Firms Adaptive Capabilities Perspectives: A new wine in an old vessel?

Examining new adaptive capabilities required for firms operating in a Cross-Cultured, Knowledge based and VUCA context.

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Abstract

While firm's competitive landscape has changed significantly, managers and leaders are still dwelling on in the past over three decade's competitive strategies which ignore the current contextual factors. This paper identifies the nexus of knowledge, values and cultural behaviours as the new adaptability capabilities which are required in achieving firm's competitiveness in the current Cross-Cultured, Knowledge based and VUCA context. We provide taxonomy to map these new adaptability capabilities in the firms' growth and effectiveness. Through findings[1] from a randomirised decision making lab experiment, the use of event history analysis, interpretive methods, triangulation, and ideal types, we propose how this Multi-Level and Value Based Normative[2] Decision Making Framework can help in driving firms growth and effectiveness. From the perspective based on welfare, we have an understanding that these competitive drives may lead to either under, excess capacity or optimal provision, we provide a framework for leading for growth and managing growth performance, governance, accountability, compliance, risk and behavior measures. This is because, from multi-level perspectives, institutional and organisational theory emphasis meta-theory which help to understand individuals, organisations/institutions and societies or communities in a social context and this context both regularizes behavior and provides opportunity for agency and change.

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[1] Phillips and Hardy (2002: 55) define methods from discourse theory and describe how they have been borrowed to further develop institutional theory and methods. Data sources include, for example, interviews, focus groups, archival documents and records, naturally occurring conversations, political speeches, newspaper articles, novels, stories, cartoons, and photographs. Methods of analysis include, for example, genealogy, ethnography, conversation analysis, content analysis, narrative analysis, critical discourse analysis, and rhetorical analysis that make use of a variety of 'texts,'

[2] The field of strategic management is avowedly normative. It seeks to guide those aspects of general management that have material effects on the survival and success of the business enterprise.

Introduction:

There are several approaches, frameworks and models which have been designed, developed and applied in order to enhance organisational and institutional growth and effectiveness achievement outcomes[3]. Of the many, there are some which have been widely adopted and are currently widely applied and practiced unquestionably by managers and leaders in African organisations and institutions. African boards and Exco's are overwhelmed by buzz words from models and frameworks based on the competitive forces approach developed by Porter (1980), a strategic conflict approach (e.g., Shapiro, 1989), the 'resource-based perspective or the efficiency-based approach,' (Penrose, 1959; Rumelt, 1984; Teece, 1984; Wemerfelt,1984). Meaning that, if one would want to use attribution theory or perspectives, you can agree that, the current organisational and institutional or competitive corporate culture of most of corporates both local, international and multi-national which are operating and have presence in Africa and how they impact on the individual knowledge workers as well as the overall community-well-being[4] and social impact[5] is highly connected with such frameworks and models.

Frameworks and models draws from specified human level of consciousness or thinking (Gravesian, 1970). Hence, it is fair to say that, the mechanisms[6] of cooperations and levels of

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[3] While Friedland and Alford's approach is both structural and symbolic, and Jackall's is both structural and normative, Thornton and Ocasio's (1999) approach to institutional logics integrates the structural, normative, and symbolic as three necessary and complementary dimensions of institutions, rather than separable structural (coercive), normative, and symbolic (cognitive) carriers, as suggested by alternative approaches (e.g., Scott, [1995] 2001).

[4] Whilst no recent contributions to the subject have developed the issues raised by Kahn (1935), a number of writers have attempted to show that, in monopolistically competitive markets, variety will be over-, under-, or optimally-provided[15]. Lewis(1945), for example, argues that monopolistic competition may lead to either excess capacity or optimal provision, depending upon the circumstances surrounding the particular class of trade. Spence (1976a) suggests that product selection failures ("too many, too few, or the wrong products") may be a significant part of the overall costs of market imperfection, but concludes that these costs are not currently measurable.

[5] To Chamberlin, the product differentiation that characterizes imperfect competition is not welfare reducing, but welfare enhancing. Stated otherwise, society gets as much product diversity as it is willing to pay for. But even in his own time, his contribution was regarded as demonstrating the inefficiency of monopolistic competition –basi-cally because the monopolistically competitive firm of his model does not operate at the low point of its long run average cost curve

[6] Collective identities and identification: A mechanism by which institutional logics exert their effects on individuals and organizations is when they identify with the collective identities of an institutionalized group, organization, profession, industry or population (Tajfel and Turner, 1979; March and Olsen, 1989). A collective identity is the cognitive, normative, and emotional connection experienced by members of a social group because of their perceived common status with other members of the social group (Polleta and Jasper, 2001). Collective identities emerge out of social interactions and communications between members of the social group (White, 1992). As individuals identify with the collective identity of the social groups they belong to they are likely to cooperate with the social group (Tyler, 1999; Brickson, 2000), abide by its norms and prescriptions

cooperation in driving institutional and organisational growth and effectiveness in corporates in Africa for over three decades has been built the pillars, foundations and framework of references[7] which draw from these levels of human existence[8].

Popper (1959, 1983) is more specific, and argues that the fundamental basis of science is the ability to falsify a premise of a theory. Thus, a theory that is ambiguous is of little value to the scientist since it may not be refuted by the evidence.

This theory of strategic rent encompasses the mechanics of the classical (1770-1870) economic definition of the rent concept, as well as the neoclassical period (1870-1935). This definition of strategic rent is a synthesis of classical and neoclassical propositions of the rent theory as developed by Smith (1776), Ricardo (1821), Mill (1871), Pareto (1897), and Marshall (1901).

The Five Competitive forces

The Five competitive forces is considered to be a dominant paradigm in strategy since it was introduced during the 1980s by Porter (1980). While Michael Porter draws from Edward H. Chamberlin, the Chamberlin's *Theory of Monopolistic Competition* [1933] also draws its epistemologies and ontological bases from two post paradigms or the human levels of existence: the self-agency or the survival level of human existence and the co-joint- communion or tribalism level of human existence.

From onset it is surface to say that, one of the main drawbacks of the Five competitive forces from the ontological as well as the epistemological perspectives is that, while Porter's (1980) analysis were based on large scale industries, his pillars, foundations and framework of reference were grounded on market structures which are premised on informal and semi-formal economies or structures which assumed there were no external requirements where firm performance were required to conform to authorities through adherence to governance, accountability, compliance, risk and behaviour measures.

(March and Olsen, 1989; Kelman, 2006), and seek to protect the interests of the collective and its members against contending identities (Tajfel and Turner, 1979; White, 1992). Individuals are members of multiple social groups with a collective identity, including professions and occupations (Abbott, 1988; Fine, 1996; Glynn, 2000), gender, racial and ethnic groups (Cerulo, 1997; Lamont and Molnar, 2002), social movements (Benford and Snow, 2000; Rao et al., 2003), and individualorganizations (Selznick, 1957; Albert and Whetten, 1985; Dutton and Dukerich, 1991).

[7] Building on the developments of the concept by both Jackall (1988) and Friedland and Alford (1991), Thornton and Ocasio (1999: 804) defined institutional logics as 'the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality.' According to this definition institutional logics provide a link between individual agency and cognition and socially constructed institutional practices and rule structures.

[8] For Friedland and Alford (1991) the core institutions of society – the capitalist market, the bureaucratic state, families, democracy, and religion – each has a central logic that constrain both the means and ends of individual behavior and are constitutive of individuals, organizations, and society. However, while institutions constrain action they also provide sources of agency and change. The contradictions inherent in the differentiated set of institutional logics provide individuals, groups, and organizations with cultural resources for transforming individual identities, organizations, and society.

The self-agency or survival level of human existence as a way of thinking to which Chamberlin gave relatively little attention in the book itself, involves a small number of firms (oligopolists)[9] who face a choice between myopic competition[10] of the kind first discussed by Cournot (1838), and joint-profit maximisation. Chamberlin's particular contribution was to show that the recognition of mutual interdependence on the part of firms in the small numbers case within this sort of "informal economy" is a necessary, if not sufficient [2] condition for the attainment of a Pareto optimal outcome [3]. Although he chose to relegate the discussion of the oligopoly case to a few pages, Chamberlin was in later years to regard this market form as being of central importance in economic analysis (see Chamberlin, 1957, 1961; Kuenne, 1967; and Skinner, 1983).

