

The Influence of Organizational Culture and Leadership Styles on Managers' Practices of Competency Development

Auteur : Gentili, Jeremy

Promoteur(s) : Dujardin, Jean-Marie

Faculté : Faculté des Sciences Sociales

Diplôme : Master en gestion des ressources humaines, à finalité spécialisée "mise en oeuvre de la gestion stratégique des ressources humaines"

Année académique : 2016-2017

URI/URL : <http://hdl.handle.net/2268.2/2588>

Avertissement à l'attention des usagers :

Tous les documents placés en accès ouvert sur le site le site MatheO sont protégés par le droit d'auteur. Conformément aux principes énoncés par la "Budapest Open Access Initiative"(BOAI, 2002), l'utilisateur du site peut lire, télécharger, copier, transmettre, imprimer, chercher ou faire un lien vers le texte intégral de ces documents, les disséquer pour les indexer, s'en servir de données pour un logiciel, ou s'en servir à toute autre fin légale (ou prévue par la réglementation relative au droit d'auteur). Toute utilisation du document à des fins commerciales est strictement interdite.

Par ailleurs, l'utilisateur s'engage à respecter les droits moraux de l'auteur, principalement le droit à l'intégrité de l'oeuvre et le droit de paternité et ce dans toute utilisation que l'utilisateur entreprend. Ainsi, à titre d'exemple, lorsqu'il reproduira un document par extrait ou dans son intégralité, l'utilisateur citera de manière complète les sources telles que mentionnées ci-dessus. Toute utilisation non explicitement autorisée ci-avant (telle que par exemple, la modification du document ou son résumé) nécessite l'autorisation préalable et expresse des auteurs ou de leurs ayants droit.

NOM: Gentili

Prénom: Jeremy

Matricule: 113415

Filière d'études : Master en Gestion des Ressources Humaines

PAR

JEREMY GENTILI

Mémoire présenté en vue de l'obtention du grade de Master de Gestion des
Ressources Humaines, à finalité spécialisée

The Influence of Organizational Culture and Leadership Styles on Managers' Practices of Competency Development

Promoteur : Jean-Marie DUJARDIN

Lecteur : Jocelyne ROBERT

Lecteur : Sabine HAINE

First of all, it is important to acknowledge that this thesis is the fruit of the total collaboration of multiple people at Euroclear. We would like to thank all of them, whether they have participated once or several times, and whether they provided information through formal or informal interviews, but also through priceless advice on documents to read and tips to understand this very complicated, though fascinating organization. We spent four fantastic months working at Euroclear thanks to its people and its ambitious projects. Moreover, we would like to give thanks to the managers who spent time with us, especially because we know that they have a lot of duties, and that for them time is priceless. Lastly, we would like to thank Sabine Haine for her constant support and advice.

Furthermore, we would like to thank Jean-Marie Dujardin, our thesis director, for his very sound methodological advice and his guidance, but also Jocelyne Robert and Sabine Haine, members of our committee, for their time and their advice. Moreover, for her great intelligence and her unbreakable support, we would like to thank Sophie Nélisten who leads us in our self-development and in our quest to do our fair share of the work in this world. We would also like to give a special thanks to Ana Cristina Costa Pinto Coelho for her amazing patience and unconditional long term help.

The analysis proposed by this thesis relates to 2016, which means that possible changes might have occurred since the data collection. Moreover, we would like to highlight that the analysis and the essentialized categories that emerge from it do not put Euroclear managers in boxes without any nuance. In fact, the analysis tries to generalize from the material obtained to possibly be applicable in other contexts. Consequently, it is necessary to categorize beyond the nuances of each person.

Similarly, the culture analysis does not contain any judgment nor a performance analysis. It is only interested in the potential variations in outputs that different leadership styles, inscribed in different cultural paradigms, might produce when it comes to managers' practices of competency development.

Finally, we sincerely hope that this thesis might be of any help for those who may be interested in its reading. In advance, we thank those who by reading these words are dedicating time to us, and we wish them success in their career and self-development.

List of abbreviations

Ashridge: Ashridge Business School

HR: Human Resources

HRM: Human Resources Management

HRs: Human Resources officers

LEAN: method of production seeking to reduce wastes and improving the production processes

N+1: Direct hierarchical superior

N+2: Second level superior

N+3: Third level superior

N-1: Direct hierarchical subordinate

N-2: Second level subordinate

N-3: Third level subordinate

NVQ: National Council of Vocational Qualifications

PJ-Fit: Person-Job Fit

PMF: People Management Feedback

Q&A: Questions and answers

T2S: TARGET2-Securities

ZBB: Zero-Based-Budgeting

Table of Contents

Introduction.....	4
Theoretical perspective	8
Chapter 1: Literature Review	8
1. Leadership styles.....	8
1.0: Introduction.....	8
1.1: Definitions of leadership.....	8
1.2: Leadership theories	8
1.2 Theoretical framework of this research.....	14
2. Organizational Culture	14
2.0: Introduction.....	14
2.1 An organization is culture vs an organization has a culture.....	15
2.2: Qualitative or Quantitative methodology.....	17
2.3: Organizational culture vs Organizational climate.....	18
2.4.0: How to define organizational culture?	18
2.4.1: Schein: definition and mechanisms	18
2.4.2: Hofstede national and organizational cultures	19
2.4.3: Other definitions	20
2.4.4: Conclusion on definition of organizational culture.....	21
2.5: What is culture perpetuation?	21
2.6: Subcultures.....	23
2.7: Culture and effectiveness.....	23
2.8: Organizational culture as a strategy and as a control mechanism.....	24
2.9: Managerial culture as a focus	25
2.10: Additional links between leadership and organizational culture	26
3.0: Introduction.....	27
3.1: The competency model	27
3.2: Definition of the competency.....	28
3.3 Managerial role in competency development	29
3.4: The competency model changes the rules.....	30
3.5: Competency and organizational culture.....	30
3.6: Conclusion	30
4. The concept of power in organizations	31
4.0: Introduction.....	31
4.1: Theoretical framework and rationality or bounded rationality	31
4.3: The mixed regulation	34
4.4: Managerial discourses.....	34

4.3: Sociology of organized action and culture.....	35
The case study.....	36
Chapter 1: Methodology	36
Chapter 2: Presentation of the organization and of the HR project	39
Chapter 3: Description of results:	41
1. The historical managerial culture and the rising of a new managerial culture	41
1.1: Big picture of the historical managerial culture.....	41
1.2: The rising of a new culture as an expression of employees' needs.....	43
1.3: Internal competition as a substitute for external competition.....	44
2. The influence of the historical managerial culture on leadership styles and cultural conflict...	45
2.1: The footprint of culture on leadership styles and training initiatives towards change	45
2.2: The appraisals as cultural tools	47
3. Roles conflict between expert and managerial tasks.	48
3.1: Managers' views of a healthy organization and managers' expertise	48
3.2: The roles conflict: managers' different positions faced with this situation	48
4. Competency development.....	50
4.1: Managers' practices and difficulties	50
4.2: Development practices: level of formalization	52
4.3: The added value of job mobility in competency development according to managers	53
Chapter 4: Analysis	55
1. Introduction.....	55
2. Actantial models: ideal types	55
2.1: Introduction.....	55
2.2: Historical managerial culture.....	55
2.3: Conflict between cultures	56
2.4: The role of the manager	57
2.5: Roles conflict	59
2.6: Practices of competency development.....	60
3. The case study, the models and the literature.....	61
3.1: The historical managerial culture and the type 1 manager	61
3.2: The type 2 a half-finished evolution	63
3.3: The type 3 an open door to cultural change	64
4. Managers' practices related to competency development	66
5. Analyze of documents.....	70
5.1: Documents analysis regarding organizational culture: climate survey.....	70
5.2: Analysis of coaching	71
5.3: Analyze of environmental pressures	72
Discussion	73

Conclusion	77
References	82
List of tables	87
Annex	88
Annex 1: HR project	88
Annex 2: Climate Survey	91
Annex 3: Client Centric	94
Annex 4: Coaching	95
Annex 5: Context and strategy	102
Annex 5: People Management Feedback template	111
Annex 6: Table of interviewees	113
Annex 7: Interviews analysis	114
Annex 8: interview guide	115
Annex 9: Analysis grid	116

Introduction

As Henry Mintzberg said: “Learning is not doing; it is reflecting on doing”. Managers have multiple roles in organizations. Among those roles, the role to develop subordinates’ competencies is growing. In the current economical context, competences are strategic resources, and there is more and more need for a flexible workforce that can perform in various jobs. In this research, the specific problem under study is how manager’s role to develop competencies of subordinates is influenced by organizational culture and leadership styles.

Effectively, if learning is not doing, but reflecting on doing, it means that managers must help employees to self-reflect. Consequently, managers would have a trainer-coaching role. Like a driving instructor, managers can teach tips & tricks, they can also be a coach to facilitate someone’s development, or they can be flight instructors who help employees to steer their careers. However, do managers really take part in competency development?

This thesis is interesting for research in HRM, competency development, organizational change; and management since it gives more insight into how leadership styles evolve and change with organizational culture or remain stable. Moreover, it provides more knowledge on the relationship between organizational culture, leadership styles, and managerial practices of competency development. This is particularly interesting for the studied organization that strive for changing its dominant managerial culture and enhancing this new managerial role. The research shows enablers and brakes that can either facilitate or thwart change.

During our internship, we worked on a skills and mobility project. This project highlights the role of managers in developing their people’ skills and also, their role in subordinates’ career. Managers were considered as key actors to promote and enable internal mobility in the company. However, loads of them were not thought to already apply the desired behaviors. Naturally, a question arose: how do they adapt their behaviors or not to corporate recommendations? After some iterations between the literature and a few talks, the question became: How do organizational culture and leadership styles influence the practices of competency development?

The problem is that we have plethora of research on leadership competencies, but neither do we have as much richness when it comes to how managers’ leadership styles impact subordinates’ development nor on how organizational culture impacts competency development. Nevertheless, it is easy to imagine how a better understanding of these impacts could enable researchers and practitioners to weigh the pros and cons of each leadership style.

In much research, the links between leadership styles and organizational culture have been detailed. Consequently, only studying the impacts of leadership styles without the influence of culture would not provide a thorough view of our problem. Therefore, the originality of this study is to analyze how organizational culture and leadership styles influence managerial practices of competency development. In addition to that, the originality resides in the discovery of the key mediating role of power. Interestingly, we found that managers exercise discretionary power over their own practices, which can simultaneously foster or hinder change and influences how they develop subordinates’ skills.

Many previous research has been conducted the connections between leadership and organizational

culture. Schein (1990) insisted on the role of founders and their successors in culture shaping while for others, leaders are products of their culture (Hofstede, 2011; Ogbonna & Harris, 2000; Smircich, 1983). Moreover, Valentino (2004) showed that managers have a critical role in cultural change because they are sense-makers. In addition, role models are important for middle managers to engage in cultural change (Valentino, 2004). Mintzberg (2007) for his part assigns a leadership role to managers among ten roles. We notice that leadership, managers, and development role are, to a certain extent, already intertwined, but not explored in the literature.

Furthermore, in our case study tensions arise around cultural change. There is a lot of non-scientific recommendations on the subject (Chatman & O'Reilly, 2016), and the literature on the subject is often prescriptive rather than analytical or descriptive. Though, the last two types help us to compare our analysis with others' findings. For instance, while studying a cultural change attempt desired by top management in a Premier League football club, Ogbonna & Harris (2014) found that change in organizational culture is hard to manage. In fact, several internal and external stakeholders can interfere in the process. How is that possible? In our case study, how can some managers continue to manage against requirements?

Despite the vast literature on organizational culture and leadership, there is little research on their connections with competency development. In her research, Fleury (2009) found that competence is locally defined through the lens of organizational culture, as a result the group judges what it is to be competent or not.

Concerning the research on how leadership styles influence development of competency, it is scarce or almost inexistent. However, Jemli (2015) argues that authoritarian leadership styles are not compatible with a development role, whereas participative leadership styles influence daily learning. Moreover, Jemli (2015) defends that culture plays an important role in defining how managers behave, even if he does not show how. For this reason, this thesis brings an added value.

Could we affirm that organizational culture, leadership styles, and managers' role in competency development are connected? This study also tries to go beyond the simple proof of the existence of connections between those concepts. Indeed, our principal objective is to demonstrate how organizational culture and leadership styles influence managers' practices of competency development. Does culture take the lion's share or do managers have bigger claws?

Keeping in mind the previous findings of the literature and the ultimate objective of this study, this thesis has four hypotheses. The primary hypothesis pertains directly to the research question: (1) Depending on their leadership styles, managers do not develop their subordinates' competencies the same way. This field of research is barely inexistent, although it deserves more attention since it could help to improve competency development in organizations. However, before being able to verify this hypothesis, we have to analyze how organizational culture and leadership interact.

As a consequence, two secondary hypotheses try to answer that issue. In our case study, the organization strives to develop a new managerial approach—a new leadership style—that highlights a collaborative role for managers and their key role in competency development. The problem is that the culture that has been developed over time emphasizes authoritarian leadership styles. In this culture, there is little place for a coaching role to which managers should devote their time. This led us to formulate the two

following secondary hypotheses: (2) There is a historical managerial culture and a new growing managerial culture that challenges the first. Not only that, but (3) the historical managerial culture has influenced the dominant leadership styles in the company.

Logically, the secondary objective of this study is to demonstrate that there can be different, or even competing, cultures in organizations. There is a theoretical interest to prove that in organizational life there is simultaneously more integration on deeper basic assumptions (Schein, 1990)—because strategy is a perspective in cultural existence (Mintzberg & al., 2009)—and the appearance of subcultures (Schein, 1990). Indeed, if we believe that attempts to manage culture could succeed, playing on a subculture could be efficient (Ogbonna & Harris, 2014; Schein, 1990).

Finally, a last hypothesis presupposes that manager's role is defined by the culture and subsequently by how the culture reflects the strategy. In a nutshell, we postulate a cultural conflict and that culture shapes leadership styles. Therefore, we postulate too that managers should live a roles conflict between their expert and manager tasks during the cultural change: (4) There is a roles conflict between expert and managerial tasks.

To give answers to our hypotheses we make use of four concepts: (1) leadership styles, (2) organizational culture, (3) practices of competency development, and (4) power. The advantages of the two first are the vast literature and the connections between them. The third generalizes concrete practices observed in the case study and pertain to the competency model in the literature. At last, the concept of power originates from the sociology of organized action and helps us to conceptualize the relations between the concepts into a system, but also to explain the relatively comfortable level of freedom that managers have.

Also, this research relies on a qualitative methodology. We conducted twenty-one semi-structured interviews, gathered direct observations during four months in the organization, had dozens of informal talks both with interviewees and other people; and analyzed dozens of internal documents. Eighteen interviews were done with managers of different hierarchical levels in the Commercial, Marketing & Corporate Responsibility division. Three interviews were done with HRs among which two were responsible for the change project (skills & mobility) that inspired the research question.

We chose the qualitative approach that better suits to grasp the basic underlying assumptions of culture (Chatman & O'Reilly, 1990; Pettigrew, 1979; Schein, 1990). Moreover, the fact that there is very little previous research on our subject lead us to go for a methodological approach that fits the discovery of new elements. Moreover, we decided to concentrate in the study of one organization. Doing so, we provide a first model of relationships between the four concepts.

To further justify our approach, we can say that because we postulate that there is an historical managerial culture and a growing culture in the studied organization, we need to collect stories, myths, values, and other elements that constitute this culture and necessitate a qualitative approach, especially to draw the historical evolution (Pettigrew, 1979).

Similarly, for understanding the new managerial culture, it is necessary to go over the discourses to grasp the reasons that motivate change. Therefore, managers are information providers of their own work life and organization. As a consequence, only open questions can provide enough nuances and details to grasp the situation, and, besides, the roles conflict can be understood by interviewing those who might live it. Finally, to

go beyond perceptions and cunningly analyze, we need to reconstruct the sense managers give to their actions and strategies (Schoenaers, 2015).

This research is divided into two major parts, with chapters and sections. To start with, there is a theoretical part with the literature review on the four concepts and their relations. The literature review starts with leadership. Then, we learn what the literature says about organizational culture. Next, a short section reviews the main links between those concepts. In a third time, we dig in the concept of competency development. Lastly, we conclude with the concept of power.

Afterwards, there is an empirical part with several chapters. In this part, the first chapter presents the methodology in details. The second chapter is a brief presentation of the studied organization and of the HR project we collaborated on and that raised interest in the research question. The third chapter describes the results of the interviews and is divided into several sections.

The fourth chapter analyzes the results in four steps: It starts by model the content of the description pertaining to the hypotheses, then, it analyzes what these models mean in regards with the hypotheses, afterwards, there is a comparison and an analysis of the competency development practices of three types of managers, and finally, a comparison with documents analysis permit to confirm or disprove the preceding analyses. The fifth chapter discusses the results and their theoretical consequences. At the end of this research, we conclude by answering the questions raised in this introduction, and we give some ideas for further research.

Theoretical perspective

Chapter 1: Literature Review

1. Leadership styles

1.0: Introduction

In this research, the focus is on the leadership styles. For this reason, we do not review the numerous definitions of leadership, but we briefly review some definitions of the concept all the same. Afterwards, we review key studies on leadership style. Our objective is to present a few theoretical frameworks so that we will be able to compare manager's styles in our case study.

1.1: Definitions of leadership

The first thing that needs to be said is that in spite of the numerous definitions existing on leadership, several scholars consider leadership as the fact for an individual to: "produce an effect or set-off a reaction among other people" (Collerette, 1991 quoted by Progin, 2015:72). Leaders are able to influence. Others add that this influence must repeat over time (Progin, 2015). The influence is at the heart of the various definitions. Friedberg & Crozier and Mintzberg's notions of power can be thought as close to the notion of leadership if we consider both concepts of power and influence (Progin, 2015).

According to Maltais, Leclerc & Rinfret (2007:425), for McGregor Burns leadership is an influence process that is observable, applied to a wide range of changes, and gives interactions between humans that must be ethical, even if the context is made of inequalities.

For their part Hersey, Blanchard & Natemeyer. (1979) argue that:

Leadership is typically defined as the process of influencing the activities of an individual or a group in efforts towards goal achievement. Power is well described as the leader's influence potential: The resource that enables a leader to induce compliance or influence followers (Hersey & al., 1979:418).

On the basis of Dujardin & Robert (2013), it is difficult to give a list of the attributes of leaders. Nonetheless, Bennis (1984:15-19) gives four common characteristics of successful leaders. We can succinctly summarize them by saying that leaders:

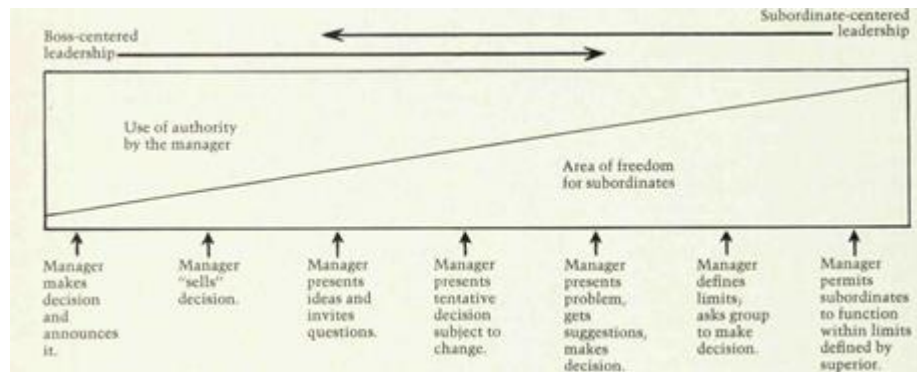
1. Inspire people by how they achieve their mission or their vision.
2. Communicate well their vision.
3. Win people's trust thanks to their reliability, determination, and constancy.
4. Show self-control, self-awareness of their strengths, and learn from their mistakes.

1.2: Leadership theories

Let us begin with an examination of Kurt Lewin's theory (1944). He found three major leadership styles: Autocratic, democratic, and laissez-faire. In his theory, a good leader blend the three styles by keeping in mind the influential forces coming from the followers and the situation. The theory contains multiple factors

that alter the balance: (a) the time available and the emergency of the situation, (b) the competencies level, (c) the seniority of employees, (d) the nature of the tasks to perform; (e) the laws or procedures, (f) and the climate.

Later, Tannenbaum & Schmidt (1973) extended Lewin's work. They drew a continuum made of seven leadership styles. The seven leadership styles vary from boss-centered leadership to subordinate-centered leadership, the picture below illustrates the seven possibilities:



Source: Tannenbaum & Schmidt (1973:16).

On the left side, managers are the only decision makers. From the first to the third included on the left, managers go from imposing to persuading and explaining. Around the center, the process is collaborative. Managers identify the issue, propose solutions, and the group can challenge their decisions. In the next one, the solutions come from the group, but managers remain decision-makers. The last two on the right are different. In these cases, managers set limits and then delegate the decision to the group. They can participate as a member of the group with their expertise or not (Tannenbaum & Schmidt, 1973).

The theory goes further by adding three factors that influence which style should be chosen. The first one is made of the forces in the manager. Managers experience internal tensions because of their value system about who should make the decision. The authors believe that how managers perceive the importance of: “organizational efficiency, personal growth of subordinates, and company profits.” (Tannenbaum & Schmidt, 1973:175) influence these tensions.

Moreover, the confidence the managers have in their subordinates imply that they appraise who is able to do the job well. An added element is that managers have a natural inclination for a specific leadership style. Not everyone is naturally comfortable with each leadership style. Tannenbaum & Schmidt (1973) add a last point about the feeling of security in uncertain situations. Indeed, delegating implies less control over the output. Consequently, the differences in behavior arise from the managers' need for stability and predictability (Tannenbaum & Schmidt, 1973).

The second factor is called the forces in the subordinate. The more managers understand team's needs and what is expected of them, the more they can push their teams to act adequately (Tannenbaum & Schmidt, 1973). The theory also provides a bunch of conditions that managers should notice to delegate more (Tannenbaum & Schmidt, 1973).

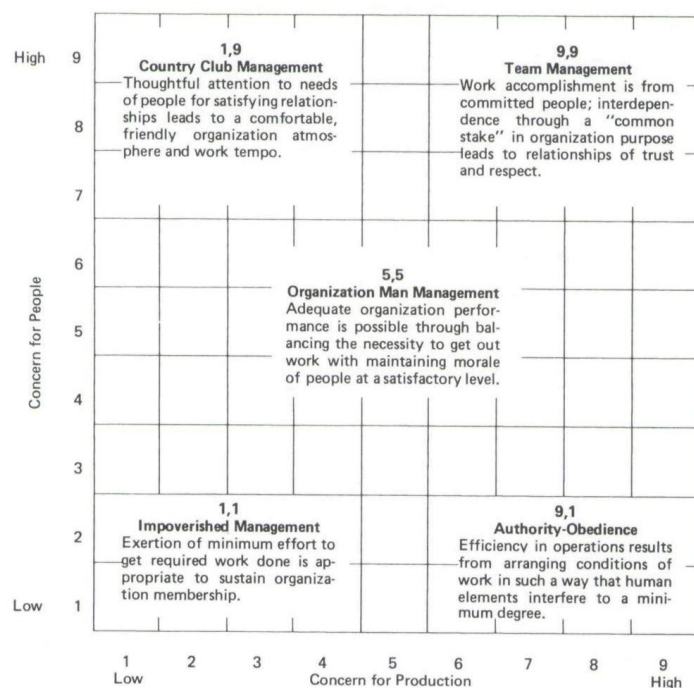
The last factor is called forces in the situation. Managers suffer from external pressure among which the strongest come from inside the organization (Tannenbaum & Schmidt, 1973). The culture of the

organization influences how people think and behave, besides what is tolerated or not depends upon culture (Tannenbaum & Schmidt, 1973). The authors contend that because their superior have a particular understanding of what makes a great manager, managers tend to go into a defined managerial style (Tannenbaum & Schmidt, 1973).

Furthermore, the size of a team or the importance of confidentiality can steer managers to be more authoritarian (Tannenbaum & Schmidt, 1973). Group effectiveness imply that managers must think about the capacity of the group to collaborate before leaving them responsibilities. In addition, the complexity of the problem is crucial to consider before turning a problem over to the group. Finally, Tannenbaum & Schmidt (1973) assume that the pressure of time impacts manager's decisions to delegate or not. The more urgent a solution must be found the less likely it is delegated.

To summarize, the good manager is the one who attuned to these forces evaluates subordinates' keenness for growth and is capable of adopting the good behavior. Additionally, even if managers are shaped by the forces operating in their organizations, they can consider them as variables they partially control (Tannenbaum & Schmidt, 1973). For example, a manager has the possibility to: "supply training for individual subordinates, and provide participative experiences for his employee group" (Tannenbaum & Schmidt, 1973:179). Lastly, for Ogbonna & Harris (2000) the major founding of style and behavioral studies is that democratic and participative styles make the best leaders.

Another famous theory is Blake & Mouton's grid. They (1982) built a grid to situate managers' styles. Their model provides five managerial styles depending on where managers stand between concern for people and for production. Blake & Mouton (1982) defend that the best management style is the 9,9. The 9,9 managers are highly oriented both towards the tasks and people. Those leaders provide a strong guidance and complete emotional support (Blake & Mouton, 1982). The combination of the two dimensions provide a multitude of variant styles, but the grid defines five archetypes:



Source: Blake & Mouton, (1982:23)

1. the Impoverished Management (1,1) is basically for managers who do the bare minimum.
2. the Country Club Management (1,9) managers work to create a friendly work atmosphere. People's needs are the focus of attention. Therefore, that kind of managers concentrate all their efforts and energy to build good relationships with their people. Consequently, objectives and results are secondary to them.
3. The Organization Man Management (5,5) recognizes the necessity to take into account both productivity requirements and employees' needs.
4. The Authority Obedience (9,1) considers that humans must interfere as little as possible with the productivity. This kind of manager highly focuses on the task and their employees are only a mean to reach the target.
5. The Team Management (9,9) combines a high orientation to task with a high orientation to people. The assumption is that committed people make great work. In that mindset trust and respect are essential values. Thus, collaboration is an important constitutive element of the team.

Another important theory is the Theory of X and Y of human motivation of McGregor (1966). The basic premise of his theory is that humans have needs that they must satisfy. These needs are part of a hierarchy (McGregor, 1966). Arguably, this resembles to Maslow's hierarchy of needs. For McGregor, managers can have one of the two following visions of their employees: On the one hand, managers believe in what McGregor calls the theory X, on the other hand they believe in what he calls the theory of Y.

In the former, managers must have an active role, otherwise people would not take initiatives. The beliefs held by these managers are that: people are indolent, do not like to be leaders because of the weight of responsibility, and are sort of egoistic because organizational goals are unimportant to them. Moreover, the employee is thought to be resilient, resistant to change, and simply said a bit simple (McGregor, 1966). Consequently, managers who hold these beliefs are authoritarian because they think that people need to be controlled or afraid of sanction to work.

On the contrary if managers believe in the theory of Y, they would say that people are motivated and open to change. In a nutshell, the way they have been managed has led them to be passive and resilient (McGregor, 1966). Thus, the role of managers is to create the necessary organizational conditions so that people can work towards their goals and reach their full potential, which serve the organization's objectives (McGregor, 1966).

Ultimately, then, this theory is one of the first recommending to delegate, trust, empower; consult with bottom employees, and to propose performance appraisals. At first sight we might think that McGregor's statement on leader's role to create such a trust and delegation framework is different from Blake & Mouton's 9,9 leadership style. Indeed, the 9,9 manager leads by providing a strong guidance coupled with a strong emotional support. On second thought, the difference is tenuous if we consider that both theories recommend being people-oriented to reach objectives.

Furthermore, another theory is the Situational Leadership Model of Hersey & Blanchard. Strongly criticized by Blake & Mouton (1982), this theory contends that only adaptability in style makes great leaders. No best way to lead exists. Instead of having an inflexible approach, exerting leadership consists in conforming

to each single situation or person and to adapt the leadership styles accordingly. In this theory, a more specific point relates to power, which is indispensable to exercise leadership (Hersey & al, 1979). The theory proposes seven power bases to use in an adaptive manner regarding four maturity levels of employees:

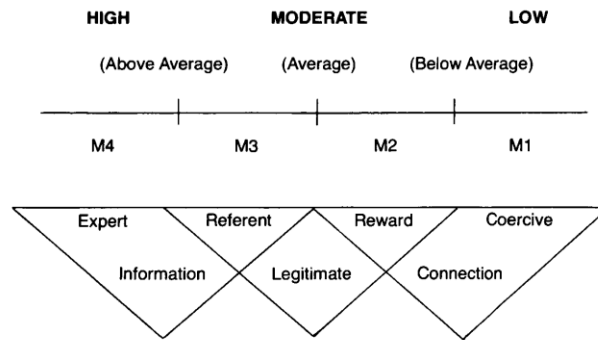
- Coercive power relies on fear. The fear results from the fact that failure will be punished by the leader, which explains why people are compliant.
- Connection power refers to the leader's network. It can motivate people to get access to it by being compliant or it can push people to avoid any trouble with the leader's influential network.
- The expert power basis is the leader's knowledge. It is important for employees to get the leader's help to make their work easier.
- Information power is the information that the leader has or can get access to whilst employees cannot.
- Legitimate power stems from the hierarchy, which implies that people holding a certain position can legitimately expect compliance.
- Referent power refers to the leader's personality and traits. This power basis and traits studies are alike because people are inspired by leaders.
- Reward power implies that followers acknowledge the leader is the one who can grant them with a bonus or a promotion (Hersey & al., 1979:419). Therefore, they are compliant (McGregor, 1966).

As there is not one best power base that is always effective, leaders must use the different power bases according to the situation and regarding four maturity levels of employees: low, low to moderate, moderate to high, and high maturity (Hersey & al., 1979).

Also, to each maturity level corresponds one best leadership style. It combines a certain degree of task orientation and people orientation that is supported by two or three adequate power bases (Hersey & al, 1979). Hersey & al. (1979:422) propose four different leadership styles because there are four different maturity levels:

- The Telling style is convenient for low maturity employees. Managers should be highly oriented to the task and low on the relationship part resulting in an authoritarian behavior.
- The Selling style should be used for low to moderate maturity levels. Employees are still viewed as unable to be accountable. Thus, the leader must provide direction by communicating with people.
- The Participating style is for moderate to high maturity employees who participate with their leader in the decision-making process. The subordinates are able, but need to be supported. In this case, the leader facilitates work.
- The Delegating style is only for high maturity employees. The leader can delegate because people are motivated and able to perform in their job (Hersey & al., 1979).

Now to fully get a grip on the situational use of power, the authors recommend using different power bases for the four leadership styles. The power bases are used with one or more style. The next image illustrates the associations:

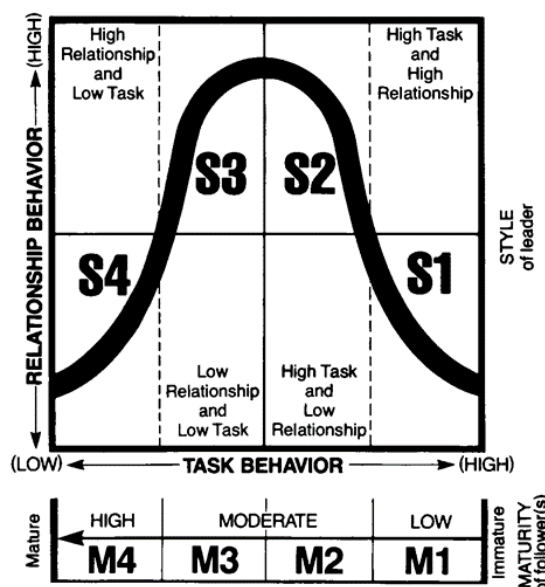


Source: Hersey & al, (1979:424)

This theory postulates that the must-do for managers is to analyze each person's needs, then managers must switch deliberately from one style to another to fit with each person. This is a major difference with Blake & Mouton (1982) who believe that there is one best management style: the 9,9. Moreover, the Situational Leadership Model of Hersey & al differ from McGregor's theory of Y because the latter tends to promote delegation, trust, and assumes that people are self-motivated, responsible, and autonomous. However, what Hersey & al. (1979) advises for low maturity employees resemble to what McGregor's theory of X advises too. Lastly, Tannenbaum & Schmidt (1973) also argue for an adaptive approach.

The next image summarizes the Situational Leadership theory. The S1 to S4 correspond to the four leadership styles. The M1 to M4 are the four maturity levels. The curve is the intersection of the recommended behaviors coming from the two axes:

Source: Hersey & al. (1979:421).



So, as the other theories analyzed before, this one is prescriptive too. Effectively, for each maturity level, there is a prescribed style that adapts the relationship behavior of the leader. As showed above, different power bases are advised for the different maturity levels.

To round off this section, the last theory reviewed is the transactional and transformational theory of leadership. The two styles are opposed. A transactional leader is:

Characterized by contingent reward and management-by-exception styles of leadership. Essentially,

transactional leaders develop exchanges or agreements with their followers, pointing out what the followers will receive if they do something right as well as wrong. They work within the existing culture, framing their decisions and action based on the operative norms and procedures characterizing their respective organizations (Bass & Avolio, 1993:112-113). Moreover, transactional leaders act to maintain the status quo in organizations, especially concerning culture (Bass & Avolio, 1993).

On the contrary, transformational leaders foster change when the culture does not match with their values. They have four characteristics: “idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Transformational leaders integrate creative insight, persistence and energy, intuition and sensitivity to the needs of others to ‘forge the strategy culture alloy’ for their organizations.” (Bass & Avolio, 1993:112).

All things considered, we do not believe that any theory reviewed is better than another. Actually, it is quite the opposite as our stance is that they are complementary. Their combined strengths help us to grasp the complexity of leadership. If leaders can analyze someone's needs and adapt their style (Hersey & al, 1979), it does not necessarily mean that they do not have a preferred orientation to task or to people (Blake & Mouton, 1982) nor that this orientation is not influenced by their natural leadership style (Tannenbaum & Schmidt 1973).

1.2 Theoretical framework of this research

To perfectly serve this research, we cannot limit ourselves to one theory. The complexity of what is reported by managers cannot fit in one restrained theoretical framework. This is the reason why this research combines the different theories reviewed. An argument in support of this approach is that managers talk about realities that are covered by the different theories. Logically, the combined theories contribute to analyzing these realities with their complementary strengths¹.

2. Organizational Culture

2.0: Introduction

To justify why such a big interest for organizational culture exists, a clear answer could be that culture makes the uniqueness of an organization. Culture is an open book we read to understand what surrounds ourselves. It is of first interest, above all because it shapes how the organization acts upon its market, defines its efficiency standards, and deals with HRM (Thévenet, 1993). Culture addresses management questions through the lens of time. Today is the legacy of yesterday and the basis for tomorrow.

Organizational culture has been for more than three decades a controversy in the literature and an interest in management after the brilliant successes of Japanese companies (Mintzberg & al., 2009). For instance, Ouchi's theory of Z relies on observations of Japanese firms' practices (Ouchi & Price, 1978). Understanding organizational culture is equivalent to comprehend perceptual filters that frame people's decisions (Mintzberg & al., 2009).

In organizational culture, scholars come from different fields such as sociology, anthropology,

¹See methodology for more explanation over this choice.

psychology, organizational theories; change management, etc. and that has brought different answers to the following questions: What is organizational culture precisely? How to define the construct? Which methodological approach should be chosen from the various choices available? There has been no agreement on a paradigm, although Schein's definition has been often referred to in the literature (Thévenet, 1993). Loads of authors continue to write their own definitions, thereby contributing to destabilize a weak paradigm.

