characteristic of this country nowadays.

## 5. There is no Limit of Wickedness/Human Weakness

After the dean's position had been stabilized for 5 years, uncertainty was in the air, because the position of the head of department had to be completed. The earlier delegated head of department believed that the elected dean felt secure in her position and she would not intervene further into the life of department and allow to predominate the professional work. It did not happen that way. The dean realized that her power was not enough to be successful, if a stronger leader works in the position of the head of department. She wanted to form the circumstances that the above mentioned situation should not be a reality.

As she realized the staff's hunger for money, she met them in the background and offered different possibilities to them, for example travelling, positions, money. She managed to make colleagues vote against the application of the formerly delegated head of department. The dean influenced the people to vote for a lady who was weaker than her in the profession and as a human as well. The incompetent lady could be handled by her. Unfortunately, the members of department - not everybody, but majority of them - were influenced this way by the dean and it was enough for the dean to reach her

aim. There were no competent leaders either at the top of the faculty nor at the top of a dominant department.

Manipulation, as a leader tool, took an exam very well, but it could reach its effect only for a short time. The collective of the faculty and the department had to face its consequences in larger and tighter circles as well.

The results of the manipulation were realized in the students' complaints, because the lessons were behind a lot of times and the educational attainment decreased continuously. The faultiness of the scientific work was felt as well. There were no publications, because there were no scientific researches at all. But there were no theoretical researches either, because people did not want to think or they could not. There will be a lot of further problems next months, because the formerly delegated leader of the department who was turned down, left the university. The jealous and incompetent dean could reach her aim. She believes that she got rid of a supposed enemy, but she has never quit her real enemies her own weaknesses and ill will.

In this story the readers can see problems which are in close connections with knowledge management. The leaving leader started a communication about her former tasks, but her surroundings were not open to it. Knowledge sharing was not realized and she left the institute without a word. A false belief and extreme self-confidence - that the young can solve every problem without professors - appear in the above mentioned story. It will cause a lot of additional problems [1].

The real state of being a loser will appear in the near future, because there is nobody with the same or similar knowledge in her scientific area. There are no colleagues who can substitute for her in the lessons. She was a leader of two main professions of the institute (one basic and one master) which will face accreditation this spring. But now there are no any professional leaders. The Doctoral School lost a professor as well who was a dominant person in her scientific area. The replacement of this science and its professor will be as serious challenge for the institute.

It is regrettable that a knowledge intensive organization nowadays, in the 21st century cannot measure this deficiency which is in close connection with processes, tools of a change management and knowledge management. It mirrors a serious carelessness and irresponsibility at the top of an institute [12].

## 6. Conclusion

If you have a closer look at this story altogether, the fate of this institute is questionable. Although this case study shows only a problem of a department and of a faculty, but it reflects the behaviour of the institute which is not sure that is in a good direction. In case of the other faculties a lot of case studies of similar style are at hand. We think all in all the direction is

in-correct, from where the institute started 10 years ago, it will slip back to a level of a college.

The organization loses the best teachers at the same time the best students with such behaviour. During a short period a young collective was brought up which is impressionable, full of self-confidence, but they are immature to have criticism and they have an unstable scale of value. They do not have the most important competencies: commitment, respect of profession, moral and ethical norms, knowledge which is at a university level, way of thinking, responsibility and humility [2].

It makes our heart bleed that we need to see and to suffer from this situation, we have to lose a well-working, well-built, high quality work and we see the degeneration of an institute helplessly which had big possibilities not so long ago.

The situation is a result of a leader's incompetency, submission to power, a misinterpreted influence of the crowd and the lack of professional knowledge which is very important in the life of an organization [3].

A feedback to the question in the title is, who operates the significant processes? When a dog wags its tail it is glad, because everything is all right. When a tail wags the dog, something is not right. A question is who has the responsibility to realize a reversed cast and even if he/she realizes it, will he/she be amazed or helpless when watching the outcomes of an unknown situation?

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