The co-joint –communion or tribalism and feudal level of human existence as a way of thinking — is the "Association". It was in this context that he sought to identify the key features of monopolistic competition[11]. For the purposes of his model Chamberlin regarded industries as being made up of people in groups such as associations eg the Kenya association of dairy farmers, Kenya association of Bankers, Insurers, manufacturers[12], telecoms etc. Within these sorts of "semi-formal and formal associations" they design, develop and deliver products, each in turn being made up of close, but less than perfect substitutes[13]. Associations could themselves be distinguished from one another by the degree of substitutability of their respective products- in the banking for example you might have microfinance banks and commercial banks[14]. In this

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[9] **Oligopoly** is a market structure in which a small number of firms has the large majority of market share. An **oligopoly** is similar to a monopoly, except that rather than one firm, two or more firms dominate the market.

[10] There are two separate issues involved here. The first concerns Chamberlin's assertions about symmetry and the negligible effect of firms' price reductions on the sales made by their rivals. The second concerns the myopia to which these perceptions, when shared by the agents themselves, give rise. These issues are of central importance, because the assumption that firms are myopic in their pursuit of profits is justified only if they consider that their actions have negligible impact upon each and every one of their competitors. Any other conjecture raises the question of structural interdependence, and the notion of comparative anonymity of the individual firm in the large group is replaced by a more complex and less tractable set of relationships.
Dixit and Stiglitz (1977) have shown formally that the consumer-theoretic basis of the Chamberlin model requires that demands be generated by an aggregate utility function characterised by a constant elasticity of substitution between any pair of varieties

[11] **Monopolistic competition** is a type of imperfect **competition** such that many producers sell products that are differentiated from one another (e.g. by branding or quality) and hence are not perfect substitutes.

[12] Chamberlin's assumptions of uniformity in demand and costs have also received a great deal of critical attention. Stigler (1950), for example, noted that product differentiation and uniformity of cost and demand curves across all firms are mutually exclusive concepts: differentiation, by its very nature, serves to make firms dissimilar, and dissimilarities manifest themselves most commonly in non-uniform costs.

[13] This framework, which Lancaster (1966), Baumol (1967), Salop (1979) and Archibald, *et al.* (1986) have shown to be similar to the one-dimensional spatial models, rests upon the assumption that consumers typically demand characteristics of products rather than products themselves. Competition between firms is thus seen to be competition between "bundles" of characteristics.

[14] In practice, of course, existing firms must be expected to devote considerable resources to the matter of selecting varieties and, in particular, to pre-empting the choices of potential competitors. The need to do so arises in large part from the commitment which a particular choice of variety imposes upon firms

case taken to be smaller than that between varieties within a given group. The classification of industries on this basis was not universally accepted, in part because of the marked pervasiveness and complexity of product differentiation in practice. Even after six decades, the problems of definition and the need to find a satisfactory basis for classification remain.

Chamberlin considers a market structure characterized by both competitive and monopoly elements. It is from this work that, we have a field of industrial organisational theory where such concepts as product differentiation, the role of advertising and the randomness associated to the choice process started: with Chamberlin, advertising and product differentiation lead to new market structures, opening up field of industrial organization. Two dimensions are enormously relevant: product differentiation linked to selling costs (advertising, non-price competition, etc[15].) and numbers (includes oligopoly and competition linked to large numbers, even if demand curves not horizontal).

Thus, wherever there is a demand for diversity of product, pure competition turns out to be not the ideal but a departure from it. Marginal cost pricing no longer holds as a principle of welfare economics ...nor is the mini-mum point on the cost curve for the firm to be associated with the ideal. Selling costs may no longer be excluded from the problem or dismissed as an obvious waste; yet the impossibility of discovering from the standard welfare techniques what is the socially ideal expenditure on selling suggests that the techniques are unduly narrow. ...What has been called the "new welfare economics," instead of being on a "secure basis" ...has quite misconceived a whole set of major problems. It is badly in need of a general overhaulin

Returning to Chamberlin (1950, p. 86), he describes human beings as by their nature diverse, as well as spatially separated, and these facts in themselves should lead to entrepreneurs appealing to these diverse demands with heterogeneous products. And if diversity is what consumers want, and consumer wants supposedly form the basis of welfare, then a correct measure of welfare would incorporate this truth into construction of the welfare ideal. Chamberlin then (p. 87) contrasts this perspective to the perspective one can deduce from Joan Robin son and others, wherein product heterogeneity is an artificial contrivance of producers that works to the detriment of con-sumers. Chamberlin goes on to attack (p. 88) the notion that product differentiation is attributable to imperfect knowledge, —as though the individuality of particular products could be dismissed as an optical illusion based on ignorance –a purely psychic phenomenon.‖ According to Chamberlin, there is as much reason to believe that per- fect information would result in stronger recognition of the differences in products as in their similarities, and that this would manifest itself in the market by the demand curves for individual producers becoming less, not more, elastic. In a similar vein, Chamberlin then minimizes the criticism of product heterogeneity as being the result of irrational preferences. And on page 89, he responds to the tendency to view preferences for differentiated products as irrational because they are influenced by advertising, adding: —The general condemnation of a dvertising as a waste surely has its primary explanation in the irrelevancy that it could not exist under the

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[15] we address the welfare implications of monopolistic competition.

Some early writers, such as Kahn (1935) concerned themselves exclusively with the relationship between price and marginal costs which characterises the equilibrium of the large group. Kahn argued that, where price exceeds marginal cost, Pareto optimality can still be achieved if the ratio of these variables is uniform throughout the economy.

Strategic conflict

Strategic conflict draws from the egocentricity and imperialists thinking's. Unlike the five competitive forces whose epistemological and ontological basis were grounded based on the study of the levels of thinking or first and second informal and semi-formal levels of human levels of existent or consciousness, the strategic conflict, its epistemological and ontological bases were grounded from the study of thinking or consciousness based on formal small, medium to large industries which were seeking power, wealth and influence through mechavelian approaches.

Because of the higher manipulations and the level of competitiveness which are brought by the strategic conflict theory, the strategic conflict theory is considered to be the basis for the field of business strategy or strategic management. This theory, utilizes tools such as game theory to analyze the nature of competitive interaction between rival firms. Moves such as the game of the throne are premised to provide a best understanding of how this strategic conflict theory is premised. This tradional can be seen when analysis the behaviours of business on e.g., predatory pricing, patent races, etc.

It is because of this level of technical advancement within this paradigm that, the strategic conflict is considered to be operating at an advanced level of thinking than the five competitive forces. From the power dynamics perspectives, the strategic conflict level as a social cultural value systems it was seeking to regain and retain its place through power struggles after being over thrown by the second or co-joint tradition which was seeking communion instead of self-agency.

The drive for power, wealth and influence in the strategic conflict tradition are considered to be the main reasons for the appreciation of the role of sunk costs, as opposed to fixed costs, in determining firms' competitive outcomes. This has been for a long time the driving forces for huge investments in assets within the telecom sectors and manufacturing sectors in the 1980s. Because of such investments however, their switching costs was very higher such that with the introductions of new technologies most of telecoms and manufacturing sectors in 1980s , 1990s and 2000s they ended suffering big losses as they could not be able to get out of the investments in sunk costs.

Resource-based perspective

Drawing on the humanistic fourth human levels of existence which seek confirming to authority and traditions, the resource-based approach sees firms with superior systems and structures being profitable not because they engage in strategic investments that may deter entry and raise prices above long-run costs, but because they have markedly lower costs, or offer markedly higher quality or product performance.

While the perspectives on the first and second human levels of existence was grounded on big and large firms which were operating as informal and semi-formal sectors, as a result of their destructive forces on the well-fare and community social impact, the fourth human levels of existent wanted to see that firms were more formalised. Thus, during this time, most of the firm analysis was focused on the human rights based perspectives or approach which wanted to ensure that firms performance were adhering to accountability, governance, compliance, risk and behavior measures in there design, development and delivery of products, services and solutions.