However, some main streams dominate the research. Frequently, they apply tools mixing research and consulting to companies. There is plethora of quantitative tools to measure culture in organizations as Jung, Scott, Davies, Bower, Whalley, McNally and Mannion (2009) who identified around 70 tools to evaluate culture. After much research and decades of paradigm conflict, we do not have a common approach to study organizational culture (Chatman & O'Reilly, 2016; Ogbonna, 1992).

The proper use of organizational culture as a construct has been in dispute. On account of the extreme complexity of the phenomenon and the various causes—such as consultancy's grip on organizational culture (Chatman & O'Reilly, 2016)—that have slowed down the research, some authors believe that a predictive validity has been developed without a solid construct validity (Chatman & O'Reilly, 2016). Similarly, this deceleration associated with “research-consulting” is supported by those who consider that we first need to better apprehend what culture is before measuring the phenomenon (Schein, 1990).

At the beginning, the concept of culture comes from anthropology and sociology, but thereafter psychology has investigated the field. The cross disciplinary studies of organizational culture are key sources of the literature's debates (Schein, 1990). The most complicated and fascinating point about culture is that all its levels from national culture and industry to the level of the organization interact (Mintzberg & al., 2009).

Before jumping in the literature review, we should keep in mind that culture is not all. According to Thévenet (1993) we can identify three limits to the concept of organizational culture. The first is navel-gazing, which can lead to overestimate the importance of culture or to contemplate a situation and bask in contemplation against action. The second is that it can be an inhibitor to change if it focuses too much on past in comparison with future. The last one is the difference between intuition and method when confronted to facts. How could we distinguish what constitutes culture or not? Moreover, it is crucial to bear in mind that analyzing culture is not about judging, but explaining the reality (Thévenet, 1993).

2.1 An organization is culture vs an organization has a culture

The main issue under discussion is: Does an organization have a culture or is it a culture? Whether an organization is culture or has a culture influences how scholars perceive the manageability of culture, but also how to study organizational culture.

Those who consider that an organization is culture see this relationship as interdependent. An organization is characterized by its culture and people do not acknowledge it. Therefore, for those who think that culture is: “there is little point in trying to control this socially constructed phenomenon which is embedded in the very roots of organizational existence” (Ogbonna, 1990:42). This thinking gathers the cognitivism approach, the symbolic approach, and the psychodynamic approach (Thévenet, 1993). For those researchers, culture is impossible to change. Therefore, managers should not hope to manage culture (Ogbonna, 1990).

Meek (1988) explains that those who believe that the organization is culture are closer to anthropologists' approach. What they are saying is that culture is the output of a negotiation that takes place in social interaction (Meek, 1988). One consequence is that we cannot investigate organizational culture by bypassing the more general cultural context (Meek, 1988). As a result, it is not possible to manage culture in companies because culture is the product of social interaction: "culture should be regarded as something that an organization 'is', not as something that an organization 'has'; it is not an independent variable, nor can it be created, discovered, or destroyed by the whims of management" (Meek, 1988:470).

Moreover, culture evolves, but we cannot change it (Thévenet, 1993). To change culture, we would need to know perfectly what it is now, what we want it to be and how to make that change (Thévenet, 1993). Their position is that organizational culture can only be described and interpreted. These authors distinguish between culture and social structure that are the two sides of the same coin and must be used only to decipher behaviors. Finally, this approach pertains to Geertz's approach, which comes from Weber (Meek, 1988).

Nevertheless, others are dubious about this scientific stance, they assert that it is an extreme belief (Ogbonna, 1990). Those who view culture as something an organization has turn it into an important tool for managers (Alvesson & Sveningsson, 2008; Scheiner & Barsoux, 2003; Ogbonna, 1990; Ogbonna & Harris, 2016). This opinion sheds light on why so much researchers and consulting firms have tried to link organizational culture and effectiveness (Barney, 1986) or organizational culture and client orientation (Kasper, 2005), yet should organizational culture be manageable, we still need to know what parts of culture to manage and how.

Among the believers in an organization has a culture, two different subgroups exist. A first group believes that we can conscientiously manage culture. A second group is more prudent and thinks that culture might be changed under precise circumstances. In that thinking, culture is a managerial tool among others. To manage culture is to manage behaviors. This is why it is considered that a strong culture directs behaviors (Thévenet, 1993).

Furthermore, it seems that the manageability of organizational culture, notably in the context of Multi-National Companies is limited (D. E. Welch & L. S. Welch, 2006). According to D. E. Welch & Welch (2006), Schein believes that only the uttermost parts of culture are manageable. In addition, managers can face hard resistance when trying to manage culture (Ogbonna & Harris, 2016; D. E. Welch & L. S. Welch, 2006). Culture management has been a top-down archetype because it was thought to be in top management's hands (D. E. Welch & L. S. Welch, 2006), and there is much research on how to align organizational culture with strategy and to successfully change culture (Alvesson & Sveningsson, 2008; Scheiner & Barsoux, 2003).

D. E. Welch & Welch (2006) describe the virtuous circle of culture present in the literature and among practitioners: It contains the underlying assumption that inculcating employees with the values and the vision of the company drive their efforts towards the same end. At the same time, employees' automatic commitment replaces partially a managerial. The virtues of culture internalization seem to be fantastic, yet among other things, the responses given by employees to such cultural stimuli and teaching interfere with this automatic circle of virtue (D. E. Welch & L. S. Welch, 2006), hence the added value of taught culture is moderated by means of employees' resistance or responses.

In short, a strong organizational culture is an asset for organizations in stable environments, but becomes a problem in unstable environments (D. E. Welch & L. S. Welch, 2006). This opposition—between the organization is culture and the organization has a culture—is rooted in anthropology and sociology. According to Maas (2015), the two different points of view would originate from a paradigmatic opposition between structuralism (culture is a control mechanism) and social constructivism (culture is self-regulated).

To conclude, it is undeniably true that deliberately changing culture is difficult. It is worth mentioning here that culture changes when the organization is threatened, besides all its members must recognize that threat, and some people must take the lead to solve the problems (Thévenet, 1993). Thévenet (1993) argues that actions might influence culture, but nothing is sure.

2.2: Qualitative or Quantitative methodology

It is a truth universally acknowledged that it has been a key debate in human sciences. It would hardly be an exaggeration to say that in organizational culture, it separates two groups: Sociologists and anthropologists are inclined to comply with a qualitative approach while psychologists adopt preferably a quantitative approach. Schein who is one of the most quoted author on organizational culture (Ogbonna, 1990) argues that quantitative tools are poor to decipher people's feelings and values because they are shaped by searchers' prejudgments (Schein, 1990).

On the contrary, Hofstede has developed a profusely used quantitative approach, which measures six dimensions pertaining to national culture. His survey-based approach can be applied to organizations, but in this case the author combines it with qualitative data collecting. In their book about culture, Scheiner and Barsoux (2003) stand for a multi-focused approach with interviews, questionnaires and observations. Pettigrew, who is one of the pioneer in this field, argued in 1979 for a longitudinal-processual approach, which aims at tracing the organization's history. To do so, dramas are of key importance because they clarify how culture constitutes itself (Pettigrew, 1979). His methodology is obviously closer to Schein's than Hofstede's.

Qualitative researchers tend to consider that each company is a culture. For them, immersion, observations, and interviews are the only access to basic assumptions of organizational culture. They consider quantitative approaches to be ill-suited and defend a strong statement: “In this view (emic) each organizational culture is seen as idiosyncratic and cannot be compared with others.” (Chatman & O'Reilly, 2016:205).

In opposition to the emic approach, the etic approach (functionalist) considers that an organization has a culture. Consequently, we can compare organizations (Chatman & O'Reilly, 2016). Put another way, it is possible to use quantitative tools to generalize the comparison between a multitude of organizations.

Nevertheless, these differences may well be a smokescreen. The two approaches are more complementary than antagonistic:

It is striking that, although both camps purport to study organizational culture, the underlying constructs are not at all the same. In the emic approach the phenomenon being studied is how beliefs and assumptions shape shared meaning. In the etic approach the construct is explicitly based on norms and values and how these shape behavior (Chatman & O'Reilly, 2016:206).

The former contemplates how sense is given. The latter tries to grasp the process of behavior production. Once

again, it is a prolongation of the argument on whether culture is something an organization is or has.

In conclusion, it seems that a qualitative approach would be better to grasp deeper basic assumptions (Chatman & O'Reilly, 2016; Pettigrew, 1979; Schein, 1990). Lastly, if we trust Jung & al (2009), there is neither a best method nor a best tool to assess or to explore organizational culture. Solely the purpose of the study determines the usefulness of a tool or another. Such a viewpoint contradicts the calls for a construct uniformization.

2.3: Organizational culture vs Organizational climate

One typical definition of organizational climate is: “the shared perceptions of and the meaning attached to the policies, practices, and procedures employees experience and the behaviors they observe getting rewarded and that are supported and expected” (Schneider, Erhart & Macey, 2013: 362). This theory concentrates on employees' perceptions of their work environment (Chatman & O'Reilly, 2016; Thévenet, 1993). Organizational climate can either be assessed as strong or as weak, and some particular climates are connected with, for example, unit performance or employee turnover (Chatman & O'Reilly, 2016). The research on climate are lead through questionnaires assessing people's perceptions of their environment and compiling their answers to draw general trends, whereas research on culture assess what it is to be part of a group (Chatman & O'Reilly, 2016).

There is some confusion around the concept or organizational climate, as well as around organizational culture. However, some scholars assert that both constructs are being joined after complementary contributions to our understanding of how employees make sense of their work environment and shape their behaviors accordingly (Chatman & O'Reilly, 2016). To sum up the differences, it is acknowledged that climate is the sum of people's perceptions, whereas culture is linked to the organization and is more than this sum, besides organizational climate is what people think while organizational culture is what people do (Thévenet, 1993:89)

2.4.0: How to define organizational culture?

As mentioned before, definitions of organizational culture are numerous. Therefore, in this section we review the definitions of some key authors. In this thesis, we do not analyze the rich literature from anthropology because we focus on organizations.

2.4.1: Schein: definition and mechanisms

Schein defines culture as:

(a) a pattern of basic assumptions, (b) invented, discovered, or developed by a given group, (c) as it learns to cope with its problems of external adaptation and internal integration, (d) that has worked well enough to be considered valid and, therefore (e) is to be taught to new members as the (f) correct way to perceive, think, and feel in relation to those problems (Schein, 1990: 111). Internal problems deal with how a group works, whereas external problems concern its survival. For Schein, culture relies on common assumptions that allow the reduction of uncertainty. A common assumption works as a predictive artefact people can use to assume: “what is happening around the group” (Schein, 1990: 111).

Schein maintains that there are three levels of culture: observable artefacts, values, and basic underlying assumptions (Schein, 1990). In Schein's opinion, artefacts are easy to spot, but hard to grasp correctly. As a result, we should focus our attention on basic assumptions (Schein, 1990).

Moreover, Schein goes along with Pettigrew (1979) to say that critical incidents are of primary importance to understand norms formation. Then, culture creation occurs when there is a possibility for a norm to become a belief and eventually an assumption if the same pattern of behaviors and reactions repeat over time to answer similar situations (Schein 1990).

Therefore, culture is a learned mechanism (Schein, 1984). The learning process results from two types of situations: (a) positive problem-solving situations that helps the group to decide whether a solution is good or not and (b) anxiety-avoidance situations when the group faces stressful situations in which it determines if the solutions produced avoid anxiety or not (Schein, 1984). The first kind of solutions are abandoned as soon as they fail, whereas the second are strongly defended by people (Schein, 1984).

Furthermore, culture creation arises with role modeling. Due to modeling, people identify themselves to leaders, and so, they internalize the culture that leaders propagate through embedding and reinforcing mechanisms (Schein, 1990). In order to perpetuate, organizational culture socializes new members and teaches them the right way to do things.

Finally, when growing organizations are the playground for two contradictory, but potentially complementary processes: Subcultures appear, and there is more integration on deeper basic assumptions (Schein, 1990). On the whole, Schein's viewpoint on change is somewhat pessimistic since he assumes that extreme changes need replacement of a bunch of people who cannot change their basic assumptions (Schein, 1990).

2.4.2: Hofstede national and organizational cultures

Hofstede defines culture as the: "Collective programming of the mind that distinguishes the members of one group or category of people from others" (Hofstede, 2011:3). His conception of culture is set in six dimensions: power distance, uncertainty avoidance, individualism/collectivism, masculinity/femininity, long/short term, and indulgence/restrained (Hofstede, 2011). Hofstede's work on national culture shows the dimensions vary from one society to another (O'Reilly & Chatman, 1996).

Nevertheless, it is worthwhile to add that if national culture influences the organization, it is not the only external input. Thévenet (1993) says that the level of the industry also influences the company. For example, a highly competitive market with demanding clients is different from oligopolistic markets. Thévenet (1993) adds that this is the case, in particular when the industry frames products norms or HRM. Despite these complementary remarks, Hofstede's work on national culture remains pertinent.

Regarding organizational culture, Hofstede (2011) also proposes six dimensions. Each organization is the result of a mix between all these dimensions for which each dimension is placed on a continuum between two extremes (Hofstede, 2011:20-21):

- Process-oriented vs result-oriented: Process-oriented cultures are the image of a bureaucracy. In such cultures, members' perceptions highly differ while in results-oriented cultures everybody is led by the

ultimate goal, namely the outcomes. Hofstede (2011) argues that result-oriented cultures are stronger.

- Job-oriented vs employee-oriented: The less the culture is oriented towards employees' well-being in addition to their performance the more it is job-oriented and vice versa. For the Dutch writer, managers do not really choose whether they are job or people oriented because they are products of their culture. On this aspect, he says that organization's history is probably impactful with: "recent history of economic crisis with collective layoffs" (Hofstede, 2011:20). On this point, he is in accordance with Schein (1990) and Pettigrew (1979) because they give sensible importance to historical events in culture formation.
- Professional vs parochial: Above all else, in professional cultures employees are members of a professional community like doctors or lawyers while in parochial culture the organization gives people their identity.
- Open systems vs closed systems: This dimension discriminates cultures between open systems and closed systems based on the following criteria: "the style of internal and external communication, and to the ease with which outsiders and newcomers are admitted" (Hofstede, 2011:20).
- Tight vs loose control: Hofstede defines it as: "the degree of formality and punctuality within the organization" (Hofstede, 2011:21). The technology and the type of activities of the organizations relate to the type of control.
- Pragmatic vs normative: This dimension analyzes how members of a culture manage their relationships with the environment (e.g. clients).

2.4.3: Other definitions

Apparently, some mix the definitions of Schein and Hofstede:

The interweaving of an individual into a community and the collective programming of the mind that distinguishes members of one known group from another. It is the values, norms, beliefs and customs that individual holds in common with members of a social unit or group (Ogbonna, 1992:42).

In this case, organizational culture roots people together by formatting their minds.

It is also possible to define culture as: "a system of shared values (that define what is important) and norms that define appropriate attitudes and behaviors for organizational members (how to feel and behave)" (O'Reilly & Chatman 1996: 160). This definition is close to Ogbonna's. For his part, Pettigrew explains what is the purpose of culture:

In order for people to function within any given setting, they must have a continuing sense of what that reality is all about in order to be acted upon. Culture is the system of such publicly and collectively accepted meanings operating for a given group at a given time. (Pettigrew, 1979: 574).

We note that culture permits the functioning of a group and is an ephemeral photograph of a specific setting. The central point remains that culture is about shared mental mechanisms.

As reported by Scheiner & Barsoux: "anthropologists like Claude Lévi-Strauss and Clifford Geertz define culture as 'systems of shared meaning or understanding (web of signification), which drive or explain the behavior observed'" (Scheiner & Barsoux, 2003:22). Once again, culture is defined as something that is

shared and that can help the understanding of behaviors or visible products of culture.

In the end, Goffee & Jones' cultural model begins with the idea that culture is the expression of the organization as a community (Mintzberg & al., 2009). Their approach relies on sociability (benevolence and esteem for others) and on solidarity (having common drivers to reach a common goal). Their model helps to understand that a fragmented culture has troubles in sharing knowledge (Ouimet, 2007). In addition, a culture with both a weak solidarity and sociability is poorly creative because short-termism guides the behaviors and creates a risk aversion that prevents creative thinking (Ouimet, 2007).

2.4.4: Conclusion on definition of organizational culture.

So far, we can say that definitions are close, even if slightly divergent, they have common components (Ouimet, 2007). However, we take a step back to Schein's influential definition because Godelier (2009) makes several criticisms about it: Mainly that from the start this definition sets the focus on representations and problem-solving.

Consequently, it is inscribed in the managerial vision of what a community is. Schein's definition operates notwithstanding the fact that individuals are already shaped outside the organization by their culture (Godelier, 2009). On this point, tools like Hofstede's national culture surveys may help to grasp how people are affected by national cultures. At the end of this review, we can affirm there is sort of an agreement to say that culture is composed of: "deeply held set of values and norms" (D. E. Welch & L. S. Welch, 2006:16).

2.5: What is culture perpetuation?

When the context changes, management has the intuition that culture should change too. In their study of a football club, Ogbonna & Harris (2014) tell that the club top management aimed to change the culture because they considered having every reason to think that the external environment had changed (Ogbonna & Harris, 2014). However, the Premiere League football club had a very solid, well-established, and durable culture (Ogbonna & Harris, 2014). Change attempts were impeded by the joined forces of internal and external stakeholders (Ogbonna & Harris, 2014), likewise D. E. Welch & Welch (2006) found that resistance to cultural change can be strong.

A wide range of scientific papers focuses on organizational culture change that researchers and practitioners can provoke by working hand in hand. However, there is also a stream of research that emphasizes cultural perpetuation. For those researchers, a pivotal aspect of culture is its enduring characteristic. It does not always mean that culture cannot change, but that some levels do not or they do, but at extreme costs. Culture can be strongly rooted in the minds as an ideology (Mintzberg & al., 2009). Mintzberg & al. (2009) believe that strongly rooted beliefs can prevent change because they encourage behavioral stability.

Several factors limit cultural change (Ogbonna & Harris, 2014). To simplify, on one the hand they come from internal influences, on the other hand they come from external influences. The stakeholders involved are thus not necessarily the same. Among internal factors, we can mention the historical legacy. According to Schein (1990), there is a good case for considering the role of the founder(s). Schein affirms that when an organization is set up, the founders (and then the leaders) transmit their values, beliefs and

assumptions to the group. At the very beginning, founders owe wide power over their organizations. In the same vein, he explains that founders' responses to critical incidents begin to form norms and beliefs while incidents and similar responses occur over time (Schein, 1990).

Moreover, to link Hofstede and Schein, we can add that Schein insists on the importance of the national culture of the founder: "The basic underlying assumptions of the culture from which the founders of the organization come will determine to a large extent the initial formulations of core mission, goals, means, criteria and remedial strategies" (Schein, 1984:9). To nuance the importance of founders on historical legacy, Ogbonna & Harris (2014) write that: "founder-centered studies have been criticized for failing to give due consideration to manipulation of history by those with power and vested interest" (Ogbonna & Harris, 2014:669). The influence of the founder is nuanced over time.

A second internal factor studied is organizational symbolism (Ogbonna & Harris, 2014). Symbols gather heroes, stories, myths; and folklore. They are highly meaningful because they embody profound cultural meanings. The third factor brings us back to what Schein (1990) thinks to be one of the normal process of culture going along with organization growth: subcultures (Ogbonna & Harris, 2014). The dynamics prompted by the nature of subcultures and their interactions eventually impact cultural change or perpetuation.

The fourth factor pertains to HRM practices: "selective recruitment, promotion from within, reward management, the reinforcement of desired values through socialization and training, and hiring and nurturing visionary leadership" (Ogbonna & Harris, 2014). We could add other HR practices alike. If those practices consistently reinforce organizational culture, they participate in its perpetuation (Ogbonna & Harris, 2014). The last influencing factor is the external influence of the context, even if too little research has investigated this influence (Ogbonna & Harris, 2014).

Ogbonna & Harris (2014) insist on the fact that external environments can significantly impact culture perpetuation through stakeholders' games. Indeed, their case study of a Premier League football club showed that the change top executives were willing to implement was thwarted by alliances of internal and external stakeholders who were strongly (and emotionally) attached to the club historical values (Ogbonna & Harris, 2014).

The acknowledgement of failure is rooted in cultural peculiarities. Far cry from criticizing the managerial approach towards change, Ogbonna & Harris (2014) highlight these peculiarities to explain that some organizations have so heavily anchored cultures that they are difficult to change. From this perspective, Hofstede's statement that strong cultures are the best (Hofstede, 2011) might be qualified at least when necessary cultural changes (for the sake of the organization) are blocked by a strong and unchangeable culture.

As Valentino (2004) remarked, the role of leaders and managers is to give meaning in cultural perpetuation or change. Valentino (2004) studied a cultural change resulting of a merge between two companies. Managing meaning implies that managers must transmit the cultural vision to frontline staff. However, this can prove very difficult if they feel isolated from top management. The problem is that middle managers need a clear vision, information, and role models to engage in cultural change. Valentino (2004) also found that other issues might appear if middle managers' concerns are not taken into account, if they do not control their time, and if they poorly communicate with other managers because of silos.

To better apprehend change processes, Schein explains how to deconstruct the learning mechanisms. Schein (1984) posits that to replace a solution to a problem-solving situation someone should simply find a solution that works when the former solution fails. However, for anxiety-avoidance situations, it is more complex. Though the source of anxiety does not exist anymore, the solution persists because it is a self-reinforcing mechanism (Schein, 1984). The solution is to demonstrate to people that the source of anxiety has disappeared or to find another anxiety-avoidance solution (Schein, 1984).

All in all, organizational culture is an ongoing creation that adapts itself for the group to survive, therefore the group might change its basic assumptions (Schein, 1984). Culture is permanently reinterpreted by its members because they always have leeway within their cultural framework (Godelier, 2009). In addition to Schein, Mintzberg & al. (2009) acknowledge that culture is hard to change because it is the organization, but they also show that an unlearning process is possible and that it is relatively easy to destroy a rich culture (Mintzberg & al., 2009).

2.6: Subcultures

Thévenet (1993) explicates that some authors have raised doubts about the existence of organizational culture because there are often several subcultures in organizations. However, subcultures do not stop the existence of common references at the level of the organization.

Schein (1990) points out the importance of subcultures. Despite the influence of leaders on culture, top management does not have a full grip on it. The literature illustrates the existence of norms and values that are not promoted by top management (O'Reilly & Chatman, 1996). Maas (2015) calls that: culture in action. Each division, department, unit, team; or any group can have its own history with shared events, meanings, and behaviors.

In any cases, subcultures can just be different, but in coexistence with the general organizational culture, or they can frankly start fighting each other (Schein, 1990; Ouimet, 2007), thereby becoming countercultures. Schein (1990) argues that with age and size organizations grow subcultures, hence the organizational culture is the product of negotiation between subcultures (Schein, 1990).

Undoubtedly, subcultures can be widely spread or not and they can be aligned with top management's strategy or not (O'Reilly & Chatman, 1996). To foster cultural change, it is possible to let a subculture take the lead if this subculture better fits environmental changes and current organizational needs (Schein, 1990). To support the initiative, new leaders can be assigned to key roles to point out the new direction (Schein, 1990).

2.7: Culture and effectiveness

We do not make a thorough review of this subject. Effectively, this subject is not at the center of this thesis. Nevertheless, this debate has opened decades ago and is still complicated to end. Because it has occupied scholars and no consensus has emerged yet, it is worthwhile to briefly go through the stakes². In 1986, Barney already proposed that culture is the most effective and sustainable defense against competitors'

² Especially if the studied organization is interested in a research relating to this subject.

imitation for two reasons: In the first place, culture boosts the uniqueness of the production and in the second place, it is full of ambiguous causes (Mintzberg & al., 2009). Barney thinks that organizational culture is an edge if it is: “valuable, rare, and imperfectly imitable” (Barney, 1986:663).

According to O'Reilly & Chatman (1996), the links between effectiveness and a strong organizational culture are the main reasons for which so much interest has been raised among researchers and practitioners. However, they impart that authors have reservations about the existence of those links because the definition of organizational culture is unclear and debated (O'Reilly & Chatman, 1996; Ogbonna, 1992), but it seems that the correlation is now proven (O'Reilly & Chatman, 1996).

Effectively culture is supposed to enhance coordination and motivation (O'Reilly & Chatman, 1996). O'Reilly & Chatman (1996) put the emphasis on norms and values that accommodate themselves to environmental changes, but also explain that a strong culture can become a hindrance to effectiveness if it is overwhelmed by current needs. Moreover, Fleury (2009) found that high performance is unlikely to happen in organizations where practices differ from organizational values.

The lesson to be learned is that there has been a predictive validity (between organizational culture and effectiveness) before a construct validity (organizational culture) (Chatman & O'Reilly, 2016). It appears that there is not one best culture leading to victory; fundamentalist approaches are outdated: “the connections between culture and performance is not a proper question, unless to define performance as a synonym of a certain form of culture, but that defies the laws of logic” (Thévenet, 1993: 51).

2.8: Organizational culture as a strategy and as a control mechanism

“Put power before a mirror, the reversed image that you perceive is culture” (Mintzberg & al., 2009). Mintzberg & al (2009) believe that culture is the collective counterpart of the divided parts of individual powers; it is part of strategic management. Practitioners and some researchers have tried to use culture in organizations as the strategy leading to success. What Mintzberg & al (2009) call the cultural school has five principles:

1. The construction of the strategy is a process of social interaction based on shared beliefs of members.
2. Individuals acquire these beliefs through either acculturation or socialization. This process is mostly tacit, but it can be more formal.
3. Members can only knowingly explain parts of their culture.
4. The strategy is more a perspective than a position. This perspective is rooted in the collective intentions that define how resources and capacities must be used to give a competitive edge.
5. “Culture and ideology incite more perpetuation than change. Change occurs inside the existing global strategy of the company.” (Mintzberg & al., 2009: 310).

Culture is a powerful social control of behaviors. It watches people through the lens of norms that are either descriptive or normative (Chatman & O'Reilly, 2016). There is formal control in organizations as well as social control. The former refers to mechanisms such as procedures, performance appraisals, and direct supervision (O'Reilly & Chatman, 1996), yet these mechanisms only function if people are aware that someone who is important to them is watching (O'Reilly & Chatman, 1996). In brief, it is all about compliance and means of compliance. This type of control relies on the respect of hierarchical control and the production of

appropriate work attitudes generated by extrinsic rewards (O'Reilly & Chatman, 1996). Some authors argue the increasing need for flexibility make formal control obsolete (O'Reilly & Chatman, 1996).

There is a fundamental difference with social control: We comply to social rules as we comply to formal control, but this social control is made of: “values, attitudes, and behaviors that may be relevant to desirable organizational outcomes” (O'Reilly & Chatman, 1996:165). However, if members do not respect the same values or are not able to keep a critical mind it may be counterproductive (O'Reilly & Chatman, 1996). In short, norms are prescribed behaviors while the values act as rationales to support those norms (O'Reilly & Chatman, 1996).

In comparison with formal control, the advantages of social control are that: (a) people paradoxically feel free and united, (b) it is cheaper, and (c) it can be exerted by everyone (O'Reilly & Chatman, 1996). In fact, what happens is that through internalization people live the values that are constructed through interactions (O'Reilly & Chatman, 1996). This point recalls that other authors consider interactions as the key mechanism of culture creation (Maas, 2015; Meek, 1988).

Moreover, those who believe that culture is something an organization has postulate that we can manage some parts of organizational culture (Alvesson & Sveningsson, 2008; Schein, 1990; Scheiner & Barsoux, 2003; Ogbonna 2014; O'Reilly & Chatman, 1990; D. E. Welch & L. S. Welch, 2006). Thus, it is possible to deliberately act upon social control.

O'Reilly & Chatman (1996) argue that for a large part people consider something is true if there is a consensus, even more if it comes from important stakeholders. Inasmuch as what peers approve or not is a strong indicator of the culture, what management rewards or punishes for also indicates culture (O'Reilly & Chatman, 1996). O'Reilly & Chatman (1996) contend that organizations use four mechanisms to:

Generate commitment and manage through social control: (1) systems of participation that promote choice and lead people to feel committed; (2) management actions that set goals, focus attention, and help people interpret events in ways that emphasize their intrinsic importance; (3) consistent information from valued others signaling what is and is not important; and (4) comprehensive reward systems that are seen as fair and emphasize recognition, approval, and individual and collective contributions (O'Reilly & Chatman, 1996: 172).

Finally, in social control managers are: “signal generators sending messages about what is important through their own behavior [...] or following up on desired activities [...] managers who influence other's interpretation of events and see the intrinsic value of their efforts shape the social control system” (O'Reilly & Chatman, 1996:173). Consequently, there is certainly an important part of role modelling in organizational culture.

2.9: Managerial culture as a focus

For the purpose of this research, the focus is set on managerial culture. Many researchers point out that considering: “organizational culture as a unitary concept reduces its value as an analytic tool” (Ogbonna & Harris, 2000). In accordance with this warning, in this case study when we speak about organizational culture, we mean managerial culture.

2.10: Additional links between leadership and organizational culture

It is interesting to dig in the connections between the two concepts because: “culture influences the decisional style liked in the company, not less than the analysis capabilities and as a result the process of strategy elaboration” (Mintzberg & al., 2009:311). Concisely, culture produces mental references that intervene in managers' perceptions (Thévenet, 1993).

Furthermore, if managers are not necessarily leaders, they are expected to lead. Culture can help management to increase its success chances by improving managers' organizational sensitivity, improving their strategic thinking, and emphasizing the importance of understanding culture before changing it. It is important to remember to managers that reality is not their ownership; culture belongs to the group (Thévenet, 1993).

Apparently, leaders are products of their culture or more precisely of their group (Thévenet, 1993). Indeed, culture defines mental schemes that guide leaders' behaviors (Thévenet, 1993), but in exchange leaders significantly participate in creating culture (Schein, 1983; 1984; 1990). Schein already demonstrated the importance for leaders to provide answers to critical incidents and to provide stability during the learning of new solutions that are lived as milestones (Schein, 1984). They lead when the usual solutions fail and when changes in the environment necessitate new solutions (Schein, 1984).

Newcomers can lead to change as they bring new ideas, especially if they are in top management positions (Schein, 1984). To a certain extent, it is true to claim that top management set the tone (Maas, 2015). In 1986, Smircich identified two approaches to study culture: One implies that leaders have a crucial role to determine culture, conversely the other implies that leaders are products of their culture (Ogbonna & Harris, 2000; Smircich, 1983). We can reconcile them by saying that transactional leaders would tend to operate in their cultural framework, whereas transformational leaders strive to change culture and to adjust it to their vision (Bass & Avolio, 1993; Ogbonna & Harris, 2000). In this case, some leaders are products, others produce.

Another proof of the connections between organizational culture and leadership comes from Hennessey (1998). He found that leadership plays an undeniable role to enable cultural change in organizations (Ogbonna & Harris, 2000). Hennessey's study (1998) on federal administrations in the US led him to make an unequivocal conclusion: To facilitate change leaders rely on a culture that helps the targeted vision of change. In their study of the relationship between leadership, organizational culture and performance, Ogbonna & Harris (2000) state that: “The link between leadership style and organizational performance is mediated by the nature and form of organizational culture” (Ogbonna & Harris, 2000:771).

Others argue that the influence exerted on culture by leaders come partially from communication (Maas, 2015). The role of communication agents inside organizations is to be sense-maker (Maas, 2015). The very purpose is to get the full commitment and motivation of the workforce and this account for the role of management to control and rationalize employee's behaviors (Maas, 2015). The control operates at the level of behaviors, but communications also prescribe how organizational members should think (Maas, 2015), although O'Reilly & Chatman (1996) think that communications can be insufficient to internalize the desired culture.

3. Practices of competency development

3.0: Introduction

The objective of this thesis is to study how organizational culture and leadership styles of managers influence managerial practices of competency development. What kind of practices do they choose to develop and train their subordinates? Is there a difference on account of leadership styles? What is the culture's share?

Unfortunately, we did not find any writing in the literature about the relationship between leadership styles and competency development practices. However, we found—very little—connections between competencies and organizational culture.

In this section, we briefly frame the competency model, define what a competency is, and frame our subject by explaining what could be the role of managers in skills' development. The debates about the definition of competency, criticisms of the model, and other subjects are not fully developed in this thesis because they are out of scope.

3.1: The competency model

The competency model corresponds to a change of the labor relationship: from a collective destiny, the career has become an individual opportunity (Monchatre, 2007). We can characterize that as the individualization of career path (Dejoux, 2013). Nowadays, employees have an obligation to perform because everybody must contribute to organizational efficiency (Dejoux, 2013). This mindset is linked to the doctrine of the free person (Gilbert, 2006), the risk society (Monchatre, 2007), and the Resource Based View (Fleury, 2009). Moreover, the concept of Boundaryless Careers justify that organizations can no longer provide job security, even if some criticize that there is no empirical support of its predominance (Inkson, Gunz, Ganesh & Roper, 2012).

Organizations define themselves by their competencies, and they should give them an edge over competitors (Reynaud, 2001), especially if the organization's core competence is unique and valued by clients (Fleury, 2009). Equity in the relationship seems important to get commitment (Reynaud, 2001) because the development of competencies is part of the social exchange (Reynaud, 2001).

Moreover, job security is uncertain and the responsibility is shared between employers and employees to sustain employability (Reynaud, 2001). Flexibility is presented as a core need for organizations. As a result, to remain employable people have to accept to be redeployed, to learn new skills, and to do new tasks (Reynaud, 2001). The competency development is thought to be the good deal, even if there are limits and criticisms to this model (Carroll & al, 2008; Gilbert, 2006; Monchatre, 2007; Reynaud, 2001).

For Gilbert, (2006) the definition of the competency is hardly independent from the social stakes that define and promote it: The practices and applications change accordingly, but also the definition of the competency. Gilbert (2006) gives several examples: In France, organizational evolutions and a social dimension fuel the model. In the UK, goal achievement is central and the approach is linked to the National Council of Vocational Qualifications (NVQ) & the Scottish Council for Vocational Qualifications. They target all employees and aim at raising minimum performance standards. Learning on the job and getting a

certification is an alternative to diploma.

In the USA, each employer takes the initiative. The objectives are quality and to reach the required level of performance per activity. The perspective is more on the short term. The applications are mostly done in environments wanting to control costs, improving customer satisfaction, and increasing revenues (Gilbert, 2006). Lastly, the competency model implies a culture of results (Dejoux, 2013). As well as organizational culture, competency management is a strategic tool for organizations (Fleury, 2009).

Finally, we can make a link with organizational culture. Organizations cannot ask people to fully contribute to the performance by being committed and at the same time play on job insecurity: “each subjective commitment supposes the development of a sense of belonging to the entity for which we work, that feeling assumes that the employee can look to the future in this entity, thus build on a certain job stability” (Zarafian, 2001: 79). If this is not respected, the loss of trust that employees have in their management weakens their commitment. Combining calculations in which employees are costs to reduce and extolling the development of competences kills the legitimacy of the competency model (Zarifian, 2001).