In short, rents are Ricardian. Teece (1982: 46) saw the firm as having 'a variety of end but patented products, services and solutions which is difficult to imitate. From this understanding, Teece, Pisano and Shuen (1997) within the resource based perspective they suggest that, while the main thrust of work in the strategic conflict tradition is to reveal how a firm can influence the behavior and actions of rival firms and thus the market environment. Thus, according to Teece, Pisano and Shuen (1997), the key concerns in this tradition are that, this approach focuses on the rents accruing to the owners of scarce firm-specific resources rather than the economic profits from product market positioning. Competitive advantage lies 'upstream' of product markets and rests on the firm's idiosyncratic and difficult-toimitate resources.' Specifically, they argue that, In the language of economics, rents flow from unique firm specific assets that cannot readily be replicated, rather than from tactics which deter entry and keep competitors off balance.

Jeff W. Trailer article on the Theory of Rent and the Mechanics of Profitability wrote that, Ricardo (1821) argued that Smith's definition, while essentially correct, was not rigorous enough. He felt that the vague definition allowed inappropriate conclusions to be drawn, and set about defining the rent theory in a manner that would be difficult to misinterpret. It is likely due to the clarity and rigor of Ricardo's definition that the theory of rent is more often attributed to him rather than Smith, or other early developers of the theory (for a review of the history of the rent theory see Buchanan, 1929).

Ricardo (1821) emphasized four major points: rent of land is attributable to *the indestructible power of the soil*, rent is not equal to profit, land is heterogeneous in quality, and rent does not determine price.

Ricardo was opposed to the attribution of rent to aspects of land other than (what he

believed to be) the indestructible power of the soil: *"...whenever I speak of the rent of land, I wish to be understood as speaking of that compensation which is paid to the owner of land for use of its original and indestructible powers* (Ricardo, 1821: 34)." This emphasis is essentially driven by the argument that all other attributes deplete over time, and the cost of replacement must be deducted from the rent.

In emphasizing that rent was not equal to profit, Ricardo recognizes that the causal structure of rent and ordinary profit are entirely different: *"...the laws that regulate the progress of rent are widely different from those which regulate the progress of* (ordinary) *profits, and seldom operate in the same direction* (Ricardo, 1821: 34). Consequently, he argues that it is necessary to distinguish between the two in order to understand and predict the dynamic impact of external events on the financial performance of farms.

Mill (1871) explicitly states that rent is the result of monopoly: *"It is at once evident, that rent is the effect of a monopoly; though the monopoly is a natural one, which may be regulated, which may even be held as a trust for the community generally, but which cannot be prevented from existing"* (Mill, 1871; 516).

Dynamic capabilities perspective

The Dynamic capabilities perspective while it is an extension of resource based perspectives, it rather than drawing from the Ricardian views, it draws its thinking from Schumpeterian perspectives. Schumpeterian perspectives suggest that, firms' competitiveness does not depend on its resources but on how it organised its position, processes and path.

Specifically, Teece, Pisano and Shuen (1997) argue that, the competitive advantage of firms lies with its managerial and organizational processes, shaped by its (specific) asset position, and the paths available to it.By managerial and organizational processes, they refer to the way things are done in the firm, or what might be referred to as its routines, or patterns of current practice and learning. By position they refer to its current specific endowments of technology, intellectual property, complementary assets, customer base, and its external relations with suppliers and complementors. By paths they refer to the strategic alternatives available to the firm, and the presence or absence of increasing returns and attendant path dependencies.

Adaptive Capabilities perspectives

Considering that now firms operate in a different landscape which is characterised as a cross-cultured, knowledge based and volatile, uncertain, complex and ambiguous, we think that firms need to be more adaptive. In order to be adaptive, firms need adaptive capabilities which draw from the contextual factors such as knowledge, values and cultural behaviours. Thus, within the adaptive capabilities tradition we argue that, processes, positions, and paths are second level capabilities as their role is to help during the decision making and execution.

These second level capabilities are driven by the first level adaptive capabilities which are knowledge, values and cultural behaviours. This is consistent with the knowledge-based view, and helps clarify the causal link between differences in business knowledge and superior performance of the firm (Grant, 1996) [16].

Meaning that, it's the adaptive capabilities "knowledge, values and cultural behaviours" which drive what Fujimoto (1994: 18-20) describes as the key elements in the Japanese industry competitiveness as follows: 'The typical volume production system of effective Japanese makers of the 1980s (e.g., Toyota) consists of various intertwined elements that might lead to competitive advantages. Just-in- Time (JIT), Jidoka (automatic defect detection and machine stop), Total Quality Control (TQC), and continuous improvement (Kaizen) are often pointed out as its core subsystems. The elements of such a system include inventory reduction mechanisms by Kanban system; levelization of production volume and product mix (heijunka); reduction of 'muda' (non-value adding activities), 'mura' (uneven pace of production) and muri (excessive workload); production plans based on dealers' order volume (genyo seisan); reduction of die set-up time and lot size in stamping operation; mixed model assembly; piece-by-piece transfer of parts between machines (ikko-nagashi); flexible task assignment for volume changes and productivity improvement (shojinka); multi-task job assignment along the process flow (takotei-mochi); Ushape machine layout that facilitates flexible and multiple task assignment, on-the-spot

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[16] Mill applies efficiency rent to intangibles, such as knowledge: *"The extra gains which any producer or dealer obtains through superior talents for business, or superior business arrangements, are very much of a similar kind* (Mill, 1871; 476)."

John Stuart Mill's (1871) theory of rent is based on the efficiency rent argument of Smith and Ricardo: *"Any land yields just as much more than the ordinary profits of stock, as it yields more than what is returned by the worst land in cultivation* (Mill, 1871; 425)."

The definition of strategic rent is designed to reflect the efficiency rent proposed by Ricardo, but with the broader, all encompassing application of differential rent to any advantages enabling the producer to economize on the cost of production, proposed by Mill.

Consistent with Mill, Marshall (1901) encourages the application of efficiency rent to all aspects of production, including intangible resources: *"Appliances for production are of many different kinds: they include not only land, factories and machines, but also business ability and manual skill* (Marshall, 1901: 409)."

inspection by direct workers (tsukurikomi); fool-proof prevention of defects (poka-yoke); real-time feedback of production troubles (andon); assembly line stop cord; emphasis on cleanliness, order and discipline on the shop floor (5-S); frequent revision of standard operating procedures by supervisors; quality control circles; standardized tools for quality improvement (e.g., **7** tools for QC, QC story); worker involvement in preventive maintenance (Total Productive Maintenance); low cost automation or semi-automation with just-enough functions); reduction of process steps for saving of tools and dies, and so on. The human-resource management factors that back up the above elements include stable employment of core workers (with temporary workers in the periphery); long-term training of multi-skilled (multitask) workers; wage system based in part on skill accumulation; internal promotion to shop floor supervisors; cooperative relationships with labor unions; inclusion of production supervisors in union members; generally egalitarian policies for corporate welfare, communication and worker motivation. Parts procurement policies are also pointed out often as a source of the competitive advantage.

Table I. Paradigms of firm growth and effectiveness strategy: Salient characteristics

Paradigm	Intellectual roots	Representative authors addressing strategic management questions	Nature of rents	Rationality assumptions of managers	Fundamental units of analysis	Short-run capacity for Strategic reorientation	Role of industrial structure	Focal concern
(1) Attenuating competitive forces	Mason, Bain	Porter (1980)	Chamberlinean	Rational	Industries, firms, products	High	Exogenous	Structural conditions and competitor positioning
(2) Strategic conflict	Machiavelli, Schelling, Coumot, Nash, Harsanyi, Shapiro	Ghemawat (1986) Shapiro (1989) Brandenburger and Nalebuff (1 995)	Chamberlinean	Hyper-rational	Firms, products	Often infinite	Endogenous	Strategic interactions
(3) Resource-based perspectives	Penrose, Selznick, Christensen, Andrews	Rumelt (1984) Chandler (1966) Wemerfelt (1984) Teece (1980, 1982)	Ricardian	Rational	Resources	Low	Endogenous	Asset fungibility
(4) Dynamic capabilities perspective	Schumpeter, Nelson, Winter, Teece	Dosi, Teece, and Winter (1989) Prahalad and Hamel (1990) Hayes and Wheelwright (1 984) Dierickx and Cool (1989) Porter (1990)	Schumpeterian	Rational	Processes, positions, paths	Low	Endogenous	Asset accumulation, Replicability and inimitability
(5) Adaptive capabilities perspective	Castanias and Helfat, (1991). Nonaka and Takeuchi (1995)	Schwartz, 2006; Feather 1975; Maslow's 1954 and Rokeach's 1973, Nonaka and Takeuchi (1995) Cowan and Becks, (1996), Graves (1970). Flowers et al., (1975), Mill, 1902; 520	Smith, Ricardian, Mills, and Marshall	Rational	How managerial and leadership adaptive capabilities (Knowledge, values and cultural behaviours) can create sustainable competitive advantage	Low	Endogenous	

Source: Authors compilations based on the work of Teece, Pisano and Shuen (1997) on Dynamic Capabilities Perspectives.

Towards Firms Adaptive Capabilities Perspectives

The purpose of this research as a reflective practitioner (Schön, D.A.1983)[17] is to improve my practice, through refining and enhancing the available and existing preliminary Multi-Level and Value Based Cross-Cultural Leadership Decision Making Framework to the improved final framework.

According to Schön, when the practitioner[18] tries to solve the problem he has set, he seeks both to understand the situation and to change it. Thus, the practitioner allows himself to experience surprise, puzzlement, or confusion in a situation which he finds uncertain or unique. He reflects on the phenomena before him, and on the prior understandings which have been implicit in his behaviour. He carries out an experiment which serves to generate both a new understanding of the phenomena and the change in the situation. When someone reflects in action, he becomes a researcher in the practice context. He is not dependent on the categories of established theory and technique, but constructs a new theory of the unique case.

Thus, the specific objectives to be pursued by this study are:

    i.   To develop further the available and existing preliminary Multi-Level and Value Based Cross-Cultural Leadership Decision Making Framework by refining the constructs so as to arrive at the final and enhanced Multi-Level and Value Based Cross-Cultural Leadership Decision Making Framework.

            The Multi-Level and Value Based Cross-Cultural Leadership Decision Making Framework has three key components.
         a. The Normative Growth Decision Making Framework (see Figure 1)
         b. The Four Practices of Cross-Cultural Leadership Decision Making Process (see Figure 2)
         c. The Leaders Framework for Leading for Growth and Managing Growth Performance, Accountability, Governance, Compliance, Risk and Behavior Measures (see Figure 3).

    ii.   To apply the final and enhanced Multi-Level and Value Based Cross-Cultural Leadership Decision Making Framework in organisations/institutions by managers and leaders adoption at the individual level, organisational/institutional level and Society or community level in the context of an Advanced Cross-Cultural Leadership Development Programme.

    iii.   To evaluate the final and enhanced Multi-Level and Value Based Cross-Cultural Leadership Decision Making Framework at the individual level,

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[17] Schön, D.A.(1983). The reflective practitioner: how professionals think in action. Aldershot: Arena.

[18] This process is described by Schön (1983, p.68) as 'When someone reflects-in-action, he becomes a researcher in the practice context. He is not dependent on the categories or established theory and technique, but constructs a new theory of the unique case'.

organisational/institutional level and Society or community level so as to determine its effectiveness as a leadership decision making framework or model for driving growth and effectiveness achievement outcomes

3.8 Research Questions

This framework proposes for a Cross-Cultural leadership decision making and organisational/institutional development framework to be applied in knowledge based, cross-cultured and volatile, uncertain, complex and ambiguous (VUCA) context. In particular, during the knowledge sharing process (Nonaka and Takeuchi, 1995)[19] the framework can be applied in three broad areas:-

a. During knowledge sharing for Strategy, policies, projects and programme design, development and execution.
b. During knowledge sharing for services, products and solution design, development and delivery and
c. During knowledge sharing for Leading for growth and managing growth performance, accountability, governance, compliance, risk and behavior measures.

Specifically, this study aims to answer the following five key strategic decision questions which also form basis for the Five (5) Point Plan Action which responds to the Five Key Performance Areas:-

KPA I: How to make Knowledge, Values and Culture (Behavior) a key focus for achieving growth and effectiveness at the triple dimensions of Individuals, organisations and the overall communities.

KPA II: How to use Knowledge, Values and Culture (Behavior) as instrumental values for sustaining and developing our Core Shared Values.

KPA III: How to use Knowledge, Values and Culture (Behavior) as performance measures for growth and effectiveness achievement.

KPA IV: How to use technology to enhance Knowledge, Values and Culture (Behavior) application in the process of knowledge sharing for designing, development and delivery of services, products and solutions.

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[19] Knowledge management was initially defined as the process of applying a systematic approach to the capture, structuring, management, and dissemination of knowledge throughout an organization to work faster, reuse best practices, and reduce costly rework from project to project (Nonaka and Takeuchi, 1995)

KPA V: How to use Knowledge, Values and Culture (Behavior) to improve stakeholder's relationships.

3.8 Justification of the Adaptive Capabilities Perspectives

The relevance of the Multi-Level and Value Based Cross-Cultural Leadership Decision Making Framework lies on its applicability in driving growth and effectiveness at the three dimensions of the individual level, organisational/institutional level and Society or community level.

Theoretically and practically, this study will enhance managers and leaders decision making effectiveness. The increased decision making effectiveness will lead into enhanced growth and effectiveness achievement outcomes at the individual knowledge workers, organisations/institutions as well as at the society or community level.

Additionally, these frameworks and models will contribute to the wider cross-cultural management and leadership decision making and organisational/institutional development field.

1. **The Preliminary Multi-Level and Value Based Cross-Cultural Leadership Decision Making Conceptual Framework.**

The purpose of this study is to develop the available and existing preliminary Multi-Level and Value Based Cross-Cultural Leadership Decision Making Framework by refining the constructs so as to arrive at the final and enhanced Multi-Level and Value Based Cross-Cultural Leadership Decision Making Framework.

In this section therefore, I identify and define the key components of the Multi-Level and Value Based Cross-Cultural Leadership Decision Making Conceptual Framework.

     i.   The Normative Growth Decision Making Framework (see Figure 1)
    ii.   The Four Practices of Cross-Cultural Leadership Decision Making Process (see Figure 2)
   iii.   The Leaders Framework for Leading for Growth and Managing Growth Performance, Accountability, Governance, Compliance, Risk and Behavior Measures (see Figure 3).

Individual knowledge workers, organisations/institutions and societies or community all need to drive growth and effectiveness achievement outcomes through use of skills, knowledge and ideas. While Abraham Maslow (1954)[20] proposed for the hierarchy of needs, neither him, his predecessors nor his critics such as the McGregor Burns (1978)[21] they did not provide an effective decision making framework which could help on how individuals, organisations/institutions and societies or communities could achieve those different needs in the hierarchies.

4.1 The Pyramid of Growth and Effectiveness: The Preliminary Multi-Level and Value Based Normative Growth Decision Making Conceptual Framework.

This proposal is a step towards addressing this gap. See Figure 1: The Preliminary Multi-Level and Value Based Growth and Effectiveness Achievement Normative Decision Making Conceptual Framework.

The role of this preliminary conceptual framework in this research is to help in deciphering on what constitutes the relationship between the Multi-Level and Value Based Cross-cultural Leadership Decision Making and Organisational/institutional Development on different currently existing and widely practiced leadership decision making styles and processes. Thus, the main reason for using the normative decision making conceptual framework therefore is help in explicating the existing leadership decision making processes and styles. By so doing, we will be

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[20] Maslow, A. (1954). Motivation and personality. New York: Harper.