3.2: Definition of the competency

First of all, there is no consensus over the definition, hence we should always precise what the definition is in every research (Gilbert, 2006). The competency must always be analyzed at a micro-level (Reynaud, 2001). In addition, a competency can be at the individual, collective or organizational level and can have different levels of criticality (Dejoux, 2013). We can define the three levels of competency:

- The individual competency level is a: “mix of knowledge, know-how, and aptitudes that permit performance in context” (Dejoux, 2013: 10).
- The collective competency level is: “something possessed by a team and characterized by six properties: a shared representation (1), frame of reference (2) and language (3). It is also a collective memory (4), a commitment (5), and a goal (6)” (Dejoux, 2013:21).
- The organizational competency level: “applies and combines financial, technical and intangible assets to elaborate firm's activities” (Dejoux, 2013:24).

Furthermore, the competency has six key points:

The competency is: (a) doing something, (b) it is always linked to goals and assessable, (c) it is a set of components and it transforms resources into performance; (d) the competency is contingent; (e) dynamic; (f) and assessed by the hierarchy (Dejoux, 2013: 12-13).

In addition, different categories of skills exist. For instance: knowledge, know-how and social skills (Dejoux, 2013). Katz (1974) also proposes three categories: conceptual, technical, and human skills. The first gathers for instance analytic or strategic thinking skills. The second groups expertise skills linked to a job. The last one is composed by abilities to cooperate with humans (Katz, 1974).

Finally, organizations strive for gaining key competencies characterized by their: added value, rarity, difficulty to be transferred; difficulty to be copied; and longevity (Dejoux, 2013). Competencies as much as organizational culture are part of strategic thinking. Indeed, the Resource-based view is the foundation of this strategic thinking on competencies (Dejoux, 2013) and on organizational culture (Mintzberg & al, 2009).

3.3 Managerial role in competency development

Mintzberg (1973) identifies three types of roles: interpersonal, informational, and decisional. Among them, managers have a role in training & development (Jemli, 2015). Their role goes with the decentralization of training because in that framework managers are in charge of the operational management of training (Jemli, 2015). Their role is not only about transmitting, but accompanying and facilitating training. This is confirmed by opinion polls in companies (Jemli, 2015).

Managers have five major roles in the competency model, they:

(a) clarify the objectives, (b) provide expertise, (c) organize; (d) manage interactions outside the team; (f) and participate in competencies management. The last one is detailed as taking the evaluation process on, managing career paths, identifying pertinent training; and spotting competencies weaknesses (Jemli, 2015: 46-48). According to Jemli (2015) managers are in the best position to assess competencies and to correlate that with their objectives. To be complete, Jemli (2015) points out that managers have a role of expert in their domain, of strategy (for top management), and of people management.

Jemli (2015) found that managers can be resilient to participate in competency development for multiple reasons: “they can consider that training is a specialized job, they can lack of motivation, they can be undertrained; they can lack of pedagogy; and they can lack of availability” (Jemli, 2015:59). However, committing managers to training & development brings considerable value for employees and organizations (Jemli, 2015).

To motivate them, it is possible to play on the values, modernize the power relations, reintroduce emotions, reinforce equity and security feelings; develop a shared vision; stimulate a high level of accomplishment, promote autonomy; creativity and innovation, strengthen competencies connected with the job; give sense to assessment by valuing performance; and take the need for self-development into account, at last the annual appraisal interview is important because training and career can be discussed (Jemli, 2015).

Concerning formal training, Jemli (2015) says managers intervene to choose candidates and after to assess the outputs. Regarding informal training, managers analyze the needs of their subordinates (Jemli, 2015), which means creating a customized path, choosing a mean like internal or external training, etc. They can train their subordinates by organizing training sessions or accompany a self-training. Then, they should assess the outputs of the training.

Moreover, role modeling corresponds to informal training because it influences subordinates' behaviors, but it has serious limits (Jemli, 2015). Another possibility is learning through experiences and challenges, which push learners to surpass themselves (Jemli, 2015), but again this might create real problems such as reinforcing bad habits. To clarify, a learning process can have four steps: (1) a concrete experience, (2) a reflective observation, (3) an abstraction; (4) and an empirical exam.

In terms of practices, managers can also: “separate emotions and cognition and favor the latter, create a warm atmosphere, give constructive feedback; lead subordinates to develop their knowledge and know-how; and raise their potential” (Jemli, 2015:168). However, it seems that managers often take an authoritarian approach on the assumption that they know how to improve performance (Jemli, 2015). The literature affirms that professional trainers remain important (Jemli, 2015), thus managers can only partially take that role.

Finally, the role of managers in this context can be related to organizational culture. For Maas (2015), giving sense is crucial for organizational culture. Zarifian (2001) goes in the same direction about the role of managers in the competency model. He argues that management will less and less tell how to do things, but more and more why (Zarifian, 2001). To conclude, a clear vision of organizational challenges is fundamental for managers who need to know which skills to develop as well as to shed light on the contribution of everyone (Zarifian, 2001). This contribution must be rewarded with pay and recognition (Jemli, 2015).

3.4: The competency model changes the rules

Autonomy and accountability must be followed by a shift in the control mechanisms (Zarifian, 2001). Therefore, it is vital for the success of the competency model to change the role of management, from tight control to control of results, which includes the realization of commitments (Zarifian, 2011). By the way, environmental changes and difficult circumstances should be taken into account to assess employees. As a result, the objectives should be adaptable through the course of the year.

In addition, it is vital to give sense to these objectives. Otherwise, people will not be committed and they might only do the bare minimum. Consequently, employees must be able to give sense to these objectives considering the challenges faced by the organization, but to negotiate them as well. As a conclusion, it is central to fix objectives for employees and support conditions for management. Indeed, delegation and trust must be the counterpart of autonomy and accountability (Zarifian, 2001).

Management must strike the balance between close support and complete delegation. Otherwise, employees are left in the same control situation or overwhelmed by too many challenges for which they do not have enough support (Zarifian, 2001).

3.5: Competency and organizational culture

In her research on the studies lead on the two concepts, Fleury (2009) found a few papers about how to align culture and individual competences, competences in different cultural environments, and irrelevant articles (Fleury, 2009). The rarity of relevant writings on the subject explains why she analyzes explicit or implicit meanings in papers to see how researchers have thought the links between the concepts.

Fleury (2009) found that for Zarifian organizational culture defines what a competent practice is. She also found that for Le Boterf, organizational culture participates in the definition of: “what a competent employee is” (Fleury, 2009:6). Moreover, competence makes sense in context (Fleury, 2009; Reynaud, 2001). For instance, cultures dominated by engineering values in a strive to the perfect product put other dimensions such as business or marketing in a secondary role (Fleury, 2009).

Moreover, Fleury (2009) shows that McAuley also argues that competence makes sense in a specific context (culture) and thus logically, some conditions are favorable to develop a competence or not. In summary, the groups judges what it is to be competent or not (Fleury, 2009).

3.6: Conclusion

Competencies have become a competitive edge for organizations: Developing employees'

competencies is vital. Managers participate in competency development, it represents more workload for them in a difficult environment made of complexity, uncertainty, limited means; and limited time (Jemli, 2015). However, the importance of managers in training & development does not prevent the role of professional trainers, HRs and companies' universities (Jemli, 2015). Finally, some managers can adopt an authoritarian approach in competency development (Jemli, 2015; Zarifian, 2001).

4. The concept of power in organizations

4.0: Introduction

We end this literature review by presenting how the concept of power is thought in sociology of organized action. We briefly review key authors and content of the theory. This will help us to analyze certain behaviors and power games in our case study.

4.1: Theoretical framework and rationality or bounded rationality

On the basis of Schoenaers (2016), it is possible to say that the sociology of organized action considers that as soon as two people have to work together cooperation is necessary. Researchers must go beyond the final result (airplanes, software, etc.) of cooperation in organizations. They must analyze how people with different interests succeed to cooperate to reach common objectives.

However, these different interests bring conflicts to the surface. Conflicts are recurrent and normal. In organizations, conflict is often unsaid and people do their best to defend their personal interests. Stakeholders and their adjustments are central in this sociology. To make these adjustments possible, negotiation is central. It takes place through behavioral adjustments, anticipation of other's expectations; personal expectations of the stakeholders, from gains and losses; and from stakeholders' power.

To grasp the concept of power in organization, we should first understand what methodological individualism is. It has three premises: (a) individualism assumes that every social phenomenon stems from a combination of individual actions, beliefs and behaviors, (b) the comprehension means that to understand the actions, beliefs, and behaviors researchers should rebuild their sense, (c) the nature of this rationality postulates that the main cause of individual actions is made of the reasons why the individual acts (Boudon, 2004). People agree with something if it makes sense to them, which does not mean that people have full awareness of that process (Boudon, 2004).

In sociology, there are two opposite stances: either structures determine people's behaviors—people respond mechanically to their requirements—or structures are produced by the stakeholders, their behaviors, and their relations. For the methodological individualism, structures do not have an innate impact on people, but people do not evolve in a disembodied social environment. Individuals can act and have intentions, but are anchored in the social structures made by their predecessors, even if they can change them by acting together in organizations.

There are three types of rationality: (a) the economical rationality based on cost-benefit analysis, (b) the cognitive rationality relies on the vision generated by the knowledge of the environment that drives the

individual to action, (c) and what is called in French “La rationalité axiologique” (hardly) translated into a value-based rationality, for which people decide to act upon their moral values (Boudon, 2004). Analyzing stakeholders’ choices allow for the understanding of the reasons that motivated their actions.

We must consider behaviors of working individuals as expressions of their choices (Friedberg, 2011). Friedberg (2011) uses Herbert Simon's work to criticize the theory of the rational choice. This theory contends that the individual is equipped with reason, a minimum of distance, and leeway (room for maneuver) in their situation. People analyze the situation and choose their behavior according to their interests.

This theory has three premises: (a) the actor has all the data and is able to process them all, (b) decision-makers have a clear idea of their preferences that are ordered, coherent, and stable, (c) and people apply a synoptic reasoning, which means that they can simultaneously foresee and compare all the possible solutions and their consequences to make the best choice (Schoenaers, 2016). This poses the question of whether it is possible or not for human beings to maximize their decisions.

In contrast, Herbert Simon thinks that: decision-makers always have incomplete information: the knowledge of the different options and their consequences is always partial, moreover, a piece of information is seldom first-hand and must be interpreted (Friedberg, 2011). In addition, human beings’ cognitive capacities are limited. The consequence is that no decision-maker can optimize their decisions (Friedberg, 2011).

Consequently, the sequential reasoning replaces the synoptic reasoning. The former implies that people start by analyzing solutions slightly different to the current situation. Their reasoning is not exhaustive, and they generally stop thinking when they find the first convenient solution regarding their needs. (Friedberg, 2011).

Therefore, rationality is bounded (Dubois, 2014; Friedberg, 2011) because human beings adopt satisfaction rather than optimization (Schoenaers, 2016). Also, preferences change. For example, to reduce a paradox people might manipulate their preferred beliefs to justify their actions (Schoenaers, 2016). To analyze rationality, we should not judge from an external point of view, but the actors themselves judge their own rationality since it exists in their strategies (Kuty, 2010).

To conclude on rationality, it is bounded because of cognitive limits, and also because of people’s position in an organization that determines their available resources (Boudon, 2004; Friedberg, 2011). The organizational context (power balance, structures, etc.) frames the cognitive and normative framework from which problems and actions are thought (Friedberg, 2011). The rationality is procedural (or political because it creates discussions, agreements, etc.) and subjective (it is a perception) (Friedberg, 2011). As a result, the behavior is: “the active and reasonable adaptation to the characteristics of a field of action with the opportunities and constraints perceived by the individual” (Friedberg, 2011: 18).

4.2: The concepts of power, negotiation, and game

Friedberg (2009) says that Crozier defines power as: “the ability for a stakeholder A to impose unfavorable terms of the exchange to a stakeholder B” (Friedberg, 2009: 15). Moreover, the two concepts make sense only with the concept of game. This last concept highlights: “the interdependence between stakeholders, the existence of rules (at the same time a resource and ties), and the process of rules construction or modification” (Friedberg, 2009:15).

Negotiation is so crucial because power is not an attribute, but part of a relationship (Dubois, 2014; Kutty, 2010). This sheds light on why so often hierarchical authority can be powerless (Dubois, 2014). The rules are not taken for granted, but quite the reverse the rules are negotiated (Kutty, 2013). In an organization, the autonomy of an actor is always bounded by the necessity to cooperate, at least to get someone else's contribution. The stronger the cooperation the more efficient the organization is (Friedberg, 2009). To cooperate, people negotiate an exchange of behaviors: I do that if you do this. According to Friedberg (2009) this exchange of behaviors is reciprocal and unequal.

Moreover, negotiation illustrates an interdependence, but the dependence level of the stakeholders varies and make power relationships possible. The negotiation aims to stabilize the relationship. It can be hard because people try to defend their interests (abandon as little as possible) and to get more sacrifices from others (Friedberg, 2009). Ultimately, stabilization reduces the unpredictability of behaviors. Nevertheless, the less someone's behavior is predictable, the more that person has power.

Furthermore, negotiation is on a continuum between tacit/implicit and formalized/explicit rules (Friedberg, 2009), besides it takes place for the immediate stake, but it is always connected with other stakes. Each behavior is directed to others and interpreted by them. Stakeholders redefine their objectives and priorities and get resources during the negotiation, therefore it is an open process (Friedberg, 2009).

There are two sources of power in a negotiation. Firstly, having more pertinent resources to engage before or during negotiation. For example, defining the frame for negotiating is of prior importance. Secondly, the unpredictability of behavior, which goes with the autonomy of stakeholders (Friedberg, 2009). In fact, autonomy resides in their room for maneuver (Friedberg, 1988, Thévenet, 1993). The power of stakeholders is the possibility to refuse to do what someone else asks.

According to Friedberg (1988) and Kutty (2010), even if an organizational chart is very detailed and internal rules sophisticated, it does not prevent stakeholders to be—at least partially—unpredictable. It is a foundation of this sociology: “Neither the organization charts of a firm, an administration or a company, nor their rule books, job descriptions, procedures or technical capabilities, suffice to give an account of their concrete functioning” (Dubois, 2014:1). Stakeholders always keep a certain freedom to pursue their strategy (Friedberg, 1988; Thévenet, 1993). It can be as simple as their level of commitment (Kutty, 2010).

Nonetheless, they cannot abuse from their power because it could destroy the zone of uncertainty they control or the organization (Kutty, 2010). Consequently, stakeholders limit themselves in the interaction. It is interesting to consider that in the process of pursuing their strategy, stakeholders contribute to the objectives of others and to those of the whole organization (Kutty, 2010). Ultimately, strategy can be defined as: “The possibility to obtain a profit, a pay rise, a promotion, a material or moral advantage that incites the actor” (Crozier & Friedberg, 1977 quoted by: Kutty, 2010).

Furthermore, power is the zone of uncertainty controlled and that affects the interests of other stakeholders (Friedberg, 1988). The more a zone of uncertainty is crucial for the efficiency of the organization (or a subpart), the more the individual or group that controls it is powerful. One cornerstone study is: “Le phénomène bureaucratique” of Crozier (Dubois, 2014). With his study, Crozier showed how maintenance workers were the most influential group in the French tobacco monopoly industry (Kutty, 2010). They hold a

zone of uncertainty (breakdowns) that allowed them to block the work-process by using the formal rule (Kuty, 2010). The hypothesis of Crozier was that there should not be any conflict because the rules controlled every single aspect of organizational life, yet in reality the organization was living tensions (Kuty, 2010).

Nonetheless, Crozier noticed that maintenance workers exerted power over production workers by using the rule in their favor, by this way they applied a strategy (Kuty, 2010). The rule said that only maintenance workers can repair the breakdowns. However, only the pay of production workers was determined by their level of production. So, the rapidity (or not) of maintenance workers to repair the breakdowns gave them power over production workers (Kuty, 2010).

4.3: The mixed regulation

The consequence of the previous section is that there is a mixt regulation in organizations made of two intertwined structures: the formal structure and the informal structure (parallel structure, informal arrangements) (Friedberg, 1992). This is called the concrete system of action (Dubois, 2014). The interactions between the two structures form the rules of the game (Kuty, 2010). In fact, the formal structure cannot regulate everything. Its true role is: “not to directly determine behaviors, but to determine the spaces for negotiations and stakeholders’ games” (Friedberg, 1992:536). The smaller the unregulated zones are, the more stakeholders give importance to them (Kuty, 2010).

In his case study of a prison, Dubois (2007) demonstrates that two types of prison guards coexist in the organization. They have two opposite approaches, one very strict and the other made of listening. The two profiles answer the same organizational goal, and the divergence was possible due to a lack of formal control.

Moreover, Dubois (2007) found that the guards were polyvalent because their tasks were not determined. The more the guards were high in the hierarchy, the more they had a vast leeway (Dubois, 2007). Prison guards have an autonomy *de facto* in the ambiguity of their missions and as a result, discretionary power over their practices (Dubois, 2007). Dubois (2007) states that this phenomenon is an extension of the same logic in the hierarchy. To conclude on this study, Dubois (2007) notes that senior guards have a role model influence on newcomers, which reproduces the institutionalized routines.

4.4: Managerial discourses

First of all, the rules do not answer the needs of uncertain environments (Dubois, 2014). To survive, organizations produce ideologies (Dubois, 2014). These ideologies are managerial trends, like the new public management. Referring to Friedberg, Dubois (2014) says that we can distinguish three dimensions in organizations. First, managerial discourses that are: “values, the mission and the philosophy of the organization. They characterize the practices of communication, mobilization, representation and legitimation that are undertaken by upper-level employees” (Dubois, 2014: 12). Dubois (2014) explains that it is often expressed by their stated beliefs.

Moreover, materiality is a control mechanism:

This refers to the codified and official part of the structure of roles, goals and procedures of coordination, as well as to the effort toward technical coherence in searching for solutions to problems, and to

a certain quest for legitimacy. This dimension is represented by business charts and graphs, rule books and procedures, and also by buildings and installed technologies, such as wi-fi networks, intranet systems and SAP programs that partly determine, restrict and control interactions (Dubois, 2014:12). We can summarize this as the control dimension.

The third one is the: “codified and official part of the structure [...] the result of mutual interactions between actors, and between the other dimensions [...] the organizational culture and its secrets” (Dubois, 2014:12). It is the fruit of informal practices and agreements that are made by actors in situation and that newcomers must learn to fully grasp how the organization works and who has power, as for managerial discourses, this dimension is directly linked to organizational culture by Dubois (2014).

Today's management tries to get control over workers, but workers have strategies to keep their autonomy (Dubois, 2014). It makes sense for them to keep a monopoly over their tasks to preserve their job security (Dubois, 2014). Having an expertise is, in that sense, a shield for workers. There is a gap in change tempo between managerial discourses and organizational members' practices. All in all, it is clear that: “organizations are known for their resistance to change” (Dubois, 2014:12). It is comparable with Ogbonna's study of a football club, which shows how cultural change was aborted (Ogbonna & Harris, 2014). Lastly, the gap between top management and bottom line employees is extending (Dubois, 2014).

4.3: Sociology of organized action and culture

It is interesting to acknowledge that the theory of organized action is skeptical about the classical approach of culture (shared values and influence of the past). For this approach, culture is not taken for granted, but explained by the mechanisms that constitute and maintain it (Kuty, 2010). The past (culture) shapes the perceptions of the actors, but each actor reinterprets it continuously (Kuty, 2010). People act because of future opportunities and not because of the past (Kuty, 2010). People use cultural references ex post to justify their actions (Kuty, 2010). Moreover, culture is not a homogeneous phenomenon, therefore several elements serve to justify actors' actions regarding their strategies. In the end, culture is a structuring element—among others—for actors' strategies and organizational games (Kuty, 2010).

The case study

Chapter 1: Methodology

This thesis is based on a deductive approach. On the basis of informal talks in the company we gathered and analyzed a first set of information. Afterwards, we read a few articles on the competency model, organizational culture, and leadership styles. Next, we came back to the same people and deepened the informal talks based on our readings. Finally, we deduced that we would be able to formulate a couple of hypotheses and decided to confirm our deductive approach. As explained here, our hypotheses come from the field study and the readings only sharpened our understanding of the variables we had talked about.

The objective of the methodology is to answer the following research question: How do organizational culture and leadership styles influence the practices of competency development?

To do so, we formulate four hypotheses that guide the research:

- Hypothesis 1: Depending on their leadership styles, managers do not develop their subordinates' competencies the same way
- Hypothesis 2: There is a historical managerial culture and a new growing managerial culture that challenges the first.
- Hypothesis 3: The historical managerial culture has influenced the dominant leadership styles in the company
- Hypothesis 4: There is a roles conflict between expert and managerial tasks.

The present research relies on a qualitative methodology. It combines semi-structured interviews, observations, and documents analysis. We stayed four months, more precisely seventeen weeks from the 31st of August and to the 23rd of December 2016. We started the observations as of our internship began and wrote them in our field book. We were authorized to interview managers of one division in the organization. The corresponding division was at that time composed of forty-eight people with the title of manager.

We did eighteen interviews with fourteen managers. The interviewed managers were distributed among the different hierarchical levels of the division. However, we also did three interviews with HRs to better grasp the stakes of the skills & mobility project, the culture, and leadership challenges in the organization and the studied division. The table of interviewees can be seen in the Annex 6. The interviewees are between thirty-five and sixty years old. Almost all of them have a long length of service in the organization. Out of the HRs, the interviewed managers had between ten and thirty-four years of seniority in the organization during our study.

We acknowledge that some managers did not accept the interview or cancelled it several times. Despite that, we reached saturation as of the eighteenth interview. We did two more interviews to confirm what we knew and check saturation. We also decided to do one more interview in March 2017 to double check our findings on organizational culture. Because we did not learn new elements, we definitely closed the interviews.

During the interviews, we had an interview guide, but we let quite freedom to interviewees to talk about their organizational culture, leadership styles in their division and in the company, power games; and managers' practices of competency development. The basic interview guide can be seen in Annex 8. Not all

questions were always asked to each interviewee and some questions were spontaneously asked with opportunism, yet by and large the interviews followed the same scheme.

We started doing the formal interviews in mid-November and concluded them in mid-December. The length varied between forty minutes and one hour and forty. The average interview time is one hour. Before starting formal interviews, we had already done several informal interviews. The informal talks were not recorded because they happened during group or one to one meetings and group or private lunch, but always in public spaces like the cafeteria. Moreover, for our intern job, we met four employees and managers of other divisions before end of October. We asked them questions about organizational culture, internal mobility & competency development, leadership, and power games in the organization. We met each of them several times, including for lunch during which we gathered information.

Furthermore, we also had multiple conversations with colleagues in the HR department about the same subjects. We also talked about these subjects with HRBPs. In particular, with one of them we met a few times. Ultimately, we had informal talks with five other people of different divisions. We met those people for business reasons, but take benefit of the meetings to question them on the studied subjects. At last, it is worth to mention that we also had conversations with three external consultants of two different companies. Their long-term mission in the organization coupled with their external point of view allowed us to question them on the organization. This was helpful, especially at the beginning of this research.

The numerous informal talks compensate for the limited number of formal talks. Indeed, both informal and formal talks contributed to our understanding of the situation and helped us to reach saturation. Also, we collaborated personally during our internship on the skills & mobility project. Consequently, we were part of important meetings in terms of information, strategy, and background. We wrote and also read dozens of documents during our internship that sharpened our understanding of the organization.

Even though we had already various sources of information, we collected a wide range of documents to study after the internship. We chose some of them for the analysis in this research. However, for confidentiality reasons we are not authorized to reproduce all the studied documents in this paper. The ones we can are in the annex, the others will be available during our oral presentation for consultation.

To provide more clarity on our observations, there were of different types. First, most of them rely to our work as an intern on the project, during meetings where we were focused on the words used, the storied related to justify action, the strategy embodying the project; the challenges the organization was facing; and so forth. A second source of observations come from our work in other divisions. They were more focused on the working atmospheres and when possible on informal talks between managers and their teams.

A third type of observations were done in the studied division. We spent four hours with one manager in his daily work. We went to a business meeting with more than fifty people across ten locations worldwide. Afterwards, we observed the manager interacting with his team. For instance, he gave feedback about a presentation one of the team member had given in front of everybody during the previous business meeting.

Next, we went with him to a debriefing concerning a crucial commercial event for the organization. This debriefing was done with a little committee. For instance, during the debriefing we learned interesting things about behaviors in the organization. Consequently, during the following interviews we could confront

managers to the noticed behaviors.

Similarly, we went to a business meeting about new technologies in the organization, put in other words: digitalization. We used the same methodological principle: We observed and asked only a couple of questions. Then, we confronted other managers in semi-structured interviews to our findings to confirm, disprove, or nuance what we had found.

Concerning the description of results chapter of this thesis, it is based on interviews analysis. We transcribed all interviews. Each interview is divided into paragraphs. In each paragraph, the key ideas are labelled by a number in a grid. To categorize the labels, we used colors: Red was for elements pertaining to organizational culture, yellow for leadership, blue for training & development; and green for the concept of power. Obviously, in some cases there are two or more colors for the same idea.

The numbers of the paragraphs are crossed out when the idea has been confirmed at least in another interview. You can see Annex 7 to have an example. We analyzed about two-hundred pages of transcription. The average number of coded elements per interview is sixty-one. In short, we identified elementary units of meaning and compared them between interviews.

Afterwards, the analysis is divided into different parts. For the first part, we used the actantial model of Greimas as explained in Van Campenhoudt & Quivy (2011). The objective was to produce the more neutral analysis possible, far from our personal opinions and values, even more because we were also an actor in the organization. We systematically used the same grid (see annex 9) to analyze all the interviews. This allowed us to compare the interviews on a solid basis. The actantial model is ideal to analyze the intentions and actions of the stakeholders. Ultimately, it enables the production of ideal-types.

After having analyzed the twenty-one interviews, we had five models for each interview. Then, we gathered the HR interviews together and grouped some managers for whom we had almost 100% the same analysis. It gave us thirteen different types with five models each. Next, we used the thirteen models to essentialize the historical managerial culture, the cultural conflict, the roles conflict; and the practices of competency development by comparing the thirteen analysis. We did the same for the managerial role, but realized that there were three major kinds of results. Consequently, we essentialize three different actantial models.

As a result, two hundred pages of interviews were synthesized within seven patterns. We could generalize the stakes and meaning interviewees gave to their actions. This type of analysis helped us to exceed individual discourses to discover the social collective meanings behind. The objective was to produce what Max Weber considers as ideal-types. In a second time, we employed the seven actantial models to create three leadership ideal-types and two organizational culture ideal-types. We also produced an ideal-type of the roles conflict. Finally, we compared our findings with the literature.

As a matter of fact, we noticed that one ideal-type does not suffice to describe the practices of competency development. As a consequence, we took back the color-coded analysis of interviews, gathered managers in groups according to their affiliation to one of the three leadership ideal-types. Afterwards, we came back to the raw data of interviews to list all the practices of competency development in each interview. Then, we did it for each leadership ideal-type. We synthesized the differences in a comparative table and

compared our findings with the literature.

Finally, we concluded with documents analysis. To do so, we used content analysis, more precisely co-occurrence analysis. This enabled us to analyze how official discourses link different thematic pertaining to leadership, organizational culture, practices of competency development; the influence of external environment; and corporate strategy. We compared what we found with the previous findings to see what matched or not. Such co-occurrences analysis permit to see which themes are systematically associated and inform the analyst on the cultural universe of the studied group.

Chapter 2: Presentation of the organization and of the HR project

The studied organization is active in the financial industry. More specifically, it is active on the post trade market with a specialization in the settlement of securities transactions. It does also the safekeeping and asset servicing of these securities. The headquarter is in Brussels, Belgium. At the origin, in 1968, the company was part of JP Morgan & Co. Its purpose was the settlement of the growing Eurobond market. There was a need for more security on the market, as well as more rapidity and efficiency. Today, Euroclear is not limited to Eurobonds.

In 2015, the turnover of Euroclear group was €675 trillion and their clients' assets were 27.5 trillion³. An important milestone in its history is the foundation of Euroclear Bank in 2000. All activities were transferred to Euroclear Bank from J.P. Morgan. One year later, Euroclear merged with the French CSD. Afterwards, the group has acquired several entities in different countries. Now, Euroclear is separated between several entities under Euroclear SA. Euroclear is reputed stable and has a AA+ grade. The headcount is around 3,500 employees across Europe, Northern America, and Asia. Most employees remain in Belgium and the second largest office is situated in Poland.

Euroclear main competitor is Clearstream, which belongs to the Deutsche Boerse AG group and is situated in Luxembourg. Euroclear is the biggest actor on this almost duopolistic market. However, several little actors also exist. Some of them are both Euroclear clients and competitors. During the coming years, the possibility exists that a growing number of small competitors would possibly appear on the market. This combined with the consequences of the financial crisis of 2008 and the digitalization represent major risks and threats for the company. However, Euroclear has shown reliable and solid against all challenges until now.

Concerning the HR project skills & mobility that inspired the study, it is inscribed in the corporate strategy. Simply said the project is a cornerstone in the HR strategy. In a context of cost cutting, the organization needs to revive internal mobility. The potential skills gaps would rather be filled by internal moves than by recruitment. In cost-cutting times, the headcounts are the first source of expenses in a high value service company.

Moreover, to get a versatile and flexible workforce the organization relies on a competencies model. Corporate values were implemented before, yet they are not fully lived and lack a common definition. Their

³ <https://www.euroclear.com/en/about/Our-history.html>

first objective was to stop some bad behaviors, especially in management. Similarly, different projects to change the dominant managerial styles (directive and pacesetting) in the organization were launched during the previous years.

Furthermore, the project tries to stop what is called the grey or black market for open positions. The fierce competition to move-up in the organization has had negative impacts. Anyway, in a context of cost-cutting and limited open positions (even more if high in the hierarchy) the emphasis is now put on horizontal mobility. Previously, the promotion system relied basically on friendly cooptation and performance. One objective is to introduce competences in the balance.

Consequently, the project tries to formalize the practices of mobility and of competency development (Annex 1: image 6). Although the organization already had a wide range of leadership training programs (Annex 1: image 9), the coaching or development role is not well assumed by part of the managers. Therefore, the project also aims to change the mentalities. Managers now have to enable learning and mobility of subordinates. We could add that employees have called for a different leadership approach and also expressed a tangible willingness to get more development opportunities in the climate survey. (see Annex 2 image 3).

To take up these challenges, the project on skills & mobility was launched during Autumn 2016. To foster internal mobility the project gave an HRIS that allows both employees and managers to assess employees' skills in their current function. The skills needed in other positions are available in the system, which permits to compare and stick to a learning plan, if needed, to prepare an internal move.

To achieve that, managers are expected to do at least one annual career conversation with their employees. First, employees make a self-assessment. Then, managers assess subordinates' skills and discuss the assessment with each person. Together they can plan a learning program and maybe a career path. Six careers paths are identified in the organization, but they are not restrictive since people can move from one to another (Annex 1: image 4). To put it in a nutshell, managers have a new official role to play in skills' development

In short, the objectives of the project are to boost internal mobility, give a common language around skills (Annex 1: image 7), and to develop leadership at all levels. The underlying assumptions are that empowering people and placing talents in the right job (PJ-fit) will automatically engender motivation and commitment, which in return are important to performance (see annex 1, images 5 to 8). Moreover, the new role of manager fits well with employees' expectations too. It allows HR to kill two birds with one stone by undertaking a skills & mobility project and an attempt to change the managerial culture in the organization.

In comparison with the literature, we there is a change in the labor relationship (Monchatre, 2007). The environment is uncertain. Thus, companies need more flexibility and the responsibility for employability is shared (Reynaud, 2001). Developing people's skills is part of the deal. When flexibility becomes key, employees must accept to be redeployed, to learn new skills, and to do new tasks (Reynaud, 2001). As a result, careers become individual opportunities more than a collective destiny (Monchatre, 2007). An individualization of the career path (Dejoux, 2013) goes with the competency model. Moreover, competency models are linked to performance objectives (Dejoux, 2013) for the organization (Annex 1: images 5 to 8).

Finally, Euroclear has understood that to develop people, they need to give more autonomy to

employees and to insist on accountability (part of corporate values). Delegation and trust must be the counterpart of autonomy and accountability (Zarifian, 2001). Consequently, the organization needs to change leadership styles because they realize that authoritarian styles are less interested by people development and less fit current organizational needs and the people strategy.

In summary, due to external pressure the company has defined a strategy focused on cost-effectiveness and good quality products delivery. To do more with less, the organization is trying to increase internal mobility and favor competency development. At last, the organization posits that this is feasible through a new managerial culture made of more collaborative leadership styles.

Chapter 3: Description of results:

1.The historical managerial culture and the rising of a new managerial culture

1.1: Big picture of the historical managerial culture

To start with, we can say the strategy reflects the values and basic assumptions that guide its choices. We propose to see how several elements characterize the strategy and then the culture inherited from the organization's lifespan.

Costs are presented by top management as too high and initiatives to reduce costs have been undertaken. A few years ago, the company went through a period of process reconfiguration, namely *LEAN*. The interviewees give several reasons for which LEAN was implemented in the company. It aimed to allow people to quickly learn a limited number of processes, so that they would rapidly be able to perform a limited number of tasks efficiently. However, some people tell that the main objective was to reduce costs.

In the past, people were trained on the full process, but with LEAN they have become experts in a precise domain. One interesting point is that even though a few managers criticize the strategy, none of them criticize the fact that they need to control costs. Therefore, the consensus is that to stay competitive the company must reduce costs.

About the strategy, short-termism is experienced as ever-present. Managers' perception is that the organization favors short term decisions. To provide a consensual example: Digitalization is thought as decisive for financial institutions, but until now the organization has failed to really jump on the bandwagon. For interviewees, the cause of this failure is this short-termism mindset. Employees working on digitalization are not fully dedicated to it, but have a wide range of responsibilities. Innovation comes on top of the rest.

As a manager remarks, the consequence is that the company is slow to bring new ideas to the market, although people are inventive. Another example comes from HR: They asked each division to collaborate in the skills & mobility project, but it was not a priority for some divisions because ZBB was the short-term priority. These two examples clarify the predominance of the short-term perspective in the company.

Furthermore, people refer to the strive for excellence. It is a construct made of fastidiousness, risk-avoidance and details orientation. Strive for excellence is said to come from the origin of the company and is proudly referred to by several managers through glorious myths of past successes. Some of them even refer to

J.P. Morgan to say how much it was exciting and remarkable to work for such a company. The interviews, internal documents, and observations show that detail-orientation is very strong in the company.

A case in point is that commercial managers explain that salespeople hold tight to their slideshows during presentations. They make very long and detailed presentations and are quickly upset if they cannot present everything they planned. To take another example, the fastidiousness is noticeable in communication plans and HR materials are scrupulously checked several times to be sure that everything is perfect. Sometimes people refer themselves to the strive for excellence to expound why the company must be a meritocracy. Their justification is that if merit is connected with a reward, people will do their best to get the reward. Consequently, strive for excellence also means hard work.

The tolerance for difference on those cultural points is weak. Newcomers (young or senior profiles) who have another approach might be attacked by experienced managers of the organization. There is a proud membership. Raising doubts about the strive for excellence approach often leads to elimination of the different profiles.

Nonetheless, we noticed a growing awareness about the richness to have teams with diverse personalities. Several managers already appreciate those differences. However, the organization is from time to time described as a machine that digests the different profiles.

To conclude, it seems that the strategy between cost effectiveness and strive for excellence is not clear for some managers:

“For me it's not clear where the company wants to go. I think that's the big problem. We had an interesting presentation a couple of weeks ago by the Head of our department where they explained that the company has different drivers. Do we wanna be Apple who strives for excellence? Do we wanna be a McDonald, which is basically based on scale? Where do we want to position ourselves as a company? In the presentation, it was said: we wanna be somewhere in the middle” (8th of December, male manager, 14 years of seniority).

There is a widely-shared definition of what a company is and that can be summarized by making more benefits than losses with a careful attention to risk management:

“The business is about making decisions and taking risks. It's about taking valuable and acceptable risks. In any business, all you need to do is to make sure that you're getting more decisions right than you're getting wrong and then you're moving the business forward [...] with a business like Euroclear [...] in terms of being a critical market infrastructure for settlement systems you can't afford to take risks and get things wrong [...] we have to be very clear on where we can't take risks.” (23th November 2016, male manager, 10 years of seniority in the company).

We can say that there is a general concern for risks in the organization. Even though the risk avoidance varies from a person to another, it remains quite strict. Organizational members have internalized the necessity to watch and reduce risks. The concept of risk-avoidance percolates in the entire organization.

Finally, until recently, the organization was a safe environment. Some talks differentiate the company from investment banks and some managers believe that the organization has the workforce that goes with a safe environment. Therefore, job security is part of the culture and employees value this long-term relationship

with their employer. For instance, the company offers the opportunity for people who do not perform to go to another position. In addition to job security, there was a lot of recognition and rewards.

To conclude on the historical managerial culture, a couple of managers argue that top management's mindset results from J.P. Morgan. It would have shaped their culture. Others refuse to agree on the influence of J.P. Morgan and rather believe that Euroclear is Euroclear. However, what they both describe as the historical managerial culture is similar, it is a culture composed of: somewhat egoistic individualism, meritocracy, and a directive/pacesetting managerial approach in which the manager's priority is to carry out a business plan.

Lastly, how the company is perceived by clients also informs about its culture. In brief, their clients see them as a strong reliable machine that delivers operational excellence at low cost. This is why clients pay for. However, if they are perceived as secure, knowledgeable, and willing to help, the flip side of the coin is that they are seen as not very exciting and certainly not agile.

1.2: The rising of a new culture as an expression of employees' needs

A change in culture can be illustrated by the need for more transparency and communications. In general, employees call for more communications and transparency. Employees and some line managers refer themselves to the organizational values to criticize the lack of communication. There are five official corporate values: Respect, Effective, Accountable, Client first; and Helpful. The values are commonly named REACH⁴.

In our case study, there is a story about the Cracow office. A new office was built in Cracow. Despite the official statement about the double office was that it exists to provide more security to clients (in case of something would happen in Brussels), there were rumors about employees in Belgium who would lose their jobs in favor of Polish colleagues

A manager explains that his subordinates mention the value 'Respect' to criticize what they consider to be poor communication. Effectively, he narrates the contradictory messages he received about whether his team was going to be impacted or not. Some interviewees maintain that top management communicates like in the past, although the context has changed and employees ask for more communication. To cite an instance, people appreciate the Q&A session that happens once a year with top management, but for some people it is not enough. We were told in HR that communications are limited because they must negotiate with social partners before communicating. A couple of interviewed senior managers support that argument.

Access to information is really scattered in the organization. Some line managers have a relatively good access to information because their superiors are transparent. There might be a loss of quality, but they have enough information to inform their teams about the news. Nonetheless, each manager can speak a different language to their team and withhold information.

Therefore, people have a very dissimilar access to reliable information and sometimes can only guess. Despite normal confidentiality needs, we noticed that the lack of communication relates to a tendency to secret. The HR project that inspired the research question was lead for months by keeping people in the dark about it. Only a few people were aware of the content and stakes, even in HR. Then, when it was announced a

⁴ See <https://www.euroclear.com/en/about/Our-mission-and-values.html> or Annex2: image 4

communication plan informed people about the content. The social consultation probably impacts this mechanism, but it seems it is more than that.

Also, we noticed that client first is a very anchored value in the company. Most discussions between managers go over clients, sales, in other words business. In comparison with that, they seldom share about people management issues. Among managers the opinions about the values differ. Effectively, managers refer themselves to them to justify their management style. Some managers give importance to: respect, helpful, and accountable. Others also give a true importance to client first. The only value that is not referred to is: effective.

People decide themselves how they comply with organizational values, hence a few managers argue that managers and their teams must agree on the meaning they give to values. One repeated argument is that organizational members lack a common purpose and a common story to set the foundations of why they come to work every day. According to some interviews, the corporate slogan: *Post Trade Made Easy* does not mean a lot to people in their day-to-day. Moreover, interviewees really underline that if the organization tells a story, people must live it. To live it, managers should lead by example.

1.3: Internal competition as a substitute for external competition

In this section, the main question is: does the company compete a lot? The answers show two opposite positions. It seems that people in client facing jobs are more inclined to believe that the answer is yes. More generally, people explain that the company has on its main market one big competitor and a range of smaller competitors. Clients can also be competitors. To say the least, the competition is fiercer than in the past, yet the post trade market is not renowned to be most competitive market.

Another point of view is that they are not challenged by the external world, thus the challenge happens internally. Competition occurs inside the organization between divisions, departments, teams, and people. People are not united by a common purpose. Some aver that in a division or a department little empires develop around some people who have key positions. The stakeholders' games are so strong that when talking about projects failures, a manager stated that:

"There is a lot of mindset in this story. At Euroclear it's: YES, we can't!" (16th of November 2016, male manager, 15 years of seniority).

The "win-win" lies at the heart of the culture for some managers. Reaching a compromise is more important than achieving a quick success. Therefore, it is vital to satisfy key stakeholders, even if it may slow down the decision-making channel. In the same vein, it is also said that people who are afraid to lose their expertise are resilient and can block a project.

For instance, some people strongly defend their roles. In support of this statement, a story of conflicts between a client facing manager and a support provider manager is instructive. The client facing manager had to go over her attributions because a client required something immediately. She had troubles with people who were supposed to accomplish that task, even though they conceded that they had no time to deal with it.

This is corroborated by multiple stories about the importance of stakeholders' games in the organization. It seems to be, at least from time to time, connected with personal strategies for promotions:

"There is nothing that unites those people against an external enemy. The absence of external pressure

makes that this mindset of market is not that present in people's mind. It is not a strong factor that influences people's decisions. There are other elements [...] I believe that we are overpaid and that there are too big gaps between the different levels of the organization that makes that you create a culture where people look for a promotion to benefit financially from it. Not because they see a responsibility towards the organization or people working for them" (the person asked a complete anonymity, not even references to their age, etc.).

We must add that among managers and HR several balanced or criticized this statement by saying that the pay bands overlap between levels. To conclude on that point, other interviews and four months of observations effectively lead us to note a lack of cooperation inside the organization.

2. The influence of the historical managerial culture on leadership styles and cultural conflict

2.1: The footprint of culture on leadership styles and training initiatives towards change

The organization offers multiple training opportunities to managers. High levels managers go to Ashridge and others have similar training (see Annex 1: image 9). The objective is to replace the dominant leadership style with a more collaborative style that emphasizes: two-way communication, to be open to other people's views, etc. The impetus was given several years ago. Another change is that instead of looking at their personal growth, managers are expected to grow their subordinates. Apparently, new generations employees want more participative leadership styles.

Even though managers defend that the leadership styles at Euroclear are less authoritarian than in the past, they acknowledge that there are still some tensions. For example, an evolution is that more managers accept that their decisions can be challenged in a constructive way, which was unthinkable a few years ago. However, it seems that it remains difficult for people to speak up. Managers feel that over the years they were guided to fit in a directive leadership style, even though an evolution is ongoing:

"I had a coaching style, which was absolutely not on the agenda in this house. You feel that you're out of sync. You don't think about it, but you send yourself elsewhere [...] you must be like that" (29th of November 2016, female manager, 30 years of seniority).

"My style was not necessarily typical of other colleagues in a senior management position [...] there is more readiness to use more different styles and flex the different styles and appreciate that others have different styles as well. You know, it used to be quite natural to use the pacesetting [...] there are some colleagues who have not yet fully reached the benefits of Ashridge" (7th of December 2016, female manager, 17 years of seniority).

The various training give a toolkit and raise managers' consciousness of the different leadership styles. They learn to behave differently, to be more open in their communication and decision-making process, and to adapt their style to each person and situation. In spite of their belief that Ashridge is a good thing, some managers state it is more an idea than a reality:

"Since a few years, it's the topic people at the center. People are the company's first asset. It looked very artificial. We don't say to people you are the priority, they have to see it themselves. The speech around

that is sometimes very artificial. I think it's been more a campaign than a reality" (30th of November 2016, female manager, 26 years of seniority).

The consensus is that there is a willingness to change the leadership styles. However, on some occasions business needs sweep the first gains along. Some managers disentangle hard facts from myths: people with a directive style tend to come back to it, especially when they are under pressure. Despite its failures, we notice that the training offer also has its successes. A lot of managers try to apply their training for the best. The interviews also prove that the necessity to adapt the leadership style to the subordinate is now part of the managerial mindset.

Nevertheless, there is a tension between the authoritarian leadership style and the more participative style. The tensions are not personally expressed by those who are more focused on people management. However, they interpret the difficulties of some colleagues as tensions between the roles. The tensions are perfectly illustrated by the roles conflict. It is argued that managers cannot be forced to be more Ashridge and that those who want to focus on business do so.

According to interviews and informal talks, it is possible to say that the hierarchy remains important in the company. Some people compare the company to a pyramid or a big bureaucracy. The organization has still quite a lot of hierarchical levels and there is the underlying message that hierarchy should inspire respect of the authority: *"Euroclear remains a very hierarchical organization. It hides behind we call each other by our surnames, but in reality, it is very hierarchical"* (29th of November 2016, male manager, 21 years of seniority).

A manager elucidates that over its lifespan the organization has promoted a manly culture, because top management has been largely made of men. As a consequence, women have copied men's behaviors, attitudes, and mindset. Moreover, some managers also defend that because top management has been composed of expert profiles; they have promoted fellow profiles.

"I've been in divisions where there is an omnipotent boss above and then that's it. He used to tell people off, to threaten them to reduce your bonus if you came to him with a problem and that you didn't find the solution. I've known that not that long ago. It's disappearing. I hope that it's done. It is not like that here, I think that we are all comfortable to talk over things." (29th of November 2016, female manager, 34 years of seniority). However, today it is commonly construed that the possibility to speak up depends on manager and person's personalities. Interviewees mostly think that people are more respectful than before, but they do not deny that there still are issues, although our data show a global evolution on these points.

For those who have a leadership style close to Ashridge (collaborative, delegate, etc.), it seems to be their natural style or an important event changed them. Often, they acknowledge that this style can occasionally be very hands-off, therefore this approach stir up problems for some subordinates who need more guidance. They infuse their teams with their own values besides organizational values. They share key values: empowerment, accountability, trust & transparency. They rationalize by saying that people need information (knowledge is power and comes from transparency) to be able to do their job (empowerment) and that can only happen in a trust relationship so that people are accountable.

These managers try to foresee problems to avoid working under pressure. In so doing, they can spend

time with their people. They have honest conversations with their team(s) made of direct feedback and clear communications. Equally, they value listening to their subordinates to identify their needs and desires, which helps them to coach and develop them. At last, they position themselves at the opposite of the directive leadership style existing in the organization.

On the contrary, the CEO is thought to have reinforced the historical managerial culture: *“some people are born people managers and others aren't. You see Tim Howell and Lieve Mostrey they are two different profiles. Tim Howell is interested in clients. Thus, people inside can sink to the bottom. It had an impact. It has created burnouts [...] people management is not his thing. He is on the road. [...] you can do what you want you won't change them, this is not their thing. [...] Those people it is better to send them as experts, but not as people managers so that people don't suffer”* (16th of November 2016, female manager, 34 years of seniority in the company). Concerning the fact that some people would have an innate gift for people management, this belief is shared by other organizational members, but a lot of others believe that it is not innate.

At the end of the day, managers explain that the former CEO did not show the role model to change culture. The comparison is made with teleworking. Teleworking was not part of the culture and not well accepted by managers. The CEO wanted it to be a normal way of working in the company and supported the project. Generally speaking, it has been a success. Employees and managers expect a lot of the new CEO (Lieve Mostrey is in charge since January 2017). She has the reputation to be more people oriented. Therefore, they hope that she will bring change and strike the balance between internal and external needs.

2.2: The appraisals as cultural tools

Training initiatives to change the dominant leadership style are still ongoing, but the consistency of the HRM practices raise doubts for some managers. Indeed, the objective is to switch from an authoritarian leadership style to a more collaborative style. However, the performance appraisal remains mostly focused on cascaded targets with factual assessments. People management is barely absent—ore absent—in manager's performance appraisal. In the studied division, promotions and bonuses rely on business targets.

Moreover, the legitimacy of the current form appraisal system is questioned by a few managers. There is a rule in the company for the appraisals: managers should respect an average score for their teams. A striking example is that managers must put bad scores to employees who have been in long-term absence to give better scores to others. Some managers refuse to apply that kind of measures. Therefore, a few do not evaluate their people anymore or set team objectives and very simple individual objectives.

To pursue on assessments, each team evaluates its manager through a template named: People Management Feedback (PMF, see annex 5). The problem for a couple of managers is that no action is taken upon bad assessments:

“Some people at Euroclear actually have the leadership style that we discourage with Ashridge. You tell people what you want and what you don't want and then you promote them with what you don't want, which is totally wrong. You send the wrong message to the whole organization!” (17th of November, female manager, 10 years of seniority in the company). For some managers, this reinforces the dominant leadership style instead of weakening it.

However, the reality about the feedback teams deliver to their manager might be more complex:

“Sometimes, a good work, it's also transmitting difficult messages to develop people, but also transmitting difficult messages with negative feedback or development areas [...] at the end you can have a very bad score, which is according to me the reflection of a very good performance as a people manager” (24th of November, male manager, 15 years of seniority in the company). Furthermore, several managers who used to have good results years after years had bad results during our study. It seems that it is due to contextual factors such as an increased workload, maternity leaves, or other reasons that are beyond their control. Finally, the legitimacy of the PMF in its existing form and consequences (or absence of) is also questioned.

3. Roles conflict between expert and managerial tasks.

3.1: Managers' views of a healthy organization and managers' expertise

When managers describe what a healthy organization is, they reveal information over organizational culture. Managers whose style is close to Ashridge training share the belief that a healthy organization has accountable people who take initiatives. Accountability is one of the corporate values and is promoted in their speeches. At the opposite, what they call a bad structure encourages the hierarchy to meddle down in operational decisions. Managers who give more importance to details and have a strong expertise tend to meddle down more often than the others. When we asked for examples, people told stories like Heads of divisions calling N-3 during the weekend to ask them to modify a document and alike.

A widely-spread belief in the company is that managers of small teams are supposed to be able to do everything themselves. It is said that employees in small teams expect their managers to be the expert of the team. Automatically, managers' credibility relies partially on their expertise. Moreover, subordinates also have people management expectations.

However, there is an agreement to say that when someone becomes senior manager (high in the hierarchy) it is not possible anymore to know all the roles and details. Undoubtedly, when someone is responsible for a bigger team, it is not plausible that this person would have a better knowledge of one hundred jobs than their owners do. It is, withal, nuanced because interviewees say that besides subordinates' expectations, each manager makes a choice. This brings us to the central point of tensions: roles conflict.

3.2: The roles conflict: managers' different positions faced with this situation

The highlighted principle in the organization is that managers must conciliate both manager and expert's roles. Multiple points come under consideration. Firstly, it is said that top management underestimates the time it takes to be a good people manager and does not value the time spent for it. Consequently, it bewilders some managers. They are told that their managerial practices must change to be more collaborative, although it is clear for them that top management's message is: business keeps the throne.

Managers often protest that the major obstacle to people management is time. Because they have various business responsibilities, they lack time to carry out their people management duties. Some interviewees maintain that because managers have business responsibilities and not enough time, they are

somewhat obliged to drop or postpone management responsibilities. Again, this statement must be nuanced since others manage to fulfil their management duties.

Managers are aware of their management responsibilities, although for part of them it is not as important as sales targets. One manager even says that management is not part of her role:

“I’m not a manager at all. I do that in parallel [...] for 99% I take care of the targets [...] I’m not paid to do people management. If it is said, I don’t know where it is written! I think that job wouldn’t interest me at all by the way. I’m a salesperson for 100%” (29th of November 2016, female manager, 34 years of seniority).

When asked about that kind of statement some interviewees argue that Euroclear produces excellent experts in its search for excellence, but those experts are bad managers. Additionally, in the past, experts were not trained to be people manager because there was no awareness of the need to train them. This stance is not representative of many managers who try to conciliate both expert and people management responsibilities. It is interesting to highlight that to explain why their job exists some insist considerably on their people management role, whereas others insist on the business targets and others are more balanced.

Nevertheless, a lot of managers have moved up the ladder due to their expertise. Being a manager has been the next step in an expert’s career. This explains why some interviewees are dubious because they do not consider that going from an expert role to a management role is a natural progression. In this respect, they assert that a lot of managers have managed a career by seniority. Moreover, some positions also offer the grade of manager, but people do not have any team to manage. The following excerpt illustrates stories about experts promoted to management positions, even if they have been bad managers:

“He had a leadership survey result of 2, 6 which is poor. Honestly, nobody gets that. If you get below 3, 6 you’ve got a problem [...] he had 2, 6 and his manager knew that. He was gonna promote him to a role where he would be managing more people. Why promoting this guy? He had the profile for an expert role, but he was promoted to a manager’s role. That’s the kind of stupid things that happen [...] I had a conversation with him to explain that I don’t think he was a people manager [...] he said: ‘you’re right, I hate it!’ It’s just not fair with people [...] we have people at Euroclear who drove five people to burnout” (17th of November 2016, female manager, 10 years of seniority).

On the one hand the company has a lot of information about managers, but on the other hand the organization does not fully use the data. There is no follow-up of their practices. As a result, employees complain that managers do not live “the Ashridge way”. Because there is no follow-up nor sanctions, some interviewees state that managers put the priority between the roles themselves.

We notice that several managers defend there is a gap between their ideal vision of what their managerial role should be, and what they succeed to do. It is also noticeable that often people manage to do what they like the most: expertise or managing people. Valued expertise, importance given to details and limited delegation describe well managers for whom people management is secondary.

Furthermore, some managers pretend that the roles and expectations are clear. It is up to managers to adopt one leadership style or another; these recognize that workload and time can be challenging. At the same time, it seems that several managers easily backslide to the historical leadership style. Normally, they intertwine both, for instance while working with their team(s) on a project. For them, people management out

of day-to-day work is artificial. Some state people are key to success; they often take a paternalistic approach.

In fact, they integrate people's development within their day-to-day, but might be more driven by the business objectives than by developing people. Developing people is necessary to keep them motivated, on board, and to reach the targets, though they stay in a short to medium term perspective. Other managers seem to strike the balance and have a long-term approach. It is true to say that the former try reaching objectives through people, whereas for the latter it is reaching objectives with people.

Finally, the prioritization depends also upon the influence of each manager's boss. A few senior managers have an influence on their colleagues or N-1 who can also be managers. They can be very strict with them when it comes to managerial practices. These managers require from their N-1 that they apply the same practices as them.

4. Competency development

4.1: Managers' practices and difficulties

Most managers have similar practices. They all apply the practices implemented by LEAN a few years ago: weekly one to one with each subordinate to speak about workload, planning, difficulties related to work, tasks; clients (commercial); where people stand on their KPI's or deliverables; and competency development. A couple of managers do more or less the same with N-2, but less often. This allows them to organize their teams and to think about future opportunities for their team members.

In the same spirit, there is a weekly whiteboard with the whole team. It helps to know who does what, to ask questions, and to coordinate the team(s). Managers can feel the atmosphere of their team(s) and prioritize the weekly work. It is not the richer opportunity for competency development, but each person can speak up for a difficulty and asks for support. Finally, the monthly successes of the previous month and challenges of the coming month are opportunities to take stock of what went well or wrong. If something went wrong the manager (and the subordinate) may detect a skill gap.

Not all managers do career coaching. Among those who do, all are not consistent. Either managers coach themselves or they recommend an internal or external coach to the person. This happens particularly when they feel that their abilities are limited or because the person might need a more neutral party. If managers coach, it often relates to the job, but it also happens that it goes deeper. The coach manager can dig in subordinates' personalities, histories, and beliefs to help them identify their needs. Coaching is about skills and personal development and might be more or less prescriptive depending on the manager.

Generally, those who are more prescriptive are so with juniors and feel less responsible for seniors, and the resulting approach is more hands-off. This is particularly true for steering and senior profiles who are thought to be autonomous. Nonetheless, part of managers is opposed to that thinking. They rather believe that nobody ever stops growing. On the other hand, one challenge managers face is that people above a certain age are from time to time blasé since they are not eager to engage in development plan.

In fact, much of managers have one role, but several plays. They think developing young people, people around thirty, or senior is different. They have different expectations. Thus, managers must manage

differently. Generally, they contend that juniors need a more prescriptive approach and even the most reluctant managers might show more eagerness to train unexperienced people if they are fast-learners. However, some managers might also be prescriptive with senior profiles if they consider that a weakness must absolutely be addressed. Others really use professional coaching methods; therefore, they try not to be prescriptive.

Indeed, opinions are very contradictory: some managers think employees are like children, but for others, people must be empowered by delegation. In this respect, the following statement illustrates the most negative opinion we collected:

“There is a general laziness [...] we are in a mode wherein extremely...people expect a lot, but don't look deeper into it by themselves. The personal investment doesn't exist or very little and somehow it should be part of the culture.” (29th November, female manager, 34 years of seniority). Others are more nuanced and say that if some people are not motivated, it is because they do not see any direct advantages. For example, employees may say that it does not impact their rating.

Similarly, finding the Person-Job Fit (PJ-Fit) is important for all managers, but for different reasons. Some of them like competent employees so that they can focus on their expert's tasks. For others, it is a good starting position to develop people, moreover, they believe that even when people have difficulties, they can improve if given the right support. However, we noticed that they spend their time with those how show the right attitude, but can let demotivated people aside. They are comfortable for their subordinates to challenge their decisions if it is done in a positive manner, even though this seems to happen only once in a while. To conclude, they reckon developing people is their role.

Another point of attention is that the coaching plan might be hard to follow-up because business is also demanding for employees. As a result, they might not have enough time to dedicate to their self-development. Admittedly, employees have less time than before to take part in training. The reason is simple: people are asked to perform more than before. One manager explains that, in commercial, they have doubled the workload and cut headcounts by half over the past years. In addition to that, during this period of instability some employees are more concerned by their job security than by training.

Another obstacle is that the more managers are expert in the domain, the more it seems difficult to coach. These managers share their opinion or give solutions. The more elaborated coaching is formalized in coaching plans and managers take them into account to assess the person. Several managers try to identify as soon as possible weaknesses and do not wait for formal dedicated meetings. Therefore, they try to integrate this coaching role in each 1to1 or in their daily interactions.

The coaching plan bases the relationship on a shared responsibility. People are responsible for their learning plan while the manager/coach must provide support. However, it seems that the more managers are close to “Ashridge” the more the true owner of the plan is the subordinate. Occasionally, the beneficiaries are reluctant to accept their weaknesses since the manager also decides on bonuses and promotions. It is interesting to note that some also say that their responsibility is to watch if the money is wisely spent. Finally, in a few cases, managers hold a coaching certificate.

One belief in HR is that managers and employees are mistaken about development takes time. According to them, it is a false belief. Development is not time-consuming. Nonetheless, we apprehend from

our interviews that a widely-shared belief among managers is that people learn on the basis of the 70-20-10 rule (70% on the job, 20% through social exchange, and 10% due to formal learning). This rule is at the hearth of the HR project to develop skills.

Because of that belief managers promote what they call practice by doing or learning by doing. It can be over technical or behavioral skills. It can be for short term as well as for long term. For the same reasons, they do roleplays with their N-1. People learn by doing, thus it is important to simulate challenging situations to train them. However, because it takes only a few managers do that consistently.

Managers are often experts of their team and use this expertise to give training. By way of illustration, they teach subordinates how to behave in certain situations, how to perform a presentation; how to convince someone in a meeting; how to use a content or a tool, or they might just give some reading. This is not exhaustive, but the point is that managers can be the trainer. In practice, training and coaching often overlap.

In addition, we noticed that managers consider that giving feedback to people is the bare minimum. Moreover, they all do it frequently. Some managers give a corrective feedback with the solution, others make people self-reflect. Indeed, it is not always as separated as that, but it helps to grasp the key differences in their practices.

Finally, a key difference is that some managers delegate to their subordinates to confront them with challenging situations. They trust them to make some reasonable and valuable mistakes and to learn from them. Others do not because of the risk taken. The latter tighten their hold up to reduce risks during the learning process. They try to avoid risk not only for their subordinates, but for themselves too. Consequently, subordinates are less autonomous and closely watched.

Giving presentations to clients is a recurrent example. Managers who delegate try to have as little involvement as possible, but they help their subordinates, e.g. by making mock presentations. Those who do not delegate eagerly intervene at almost all steps of the process. Again, the difference is sometimes tenuous and some managers switch from one approach to another depending on the situation.

Finally, the same dynamic exists for internal meetings in which the manager takes part to assess subordinate's skills in situation. It is a basis for direct feedback. On the one hand, some managers do not intervene or very little, but on the other hand others interfere in the meeting and leave less room for their subordinates. In any cases, managers agree that it is crucial to first identify the skills' gaps, objectives, and to get subordinate's agreement on the need to develop a skill. To conclude, the definition-process can be more or less prescriptive or collaborative from a manager to another.

4.2: Development practices: level of formalization

Some managers have worked in the Operations division where people management and development practices are more structured and formalized. Some of them compare to say that in the studied division practices are less formalized. They acknowledge that each department, even if part of the larger corporate culture, has its own culture. Logically, the practices change. Some think that it is not possible to have the same practices from one division to another. When asked if it would be better to formalize management and skills development practices such as in the Operations, they answer negatively. They believe they could benefit from

a bit more formalization, but it should not be so strict. Their argument is that the population is more senior in their division and do not require the same level of attention as junior profiles in operations.

So, it means skills development practices happen, but it is let to the appreciation of each manager and employee. The uncertainty is possible because nothing in the organization of work permits to be sure that it will happen. We heard the argument that in spite of the manager's freedom, there is kind of role modelling. Managers copy what they see their peers do.

It is also said that because it is not structured it can be dropped for a year, especially if it is not considered as a priority by the manager and/or the subordinate. Role modeling is so strong that some people who used to have consistent skills development practices in other divisions can drop them or reduce their frequency in the studied division. One manager sets out his arguments: this matters little if a rule says people must do it if the real practices are different.

Several managers argue that it is up to top management to show by example. Several top managers of the division are perceived as not believing in the manager's development role. Their communication particularly creates that impression. The perception is that they are far more focused on the business. At this point, a few managers bring back the roles conflict. They claim that in the Operations division the roles are clear. There developing people is the manager's duty. In the studied division, it is secondary because the first is: reach your targets with your team. Finally, some people argue that workload and top management bad role modelling are two blocking factors.

4.3: The added value of job mobility in competency development according to managers

In the company, one very common belief is that job mobility is an added value per se. Managers value job mobility as an experience booster and as a mean to develop hard and soft skills. Moreover, due to the 70-20-10 rule explained before, managers think that job mobility is one of the best way to learn because staying too long in the same function diminishes the marginal rate of learnings.

Therefore, managers may use their own network to help their subordinates to move. They mention that losing a valuable resource is not joyful, but they believe that holding someone back may not be productive. However, this is moderated by the profile of the person leaving: If the person is a high potential, the true backbone of the team or hardly replaceable, then the person is a scarce resource. Once said so, managers are more reluctant to let them go.

In parallel, managers believe that mobility should be linked to competencies analysis and development, otherwise career discussions are only about performance. The current situation with its limited opportunities create tensions because people stay longer in their jobs. Horizontal mobility is more complicated and vertical mobility can be problematic. It results in more competition. In the past, it was easier to move up the ladder.

In addition, internal mobility is considered as one of the best way to grow a network. Networking is seen as crucial (for the success of a project, for a promotion, etc.). The organization is said to be a place where multiple stakeholders fight hard for power, and the taught culture of negotiation is the "win-win". This mindset is thought by some managers to be learned over time with experience. They explain that young people are often incapable of understanding that reaching a win-win needs intensive and long negotiation. Patience and

strategy are virtues. Often, managers say that projects sink because stakeholders did not reach a win-win deal.

Chapter 4: Analysis

1. Introduction

We start the analysis by abstracting the empirical data into ideal-types regarding our secondary hypotheses:

- Hypothesis 2: There is a historical managerial culture and a new growing managerial culture that challenges the first.
- Hypothesis 3: The historical managerial culture has influenced the dominant leadership styles in the company.
- Hypothesis 4: There is a role conflict between expert and managerial tasks.

In a second section, we compare our findings with the literature. Then, we analyze closely the practices of competency development in regards with the primary hypothesis:

- Hypothesis 1: Depending on their leadership styles, managers do not develop their subordinates' competencies the same way.

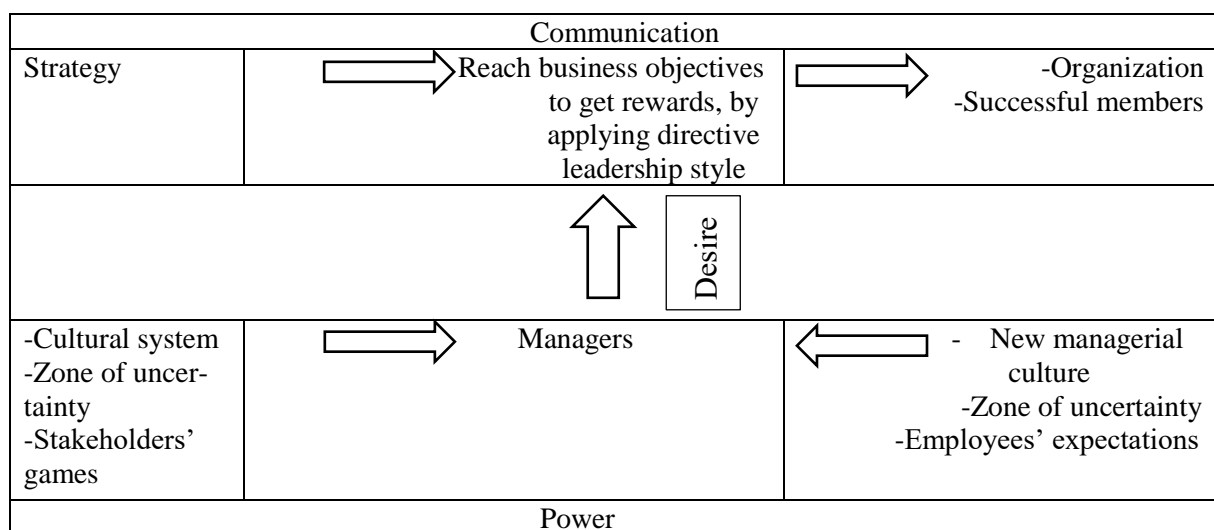
In the last section, we analyze internal documents to see whether they corroborate our analysis or not.

2. Actantial models: ideal types

2.1: Introduction

To abstract the theory from our data, we use the actantial model of Greimas⁵. Firstly, we identify what the historical managerial culture is. Afterwards, we verify if there is a conflict between two managerial cultures. Secondly, we show how culture has influenced the leadership styles within the organization. To do so, we analyze how managers define their role, and we theorize the roles conflict. Finally, we conceptualize the practices of competency development and their enablers and brakes.

2.2: Historical managerial culture



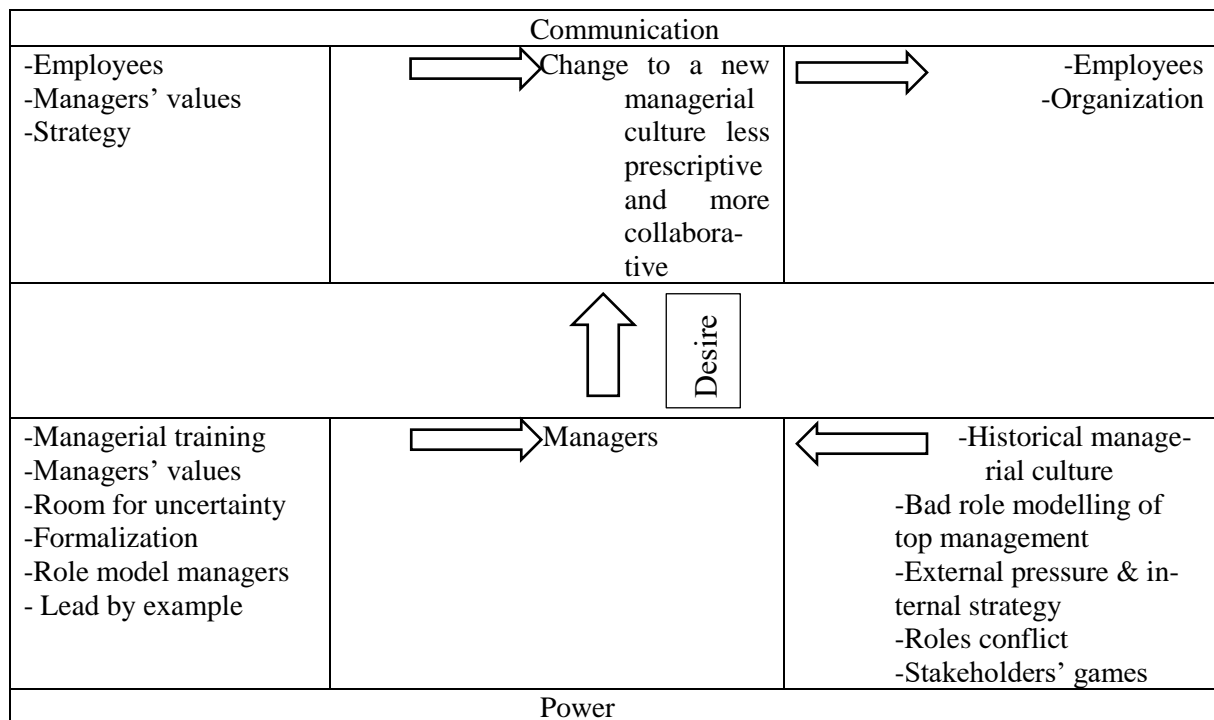
⁵ Please see the methodology section for more details

The over-dominant objective is to reach business goals: The assumption is that managers have to be prescriptive for keeping a well-running business, and the incentive is extrinsic reward (promotion, bonus, etc.).

The strategy sends managers in this quest, and the organization is rewarded by benefits and survival. Successful members are also rewarded. Managers are helped by what is called the cultural system, which is composed of the basic underlying assumptions about business and success, but also the values, myths, or stories about the company; and artefacts such as the PMF. Moreover, the lack of formalization has created a zone of uncertainty around management practices. It means that because there is no—or poor control—on their practices, managers can maintain their approach and perpetuate the historical managerial culture.

Nevertheless, opponents' forces use this same zone of uncertainty to implement new managerial practices that are less prescriptive and stress more the importance of people's well-being and development to reach business objectives. The threatening change happens through what is called the new managerial culture and originates from employees' expectations for a more human centered approach of management.

2.3: Conflict between cultures



This model is the counterpart of the previous one. The quest for managers is to change the managerial culture. Consequently, managers who were already more people-oriented and of a collaborative leadership style do not have to change, whereas those who are close to the historical managerial culture are expected to evolve. We clearly see here the reverse perspective.

Employees call for a more collaborative leadership style, e.g. climate survey (Annex 2). Their expectancies impact the organization that has asked HR to enable change through managerial training. In addition, the HR project skills & mobility answers a new strategy that requires of managers to play a career and skills development advisory role. Some managers were already doing that before because they are convinced it is part of their managerial roles. Employees and the organization benefit from that ongoing change.