[21] Burns, J. M. (1978). Leadership . New York 7Harper and Row

able to appreciate what Astley (1985[22], p. 503, cited in Alvesson 1996[23], p. 475) suggests, 'theories gain favour because of their conceptual appeal, their logical structure, or their psychological plausibility' rather than their empirical accuracy *per se*.

In addition, the other reason for using the normative decision making conceptual framework is because it is suited with the position of interpretivism in relation to ontology and epistemology. The interpretivist believe that the reality is multiple and relative (Hudson and Ozanne, 1988[24]). Meaning that, when we examine the mechanism of cooperation in driving growth and effectiveness within the different hierarchies of growth, interpretivist will provide a strong strand on how knowledge is shared, how conflicts and contradictions are managed from multiple stakeholders with regards to the relationship between the cultural context and leadership.

Hence, through examining the relationship between Multi-Level and Value Based Cross-cultural Leadership Decision Making and Organisational/institutional Development by drawing from multiple stakeholders we will be able to gather different worldviews. Lincoln and Guba (1985[25]) explain that these multiple realities also depend on other systems for meanings, which make it even more difficult to interpret in terms of fixed realities (Neuman, 2000[26]). The knowledge acquired in this discipline is socially constructed rather than objectively determined (Carson et al., 2001, p.5[27]) and perceived (Hirschman, 1985[28], Berger and Luckman, 1967, p. 3[29] in Hudson and Ozanne, 1988).

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[22] Astley, G. (1985). Administrative science as socially constructed truth. *Administrative Science Quarterly*, **30**, pp. 497–513.

[23] Alvesson, M. (1996). Leadership studies: from procedure and abstraction to reflexivity and situation. *Leadership Quarterly*, **7**(4), pp. 455–485.

[24] Hudson, L., and Ozanne, J. (1988). Alternative Ways of Seeking Knowledge in Consumer Research. *Journal of Consumer Research*, 14(4), 508–521.

[25] Lincoln, Y., and Guba, E. (1985). *Naturalistic Inquiry*. London: Sage.

[26] Neuman, L. W. (2000). *Social Research Methods: Qualitative and Quantitative Approaches (4th Ed.)*, USA: Allyn and Bacon.

[27] Carson, D., Gilmore, A., Perry, C., and Gronhaug, K. (2001). *Qualitative Marketing Research*. London: Sage.

[28] Hirschman, E. C. (1985). Primitive Aspects of Consumption in Modern American Society. *Journal of Consumer Research*, 12, 237-249

[29] Berger, P. L., and Luckman, T. (1967). *The Social Construction of Reality: A Treatise in Sociology of Knowledge*, New York: Irvington Publishers

The Evin's Pyramid of Growth

A Multi Level & Value Based Decision Making Conceptual Framework for a complex- highly Globalised, Cross-Cultured and Knowledge Based Economy where knowledge sharing process for design, development and delivery of services, products and solutions is performed in hybrid structures by idepended knowledge workers, self-management teams and functions which are not centrally controlled.

GROWTH & Reward

POSITION & Recognition

CORE SHARED VALUES & Service, Product and Solution design, development & offering

MORAL VALUES/ CULTURAL COMPETENCE VALUES & Knowledge, Skills and Ideas

Hierarchy of Growth

Level of Impact influence and Performance

Core Shared Value (CSV)

is a Culture island (Edgar Schein, 2009) represents an accepted and agreed level of Knowledge, Values and Culture which can be applied by individual knowledge workers in the design, development and delivery of services, products and solutions so as to achieve desired growth and effectiveness at all dimensions of individuals, organisation and the overall communities social impact.

The key assumption of the Pyramid of Growth is that, Knowledge, Values and Cultural Value Systems (Behaviour) are the key determinants of growth and effectiveness achievement (Nonaka and Takeuchi, 1995; Khandwalla, 1977[30], 1992[31], 2003[32]). Meaning that, individual knowledge workers, organisations and institutions as well as communities and societies if they follow these levels property they will achieve growth and effectiveness outcomes.

The nexus of Knowledge, Values and Cultural Value Systems (Behaviour) as the main resources which underpins the mechanisms of cooperation are assessment at **FOUR STAGES** of the Pyramid of Growth hierarchies.

Thus, the Four Levels in the Hierarchy of Growth within the Pyramid of Growth are also in line with the Nonaka and Takeuchi (1995) SECI Model of Knowledge creation: socialization, externalization, combination and internalization.

Level 1. Strategy and Planning Level:

This is an initial conceptualization and abstraction stage of the growth strategy, policies, projects and programme design, development and execution. At these level goals, objectives, visions and mission must focus on how individual's knowledge workers within organisations and institutions

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[30] Khandwalla, P (1977). *The Design of Organisations,* New York: Harcourt Brace Jovanovich.

[31] Khandwalla, P (1992). *Organizational Designs for Excellence,* New Delhi: Tata McGraw-Hill.

[32] Khandwalla, P (2003). *Corporate Creativity: The Winning Edge,* New Delhi: Tata McGraw-Hill.

as well as societies and communities can solve existing problems through the design, development and delivery of products, services and solution.

To achieve these goals and objective for driving growth and effectiveness achievement the nexus of Knowledge, Values and Culture (behaviour) must be used as the core shared values which underpins the mechanism of cooperation among the individual's knowledge workers within organisations and institutions as well as societies and communities.

Knowledge:

Nonaka and Takeuchi (1995) they provide for three types of knowledge: episteme, Techne, and phronesis. In this case, the instrumental values (knowledge creativity, moral values and social cultural behaviours) are what will determine the terminal values or end values. These three (knowledge creativity, moral values and social cultural behaviours) are also referred by Aristotle as *episteme*: based on analytical rationality this is universal, context independent knowledge. Aristotle contrasted this with *techne*, or pragmatic, variable and context- depended know - how. Yet forgotten in the depths of time is Aristotle's concept of *phronesis*, or the analysis of values or 'things that are good or bad for man' as a point of departure for action.

The Growth Knowledge Creativity Principles for each Level:

i.   The level of growth and effectiveness achieved depends on the fairly rewards derived from the recognition of Products, services and solution which are provided and the position ranking (market share) by the community.
ii. The level of individuals and organisations recognitions and position ranking depends on the contribution, influence and impact of their Products, services and solution (value offerings useful value in solving existing problems) by community.
iii. Sustainable growth and effectiveness to individuals, organisations and the overall communities will be achieved only when Knowledge, skills and ideas are purified and filtered through moral values before they are made useful in creating (design, development and provision) of Products, services and solution.
iv. Knowledge will be valued as the basic foundations for driving growth and effectiveness to individuals, organisations and the overall communities only when is effectively used for creating (design, development and provision) of Products, services and solution.

Values:

Researchers (Schwartz, 2006; Feather 1975; Maslow's 1954 and Rokeach's 1973) suggests for different types of values to include Terminal values and Instrumental values. They also suggest that values are in hierarchical format. According to Rokeach (1973[33]) *Instrumental values* are what underpin the individual level, organisation/institutional level and societal level priorities. These include *Self-directed competence, Restrictive conformity and prosocial concerns* .Thus the main role of instrumental values is to act as the underling's ingredients for defining the mechanism of cooperation in driving growth and effectiveness achievement outcomes. *Terminal values* or the end "growth" values which individuals, organisations or institutions and

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[33] Rokeach, M. (1973). The nature of human values. New York: Free Press.

societies are striving for are such as: *Life without inner and outer conflicts; Universal Prosocial; Mature accomplishment; Positive affiliation and Individual self-definition*.

The Growth Values Principles for each Level:

   i.   The growth and effectiveness orientations by individuals and organisations is intrinsic to their Personal values, organisation/ institutional and societal values
   ii. Cultural values systems must embed moral values (ethics) and competence values (creativity) as these are fundamental in driving growth and effectiveness.
   iii. Shared community values or organisation/corporate shared values must align towards Moral values (ethics) and competence values (creativity).
   iv. Moral values (ethics) and competence values (creativity) are the only key fundamental in driving growth and effectiveness.