The underlying assumption is that happier, more competent, and versatile employees perform better.

At last, managerial training are corporate initiatives to foster change. Managers learn how they are expected to behave. Managerial values account for principles that some managers have. These principles and to the room for uncertainty—that enables managers to create their own bubble of management—ease the transition. Those managers are role models of the new culture. Finally, several managers voiced that the managers' behaviors should fit corporate values, it relates to lead by example.

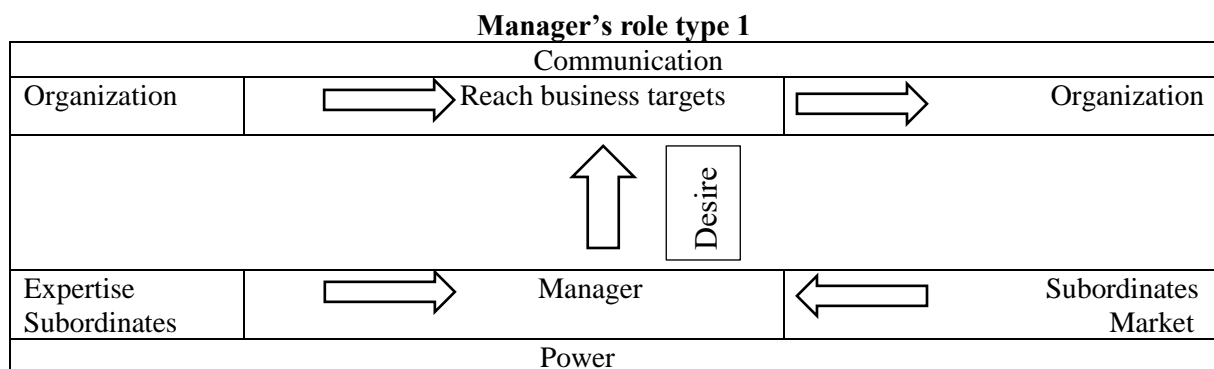
Then, opponents are numerous. We can highlight multiple mechanisms of the historical managerial culture, HRM practices, and stories that prevent a smooth transition. For instance, the promotion system is said to rely on reaching business objectives and on the old-boy network, more than on competence. A bit in the same vein, it is argued that some managers have done their career by seniority. They were promoted from expert positions to management functions without any people management competencies.

Currently, the limited promotion opportunities increase the internal competition, namely stakeholders' games. Finally, the predominance of hierarchy and the fact that performance appraisals might be predetermined by some managers before the discussion with their N-1 emphasize that the old-boy network is crucial.

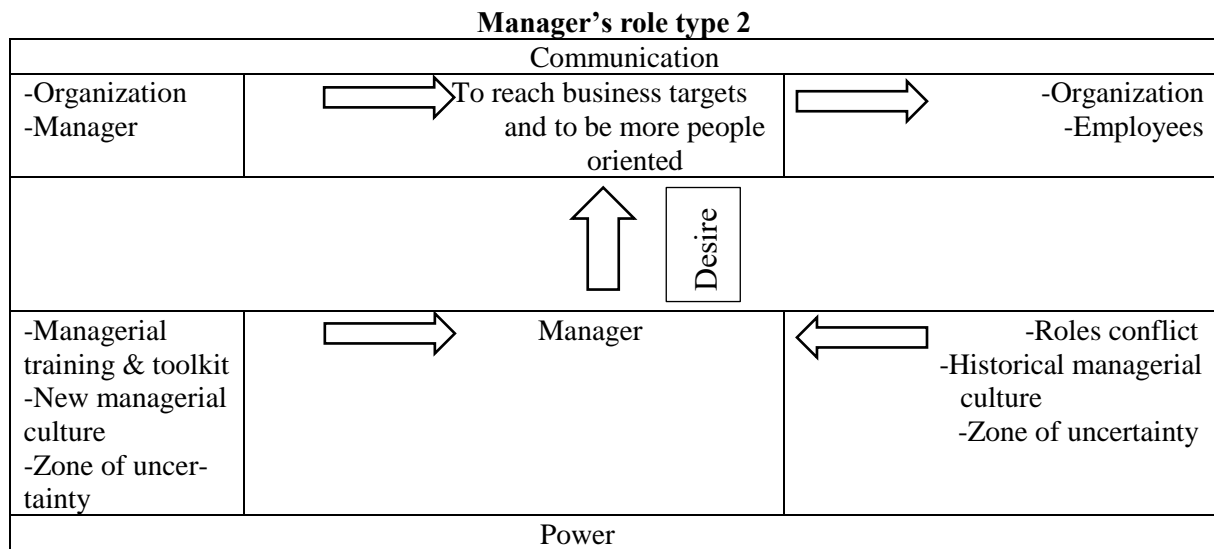
Furthermore, several managers aver that top management gives bad role modelling by perpetuating the directive leadership style or by practicing against their preaching. This tends to push hesitant, dubious, and opposed managers to backslide to directive leadership style. Moreover, the roles conflict has a similar effect. Lastly, external pressure is answered by a cost-effectiveness strategy that impacts how some managers perceive the balance between business objectives and people objectives.

To conclude, we can affirm that all these opponents' forces counterbalance the initiative towards a shift in managerial culture. Only managers who were already more collaborative fully live the new managerial style.

2.4: The role of the manager



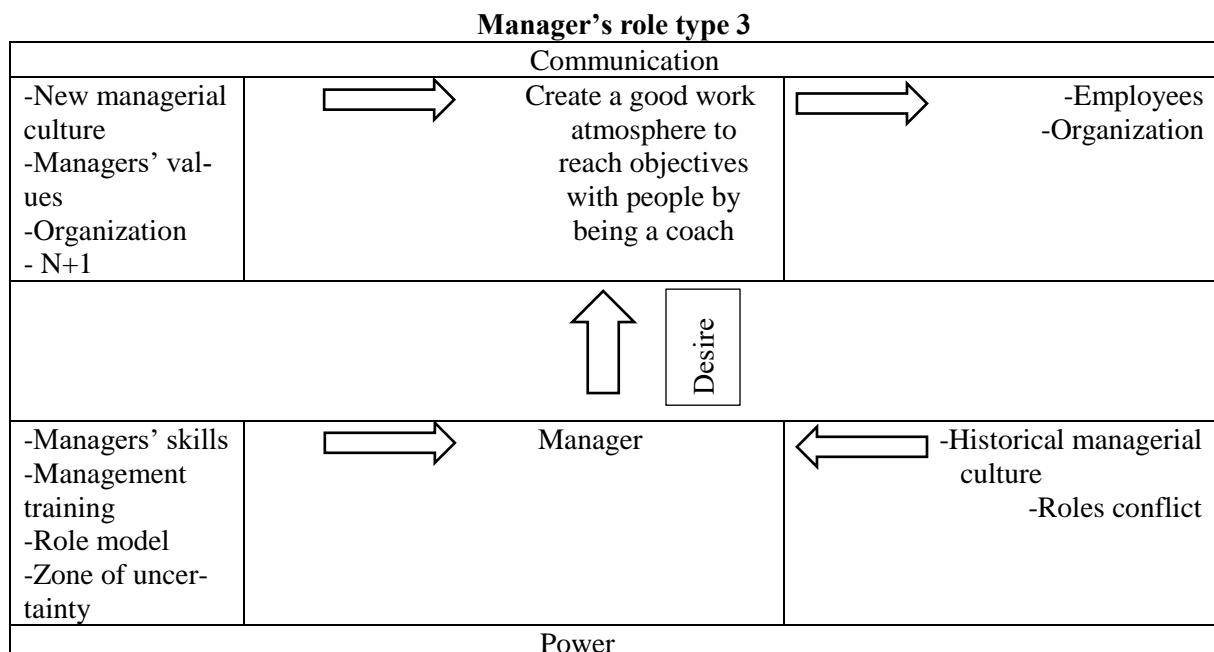
The managers define their role as reaching business objectives. They receive a mandate from the organization, and the beneficiary is the organization. In their quest, subordinates can both be helpers or opponents depending on their level of competencies. Managers seek the PJ-fit for their subordinates to be sure that they are able to perform. The market is somewhat an opponent because it is more difficult to make business than in the past. As a consequence, reaching targets can be challenging for managers. In conclusion, the type one is highly oriented to the task and low on people as the historical managerial culture implies. Their role is above all to reach the targets; people are not their priority. Type is high on task and low on people.



Type 2 has for objective to meet business requirements, but they must be more people-oriented. Some of them have a very paternalistic approach and just try to keep people on board. The need to meet that objective comes from the organization and sometimes from managers' personal convictions. The underlying assumption is that happy people perform better, which eventually advantages the organization and employees.

Substantial training help them to behave according to the new managerial culture: being more collaborative, open to discussion, and conciliate people management with business tasks. They accumulate management techniques, for example to be able to adapt their style to each person. As seen before, managers make use of a zone of uncertainty, and eventually the result depends upon them. However, it can be hard to strike a balance. The historical managerial culture enfeebles their chances through appraisals and promotion systems and bad role modelling. It partially explains why they may backslide to type 1 under pressure.

In conclusion, type 2 is different from type 1 since they overtly acknowledge that evolving to a more balanced leadership approach is necessary. They could move closer to style 3, but they are blocked by the converging several forces. To conclude, the type 2 is highly oriented on the task and medium on people.

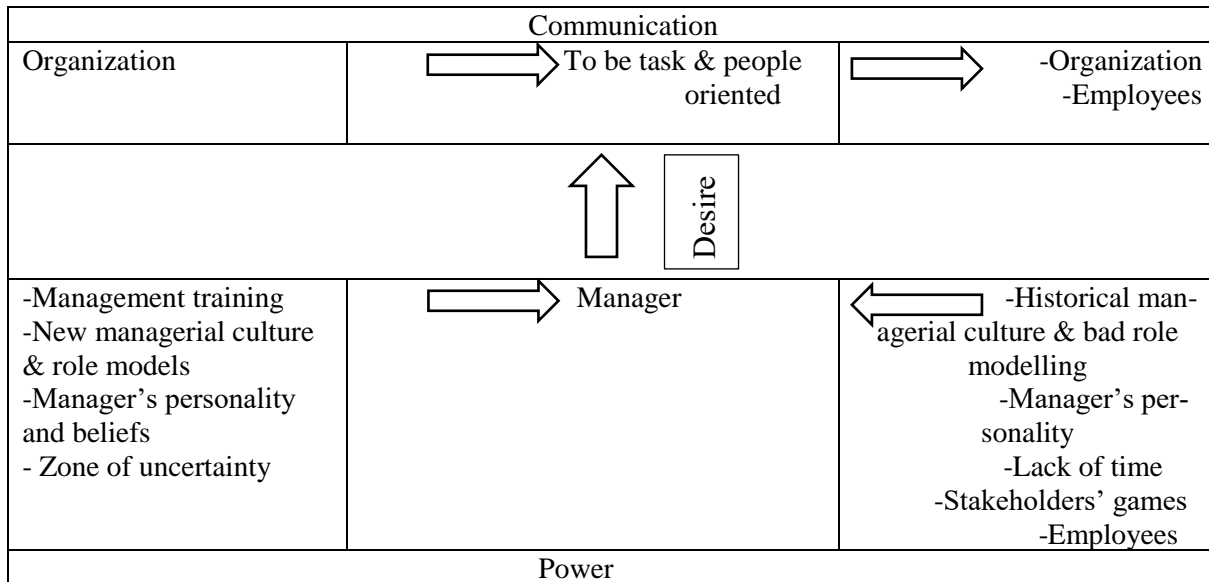


Managers of type 3 aim at creating a good work atmosphere. The assumption is that a nice workplace implies happier and more performant people. Anyway, the well-being of their subordinates is really important for those managers. Their goal is to reach their objectives with people. They delegate easily and adopt a coaching role, which one takes place for reaching targets and for developing employees.

The new managerial culture expects those kinds of behaviors from them, but more importantly their own values about management necessitate a true commitment to manage people that way. In general, they have a high level of trust in subordinates, delegate gladly, accept to take more risks; and emphasize accountability. The organization also sends them in this quest due to employees' feedback about management and the new strategy. Moreover, some of them, even though they are convinced that the objective is noble, have firstly engaged in that direction because of a forced role model by their N+1. N+1 can require that their subordinates (who are managers too) apply the same practices. As a consequence, employees should benefit from a more enjoyable work atmosphere and grow in their career thanks to a close coaching.

Strong personal management skills and appropriate training can help them to succeed. At last, the zone of uncertainty has allowed them to already develop that kind of practices before the organization started to move towards that change. To conclude, these managers do not experience any roles conflict, simply because for them people are always a priority. Finally, the type 3 is highly oriented to people and medium to highly oriented to the tasks.

2.5: Roles conflict



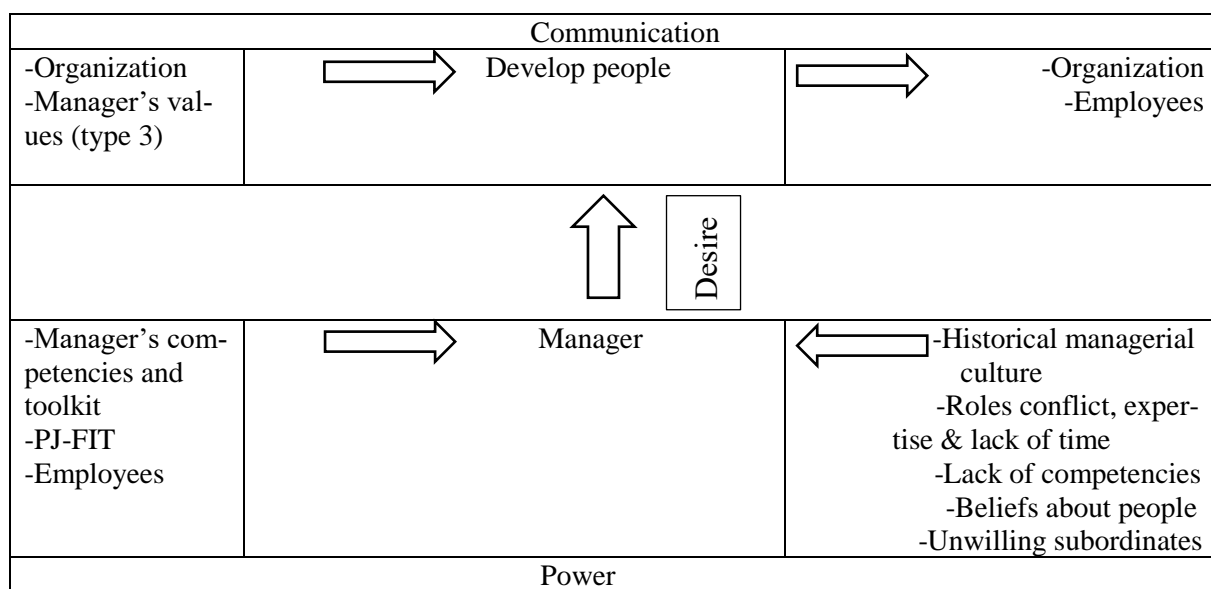
To start with, the three types explain the roles conflict the same. Managers must be both task and people oriented. It implies that they have very challenging business objectives to reach, but they are also expected to manage a team. The underlying assumption is identical to type 2: Happy people perform better.

To go over this conflict management training help. The new managerial culture is an opportunity to ride the wave and type 3 managers are role models. The personality and beliefs of each manager are helpful. Obviously, this is for those who have good interpersonal skills and believe in the new culture. The zone of uncertainty is presented by some managers as a freedom for managers to combine task and people orientation.

Nevertheless, the historical managerial culture with its system is an impediment to progress. The importance of expertise in the historical managerial culture is at the center of the issue since there are stakeholders' games to maintain the status quo. Effectively, some managers fear to lose credit or power if people management becomes more important. They do not feel competent in that area; they are experts above all. In addition, employees in small teams also expect from their manager a good expertise to provide them support in their tasks. The whole of it contributes to supply the historical managerial culture. To conclude, the lack of time is also one key obstacle for managers who strive for conciliating their duties.

To conclude, type 3 managers do not feel really constrained by opponent forces because they are free to manage their way. Type 3 managers are high on people and medium to high on task.

2.6: Practices of competency development



The objective is largely described the same. Managers must develop people. This mission originates either in the organization or for type 3 managers in their values. In fact, the organization received messages from employees saying that they do not feel enough focus on their development. More importantly, the new managerial culture leads the organization in the same direction because this managerial role corresponds to strategical needs. The organization needs more versatile and multi-competent employees. The organization for its sake and performance and employees for their self-development are beneficiaries.

In their quest to develop competencies, managers are supported by their own competencies. Are they able to train or to coach their subordinates? That is the key question. In their toolkit they give for example, coaching techniques or learning rules such the 70-20-10. Good PJ-FIT facilitates the work of managers. People who are in the right job learn easily, and, besides, the willingness of employees as well as their self-awareness of their desires and needs are crucial. This is true, for example managers say that engaging in a coaching relationship with someone who is unwilling is very complicated.

The reputation of the studied division about competency development was poor. To further analyze the situation, we take the opponents into account. Firstly, the historical managerial culture with its focus on business tasks does not encourage to dedicate time to subordinates' development. Secondly, the roles conflict

is invoked to justify that managers have little time for training & development. In addition, a few managers broach expertise via two doors. Either managers consider themselves as experts and not as coach or they insist on the difficulty to coach when they have an opinion as an expert. In summary, the expertise might help to directly train subordinates, but is a break for coaching.

Thirdly, some managers feel unequipped to train people, develop skills, or take a coaching role. Fourthly, some managers hold various beliefs about people. For example, they think seniors should be able to develop themselves independently. Another point is that a lot of managers argue that people develop themselves through internal mobility, but that the open positions are limited and some managers practice withholding.

Fifthly, some subordinates are unwilling to engage in coaching with their manager. For instance, some people fear to admit their weaknesses, in front of their manager during coaching sessions, since the manager is also the one who chooses whether they are promoted, get a bonus, or not. Also, managers assure that some employees have no idea of what they want. In this case, their role is complex. To summarize, it is evident that a bunch of opponents contribute to thwart the practices of competency development in the studied division.

3. The case study, the models and the literature

3.1: The historical managerial culture and the type 1 manager

- Hypothesis 2: The historical managerial culture has influenced the dominant leadership styles in the company.

In our case study, social control legitimates formal control. The latter relies on hierarchical control, respect of procedures, performance appraisals; and direct supervision. It tries to generate appropriate work attitudes through extrinsic rewards (O'Reilly & Chatman, 1996). The historical managerial culture emphasizes the risk-avoidance, strive for excellence, and cost effectiveness. The first limits employee's empowerment and shapes managers' mindset (Tannenbaum & Schmidt, 1973). The second stresses the importance of details, thereby it gratifies manager's expertise and close supervision. The last has been reinforced with strategic measures like LEAN focusing on the importance of procedures, expertise, and details-orientation.

The strategy is to deliver operational excellence at low cost. It produces a culture wherein the strive for excellence and cost-effectiveness are central. The strive for excellence implies details-orientation and knowledgeable people, in short, a high-valued expertise while cost-effectiveness implies short-termism and risk-avoidance. The emphasis put on extrinsic rewards has generated an individualistic meritocracy oriented on self-interest (bonuses, promotions, etc.) in which stakeholders' games are crucial to advance in projects and in personal strategies, especially well illustrated by the win-win concept. Finally, the orientation towards clients gives a feedback of willingness to help. The whole together produces what some interviewees call a manly culture of personal success and directive leadership style.

Mintzberg & al. (2009) defend that culture is the counterpart of the divided power in organizations and of strategic management. Our results are totally in line with his argument. If we look back at the actantial models, stakeholders' games are largely involved in the production of the historical managerial culture. The

culture and personal strategies mutually fuel each other.

The type 1 manager have been influenced by the historical managerial culture. We found that managers were guided to this style over the years, as if it was natural. In fact, Tannenbaum & Schmidt (1973) identified that managers tend to go into a defined managerial style that matches their superiors' view of what makes a great manager, which supports our findings on role modeling. In the same vein, we confirm that the importance of confidentiality can lead managers to more authoritarian styles (Tannenbaum & Schmidt, 1973). Moreover, the propensity to delegate diminishes with the urgency of a situation (Tannenbaum & Schmidt, 1973), which we can link to short-termism in the culture.

In type 1, the manager is the decision-maker (Tannenbaum & Schmidt, 1973) and must bring people to work like in McGregor's (1966) theory of X. In the literature, the best comparison is the Authority Obedience (9,1) of Blake & Mouton (1982). Type 1 managers are highly oriented towards productivity since reaching their targets is their ultimate goal. Therefore, their subordinates can be a help to succeed if they are competent, but they can interfere if they are not. At last, employees are only a mean to reach targets (Blake & Mouton, 1982).

In our case study, the historical managerial culture leaves little room for adaptability in style. Type 1 uses favorably several power bases (Hersey & al., 1979). First, the coercive power since failing to reach the targets is feared. In addition, with the old-boy network we have seen the importance of networking in the organization. The type 1 might use it to obtain obedience. Then, expert and information power bases have been considerably important. Indeed, the concept of strive for excellence implies that those who have knowledge are able to produce more detailed products in this quest for excellence.

We have also noted that the legitimacy power has been used to justify the prescriptive approach. Finally, the historical managerial culture is a meritocracy. Efforts are rewarded by a bonus or a promotion. Consequently, in that culture managers have used the reward power as a driver. Type 1 managers evolve in their culture and reward is emphasized by the transactional or type 1 manager (Bass & Avolio, 1993) and by the culture.

Despite a cultural shift has been undertaken in the organization, they are not totally obliged to change their management style. In fact, because there is no follow-up and punishment of their practices, they benefit from a zone of uncertainty. It gives them power because their contribution is key for the organization (Dubois, 2014). In regard with the predominance of values such as client first and the priority given to business objectives, managers rely on those tacit rules to justify their behaviors. As explained by Friedberg (2009) and Thévenet (1993) the unpredictability of behavior goes with autonomy. The power of these managers is that they can refuse to do what they are asked about people management because there is no real constraint.

This is part of their strategy, type 1 have an expert profile more than a manager profile. They appreciate their expert tasks and often put their managerial task aside. Consequently, the cultural change threatens their legitimacy since the managerial competencies are promoted. Their strategy is to continue in their comfort zone with the primacy of business objectives. Therefore, they are the pipeline that perpetuates the historical managerial culture. Even more than that, they use cultural references to account for their practices and strategies (Kuty, 2010).

As found by Ogbonna & Harris (2014), HRM practices limit cultural change. We found that the promotion, reward, and evaluation processes hinder the change. The fact that performance appraisals of managers focus on business objectives and that their people management assessment does not have clear negative consequences on their career reinforce the historical managerial culture. The actors make use of the culture and, the lack of role model is a strong impediment to change (Valentino, 2004). Undoubtedly, leadership plays an undeniable role in cultural change (Hennessey, 1998).

There is no doubt about the bad role model of the former CEO since his client centered attitude reinforced the position of the historical managerial culture. Schein (83; 84; 90) had already explained that founders and their successors influence their culture. Moreover, leaders are also products of their culture (Thévenet, 1993) and their role modelling propagates culture through embedding and reinforcing mechanisms (Schein, 1990).

Nonetheless, these mechanisms can fail. For example, the fact that newcomers are ejected from the group if they query the usual approach or the strategy shows that teaching the right way to think by socialization can fail resulting in the rejection of those who believe the converse. Schein (1990) and some interviewees share a similar pessimistic view about the possibility to change the mindsets of those who reject change.

In conclusion, we have seen that the response of type 1 managers to the current external threat is to bring an identical answer to an anxiety-avoidance situation (Schein, 1990). In our case, the criticisms made by some interviewees about the lack of transparency and communications prove to a certain extent that solutions remain arbitrarily imposed by top management. The issue arises from people's needs for a shift in managerial culture and their deception about what some call the fruitless training initiatives.

3.2: The type 2 a half-finished evolution

- Hypothesis 3: There is a role conflict between expert and managerial tasks.

First of all, employees' calls for a change in managerial culture have brought about an attempt to change the dominant leadership styles (type 1) through managerial training. However, we have demonstrated in the above section that the culture perpetuates due to HRM practices, stakeholders' games to preserve their interests, and self-reinforcement between culture and leadership. Nevertheless, it does not mean that managers have not changed due to training. We have seen that some of them were brought to directive leadership styles, which was not their natural inclination. Now, they seem more comfortable to switch between several leadership styles.

Type 2 is a change from type 1. Type 1 managers do not flex their leadership style according to the situation and the person. On the contrary, this adaptability is emphasized by type 2 managers. They behave differently with junior or senior profiles. For instance, they are more prescriptive with juniors. Logically, they are closer to Hersey & al. (1979) recommendations, especially because they use different styles for different maturity levels.

They acknowledge that being more people-oriented is necessary for a healthy business and people. They try to conciliate both expert and manager's roles. It is for them that the conciliation is the most difficult, because they feel torn between expertise and people management. If we look at Blake & Mouton's (1982) these managers are between the Organization Man Management (5,5) and the Authority Obedience (9,1). In

fact, we found that they generally are high on the task and that under pressure they might come back to style 1, if this was their previous style or is their natural inclination (Tannenbaum & Schmidt, 1973).

In this respect, we can say that they switch between the four different leadership styles proposed by Hersey & al. (1979) because they have learned to do so. Moreover, backsliding is possible because there is no real constraint beyond recommendations. Similarly, the room for uncertainty is their warranty that their legitimacy is not questioned. After all, managers are employees too and it makes sense for them to maintain their monopoly over their managerial tasks to preserve their job security (Dubois, 2014). This logic clarifies that there is a gap between managerial discourses in the new strategy and practices (Dubois, 2014).

Furthermore, backsliding demonstrates that the collective programming of the mind (Ogbonna, 1992) is hardly replaceable if the problem-solving solution does not fail or is not replaced (Schein, 1990). Despite employees' needs for a more participative style, the directive leadership style has not been downgraded because it works. It is still pertinent for some managers since business objectives keep the priority over people management.

There have not yet been drastic changes in managerial culture that permit to affirm that the historical managerial culture has disappeared. In fact, as Mintzberg & al. (2009:310) argue: "change occurs inside the existing global strategy of the company". Moreover, we have demonstrated that the current strategy is the continuation of the historical managerial culture, but with a focus on a new complementary role of career enablers and skills' developer for managers.

Employees' needs for more participation is compatible with the organization's need for more versatile employees. This is why the HR project skills & mobility continues the undertaken leadership change since it adds a training and career coaching role to managers' roles. Therefore, this project is another attempt to bring leadership closer to style 3 or to stabilize the flexibility of style 2, but with a lessening of the directive styles.

Also, type 2 managers are the central weight that can tip the scales in favor of change or perpetuation. The situation they are in is expressed by the roles conflict they are living and by the cultural conflict. The formal structure both reinforces the historical managerial culture (through HRM processes, structures, role modelling, etc.) and the new managerial culture through training offer and discourses. The lack of formal and social control over managerial practices and managers' leeway enable the emergence of zone of uncertainty that reinforces stakeholders' games through the informal structure.

In conclusion, we note that the formal structure does not prevent managers to be more people-oriented and the informal structure offer them a wide leeway. Therefore, the concrete system of action (Dubois, 2014) might favor either perpetuation or change. Effectively, the formal structure determines the: "spaces for negotiations and stakeholders' games" (Friedberg, 1992), but not the behaviors. Finally, managers have power through their room of uncertainty and could change or perpetuate the rules of the game.

3.3: The type 3 an open door to cultural change

- Hypothesis 1: There is a historical managerial culture and a new growing managerial culture that challenges the first.

To start with, managers of type 3 have a totally different approach from others. On Tannenbaum &

Schmidt's (1973) continuum they are subordinate-centered and oscillate between presenting the problem to get suggestions and make decision to complete delegation. Their leadership style is situated around Team Management (9,9) and Country Club Management (1,9) (Blake & Mouton, 1982), though we did not notice any manager low on task, which leads us to say that in our case study, they were at least middle in task-orientation.

To continue, our results are coherent regarding the 9,9 of Blake & Mouton (1982) because these researchers state that for the 9,9 managers, the assumption is that committed people make great work. This statement is present in the new managerial culture assumption. As a result, trust and respect are essential within a collaborative team (Blake & Mouton, 1982). We noticed these values coupled with empowerment, accountability, honesty and transparency. They are believers in the theory of Y (McGregor, 1966), therefore they strive for creating working conditions that allow people to work to their goals and organizational objectives. The question of people full potential is at the center of their preoccupations (McGregor, 1966).

In addition, they seem to use more referent, information, connection, and reward power (Hersey & al., 1979). However, they do not really flex their style since they are convinced that people are responsible and motivated. As a consequence, their leadership style concentrates on participating and delegating styles (Hersey & al., 1979) no matter of the maturity level. For example, we noted that their hands-off approach can create frustration for some subordinates who need more guidance or that they do no "waste" time with unmotivated people because this lack of motivation goes against their deep beliefs.

Obviously, they correspond much more to transformational leaders than to transactional leaders (Bass & Avolio, 1993), besides they use their leeway to create their bubble of culture. Some of them require that managers working for them apply the same management practices, in the end, it extends the surrounding and inspiring bubble of culture. Both confirm that they work to change culture when it does not fit for their personal values. If type 2 managers can also be engaged to more people-orientation because of personal values, type 3 do not change their leadership style. There is a true conviction, almost an act of faith that guides them.

Furthermore, they take stock of the cultural conflict and can ride the wave of the new managerial culture initiative to be role models. The roles conflict is not an issue for them because they know their priorities, and these priorities include people. In their opinion, a true change in managerial culture would be possible if manager's roles and practices were more formalized, thereby weakening the uncertainty that surrounds managers' practices. As we have demonstrated, the zone of uncertainty is used differently from a way to apply authoritarian leadership to pure delegation.

However, they acknowledge that their style might not be perfect, yet they consider that the organization should give more importance to people management in appraisals. They also argue that management positions should not be given anymore to people who do not have managerial—understand leadership and people oriented—competencies. In short, they acknowledge that HRM practices are brakes to change (Ogbonna & Harris, 2014).

Back to Schein's learning process (1984), it is obvious that type 3 managers bring different positive-solving solutions and respond differently from others to anxiety-avoidance situations. Additionally, we found that there is a double phenomenon happening in the organization (Schein, 1990): more integration of deeper basic assumptions coming from the strategy of cost-effectiveness and strive for excellence, and also the

appearance of a subculture that emphasizes the importance of creating a nice work atmosphere. The dynamic around subcultures impact the whole culture (Ogbonna & Harris, 2014). It leads us to confirm that in this study, the general culture is not the historical managerial culture, but a negotiation between the historical managerial culture and the new managerial culture (Schein, 1990), hence the general culture is the cultural conflict.

In fact, a subculture can be aligned with the current strategy or not (O'Reilly & Chatman, 1996). In our case, the type 3 produces a culture that is aligned with the new identified strategical need in the organization: more versatile people for more internal mobility. The consequence is that managers should take part in the training and skills' development of their people.

From all of this, it follows that to foster cultural change, it is possible to let a subculture take the lead, if this subculture better fits environmental changes and current needs (Schein, 1990). To support the initiative, new leaders can be assigned to key roles to point out the new direction (Schein, 1990). This last point brings us back to role modelling, which we identified in the actantial models of roles conflict, cultural conflict, and manager's role type 3 as an enabler to foster change towards more people-orientation in managerial culture.

4. Managers' practices related to competency development

- Hypothesis 4: Depending on their leadership styles, managers do not develop their subordinates' competencies the same way

The purpose of this section is to compare the practices of competency development of the three manager's types. The actantial model of competency development practices does not suffice to affirm whether managers apply the same practices, have the same regularity, or objectives. To answer that question, we analyze the practices, their regularity, and their importance for each type of manager (based on Table 1 pages 68-69).

To start with, it is possible to say that excepting for coaching the three types of managers have quite similar practices (see table page 68 lines 3 to 10). The differences reside in the use of roleplays, meetings with N-2, and the regularity of their 1to1. The lines 11 to 14 show that there are big discrepancies between the type 1 and 3 on coaching. Career coaching is simply not happening for type 1. The difference between type 2 and 3 is that type 2's coaching is less formal and their approach can be more prescriptive.

Like previous differences, line 19 allows us to affirm Type 1 managers are more authoritarian in the identification of training needs. Type 2 fluctuate between a collaborative and a more prescriptive approach, whereas Type 3 are highly collaborative. All types can give direct training (line 17), but the attitude changes from tight control for type 1 to observation for type 3. The importance of expertise plays here a role because managers with a strong expertise express difficulties to take an observer position. The consequence might be that the objectives of the training are not met since the manager is not a coach anymore, but a player.

The same dynamic between control and development is visible for the objective of feedback as well as for why role modelling is used. This very dynamic is reflected in the inclination to delegate. For type 3, delegation is a way to develop people and it implies that people have to take risks. Type 1 has an aversion to let people take risks for them, consequently they do not tend to delegate as long as people are not completely competent. Type 2 managers are in between and adopt one or the other strategy based on subordinate's profile. They have a propensity to be more prescriptive and to less delegate with junior profiles while they have more

trust in seniors.

In reality, these results are very coherent regarding the literature. Tannenbaum & Schmidt (1973) had already identified that managers have different needs of security. Delegation implies less control over the output, as a result the difference in behavior results from the manager's need for predictability and stability (Tannenbaum & Schmidt, 1973). In addition, those who need more control have more confidence when they are sure that employees are able to perform (Tannenbaum & Schmidt, 1973). This explains why type 1 managers only delegate when they are convinced that employees are competent and it also clarifies why they value PJ-fit as it allows them to focus on their expert tasks rather than on subordinates' training.

Manager's role is to accompany and facilitate training (Jemli, 2015). Owing to the fact that this role necessitates time, commitment, and competencies from the manager, the three types differ on these points. In a competency model, we learned thanks to Jemli (2015) that managers clarify the objectives, provide expertise, organize, manage interactions; and participate in competencies management. Moreover, managers also have expertise and they are in the best position to assess competencies in relation to objectives (Jemli, 2015).

The reasons given in the literature for managers' resilience to take part in this training role (Jemli, 2015) correspond mostly to the ones we identified for types 1 and 2 and in our actantial model of competency development (opponents). Among type 1, some managers consider that training is not their role, even if they still deliver some training from time to time. Generally, the type 1 manager lacks motivation in this role, excepting for accompanying newcomers. We noticed that they are more open to train unexperienced people, but it remains a short-term engagement and they expect people to quickly progress. Concerning the lack of time, pedagogy, or training to assume this role, both types 1 and 2 are concerned.

This research confirms that the lack of time or competencies to train employees limit managers' commitment (Jemli, 2015). Because of the roles conflict, we can say that multiple responsibilities restrain the potentiality to be involved in training. Moreover, the legacy of the culture wherein they have evolved explains why some managers put business above training. In addition, we found that managers' beliefs about people like: seniors do not need support, subordinates are unwilling (lazy), and alike, hold them back from being more committed in this role. Because type 3 managers do not have that reasoning and due to their counterculture mindset, we deduce that the cultural legacy influences types 1 and 2 in their beliefs, but not type 3.

Additionally, the actantial model confirms that managers consider that being committed in training & development brings added value to the organization and to employees (Jemli, 2015). We found that style 3 managers go in the same direction as Jemli (2015) recommends: They develop a nice work atmosphere that is equitable for their employees by playing on values to create a shared vision. Even though the environment is uncertain, they try to reinforce the feeling of security by being transparent, they modernize their power relationships, take emotions into account; stimulate a high-level of accomplishment and performance by highlighting accountability; they promote autonomy through empowerment and delegation, and finally, they take subordinates' self-development needs into account.