Cultural Competence Behaviours:

Schwartz's recent theory (Schwartz 1992, Schwartz 8i Bilsky 1987) of the content and structure of basic individual values followed Rokeach (1973) and Kluckhohn (1951) in defining human values as desirable, trans situational goals, varying in importance that serve as guiding principles in peoples lives. The crucial content aspect that distinguishes among values is the type of motivational goal they express.

The major weakness on the Schwartz value theory (Schwartz, 1992, 2006a) is its failure to identify the sources, pillars, foundations and frameworks of references which underpins the sources of these value and value systems. It is the Gravesian theory (Cowan and Becks, 1996) however which provides the pillars, foundations and frameworks of references which underpin the basis for the cross-cultural theory which builds on the widely acknowledged understanding that, there is a paradigm shifts on social cultural value systems.

The Gravesian theory, (Cowan and Becks, 1996) argues for the existence and also a paradigm shift of social cultural value systems which are the key drivers of priorities as well as behaviours and attitudes. Cowan and Becks (1996) they provide a list of different social cultural value systems which are the key drivers of behaviours and attitudes. It can thus be seen that, Schwartz's (1994) individual value structure theory traces its ten motivationally distinct value types from the Graves (1970) levels of human existence.

Flowers and associates (1975) developed Values for Working Questionnaire (VWQ) based on a value-systems framework proposed by Graves (1970). Flowers *et al.*, (1975) divided human values categorically into two general categories regardless of their differences due to diversities (gender, age, race, religion, nationalities, etc). Each category is consisting of three values which are the key underpinning which drive priorities.

The first is the "outer-directed" with tribalistic, conformist and sociocentric values. This is what underpins the Afrocentric management and leadership practices (Jackson, 2004). The outer-directed manager as well as the Afrocentric management and leadership practices is manifested with mangers who are adaptive to his/her situation in life, likes structure and accepts rules,

policies and group norms. The outer-directed manager prefers a stable environment and job and tends not to set goals, but also tends to live according to someone else's plan.

The second category is "inner-directed" with egocentric, manipulative and existential values. Managers in these Western or Eurocentric values tend to manifest assertive and expressive, bending the rules to accomplish what they want. The inner-directed person is always attempting to influence his or her environment and make change to it. To achieve this, the inner directed manager sets goals and pursues them energetically (Hughes and Flowers, 1978[34]).

The "outer-directed" and the "inner-directed" indicates a divergence in social cultural values and a lack of core shared values. Therefore, Cultural Crossvergence and hybridization (Jackson, 2004) should be seen as efforts towards bridging this gap which was also seen by other researchers (Graves 1970, Beck and Cowan 1996).

Graves (1970), Beck and Cowan (1996) proposed for an integral theory with lower orders of human levels of existence and higher order levels of human development. While in accordance with the Flowers et al (1975) framework there are six social cultural value systems or "cultural fences", Graves (1970)[35], Beck and Cowan (1996) suggests that, these values systems are unfolding and classified into Lower Levels of Human Existence and Higher Levels of Human Existence.

Lower Levels of Human existence includes
 a) **Survival :** Aggressive and selfish survival needs
 b) **Tribalistic:** submissiveness to authority and/or tradition.
 c) **Egocentric:** Aggressive, selfish, restless, impulsive, and, in general, not inclined to live within the limits and constraints of society's norms.
 d) **Conformist:** Sacrificial, has a low tolerance for ambiguity, and needs structure and rules to follow.
 e) **Manipulative:** Materialistic, expressive, self-calculating to achieve an end.
 f) **Sociocentric:** A high need for affiliation and little concern for wealth.
 g) **Existential:** A high tolerance for ambiguity and for those who have different values, usually expresses self but not at the expense of others.

It follows that, those social cultural value systems which manifest the higher levels of human existence such as the existential, holistic etc are the ones which are advocated by all scholars who advocate for the Cultural Crossvergence and hybridization. It should be noted also that, due

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[34] Flowers, V. S., & Hughes, C. L. (1978, January-February). Choosing a leadership style. Personnel, 48-59.
[35] Graves, C. W. (1970). Levels of existence: An open system theory of values. Journal of Humanistic Psychology (Vol. X), 2,131-154.

to both epistemological and ontological differences, or because of the need of meeting a contextual requirement, individual have used these social cultural value differently.

For example, President Nyerere (1952-65),[36] from a Selection of his Writings and Speeches when emphasizing on the role of freedom for the national Unity, he referred Unity as Umoja so as to meet his contextual requirements at that time. It should thus be seen that, Umoja is a higher order level of human existence and also a holistic value.

These higher Levels of Human existence includes the.
   a) **Holistic:** usually promotes others and against self-expression at the expense of others.

Hence, the key distinctiveness of using social cultural value systems as "cultural fences" to act as unit of analysis is to address the gap which was noted by Terence Jackson (2002b) when proposing for the adoption of hybrid organisations and institutions and developing a theory of cross - cultural interfaces. Jackson argued that the Cross - cultural values theory building on the Hofstedes theory did not address some of critical cross-cultural matters such as the African interplay with its global parties.

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[36] Freedom and Unity: Uhuru Na Umoja : A Selection from Writings and Speeches 1952-65 by Julius Kambarage Nyerere (Jun 1966)

Table 1: The "Cultural Fences" provides a Summary of Chronology of Competing Social Structures and Political Ideologies

Chronology of competing social structures in Tanzania and political ideologies	Prehistoric/Pre-paradigm- era Hunters-Gatherers	Pre-colonial			Post -Colonial		Desired State
	Communal system	Feudal System /Age of Improvement			Post-Colonia/Independence Neo-colonialism		Higher Order Values
	Communal	Tribalistic Clan	Feudal empires/ Slavery/Germany Colonial/ Warlords	Colonial/ British Monarchy Bureaucratic/	African Socialism with tribalistic, conformist and sociocentric values	Corporate Culture- egocentric, manipulative and existential values	(Holistic values)
Final say	Knowledgeable people	African Chiefs	War Lords /Arabs/Germanys/	Court /League of nations	Chairman	Chairman	Court / legalism/ Bureaucratic
Some say	elders	African Chiefs/ headmen/ Commoners	African Chiefs/ headmen/ Elites	African Chiefs/ headmen/People/ Elites	Party	Party	People
System	G1	G2	G3	G4	G5	G6	E
Values	Survival Bands	Ethnic Tribes	Feudal Empires/ Ancient Nations	Ancient Nations/ Corporate/Industrial /Materialistic Value	Peasant values / sociocentric /Value Communities	International business values/ Manipulative Corporate Values	Due Process / Holistic Value
Prime Mover	Family/ Serve the bands	Serve classes/Nobles	Serve society via Power	Protect society via Authority /conformists	Punish enemies of Revolution/	Open door and suspend Legalism /Corporate states	Constitution /World Court
Leaders	Knowledge/ Shared Leadership	Leader Member Exchange/Master networks	Leader Member Exchange/Master networks	Leader Member Exchange/Master networks	Long March with Mwl. Nyerere/ Leader Member Exchange/Master networks	Party bureaucrats /Master networks Leader Member Exchange/	Distributed Leadership= Shared Leadership + Self- Leadership
Struggles		G1 vs. G2	G2 vs.G3	43 vs. G1, G2, G3	G6 vs. G1, G2, G3, G4, G5	G5 vs. G6 vs. G1, G2, G3, G4, G, E	
Time Line	?	1500AD -1800	1800 -1900	1900-1960	1961-1985 CE	1986-to date	

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Source: Authors configuration based on Graves (1970), Beck and Cowan (1996) and Historians (Kimambo, I.N, 1969; Cory.H, 1958, Monica Wilson, 1958 and B.K.Taylor, 1962).