The major difference we found with Jemli (2015) is that they do not give a significant importance to the annual appraisal interview, because of the coaching plan and owing to their continuous follow-up with subordinates. To put it in a nutshell, they do not wait one year to discuss training & development and career.

Another difference is that they do not only develop skills linked to the job. Again, it depends on the coaching plan and people's medium to long-term needs.

In terms of practices, Zarifian (2001) argues that active listening is a true competence that managers should have to understand what subordinates need, which is highlighted by Type 3 managers. We found practices identical to Jemli (2015): creating a customize path (Types 2-3 with coaching plan), organizing training sessions, accompanying self-training, role modelling; and learning through challenges and experience. All types engage in such practices, although we have demonstrated that they have different approaches in terms of motivations, intensity, regularity; and means.

In summary, type 1 are not formalized in their approach, but short-term oriented, and as stated in Jemli (2015) some managers adopt an authoritarian approach in competences development. As a result, it means that the learner has little freedom in the process. Concerning type 2, they are more regular and formalized in their approach. They can let more freedom to people in the process, but they tend to be more prescriptive with junior profiles or unwilling and hesitant subordinates. Moreover, if they have a strong expertise they also tend to give responses instead of enabling a self-thinking process. In some cases, especially when they feel constrained by the roles conflict and a lack of time, they backslide to style 1 and sideline the coach manager for a while.

Finally, type 3 have a very structured approach whether this approach is time-consuming or not. They always find time to dedicate to training & development since for them subordinate's growth is important (Tannenbaum & Schmidt, 1973). They seldom postpone this duty and are reluctant to drop it. Their leadership style is delegative, which in return leaves them more time to dedicate to training. They shift the control mechanisms to fit autonomy and accountability, besides they accept that the counterparts are delegation and trust (Zarifian, 2001). From tight control, control becomes the verification of commitments realization (Zarifian, 2001). To conclude, their long-term perspective is reflected for example in the annual coaching plan.

To conclude, we suggest coming back to organizational culture. We have shown that organizational culture has shaped the dominant leadership style over time. Now, we can affirm that organizational culture also defines what a competent practice is (Fleury, 2009). Fleury (2009) relies on Zarifian, McAuley, and Le Boterf to claim that competences make sense in context (Reynaud, 2001). Consequently, the context favors the development of a competence or not, and the group judges who is competent or not (Fleury, 2009).

At last, these consequences are nuanced by our case study. We have seen that the zone of uncertainty gives power to managers. This area of freedom allows them to develop their strategies and subcultures. Moreover, the cultural conflict documents that several interpretations of what a competent practice is exist simultaneously in the organization. Thus, the influence of organizational culture on the definition of the competence and on competency development practices is mediated by the leeway managers have and by their personal potential to create or develop a subculture on account of their leadership style, which is influenced by a value-based rationality (Boudon, 2004).

TABLE 1: Managers' practices of competency development

	Practices	High task – Low people TYPE 1	High task – Medium people TYPE 2	Medium to High task – High people TYPE 3
	Objective of PM role	Reach the targets	Reach the targets by keeping people on board	Create a nice work atmosphere to reach the targets with people by developing them
2	Attitude to performance appraisals	Not enough information	Needed	Often criticized
3	Use performance appraisal to identify skill gaps	Yes	Yes	Maybe, but coaching plan
4	1to1 on business	Yes	Yes	Yes
5	Regularly drop-postpone 1to1 for business reasons	Probable	Probable to try not to	Try not to or categorical no
6	1to1 with N-2	No	No	Possible
7	Weekly whiteboard	Yes	Yes	Yes
8	Monthly successes	Yes	Yes	Yes
9	Roleplays	Not enough information	Rare	Yes
10	Practice by doing	Yes	Yes	Yes
11	Career coaching	No	Yes	Yes
12	Formalization of coaching (plan)	Not relevant	Maybe	Yes
13	Coaching only on job related topics	Not relevant	Yes	Yes, but not exclusively
14	Coaching approach	Not relevant	Prescriptive (junior profiles)- Supporting (senior profiles)	Professional coaching
15	Regularity of coaching	Not relevant	Depends on the profile Can be dropped	Regular, may be postponed
16	Identification of skills needs	Prescriptive	Collaborative or prescriptive	Highly collaborative, might be suggested
17	Direct training	Yes	Yes	Yes, excepting for coaching subjects
18	Time perspective	Short term	Variable	Long-term

19	Training meeting	Control	Tend to intervene	Observe
20	Direct feedback	Yes	Yes	Yes
21	Feedback objective	Corrective action	Corrective action & improvement	Person self-development
22	Role modelling	Yes-Expert	Yes-Keep on board	Yes-Values
23	Goal of role modelling	Expertise acquisition and reaching the targets	Reaching the targets and motivating	Leading by example and developing people
24	Delegate to enable learning	No	Depending	Yes
25	Let people take risks	Rare	Limited	Encouraged within limits
26	Believe in the added value of mobility	Yes	Yes	Yes
27	Help job mobility	Depending	Depending	Depending
28	Adapt leadership style to situation	No	Yes	No

5. Analyze of documents

5.1: Documents analysis regarding organizational culture: climate survey

The analysis of the climate survey—with reservations due to the fact that most data concern the whole company and not the studied division—confirms several elements that have been raised in the interviews. First of all, the Annex 2 (images 1 and 2) shows that the results have generally slightly diminish from 2015 to 2016 (year of our study), both at a global level and for the studied division.

Moreover, we can compare what we found over the values with the climate survey (Annex 2: image 4). We found by analyzing our interviews that “client first” is experienced as the most important value. The climate survey proves that 83% of respondents consider that this value runs through the organization. On the contrary, the value “effectiveness” is rarely referred to in the interviews and only 66% of respondents of the climate survey think that this value is applied in their day-to-day.

Even though some interviews have raised concerns about respect in the organization, the climate survey enables us to say that 75% of respondents consider that the value is applied. This leads us to recall that the studied division has a “bad student” reputation for management practices, and we may add cautiously respect too to a certain extent. However, this remains a hypothesis without any proof. Also, we showed that “accountable” is of particular importance for the type 3 managers (it does not mean that it is not true for others). The climate survey places accountable at 72 %. Helpful scores at 77% and is the second strongest value.

Furthermore, the climate survey supports other findings. The low scores on a bunch of indicators (Annex 2: images 3, 5, and 6) confirm that: senior leadership is not perceived as giving a clear direction (59%)

nor a clear sense of belonging (59%). Similarly, they are not perceived as giving energy while communicating (58%) nor as being honest in communications (53%). The job satisfaction collapsed from 75% to 69% and commitment too (from 80% to 72%). As showed communication transparency has the lowest score with 53%, moreover the quantity of communication is at 68%. The inescapable conclusion is that all these back semi-structured interviews about communications. The numbers show that the problem first resides in transparency.

Despite managers' roles conflict, employees consider that managers are available to help them (86%). In addition, for 75% of respondents, their direct managers give them regular feedback on their performance, which is like our findings. In the interviews, some managers said that they could perform their expert tasks when their teams were heading back home. Consequently, the roles conflict and the lack of time felt has more consequences for managers than for employees. About career and development 61% of respondents consider that their manager helps them with their career. This does not contradict our results since we found that all types of managers have regular 1to1, but that not all of them are regular when it comes to this role.

To conclude with values, respect is not as bad as some interviews have stated. Nevertheless, we recall that the studied division has a bad reputation on that point and that we do not have the results per division. The most pertinent element is the strong score of "client first" that highlights the priority given to business and confirms the cultural orientation that we have noticed in the studied division. We note that results concerning senior leadership and communications are low and have decreased. Finally, if managers seem to be available for feedback about performance; they are less available for career & development discussions.

If we come back to the client centric culture, other documents clearly prove that the strategy of the company has emphasized the importance to engage in that way. Nevertheless, for confidentiality reasons, we do not share them. They show that the organization called upon consultants to promote a client-centric culture. Another initiative (bottom-up) to clarify the values by giving them common definitions and a common story to organizational members failed in 2015 because of budget reasons.

5.2: Analysis of coaching

To analyze, in coaching we include all elements pertaining to coaching such as coach, coaches, etc. By development, we mean all elements pertaining to training & development and careers. In leadership, we take all that connects with management into account. By culture we understand the new managerial culture, which is composed of all elements described in previous sections. In the table below, we can see how many times coaching is connected with another variable in twenty-three short quotes from employees (see Annex 4, consider elements marked with E1 to E23).

Table 2: Analysis 1 of coaching					
Coaching	Culture	Development	Leadership	Performance	Total
Occurrence	4	8	9	2	23

In nine short paragraphs (see Annex 4, consider paragraph marked with a β), the following co-occurrences were found. We argue that this shows how much the different elements are intertwined in discourses. Consequently, coaching is part of a new culture that constitutes the internal machinery of a new strategy. This

strategy focuses on leadership and competency development to reach performance. This document written by the new CEO (before taking function) supports the previous findings of this research.

Table 3: Analysis 2 of coaching							
Coaching	Culture & development	Culture & leadership	Leadership, culture, development & performance	Development, performance & culture	Leadership & development	Development & performance	Total
Occurrence	1	1	2	2	2	1	9

5.3: Analyze of environmental pressures

In the following table, we analyze the co-occurrences between regulation and five thematic: risk, cost, competition; clients pressure; and over-regulation. The analysis comes from a text over T2S (see Annex 5 images 4 to 9) that is a new technological platform in the financial industry: “TARGET2-Securities, more commonly known as T2S, is a single, pan-European platform for securities settlement in central bank money. It brings substantial benefits to the European post-trading industry and is one of the largest infrastructure projects launched by the Eurosystem so far⁶.” In the Annex 5 (images 4 to 9) the thematic are pondered regarding the implementation of this platform.

Table 4: Analysis of regulation							
Regulation	Reduces risks	Increases risks	Reduces costs	Increases competition	Clients pressure	Over-regulated	Total
Occurrence	4	3	7	1	2	6	23

The analysis of this thesis has established the importance of cost effectiveness for the studied organization. Here costs reduction is of high concern for the industry. The potentiality to reduce costs relates in this case to a European regulation. Additionally, whether it is about reducing or increasing risks, we also note that risks are of high concern for the industry and are connected with regulation, at least in this case. The regulation is associated with over-regulation six times in the text. The analysis of many other internal documents confirms that the organization places itself in the middle of a storm of regulation attempts⁷. At last, minor relations exist like more client pressure and the possibility for an almost duopolistic market in Europe to see the emergence of smaller actors.

The analysis of this document supports our findings on the influence of the external environment on organizational strategy and ultimately its culture. More precisely, risk and costs reduction permeates throughout the organizational culture and management both in documents and interviews. To further demonstrate how strategy tries to modulate organizational culture to respond effectively to business challenges, we propose to take a look at a message (Annex 5 image 1) from the new CEO (already announced when publishing the text).

Finally, the importance of cost effectiveness is emphasized again since in a text of seventeen lines, the

⁶ <https://www.ecb.europa.eu/paym/t2s/html/index.en.html>

⁷ They relate to corporate strategy and cannot be displayed publicly. They will be available at our oral presentation.

category cost effectiveness appears five times. There is also acknowledgement of employees' concerns in the communication (see A to C). It also indirectly places the HR project skills & mobility in the strategy since internal mobility is to be promoted (see E). Finally, the last paragraph insists again on the importance of a safe approach to costs management.

Discussion

To start with, we can affirm that this research permits to go beyond current scientific knowledge on the research question. Several arguments linked to our hypotheses permit to maintain this statement. First and foremost, the analysis for the most part supports our hypotheses, even if we must give further explanations, we can affirm that organizational culture and leadership styles influence the practices of competency development. Now, we need to answer our hypotheses before coming back to the starting question: How do organizational culture and leadership styles influence the practices of competency development?

The primary hypothesis of this research was that: Depending on their leadership styles, managers do not develop their subordinates' competencies the same way. This hypothesis is confirmed to a certain extent. We have noticed that a lot of practices are identical between the three types of managers, which would rather disprove this hypothesis, although a couple of practices like career coaching or one to one with N-2 are not used by all managers.

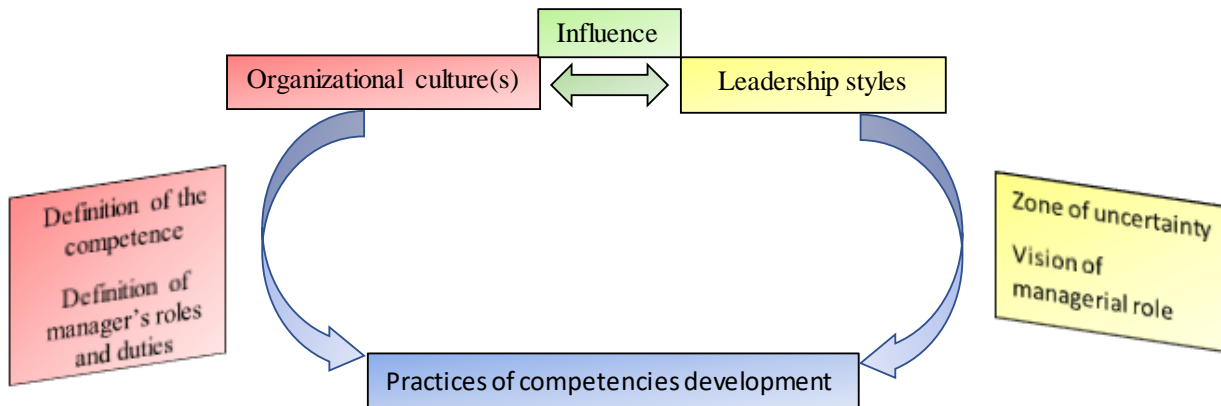
More importantly, the answer to our question is not that they almost have the same practices, but that they have different approaches and motivations, which in return changes the learning process and possibly the outputs. Finally, some managers do not really care about this role since for them it is secondary to meeting business objectives, as taught by the historical managerial culture. Others try to conciliate both roles, but the more they are experts, the more they tend to be prescriptive in the learning process and they often are influenced by the historical culture. Others take a leading (coaching) role and develop a specific approach based on accountability, delegation, trust; and autonomy.

Furthermore, our analysis has also explained how culture influences the competences that are developed. For instance, we can compare our concept of strive for excellence with the case study of Fleury (2009), in which dominant engineering values define what a good product is and influence what is considered to be a competent practice. Another link between organizational culture and practices of competency development is indirect and mediated by leadership styles. Indeed, we have demonstrated thanks to hypothesis two that culture shapes leadership styles and inversely, and that managers with different leadership styles have different approaches to training & development.

Therefore, a theoretical implication is that organizational culture could define which practices managers would preferably adopt to develop subordinates' skills. To illustrate this point, we spotted very deep beliefs in the organization like the fact that steering and senior profiles do not need a close follow-up from their manager. Although this is not really shared by type 3 managers, it is widely spread in the organization. This leads us to defend that culture by its influence on the minds shapes the practices of competency development. The context influences the potentiality to develop a competence. On this point, we are supported by Fleury (2009), but we add that each manager has the possibility to rewrite the rules due to a lack of

formalization of practices resulting in an important leeway for executives.

To conclude on that point, we can say that culture and leadership mutually influence each other. In addition, culture defines what a competence is and shapes the mindsets about what a manager should do. The leadership styles can be either influenced by the culture or not. As a result, when managers have a zone of uncertainty, they are able to decide upon their practices. The final result is that managers' practices of competency development can (1) reflect the dominant managerial culture, (2) the freedom of managers, (3) or a subculture. We obviously do not consider the last two as antagonist. The relations between the concepts are illustrated in the pattern below.



The hypotheses came from the field study. Nevertheless, some relations between those concepts also exist in the literature, notably between organizational culture and leadership. There is little literature on the relations between organizational culture and practices of competency development and between leadership styles and practices of competency development. We postulate that our pattern can be generalized to a certain extent. The variables should be the same, especially the zone of uncertainty that allows managers to act freely.

On the contrary, very formalized managerial practices might leave less freedom to managers, even though their personal commitment and acts would always remain, to some degree, in their power. Freedom matters because if the rule has no consequence, the desired behavior is not compulsory.

From this study, we can conclude that different leadership styles lead to diverse approaches to manage competency development. Undoubtedly, the motivations of managers differ as well as their sympathy for some processes, methods, or roles, but also how they prioritize this role among their multiple duties. One key finding is that the potentiality to delegate and the formalization of practices pertaining to this role vary according to leadership styles. Moreover, we showed that some managers require from their N-1 (who are managers too) to copy their practices. The importance of role modeling—forced or not—has been demonstrated through this study.

At the end of the day, all these elements are important for researchers and practitioners as it would mean that according to the context and the objectives, different leadership styles might give different outputs, in terms of training & development. It seems that more authoritarian managers would tend to focus on skills directly relating to the job and short term needs, whereas more collaborative managers would tend to develop more sustainable and transferable (to another context) skills based on a long-term perspective.

Among the three secondary hypotheses, hypothesis two is confirmed: There is a historical managerial

culture and a new growing managerial culture that challenges the first. It is supported by the numerous elements that illustrate a cultural conflict in the interviews, our dedicated actantial models, and our analysis in general. We demonstrated that despite top management's strategy and employees' feedback, what we call the historical managerial culture is still alive. We showed that several associated elements converge to perpetuate the cultural status quo, which is similar to Ogbonna & Harris (2014) and D.E. Welch & Welch (2006). These elements gather HRM practices, stakeholders' games to maintain their power, and the corporate strategy qua a response to the external environment that has both a perpetuating role and an agent of change role.

Effectively, the analysis showed that the influence of the industry is of importance. It influences the cost-effectiveness and risk-avoidance strategy that permeates through organizational culture. Others like Mintzberg & al (2009) already stated that the various levels of culture (national, industry, and organization) interact. Moreover, we have demonstrated how these values are linked to the historical managerial culture. Therefore, the culture leads more to strategic perpetuation and the strategy to cultural perpetuation than to change as long as a usual strategic answer is given to environmental challenges.

Nonetheless, in comparison with Ogbonna & Harris (2014), our case study is different because the historical managerial culture is not a hegemonic force anymore. The strategy on cost implies that an increased internal mobility must compensate for less newcomers and the focus is put on a competency model. Consequently, to allow smooth transitions between jobs and competency development, managers should take a coaching and training role. The cultural conflict results from the combination of a strategic need to give a new role to managers and from employees' calls for a refreshed leadership approach and more development opportunities that try to overcome the historical managerial culture.

The growing culture originates in these convergent needs and bases its development on leadership training and managers who were already managing differently. As demonstrated by Schein (1990), our case study shows that there is a tendency to reinforce the deeper elements of the culture (linked to the strategy) and a differentiation by the emergence of subcultures. Also, in the absence of a coherent support from top management to cultural change, middle managers are unable to fully apply this change. For that matter, we are supported by Valentino (2004).

Finally, the cultural conflict exists because employees (thus, managers) do not respond automatically to taught culture, but can resist to cultural internalization (D. E. Welch & L. S. Welch, 2006). Some managers are products of their culture (Hofstede, 2011; Ogbonna & Harris, 2000; Smircich, 1983), and overtly resist to a cultural change that threatens their legitimacy and ultimately their job security by developing a strategy to protect themselves against these threats (Dubois, 2014).

At last, managers are sense-makers (Valentino, 2004), as a consequence those who preach and act against the cultural change manage their own commitment (Kuty, 2010), but as we have shown they impact perpetuation, notably through role modeling, even if the same mechanism works the other way around. Indeed, managers give signals about what is important through their behaviors and the followed activities, moreover they influence others' perceptions of events (O'Reilly & Chatman, 1996).

Concerning hypothesis three, it is supported by the analysis and the interviews. Indeed, some people clearly said that they felt guided by the organization and its culture to a certain leadership style in the past. By

the same token, the culture has emphasized business over people. As a result, our analysis demonstrates that culture and leadership influence each other (Schein, 1990). In addition, we found that managers tend to fit their superiors' expectations in terms of behavior and management (Tannenbaum & Schmidt, 1973).

By comparing different types of managers, we found type 2 (transactional leaders) live in accordance with their environment, including organizational culture, whereas type 3 (transformational leaders) tend to create their own culture (Bass & Avolio, 1993). We can affirm that the cultural conflict emerges from the attempt to change the managerial culture: The organization has created a directive leadership style over time and now tries to learn to managers to cope with different leadership styles.

However, hypothesis four about roles conflict is only partially confirmed. There is a roles conflict for managers of type 2. These managers evolve with their culture and top management's requirements, as a result they try to conciliate both expert and managerial tasks. However, for type 1 and 3 there is no roles conflict. In fact, this is possible because two structures form the rules of the game (Kuty, 2010). The absence of formal control and the incoherence of social control produced by the cultural conflict creates a zone of uncertainty around management practices. The result is that type 1 and 3 can freely manage their way.

Consequently, even if the formal structure implies that they have both responsibilities, type 1 managers often put management duties aside. On the contrary, managers of type 3 also use an unregulated aspect of manager's practices to give more importance to people management. Our case study shows that actors use the rules to develop their strategies. This is supported by many studies (Dubois, 2007; Friedberg, 1988; Kuty, 2010; Thévenet, 1993). The result is that type 1 and 3 do not experience the roles conflict, either because they prioritize for the task (type 1) or because people is their priority (type 3).

To conclude with the comparison, unlike Dubois (2007), we did not find that different approaches answer the exact same organizational goal. Indeed, if type 3 managers try to meet their business objectives, they include a development role that changes the general objective in comparison with the historical managerial culture. However, we are supported by Dubois (2007) on the fact that a lack of formal control permit divergence and that polyvalence is the result of undefined tasks.

Similarly, the more managers as well as prison guards are high in the hierarchy, the more they have leeway (Dubois, 2007). Managers also have an autonomy *de facto*, hence discretionary power over their practices, and finally the cultural conflict reflects an opposition also present in the hierarchy (Dubois, 2007). We must conclude that senior managers like senior guards are role models for younger colleagues (Dubois, 2007).

We acknowledge that this study has several limits. First, only twenty-one recorded interviews have been realized. However, the studied division had forty-eight managers and the interviewed managers are in situated at different hierarchical levels, which gave us a complete view. In addition, we reached saturation and the three interviews with HRs provided information about the strategy. All interviews were corroborated by multiple informal talks with people from various divisions. Moreover, we were in immersion during four months in the company, as a result we were able to realize loads of observations, and we personally worked on the HR project gaining a sharpened insight.

Second, we only studied one division. It implies that our results might not been applicable to the

whole organization. Nevertheless, the analysis of internal documents showed that all employees raise the same concerns about management (leadership) and development opportunities. Third, the comparison between the analysis of interviews and observations with internal documents is limited because documents relate to the whole company. Consequently, documents confirm more a general trend in the organization than in the studied division. However, our informal talks with people from various divisions support that challenges and issues analyzed here are the same in other divisions, perhaps to various degrees.

Fourth, the study pertains to one organization in the financial industry in Brussels, Belgium. Therefore, it might be complicated to claim that this model is applicable in other sectors or countries. However, the links between organizational culture and leadership have been demonstrated many times in diverse contexts (Chatman & O'Reilly, 2016; Hennessey, 1998; Maas, 2015; Mintzberg & al., 2009; Ogbonna, 1992; Ogbonna & Harris, 2000; 2014; Pettigrew, 1979; Schein, 83;84;90; Thévenet, 1993, Valentino, 2004), as well as organizational culture and subcultures (Maas, 2015; Ouimet, 2007; O'Reilly & Chatman, 1996; Schein, 1990; Thévenet, 1993).

Equally, the principle of zone of uncertainty has been demonstrated several times (Dubois, 2007; Friedberg, 1988; Kutry, 2010). Furthermore, our analysis shows that the practices of competency development relates to organizational culture (Fleury, 2009; Zarifian, 2001), and leadership styles (Jemli, 2015; Zarifian, 2001).

Fifth, the concept of organizational culture has raised many concerns and debates in the literature. This concept might weaken the significance of our findings. However, we respected the recommendations of Ogbonna & Harris (2000) who alert researchers to the risk of using organizational culture as a unitary concept. That is the reason why we focused on managerial culture and its endurance as linked to the strategy.

To conclude, it is useful to insist on the importance of our findings. The most important for scholars and HR practitioners is that leadership styles and organizational culture interact. They both have an influence on how managers develop their subordinates' skills. In a context of an increasing need for a competent, flexible, and versatile workforce, considering that different managerial cultures and leadership styles do not develop competencies the same way might be of high value. The final result is that different approaches would lead to different outputs. Consequently, employees' performances and development should be different too. We foresee a bunch of implications for both scholars and practitioners.

Conclusion

To conclude this research, we propose to come back to the initial question: How do organizational culture and leadership influence the practices of competency development?

Organizational culture impacts the definition of what a competent practice is. In our case study, the strive for excellence combined with the risk-avoidance present in the organizational culture shape the behaviors and the quest for details, perfection, and security. Moreover, organizational culture has shaped the dominant leadership styles in the organization: The directive leadership styles imply that managers tend to decide upon skills' development, instead of engaging in a collaborative process with their subordinates. In

addition, skills' development is not seen by those managers as their priority, because business comes first. Authoritarian leaders are able to block change since there is poor control over management practices and in the historical managerial culture management duties were less highlighted than currently.

Succinctly, organizational culture influences the practices of competency development in two ways. Firstly, it defines what is a competent practice and which behaviors are expected from managers. Secondly, organizational culture and leadership styles shape each other, and leadership styles impact managers' practices. The second impact of organizational culture is thus mediated by the leadership styles it favors in the organization.

Turning to leadership styles, their influence on development practices results from managers' perspectives. The way they prioritize between business and people management—so, task or people orientation—strongly affects their practices. Moreover, their style does not only impact how they prioritize, but also how they engage in skills development. Even though we did not notice a huge gap, but still a gap between authoritarian and collaborative leaders in terms of the chosen practices, we noticed above all that their objectives, regularity, formalization; and approaches are quite different, not to mention opposite.

In the end, we found three types of managers. Two of them are influenced by two organizational cultures while the other is guided by own values. We also found two competing managerial cultures and the importance of power distribution in the organization. In fact, managers keep a wide control over their practices because there is no real control over those neither real negative impacts of bad management practices nor of poor team assessment.

The first culture (historical managerial culture) has created directive leadership styles and emphasizes business objectives over people management. Managers of type 1 belong to this culture and defend their power. For them, the arising of a new managerial culture is a threat because it attacks both their comfort and power zones. By their actions, they fight for the sustainability of the historical managerial culture that has granted them power. This thesis shows that stakeholders resolutely defend the power zone they control, in particular for managers who want to keep their legitimacy and leeway.

In spite of the influence the historical managerial culture has had on them, type 2 managers try to evolve with the new managerial culture. However, the cultural conflict between two managerial cultures results in their recurrent difficulty to choose their side. It means that their practices of competency development are more elaborated than those of type 1, but from time to time, they backslide to type 1 behaviors.

Those managers are the most likely to experience a roles conflict between manager and expert tasks. Effectively, for type 1 business comes first: They dedicate time to people management only if absolutely necessary. Type 2 managers try to strike the balance, hence they are sometimes stretched between both duties. The roles conflict stresses the limits of type 2 managers' practices of competency development: they are irregular. Despite noticeable improvements in comparison with type 1, type 2 managers remain, for a part, strongly submitted to contingencies.

On the contrary, type 3 managers always manage to find time for people management. Their personal beliefs and values guide their leadership style and management practices. In a nutshell, we noticed that they are guided by a value-based rationality, which explains their actions as well as why they are not influenced by

organizational culture as others are, but intend to respect their principles, which results in the creations of their own distinguishing subcultures.

As a consequence, type 3 managers have very formalized, regular, elaborated; and exigent development objectives. To give an example, the coaching plan they have with employees really matters to them. They strive to create a nice work atmosphere and base their management on values such as accountability, transparency, empowerment, delegation; autonomy; and trust. As a matter of fact, they do not experience roles conflict. Given that they delegate, the time they do not spend to get their hands dirty is used to people management tasks, thus also to train and development duties.

This case study gives key interesting learnings for practitioners. Managers of type 3 are not products of their culture, but create a subculture that is closer to the emerging cultural paradigm around competency model. In a context of cultural change towards more collaborative leadership styles and new role of trainer and coach for managers, in the frame of a competency model, Type 3 managers can serve as role models provided that they are promoted, occupy key positions, and are granted enough visibility in the organization.

Moreover, in the case study, their practices of competency development already go beyond the minimum expectations of the HR skills & mobility project. Nonetheless, behaviors of other managers that do not fit corporate objectives regarding the new culture will persist as long as they are not firmly discouraged. It means that the zone of uncertainty around management practices both enables and thwarts cultural change.

For all these reasons, managers of type two could be supported by type three managers, which would eventually promote and reinforce the new managerial culture. Researchers and practitioners can make advantage of that because promoting and putting role models to the fore can foster change. Type 3 managers and their value-based management can enable a change in managerial culture towards the competency model. Indeed, we demonstrated that leadership styles and organizational culture influence each other. Logically, giving more power to people who correspond to the historical culture or to the desired culture do not give similar outputs.

Consequently, in an organization that highlights the importance of competency development, managers who strive to develop such practices in the organization can support the cultural shift. Type 3 managers are transformational leaders who work to change the culture if it does not fit their values. Therefore, they represent a powerful army of insiders, available for the organization, to make the required evolution towards the new values and managerial role.

The zone of uncertainty that managers have is crucial to understand the perpetuation of the historical managerial culture. Effectively, stakeholders can hinder cultural change as long as they have access to power. In fact, organizational culture and leadership styles can either be complementary or opposite forces in shaping the practices of competency development. More control on managers' practices—whether formal control by HR policies to reduce managers' leeway or social control through culture—means a reduction of the zone of uncertainty.

As a consequence, organizational culture by defining what a competent practice is and manager's roles and duties can use its alignment with type 3 managers' vision of their role to engage a new influence between organizational culture and leadership shaping. This alignment should be followed and supported by

corresponding HRM policies that lead managerial practices, by meaningful communications to the whole organization from corporate level as well as at managerial level, and by coherent practices reinforcing the messages given.

Furthermore, we demonstrated that type 3 managers' practices of competency development are more elaborated than others and that they are capable to be long-term oriented. Rationally, we can say that managers for whom the development of competencies is not part of their role do not fit the new paradigm of management created by the competency model. Moreover, some have no readiness to change because this same change threatens their legitimacy. Ultimately, power distribution in the organization will determine whether change will be buried or rose to power.

Also, this thesis shows that a complex strategy can create an ambiguity in terms of organizational culture. Some elements of the strategy, such the cost-effectiveness and the strive for excellence, reinforce some aspects of the historical managerial culture like details-orientation and risk-avoidance. Nevertheless, the strategy paves the way for a turning point because it insists on competency development. This shift reshuffles the cards, particularly concerning the definition of the managerial roles.

Today, managers are expected to dedicate time and energy to competency development, whereas the managerial culture tended to extremely focus on task-orientation far more than on people. Thus, the strategy pushes in two opposite directions, which generates tensions between two managerial cultures, reinforces different leadership styles, which in return put some managers in a roles conflict, and at last, produces opposite approaches in terms of competences development.

In summary, three of the four hypotheses are confirmed. Depending on their leadership styles managers do not develop their subordinates' competencies the same way. Moreover, there is a cultural conflict between an historical managerial culture and a rising culture. In addition, the former has influenced the dominant leadership styles in the organization. Finally, the last hypothesis is contradicted for two types of managers and confirmed for one type of managers. Only managers who strive to adapt their management practices according to the cultural change really experience a roles conflict.

In the end, leadership styles influence the practices of competency development through managers' vision of their role and because managers have important leeway. For its part, organizational culture participates in defining the rules of the game. It defines what a competent practice is and what is expected of managers. Finally, it is complicated to categorically claim that either organizational culture or leadership styles has the lion share in influencing practices of competency development. Their forces can be joined or brought into conflict, but in any cases, managers' power and strategies arbitrate the struggle.

Back to the introduction of this work, we identified that the research field on the connections between organizational culture, leadership, and managerial practices of competency development is almost inexistent. However, this thesis has shown that connections exist between those concepts, moreover we found that the concept of power is also crucial to understand managers' practices. We call for more similar studies on the subject in diverse environments.

Such studies are of great interest for HR managers and top managers in organizations who strive for changing both their managerial culture and their dominant leadership styles, especially during the

implementation of a competency model. As stated in the introduction, there are plenty of non-scientific recommendations on cultural change that should be replaced by scientific research and proven links between the concepts. Restraining the concept of organizational culture to the study of managerial culture has proven valuable to improve our understanding of the studied phenomenon.

Effectively, this study sheds light on how managers can be agents of change or agents of cultural perpetuation. With today's context of continuously moving environments, organizations need to cope with constant changes. The knowledge of the factors that facilitate or hinder practices of competency development is vital for organizations that engage in the competency model.

Furthermore, in this thesis we showed several times that the commercial strategy just as well as the HR strategy are connected to culture. The crucial element is that they influence the managerial culture resulting in specific management practices and dominant leadership styles. We foresee that studies on the connections between commercial strategy, HRM policies, and management practices of competency development would give interesting results both for research and practitioners.

This thesis demonstrates how organizational culture and leadership styles influence the practices of competency development, besides it would be interesting for research to study how HR supports managers' initiatives. Furthermore, for organizations having a turnover issue, it would be useful to study whether an organizational culture and management practices oriented towards employees' competency development improves employee retention or not.

Finally, the research opportunities between organizational culture, leadership, practices of competency development; and the concept of power are numerous. They offer interesting perspectives for researchers in HRM, organizational change, and competency development. Organizations would benefit from more clarity on the impacts of their strategic choices and operational management on the development of employees' competencies.