It is thus the value systems which drive knowledge sharing initiatives, innovations, creativity and strategic thinking elements in products, services and solution design, development and offering including the identification of how value is created, destroyed and delivered in the target segments (Shalom H. Schwartz 2011) [37]. The 19 values identified were: Self-direction of Thought and Action; Stimulation; Hedonism; Achievement; Power of Domination and Power over Resources; Personal and Social Safety; Tradition; Conformity with Rules and Interpersonal Conformity; Benevolence, Dependence and Care; Commitment; Nature Universalism and Tolerance Universalism; Face; and Humility (for definitions of the values, see Schwartz et al., 2012).

The Growth Behaviors[38] Principles for each Level:

i.   Creativity, imaginative, thinking strategically, Innovativeness,
ii. Adventuring ,Volunteering , entrepreneurship, risk taking, flexibility,
iii. Courage, daring, energetic, tolerance , persistence, brevity, heroic,
iv. Commitment, trust, goal oriented,

Viewing competence based on knowledge, values and cultural behaviours in this way is different from the way it was proposed by Meyer Briggs(1958)[39] based on the Carl Jung (Princeton 1990)[40] typology based on personality description.[41]

The original ideas of the Myers - Briggs Type Indicator (MBTI) were created by Carl Gustav Jung in 1921. The actual test was officially published in 1962. The test was created   to help determine which careers would be best for women as they entered the workforce for the first time during WWII. It is a psychological analysis examination that determines a person's psychological makeup and how they perceive and make decisions. The test is made of four different dichotomies or personality descriptions. One can either be:

1. Introverted or Extroverted

2. Sensing or Intuitive

3. Thinking or Feeling

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[37] Because of this reason, Shalom H. Schwartz (2011) who devoted over 20 years in the study of values came up with two different theories of values and the methods to measure them. First came his theory of the basic values on which individuals in all cultures differ. Then, quite unexpectedly, the opportunity arose to develop a theory of cultural values on which societies differ.

[38] People express their values by behaviors, first trying to achieve the goals that are important to them and, second, to reaffirm the core values to their identities (Rokeach, 1973, Schwartz, 2006).

[39] Isabel Briggs Myers :Some findings with regard to Type and Manual for Myers-Briggs Type Indicator Form E (Privately Published 1958)

[40] C.G. Jung :Psychological Types (Princeton 1990)

[41] The original ideas of the Myers - Briggs Type Indicator (MBTI) were created by Carl Gustav Jung in 1921.

4. Judging or Perceptive

Level 2. Decision Support Level:

The aim of this level of decision-making activities is to refine, purify and filter useful knowledge, skills, ideas and capabilities through maturity analysis for the objectives of developing a core shared values.

Specifically, maturity analysis of ideas, values and behaviours at the individual knowledge workers, organisations/institutions and societies includes ranking, sorting, or choosing from among alternatives on the basis of the available share practical knowledge, skills, ideas and capabilities.

Knowledge, Values and Culture (Behaviour) Maturity Analysis®
Edward Gerald Ndilanha (2010)
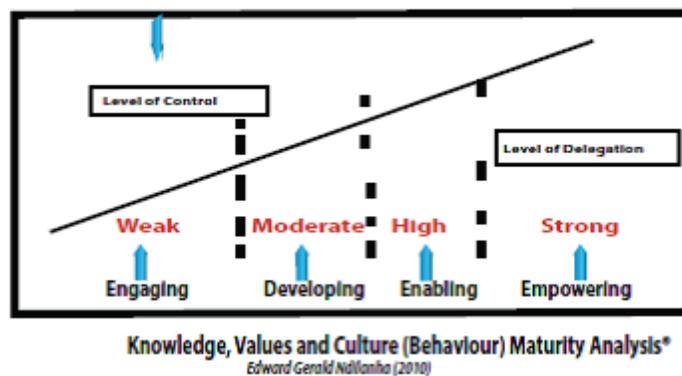
Nonaka and Takeuchi (1996) use the term phronesis to suggest for a useful knowledge, skills, ideas and capabilities. This knowledge measurement concept is supported by perspectives from the knowledge management (Nonaka and Takeuchi 1996). Nonaka and Takeuchi suggest that, the leadership decision making processes and the level of governance, ethics and control (by the Board, Exco and C-level) of the policies, strategy, operations, project and programme should reduce and the level of delegation increases as the existential maturity levels of Knowledge, Values and Culture (Behaviour) community social impact indicators improves from the Weak level to Moderate, High and Strong level. The maturity level analysis is measured based on the demonstrated community social impact indicators such as paying respect to life, respect to properties, respect to information, respect to environment and justice, as well as respect to beliefs and norms.

Elizabeth Scott (2002) termed the useful knowledge, skills, ideas and capabilities at the individual knowledge workers, organisations/institutions and societies as "moral values". Nonaka & Takeuchi (1996) and Elizabeth Scott (2002) all argue that, for knowledge to be useful and produce good it

must be grounded in moral values. According to John Mills (1993)[42] and Emanuel Kant (1785)[43], consequentialism, teleological and deontological factors need to be included in the decision making process.

Elizabeth Scott (2002) has categorised moral values into five levels. Meaning that, in the process of decision making, the ranking, sorting, or choosing from among alternatives must look for knowledge, skills, ideas and capabilities. Meaning that, services, products and solutions which have been design, developed and delivered must:

i.   pay respect to life (health and safety),
ii.   pay respect to property (ensure customers values for money, efficiency and effectiveness),
iii.   pay respect to information (i.e ensure customers have full disclosure of the services, products and solutions while also ensuring they comply to organisation/institution confidentiality on trademarks, patents and rights etc),
iv.   pay respect to environment (including biodiversity, lively hood as well as social justice) and
v.   pay respect to beliefs (including diversity such as age, gender, norms, religion, race etc).

Knowledge management and learning is critical at this stage (Nonaka & Takeuchi 1996) this can be enhanced through use of decision support system or software. Knowledge, skills and ideas has to share willingly, freely and collaboratively. Key decision support initiatives require an entrepreneurial, adventuring and volunteership spirit in line with existential behaviours of job crafting, citizenship behaviour and altruism.

Level 3. Performance Management and Measurement Level:

Performance *measurement* and performance *management* may sound similar, but while they are complementary to one another, they are entirely separate strategic practices. The Balanced Scorecard creators, Drs. Robert S. Kaplan and David P. Norton, played a large role in championing these terms. In 1996, Kaplan and Norton published The Balanced Scorecard: Translating Strategy into Action. When they did this, they spoke about performance *measurement*, and leading and lagging indicators. But by 2000, when they published The Strategy Focused Organization, they had further explored the concept of performance *management*. They expressed how it simply wasn't good enough to just have a set of measures; organizations needed to have a process of evaluating, responding to, and aligning around those measures in order to get anything out of them.

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[42] Mill, "Utilitarianism, On Liberty, Considerations on Representative Government, London: Everyman, 1993. page 7

[43] Kant, I., 1785. Groundwork of the Metaphysics of Morals : 421. Edited by Gregor, M. 1997. Cambridge: Cambridge University Press : p.31

It follows thus, the Balanced Scorecard is not a normative leadership decision making framework as it does not incorporate valuation or moral values (see John Mills[44] and Emanuel Kant[45], consequentialism, teleological and deontological factors need to be included in the decision making process) - it is a decision making concept like a computer where when you put in garbage in, the outcomes will be a garbage out.

The performance management and measurement should focus on assessing the individuals, institutions/organisations and community's impact and influence from the knowledge, values and cultural behaviour application during the services, products and solution design, development and delivery.
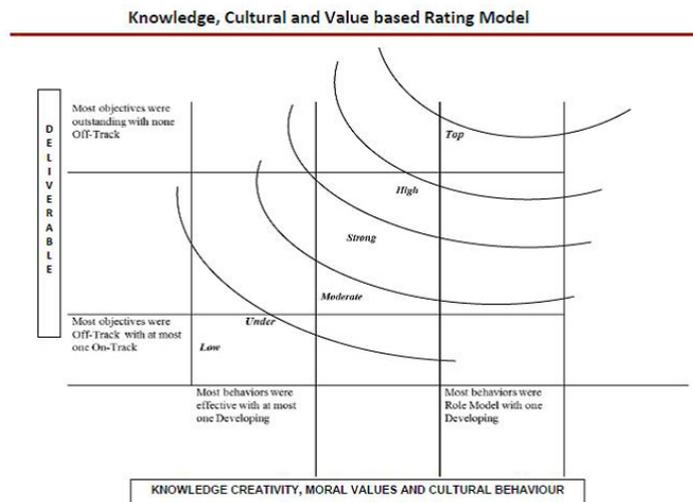
Because of the existence of differences due to diversities and social cultural value system, the assessment requires to use holistic or integral approaches.

From the multi-level and value based perspectives a holistic and integral approach is significant for building trust to different multiple stakeholders by integrating the three dimensions of growth and effectiveness during recognition and positioning: the individual, Institutions/organisation and Community social impact dimensions.

In addition, recognition and position requires embedding higher levels of tolerance to ambiguities due to social cultural value systems and they dare to take courage in driving growth and effectiveness.

Level 4. Monitoring, Control and Learning Level:

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[44] Mill, "Utilitarianism, On Liberty, Considerations on Representative Government, London: Everyman, 1993. page 7
[45] Kant, I., 1785. Groundwork of the Metaphysics of Morals : 421. Edited by Gregor, M. 1997. Cambridge: Cambridge University Press : p.31

Individual knowledge workers, organisations/institutions and societies live in a knowledge based, cross-cultured and Volatile, Uncertain, Complex and Ambiguous (VUCA) context.

As part of self-regulation, it is important that individuals, organisations and institutions learn how to monitor their learning, control their learning and learn their knowledge, values and behaviors applications.

Dealing with this context calls for judicious decision making. Thereby, the ability to "reflect on our own thinking" and to take action based on these evaluations can help us to improve our performance and to attain our goals effectively.

The higher -order cognitive processes which allow an individual to reflect and assess current mental or epistemic states (i.e., monitor) and to regulate behavior (i.e., control) , are summarized and studied under the concept of metacognition[46][47] (Flavell, 1979).

The main purpose of this stage through metacognition[48] is therefore to help individuals, organisations/institutions and societies or communities to develop an institutional knowledge through controlling own thoughts and regulation of cognitive phenomena which means, you can control your own thoughts.

Fogarty (1994) suggests that Metacognition is a process that spans three distinct phases, and that, to be successful thinkers, students must do the following:

1. Develop a *plan* before approaching a learning task, such as solving a developmental problem.
2. *Monitor* their understanding; use "fix-up" strategies when meaning breaks down.
3. *Evaluate* their thinking after completing the task.

Instructors can model the application of questions, and they can prompt learners to ask themselves questions during each phase. They can incorporate into lesson plans opportunities for learners to practice using these questions during learning tasks, as illustrated in the following examples:

- **During the planning phase,** learners can ask, *What am I supposed to learn? What prior knowledge will help me with this task? What should I do first? What should I look for in*

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[46] A higher-order thinking that enables understanding, analysis, and control of one's cognitive processes, especially when engaged in learning.

[47] *Metacognition* is "cognition about cognition", "thinking about thinking", "knowing about knowing", becoming "aware of your awareness" and higher order thinking skills. It comes from the root word "meta", *meaning* beyond.

[48] As outlined in the theoretical model by Nelson and Narens (1990, 1994) , monitoring processes are critical as they allow us to initiate control behavior to enhance learning and performance (e.g., Hertzog & Dunlosky, 2011; Metcalfe & Finn, 2013) . To exemplify, individuals have been shown to use information such as item difficulty or familiarity to decide whether or not they want to continue with learning (i.e., spend more study time) or which items of a task they want to consider for the possibility of a reward (e.g., Hembacher & Ghetti, 2013; Koriat & Goldsmith, 1996).

this reading? How much time do I have to complete this? In what direction do I want my thinking to take me?

- **During the monitoring phase,** learners can ask, *How am I doing? Am I on the right track? How should I proceed? What information is important to remember? Should I move in a different direction? Should I adjust the pace because of the difficulty? What can I do if I do not understand?*
- **During the evaluation phase,** learners can ask, H*ow well did I do? What did I learn? Did I get the results I expected? What could I have done differently? Can I apply this way of thinking to other problems or situations? Is there anything I don't understand—any gaps in my knowledge? Do I need to go back through the task to fill in any gaps in understanding? How might I apply this line of thinking to other problems?*

1. **Programme Outline: Management and Leadership Development Programme.**

In order to explicate the concept, this programme is looking to recruit managers of higher caliber at the Junior level, middle level and Senior Level from private, government, NGO's etc.

Through a series of learning and development which include an Induction Programme (1-Week), Coaching and Mentorship Sessions (3-Weeks), and Work Based Projects (6-9 Months) these managers will be exposed to how the Adaptive Capability Perspectives applies.

2. **Research Methodology: Action –Learning within Assessment Centre and Development Centre.**

This research will be conducted in the context of a management and leadership development programme using an action-learning or action research approach (Kolb D, 1984[49] MCNiff, 1995a[50]) which aim to bring changes and transforming at the individual learners, the organisations and institutions as well as the overall communities.

The main benefit of action – learning is that, it gives both the participants and facilitators to experiment different phenomenon together and modify the process from the feedback they have learned from the Monitoring and Evaluation process.

In addition, as the purpose is to bring improvement into my own practice, action research is significant as it allows a research to observe the individual as well as the organisational/institutional development processes.

The study design will use both "the assessment centre" and "development centre" contexts where through an ethnographical approach based on social constructionism, unstructured interviews, semi-structured interviews and structured interviews will be conducted.

3. **Assessment Centre**

An assessment centre is where participants are kept together in a controlled environment so that they can undertake certain work related activities and assignments or learning while they are observed using different criteria.

For example, we propose an induction session to be undertaken through a one week (1) resident where all participants will be living together in a hotel. This will give an opportunity for both

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[49] Kolb, D. A. (1984) *Experiential learning: Experience As The Source of Learning and Development,* Englewood Cliffs, New Jersey: Prentice Hall.
[50] McNiff, J. (1995a) *Action Research for Professional Development: Concise Advice for New Action Researchers,* Dorset: September Books.

participants to observe and appreciate their differences due to diversities (age, gender, profession background, ranks etc).

The observation process is important to participants because, participants needs to accept that, while they are different due to diversities, but there are agreed and accepted core shared values which can be used as mechanism of cooperation in driving growth and effectiveness achievement "regardless of their diversities".

Thus, while at the assessment centre, the participants will have an opportunity to test their existing company "core shared values", they will also have an opportunity to experiment and evaluate some of the newly proposed "core shared values".

4. Development Centre

The application of the framework as well as the evaluation will be based on the development centre.

The role of development centres is to act as premises for coaching, mentorship, counseling, training and one to one feedback sessions through Work Based Assignments/Projects.

The role of these sessions is to enhance the developed of the core shared values which have been agreed and accepted at the assessment centre.

The individual areas of development or work related situations which require improvement or change into three main areas:

i. Design, development and delivery of products, services and solutions
ii. Design, development and execution of strategies, policies, projects and programmes
iii. Leading for Growth, managing performance, accountability, compliance, risk and behaviour measures.

5. Proposed Work Plan, Time Budget and Planned Research Activities

ACTIVITY	Process	1 Week	3 Weeks	6-9 Months
Phase 1:	Preliminary			
	Literature review and proposal writing , Pre-testing research instruments	■		
Phase 2 :	Data collection		■	
Engaging			■	
	i. Senior Managers ii. Middle Managers iii. Junior Managers iv. Those Aspiring for Managerial Roles		■	
Developing			■	
	i. One to One Feedback ii. Coaching /Mentorship Sessions iii. Training Sessions iv. Training Sessions		■	
Enabling			■	
	i. Performance Review, Recognition and Rewarding ii. Ongoing One to One Feedback iii. Ongoing Coaching /Mentorship Sessions iv. Ongoing Training Sessions		■	
Empowering			■	
	Monitoring, Evaluation & Learning		■	
Phase 3: Data Analysis and Reporting				■
	Data entry and analysis			■
	First draft submission			■
	Improvement of the first draft			■
	Final submission			■