References

- Alvesson, M & Svenningsson, S., (2008). *Changing Organizational Culture: Cultural Change Work in Process* (1st ed.). New York, USA: Routledge.
- Barney, J.B. (1986). Organizational Culture: Can it be a Source of Sustained Competitive Advantage? *The Academy of Management Review*, 11 (3), pp.656-665. DOI: 10.5465/AMR.1986.4306261
- Bass, B.M. & Avolio, B.J. (1993). Transformational Leadership and Organizational Culture. *Public Administration Quarterly*, 17 (1), pp.112-121. DOI: 10.1080/01900699408524907
- Bennis, W. (1984). The Four Competencies of Leadership. *Training and Development Journal*, 38 (8), pp.14-19.
- Blake, R.R., & Mouton, J.S. (1982). A Comparative Analysis of Situationalism and 9,9 Management by Principle. *Organizational Dynamics*, 10 (4), pp.20-43. DOI : 10.1016/0090-2616(82)90027-4
- Boudon, R. (2004). Théorie du Choix Rationnel ou Individualisme Méthodologique? *Revue du MAUSS*, 24 (2), pp.281-309. DOI: 10.3917/rdm.024.0281
- Carroll, B., Levy, L., & Richmond, D. (2008). Leadership as a Practice: Challenging the Competency Paradigm. *Leadership*, 4 (4), pp.363-379. DOI: 10.1177/1742715008095186
- Chatman, J.A. & O'Reilly, C.A. (2016). Paradigm Lost: Reinvigorating the Study of Organizational Culture. *Research in Organizational Behavior*, 26, pp.199-224. DOI 10.1016/j.riob.2016.11.004
- Crozier, M. (1963). *Le phénomène bureaucratique*
- Dejoux, C. (2013). *Gestion des Compétences et GPEC* (2nd ed.). Paris, France: Dunod.
- Dubois, C. (2007). Le Phénomène des Pairs et des Impairs:Analyse Organisationnelle d'un Quartier de Détention pour Femmes. *Déviance et Société*, 31 (1), pp.25-40. DOI: 10.3917/ds.311.0025
- Dubois, C. (2014). *Half a Century of French Organizational Sociology: Methodological Roots, compositionist branches*. Unpublished Manuscript, University of Liège, Liège.
- Dujardin, J-M. & Robert, J. (2013). Le Leadership: Note de Synthèse, HEC-ULg.
- Fleury, M.T.L., (2009). Organizational Culture and the Renewal of Competences. *Brazilian Administration Review*, 6 (1), pp.1-14. DOI : 10.1590/S1807-76922009000100002

- Friedberg, E. (1992). Les Quatre Dimensions de l'Action Organisée. *Revue Française de Sociologie*, 33 (4), pp.531-557. DOI: 10.2307/3322225
- Friedberg, E. (2009). Pourvoir et Négociation. *Négociations*, 12 (2), pp. 15-22.
DOI: 10.3917/neg.012.0015
- Friedberg, E. (2011). Rationalité et Analyse des Organisations. *Idées Economiques et Sociales*, 65 (3), pp.15-23. DOI: 10.3917/idee.165.0015
- Gilbert, P. (2006). La Compétence: Concept Nomade, Significations Fixes. *Psychologie du Travail et des Organisations*, 12, pp.67-77. DOI: 10.1016/j.pto.2006.01.004
- Godelier, E. (2009). La Culture d'Entreprise: Source de Pérennité ou Source d'Inertie? *Revue Française de Gestion*, 35 (192), pp.95-11. DOI: 10.3917/rfg.192.0095
- Hennessey, J.T.JR. (1998). "Reinventing Government": Does Leadership Make the Difference? *Public Administration Review*, 58 (6), pp.522-532. DOI: 10.2307/977579
- Hersey, P., Blanchard, K.H, & Natemeyer, W.E. (1979). Situational Leadership, Perception, and the Impact of Power. *Group & Organization Studies*, 4 (4), pp.418-428. DOI: 10.1177/105960117900400404
- Hofstede, G. (2011). Dimensionalizing Cultures: The Hofstede Model in Context. *Online Readings in Psychology and Culture*, 2 (1), pp.1-26. DOI: 10.9707/2307-0919.1014
- Inkson, K., Gunz, H, Ganesh, S. & Ropert, J. (2012). Boundaryless Careers: Bringing Back Boundaries. *Organization Studies*, 33 (3), pp.323-340. DOI: 10.1177/0170840611435600
- Jemli, A. (2015). Les Roles des Managers dans la Formation de leurs Collaborateurs: Cas de deux Entreprises Industrielles (Automobile & Sécurité Numérique) (Doctoral Thesis, University of Versailles Saint-Quentin en Yvelines, Paris, France. Retrieved from <https://tel.archives-ouvertes.fr/tel-01241176/document>
- Jung, T., Scott, T., Davies, H.T.O., Bower, P., Whalley, D., McNally, R., Mannion, R. (2009). Instruments for Exploring Organizational Culture: A Review of the Literature, *Public Administration Review*, 69 (6), pp.1087-1096. DOI: 10.1111/j.1540-6210.2009.02066.x

Katz, R.L. (1986). Skills of an Effective Administrator. *Harvard Business Review*, 64 (2), pp.90-102.

DOI:

Kuty, O. (2010). *La Négociation des valeurs: Introduction à la Sociologie* (2nd ed.). Bruxelles, Belgique : De Boeck.

Lewin, K. (1944). A Research Approach to Leadership Problems. *The Journal of Educational Sociology*, 17 (7), pp.392-398. DOI: 10.2307/2262546

Maas, E. (2015). Culture Managériale versus Culture en Action: Les Dimensions Régulatrices des Dynamiques Culturelles dans les Organisations. *Communication et Management*, 12 (2), pp.81-97.
DOI: 10.3917/comma.122.0081

Maltais, D., Leclerc, M., & Rinfret, N. (2007). Le “Leadership Administratif” comme Concept utile à la Modernisation de l’Administration Publique. *Revue Française d’Administration Publique*, 123, pp.423-441. DOI 10.3917/rfap.123.0423

McGregor, D. (1966). The Human Side of Enterprise. *Reflections*, 2 (1), pp.6-15. DOI: 10.1162/152417300569962

Meek, L. (1988). Organizational Culture: Origins and Weaknesses. *Organization Studies*, 8 (4), pp.453-473. DOI: 10.1177/017084068800900401

Mintzberg, H. (2007). *Le Manager au Quotidien: les 10 Rôles du Cadre* (2nd ed.). Paris, France: Eyrolles.

Mintzberg, H., Ahlstrand, B., & Lampel, J., (2009). *Safari en Pays Stratégie: l’Exploration des Grands Courants de la Pensée Stratégique* (2nd ed.). Paris, France: Pearson.

Monchatre, S. (2007). Des Carrières aux Parcours...en passant par la compétence. *Sociologie de Travail*, 49 (4), pp.514-530. DOI: 10.1016/j.socotra.2007.09.007

Ogbonna, E. (1992). Managing Organizational Culture: Fantasy or Reality? *Human Resources Management Journal*, 3 (2), pp.42-55. DOI: 10.1111/j.1748-8583.1992.tb00309.x

- Ogbonna, E. & Harris, L.C. (2000). Leadership style, organizational culture and performance: empirical evidence from UK companies. *The International Journal of Human Resources Management*, 11(4), pp.766-788. DOI: 10.1080/09585190050075114
- Ogbonna, E. & Harris, L.C. (2014). Organizational Cultural Perpetuation: A Case Study of an English Premier League Football Club. *British Journal of Management*, 25, pp.667-686. DOI: 10.1111/1467-8551.12037
- O'Reilly, C.A. & Chatman, J.A. (1996). Culture as Social Control: Corporations, Cults, and Commitment. *Research in Organizational Behavior*, 18, pp.157-200. DOI: 10.2307/41166580
- Ouchi, W.G. & Price, R.L. (1978). Hierarchy, Clans, and Theory of Z: A New Perspective on Organization Development. *Organizational Dynamics*, 21 (4), pp.62-70. DOI: 10.1016/0090-2616(78)90036-0
- Ouimet, G. (2007). Psychologie des Leaders et Culture Organisationnelle: Une Typologie Métaphorique. *Gestion*, 32 (2), pp.62-74. DOI: 10.3917/riges.322.0062
- Pettigrew, A. M. (1979). On Studying Organizational Cultures. *Administrative Science Quarterly*, 24 (4), pp.570-58. DOI: 10.2307/2392363
- Progin, L. (2015). Le Leadership: un Concept et un Objet de Formation Tabou pour les Chefs d'Etablissements Débutants? *Recherche et Formation*, 78 (1), pp.69-80. DOI: 10.4000/rechercheformation.2394
- Reynaud, J-D. (2001). Le Management par les Compétences: un Essai d'Analyse. *Sociologie du Travail*, 43 (1), pp.7-31. DOI: 10.1016/S0038-0296(00)01118-3
- Schein, E.H. (1983). The Role of the Founder in Creating Organizational Culture. *Organizational Dynamics*, 12 (1), pp.13-28. DOI: 10.1016/0090-2616(83)90023-2
- Schein, E.H. (1984). Coming to a New Awareness of Organizational Culture. *Sloan Management Review*, 25 (2), pp.3-16.
- Schein, E.H. (1990). Organizational culture. *American Psychologist*, 45 (2), pp.109-119. DOI: 10.1037/0003-066X.45.2.109

- Schneider, S.C. & Barsoux, J-L. (2003). *Managing across Culture* (2nd ed.). Harlow, United Kingdom: Prentice Hall.
- Schneider, B., Ehrhart, M.G. & Macey, W.H. (2013). Organizational Climate and Culture. *The Annual Review of Psychology*, 64, pp.361-388. DOI: 10.1146/annurev-psych-113011-143809
- Schoenaers, F. (2015). *Sociology of Organized Action* (Personal notes), University of Liège.
- Smircich, L. (1983). Concepts of Culture and Organizational Analysis. *Administrative Science Quarterly*, 28, pp. 339-358. DOI 10.2307/2392246
- Thévenet, M. (1993). *La Culture d'Entreprise* (5th ed.). Paris, France: PUF.
- Tannenbaum, R. & Schmidt, W.H. (1973). How to Choose a Leadership Pattern. *Harvard Business Review*, 51 (3), pp.162-180.
- Valentino, C.L. (2004). The Role of Middle Managers in the Transmission and Integration of Organizational Culture. *Journal of Healthcare Management*, 49 (6), pp. 393-404.
- Van Campenhoudt, L. & Quivy, R. (2011). *Manuel de Recherche en Sciences Sociales* (4th ed.). Paris, France: Dunod.
- Welch, D.E., & Welch, L.S. (2006). Commitment for Hire? The Viability of Corporate Culture as a MNC Control Mechanism. *International Business Review*, 15 (1), pp.14-28. DOI: 10.1016/j.ibusrev.2005.10.001
- Zarifian, P. (2001). *Objectif compétences* (1st ed.). Paris, France: Liaisons.

List of tables

Pages 68-69: Table 1: Managers' practices of competency development

Page 70: Table 2: Analysis 1 of coaching


Page 71: Table 3: Analysis 2 of coaching

Page 71: Table 4: Analysis of regulation

Annex

Annex 1: HR project

Image 1




Objectifs


En fonction des besoins du business, s'assurer de l'engagement des collaborateurs en:

- Clarifiant comment un collaborateur peut se développer dans sa fonction actuelle ou au travers d'une autre fonction
- Clarifiant les chemins de carrière types au sein de l'organisation
- Permettant aux collaborateurs de réfléchir sur leur développement et leur carrière
- Permettant aux collaborateurs d'exprimer leurs préférences de carrière
- Permettant aux people managers d'avoir des discussions avec leurs collaborateurs quant à leur développement et leur carrière, de manière concrète
- Permettant à Euroclear, en tant qu'organisation, d'assurer la continuité de l'activité, la mobilité interne et le développement des collaborateurs

Image 2




Perspective des Employés




- Quelles sont les options de carrière, les opportunités qui s'offrent à moi tout au long de mon parcours, en ligne avec mes compétences et aspirations ? Quelles sont ces options si mes aspirations changent au fil du temps ?
- Comment mes propres compétences sont-elles identifiées ?
- Quelles mesures dois-je prendre pour me préparer au mieux à un changement de fonction ? Au sein ou en dehors de ma division ?
- Quelle formation pourrais-je ou devrais-je suivre ?

Image 3



Perspective des Managers



- Comment puis-je amener mon équipe au bon niveau de développement ?
- Comment puis-je m'assurer que mon équipe possède les compétences nous permettant d'atteindre les objectifs d'équipe ?
- Comment choisir la formation la plus appropriée afin de mettre en valeur chaque membre de mon équipe ?
- Comment encourager les membres de mon équipe à prendre en charge le développement de leur carrière ?

Image 4

Pour toutes les fonctions du niveau 1 à 6 :

- ✓ 6 « **parcours professionnels** » types ont été identifiés, rassemblés en famille de compétence de même nature
 - Gestion d'équipe
 - Gestion projet
 - Expert
 - Consultatif
 - Gestion des relations
 - Support
- ✓ De fait, il existe déjà aujourd'hui des cheminements de carrière, mais ceux-ci seront rendus bien plus transparents, et seront liés au catalogue de fonction
- ✓ Les cheminements de carrière sont juste une illustration de la façon dont une carrière pourrait évoluer. Les employés peuvent aller d'un cheminement de carrière à un autre. Ces chemins n'ont aucun caractère contraignant ou déterminant.
- ✓ Quelques **compétences générales clés** ont été identifiées pour chaque cheminement de carrière. Il s'agit des compétences les plus importantes à développer.

Image 5



Image 6

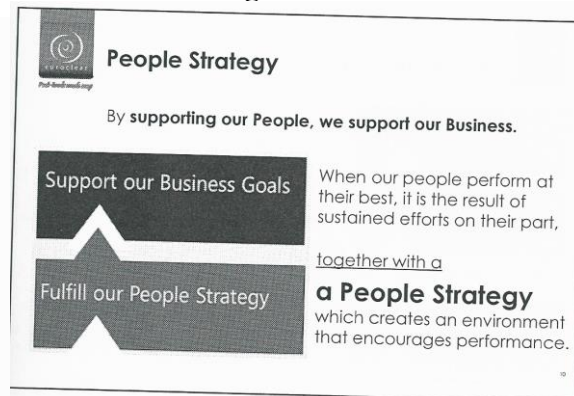


Image 7

Corporate Objectives

Restricted
subject to information & consultation with social partners

- Support and strenght **internal mobility** and **employee development**
- Empower Employees to own individual Career Path, boost and plan individual & career development.
- Empower Manager for meaningful personal development and career conversations, outside of a performance review.
- Transparency on skills within the organisation
- Communicating on our organisational culture and positive behaviors, using a common skill language

Image 8

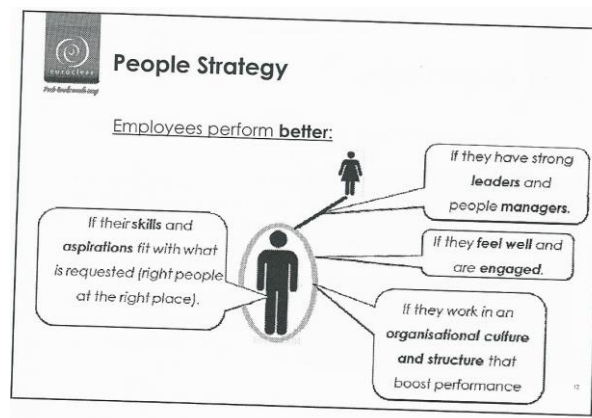


Image 9

People Strategy

Develop our people managers and leaders

Leading 2.0

- Leadership style training program with HAY
- Team leader academy
- New training courses and e-learning modules for people managers.
- Ashridge Leadership development program.

Annex 2: Climate Survey

Image 1

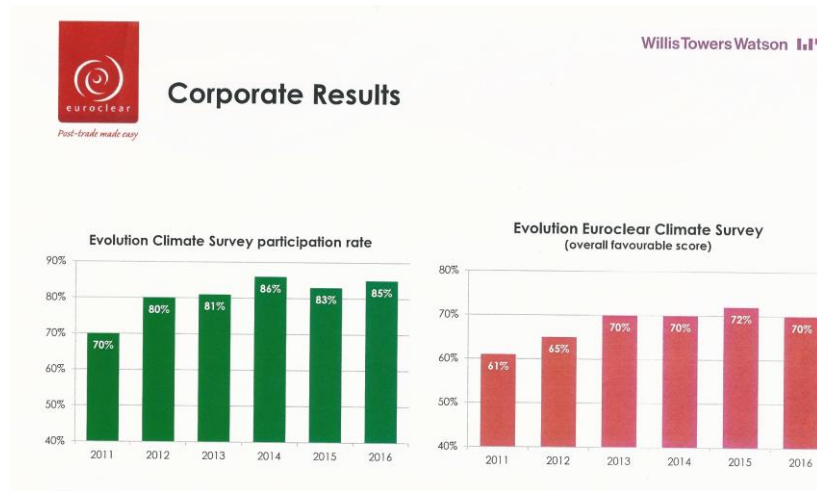


Image 2

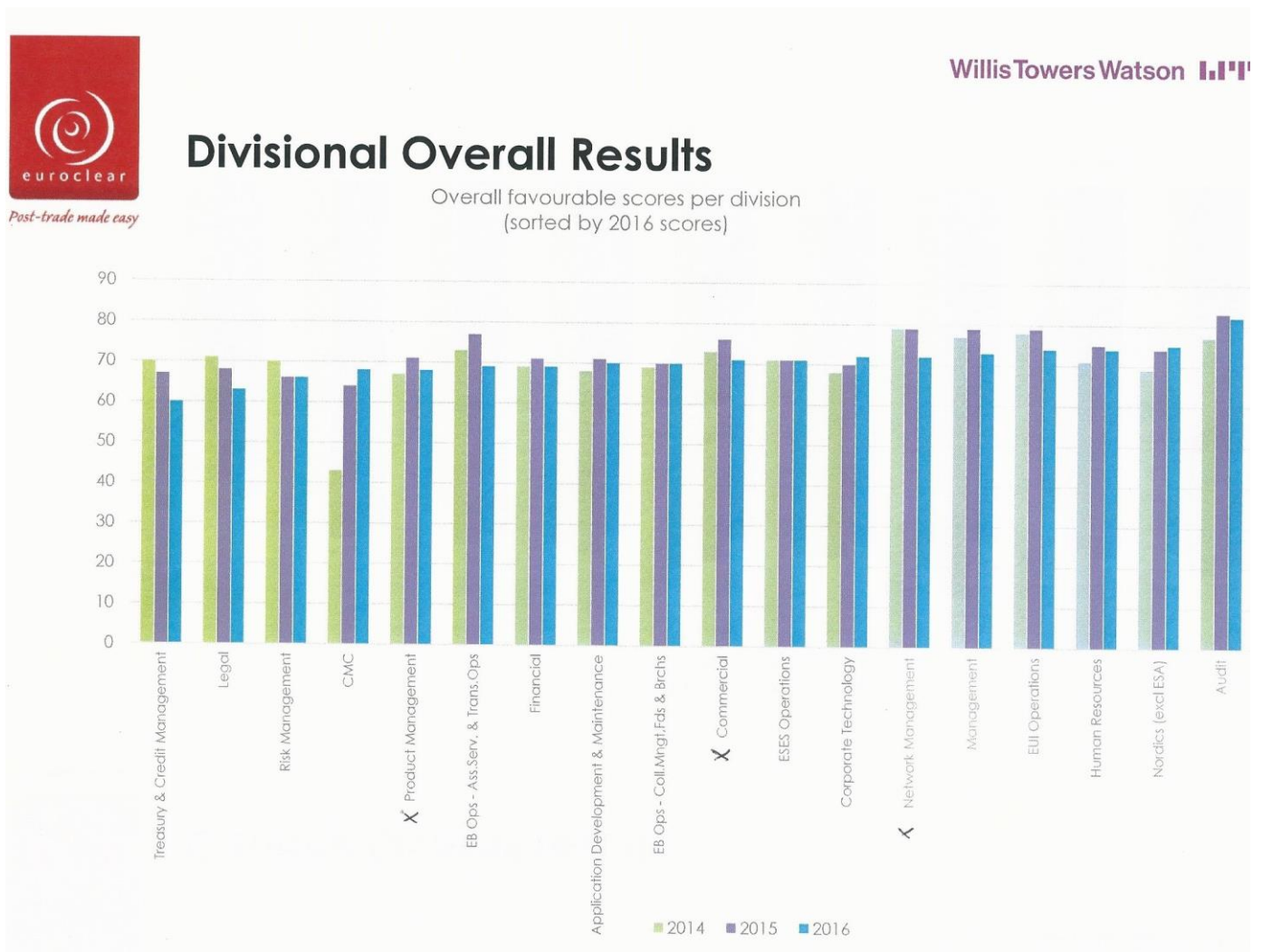


Image 3

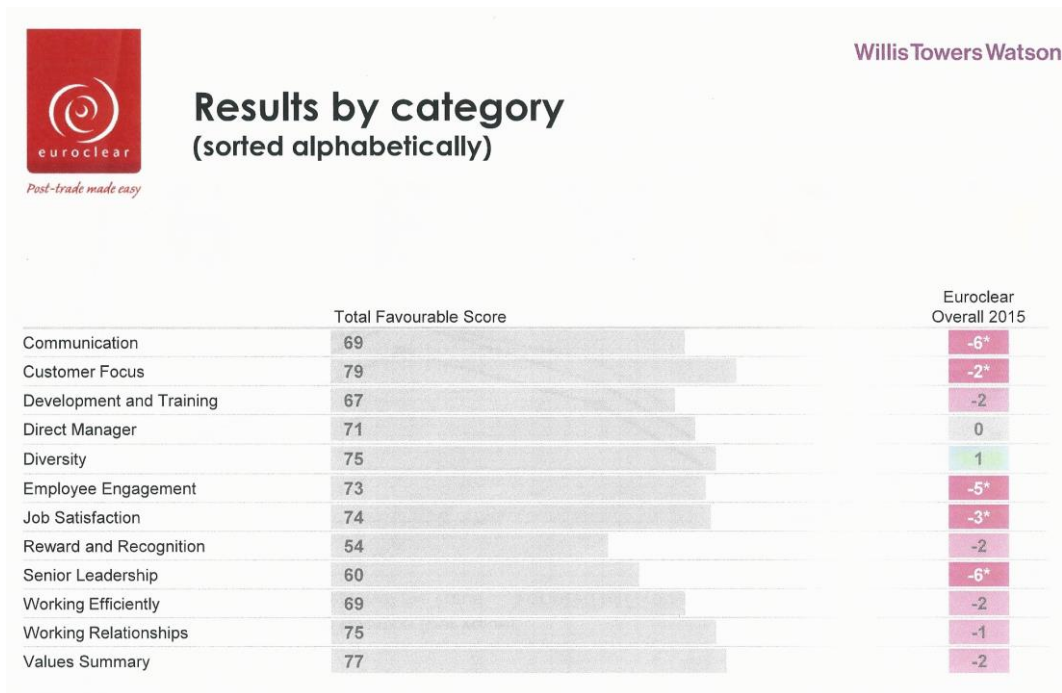


Image 4

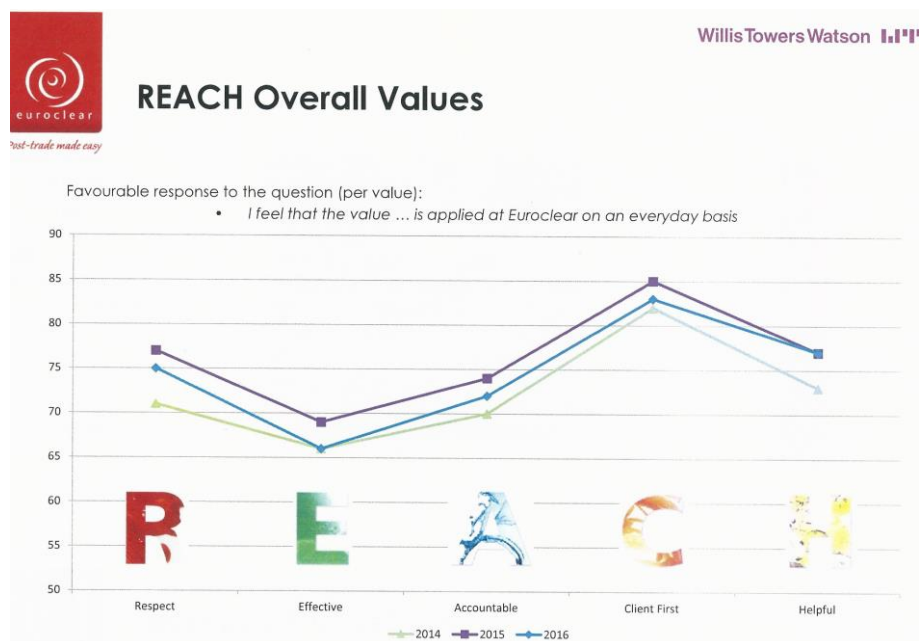


Image 5

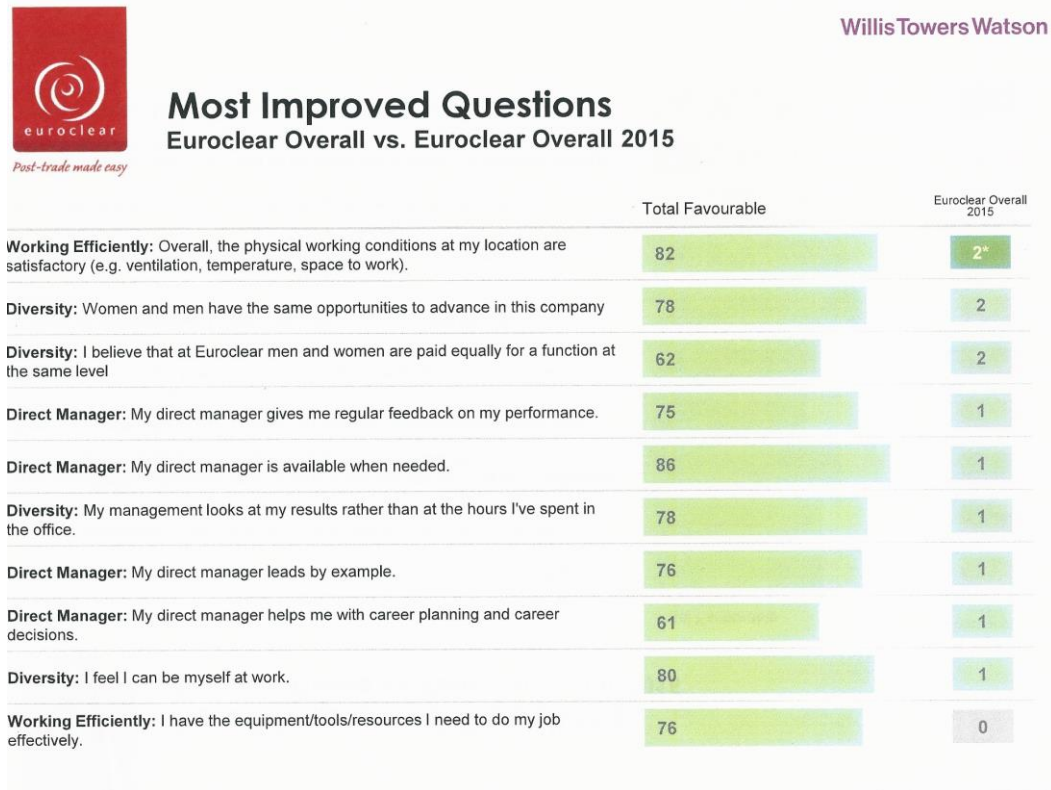


Image 6



Annex 3: Client Centric

Intro: Why have we come to see you ?

We want to inform you and get your endorsement of our proposed way forward to continue our corporate culture change to sustain and further improve our clients' experience.

We believe that our corporate culture and having a corporate identity that people can relate to is essential for the future of our company. We've talked to 6 EMC members over the past few weeks who are aligned on the importance of continuing to focus on a corporate culture that strives for the good of our clients

Changing our corporate culture is not about :

- Increasing our top level satisfaction score
- Doing everything the client wants
- Launching a heavy cultural transformation program

It is rather about :

- Protecting what we have and growing our business in a fast changing landscape with new types of clients, more regulatory pressure, new products and markets
- Staying ahead of competition, be more connected engaging and innovative
- Having the right client-centric mind-set in order to be able to anticipate what our clients need, and be innovative and agile in developing better experiences to differentiate ourselves from our competitors
- Delivering on our brand promise PTME : articulate what it means for us across the group, make it concrete for all, allow people to connect PTME to their day to day.
- Building pride of and evolve what we already do well: building on our mission, our values, our strategy and incorporating the Ashridge leadership programme lessons
- Empowering our people: offering them a framework to be able to more easily balance 'client', 'risk' and 'cost' in decision making
- And at the same time sustaining the results of the client survey and the climate survey and continue to engage our people

It's true that we have already come a long way, and we should continue our efforts as we see that we are not fully there yet

- Ease of doing business is amongst lowest scoring categories in our survey, client comments prove that PTME is not a reality yet
- In the recent global custodian survey for triparty our clients tell us that our high ambitions may require a more exceptional experience for them to be successful
- DI diagnostic: our people often lack an end-to-end view; silo thinking; task orientation; PTME is a vision but not a reality. People don't speak a common language
- Client journey exercise for corporates on-boarding in collateral : corporates dropped off because they found it too complex to deal with Euroclear + ease of doing business is a priority for them, yet we score 1 on 5

We believe that defining a common purpose is key in further changing our corporate culture and will help us to move forward.

Annex 4: Coaching

Image 1

Coaching Survey Results (covering mid-2015 to mid-2016)

Introduction



Coaching is a subject close to my heart. It's about people and about development – two themes that deserve all our attention. With the help of our virtual coaching team, we support individuals and teams reach the very best of their potential, offering a growing range of coaching facilities.

} 1 (A) (B)

I am a strong believer that we can climb higher mountains by better collaborating at Euroclear.

} x

The different coaching programmes allow us to reach the next level of collaboration, for example by focusing on our different management styles or by exploring how to best use human qualities such as creativity and imagination in our journey forward.

} 2 (B) (A)

The coaching programmes themselves also continue to evolve. The virtual team of coaches started with individual coaching and coaching communities, and then following a number of requests became qualified in team coaching, a new service this year, which you can read about in the survey.

} x x

We are convinced that coaching initiatives, together with key initiatives sponsored by HR (e.g. the Experienced People Manager Programme, Ashridge, Leadership Styles awareness and more), form the basis for a culture within the company which will encourage development, and even more: it will foster innovation and stronger leadership, as we continue to work in an ever more challenging and complicated world.

} 3 (A) (B)

Turning to the survey itself, I am delighted that so many colleagues have taken advantage of our coaching services. In fact, between June 2015 and June 2016, a total of 374 Euroclear employees have entered into the world of coaching. Numbers are one thing, but as you can read from the feedback, our belief in the benefits of coaching is also confirmed by the feedback expressed by the participants.

} x x x

Valérie Urbain,
Coaching sponsor

Image 2

Key statistics and Observations

1. Individual Coaching

In this **individual** program, the coach provides a framework which assists you in achieving your professional goals, to acquire maturity in your job and in the development of your career, as well as to improve performance in particular areas. The coach works in a full trustworthy relationship, ensuring full confidentiality on items discussed. **More on this programme on Pulse+ (Coaching in Euroclear).**

Key stats

- 104 coachees have followed an individual coaching cycle during the reference period.
- All coachees in coaching cycles closed in the reference period found the added value of coaching either 'clear' or significant'.

Recurring topics in individual coaching

- People management improvement : leadership styles...;
- Time/efficiency management, delegation/prioritisation, have a better work/life balance ...;
- Influencing/networking/convincing, effectively working with others, how to manage upwards, how to manage multiple bosses in a matrix organisation...;
- Change management;
- How to better communicate;
- Self Confidence;
- Stress management;
- Career orientation/career vision, stepping into a new role, e.g. moving from expert to manager role;
- Re-integrate after long absence.

Examples of feedback expressed by coachees (consult the annex for more feedback)

"Thanks to the coaching, I've learned to be open to different opinions and ways of working. This way, I benefit from the others' key strengths"

"Quality conversations during individual coaching: by taking time for deep thinking, emotions are better managed. This clearly helped me on the way I express myself. It has become an asset"

Some quotes
on individual coaching

"I changed the way I manage delegation. This helped to improve discussion with some team members. By taking more leadership, it removed some obstacles with the team, as well as with my N+1 as I put myself more in a driver's seat"

"I found back my self-confidence. I understand what happens when things go wrong, fix objectives and work on them. I ask myself 'why' more often: why I would do that, why would I not do that? What can I do about it?"

"I'm happy to tell you that I'm certainly in a very different place today than I was a year ago – I feel much more valued and appreciated"

Image 3

2. Coaching Communities

The main objective of a coaching community is to develop the coaching skills of participants.

Coaching communities are successful because they are broadly led by the needs of the attendees. In other words, we encourage a pull model from interested people who volunteer to attend rather than adopting a push model. **More on this programme on Pulse+ (Coaching in Euroclear).**

Key stats

19 coaching communities involving 184 participants have been initiated during the reference period.

Key observations

- Coaching communities are adapted to the needs of a specific Division or area, which is highly appreciated. Key themes such as coaching methodology and pre-requisites for quality dialogue form part of every community cycle.
- The communities create a very good team dynamic.
- All participants recognise the value of the knowledge shared and skills learned.
- Some communities took the opportunity to create a forum on Pulse+ to discuss specific cases and put the coaching into practice.
- Allows participants to discuss about their management skills and embed coaching skills into their leadership style.

Example(s) of feedback expressed by teams or individuals

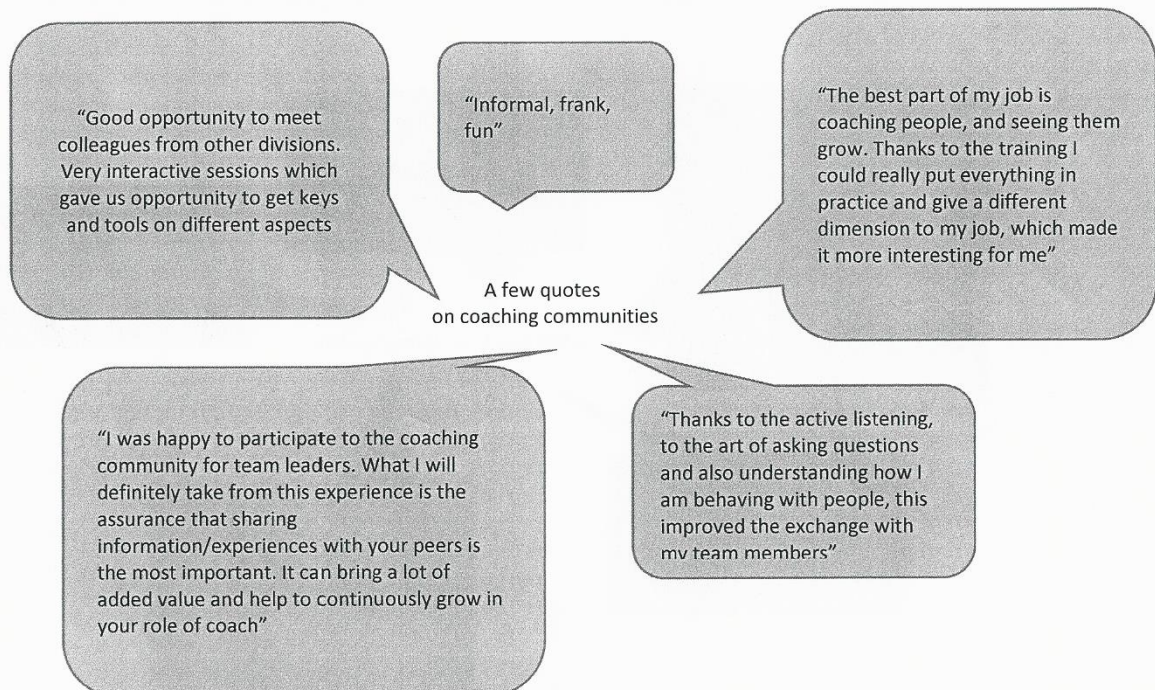


Image 4

3. Team Coaching

A 8
B 9

Team coaching is a powerful development intervention that brings individuals together to develop their own skills, awareness and learning as a **team**, helping them to learn how to become more effective, efficient and focused in reaching agreed performance objectives.

Teams of course only exist because they are part of the organisation and therefore one of the key elements of team coaching is the team's place and performance within this organisational context.

More on this programme on Pulse+ (Coaching in Euroclear).

Key stats

9 team coaching have been initiated during the reference period, involving a total of 86 participants

Themes worked on so far

B 9

- building trust to work better together
- reaching alignment on vision and goals
- how to reduce stress levels when interacting with clients
- receiving and giving feedback
- leading in change
- working together

Example(s) of feedback expressed by teams or individuals

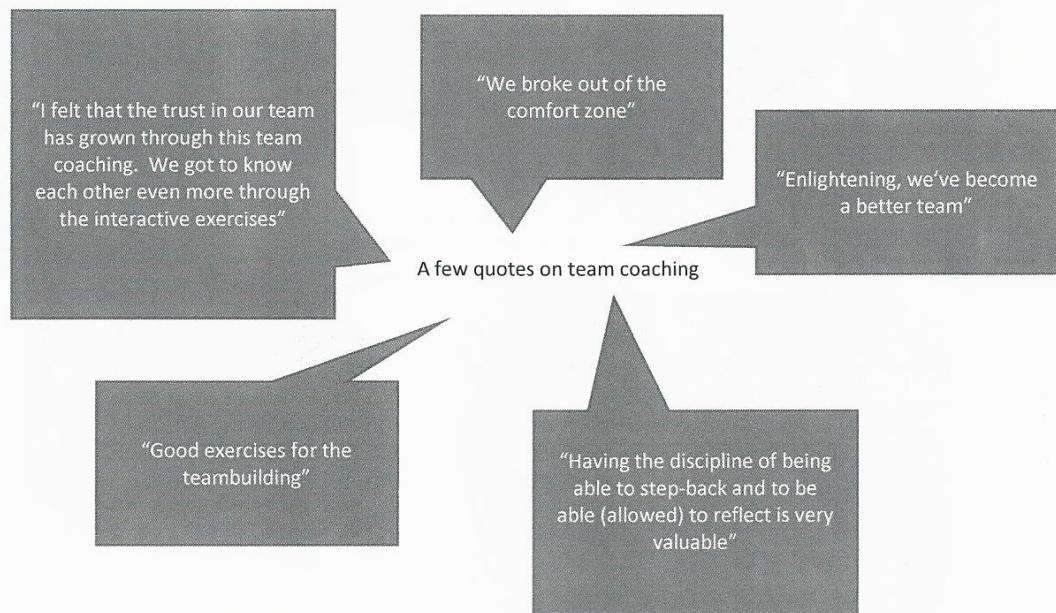


Image 5

E1

'This coaching program has enabled me to unblock several issues which had been causing me frustration and tension. Not only this, now these have been identified, I have tools to enable me to alter my approach to others to prevent me creating the type of tension',

E2

'I found back my self-confidence. I understand what happens when things go wrong, fix objectives and work for them. I ask myself why more often, why I would do that, why would I not do that? What can I do about it?',

E3

'Thanks to the coaching, I'm now aware of how I can increase my level of performance, more specifically how I can manage my stress. Coaching sessions were also the opportunity to work on my believes. My coach is a very great listener, understanding what I mean and rephrasing it to make me think about solutions. One concrete result is that I now succeed to give constructive feedback to my colleagues. I would like to thank my coach for that achievement',

E4

'The coaching had a clear impact for me in increasing self-evaluation, my power of speech and personal integrity',

E5

'I'm happy to tell you that I'm certainly in a very different place today than I was a year ago – I feel much more valued and appreciated',

'Thank you for everything! You've really played an important role over the last year!'

Coaching Community : Example(s) of feedback expressed by teams or individuals

'It is nice to step away from the current hectic environment and reflect together on these key aspects',

'Good opportunity to meet colleagues from other divisions. Very interactive sessions which gave us opportunity to get keys and tools on different aspects',

'The sessions combine practical & theory and are based on experience',

'Things that we naturally do are challenged in these sessions. It is very interesting to go back to the basics',

'Good to realise that we all have topics where we struggle with',

'Good balance theory / practice',

'Good material, clear, a lot of info and examples (+ good summary of previous session)',

'Informal, frank, fun',

'Role Games. Simple principles but efficient. Improve: more study cases from Euroclear',

E6

'Provided a good overview of the 4 situations and leadership styles to use in which situation',

'Exercises are effective. Watch out for possible pitfalls is positive as a message. Not too many theory',

E7

'To take a step back with the different kinds of styles / profiles to manage. It helps to define the R&R to improve',

E8

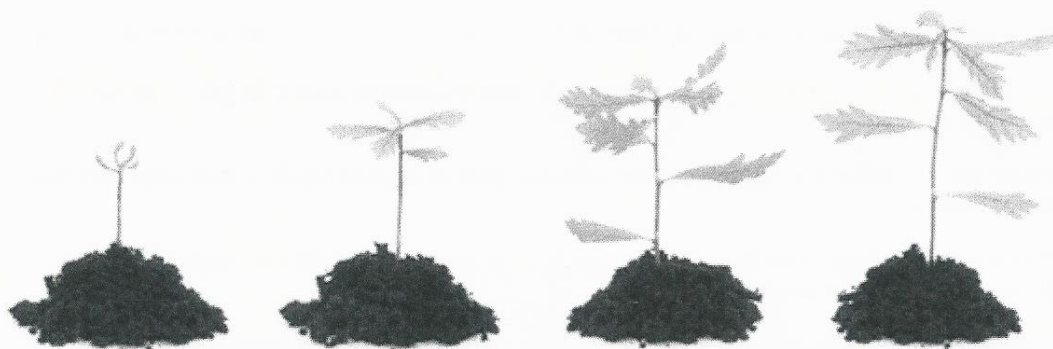
'I was happy to participate to the coaching community for team leaders. What I will definitely take from this experience is the assurance that sharing information/experiences with your peers is the most important. It can bring a lot of added value and help to continuously grow in your role of coach',

Image 6

- E9** 'Since we had the sessions together, I'm more open to share difficulties with my colleagues, direct management in order to facilitate and enhance a constructive environment based on a learning by experience and exchange',
- E10** 'I learned how to do a good active listening and have a better exchange with my TM',
- E11** 'I found it difficult in the past to have people to not behave parent-children; being aware that part of it comes from my attitude helped me',
- 'I really enjoyed coaching people and I would like to be coach',
- E12** 'The best part of my job is coaching people, seeing them to grow and thanks to the training I could really put everything in practice and give a different dimension to my job which made it more interesting for me',
- E13** 'Thanks to the active listening, to the art of asking questions and also understanding how I am behaving with people, this improved the exchange with my TM',
- E14** 'It is great to reflect together about the supportive role that a people manager can play in career discussions'.

Team Coaching : Example(s) of feedback expressed by teams or individuals

- 'The team coach brings in relevant and sometimes funny examples around receiving feedback. She is able to make us reflect on the importance on working on ourselves',
- E15** 'I felt that the trust in our team has grown through this team coaching. We got to know each other even more through the interactive exercises',
- 'Very good sessions, surprising to see that this is indeed how 'it' works',
- 'Very informative',
- 'Break out of the comfort zone',
- 'Enlightening, we've become a better team',
- 'Good exercises for the teambuilding',
- 'Having the discipline of being able to step-back and to be able (allowed) to reflect is very valuable',

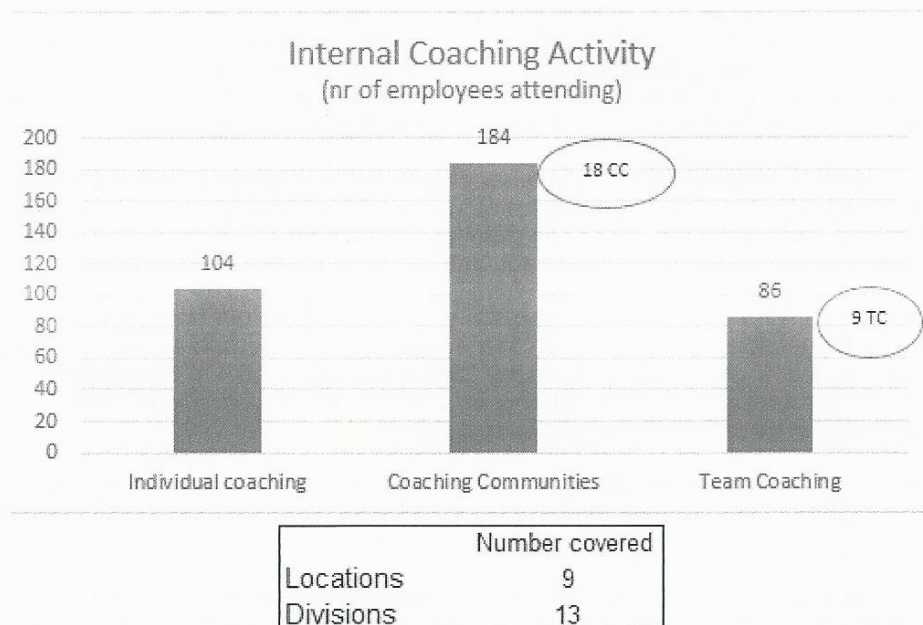


How could coaching facilitate your growth?

Image 7

ANNEX


Key Figures

**Individual coaching : Examples of feedback expressed by coachees**

- E17** 'Learning how to step back allows well-being during working days',
- E18** 'Quality conversations : by taking time of a deep thinking , emotions are better managed. This clearly helped me on the way I express myself. It has become an asset',
- E19** 'My coach made me realise strengths of my people management and gave me opportunity to present them to Management. This motivates to bring changes. He's asking powerful questions leading to be in line with my professional choice',
- E20** 'Thanks to the coaching , I've learned to be open to different opinions and ways of working. This way , I benefit from the other's key strengths',
'I'm now able to find the best approach to communicate with the different Management layers',
- E21** 'I have learned through the coaching to get out of my certitude, to dare to go beyond my doubts, to dare to decide for myself. To retrieve my younger self and the freshness of thought from that time and also to project myself in the future and look back, acknowledging the things I am proud of. To be grateful. To let go... that's a difficult one... complemented by a wonderful book that I eventually managed to read "Changer d'altitude"...',
- 'A positive experience . The coach took the time to really listen and help me to explore the root causes and actions , changes needed',
- E22** 'Very positive : through the questions, I was able to see things with a different view, to define appropriate actions and follow up on positive improvements',
- E23** 'I changed the way I manage delegation. This helped to improve discussion with some team member. By taking more leadership, it removed some obstacles with the team, as well as with my N+1 as I put myself more in a driving seat',

Annex 5: Context and strategy

Image 1

 **A message from Lieve Mostrey (ENG, FR, NED)**
Internal Communications to: Internal Communications
Sent by: Rachel Davies

15/12/2016 04:16 PM

Please find French and Dutch translations below

Dear colleagues

Earlier in the year, Tim wrote to all colleagues about the Zero Based Budgeting review (ZBB).^①

The goal was to assess whether we are using our money in the most efficient way. We are aware that this exercise has raised quite some questions in many parts of the organisation, and even anxiety and concerns amid some colleagues.^②

We believe it remains important for our company to continue to manage costs prudently and implement part of the wider potential identified. That's why we will continue to carefully manage the recruitment of new staff members and promote internal mobility.^③

To complement these existing measures we have now taken the initiative to offer voluntary early retirement in Belgium and potentially France. We have today informed the European Works Council of the opportunity offered and related dialogue with local social bodies will start this month. No specific voluntary early retirement is being proposed for our other countries as the number of eligible employees is low or, it is not market practice. After the social dialogue with the respective local social bodies, we will be in a position to inform the eligible staff members in detail.^④

No other social measures are being considered.

We are a strong and resilient organisation keen to strike a balance between managing costs and investing in opportunities for growth and development with the ambition to secure our position in the market.^⑤ {strategy

Thank you for your continued support and commitment to Euroclear.

Lieve

Chers collègues,

Plus tôt dans l'année, Tim a adressé une communication à l'ensemble des collaborateurs concernant l'analyse du budget base zéro (ZBB).

L'objectif consistait à examiner si nous utilisons nos moyens financiers de manière optimale. Nous sommes conscients que cela a soulevé de nombreuses questions au sein de l'organisation ainsi que des craintes et inquiétudes pour certains collaborateurs.

Nous sommes convaincus que nous devons continuer, en tant qu'entreprise, à gérer nos coûts de manière prudente et à mettre en place une partie du potentiel identifié dans une plus large mesure. C'est la raison pour laquelle nous continuerons à rester vigilants concernant le recrutement de nouveaux collaborateurs et à promouvoir la mobilité interne.

Pour compléter les mesures existantes, nous avons pris l'initiative de proposer une retraite anticipée volontaire en Belgique et éventuellement en France. Nous avons informé aujourd'hui le Comité d'Entreprise Européen de cette possibilité offerte, et un dialogue à ce sujet débutera dès ce mois avec les instances représentatives du personnel. Cette possibilité de retraite anticipée spécifique n'est pas proposée dans nos autres entités en raison du faible nombre de collaborateurs éligibles ou de l'absence d'une pratique locale en la matière. À l'issue du dialogue social avec les instances locales correspondantes, nous serons en mesure d'informer plus en détail les collaborateurs éligibles.

Image 2

Euroclear Bank: Positioning ourselves for a succ... | Pulse+

Page 2 of 6

For our strong future in the longer term, we need an 'offensive play' on costs too. We need to create a more agile corporate culture – instilling the capability to move quickly to reach our goals and to deliver a cost structure that allows us to remain competitive. As Tim announced previously, we are on that journey by looking at all the activities across the group to see how we strike the balance between client satisfaction, costs and risk across the whole Euroclear organisation; this is known as the Zero Based Budgeting initiative.

We are uniquely positioned to deliver success in the near term, but for the long term too. Euroclear Bank is a market leader. We have robust and reliable systems. We have diverse, fantastic teams around the world – including in Belgium, Poland and Hong Kong – allowing us to deliver value that meets our clients' evolving requirements. We have opportunities beyond our core European market, in Latin America and in Asia, and in new and exciting product areas.

These attributes will see us overcome the challenging and uncertain environment we face, adapting to today's reality and for future success in an industry landscape that is evolving rapidly.

Over the coming days, weeks and months we will continue to keep you updated, and we encourage you to discuss any questions that you have with your line manager directly.

Thank you for all that you do.

Valerie

Image 3



A message from Lieve Mostrey (ENG, FR, NED)
Internal Communications to: Internal Communications
Sent by: Rachel Davies

15/12/2016 04:16 PM

Please find French and Dutch translations below

Dear colleagues

Earlier in the year, Tim wrote to all colleagues about the Zero Based Budgeting review (ZBB).

The goal was to assess whether we are using our money in the most efficient way. We are aware that this exercise has raised quite some questions in many parts of the organisation, and even anxiety and concerns amid some colleagues.

We believe it remains important for our company to continue to manage costs prudently and implement part of the wider potential identified. That's why we will continue to carefully manage the recruitment of new staff members and promote internal mobility.

To complement these existing measures we have now taken the initiative to offer voluntary early retirement in Belgium and potentially France. We have today informed the European Works Council of the opportunity offered and related dialogue with local social bodies will start this month. No specific voluntary early retirement is being proposed for our other countries as the number of eligible employees is low or, it is not market practice. After the social dialogue with the respective local social bodies, we will be in a position to inform the eligible staff members in detail.

No other social measures are being considered.

We are a strong and resilient organisation keen to strike a balance between managing costs and investing in opportunities for growth and development with the ambition to secure our position in the market.

Thank you for your continued support and commitment to Euroclear.

Lieve

T2S : Ce qui se passe ensuite ?

Il faudra un certain temps avant de savoir si la plate-forme “Target Settlement of Securities” permettra de rationaliser les transactions transfrontalières ou sera l’étincelle de conséquences involontaires sur les lois de règlements nationaux et internationaux, selon Brian Bollen.

En un coup d'œil

- La plate-forme Target2Securities (T2S) est programmée pour être totalement opérationnelle en février 2017. L'introduction au système T2S est prévu en vagues successives par pays.
- T2S devrait réduire les risques et coûts, tout en rendant l'utilisation de liquidités plus efficace.
- Certains critiques voient T2S dans le cadre d'une tendance à une réglementation excessive.
- Les supporters prétendent que l'Europe sera un lieu plus attrayant pour échanger des fonds.

Ce qui se passe ensuite avec la plate-forme système T2S, au-delà de son éventuelle mise en œuvre complète ? Il semble injuste de poser une telle question avec la première vague seulement entièrement achevée fin Août, lorsque Monte Titoli a différé son adhésion, plus de deux mois après la date cible de juin. Mais c'est l'impulsion naturelle de l'homme, de toujours vouloir savoir ce que se cachent derrière le prochain virage, dans un voyage qui dure déjà depuis plusieurs années. Comme le précise Mauro Dognini, chef de la direction de Monte Titoli, nous sommes maintenant dans le dernier kilomètre du marathon.

Si les experts de l'industrie ont raison, la ou les réponses ne commenceront à émerger qu'après la réalisation complète qui doit avoir lieu en février 2017, date fixée pour la quatrième et dernière vague de migration. Il est déjà toutefois évident, du moins pour certains de ceux qui font partie de l'avant-garde (dépositaires de titres centraux de la Grèce, de Malte,

Image 5

de la Roumanie et de la Suisse) que les premiers partants jouiront d'un avantage concurrentiel qui pourrait s'avérer être de longue durée. Il pourrait faire la différence cruciale entre la survie et l'extinction, la prospérité et l'insignifiance, à plus long terme.

T2S est conçu pour faciliter l'intégration des opérations de post-négociation dans toute l'Europe. L'objectif est d'offrir des programmes de base, neutre et harmonisé, pour banaliser la livraison contre paiement (règlement-livraison) en monnaie de banque centrale à presque tous les titres dématérialisés dans la zone. Dans un langage moins technique, T2S vise à permettre aux dépositaires de titres centraux (CSD) d'externaliser les opérations et les fonctions comptables à une nouvelle infrastructure de règlement pan-européenne. L'intention est clairement politique en favorisant l'émergence d'un seul espace post-marché et aussi faire baisser le coût des transactions transfrontalières en Europe.

Dognini dit : "T2S va conférer deux avantages principaux. Tout d'abord, permettre de réduire le risque et les coûts. Le règlement-livraison transfrontalier est 10 fois plus cher que son équivalent national, post-T2S le coût sera le même. Cela profitera aux banques connectées à T2S, qui contribueront à leur tour d'en faire profiter les investisseurs. Deuxièmement, la trésorerie et les liquidités seront mieux utilisés, allégeant un peu ainsi la pression des capitaux sur les courtiers".

"En exploitant une infrastructure unique pour accéder à de multiples marchés, cela créera des économies d'échelle", dicit Alexandre de Schaetzen, directeur de la gestion de produits Euroclear situé à Bruxelles, l'un des deux plus importants dépositaires de titres centraux internationaux (l'autre étant Clearstream situé à Francfort). "En outre, l'application de normes de traitement harmonisées à travers les marchés permettra également de réduire les coûts et supprimera la complexité existante" dit-il.

Cristina Belotti, responsable du développement commercial, des institutions financières et des courtiers de valeurs mobilières à la Société Générale (Securities Services) en Italie, ajoute que comme T2S est une plate-forme intégrée, elle permettra un règlement immédiat des transactions, à la fois des espèces et des titres, en réduisant les risques.

Cependant, même certains de ceux impliqués dans le détail du projet, y voient comme une solution technique à la recherche de problème en perspective. Ils pointent une dépense importante en somme d'argent (un montant estimatif total de 1 milliards d'euros environ) sans diminution du cycle de règlement ou tout autre avantage immédiat évident. "La question du règlement en Europe n'est pas un problème, mais étant donné que T2S ne sait pas faire tout ce

Image 6

que notre système de règlement actuel fait, nous ne pouvons pas démanteler les systèmes existants", déclare Tom Zeëb, PDG de la division Six Securities Services situé à Zurich, l'un des participants à la première vague. "Il a créé une couche supplémentaire qui doit être réglée à temps".

Six Securities Services

Lorsqu'on leur a demandé quels enseignements pourraient être tirés de l'expérience acquise si d'autres souhaitent imiter le succès de la migration Suisse vers T2S, Thomas Zeeb, PDG de la division Six Securities Services, a une courte réponse claire : "Tester la frousse, tant sur le plan interne que de bout en bout avec les clients", dit-il. Il estime que Six Securities Services a produit plus de 1.5 M. de nouvelles lignes de code informatique, exigeant d'énormes quantités de tests, qui en retour ont permis d'identifier les principaux domaines de préoccupation à aborder avec la Banque Centrale Européenne (BCE).

Six Securities Services ont tenu des centaines de réunions avec les clients et effectué 2 500 cas de test avec plus de 200 participants dans le marché Suisse pour en arriver au point où environ 95 % des banques étaient prêtes. "Je suis sûr que par moments la BCE en avait assez de notre légendaire minutie et rigueur Suisse, mais notre succès est basé sur des tests approfondis, mais vécu comme une épine dans la gorge pour notre soucis du détail" déclare Zeeb.

Il ajoute : "La préoccupation opérationnelle prioritaire au cours des trois prochaines années est de porter les plus gros marchés européens à bord et d'atteindre la stabilité opérationnelle à l'échelle du marché. Alors seulement, nous commencerons à voir la consolidation de petits acteurs et d'autres changements dans les dépositaires de titres centraux pour s'adapter à la nouvelle réalité et développer de nouveaux produits et services."

Zeeb prédit un afflux de liquidité de règlements pour des marchés plus importants, sur la base que les investisseurs qui instruisent un nombre relativement peu élevé d'opérations dans les petits marchés d'Europe du Sud, affiche une propension naturelle à utiliser de plus gros fournisseurs du Nord. Il suggère aussi que la présence des deux dépositaires de titres centraux internationaux (ICSD) établis, Clearstream et Euroclear, sera clairement bénéfique, mais que la concurrence pourrait émerger d'autres petits acteurs, ou groupes, semblables à Six Securities Services ou des banques dépositaires. "T2S fait en ce sens, une possibilité très réelle", dit-il. L'introduction de normes communes devraient également contribuer à harmoniser le traitement des actions et les questions fiscales, et que, outre l'accroissement de

Image 7

la gestion des garanties collatérales, c'est ici que des économies et des gains d'efficacité peuvent être trouvées.

Mise en œuvre sans heurt

De ce point de vue, T2S est un début et non une fin. Et c'est un début prometteur, étant donné le manque de contrariétés des premiers jours. Même le report de migration pour Monte Titoli peut être perçu avec d'avantage d'indulgence. "Pour un projet de cette envergure et de dépenses à venir, en étant plus ou moins dans le budget, c'est franchement incroyable", explique Mike Clarke, directeur T2S et solutions produit et client de la Deutsche Bank. "C'était une décision prudente pour allouer plus de temps à Monte Titoli; l'Italie est le plus gros marché de la première vague et tout devait être correct".

"Notre expérience à ce jour a été extrêmement positive," dit Zeëb. "Nous avons mis au point une série de plans de secours qui n'ont pas été nécessaires." Cela dément la triste histoire des essais de pré-lancement, ajoute-t-il. "L'expérience que nous avons eu était catastrophique, le système lâchait dès que nous avons augmenté le volume. Le nombre d'erreurs informatiques était immense et il y avait des préoccupations car nous approchions du week-end de migration".

"Le jour de l'événement c'est passé parfaitement", Zeëb rappelle. Les plans pour rassembler des statistiques sur les problèmes et leurs causes ont été rapidement abandonnée car T2S a prouvé bien fonctionner et être techniquement stable. Il reste cependant un bémol : le système n'a pas encore été stressé avec un volume substantiel de façon soutenue, la stabilité opérationnelle n'est pas encore prouvée. Alors que la Suisse est un important centre financier international, et de ce fait le plus grand marché de la première vague (à l'exception pour l'instant le Monte Titoli en retard) le nombre d'opérations libellées en euro, entrepris par les clients, est limité.

Gestionnaires d'actions dans la bataille

Une enquête récente réalisée par un fournisseur de données RIMES (RIMES 2015 Enquête côté acheteur), montre comment les gestionnaires de biens sont en proie à une bataille de gouvernance et de réglementation. "Comme le focus réglementaire s'est décalé de la banque côté vendeur pour se déplacer vers le côté acheteur, managers d'investissements et de service, la demande croissante de clients pour les données a maintenant une incidence beaucoup plus

Image 8

grande sur les décisions des gestionnaires d'actions en matière de gestion des données", dit RIMES.

Alessandro Ferrari, le premier vice-président de marketing mondial de RIMES, dit : "C'est un rude et impitoyable marché du côté acheteur à l'heure actuelle. Face aux pressions de la part de clients pour accroître les sources de données et offrir de hauts niveaux de données personnalisées, les gestionnaires d'actions sont également sous pression pour réduire les coûts et répondre aux nouvelles réglementations, surtout en Europe. C'est une vraie tempête".

Défis réglementaires

Si T2S est en effet une solution technique pour faire face au problème, il ne peut y avoir qu'un seul groupe d'accusés : les organismes nationaux et internationaux de réglementation. Leur prolifération, leur tendance à croître sans effort et leur détermination à réglementer tout ce qui bouge dans les marchés financiers, offrent bon nombre d'histoires de l'ère moderne. Les jours d'ajustements réglementaires ont probablement disparu pour de bon.

Les banques, les compagnies d'assurance, les gestionnaires d'actions et les fonds de pension, sont cernés de tous côtés par une série de cadre de réglementation oppressive. La liste des règlements actuels et à venir, recueillie et tenue à jour par Paul North, chef de la gestion de produit pour EMEA au service action de BNY Mellon, est farouchement longue. Il couvre une liste qui commence à partir de T2S, le règlement des dépositaires de titres centraux (CSD) et des seconds marchés sur les directives des instruments financiers (MIFID II) (SOLVENCY II), la réforme du marché de l'argent et Bâle III, en tenant compte, en parallèle, l'acte de transactions de crédit juste et exact (FACTA) et la réforme du fonds de marché monétaire (les deux derniers documents sont Américains). "Pour faire quoi que ce soit sur une action de l'Union Européenne, vous obtenez un règlement" explique North. Et ceci entrave l'innovation étant donné que les gens doivent prendre en compte ces éléments non valorisant dans leur gamme de produits.

Mark Downing, qui noue la relation et couvre les équipes auprès des institutions du Royaume-Uni pour BNP Paribas Securities Services (BP2S), distingue les réglementations en trois grandes catégories.

Tout d'abord, celles qui sont liées à la protection des investisseurs, telles que les directives pour les gestionnaires de fonds d'investissement alternatifs (AIFMD), UCITS V, SOLVENCY II et les institutions de fonds de retraite professionnelle (IORP).

Image 9

En second, ce sont celles qui essaient de simplifier l'infrastructure de marché : Le règlement des infrastructures du marché européen (EMIR), le prochain règlement des dépositaires de titres centraux (CSDR), MIFID II.

Troisièmement, ce sont des rappels aux communautés d'investissement, qu'ils conservent l'entière responsabilité de l'argent des investisseurs et ont le devoir de surveiller et superviser leurs prestataires externes en conséquence.

Dans le labyrinthe réglementaire, on insiste sur la couverture de conséquences involontaires. L'objectif des règles de ségrégation des actions (AIFMD), par exemple, est de protéger les intérêts des fonds d'investissement alternatif des investisseurs (AIF) en s'assurant que les actions ne sont pas exposés à des événements, tels que la faillite de la tierce partie à qui la garde des actions des fonds peuvent être déléguées. Toutefois, si cela signifie que les comptes devraient être séparés à l'échelon sous-dépositaire pour renforcer la protection des investisseurs, cela pourrait exacerber au lieu d'atténuer le risque contrepartie, opérationnel et systémique.

La ségrégation des actions (AIFMD) pourraient compromettre la gestion collatérale tripartite et les prêts de titres, selon Ross Whitehill, Directeur Général de BNY Mellon Markets Group. Il détecte une préoccupation grandissante au sein de l'industrie sur la ségrégation forcée des actions - et plus comparable aux OPCVM, en fonction de l'harmonisation réglementaire avec AIFMD - à tous les niveaux de la chaîne de conservation. Ceci affectera considérablement la capacité de ces fonds à utiliser les services de gestion collatérale tripartite et efficacement participer à des prêts de titres, croit-il, et cela aura un impact significatif sur le financement et la liquidité du marché, ayant une incidence sur la croissance et l'investissement en Europe.

North, cependant, identifie une force inverse extrêmement importante. Il suggère que, dans le cadre de l'objectif global des régulateurs de l'Union Européenne en vue de stimuler la croissance de l'emploi, l'Europe sera beaucoup plus attrayante pour le traitement des fonds en 2020, pour être en meilleure forme économique. Si les régulateurs atteignent la moitié de ce qu'ils cherchent à atteindre, ils auront bien fait, conclut-il.

Annex 5: People Management Feedback template

2016 PEOPLE MANAGEMENT FEEDBACK - EXCEL QUESTIONNAIRE

please indicate your opinion via "x" (or any other character) in the appropriate column

I		1. Key area for development	2. Area for development	3. Standard expected level	4. Strength	5. Key strength	Average of Category
1	sets clear and measurable objectives for individual team members						0.0
2	ensures roles and responsibilities are clear to each team member						
3	coordinates team activities including clear (re-)prioritisation of tasks and projects (e.g. uses capacity management effectively)						
4	adapts approach to giving directions to the individual or situation						
5	delegates responsibilities (incl. decision-taking) to team members appropriate to their knowledge, skills and experience						
6	demonstrates trust in those to whom he/she has delegated						
7	translates corporate priorities for team members so they can apply them in their job (e.g. focus on cost-efficiency)						
8	holds team members accountable for their work and contributions to the end result						

II		1. Key area for development	2. Area for development	3. Standard expected level	4. Strength	5. Key strength	Average of Category
1	regularly provides individual team members with clear and constructive feedback on their performance						0.0
2	creates a dialogue around team performance (e.g. uses 'whiteboard' meetings to discuss team achievements / KPIs)						
3	manages inappropriate behaviour and poor performance appropriately						
4	reviews ways of working to improve processes, performance, and related workload where possible (e.g. supports continuous improvement efforts)						
5	ensures that important/relevant information is shared as appropriate within the team (e.g. communicates changes that impact the work)						
6	communicates effectively (openly, clearly and timely)						
7	encourages team members to raise problems related to their work (e.g. creates an environment where problems can be openly discussed)						
8	builds an environment where team members are stimulated to come with ideas for improvement (e.g. supports and participates to Problem Solving Sessions, encourages elimination of non value-added activities)						
		0	0	0	0	0	

III		1. Key area for development	2. Area for development	3. Standard expected level	4. Strength	5. Key strength	Average of Category
1	accepts team members to make mistakes provided they are raised and used as learning experiences						0.0
2	identifies and supports development opportunities for team members (e.g. identifies development actions)						
3	regularly meets with team members to review their development progress						
4	provides on-the-spot feedback, both positive and corrective, as soon as possible after an event						
5	makes oneself sufficiently available to provide team members with appropriate guidance and support (e.g. conducts sit-ins / one-to-one meetings on a regular basis)						
6	coaches team members to find solutions to their problems (e.g. conducts coaching sessions on a regular basis)						
7	recognises strengths in people and maximises them to build an effective team						
8	behaves as he/she expects team members to behave - i.e. is a good role model that sets the example, walks the talk						

IV		1. Key area for development	2. Area for development	3. Standard expected level	4. Strength	5. Key strength	Average of Category
1	generates motivation and commitment with team members						0.0
2	creates an environment that stimulates morale of the team members						
3	provides recognition for the achievements of team members						
4	explains the reasons behind a decision or change that impacts the team						
5	helps team members to understand how their work contributes to the company's objectives / strategy						
6	encourages team collaboration and mutual support within and across teams						
7	understands the problems team members face in their jobs (e.g. understands what workload or effort is behind a demand)						
8	keeps promises made to team members						

V		1. Key area for development	2. Area for development	3. Standard expected level	4. Strength	5. Key strength	Average of Category
1	understands the interests, motives and important concerns of team members						0.0
2	listens attentively to team member's ideas and concerns and takes these into account as appropriate						
3	handles conflicts and disagreements constructively and acts as a mediator						
4	promotes two way communication (e.g. stimulates open dialogue in discussions and/or whiteboard meetings)						
5	is personally accessible to and sociable with team members (e.g. takes the time to get to know team members and builds rapport)						
6	treats each individual team member with respect regardless their job or background						
7	encourages team members to voice their opinion also if this is different from his/her own opinion						
8	is receptive to and deals appropriately with work-related stress of team members						
OVERALL PMF AVERAGE		0.0					

Annex 6: Table of interviewees

Interview number	Gender	Seniority	Function	Language of the interview	Date of interview
1	F	34	Head of Business Architecture	French	16/11/16
2	M	14 + 1 (3y of break)	Head of Digital Services & Marketing Operations	English	16/11/16
3	F	23	Operations Process Owner	English	17/11/16
4	F	10	Head - Relationship Management	English	17/11/16
5	M	10	Head - Relationship Management. Product Sales Support	English	23/11/16
6	M	15	Product Management & Development	French	24/11/16
7	F	20	Head of Product Management	English	24/11/16
8	F	34	Sales Effectiveness Manager	Both	29/11/16
9	F	30	Operations Process Owner	French	29/11/16
10	M	21	Product Management & Development	French	29/11/16
11	F	26	Product Management & Development	French	30/11/16
12	M	1	Recruiter officer	French	30/11/16
13	F	2	Global Talent Acquisition and Internal Mobility Director (to check)	French	06/12/16
14	F	34	Head of Business Architecture	French	07/12/16
15	F	17	Head of Commercial Support & Client Experience	English	07/12/16
16	F	10	Head - Relationship Management	English	08/12/16
17	F	23	Operations Process Owner	English	08/12/16
18	M	14	Client Services Team Leader	English	08/12/16
19	M	12	Product Management & Development	French	13/12/16
20	M	9	Director Global Talent Management & Well-being (to check)	English	15/12/16
21	F	26	Product Management & Development	English	08/03/16
Approximately 25 Informal Talks with employees of other divisions	Both	Various	Various	Both	Multiple

Annex 7: Interviews analysis

14	It's during the weekly one-to-one that he identifies with his crew if they need to do a training
15	Most of what you do on your day to day is training and development.
16	Part of coaching or mentoring should be integrated in each one to one or in the day to day
17	He has a very hands off approach, but it's a problem with people how need more structure
18	He speaks of the management style evolution according to people maturity and specifies that he does only coaching and delegating.
19	It's interesting to look at people's long term evolution
20	Managers (and area managers) have an important power over their management style
21	There are certain common cultural aspects that run through the whole of the area management and the commercial senior management teams (28')
22	There are common values, but the how they are lived varied. Some people are far more lead by details, others aren't.
23	He believes that people operate at the level of details they are comfortable with
24	In a healthy organization people are empowered and accountable, top managers don't meddle down.
25	You empower people by delegating more
26	It's ok for you to make some of my decisions and it's ok if you make some of them wrong,

Annex 8: interview guide

Subjects: Introduction – defining role – organizational culture – leadership styles in the organization, the division, and personal style – practices of competency development, perception of managerial role, time dedicated to management – power games in the organization and studied division.

No specific question on power games, but opportunistic questions during conversation.

Start by introduction, then adapt depending on the conversation.

- Could you introduce yourself? Your role?
- In your day-to-day work, what is the importance of skills development?
- How much time do you dedicate to your manager role out of a normal week?
- What do you do for your personal self-development? Does that impact your practices with your subordinates?
- Is it your role to help people to develop themselves? Why? How?
- Could you explain by giving some examples your practices of competency development?
- Do you feel that you live a roles conflict between manager and expert roles?
- According to you, what is it to be a manager?
- How would you describe Euroclear culture?
- Would you say that there are two cultures? Why? What could justify pretending that or not?
- Where does organizational culture come from? What constitutes it? What influences how you work every day?
- How does organizational culture impact your managerial role? If not, why?
- Are they opinion leaders in the division? If yes, what impact do they have?
- How managers' personalities influence their leadership styles?
- Do you have stories that according to you represent Euroclear culture?
- What do you think of Euroclear values? Are they lived in the organization? If talks about his/her personal values ask how they impact his/her management practices.
- What is your opinion about the PMF + Performance appraisals.

Annex 9: Analysis grid

This grid is based on Greimas actantial model (see Van Campenhoudt & Quivy, 2011).

